



Financial Statements
September 30, 2020
City of Caldwell, Idaho

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CITY OF CALDWELL, IDAHO

CITY OFFICIALS

September 30, 2020

MAYOR

Garret L. Nancolas

COUNCIL

Mike Pollard – Council President

Dennis Callsen

Robert Hopper

Jarom Wagoner

Chris Allgood

John McGee

CITY CLERK

Debbie Geyer

CITY TREASURER / FINANCE DIRECTOR

Carol Mitchell



Independent Auditor's Report

Members of City Council
City of Caldwell, Idaho
Caldwell, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Caldwell (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Caldwell, as of September 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of employer's share of net pension asset/liability and employer's contributions, the schedule of changes in the City's total OPEB liability and related ratios, and budgetary comparison information as listed in the table of contents 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 16, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the City's 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 Caldwell's internal control over financial reporting and compliance.

Eide Bailly LLP

Boise, Idaho
February 16, 2021

Management of the City of Caldwell, Idaho, (the City) offers readers of these financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Caldwell, Idaho exceeded its liabilities and deferred inflows of resources at September 30, 2020, by \$319,418,808. This is an increase of \$32,762,112 over the September 30, 2019, beginning balance of \$286,656,696. Of this amount, unrestricted net position of \$72,084,803 may be used to meet the City's ongoing obligations to citizens compared to \$61,027,171 on September 30, 2019.
- As of September 30, 2020, the City of Caldwell's governmental funds reported combined ending fund balances of \$38,071,361. This is an increase of \$2,708,529 over the September 30, 2019, balance of \$35,362,832. Of this amount, \$3,795,860 is unassigned and available for spending compared to \$2,711,204 on September 30, 2019, and \$34,275,501 is assigned or committed for specific future purposes, and classified as nonspendable fund balance compared to \$32,651,628 on September 30, 2019.
- Management has assigned \$11,157,171 for city operations and city projects of the \$26,658,699 in the general fund.
- The City of Caldwell's total debt obligation is \$0 compared to \$1,050,000 last year.

An explanation of the events and activities giving rise to the increases or decreases between years is provided in the main body of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These financial statements are comprised of three components:

- 1) government-wide financial statements
- 2) fund financial statements
- 3) notes to the financial statements

The report also contains required supplementary information and other supplementary information.

Government-wide Financial Statements.

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all City assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing 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.

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 include general government, public safety, parks and recreation, community services, community development, streets and other charges. The business-type activities of the City include water, sewer, sanitation, golf, street lighting, and irrigation.

Fund Financial Statements.

A fund is a grouping of related accounts that are 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. All of the funds of the City of Caldwell can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 available resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing 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 current financing 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 the comparison between the two.

The City maintains eleven governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and street fund, which are considered major funds. Data from the other nine funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The City maintains two different types of proprietary funds, namely enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains six individual enterprise funds. Information is presented separately in the proprietary statement of net position and the proprietary statement of revenues, expenses and changes in fund net position for the Water, Sewer and Sanitation funds, which are considered major funds. Data from the other three funds are combined into a single, aggregated presentation. Nonmajor proprietary funds are provided in the form of combining statements elsewhere in this report.

Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its employee section 125-benefit plan and to maintain and administer a post-retirement Health Retirement Account Voluntary Employee Beneficiary Association (HRA

VEBA) authorized under Internal Revenue Code 501(c)(9). Data from these funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. Required supplementary information includes the budget to actual for the general fund and street fund. It also includes the schedules of the City's share of the net pension asset/liability and the City's contributions to the PERSI Base plan, FRF plan and OPEB plan. The combining statements referred to earlier in connection with nonmajor funds and internal service funds are presented immediately after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time, net position may serve as a useful indicator of a government's financial position. At September 30, 2020, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$319,418,808. This is an increase of \$32,762,112 over the September 30, 2019, balance of \$286,656,696. Current and other assets increased \$13,040,455, capital assets net of depreciation increased \$21,469,608, deferred outflows increased \$1,804,774, liabilities increased \$4,920,563 and deferred inflows of resources decreased \$1,367,838. The changes in the accounts above are attributed to changes in net position which are discussed below.

Investments in capital assets totaling \$247,334,005 represent by far the largest portion of the City's net position (77.43%). Capital assets are used to provide services to citizens and they are not available for future spending. Capital assets for governmental activities, net of accumulated depreciation, totaled \$144,547,721 at September 30, 2020, and increased \$16,927,664 from September 30, 2019, balance of \$127,620,057 for governmental activities. Capital assets, net of accumulated depreciation for business-type activities totaled \$102,786,284 at September 30, 2020 and increased \$4,541,944 from September 30, 2019, balance of \$98,244,340. Major asset additions are scheduled on page 12.

Governmental activities. Governmental activities increased the City's net position by \$19,090,793 (change in net position) accounting for a 11.66% increase in the net position. Governmental expenses totaled \$41,248,942 compared to \$35,495,091 in 2019. Police expenses increased \$298,384 for salary, benefits and capital. Fire expenses increased by \$594,330 for salary, benefits and capital.

Program revenues totaled \$30,291,845 which is \$3,126,707 more than last year and covered 73.4% of governmental expenses. Major component of this increase includes an increase of \$520,155 in Sales tax and other governmental revenues and an increase of \$4,740,663 in Urban Renewal projects and in increase in charges for services of \$244,138.

Expenses less program revenues produced a net expense of \$10,957,097. When netted against general revenues of \$30,047,890 the change in net position for governmental activities is an increase of \$19,090,793 (see statement on page 17).

Business-type activities. Business-type activities increased the City's net position by \$13,671,319 accounting for an 11.12% increase in the City's net position. Business-type expenses totaled \$20,981,661 compared to \$19,631,615 in 2019. Restricted net position decreased as a result of the City paying off the sewer bond. Expenses for water, sewer, sanitation, and irrigation increased \$193,185, \$266,110, \$383,911, and \$245,879, respectively. The water increase of \$193,185 resulted from increases in personnel and contracted services. The sewer increase of \$266,110 resulted from increases in personnel and maintenance and operations. The sanitation expense increase of \$383,911 was caused by an increase in contractual services. The \$245,879 increase in irrigation resulted from an increase in contractual services.

Program revenues totaled \$33,403,492 compared to \$28,254,873 in 2019 and covered 159.2% of expenses. Major components of this \$5,148,619 increase included fee increases and customer base growth. These two factors added \$597,993 in the water fund charges for services. Similarly, increases in charges for services in the sewer fund of \$1,044,071, are attributed to fee increases for septic dump services, interceptor and plant capacity fees. These increases are also the result of an improving economy and increasing construction activity.

General revenues totaled \$1,249,488 compared to \$1,510,140 last year and covered 5.96% of expenses. General revenues comprise investment earnings of \$423,889, unrealized gain on investments of \$358,571, project reimbursements from property owners and time and materials reimbursements and franchise fees of \$391,891 and transfers from governmental activities of \$67,377.

Expenditures less program revenues produced net revenue of \$12,421,831. When combined with general revenues of \$1,249,488, the change in net position for business-type activities is an increase of \$13,671,319 (see statement of activities on page 17).

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other	\$ 70,039,406	\$ 64,155,425	\$ 36,793,332	\$ 29,636,858	\$ 106,832,738	\$ 93,792,283
Capital Assets	144,547,721	127,620,057	102,786,284	98,244,340	247,334,005	225,864,397
Total Assets	<u>214,587,127</u>	<u>191,775,482</u>	<u>139,579,616</u>	<u>127,881,198</u>	<u>354,166,743</u>	<u>319,656,680</u>
Deferred Outflows	2,821,100	1,206,053	386,016	196,289	3,207,116	1,402,342
Short-Term Liabilities	5,321,297	3,941,182	2,000,565	4,181,692	7,321,862	8,122,874
Long-Term Liabilities	9,978,415	4,880,963	1,272,770	648,647	11,251,185	5,529,610
Total Liabilities	<u>15,299,712</u>	<u>8,822,145</u>	<u>3,273,335</u>	<u>4,830,339</u>	<u>18,573,047</u>	<u>13,652,484</u>
Deferred Inflows	<u>19,333,377</u>	<u>20,475,045</u>	<u>48,627</u>	<u>274,797</u>	<u>19,382,004</u>	<u>20,749,842</u>
Investment in						
Capital Assets	144,547,721	127,620,057	102,786,284	97,194,340	247,334,005	224,814,397
Restricted	-	-	-	815,128	-	815,128
Unrestricted	<u>38,227,417</u>	<u>36,064,288</u>	<u>33,857,386</u>	<u>24,962,883</u>	<u>72,084,803</u>	<u>61,027,171</u>
Total Net Position	<u>\$ 182,775,138</u>	<u>\$ 163,684,345</u>	<u>\$136,643,670</u>	<u>\$ 122,972,351</u>	<u>\$319,418,808</u>	<u>\$ 286,656,696</u>

At the end of the current fiscal year, the City is able to report positive balances in all two categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

City of Caldwell's Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 12,709,470	\$12,465,332	\$ 27,597,337	\$25,315,226	\$ 40,306,807	\$ 37,780,558
Operating grants and contributions	3,445,758	3,539,042	6,284	-	3,452,042	3,539,042
Capital grants and contributions	14,136,617	11,160,764	5,799,871	2,939,647	19,936,488	14,100,411
General revenues:						
Property taxes-general purpose	18,625,743	17,511,858	-	-	18,625,743	17,511,858
Property taxes-debt service	-	-	-	-	-	-
Franchise fees	718,134	830,964	-	-	718,134	830,964
Sales tax and other government	7,919,614	7,399,459	-	-	7,919,614	7,399,459
Special assessments for debt service of LIDs	55,417	239,825	-	-	55,417	239,825
Unrestricted investment earnings	559,885	644,667	423,889	500,690	983,774	1,145,357
Unrestricted unrealized gain on investments	265,993	422,220	358,571	391,641	624,564	813,861
Miscellaneous	1,970,481	162,223	391,891	415,086	2,362,372	577,309
Gain on disposal of asset	-	-	7,760	12,412	7,760	12,412
Internal transfers	(67,377)	(190,311)	67,377	190,311	-	-
Total revenues	60,339,735	54,186,043	34,652,980	29,765,013	94,992,715	83,951,056
Expenses:						
General government	7,241,451	4,562,281	20,981,661	19,631,615	28,223,112	24,193,896
Public safety	18,858,480	17,772,676	-	-	18,858,480	17,772,676
Culture and recreation	2,431,321	2,506,169	-	-	2,431,321	2,506,169
Community services and development	4,344,228	3,218,266	-	-	4,344,228	3,218,266
Streets	8,367,462	7,435,699	-	-	8,367,462	7,435,699
Interest on long-term debt	6,000	-	-	-	6,000	-
Total expenses	41,248,942	35,495,091	20,981,661	19,631,615	62,230,603	55,126,706
Net Revenue	\$ 19,090,793	\$18,690,952	\$ 13,671,319	\$10,133,398	\$ 32,762,112	\$ 28,824,350

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Caldwell uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The purpose of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of cash and near cash resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At September 30, 2020, the City's governmental funds reported combined ending fund balances of \$38,071,361. Of this amount, \$3,795,860 (9.97%) is unassigned fund balance in the general fund. Other assigned fund balances include: \$6,409,595 to be used for community services related to street projects, \$8,797,371 to be used for City General operations, \$2,359,800 to be used for City projects, \$190,596 for building capital maintenance, and \$3,066,571 only to be used to fund activities in the community services of the City's Other Governmental Funds. Additionally, \$1,203,100 can only be used to fund library expenditures and \$430,430 must be used to pay debt obligations. Fund balance committed for public safety and capital outlay are \$4,954,701 and \$4,241,133, respectively. Additionally, \$2,474,949 is committed for Building Safety. Finally, \$147,255 is classified as non-spendable with the \$41,658 being inventory, \$51,478 being notes receivable, and \$54,119 being pre-paid expenditures.

The general fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance was \$3,795,860. Within the assigned fund balance, the City should maintain \$8,797,371 to pay personnel and operation expenses from October 1st until property tax revenues are received in late January. Additionally, \$2,359,800 has been budgeted and assigned from fund balance to build a new Parks and Recreation office and provide improvements to the dog park. The remaining unassigned fund balance of \$3,795,860 can be used for one-time expenditures approved by city council. Total fund balance amounted to \$26,658,699, which is \$1,907,617 more than last year. Revenues exceeded budget by \$929,626 while expenditures were under budget \$3,071,559. The net of other financing sources/uses was under budget by (\$531,623). Net change in general fund's fund balance due to positive budget variances is an increase of \$3,469,562.

As a measure of the general fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures of \$31,983,466. Unassigned fund balance represents 11.87% and total fund balance represents 83.35% of total general fund expenditures. This unassigned fund balance represents 12.37% of budgeted general fund expenditures of \$30,682,510 in 2021.

Major components affecting the general fund's total fund balance are \$4,954,701 committed for safety services and committed funds from impact fees for new parks, police and fire capital improvements and capital equipment for park's maintenance of \$4,241,133. Receivables for property taxes due within one year total \$15,476,482.

The street fund builds, maintains and monitors all roads, bridges, storm drains and other public easements within city limits. At the end of the current fiscal year, assigned fund balance in the street fund was \$6,409,595, which is \$64,738 greater than last year. This fund balance is designated for streets and related transportation projects and is reported to the State Transportation Department annually. The street fund tries to maintain fund balance to cover all budgeted capital expenditures for the coming fiscal year to insure timely payment of all current obligations, contracts and construction projects. The next fiscal year capital expenditures budget equals \$1,683,868.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The changes in total net position for the Water, Sewer, and Sanitation funds were \$5,121,898, \$6,715,368 and \$235,214, respectively. Total net position increase in the water fund resulted from excess revenues over expenditures of \$2,477,969 (before contributions and transfers). The increase in sewer fund net position also resulted from excess revenues over expenditures of \$5,236,647 (before contributions and transfers). The increase in the sanitation fund net position also resulted from excess revenues over expenditures of \$235,214 (before contributions and transfers).

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget to Actual Revenues. General fund revenues exceeded budget projections by \$929,626. This variance is reported in detail on page 67. Property tax revenue is \$340,771 over budget resulting from delinquent tax collections. Intergovernmental revenues, which are comprised of sales tax and revenue sharing, exceeded budget by \$751,828. All these increases are signs of an improving economy.

Budget to Actual Expenditures. Savings in general fund expenditures totaled \$3,071,559. General government expenditures were under budget by \$1,912,386 due to savings in operations. Public safety expenditures were under budget by \$998,403 due to savings in operations.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities at September 30, 2020, amounts to \$247,334,005 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings including water and sewer service lines and streetlights, automobiles and equipment, infrastructure including streets, roads and bridges, and construction in progress. The City added \$32,914,676 in capital assets during the year and retired assets totaling \$917,395. Depreciation expense for the year was \$10,878,439.

Major capital asset additions during the current fiscal year included the following:
 Governmental Funds:

• Airport Land	\$ 1,962,341
• Gen Fund Land & Building Improvements	422,191
• Gen Fund Vehicles & Equipment	89,931
• Fire Machinery & Equipment	77,198
• Police Vehicles	333,239
• Cemetery Building	141,928
• Park & Cemetery Equipment & Vehicles	187,462
• Airport Buildings & Improvements	353,092
• Road & Pathway Construction	2,639,443
• Concrete Sidewalk Construction	181,441
• Street Equipment & Vehicles	1,213,180
• Fire Station #3 Building	3,419,135
• Wolfe Field/Simplot Lighting	1,153,410
• Street Shop Parking Lot	31,169
• Park Improvements	71,517
• Gen Fund Improvements-Downtown	418,385
• Dedicated Streets	8,431,750
• Dedicated Storm Drains	348,980
• Land Purchase Park	1,158,661
• ROW's and Easements	883,012

Enterprise Funds:

• Water Department Vehicles & Machinery	\$ 266,550
• Sewer Department Machinery	94,729
• Dedicated Water Lines	2,627,407
• Water Meters & Water Line Improvements	378,529
• Dedicated Sewer Lines	1,470,115
• Irrigation Pump Station Rebuilds & Upgrades	678,511
• Dedicated Irrigation	1,102,779
• Sewer Plant Site Improvements	1,238,630
• Sewer Pump and Drain Improvements/Extension	713,983
• Dedicated Street Lights	599,569
• Well Improvements	226,409

Additional information on the City's capital assets can be found in Note 5.

Long-term debt. At the end of the current fiscal year, the City had \$0 in outstanding debt.

The City's total debt decreased \$1,050,000 during the current fiscal year from the 2019 balance of \$1,050,000. No new long-term debt was added during 2020. Interest cost incurred in 2020 on long-term debt totaled \$36,094. Additional information on the City's long-term debt can be found in Note 7.

ECONOMIC FACTORS AND NEXT YEAR'S PLANS

Enterprise fund utility rate increases varied in 2020. Water and sewer rates were increased 4.9% and 4.9%, respectively in 2020. Sanitation (garbage collection) rates increased 2.44% and streetlights increased 3%. These rates are set by council resolution each year including a public hearing for fee increases in excess of 5% of the fee previously charged.

Pending Conditions of Significant Importance. Economic conditions continued to improve in 2020. The demand for new single-family residential units in 2020 resulted in 831 building permits issued. Real estate prices and sales increased as more buyers continued to enter the market. As home sales prices increased, so did the county assessed values. After losing \$411,226,467 in assessed value from 2008 – 2013, assessed values rebounded further in 2020 by \$329,036,300. New construction and annexations added \$122,329,927. Taxable values at September 30, 2020, reached \$2,774,335,419 compared to the highest values recorded in 2008 of \$1,492,249,718. Property taxes levied on this \$2,774,335,419 are \$18,929,577 compared to \$12,226,839 levied on the \$1,492,249,718 in 2008 with a levy rate of 82.5 mills. The result of increased funding at lower assessed values is higher levy rates. City-wide levy rates dropped 8.9% to 73.9 mills in 2020 compared to 82.8 mills in 2019. City council reduced the levy rate 5.52% to 68.4 mills in the 2021 budget and plans to continue levy rate reductions in future years.

The economy is returning to sustainable levels of new construction. Building permits, January-December, for new construction commercial and residential were 534 in 2017, 631 in 2018, 831 in 2019 and 955 in 2020. Demand for residential building permits should continue to increase at these levels in 2021. Demand for commercial building permits should stay the same in 2021.

Requests for Information. This financial report is designed to provide a general overview of the City of Caldwell's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Caldwell, P.O. Box 1179 411 Blaine St., Caldwell, Idaho 83606.

City of Caldwell, Idaho
Statement of Net Position
September 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash, investments and cash equivalents	\$ 38,125,547	\$ 33,679,259	\$ 71,804,806
Prepaid expenses	54,119	2,500	56,619
Receivables			
Interest	254,816	26,480	281,296
Taxes	19,571,237	-	19,571,237
Intergovernmental	3,228,582	-	3,228,582
Accounts	850,197	2,995,698	3,845,895
Special assessments	239,276	-	239,276
Grants	530,959	1,224	532,183
Notes receivable, current portion	326,478	-	326,478
Internal balances	123,000	(123,000)	-
Inventory	41,658	211,171	252,829
Total current assets	<u>63,345,869</u>	<u>36,793,332</u>	<u>100,139,201</u>
Noncurrent Assets			
Restricted cash, investments and cash equivalents	138,538	-	138,538
Restricted investments	286,839	-	286,839
Net pension asset	6,268,160	-	6,268,160
Capital assets			
Land and other assets not depreciated	22,402,714	16,958,432	39,361,146
Capital assets being depreciated	122,145,007	85,827,852	207,972,859
Total noncurrent assets	<u>151,241,258</u>	<u>102,786,284</u>	<u>254,027,542</u>
Deferred Outflows of Resources			
OPEB obligation	93,939	-	93,939
Pension obligation	2,727,161	386,016	3,113,177
Total deferred outflows of resources	<u>2,821,100</u>	<u>386,016</u>	<u>3,207,116</u>

City of Caldwell, Idaho
Statement of Net Position
September 30, 2020

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Current Liabilities			
Vouchers and payroll payable	4,286,361	1,340,675	5,627,036
Customer deposits	1,378	493,304	494,682
Current portion of compensated absences	1,033,558	166,586	1,200,144
Total current liabilities	<u>5,321,297</u>	<u>2,000,565</u>	<u>7,321,862</u>
Noncurrent Liabilities			
Compensated absences payable	352,128	-	352,128
OPEB liability	723,395	-	723,395
Net pension liability	8,902,892	1,272,770	10,175,662
Total noncurrent liabilities	<u>9,978,415</u>	<u>1,272,770</u>	<u>11,251,185</u>
Deferred Inflows of Resources			
Pension obligation	306,552	48,627	355,179
OPEB obligation	43,612	-	43,612
Unavailable property tax revenue	18,983,213	-	18,983,213
Total deferred inflows of resources	<u>19,333,377</u>	<u>48,627</u>	<u>19,382,004</u>
Net Position			
Investment in capital assets	144,547,721	102,786,284	247,334,005
Unrestricted	38,227,417	33,857,386	72,084,803
Total net position	<u>\$ 182,775,138</u>	<u>\$ 136,643,670</u>	<u>\$ 319,418,808</u>

City of Caldwell, Idaho
Statement of Activities
Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities					
General government					
Executive and legislative	\$ 366,828	\$ -	\$ -	\$ -	\$ (366,828)
Administrative	352,266	-	-	-	(352,266)
Legal	209,435	-	-	-	(209,435)
City clerk	199,802	40,034	-	-	(159,768)
Accounting	317,151	-	-	-	(317,151)
Tort insurance	384,951	384,851	-	-	(100)
Other general government	3,935,667	953,025	-	-	(2,982,642)
Government buildings and engineering services	1,475,351	1,586,208	-	-	110,857
Public safety					
Law enforcement	10,789,806	795,461	228,534	-	(9,765,811)
Fire department	6,888,492	2,783,044	218,392	-	(3,887,056)
Building safety	1,180,182	2,810,041	-	-	1,629,859
Parks and recreation					
Parks	2,219,920	1,328,766	-	-	(891,154)
Culture and recreation	211,401	115,819	-	-	(95,582)
Community services					
Community services	3,518,118	422,396	11,167	1,106,585	(1,977,970)
Community development	769,008	-	2,695,880	12,898,911	14,825,783
Senior citizens	57,102	-	-	-	(57,102)
Streets	8,367,462	1,489,825	291,785	131,121	(6,454,731)
Interest on long-term debt	6,000	-	-	-	(6,000)
Total governmental activities	<u>41,248,942</u>	<u>12,709,470</u>	<u>3,445,758</u>	<u>14,136,617</u>	<u>(10,957,097)</u>
Business-Type Activities					
Water	4,532,745	6,529,334	1,089	2,627,408	4,625,086
Sewer	8,144,407	12,965,837	4,395	1,470,115	6,295,940
Sanitation	4,803,177	4,826,140	-	-	22,963
Golf	1,269,942	1,036,693	800	-	(232,449)
Street lighting	741,541	659,493	-	599,569	517,521
Irrigation	1,489,849	1,579,840	-	1,102,779	1,192,770
Total business-type activities	<u>20,981,661</u>	<u>27,597,337</u>	<u>6,284</u>	<u>5,799,871</u>	<u>12,421,831</u>
Total Primary Government	<u>\$ 62,230,603</u>	<u>\$40,306,807</u>	<u>\$ 3,452,042</u>	<u>\$19,936,488</u>	<u>\$ 1,464,734</u>

City of Caldwell, Idaho
Statement of Activities
Year Ended September 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Change in Net Position			
Net revenue (expense)	\$ (10,957,097)	\$ 12,421,831	\$ 1,464,734
General revenues			
Shared revenues			
Property taxes, levied for general purposes	18,625,743	-	18,625,743
Franchise fees	718,134	-	718,134
Sales tax and other governmental	7,919,614	-	7,919,614
Special assessments for debt service of Local Improvement Districts	55,417	-	55,417
Unrestricted investment earnings	559,885	423,889	983,774
Unrestricted unrealized gain on investments	265,993	358,571	624,564
Miscellaneous	1,970,481	391,891	2,362,372
Gain on disposal of assets	-	7,760	7,760
Transfers	(67,377)	67,377	-
Total general revenues and transfers	<u>30,047,890</u>	<u>1,249,488</u>	<u>31,297,378</u>
Change in Net Position	19,090,793	13,671,319	32,762,112
Net Position, Beginning of Year	<u>163,684,345</u>	<u>122,972,351</u>	<u>286,656,696</u>
Net Position, End of Year	<u>\$ 182,775,138</u>	<u>\$ 136,643,670</u>	<u>\$ 319,418,808</u>

City of Caldwell, Idaho
Balance Sheet – Governmental Funds
September 30, 2020

	General	Street	Other Governmental Funds	Total Governmental Funds
Assets				
Cash, investments and cash equivalents	\$ 26,372,372	\$ 6,994,234	\$ 3,859,510	\$ 37,226,116
Prepaid expenses	34,885	2,623	16,611	54,119
Receivables				
Interest	33,845	5,158	215,381	254,384
Taxes	15,560,513	2,266,308	1,744,416	19,571,237
Intergovernmental	1,580,246	1,242,460	405,877	3,228,583
Accounts	789,164	26,821	34,212	850,197
Special assessments	-	-	239,277	239,277
Grants	281,348	909	248,702	530,959
Notes	-	-	51,478	51,478
Due from other funds	108,492	-	94,738	203,230
Advances	-	-	212,000	212,000
Inventory	-	41,658	-	41,658
Restricted cash and cash equivalents	7,975	-	130,563	138,538
Restricted investments	-	-	286,839	286,839
	<u>\$44,768,840</u>	<u>\$10,580,171</u>	<u>\$ 7,539,604</u>	<u>\$ 62,888,615</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Vouchers and payroll payable	\$ 2,147,295	\$ 1,859,987	\$ 274,081	\$ 4,281,363
Customer deposits	-	-	1,378	1,378
Due to other funds	23,738	-	108,492	132,230
Total liabilities	<u>2,171,033</u>	<u>1,859,987</u>	<u>383,951</u>	<u>4,414,971</u>
Deferred Inflows of Resources				
Unavailable property tax revenue	15,476,482	2,266,308	1,744,416	19,487,206
Unavailable revenue-other	462,626	-	452,451	915,077
Total deferred inflows of resources	<u>15,939,108</u>	<u>2,266,308</u>	<u>2,196,867</u>	<u>20,402,283</u>
Fund Balances				
Nonspendable	34,885	44,281	68,089	147,255
Committed for public safety	4,954,701	-	-	4,954,701
Committed for capital outlay	4,241,133	-	-	4,241,133
Committed for Building Safety	2,474,949	-	-	2,474,949
Assigned for building capital maintenance	-	-	190,596	190,596
Assigned for library services	-	-	1,203,100	1,203,100
Assigned for debt services	-	-	430,430	430,430
Assigned for community services	-	6,409,595	3,066,571	9,476,166
Assigned for operations	8,797,371	-	-	8,797,371
Assigned for city projects	2,359,800	-	-	2,359,800
Unassigned	3,795,860	-	-	3,795,860
Total fund balances	<u>26,658,699</u>	<u>6,453,876</u>	<u>4,958,786</u>	<u>38,071,361</u>
	<u>\$44,768,840</u>	<u>\$10,580,171</u>	<u>\$ 7,539,604</u>	<u>\$ 62,888,615</u>

See Notes to Financial Statements

City of Caldwell, Idaho
 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
 September 30, 2020

Fund balance - total governmental funds		\$ 38,071,361
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The costs of the assets is \$204,170,601 and the accumulated depreciation is \$59,622,880.</p>		144,547,721
<p>Some of the property taxes receivable are not available to pay for current-period expenditures and therefore are deferred in the funds.</p>		503,995
<p>Some of the notes receivable are not available to pay for current-period expenditures and therefore are deferred in the funds.</p>		462,626
<p>Some of the City's long-term receivables will be collected after year-end, but are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:</p>		
Interest receivable on community development loans	18,284	
Special assessments	434,167	452,451
<p>The obligations related to the PERSI base plan and the PERSI FRF plan are not due and payable in the current period nor are they financial resources in the current period. Therefore, they are not reported in the funds.</p>		
Net pension asset related to the PERSI FRF plan	6,268,160	
Net pension liability related to the PERSI base plan	(8,902,892)	
Deferred inflow of resources related to PERSI plans	(306,552)	
Deferred outflow of resources related to PERSI plans	2,727,161	(214,123)
<p>Long-term interfund loan is not due and payable in the current period and therefore is not reported in the funds.</p>		(160,000)
<p>Notes receivable from other governments is not available in the current period and therefore is not reported in the funds.</p>		275,000
<p>A portion of the accrued compensated absences are not due and payable in the current period and therefore, are not reported in the funds.</p>		(1,385,686)
<p>Internal service funds are used by management to charge the costs of certain employee benefits to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.</p>		221,793
<p>Net position of governmental activities</p>		\$ 182,775,138

City of Caldwell, Idaho
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended September 30, 2020

	General	Street	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 14,793,021	\$ 2,156,974	\$ 1,692,339	\$ 18,642,334
Franchise fees	718,134	-	-	718,134
Interest	354,901	91,520	104,636	551,057
Licenses and permits	2,850,075	-	-	2,850,075
Intergovernmental	3,328,420	3,606,389	1,375,559	8,310,368
Capital grants	-	131,121	999,338	1,130,459
Operating grants	2,882,638	739,674	2,373,725	5,996,037
Charges for services	7,552,473	1,489,825	817,097	9,859,395
Assessments	-	-	55,417	55,417
Unrealized gain on investments	152,507	55,120	50,701	258,328
Miscellaneous	1,193,243	60,366	298,422	1,552,031
Total revenues	<u>33,825,412</u>	<u>8,330,989</u>	<u>7,767,234</u>	<u>49,923,635</u>
Expenditures				
Current				
General government	5,494,191	-	-	5,494,191
Public safety	17,920,770	-	-	17,920,770
Culture and recreation	211,401	-	1,782,015	1,993,416
Community services	482,193	-	3,247,192	3,729,385
Streets	-	4,931,053	-	4,931,053
Debt service				
Principal repayments on interfund loan	40,000	-	-	40,000
Interest and other	6,000	-	-	6,000
Capital outlay	7,828,911	3,555,058	2,337,293	13,721,262
Total expenditures	<u>31,983,466</u>	<u>8,486,111</u>	<u>7,366,500</u>	<u>47,836,077</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,841,946</u>	<u>(155,122)</u>	<u>400,734</u>	<u>2,087,558</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	111,001	19,251	14,175	144,427
Contributions from other entities	52,721	-	216,200	268,921
Loan repayments from other governments	-	-	275,000	275,000
Transfers in	-	57,001	45,801	102,802
Transfers out	(98,051)	-	(72,128)	(170,179)
Total other financing sources	<u>65,671</u>	<u>76,252</u>	<u>479,048</u>	<u>620,971</u>
Net Change in Fund Balances	1,907,617	(78,870)	879,782	2,708,529
Fund Balance, Beginning of Year	<u>24,751,082</u>	<u>6,532,746</u>	<u>4,079,004</u>	<u>35,362,832</u>
Fund Balance, End of Year	<u>\$ 26,658,699</u>	<u>\$ 6,453,876</u>	<u>\$ 4,958,786</u>	<u>\$ 38,071,361</u>

City of Caldwell, Idaho
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
 Funds to the Statement of Activities
 Year Ended September 30, 2020

Net change in fund balances - total governmental funds	\$ 2,708,529
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Government funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	13,721,262
Depreciation expense	(6,023,173)
<p>In the statement of activities, the gain (loss) on sale of the equipment is reported, whereas in the governmental funds, the proceeds from sales increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the equipment sold.</p>	
	(566,629)
<p>Capital assets contributed do not provide financial resources.</p>	
	9,796,204
<p>Some property tax revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	(16,591)
<p>Some of the City's long-term receivables will not be collected for several months after the City's fiscal year end and they are not considered available revenues in the governmental funds, but are instead counted as unavailable revenues. They are however, recorded as revenues in the statement of activities.</p>	
Special assessments	(44,172)
Property Sale - deferred	462,626
<p>Payments received on note receivable with other governments create financial resources in governmental funds but are recorded as a reduction in notes receivable in the statement of net position.</p>	
	(275,000)
<p>Revenues (expenditures) related to the PERSI obligations do not require the use of current financial resources and therefore, are not reported as revenue or expenditures in the governmental funds.</p>	
	(413,092)
<p>Long-term interfund loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of interfund loan principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.</p>	
Interfund loan principle payments	40,000
<p>Expenditures related to the long-term portion of accrued compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
	(352,668)
<p>Internal service funds are used by management to charge the costs of certain employee benefits to individual funds. The net revenue (expense) of certain internal service funds are included in governmental activities in the statement of activities.</p>	
	53,497
Change in Net Position	\$ 19,090,793

City of Caldwell, Idaho
Statement of Net Position – Proprietary Funds
September 30, 2020

	Enterprise Funds					Governmental
	Water	Sewer	Sanitation	Other	Total	Activities
				Enterprise Funds		Internal Service Funds
Assets						
Current Assets						
Cash, investments and cash equivalents	\$12,771,048	\$ 16,754,790	\$1,196,223	\$ 2,957,198	\$ 33,679,259	\$ 899,432
Prepaid expenses	-	2,500	-	-	2,500	-
Receivables						
Interest	10,356	13,667	577	1,880	26,480	429
Accounts, net	664,768	1,241,746	584,972	504,212	2,995,698	-
Grants	484	222	-	518	1,224	-
Due from other funds	-	-	40,000	-	40,000	-
Advances	-	-	120,000	-	120,000	-
Inventory	181,692	-	-	29,479	211,171	-
Total current assets	13,628,348	18,012,925	1,941,772	3,493,287	37,076,332	899,861
Noncurrent Assets						
Capital assets						
Capital assets not being depreciated	784,436	15,663,314	-	510,682	16,958,432	-
Capital assets being depreciated (net)	25,262,404	53,484,332	58,988	7,022,128	85,827,852	-
Total noncurrent assets	26,046,840	69,147,646	58,988	7,532,810	102,786,284	-
Deferred Outflow of Resources						
OPEB obligation	-	-	-	-	-	93,939
Pension obligation	198,899	124,670	-	62,447	386,016	-
Total deferred outflow of resources	198,899	124,670	-	62,447	386,016	93,939
	\$39,874,087	\$ 87,285,241	\$2,000,760	\$11,088,544	\$140,248,632	\$ 993,800

City of Caldwell, Idaho
Statement of Net Position – Proprietary Funds
September 30, 2020

	Enterprise Funds					Governmental
	Water	Sewer	Sanitation	Other	Total	Activities
				Enterprise Funds		Internal Service Funds
Liabilities						
Current Liabilities						
Vouchers and payroll payable	\$ 187,358	\$ 375,088	\$ 371,917	\$ 406,312	\$ 1,340,675	\$ 5,000
Customer deposits	392,301	70,656	-	30,347	493,304	-
Due to other funds	-	-	-	71,000	71,000	-
Advances	-	-	-	212,000	212,000	-
Current portion of compensated absences payable	125,585	18,355	-	22,646	166,586	-
Total current liabilities	705,244	464,099	371,917	742,305	2,283,565	5,000
Noncurrent Liabilities						
OPEB liability	-	-	-	-	-	723,395
Net pension liability	669,516	416,121	-	187,133	1,272,770	-
Total noncurrent liabilities	669,516	416,121	-	187,133	1,272,770	723,395
Deferred Inflow of Resources						
OPEB Obligation	-	-	-	-	-	43,612
Pension obligation	36,152	19,026	-	(6,551)	48,627	-
Total deferred inflow of resources	36,152	19,026	-	(6,551)	48,627	43,612
Net Position						
Investment in capital assets	26,046,840	69,147,646	58,988	7,532,810	102,786,284	-
Unrestricted	12,416,335	17,238,349	1,569,855	2,632,847	33,857,386	221,793
Total net position	38,463,175	86,385,995	1,628,843	10,165,657	136,643,670	221,793
	\$ 39,874,087	\$ 87,285,241	\$ 2,000,760	\$ 11,088,544	\$ 140,248,632	\$ 993,800

City of Caldwell, Idaho
Statement Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
Year Ended September 30, 2020

	Enterprise Funds					Governmental
	Water	Sewer	Sanitation	Other	Total	Internal
				Enterprise		Service
			Funds		Funds	
Operating Revenues						
Charges for services	\$ 5,984,101	\$ 12,778,376	\$ 4,826,140	\$ 3,276,026	\$ 26,864,643	\$ 198,616
Other	175,608	1,608	187,767	26,908	391,891	-
Total operating revenues	6,159,709	12,779,984	5,013,907	3,302,934	27,256,534	198,616
Operating Expenses						
Personnel expenses	1,639,144	984,831	-	561,861	3,185,836	-
Contractual services	764,406	2,074,809	4,689,107	801,199	8,329,521	104,798
Materials and supplies	77,853	319,344	76,291	246,986	720,474	-
Utilities	304,721	635,405	290	802,695	1,743,111	-
Repairs and maintenance	291,265	562,919	3,485	628,809	1,486,478	-
Other expenses	58,079	462,688	25,476	78,638	624,881	-
Depreciation	1,397,277	3,068,317	8,528	381,144	4,855,266	-
Total operating expenses	4,532,745	8,108,313	4,803,177	3,501,332	20,945,567	104,798
Operating Income (Loss)	1,626,964	4,671,671	210,730	(198,398)	6,310,967	93,818
Nonoperating Revenues (Expenses)						
Hook-on-fees	545,233	187,461	-	-	732,694	-
Interest expense	-	(36,094)	-	-	(36,094)	-
Interest income	158,557	211,535	18,380	35,417	423,889	8,828
Gain on the sale of assets	3,550	4,210	-	-	7,760	-
Other financial assistance - CARES Act	1,089	4,395	-	800	6,284	-
Unrealized gain on investments	142,576	193,469	6,104	16,422	358,571	7,662
OPEB expenses (offset)	-	-	-	-	-	(56,811)
Nonoperating revenues (expenses)	851,005	564,976	24,484	52,639	1,493,104	(40,321)
Income (Loss) Before Contributions and Transfers	2,477,969	5,236,647	235,214	(145,759)	7,804,071	53,497
Contributions from developers	2,627,408	1,470,115	-	1,702,348	5,799,871	-
Operating transfers in	16,521	8,606	-	52,250	77,377	-
Operating transfers out	-	-	-	(10,000)	(10,000)	-
Change in Net Position	5,121,898	6,715,368	235,214	1,598,839	13,671,319	53,497
Net Position, Beginning of Year	33,341,277	79,670,627	1,393,629	8,566,818	122,972,351	168,296
Net Position, End of Year	\$ 38,463,175	\$ 86,385,995	\$ 1,628,843	\$ 10,165,657	\$ 136,643,670	\$ 221,793

See Notes to Financial Statements

City of Caldwell, Idaho
Statement of Cash Flows – Proprietary Funds
Year Ended September 30, 2020

	Enterprise Funds			Other Enterprise Funds	Total	Internal Service Funds
	Water	Sewer	Sanitation			
Operating Activities						
Received from user charges	\$ 6,076,792	\$ 12,663,761	\$ 4,967,987	\$ 3,303,785	\$ 27,012,325	\$ 198,616
Payments to employees for services	(1,514,660)	(917,797)	-	(519,908)	(2,952,365)	-
Payments to suppliers for goods and services	(1,679,287)	(5,310,220)	(4,764,590)	(2,259,125)	(14,013,222)	(99,798)
Net Cash from Operating Activities	2,882,845	6,435,744	203,397	524,752	10,046,738	98,818
Noncapital Financing Activities						
Interfund loan payments received	-	-	40,000	-	40,000	-
Repayment of interfund loans	-	-	-	(71,000)	(71,000)	-
Transfers in	16,521	8,606	-	52,250	77,377	-
Transfers out	-	-	-	(10,000)	(10,000)	-
Other financial assistance - CARES Act	605	4,173	-	282	5,060	-
Net Cash from (used for) Noncapital Financing Activities	17,126	12,779	40,000	(28,468)	41,437	-
Capital and Related Financing Activities						
Acquisition of capital assets	(871,485)	(2,047,343)	-	(678,511)	(3,597,339)	-
Proceeds from sale of assets	3,550	4,210	-	-	7,760	-
Hook-on fees	545,233	187,461	-	-	732,694	-
Principal payments on bonds payable	-	(1,050,000)	-	-	(1,050,000)	-
Interest paid	-	(39,375)	-	-	(39,375)	-
Net Cash (used for) Capital and Related Financing Activities	(322,702)	(2,945,047)	-	(678,511)	(3,946,260)	-
Investing Activities						
Interest received on investments	160,101	223,481	19,669	38,357	441,608	9,045
Net increase in pooled investments	142,576	193,469	6,104	16,424	358,573	7,662
Net Cash from Investing Activities	302,677	416,950	25,773	54,781	800,181	16,707
Net Change in Cash, Investments and Cash Equivalents	2,879,946	3,920,426	269,170	(127,446)	6,942,096	115,525
Cash, Investments and Cash Equivalents, October 1, 2019	9,891,102	12,834,364	927,053	3,084,644	26,737,163	783,907
Cash, Investments and Cash Equivalents, September 30, 2020	\$ 12,771,048	\$ 16,754,790	\$ 1,196,223	\$ 2,957,198	\$ 33,679,259	\$ 899,432
Supplemental Information						
Contributed property, plant and equipment	\$ 2,627,408	\$ 1,470,115	\$ -	\$ 1,702,348	\$ 5,799,871	\$ -

City of Caldwell, Idaho
Statement of Cash Flows – Proprietary Funds
Year Ended September 30, 2020

	Enterprise Funds			Other Enterprise Funds	Total	Governmental
	Water	Sewer	Sanitation			Internal
						Service Funds
Reconciliation of Operating Income (Loss) to Net						
Cash from operating activities						
Operating income (loss)	\$ 1,626,964	\$ 4,671,671	\$ 210,730	\$(198,398)	\$ 6,310,967	\$ 93,818
Depreciation	1,397,277	3,068,317	8,528	381,144	4,855,266	-
GASB 68 pension expense	107,325	64,922	-	35,978	208,225	-
Changes in assets and liabilities						
Accounts receivable	(56,043)	(91,445)	(45,920)	(9,294)	(202,702)	-
Prepaid expenses	-	(2,500)	-	-	(2,500)	-
Inventory	(5,737)	-	-	11,064	5,327	-
Vouchers payable	(174,960)	(1,251,811)	30,059	288,326	(1,108,386)	5,000
Unearned revenue	-	-	-	(318)	(318)	-
Compensated absences	14,893	1,368	-	5,787	22,048	-
Customer deposits	(26,874)	(24,778)	-	10,463	(41,189)	-
Net Cash from Operating Activities	<u>\$ 2,882,845</u>	<u>\$ 6,435,744</u>	<u>\$ 203,397</u>	<u>\$ 524,752</u>	<u>\$10,046,738</u>	<u>\$ 98,818</u>

City of Caldwell, Idaho
Statement of Fiduciary Net Position – Fiduciary Funds
September 30, 2020

	Business Improvement District Fund	Agency Fund	Employee Benefit Plan Trust
Assets			
Cash	\$ 628	\$ 121,204	\$ 2,747,936
Accounts receivables	40,764	340	-
Due from other entities	-	71,374	-
	<u>41,392</u>	<u>192,918</u>	<u>2,747,936</u>
Total current assets	<u>\$ 41,392</u>	<u>\$ 192,918</u>	<u>\$ 2,747,936</u>
Liabilities			
Vouchers payables	\$ 41,392	\$ 192,918	\$ 52,155
Health claims incurred but not reported	-	-	380,551
Total long-term liabilities	<u>41,392</u>	<u>192,918</u>	<u>432,706</u>
Total liabilities	<u>41,392</u>	<u>192,918</u>	<u>432,706</u>
Net Position	<u>-</u>	<u>-</u>	<u>2,315,230</u>
Total Liabilities, and Net Position	<u>\$ 41,392</u>	<u>\$ 192,918</u>	<u>\$ 2,747,936</u>

City of Caldwell, Idaho
Statement Revenues, Expenses, and Changes in Net Position – Fiduciary Funds
Year Ended September 30, 2020

	Employee Benefit Plan Trust
Contributions	
Employer	\$ 3,366,718
Employees	253,414
COBRA	27,597
Total contributions	3,647,729
Other Income	
Rebates	44,060
Total other income	44,060
Deductions	
Insurance claim benefits	2,649,272
Change in health claims incurred but not paid	4,718
Stop loss premiums	400,858
Administrative expenses	250,454
Total deductions	3,305,302
Change in Net Position	386,487
Net Position, Beginning of Year	1,928,743
Net Position, End of Year	\$ 2,315,230

Note 1 - Summary of Significant Accounting Policies

City of Caldwell, Idaho (the City) operates under a Mayor and Council form of government and provides the following services as authorized by its charter: public safety (police and fire), parks and recreation, community services, streets, and general administrative services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The government's most significant accounting policies are described below.

Financial Reporting Entity

For financial reporting purposes, the financial statements for the City include all organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationships with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City's Mayor is responsible for appointing members of the Caldwell Housing Authority Board, but the City's accountability for this organization does not extend beyond making the appointments. Therefore, Caldwell Housing Authority is not included in the City's financial statements.

The Caldwell East Urban Renewal Agency (URA) was organized on December 21, 1998, to oversee redevelopment efforts in the Northeastern Caldwell areas. The Board of Commissioners for the Agency includes three members from City Council and three members from the public who reside within the urban renewal boundaries. The URA is no longer considered a component unit of the City and not included in the City's financial statements.

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 nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, 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 function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 to 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Street Fund - The Street Fund is used to account for the operation of the street system. Operation, maintenance and construction of the streets is provided by property taxes, state sales tax, state gas tax and federal/state transportation funds.

The City reports the following major enterprise funds:

Water Fund – The Water Fund is used to account for the operations of the water system.

Sewer Fund – The Sewer Fund is used to account for the operations of the sewer system.

Sanitation Fund – The Sanitation Fund is used to account for the billings and receipts for the City trash service. The trash collection is contracted out to an independent firm.

These funds are used to account for operations that are financed and operated in a manner similar to private business when the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered, primarily through user charges or when the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Additionally, the City reports the following fund types:

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost reimbursement basis. The City uses internal service funds to account for its employee section 125-benefit plan and to maintain and accumulate a post-retirement Health Retirement Account Voluntary Employee Beneficiary Association (HRA VEBA) authorized under Internal Revenue Code 501(c)(9). This plan is subject to vesting and provides post-retirement benefits only (see Note 9).

Fiduciary Funds – Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Government. Trust funds account for assets held by the Government under the terms of a formal trust agreement. Agency funds generally are used to account for assets that the Government holds on behalf of others as their agent, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds are as follows:

The Business Improvement District fund was established in the in Fiscal year 2017 to account for assets held in an agency capacity for the Downtown Caldwell Business Improvement District that was established pursuant to Ordinance No 3067 in August of 2016.

Agency Funds account for asset held by the City for others in an agency capacity. These are funds collected from community projects and donations.

Employee Benefit Plan Trust Funds account for the revenues received, expenses incurred and the net position available for health benefits of the City’s employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between various functions of the government when elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and products and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges for services to customers for sales and services. The Water and Sewer Funds also recognize as nonoperating revenue the portion of hook-on fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments, including restricted cash, with a maturity of three months or less when purchased to be cash equivalents. The investment purchases and sales information is not available for individual funds and management believes that due to the nature of pooled investments this information is not significant for purposes of understanding the statement of cash flows. Accordingly, the net change method is used to report cash flows from investments in these statements.

For purposes of efficient cash flow management and the management of temporary investments, the City utilizes external investment pools for its cash.

Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, commercial paper, corporate bonds, repurchase agreements, City coupon and local improvement district bonds.

Investments are stated at fair value as determined by quoted market prices. The City pools its cash and investments to maximize interest income. The City allocates interest income on investments to the various funds based on the average balance of the net contribution of the respective fund.

Property Taxes Receivable

Within the governmental fund financial statements, property taxes are recognized as revenue when the amount of taxes levied is measurable, and proceeds are available to finance current period expenditures.

Available tax proceeds include property tax receivables expected to be collected within sixty days after year-end. Property taxes attach as liens on properties on January 1, and are levied in September of each year. Tax notices are sent to taxpayers during November, with tax payments scheduled to be collected on or before December 20.

Taxpayers may pay all or one-half of their tax liability on or before December 20. If one-half of the amount is paid on December 20, the remaining balance is due by the following June 20. Since the City is on a September 30 fiscal year-end, property taxes levied during September for the succeeding year's collection are recorded as unavailable revenue at the City's year-end and recognized as revenue in the following fiscal year. Canyon County bills and collects taxes for the City.

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents the use of net position that applies to future periods, so will not be recognized as an outflow of resources (expense) until that time. The government-wide statement of net position reports the future outflows related to pension obligations and other post-employment benefits and deferred outflows of resources. The balance of the deferred outflow of resources as of September 30, 2020, will be recognized as an expense and decrease in net position in future fiscal years.

In addition to liabilities, the statement of net position and the fund balance sheet will sometimes report a separate section for deferred inflow of resources. This separate financial statement element represents an acquisition of net position that applies to future periods, so will not be recognized as an inflow of resources (revenue) until that time. The government-wide statement of net position reports the property taxes levied for the following year as well as future inflows related to pension obligations and other post-employment benefits as a deferred inflow of resources. The balance of the deferred inflow of resources as of September 30, 2020, will be recognized as a revenue and increase in net position in future fiscal years.

The other items reported as deferred inflow of resources arises only under a modified accrual basis of accounting. Unavailable property tax revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes as these amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. In addition, certain receivables recorded in the governmental fund financial statements are not available at year end, so the City records a deferred inflow of resources until such time as the revenue becomes available.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

In the governmental fund financial statements, receivables are recorded when they are both measurable and available. Proprietary fund receivables consist of all revenues earned at year-end and not yet received.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/due from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Inventories

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

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. Capital assets are defined by the City as assets with an initial, individual cost of more than \$20,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated fixed assets are valued at their estimated acquisition value on the date donated. Public domain infrastructure consisting of roads and sidewalks are also reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Depreciation is recorded by use of the straight-line method. The book value of each asset is reduced by equal amounts over its estimated useful life as follows:

	Estimated Useful Life (Years)
Buildings	10-50
Improvements other than buildings	7-40
Sewer and water service lines	30-50
Public domain infrastructure	30-50
Office furniture and equipment	3-30
Vehicles	5-10
Machinery and equipment	3-20

Maintenance, repairs and minor renewals are charged to operations as incurred. When an asset is disposed of, accumulated depreciation is deducted from the original cost, and any gain or loss arising from its disposal is credited or charged to operations.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred during construction of capital assets of business-type activities are capitalized when they are material. There were no interest costs included as part of the costs of capital assets under construction in the current year.

Risk Management

The City is exposed to various risks of loss related to theft of, damage to, or destruction of assets. The City participates in a public entity risk pool, Idaho Counties Risk Management Pool (ICRMP), for liability insurance. The City's exposure to loss from its participation in ICRMP is limited only to the extent of their deductible.

The City provides self-insurance against potential unemployment claims. Expenses and funding for these risks are provided for in the funds responsible for employment of the workers.

The City also partially self-insures health and accident insurance. The City established the "Employee Benefit Plan Trust" (the Trust) in 2008. All health claims are paid from this Trust and all plan contributions are deposited into it. The City's Human Resource Director and Treasurer serve as trustees. The Trust is audited each year and a copy of the audit is submitted to the Idaho Department of Insurance.

The City also maintains an internal service fund to account for employee life insurance premiums and long-term disability insurance.

All funds of the City participate in the self-insurance programs. A liability for claims is established in the Trust fund if information indicates that it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate for claims incurred but not reported (IBNR) on health and accident coverage is determined by the actual claims paid through the first few months of the following year. Claims paid in excess of the estimate, if any, are not expected to be material. No amounts were accrued in the City internal service fund in the current year.

Budgets

In accordance with Title 50, Chapter 10 of the Idaho State Code, the City is required to prepare, approve and adopt an annual budget for filing with the local governing body, for informational purposes. A budget means an annual estimate of revenues and expenses for the following fiscal year of the agency.

Bonded Indebtedness

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are recognized in the period the bonds are issued.

In the fund financial statements, governmental fund types recognize long-term obligations as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from

expendable available financial resources are reported as a fund liability of a governmental fund. Bond premiums and discounts, as well as bond issuance costs, are recognized in the period the bonds are issued. The face amount of debt issued is reported as other financing sources. 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. As of September 30, 2020 the City has no outstanding debt.

General Obligation Bonds

The Bonds are general obligations of the City and the full faith, credit and resources of the City are pledged for the punctual payment of the principal of and interest on the Bonds. The Bonds are secured by *ad valorem* taxes to be levied against all taxable property within the City. These taxes, when collected, are required to be applied solely for the purpose of payment of principal and interest on the Bonds. As of September 30, 2020 the City has no outstanding General Obligation Bonds.

Revenue Bonds

Parity lien sewer revenue refunding bonds issued in 2001 provided funding to retire a \$10,000,000 state revolving loan plus accrued interest. This bond was paid in full in 2010 through the issuance of parity lien sewer refunding bond, series 2010 through Wells Fargo Bank. Revenues collected by the water treatment plant are the primary source of monies to retire the bonds. In fiscal year 2020 the parity lien sewer refunding bond series 2010 was paid in full.

Compensated Absences Payable

The City provides personal leave to its full-time employees. It is paid to employees when taken and will also be paid to employees or their beneficiaries upon the employee's termination, retirement or death. The amount of unpaid leave accumulated by City employees is accrued as an expense when incurred in the government-wide and proprietary fund financial statements, which use the accrual basis of accounting. The City does not pay earned sick pay upon the employees' termination, retirement or death. Accordingly, sick pay is not accrued since the amount is not a liability to the City. Compensated absences are paid by funds that employ full-time staff, which typically include the following funds: general, library, street, airport, recreation, cemetery, golf, water, and sewer.

Pensions

For purposes of measuring the net pension asset, the net pension liability and pension expense (revenue), information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and Firefighters' Retirement Fund (FRF) and additions to/deductions from Base Plan's and FRF's fiduciary net position have been determined on the same basis as they are reported by the Base Plan and FRF. 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.

Other Post Employment Benefits (OPEB)

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB and plan expense, information has been actuarially determined as of the measurement date of September 30, 2020. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Net Position and Fund Balances

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- Investment in capital assets – consists of capital assets, net of accumulated depreciation.
- Restricted net position – consists of net position with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted net position – all other net position that does not meet the definition of “restricted” or “Investment in capital assets.”

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

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- Nonspendable fund balance—amounts that are not in nonspendable form (such as inventory or long-term notes receivable) or are required to be maintained intact.
- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance—amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.
- Assigned fund balance—amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.
- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as special incentives).

Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In the general fund, the City strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 20% of the actual GAAP basis expenditures and other financing sources and uses.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which 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 City Council has provided otherwise in its commitment or assignment actions.

Other Revenues

Sales Taxes—Sales taxes are collected by vendors and required to be remitted to the State of Idaho. The tax is then remitted to the City quarterly. A two-month lag exists between collection by the vendor and payment to the City. Revenue received in October and November from sales made in August and September, respectively, is available for prior year expenses and is accrued in both the government-wide and fund financial statements.

Charges for Service—Charges for services consist primarily of charges made by both governmental and enterprise funds for services such as city council, mayor, human resources, clerk, treasurer, engineering, mapping, insurance, attorney, payroll and accounting, utility billing and other benefits provided to customers of the City.

Use of Estimates

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

Note 2 - Cash and Investments

At September 30, 2020, the City's cash and cash equivalents and investments (including fiduciary funds) were invested as follows:

	Cost	Fair Value
Cash and cash equivalents- Unrestricted		
Cash	\$ 9,579,788	\$ 9,579,788
Money market funds	2,606,593	2,606,593
Total cash and cash equivalents - unrestricted	\$ 12,186,381	\$ 12,186,381
	Cost	Fair Value
Cash and cash equivalents - Restricted		
Cash -library	\$ 130,563	\$ 130,563
Other restricted accounts	7,975	7,975
Total cash and cash equivalents - restricted	\$ 138,538	\$ 138,538
	Cost	Fair Value
Investments - Unrestricted		
Investments carried at fair value		
Local government investment pool	\$ 39,786,520	\$ 39,882,008
Idaho state treasurer's bond fund	21,194,321	22,606,185
Total investments - unrestricted	\$ 60,980,841	\$ 62,488,193
Investments - Restricted		
Investments carried at fair value		
US Government Agency Obligations	\$ 238,227	\$ 238,227
Mutual funds	48,612	48,612
Total investments - restricted	\$ 286,839	\$ 286,839

Investment types that are authorized for the City of Caldwell, Idaho by the Idaho Code and the City's investment policy are as follows:

1. Local and State Agency Bonds
2. U.S. Agency Bonds
3. U.S. Agency Securities
4. Certificates of Deposit

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of long and short-term investments. The City keeps funds needed for operations in short-term liquid investments while maintaining a stable longer-term investment portfolio with duration matched to expected completion of capital projects. When selecting longer-term maturities, the City's policy requires investments which provide for the stability of income and reasonable liquidity.

Investments and maturity dates at September 30, 2020, were as follows:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
Local Government Investment Pool	\$ 39,882,008	\$ 39,882,008	\$ -	\$ -	\$ -
Idaho State Treasurer's Bond Fund	22,606,185	-	22,606,185	-	-
US Government Agency	238,227	-	51	50,654	187,522
	<u>\$ 62,726,420</u>	<u>\$ 39,882,008</u>	<u>\$ 22,606,236</u>	<u>\$ 50,654</u>	<u>\$ 187,522</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy requires a rating of A or better by Standard & Poor's or other nationally recognized rating agency.

Rating	U.S. Government Agency Obligation	Local Government Investment Pool	Idaho State Treasurer's Bond Fund	Total
AA+	\$ 200,630	\$ -	\$ -	\$ 200,630
Unrated	37,597	39,882,008	22,606,185	62,525,790
	<u>\$ 238,227</u>	<u>\$ 39,882,008</u>	<u>\$ 22,606,185</u>	<u>\$ 62,726,420</u>

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 principle 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 investment policy has no limitations on the amount that can be invested in any one issuer.

At September 30, 2020, there are no investments in any one issuer (other than State investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

The bank balance for cash deposits at September 30, 2020, is \$10,449,195 of which \$9,991,741 is collateralized. Deposits in each local and area bank are insured by the FDIC in the amount of \$457,454 for interest bearing and non-interest bearing deposit accounts. The uninsured and uncollateralized deposit balance at September 30, 2020, was \$0. Money market fund are not considered deposits and thus are not insured by the FDIC and are not collateralized.

The City minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be identified as to City of Caldwell ownership and be held in the City's name. All commercial paper, agency bonds and money market funds, including the cash management automatic investment account, are held in custody by U.S. Bank, First Interstate, Columbia or Zion's First National Bank in the City's name.

Investment in State Investment Pools

The City is a voluntary participant in the State of Idaho Local Government Investment Pool (LGIP) and the State of Idaho Diversified Bond Fund (DBF). Both the LGIP and the DBF are regulated by State of Idaho code under the oversight of the Treasurer of the State of Idaho. The fair value of the City's investment in the pools is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair market value provided by the fund for the entire portfolio. Both the LGIP and the DBF are unrated.

The LGIP and DBF are managed by the State of Idaho Treasurer’s office. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank. Interest income earned on pooled investments is allocated to the various funds of the City in proportion to each fund’s respective investment balances.

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.

The City’s investment fair value measurements are as follows at September 30, 2020.

<u>Investments</u>	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Debt securities				
Government agency bonds	\$ 139,787	\$ -	\$ 139,787	\$ -
Mortgage-backed securities	98,440	-	98,440	-
	<u>238,227</u>	<u>-</u>	<u>238,227</u>	<u>-</u>
Mutual funds				
Short-term government	48,612	48,612	-	-
Total investments	<u>286,839</u>	<u>\$ 48,612</u>	<u>\$ 238,227</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV)				
Local government investment pool	39,882,008			
State of Idaho diversified bond fund	22,606,185			
Total investments measured at fair value	<u>\$ 62,775,032</u>			

Mutual funds categorized as Level 1 are valued based on prices quoted in active markets for those securities. Debt securities categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices. Investments valued using NAV per share do not have readily obtainable fair values and are instead valued based on the City’s pro-rata share of the pool’s net position. The City values these investments based on the information provided by the State of Idaho Treasurer’s Office. The following table presents the unfunded commitments, redemption frequency and the redemption notice period for the City’s investments measured at NAV:

	Investments Measured at NAV			
	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Local government investment pool	\$ 39,882,008	None	Next business day	3 days; over \$10,000,000
State of Idaho diversified bond fund	\$ 22,606,185	None	Monthly	5-25 days

Note 3 - Restricted Assets

Restricted assets are required to be segregated as to use and are therefore identified as restricted assets. Restricted assets in the general fund are restricted pursuant to donor specifications relating to various activities. Assets restricted in the nonmajor special revenue funds are primarily for current and future library operational funding.

Note 4 - Intergovernmental and Grant Receivables

The following summarizes the intergovernmental receivables at September 30, 2020:

State of Idaho		
Revenue sharing	\$	853,260
Sales tax (Legislative Action effective 07/01/2020; now included with revenue sharing)		-
Liquor apportionment		113,058
Gas tax		743,816
Urban Renewal Agency		1,491,005
Canyon County		
Road and bridge tax		2,649
Court revenue		24,795
		\$ 3,228,583

Grants owed to the City at September 30, 2020, by source are:

Federal	\$	510,003
State		22,180
		\$ 532,183

During 2017, the City loaned the Caldwell Urban Renewal Agency \$1,100,000 from the Cemetery Perpetual Care Fund for purposes of purchasing property. The loan is due to the City in annual installments of \$275,000 at 4% interest through September 2021. \$275,000 was owed to the City at September 30, 2020 and is included in notes receivable reported in the Statement of Net Position.

Note 5 - Capital Assets

	Balance October 1, 2019	Additions	Contributed Capital	Deletions	Transfers	Balance September 30, 2020
Governmental Activities						
Capital assets, not depreciated						
Land	\$ 11,459,316	\$ 3,009,007	\$ 325,387	\$ (537,305)	\$ (182,925)	\$ 14,073,480
Construction in progress	4,143,327	3,397,348	-	-	788,559	8,329,234
Total capital assets, not depreciated	<u>15,602,643</u>	<u>6,406,355</u>	<u>325,387</u>	<u>(537,305)</u>	<u>605,634</u>	<u>22,402,714</u>
Capital assets, depreciated						
Buildings	26,991,492	4,189,725	-	-	(1,571,283)	29,609,934
Improvements other than buildings	49,751,532	1,224,172	-	-	891,727	51,867,431
Equipment	21,393,068	1,901,010	-	(278,042)	(119,003)	22,897,033
Intangibles	1,263,729	-	690,087	-	192,925	2,146,741
Infrastructure	66,466,018	-	8,780,730	-	-	75,246,748
Total capital assets, depreciated	<u>165,865,839</u>	<u>7,314,907</u>	<u>9,470,817</u>	<u>(278,042)</u>	<u>(605,634)</u>	<u>181,767,887</u>
Less accumulated depreciation for						
Buildings	(8,724,863)	(807,609)	-	-	-	(9,532,472)
Improvements other than buildings	(14,913,585)	(1,606,718)	-	-	-	(16,520,303)
Equipment	(10,874,988)	(1,604,162)	-	248,718	-	(12,230,432)
Intangibles	-	-	-	-	-	-
Infrastructure	(19,334,989)	(2,004,684)	-	-	-	(21,339,673)
Total accumulated depreciation	<u>(53,848,425)</u>	<u>(6,023,173)</u>	<u>-</u>	<u>248,718</u>	<u>-</u>	<u>(59,622,880)</u>
Total net capital assets, depreciated	<u>112,017,414</u>	<u>1,291,734</u>	<u>9,470,817</u>	<u>(29,324)</u>	<u>(605,634)</u>	<u>122,145,007</u>
Governmental Activities Capital Assets, Net	<u>\$127,620,057</u>	<u>\$ 7,698,089</u>	<u>\$ 9,796,204</u>	<u>\$ (566,629)</u>	<u>\$ -</u>	<u>\$ 144,547,721</u>

City of Caldwell, Idaho
Notes to Financial Statements
September 30, 2020

	Balance October 1, 2019	Additions	Contributed Capital	Deletions	Transfers	Balance September 30, 2020
Business-type Activities						
Capital assets, not depreciated						
Land	\$ 459,062	\$ -	\$ -	\$ -	\$ -	\$ 459,062
Construction in progress	15,691,540	2,795,475	-	-	(1,987,645)	16,499,370
Total capital assets, not depreciated	<u>16,150,602</u>	<u>2,795,475</u>	<u>-</u>	<u>-</u>	<u>(1,987,645)</u>	<u>16,958,432</u>
Capital assets, depreciated						
Buildings	17,141,351	-	-	-	-	17,141,351
Improvements other than buildings	120,451,128	440,586	5,799,871	-	1,987,645	128,679,230
Equipment	11,161,120	361,278	-	(102,048)	-	11,420,350
Total capital assets, depreciated	<u>148,753,599</u>	<u>801,864</u>	<u>5,799,871</u>	<u>(102,048)</u>	<u>1,987,645</u>	<u>157,240,931</u>
Less accumulated depreciation for						
Buildings	(5,140,569)	(627,236)	-	-	-	(5,767,805)
Improvements other than buildings	(54,193,454)	(3,676,780)	-	-	-	(57,870,234)
Equipment	(7,325,838)	(551,250)	-	102,048	-	(7,775,040)
Total accumulated depreciation	<u>(66,659,861)</u>	<u>(4,855,266)</u>	<u>-</u>	<u>102,048</u>	<u>-</u>	<u>(71,413,079)</u>
Total net capital assets, depreciated	<u>82,093,738</u>	<u>(4,053,402)</u>	<u>5,799,871</u>	<u>-</u>	<u>1,987,645</u>	<u>85,827,852</u>
Business-type Activities Capital Assets, Net	<u>\$ 98,244,340</u>	<u>\$(1,257,927)</u>	<u>\$ 5,799,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,786,284</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities	
General government	\$ 653,383
Police	559,235
Fire	323,221
Building safety	55,256
Parks and recreation	437,904
Community services	557,765
Streets	<u>3,436,409</u>
Total depreciation expense - governmental activities	<u>\$6,023,173</u>
Business-type Activities	
Water	\$1,397,277
Sewer	3,068,317
Sanitation	8,528
Golf	126,124
Street lighting	119,744
Irrigation	<u>135,276</u>
Total depreciation expense - business-type activities	<u>\$4,855,266</u>

Note 6 - Interfund Balances and Transfers

Incoming receipts and outgoing disbursements are sometimes deposited to/disbursed from one fund on behalf of another fund. At that time, a corresponding receivable/payable and operating transfer is recorded between the funds.

The composition of interfund balances as of September 30, 2020, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
Advances			
Other governmental	Other enterprise	Long-term loan	\$ 137,000
Other governmental	Other enterprise	Long-term loan	75,000
Sanitation	Governmental activities	Long-term loan	120,000
Due to/from			
Other governmental	Other enterprise	Short-term loan	46,000
Other governmental	Other enterprise	Short-term loan	25,000
Sanitation	Governmental activities	Short-term loan	40,000
General	Other governmental	Negative cash in CDBG Fund	108,492
Other governmental	General	Fourth quarter admin reconciliation	23,738
			<u>\$ 575,230</u>

During 2019, the Sanitation fund loaned the Police Impact Fee fund \$200,000 for completion of the police building expansion for additional evidence room. The loan is for five years at 3% interest, payable in annual installments of \$40,000 plus interest. \$160,000 was owed to the Sanitation fund at September 30, 2020, and is included in the internal balances in the Statement of Net Position.

Transfers from Other enterprise to water is for use of capital. Transfers from the General fund to the Other Governmental and Other Enterprise Funds include transfers to help fund operations. Transfers from the Other Governmental Funds to Street, Water and Sewer funds are for the Local Improvement District special assessment payments received for the fiscal year.

The composition of interfund transfers for the year ended September 30, 2020, is as follows:

	Transfers Out			Total
	General	Other Enterprise	Other Governmental	
Transfers in				
Street	\$ -	\$ -	\$ 57,001	\$ 57,001
Water	-	10,000	6,521	16,521
Sewer	-	-	8,606	8,606
Other enterprise	52,250	-	-	52,250
Other governmental	45,801	-	-	45,801
	<u>\$ 98,051</u>	<u>\$ 10,000</u>	<u>\$ 72,128</u>	<u>\$ 180,179</u>

Note 7 - Long-term Debt

The following is a summary of changes in long-term debt of the City for the year ended September 30, 2020:

	Debt at October 1, 2019	Debt Issued	Debt Retired	Debt at September 30, 2020	Due Within One Year
Governmental Activities					
Compensated absences	\$ 1,033,018	\$ 1,386,227	\$ 1,033,559	\$ 1,385,686	\$ 1,033,558
Governmental activities long-term liabilities	<u>\$ 1,033,018</u>	<u>\$ 1,386,227</u>	<u>\$ 1,033,559</u>	<u>\$ 1,385,686</u>	<u>\$ 1,033,558</u>
Business-type Activities					
Revenue bonds					
Parity lien sewer series 2010	\$ 1,050,000	\$ -	\$ 1,050,000	\$ -	\$ -
Compensated absences	144,538	166,049	144,001	166,586	166,586
Business-type activities long-term liabilities	<u>\$ 1,194,538</u>	<u>\$ 166,049</u>	<u>\$ 1,194,001</u>	<u>\$ 166,586</u>	<u>\$ 166,586</u>

Total interest cost incurred during 2020 for business-type activities was \$36,094. The 2010 parity bonds were paid off in September 2020.

Note 8 - Defined Benefit Pension Plan and Firefighter Retirement Fund

Plan Description

The City contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by the 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 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.

The City also contributes to the FRF which is a cost-sharing multiple-employer defined benefit pension plan administered by the PERSI that covers a closed group of firefighters who were hired before October 1, 1980, and who received benefits in addition to those provided under the PERSI Base Plan. The cost to administer the plan is financed through the contributions and investment earnings of the FRF. Additional FRF funding is obtained from receipts from a state fire insurance premium tax. PERSI issues a publicly available financial report that included 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 and FRF 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 member' 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.

The FRF provides retirement, disability, death and survivor benefits of eligible members of beneficiaries. Benefits are based on members' years of service as well as the final average salary. A firefighter must have 5 years of service to be eligible for a lifetime retirement allowance at age 60. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance is based on Idaho Code Title 72 Chapter 14.

The benefit payments for the FRF are calculated using a benefit formula adopted by the Idaho Legislature. The FRF cost of living increase is based on the increase in the statewide average firefighter's wage.

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2020, it was 7.16% for general employees and 8.81% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The City's contribution was \$2,054,507 for the year ended September 30, 2020.

As of June 30, 2020, the total FRF employer rate was 25.93% which includes the employer excess rate of 13.65% plus the PERSI class 2 firefighters rate of 12.28%. The FRF member rate for the year for class B is 11.45% which is 2.64% above the class 2 rate of 8.81%. The City's contributions were \$164,297 for the year ended September 30, 2020.

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

At September 30, 2020, the City reported a liability for its proportionate share of the net pension liability of the Base Plan. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2020, the City's proportion was .4382035 percent compared to .4272990 percent at June 30, 2019.

For the year ended September 30, 2020, the City recognized pension expense related to the Base Plan of \$3,762,407. At September 30, 2020, the City 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
Difference between expected and actual experience	\$ 795,029	\$ 332,258
Changes in assumptions or other inputs	172,089	-
Net difference between projected and actual earnings on pension plan investments	1,166,327	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	175,166	22,921
City's contributions subsequent to the measurement date	406,509	-
 Total	 \$ 2,715,120	 \$ 355,179

The \$406,509 reported as deferred outflows of resources related to pensions resulting from Employer contributions to the Base Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2021.

The average of the expected remaining service lives of all employee that are provided with pensions through the System (active and inactive employees) determined at July 1, 2019, the beginning of the measurement period ended June 30, 2020, is 4.7.

At September 30, 2020, the City reported an asset for its proportionate share of the net pension asset of the FRF. The net pension asset was measured as of June 30, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City's share of contributions in the FRF pension plan relative to the total contributions of all participating FRF employers. At June 30, 2020, the City's proportion was 4.2096683 percent compared to 3.9304645 at June 30, 2019.

For the year ended September 30, 2020, the City recognized plan pension expense offset related to the FRF of (\$1,088,816). At September 30, 2020, the City reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 259,929	\$ -
City's contributions subsequent to the measurement date	138,128	-
Total	\$ 398,057	\$ -

The \$138,128 reported as deferred outflows of resources related to pensions resulting from City contribution subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ending September 30, 2021.

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, 2019, the beginning of the measurement period ended June 30, 2020, is 1.0 years.

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:

Years Ended September 30,	Base Plan	FRF
2021	\$ 104,501	\$ (74,764)
2022	456,817	71,463
2023	609,908	112,544
2024	782,206	150,686

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 unfunded actuarial accrued liability for FRF is the difference between the actuarial present value of the FRF benefits not provided by the Base Plan and the FRF assets. Currently FRF assets exceed this actuarial present value; therefore, there is not an unfunded liability to amortize at this time. The maximum amortization period for the FRF permitted under Section 59-1394, Idaho Code, is 50 years.

The total pension liability of the Base Plan and total pension asset of the FRF in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Base Plan	FRF
Inflation	3.00%	3.00%
Salary increases**	3.75%	3.75%
Salary inflation	3.75%	3.75%
Investment rate of return-net of investment fees	7.05%	7.05%
Cost-of-living (COLA) adjustments	1.00%	3.18%

**There is an additional component of assumed salary grown (on top of the 3.75%) that varies for each individual member based on years of service. 3.75 percent or 1.00 percent depending on whether the member was hired on or before July 1, 2012.

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

For the base plan, an experience study was performed for the period July 1, 2013 through July 1, 2017, which reviewed all economic and demographic assumptions. The Total Pension Liability (Base Plan) as of June 30, 2020, is based on the results of an actuarial valuation date of July 1, 2020.

For the FRF plan an experience study was performed for the period 2013 through 2017 which reviewed all economic and demographic assumptions. The Total Pension Asset (FRF Plan) as of June 30, 2020, is based on the results of an actuarial valuation date of June 30, 2020.

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 show below. The formal asset allocation policy is somewhat more conservative than the current allocation of PERSI’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.

Capital Market Assumptions form Callen 2020

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	2.80%	0.55%
Broad US Equities	55.00%	8.55%	6.30%
Developed Foreign Equities	15.00%	8.70%	6.45%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.85%	4.60%
Portfolio Standard Deviation		12.33%	12.33%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.25%	3.89%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.85%	3.49%

Investment Policy Assumptions from PERSI November 2019

Portfolio Long-Term Expected Rate of Return, Net of Investment Expenses	4.14%
Portfolio Standard Deviation	14.16%

Economic/Demographic Assumptions from Milliman 2018

Valuation Assumptions Chosen by PERSI Board	
Long-Term Expected Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	3.00%
Long-Term Geometric Expected Rate of Return, Net of Investment Expenses	7.05%

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate.

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.05 %, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05 %) or 1-percentage-point higher (8.05 %) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)			
Base Plan	\$ 20,867,500	\$ 10,175,662	\$ 1,335,259
FRF	(5,152,895)	(6,268,160)	(7,223,592)

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 the www.persi.idaho.gov.

Payable to the Pension Plan

At September 30, 2020, there were no payables to the defined benefit pension plans for legally required employer contributions or for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Note 9 - Other Post-Employment Benefits

Plan Description

Effective March 1, 2014, the City established a post-retirement Health Reimbursement Arrangement Plan, referred to as the HRA VEBA Plan, under Internal Revenue Service Notice 2002-45. It is a single employer Plan. Employees who retire under PERSI before age 65 will not be eligible for Medicare until age 65 or older. The City established the post-retirement health reimbursement benefit for PERSI retired employees to help bridge the gap between retirement and age 65.

The Plan was established and can be amended or discontinued by City Council action. Initial funding came from the agency fund Employee Health Insurance formerly used to cover employee health and dental care claims. These monies were not required to support current health claims now covered by the Employee Health Trust Plan.

Benefits

The Plan is funded solely by employer contributions on a pay as you go basis. Basic benefit funding is \$500 per year for each regular full-time employee at the beginning of each fiscal year. Upon retirement, payment is made at \$500 for each year of service up to 30 years. The employee’s benefit is deposited in a Trust Account held by an independent third party and the City has no further financial obligation.

Only those employees who retire from the City according to the Public Employee Retirement System of Idaho (“PERSI”) retirement rules may receive the City’s post-employment benefit. Employees are vested after five years of service at the City.

PERSI retirement criteria is defined as follows:

<u>Employee Category</u>	<u>Early Retirement</u>	<u>Service Retirement</u>
Police & Fire Employees	5 Years of Service, Age 50	5 Years of Service, Age 60
General Employees	5 Years of Service, Age 60	5 Years of Service, Age 65

Additionally, the full value of the benefit will only be provided to those employees who meet the following age-plus-service criteria. The value of the benefit will be reduced for those who do not meet this requirement.

<u>Employee Category</u>	<u>Age Plus Service</u>
Sworn Police Officers and Fire Administrative Staff	80
General Employees	90

Note that the Fire Union employees are not eligible for the post employment benefit, unless they are Fire Administrative Staff.

Eligible retirees receive a one-time payment into an HRA. The payment consists of two parts:

- (1) paid time off (“PTO”) accumulation payout and,
- (2) one-time contribution based on age and years of service.

The first part of this payment is given to the retiree based on carryover hours at their hourly rate of pay at retirement. The maximum carryover hours are based on years of service, as follows:

<u>Years of Service</u>	<u>Monthly Accrual Rate</u>	<u>Maximum Carryover</u>
Up to 12 Months	10 hours	120 hours
1 - 5 Years	14 hours	400 hours
6 - 10 Years	16 hours	400 hours
11 - 15 Years	18 hours	400 hours
16+ Years	20 hours	400 hours

The second part of this payment is calculated according to a benefit schedule provided by the City, which is based on age and years of service at retirement. Benefit amounts range from \$1,250 to \$36,000.

Employees covered by benefit terms. At September 30, 2020 valuation date the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4			
Inactive employees entitled but not yet receiving benefits	-			
Active employees entitled to but not yet receiving benefit payments	49			
Active employees	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;">198</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">251</td> </tr> <tr> <td style="text-align: right; border-top: 3px double black;">251</td> </tr> </table>	198	251	251
198				
251				
251				

Total OPEB Liability

The City's total OPEB liability of \$723,395 was measured as of September 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The Total OPEB liability in the September 30, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Impact of Assumption Changes. The City had no changes in assumptions other than discount rate.

Valuation Date	September 30, 2020
Discount Rate	2.66% per annum (BOY) 2.21% per annum (EOY) <i>Source: Bond Buyer 20-Bond GO index</i>
Salary Increase Rate	3.5% per annum
Inflation Rate	3.0% per annum
Census Data	Census data as of September 2020 was provided by the City.
Marriage Rate	There are no spouse benefits provided to retirees.
Spouse Age	There are no spouse benefits provided to retirees.

Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65.
Actuarial Cost Method	Entry Age Normal based on level percentage of projected salary.
Mortality Rates	Pub-2010 Mortality table with generational scale MP-19, applied on a gender and personnel type basis.
Plan Participation Percentage	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 100% of all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan. This assumes that a one-time irrevocable election to participate is made at retirement.
Amortization Method	<i>Experience/Assumptions</i> gains and losses are amortized over a closed period of 11.5 years starting on October 1, 2019, equal to the average remaining service of active and inactive plan members (who have no future service).

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB Liability - Start of Year October 1, 2019	\$ 652,113
Changes for the Year:	
Service cost	48,508
Interest cost	17,384
Changes in benefit terms	47,217
Differences between expected and actual experience	(32,877)
Changes in assumptions or other inputs	52,377
Benefit Payments	(61,327)
Net change in total OPEB liability	<u>71,282</u>
Total OPEB Liability - End of Year September 30, 2020	<u>\$ 723,395</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1- percentage – point lower (1.21 percent) or 1 – percentage – point higher (3.21 percent) than the current discount rate.

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$638,000	\$723,395	\$716,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the City recognized an OPEB expense of (\$118,137). At September 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 30,016
Changes of assumptions/inputs	93,939	13,596
Total	\$ 93,939	\$ 43,612

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years Ended September 30,</u>	
2021	\$ 5,028
2022	5,028
2023	5,028
2024	5,028
2025	5,028
Thereafter	25,187

At September 30, 2020, cash and cash equivalents held in the internal service fund total \$886,802. Anticipated plan revenues for 2021 are \$130,575 against budgeted expenditures of \$87,000. Eight employees have opted to retire in 2021.

Note 10 - Conduit Debt

In March 2012, the Industrial Development Corporation Board issued \$5,500,000 of industrial development revenue bonds to provide financial assistance to a private-sector business (borrower) for the acquisition and construction of an industrial facility. The bonds are secured by the property financed and payments are made by the borrower. The City is not obligated in any manner for repayment of the bonds, and accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2020, the scheduled outstanding principal was \$1,069,445.

Note 11 - Other Information

Accounting principles generally accepted in the United States of America require disclosure, as part of the basic financial statements, of certain information concerning individual funds. The following funds had expenditures greater than appropriations for the year ended September 30, 2020:

HRA VEBA	\$	52,133
Street Lighting	\$	71,465
Irrigation	\$	791,775
Sanitation	\$	235,265

Note 12 - Contingent Liabilities

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Any disallowed claims, including amounts already collected, could become a liability of the City. City management believes disallowances, if any, will be immaterial.

The City has been named as defendant in various legal actions, the results of which are not presently determinable. However, in the opinion of the City's management and legal counsel, the amount of losses that might be sustained, if any, would not materially affect the City's financial position.

Note 13 - Other Commitments

The City has the following commitments at September 30, 2020:

Project Description	Outstanding Commitments	% Complete	Completed as of September 30	Total Contract Amount
Cemetery Building	\$ 109,046	36%	\$ 60,754	\$ 169,800
Lions Park Restroom	82,978	42%	58,967	141,945
Fire Dept. New Station #3	761,413	79%	2,831,980	3,593,393
North Ranch Sewer Project	18,759	95%	356,418	375,177
Airport Master Plan - AIP 31	412,197	40%	280,435	692,632
Airport Taxi Way Impr - AIP32	92,827	43%	70,812	163,639
LID 17-1 City Center Improvements	25,390	95%	482,404	507,794
Ustick Road Widening	109,470	76%	341,944	451,414
N 10th Ave ITS & Overlay	93,144	54%	111,385	204,529
Middleton & Skyway RAB	106,111	24%	33,439	139,550
Linden/Ward RAB	175,200	20%	43,800	219,000
Santa Ana & Ustick Roundabout	25,105	82%	112,286	137,391
Centennial Roundabout	6,560	97%	236,166	242,726
Downtown Misc Concrete Impr.	84,695	82%	397,055	481,750
WWTP Filtration Building/Design	19,581	98%	1,181,319	1,200,900
WWTP Filtration Building/Construction	66,335	99%	12,431,470	12,497,805
WWTP Lab Facility	9,052	99%	784,507	793,559
	<u>\$ 2,197,863</u>		<u>\$ 19,815,141</u>	<u>\$22,013,004</u>

Note 14 - Tax Abatements

City tax revenues were reduced under agreements entered into by Canyon County.

These revenues were reduced through a business property tax abatement program authorized under Idaho Code 63-602NN. This program provides property tax exemptions to certain businesses which invest in non-retail buildings or plants for commercial or industrial purposes. The investment must be made in a plant that will bring significant economic benefit to the county. The exemption may be granted for up to five years. Canyon County has determined the City's share of abatements as of September 30, 2020 as follows:

Tax Abatement Program	Total Amount of Taxes Abated for the City
Idaho Code 63-602NN Tax Exemption	\$ 21,660

Note 15 - Related Party Transactions

During 2020, the Caldwell Urban Renewal Agency reimbursed the City in the amount of \$6,199,981 for expenditures paid on its behalf on various projects (500 Lateral Relocate Project, Downtown Concrete Repairs, Airport Property acquisitions, Ustick Overpass, Downtown Façade Program, Wolfe Field and Simplot Stadium Lighting Projects, North Ranch Infrastructure Project and Restroom Facilities at Lions Park, Rodeo Grounds and Simplot Stadium). Additionally, the Agency issued monthly payments to the City for the Caldwell Economic Development funding in the amount of \$216,000 and paid the City \$8,000 for Accounting Services.

As of September 30, 2020, the Agency owed the City \$1,491,005 in project related costs (Special Projects -North Ranch, Downtown Concrete repair and Downtown Façade Incentive Program).

In 2017, the Agency received a loan from the City's Cemetery Perpetual Care fund in the amount of \$1,100,000 for purposes of purchasing property. The loan is due in annual installments of \$275,000 at 4 % interest through September 2021. Remaining balance owing on the note is \$275,000.

Note 16 - COVID 19 Pandemic

During 2020, the world-wide coronavirus pandemic impacted national and global economies. The City is closely monitoring the operations of the Caldwell Events Center and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and full impact to the Caldwell Events Center is not known.



Required Supplementary Information
September 30, 2020

City of Caldwell, Idaho

City of Caldwell, Idaho
Schedule of Employer's Share of Net Pension Asset/Liability
Year End September 30, 2020

Schedule of Employer's Share of Net Pension Liability

PERSI - Base Plan

Last 10 - Fiscal Years*

	2020	2019	2018	2017	2016	2015
Employer's portion of net the pension liability	0.4382035%	0.4272990%	0.4299319%	0.4292893%	0.4151597%	0.4176759%
Employer's proportionate share of the net pension liability	\$ 10,175,662	\$ 4,877,497	\$ 6,341,569	\$ 6,747,689	\$ 8,415,926	\$ 5,500,112
Employer's covered payroll	\$ 14,403,507	\$ 13,350,459	\$ 12,702,613	\$ 12,308,096	\$ 11,161,497	\$ 9,999,630
Employer's proportional share of the net pension liability as a percentage of its covered payroll	71%	37%	50%	55%	75%	55%
Plan fiduciary net position as a percentage of the total pension liability	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

Schedule of Employer's Share of Net Pension Asset

FRF

Last 10 - Fiscal Years*

	2020	2019	2018	2017	2016	2015
Employer's portion of net the pension asset	4.2096683%	3.9304645%	4.0348687%	3.9578287%	3.8194708%	3.9619978%
Employer's proportionate share of the net pension asset	\$ 6,268,160	\$ 5,650,185	\$ 4,566,267	\$ 3,395,644	\$ 2,052,905	\$ 2,139,902
Employer's covered payroll	\$ 1,002,746	\$ 926,446	\$ 906,609	\$ 867,239	\$ 794,910	\$ 1,504,124
Employer's proportional share of the net pension asset as a percentage of its covered payroll	625.10%	609.88%	503.66%	391.55%	258.26%	142.27%
Plan fiduciary net position as a percentage of the total pension asset	155.55%	152.74%	140.15%	129.65%	118.42%	118.08%

*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 City will present information for those years for which information is available.

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

City of Caldwell, Idaho
Schedule of Employer's Contributions
Year Ended September 30, 2020

**Schedule of Employer Contributions
Base Plan**

	Last 10 - Fiscal Years*					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 2,054,507	\$ 1,642,850	\$ 1,565,835	\$ 1,519,344	\$ 1,424,055	\$ 1,360,543
Contributions in relation to the statutorily required contribution	\$ 2,054,507	\$ 1,642,850	\$ 1,565,835	\$ 1,519,344	\$ 1,424,055	\$ 1,360,543
Contributions (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 14,637,182	\$ 13,535,037	\$ 12,933,267	11,967,974	\$ 11,306,995	\$ 10,087,109
Contributions as a percentage of covered payroll	14%	12%	12%	13%	13%	13%

**Schedule of Employer Contributions
FRF**

	Last 10 - Fiscal Years*					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 164,297	\$ 154,346	\$ 151,041	\$ 143,431	\$ 101,420	\$ 204,650
Contributions in relation to the statutorily required contribution	\$ 164,297	\$ 154,346	\$ 151,041	\$ 143,431	\$ 101,420	\$ 204,650
Contributions (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 1,042,330	\$ 933,995	\$ 916,508	\$ 852,346	\$ 805,272	\$ 1,517,282
Contributions as a percentage of covered payroll	16%	17%	16%	17%	13%	13%

*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 City will present information for those years for which information is available.

Data reported is measured as of September 30.

**Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last 10 - Fiscal Years***

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 48,508	\$ 47,951	\$ 46,027
Interest cost	17,384	24,674	27,245
Changes of benefit terms	47,217	-	-
Differences between expected and actual experience	(32,877)	-	-
Changes in assumptions or other inputs	52,377	56,070	(18,526)
Benefit Payments	(61,327)	(37,846)	(198,251)
Net change in total OPEB liability	71,282	90,849	(143,505)
Total OPEB Liability - Start of Year 10/01	652,113	561,264	704,769
Total OPEB Liability - End of Year 09/30	\$ 723,395	\$ 652,113	\$ 561,264
Covered payroll	\$ 12,303,818	\$ 10,570,085	\$ 10,570,085
Total OPEB Liability as a % of covered payroll	5.88%	6.17%	5.31%

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4; these benefits are funded on a pay-as-you go basis.

City of Caldwell, Idaho

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – General Fund
Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	\$ 14,452,250	\$ 14,452,250	\$ 14,793,021	\$ 340,771
Franchise fees	725,000	725,000	718,134	(6,866)
Interest	279,320	297,070	354,901	57,831
Licenses and permits	2,182,317	2,307,317	2,850,075	542,758
Intergovernmental	2,576,592	2,576,592	3,328,420	751,828
Operating grants	83,480	3,471,161	2,882,638	(588,523)
Charges for services	7,586,988	7,846,988	7,552,473	(294,515)
Unrealized gain on investments	-	-	152,507	152,507
Miscellaneous	85,200	1,219,408	1,193,243	(26,165)
Total revenues	<u>27,971,147</u>	<u>32,895,786</u>	<u>33,825,412</u>	<u>929,626</u>
Expenditures				
Current				
General government	5,166,009	7,406,577	5,494,191	1,912,386
Public safety	18,248,659	18,919,173	17,920,770	998,403
Culture and recreation	245,446	245,446	211,401	34,045
Community development	497,392	497,391	482,193	15,198
Debt Service				
Principal repayments on interfund loan	-	-	40,000	(40,000)
Interest and other	-	-	6,000	(6,000)
Capital outlay	<u>5,186,228</u>	<u>7,986,438</u>	<u>7,828,911</u>	<u>157,527</u>
Total expenditures	<u>29,343,734</u>	<u>35,055,025</u>	<u>31,983,466</u>	<u>3,071,559</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<u>(1,372,587)</u>	<u>(2,159,239)</u>	<u>1,841,946</u>	<u>4,001,185</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	575,000	111,001	(463,999)
Contributions from other entities	-	-	52,721	52,721
Transfers in	3,720,000	3,720,000	-	(3,720,000)
Transfers out	<u>(3,667,706)</u>	<u>(3,697,706)</u>	<u>(98,051)</u>	<u>3,599,655</u>
Total other financing sources (uses)	<u>52,294</u>	<u>597,294</u>	<u>65,671</u>	<u>(531,623)</u>
Net Change in Fund Balances	<u>\$ (1,320,293)</u>	<u>\$ (1,561,945)</u>	1,907,617	<u>\$ 3,469,562</u>
Fund Balance, Beginning of Year			<u>24,751,082</u>	
Fund Balance, End of Year			<u>\$ 26,658,699</u>	

City of Caldwell, Idaho

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Street Fund
Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	\$ 2,156,974	\$ 2,156,974	\$ 2,156,974	\$ -
Interest	20,000	95,000	91,520	(3,480)
Intergovernmental	3,605,453	3,605,453	3,606,389	936
Charges for services	1,848,373	1,848,373	1,489,825	(358,548)
Other grants	306,705	371,705	131,121	(240,584)
Capital Grants - Other General	2,339,744	2,339,744	739,674	(1,600,070)
Unrealized gain on investments	-	-	55,120	55,120
Miscellaneous	20,500	78,392	60,366	(18,026)
Total revenues	10,297,749	10,495,641	8,330,989	(2,164,652)
Expenditures				
Streets	7,368,907	7,383,909	4,931,053	2,452,856
Capital outlay	3,149,067	3,403,641	3,555,058	(151,417)
Total expenditures	10,517,974	10,787,550	8,486,111	2,301,439
Excess (Deficiency) of Revenues Over (Under) Expenditures	(220,225)	(291,909)	(155,122)	136,787
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	23,000	19,251	(3,749)
Loan proceeds	287,250	287,250	-	(287,250)
Operating transfers in	182,368	182,368	57,001	(125,367)
Total other financing sources (uses)	469,618	492,618	76,252	(416,366)
Net Change in Fund Balances	\$ 249,393	\$ 200,709	(78,870)	\$ (279,579)
Fund Balance, Beginning of Year			6,532,746	
Fund Balance, End of Year			\$ 6,453,876	

Note 1 - Budgets and Budgetary Accounting

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

- Prior to September 1, the City Treasurer and City Council 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.
- Public hearings are conducted at City Hall to obtain taxpayer comments.
- Prior to October 1, the budget is legally enacted through passage of an appropriation ordinance.
- Budgetary amendments are approved by City Council during the year.

Budgets are adopted on a basis consistent with generally accepted accounting principles for the general, debt service, and special revenue funds. All annual appropriations lapse at fiscal year-end. The Mayor 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.



Other Financial Information
September 30, 2020

City of Caldwell, Idaho

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest, including bonds, certificates of participation and capital leases.

SPECIAL REVENUE FUNDS

To account for specific revenues that are legally restricted to expenditures for particular purposes.

CDBG/HUD –To account for resources received for federal community development block programs received directly from the U.S. Department of Housing and Urban Development (HUD).

Cemetery Fund

To account for the operation and maintenance of the cemetery. Property taxes and sales of cemetery plots are the principal revenue sources. City ordinances require that these revenues be used to finance cemetery operations and maintenance.

Cemetery Capital Improvement Fund

To account for the resources and expenditures of the City's cemetery capital improvement fund. Grave fees are the principal revenue sources and capital outlay is the primary expenditure.

Cemetery Perpetual Care Fund

To account for the resources and expenditures of the City's perpetual care fund. Grave fees and earnings on investments are the principal source of revenues. Capital outlay is the primary expenditure.

Community Development Fund

To account for the collection of low interest mortgages made to low income citizens of the City and the subsequent expenditures of these funds. These loans were established under a Community Development grant.

Library Fund

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.

Airport Fund

To account for operation of the City airport. Financing is provided by property taxes, federal and state grants as well as state gasoline and sales tax. City ordinance requires that these revenues be restricted to financing airport operations.

Recreation Fund

To account for operation of City-owned parks and recreation programs. Financing is provided principally through program fees and a specific annual property tax levy. City ordinance restricts property taxes to financing of parks and recreation programs.

City of Caldwell, Idaho
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2020

	Debt Service	CDBG HUD	Cemetery	Cemetery Capital Improvement	Cemetery Perpetual Care	Community Development	Library	Airport	Recreation	Totals
Assets										
Cash and cash equivalents	\$ 431,600	\$ -	\$ 432,379	\$ 62,337	\$ 1,184,187	\$ 201,523	\$ 740,556	\$ 336,436	\$ 470,492	\$ 3,859,510
Prepaid expenses	-	-	-	-	-	-	16,611	-	-	16,611
Receivables										
Interest	195,123	-	125	19	868	18,283	270	150	543	215,381
Taxes	-	-	124,580	-	-	-	791,465	157,151	671,220	1,744,416
Intergovernmental	-	-	8,747	-	-	-	56,089	8,649	332,392	405,877
Accounts	-	-	-	-	-	-	3,922	21,136	9,154	34,212
Special assessments	239,277	-	-	-	-	-	-	-	-	239,277
Grants	-	131,137	-	-	-	-	1,203	115,653	709	248,702
Notes	-	-	-	-	-	51,478	-	-	-	51,478
Due from other funds	-	-	46,000	-	25,000	-	23,738	-	-	94,738
Advances	-	-	137,000	-	75,000	-	-	-	-	212,000
Restricted assets										
Cash and cash equivalents	-	-	-	-	-	-	130,563	-	-	130,563
Investments	-	-	-	-	-	-	286,839	-	-	286,839
	<u>\$ 866,000</u>	<u>\$131,137</u>	<u>\$ 748,831</u>	<u>\$ 62,356</u>	<u>\$ 1,285,055</u>	<u>\$ 271,284</u>	<u>\$ 2,051,256</u>	<u>\$ 639,175</u>	<u>\$ 1,484,510</u>	<u>\$ 7,539,604</u>

City of Caldwell, Idaho
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2020

	<u>Debt Service</u>	<u>CDBG HUD</u>	<u>Cemetery</u>	<u>Cemetery Capital Improvement</u>	<u>Cemetery Perpetual Care</u>	<u>Community Development</u>	<u>Library</u>	<u>Airport</u>	<u>Recreation</u>	<u>Totals</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances										
Liabilities										
Vouchers and payroll payable	\$ 25	\$ 22,645	\$ 16,962	\$ -	\$ -	\$ 10,926	\$ 40,080	\$ 107,085	\$ 76,358	\$ 274,081
Customer deposits	1,378	-	-	-	-	-	-	-	-	1,378
Due to other funds	-	108,492	-	-	-	-	-	-	-	108,492
Total liabilities	<u>1,403</u>	<u>131,137</u>	<u>16,962</u>	<u>-</u>	<u>-</u>	<u>10,926</u>	<u>40,080</u>	<u>107,085</u>	<u>76,358</u>	<u>383,951</u>
Deferred Inflows of Resources										
Unavailable property tax revenue	-	-	124,580	-	-	-	791,465	157,151	671,220	1,744,416
Unavailable revenue	<u>434,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>452,451</u>
Total deferred inflows of resources	<u>434,167</u>	<u>-</u>	<u>124,580</u>	<u>-</u>	<u>-</u>	<u>18,284</u>	<u>791,465</u>	<u>157,151</u>	<u>671,220</u>	<u>2,196,867</u>
Fund Balances										
Nonspendable	-	-	-	-	-	51,478	16,611	-	-	68,089
Assigned for Building Capital										
Maintenance	-	-	-	-	-	190,596	-	-	-	190,596
Assigned for library services	-	-	-	-	-	-	1,203,100	-	-	1,203,100
Assigned for debt service	430,430	-	-	-	-	-	-	-	-	430,430
Assigned for community services	-	-	607,289	62,356	1,285,055	-	-	374,939	736,932	3,066,571
Total fund balances	<u>430,430</u>	<u>-</u>	<u>607,289</u>	<u>62,356</u>	<u>1,285,055</u>	<u>242,074</u>	<u>1,219,711</u>	<u>374,939</u>	<u>736,932</u>	<u>4,958,786</u>
	<u>\$ 866,000</u>	<u>\$131,137</u>	<u>\$ 748,831</u>	<u>\$ 62,356</u>	<u>\$1,285,055</u>	<u>\$ 271,284</u>	<u>\$ 2,051,256</u>	<u>\$ 639,175</u>	<u>\$ 1,484,510</u>	<u>\$ 7,539,604</u>

City of Caldwell, Idaho
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
Year Ended September 30, 2020

	Debt Service	CDBG/ HUD	Cemetery	Cemetery Capital Improvement	Cemetery Perpetual Care	Community Development	Library	Airport	Recreation	Totals
Revenues										
Property taxes	\$ -	\$ -	\$ 124,580	\$ -	\$ -	\$ -	\$ 753,282	\$ 149,572	\$ 664,905	\$ 1,692,339
Interest	31,847	-	8,091	332	36,416	2	19,709	1,201	7,038	104,636
Intergovernmental	-	38,147	43,637	-	-	-	308,416	112,268	873,091	1,375,559
Capital grants	-	657,222	-	-	-	-	-	342,116	-	999,338
Operating grants	-	-	-	-	-	-	7,098	2,366,627	-	2,373,725
Charges for services	-	-	128,099	13,721	22,435	-	19,582	238,559	394,701	817,097
Unrealized gain on investments	2,055	-	1,103	161	19,167	-	12,505	3,232	12,478	50,701
Assessments	55,417	-	-	-	-	-	-	-	-	55,417
Miscellaneous	-	-	827	-	-	200,000	57,439	27,984	12,172	298,422
Total revenues	89,319	695,369	306,337	14,214	78,018	200,002	1,178,031	3,241,559	1,964,385	7,767,234
Expenditures										
Current										
Parks and recreation	-	-	-	-	-	-	-	-	1,782,015	1,782,015
Community services	24	695,369	278,292	-	-	286,815	1,118,751	867,941	-	3,247,192
Capital outlay	-	-	-	-	-	-	-	2,315,433	21,860	2,337,293
Total expenditures	24	695,369	278,292	-	-	286,815	1,118,751	3,183,374	1,803,875	7,366,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	89,295	-	28,045	14,214	78,018	(86,813)	59,280	58,185	160,510	400,734

City of Caldwell, Idaho
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
Year Ended September 30, 2020

	<u>Debt Service</u>	<u>CDBG/ HUD</u>	<u>Cemetery</u>	<u>Cemetery Capital Improvement</u>	<u>Cemetery Perpetual Care</u>	<u>Community Development</u>	<u>Library</u>	<u>Airport</u>	<u>Recreation</u>	<u>Totals</u>
Other Financing Sources (Uses)										
Proceeds from sale of assets	-	-	-	-	-	-	-	-	14,175	14,175
Contributions from other governments	-	-	-	-	-	216,200	-	-	-	216,200
Loans to other governments	-	-	-	-	275,000	-	-	-	-	275,000
Operating transfers out	(72,128)	-	-	-	-	-	-	-	-	(72,128)
Operating transfers in	-	-	-	-	-	45,801	-	-	-	45,801
Total other financing sources (uses)	<u>(72,128)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>275,000</u>	<u>262,001</u>	<u>-</u>	<u>-</u>	<u>14,175</u>	<u>479,048</u>
Excess of Revenues Over Expenditures and Other Financing Sources	17,167	-	28,045	14,214	353,018	175,188	59,280	58,185	174,685	879,782
Fund Balance, Beginning of Year	<u>413,263</u>	<u>-</u>	<u>579,244</u>	<u>48,142</u>	<u>932,037</u>	<u>66,886</u>	<u>1,160,431</u>	<u>316,754</u>	<u>562,247</u>	<u>4,079,004</u>
Fund Balance, End of Year	<u>\$ 430,430</u>	<u>\$ -</u>	<u>\$ 607,289</u>	<u>\$ 62,356</u>	<u>\$ 1,285,055</u>	<u>\$ 242,074</u>	<u>\$ 1,219,711</u>	<u>\$ 374,939</u>	<u>\$ 736,932</u>	<u>\$ 4,958,786</u>

NONMAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

To account for operations that are financed and operated in a manner similar to private business enterprises when the intent of the governing body is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or when the City's council has decided that periodic determination of net income is appropriate for accountability purposes.

Golf Fund

To account for the operations of the City's public golf courses (Purple Sage and Fairview).

Street Lighting Fund

To account for the billings and receipts for the City street lights.

Irrigation Fund

To account for maintenance, operation and capital replacement of the City's irrigation system.

INTERNAL SERVICE FUNDS

To account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Post-Retirement Health Reimbursement Arrangement

To account for post-employment benefits for employees who retire under PERSI before age 65 that are not yet eligible for Medicare until age 65 or older. The benefits will help retired employees to bridge the gap between retirement and age 65.

Section 125 Benefit Plan

To account for employee cafeteria contributions and expenditures for health services.

City of Caldwell, Idaho
Combining Statement of Net Position – Nonmajor Enterprise Funds
September 30, 2020

	Golf	Street Lighting	Irrigation	Totals
Assets				
Current Assets				
Cash and cash equivalents	\$ 8,226	\$ 916,432	\$ 2,032,540	\$ 2,957,198
Interest receivable	-	605	1,275	1,880
Accounts receivable	-	72,014	432,198	504,212
Grants receivable	518	-	-	518
Inventory	29,479	-	-	29,479
Total current assets	38,223	989,051	2,466,013	3,493,287
Noncurrent Assets				
Capital assets				
Capital assets not being depreciated	178,368	-	332,314	510,682
Capital asset being depreciated (net)	694,244	2,669,968	3,657,916	7,022,128
Total noncurrent assets	872,612	2,669,968	3,990,230	7,532,810
Deferred Outflow of Resources				
Pension obligation	34,913	-	27,534	62,447
	<u>\$ 945,748</u>	<u>\$ 3,659,019</u>	<u>\$ 6,483,777</u>	<u>\$ 11,088,544</u>
Liabilities				
Current Liabilities				
Vouchers and payroll payables	\$ 57,018	\$ 13,985	\$ 335,309	\$ 406,312
Customer deposits	30,347	-	-	30,347
Due to other funds	71,000	-	-	71,000
Advances	212,000	-	-	212,000
Current portion of compensated absences	22,646	-	-	22,646
Total current liabilities	393,011	13,985	335,309	742,305
Noncurrent Liabilities				
Net pension liability	108,209	-	78,924	187,133
Deferred Inflow of Resources				
Pension obligation	(4,881)	-	(1,670)	(6,551)
Net Position				
Net investment in capital assets	872,612	2,669,968	3,990,230	7,532,810
Unrestricted	(423,203)	975,066	2,080,984	2,632,847
Total net position	449,409	3,645,034	6,071,214	10,165,657
	<u>\$ 945,748</u>	<u>\$ 3,659,019</u>	<u>\$ 6,483,777</u>	<u>\$ 11,088,544</u>

City of Caldwell, Idaho

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds
Year Ended September 30, 2020

	Golf	Street Lighting	Irrigation	Totals
Operating Revenues				
Charges for services	\$ 1,036,693	\$ 659,493	\$ 1,579,840	\$ 3,276,026
Other	12,623	6,904	7,381	26,908
Total operating revenues	1,049,316	666,397	1,587,221	3,302,934
Operating Expenses				
Personnel services	347,689	-	214,172	561,861
Contractual services	328,676	118,610	353,913	801,199
Materials and supplies	218,764	-	28,222	246,986
Utilities	88,875	243,612	470,208	802,695
Repairs and maintenance	104,803	254,065	269,941	628,809
Other expenses	55,011	5,510	18,117	78,638
Depreciation	126,124	119,744	135,276	381,144
Total operating expenses	1,269,942	741,541	1,489,849	3,501,332
Operating Income (Loss)	(220,626)	(75,144)	97,372	(198,398)
Nonoperating Revenues (Expenses)				
Interest income	155	8,368	26,894	35,417
Other financial assistance - CARES Act	800	-	-	800
Unrealized (loss)/gain on investments	(199)	9,169	7,452	16,422
Total nonoperating revenues	756	17,537	34,346	52,639
Income (Loss) Before Contributions and Transfers	(219,870)	(57,607)	131,718	(145,759)
Contributions from developers	-	599,569	1,102,779	1,702,348
Transfers in	52,250	-	-	52,250
Transfers out	-	-	(10,000)	(10,000)
Change in Net Position	(167,620)	541,962	1,224,497	1,598,839
Net Position, Beginning of Year	617,029	3,103,072	4,846,717	8,566,818
Net Position, End of Year	\$ 449,409	\$ 3,645,034	\$ 6,071,214	\$ 10,165,657

City of Caldwell, Idaho
Combining Statement of Cash Flows – Nonmajor Enterprise Funds
Year Ended September 30, 2020

	Non Major Enterprise Funds			Total
	Golf	Street Lighting	Irrigation	
Operating Activities				
Received from user charges	\$ 1,059,561	\$ 662,342	\$ 1,581,882	\$ 3,303,785
Payments to employees for services	(318,875)	-	(201,033)	(519,908)
Payments to suppliers for goods and services	(782,734)	(624,361)	(852,030)	(2,259,125)
Net Cash from (used for) Operating Activities	(42,048)	37,981	528,819	524,752
Noncapital Financing Activities				
Transfers In	52,250	-	-	52,250
Transfers out	-	-	(10,000)	(10,000)
Other financial assistance - CARES Act	282	-	-	282
Repayment on interfund loan	(71,000)	-	-	(71,000)
Net Cash from (used for) Noncapital Financing Activities	(18,468)	-	(10,000)	(28,468)
Capital and Related Financing Activities				
Acquisition of capital assets	-	-	(678,511)	(678,511)
Net Cash from (used for) Capital and Related Financing Activities	-	-	(678,511)	(678,511)
Investing Activities				
Interest received on investments	421	9,238	28,698	38,357
Net increase (decrease) in pooled investments	(199)	9,169	7,454	16,424
Net Cash from Investing Activities	222	18,407	36,152	54,781
Net Change in Cash and Cash Equivalents	(60,294)	56,388	(123,540)	(127,446)
Cash and Cash Equivalents, October 1, 2019	68,520	860,044	2,156,080	3,084,644
Cash and Cash Equivalents, September 30, 2020	<u>\$ 8,226</u>	<u>\$ 916,432</u>	<u>\$ 2,032,540</u>	<u>\$ 2,957,198</u>
Contributed property, plant and equipment	<u>\$ -</u>	<u>\$ 599,569</u>	<u>\$ 1,102,779</u>	<u>\$ 1,702,348</u>

City of Caldwell, Idaho
Combining Statement of Cash Flows – Nonmajor Enterprise Funds
Year Ended September 30, 2020

	<u>Non Major Enterprise Funds</u>			
	<u>Golf</u>	<u>Street Lighting</u>	<u>Irrigation</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash from (used for) operating activities				
Operating income (loss)	\$ (220,626)	\$ (75,144)	\$ 97,372	\$ (198,398)
Depreciation	126,124	119,744	135,276	381,144
GASB 68 pension expense	22,733	-	13,245	35,978
Changes in assets and liabilities				
Accounts receivable	100	(4,055)	(5,339)	(9,294)
Inventory	11,064	-	-	11,064
Vouchers payable	2,625	(2,564)	288,265	288,326
Unearned revenue	(318)	-	-	(318)
Compensated absences	5,787	-	-	5,787
Customer deposits	10,463	-	-	10,463
Net Cash from (used for) Operating Activities	<u>\$ (42,048)</u>	<u>\$ 37,981</u>	<u>\$ 528,819</u>	<u>\$ 524,752</u>

City of Caldwell, Idaho
Combining Statement of Net Position – Nonmajor Internal Service Funds
September 30, 2020

	<u>Post-Retirement Health Reimbursement Arrangement</u>	<u>Section 125 Benefit Plan</u>	<u>Totals</u>
Assets and Deferred Outflows of Resources			
Current Assets			
Cash and cash equivalents	\$ 886,802	\$ 12,630	\$ 899,432
Interest receivable	429	-	429
Total current assets	<u>887,231</u>	<u>12,630</u>	<u>899,861</u>
Deferred Outflows of Resources			
OPEB obligations	<u>93,939</u>	<u>-</u>	<u>93,939</u>
Total deferred outflows of resources	<u>93,939</u>	<u>-</u>	<u>93,939</u>
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Vouchers payable	5,000	-	5,000
OPEB liability	<u>723,395</u>	<u>-</u>	<u>723,395</u>
Total liabilities	<u>728,395</u>	<u>-</u>	<u>728,395</u>
Deferred Inflows of Resources			
OPEB obligations	<u>43,612</u>	<u>-</u>	<u>43,612</u>
Total deferred inflows of resources	<u>43,612</u>	<u>-</u>	<u>43,612</u>
Net Position			
Unrestricted	<u>209,163</u>	<u>12,630</u>	<u>221,793</u>
Total net position	<u>209,163</u>	<u>12,630</u>	<u>221,793</u>
	<u>\$ 981,170</u>	<u>\$ 12,630</u>	<u>\$ 993,800</u>

City of Caldwell, Idaho

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Internal Service
Funds

Year Ended September 30, 2020

	<u>Post-Retirement Health Reimbursement Arrangement</u>	<u>Section 125 Benefit Plan</u>	<u>Totals</u>
Operating Revenues			
Charges for services	\$ 192,621	\$ 5,995	\$ 198,616
Total operating revenues	<u>192,621</u>	<u>5,995</u>	<u>198,616</u>
Operating Expenses			
Contractual services	<u>104,448</u>	<u>350</u>	<u>104,798</u>
Total operating expenses	<u>104,448</u>	<u>350</u>	<u>104,798</u>
Operating Income (Loss)	<u>88,173</u>	<u>5,645</u>	<u>93,818</u>
Nonoperating Revenues (Expenses)			
Interest income	8,828	-	8,828
Unrealized gain on investments	7,662	-	7,662
OPEB expenses (offset)	<u>(56,811)</u>	<u>-</u>	<u>(56,811)</u>
Total nonoperating (expenses)	<u>(40,321)</u>	<u>-</u>	<u>(40,321)</u>
Change in Net Position	47,852	5,645	53,497
Net Position, Beginning of Year	<u>161,311</u>	<u>6,985</u>	<u>168,296</u>
Net Position, End of Year	<u>\$ 209,163</u>	<u>\$ 12,630</u>	<u>\$ 221,793</u>

City of Caldwell, Idaho
Combining Statement of Cash Flows – Nonmajor Internal Service Funds
Year Ended September 30, 2020

	<u>Internal Service Funds</u>		
	<u>Post-Retirement Health Reimbursement Arrangement</u>	<u>Section 125 Benefit Plan</u>	<u>Totals</u>
Operating Activities			
Received from user charges	\$ 192,621	\$ 5,995	\$ 198,616
Payments to suppliers for goods and services	<u>(99,448)</u>	<u>(350)</u>	<u>(99,798)</u>
Net Cash from Operating Activities	<u>93,173</u>	<u>5,645</u>	<u>98,818</u>
Investing Activities			
Interest received on investments	9,045	-	9,045
Net increase in pooled investments	<u>7,662</u>	<u>-</u>	<u>7,662</u>
Net Cash from Investing Activities	<u>16,707</u>	<u>-</u>	<u>16,707</u>
Net Change in Cash and Cash Equivalents	109,880	5,645	115,525
Cash and Cash Equivalents, October 1, 2019	<u>776,922</u>	<u>6,985</u>	<u>783,907</u>
Cash and Cash Equivalents, September 30, 2020	<u>\$ 886,802</u>	<u>\$ 12,630</u>	<u>\$ 899,432</u>
Reconciliation of Operating Income to Net Cash from operating activities			
Operating income	\$ 88,173	\$ 5,645	\$ 93,818
Changes in assets and liabilities			
Vouchers payable	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net Cash from Operating Activities	<u>\$ 93,173</u>	<u>\$ 5,645</u>	<u>\$ 98,818</u>