



Financial Statements
September 30, 2023

City of Caldwell, Idaho

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CITY OF CALDWELL, IDAHO

CITY OFFICIALS

September 30, 2023

MAYOR

Jarom Wagoner

COUNCIL

Chris Allgood – Council President

Brad Doty

Chuck Stadick

Diana Register

Geoff Williams

John McGee

CITY CLERK

Debbie Geyer

CITY TREASURER

Rachelle Castleberry

CITY FINANCE DIRECTOR

Raelynn North



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Caldwell, Idaho (the City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 and 17 to the financial statements, the City has adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which has resulted in a restatement of net position as of October 1, 2022. In accordance with GASB Statement No. 96, the financial statements as of and for the year ended September 30, 2023, have been restated to reflect this change. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are 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 our report dated March 6, 2024 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 the City's internal control over financial reporting and compliance.



Boise, Idaho
March 6, 2024

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, 2023.

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, 2023, by \$468,121,536. This is an increase of \$47,248,148 over the September 30, 2022, beginning balance of \$420,873,388. Of this amount, unrestricted net position of \$102,466,050 may be used to meet the City's ongoing obligations to citizens compared to \$100,194,364 on September 30, 2022.
- As of September 30, 2023, the City of Caldwell's governmental funds reported combined ending fund balances of \$64,732,373. This is an increase of \$8,399,475 over the September 30, 2022, balance of \$56,332,898. Of this amount, \$15,505,966 is unassigned for operations and projects and available for spending compared to \$25,040,285 on September 30, 2022.
- Management has committed \$15,289,933 for public safety and capital projects and assigned \$13,000,000 for city projects of the \$43,844,126 in the general fund.
- During the fiscal year ending September 30, 2023, the City implemented GASB 96 and recorded IT subscription assets and liabilities of \$706,480 and \$692,313 respectively as of September 30, 2023.

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 non-major 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. Individual fund data for each of these non-major proprietary funds is 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 non-major 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, 2023, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$468,121,536. This is an increase of \$47,248,148 over the September 30, 2022, balance of \$420,873,388. Current and other assets increased \$16,152,523, capital assets net of depreciation increased \$44,359,071, deferred outflows increased \$941,825, liabilities increased \$9,318,704 and deferred inflows of resources increased \$4,886,567. The changes in the accounts above are attributed to changes in net position which are discussed below.

Investments in capital assets totaling \$355,703,715 represent by far the largest portion of the City's net position (75.99%). 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 \$214,095,950 at September 30, 2023, an increase of \$27,790,702 from September 30, 2022, balance of \$186,305,248 for governmental activities. Capital assets, net of accumulated depreciation for business-type activities totaled \$142,300,078 at September 30, 2023 and increased \$16,568,369 from September 30, 2022, balance of \$125,731,709. Major asset additions are scheduled on page 12.

Governmental activities. Governmental activities increased the City's net position by \$32,867,056 (change in net position) accounting for a 13.43% increase in the net position. Governmental expenses totaled \$56,678,541 compared to \$45,535,318 in 2022. Police expenses increased \$1,713,689 for salary, benefits and capital. Fire expenses increased by \$2,141,026 for salary, benefits and capital.

Program revenues totaled \$49,635,006 which is \$11,193,937 more than last year and covered 87.57% of governmental expenses. A major component of this increase is related to Urban Renewal Agency contributions for street infrastructure projects and federal grant funding received.

Expenses less program revenues produced a net expense of \$7,043,535. When netted against general revenues of \$39,910,591 the change in net position for governmental activities is an increase of \$32,867,056 (see statement of activities on page 17).

Business-type activities. Business-type activities increased the City's net position by \$14,377,736 accounting for an 8.16% increase in the City's net position. Business-type operating expenses totaled \$31,490,467 compared to \$26,058,686 in 2022. Expenses for water, sewer, sanitation, golf and irrigation increased \$2,689,930, \$923,996, \$651,853, \$245,478, and \$732,235, respectively. The water increase of \$2,689,930 resulted from increases in personnel, contractual services, and maintenance. The sewer increase of \$923,996 resulted from increases in personnel, maintenance, and operations. The sanitation expense increase of \$651,853 was caused by an increase in contractual services. The golf increase of \$245,478 resulted from an increase in maintenance and operations. The \$732,235 increase in irrigation was the result of an increase in maintenance and operations.

Program revenues totaled \$43,442,764 compared to \$47,822,737 in 2022 and covered 137.9% of expenses. The major component of this \$4,379,973 decrease was due to a decrease in contributed capital. Contributed capital for water and sewer decreased \$2,596,726 and \$2,580,090, respectively.

General revenues totaled \$2,425,439 compared to \$41,376 last year and covered 7.7% of expenses. General revenues are primarily comprised of investment earnings of \$1,925,091, unrealized gain on investments of \$147,901, miscellaneous revenues of \$279,341 and transfers from governmental activities of \$13,834.

Expenses less program revenues produced net revenue of \$11,952,297. When combined with general revenues of \$2,425,439, the change in net position for business-type activities is an increase of \$14,377,736 (see statement of activities on pages 16-17).

City of Caldwell's Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022*	2023	2022	2023	2022*
Current and Other	\$127,000,679	\$109,556,992	\$ 53,153,702	\$ 54,444,866	\$180,154,381	\$164,001,858
Capital Assets	214,095,950	186,305,248	142,300,078	125,731,709	356,396,028	312,036,957
Total Assets	<u>341,096,629</u>	<u>295,862,240</u>	<u>195,453,780</u>	<u>180,176,575</u>	<u>536,550,409</u>	<u>476,038,815</u>
Deferred Outflows	10,153,997	9,450,695	1,343,297	1,104,774	11,497,294	10,555,469
Short-Term Liabilities	21,264,436	18,637,488	3,483,079	3,089,192	24,747,515	21,726,680
Long-Term Liabilities	21,699,808	16,152,722	2,761,237	2,010,454	24,461,045	18,163,176
Total Liabilities	<u>42,964,244</u>	<u>34,790,210</u>	<u>6,244,316</u>	<u>5,099,646</u>	<u>49,208,560</u>	<u>39,889,856</u>
Deferred Inflows	<u>30,672,771</u>	<u>25,779,526</u>	<u>44,836</u>	<u>51,514</u>	<u>30,717,607</u>	<u>25,831,040</u>
Net Investment in						
Capital Assets	213,403,637	186,305,248	142,300,078	125,731,709	355,703,715	312,036,957
Restricted	9,951,771	8,642,067	-	-	9,951,771	8,642,067
Unrestricted	54,258,203	49,795,884	48,207,847	50,398,480	102,466,050	100,194,364
Total Net Position	<u>\$277,613,611</u>	<u>\$244,743,199</u>	<u>\$190,507,925</u>	<u>\$176,130,189</u>	<u>\$468,121,536</u>	<u>\$420,873,388</u>

*The prior fiscal year columns were not adjusted to incorporate the effects of GASB 96 which was implemented in fiscal year 2023.

At the end of the current fiscal year, the City is able to report positive balances in both 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	
	2023	2022*	2023	2022	2023	2022*
Revenues:						
Program revenues:						
Charges for services	\$19,358,464	\$ 16,691,915	\$ 36,108,091	\$32,213,186	\$ 55,466,555	\$ 48,905,101
Operating grants and contributions	7,072,909	4,102,332	-	-	7,072,909	4,102,332
Capital grants and contributions	23,203,633	17,646,822	7,334,673	15,609,551	30,538,306	33,256,373
General revenues:						
Property taxes-general purpose	22,393,185	20,868,349	-	-	22,393,185	20,868,349
Franchise fees	1,043,941	854,451	-	-	1,043,941	854,451
Sales tax and other government	12,395,661	12,418,612	-	-	12,395,661	12,418,612
Special assessments for debt service of LIDs	353,637	331,715	-	-	353,637	331,715
Investment earnings	2,848,959	694,670	1,925,091	409,849	4,774,050	1,104,519
Interest on leases	97,486	-	3,004	-	100,490	-
Unrealized gain (loss) on investment	240,806	(1,139,954)	147,901	(1,007,362)	388,707	(2,147,316)
Miscellaneous	586,136	454,347	279,341	400,703	865,477	855,050
Gain (loss) on disposal	38,092	(2,364)	(17,210)	40,750	20,882	38,386
Internal transfers	(13,834)	(30,588)	13,834	30,588	-	-
Transfer of capital assets	(73,478)	(166,848)	73,478	166,848	-	-
Total revenues	89,545,597	72,723,459	45,868,203	47,864,113	135,413,800	120,587,572
Expenses:						
General government	11,797,627	8,032,656	31,490,467	26,058,686	43,288,094	34,091,342
Public safety	25,461,170	21,300,595	-	-	25,461,170	21,300,595
Culture and recreation	3,854,391	2,855,410	-	-	3,854,391	2,855,410
Community services and development	4,965,569	4,225,103	-	-	4,965,569	4,225,103
Streets	10,487,725	9,023,454	-	-	10,487,725	9,023,454
Interest on long-term debt	112,059	98,100	-	-	112,059	98,100
Total expenses	56,678,541	45,535,318	31,490,467	26,058,686	88,169,008	71,594,004
Net Revenue	\$32,867,056	\$27,188,141	\$ 14,377,736	\$21,805,427	\$47,244,792	\$ 48,993,568

*The prior fiscal year columns were not adjusted to incorporate the effects of GASB 96 which was implemented in fiscal year 2023.

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, 2023, the City's governmental funds reported combined ending fund balances of \$64,732,373. Of this amount, \$15,505,966 (23.95%) is unassigned fund balance for operations. Other assigned fund balances include: \$12,505,248 to be used for community services related to street projects, \$13,000,000 to be used for City projects, \$697,891 for building capital maintenance, and \$5,132,529 only to be used to fund activities in the community services of the City's Other Governmental Funds. Additionally, \$1,594,603 can only be used to fund library expenditures. Fund balance committed for public safety and capital outlay are \$4,832,020 and \$10,457,913, respectively. Finally, \$558,678 is classified as non-spendable with the \$470,003 being inventory, \$38,391 being notes receivable, and \$50,284 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 \$15,514,066. Within the unassigned fund balance, the City should maintain \$14,686,223 to pay personnel and operation expenses from October 1st until property tax revenues are received in late January. The remaining unassigned fund balance can be used for one-time expenditures approved by city council. Total fund balance amounted to \$43,844,126, which is \$5,644,287 more than last year. Revenues were under budget by (\$1,940,973) while expenditures were under budget \$8,818,147. The net of other financing sources/uses was under budget by \$2,160,658. The net change in general fund's fund balance was over budget by \$9,037,832 due to positive budget variances discussed above.

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 \$41,110,182. Unassigned fund balance represents 37.72% and total fund balance represents 106.65% of total general fund expenditures.

Major components affecting the general fund's total fund balance are \$4,832,020 committed for safety services and \$10,457,913 committed from impact fees for new parks, police and fire capital improvements, and capital equipment for park and recreation maintenance. General Fund Receivables for property taxes due within one year total \$21,661,513, an increase of \$4,155,141 from the September 30, 2022 balance of \$17,506,372.

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 \$12,505,248, which is \$1,216,770 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 \$22,208,314.

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 \$3,227,608, \$8,873,907 and \$329,497, respectively. Total net position increase in the water fund resulted from excess revenues over expenditures of \$207,192 (before contributions and transfers). The increase in sewer fund net position also resulted from excess revenues over expenditures of \$6,579,547 (before contributions and transfers). The increase in the sanitation fund net position also resulted from excess revenues over expenditures of \$329,497 (before contributions and transfers).

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget to Actual Revenues. General fund revenues were under budget projections by (\$1,940,973). This variance is reported in detail on page 66. Property tax revenue is \$313,476 over budget resulting from delinquent tax collections. Intergovernmental revenues, which are comprised of sales tax, were under budget projections by (\$195,423).

Budget to Actual Expenditures. Savings in general fund expenditures totaled \$8,818,147. General government expenditures were under budget by \$7,186,893 due to grant projects. Public safety expenditures were under budget by \$1,034,333 due to savings in operations.

CAPITAL ASSETS

Capital Assets. The City's net investment in capital assets for its governmental and business-type activities at September 30, 2023, amounts to \$356,396,028 (net of accumulated depreciation and amortization). 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 \$40,732,946 in capital assets (excluding contributed capital) during the year and retired assets totaling \$635,372. Depreciation expense for the year was \$15,267,516.

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

Governmental Funds:

• Land For Airport Expansion	\$	1,711,467
• Land For Street Infrastructure		1,442,995
• Street Building Improvements		277,802
• Streets Machinery & Equipment		300,558
• Gen Fund Vehicles & Equipment		233,229
• Fire Vehicles		111,700
• Police Vehicles		792,261
• Police Fencing		179,519
• New Parks/Rec Building Completion		1,567,697
• Park Equipment & Vehicles		107,095
• Park Improvements		907,459
• Ustick Widening & Overpass		9,190,481
• Streets LIDS & Patway Improvements		336,456
• Airport Improvements		434,210
• Street Dept Construction of Roundabouts		5,569,818
• Gen Fund Improvements-Downtown		761,769
• Gen Fund Improvements		96,113
• Dedicated Streets		9,925,405
• Dedicated Storm Drains		592,097
• Dedicated ROW's and Easements		1,298,930
	<u>\$</u>	<u>35,837,061</u>

Enterprise Funds:

• Water Department Vehicle & Machinery	\$	382,674
• Sewer Department Vehicle & Machinery		473,637
• Irrigation Department Vehicle & Machinery		42,318
• Golf Machinery & Equip		73,478
• Land for future Water Infrastructure		2,527,772
• Dedicated Water Lines		3,005,851
• Water Meters & Water Line Improvements		6,700,764
• Dedicated Sewer Lines		2,285,091
• Irrigation Pump Station Rebuilds & Upgrades		652,678
• Dedicated Irrigation		1,546,825
• Sewer Plant Site Improvements		5,191,392
• Dedicated Street Lights		496,906
	<u>\$</u>	<u>23,379,386</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S PLANS

Enterprise fund utility rate increases varied in 2023. Sewer, Water, and Sanitation (garbage collection) rates were increased 4.9%, respectively in 2024. Street lights 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 2023. The demand for new single-family residential units in 2023 resulted in 960 new residential 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 2023 by \$1,865,655,166. New construction and annexations added \$284,673,951 in taxable value. District Taxable values at September 30, 2023, reached \$7,284,206,129 compared to the highest values recorded in 2008 of \$1,492,249,718. The East Urban Renewal District closed as well in 2023 providing an additional \$1,145,655,520 in Property Tax Values for the City. Property taxes levied on this \$8,714,535,600 are \$26,777,895 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 higher assessed values is lower levy rates. City-wide levy rates dropped 7.92% to 36.76 mills in 2023 compared to 39.92 mills in 2022.

The economy is continuing to grow at 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, 955 in 2020, 1,028 in 2021, 884 in 2022, and 1069 in 2023. Demand for residential building permits should stay the same in 2024. Demand for commercial building permits should stay the same in 2024.

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 Treasurer, City of Caldwell, P.O. Box 1179, 411 Blaine St., Caldwell, Idaho 83606.

City of Caldwell, Idaho
Statement of Net Position
September 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash, investments and cash equivalents	\$ 78,410,146	\$ 48,545,946	\$ 126,956,092
Prepaid expenses	50,284	-	50,284
Receivables			
Interest	559,646	213,800	773,446
Taxes	27,886,805	-	27,886,805
Intergovernmental	4,838,087	-	4,838,087
Accounts	379,794	3,926,192	4,305,986
Special assessments	181,454	-	181,454
Grants	768,900	-	768,900
Notes receivable	38,391	-	38,391
Lease receivable	250,307	5,879	256,186
Internal balances	72,000	(72,000)	-
Inventory	470,003	495,708	965,711
	<u>113,905,817</u>	<u>53,115,525</u>	<u>167,021,342</u>
Total current assets			
Noncurrent Assets			
Restricted cash, investments and cash equivalents	135,843	-	135,843
Restricted investments	206,968	-	206,968
Net pension asset - FRF	9,951,771	-	9,951,771
Lease receivable	2,800,280	38,177	2,838,457
Capital assets			
Land and other assets not depreciated	39,273,961	21,018,597	60,292,558
Capital assets being depreciated	174,115,509	121,281,481	295,396,990
Right to use subscription IT assets, net of accumulated amortization	706,480	-	706,480
	<u>227,190,812</u>	<u>142,338,255</u>	<u>369,529,067</u>
Total noncurrent assets			
Deferred Outflows of Resources			
OPEB liability	153,489	-	153,489
Pension	10,000,508	1,343,297	11,343,805
	<u>10,153,997</u>	<u>1,343,297</u>	<u>11,497,294</u>
Total deferred outflows of resources			

City of Caldwell, Idaho
Statement of Net Position
September 30, 2023

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Current Liabilities			
Vouchers and payroll payable	9,493,080	2,384,505	11,877,585
Customer deposits	7,996	872,704	880,700
Interest payable	7,649	-	7,649
Advance revenues	10,359,563	-	10,359,563
Subscription IT liabilities	119,424	-	119,424
Current portion of compensated absences	1,276,724	225,870	1,502,594
Total current liabilities	<u>21,264,436</u>	<u>3,483,079</u>	<u>24,747,515</u>
Noncurrent Liabilities			
Compensated absences payable	791,055	-	791,055
Subscription IT liabilities	572,889	-	572,889
OPEB liability	642,904	-	642,904
Net pension liability-Base Plan	19,692,960	2,761,237	22,454,197
Total noncurrent liabilities	<u>21,699,808</u>	<u>2,761,237</u>	<u>24,461,045</u>
Deferred Inflows of Resources			
Pension	19,197	2,692	21,889
OPEB liability	112,466	-	112,466
Lease related	3,068,418	42,144	3,110,562
Unavailable property tax revenue	27,472,690	-	27,472,690
Total deferred inflows of resources	<u>30,672,771</u>	<u>44,836</u>	<u>30,717,607</u>
Net Position			
Net investment in capital assets	213,403,637	142,300,078	355,703,715
Restricted for pensions	9,951,771	-	9,951,771
Unrestricted	54,258,203	48,207,847	102,466,050
Total net position	<u>\$ 277,613,611</u>	<u>\$ 190,507,925</u>	<u>\$ 468,121,536</u>

City of Caldwell, Idaho
Statement of Activities
Year Ended September 30, 2023

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	\$ 512,182	\$ -	\$ -	\$ -	\$ (512,182)
Administrative	646,162	-	-	-	(646,162)
Legal	305,069	-	-	-	(305,069)
City clerk	302,778	46,249	-	-	(256,529)
Accounting	559,888	-	-	-	(559,888)
Tort insurance	462,571	462,571	-	-	-
Other general government	6,717,429	1,528,259	-	-	(5,189,170)
Government buildings and engineering services	2,291,548	2,476,535	-	-	184,987
Public safety					
Law enforcement	13,602,620	1,015,859	171,356	-	(12,415,405)
Fire department	10,247,839	3,980,768	260,086	-	(6,006,985)
Building safety	1,610,711	4,619,714	-	-	3,009,003
Parks and recreation					
Parks	3,501,439	2,430,238	-	-	(1,071,201)
Culture and recreation	352,952	191,032	-	-	(161,920)
Community services					
Community services	3,732,289	691,813	1,525,000	783,534	(731,942)
Community development	1,176,620	-	4,128,918	22,339,281	25,291,579
Senior citizens	56,660	-	-	-	(56,660)
Streets	10,487,725	1,915,426	987,549	80,818	(7,503,932)
Interest on long-term debt	112,059	-	-	-	(112,059)
Total governmental activities	<u>56,678,541</u>	<u>19,358,464</u>	<u>7,072,909</u>	<u>23,203,633</u>	<u>(7,043,535)</u>
Business-Type Activities					
Water	8,755,906	8,231,394	-	3,005,851	2,481,339
Sewer	11,253,713	16,695,473	-	2,285,091	7,726,851
Sanitation	6,434,625	6,474,472	-	-	39,847
Golf	1,836,711	1,754,757	-	-	(81,954)
Street lighting	719,309	804,349	-	496,906	581,946
Irrigation	2,490,203	2,147,646	-	1,546,825	1,204,268
Total business-type activities	<u>31,490,467</u>	<u>36,108,091</u>	<u>-</u>	<u>7,334,673</u>	<u>11,952,297</u>
Total Primary Government	<u>\$ 88,169,008</u>	<u>\$ 55,466,555</u>	<u>\$ 7,072,909</u>	<u>\$ 30,538,306</u>	<u>\$ 4,908,762</u>

City of Caldwell, Idaho
Statement of Activities
Year Ended September 30, 2023

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Change in Net Position			
Net revenue (expense)	\$ (7,043,535)	\$ 11,952,297	\$ 4,908,762
General revenues			
Shared revenues			
Property taxes, levied for general purposes	22,393,185	-	22,393,185
Franchise fees	1,043,941	-	1,043,941
Sales tax and other governmental	12,395,661	-	12,395,661
Special assessments for debt service of Local Improvement Districts	353,637	-	353,637
Unrestricted investment earnings	2,848,959	1,925,091	4,774,050
Unrestricted interest-leases	97,486	3,004	100,490
Unrestricted unrealized gain on investments	240,806	147,901	388,707
Miscellaneous	586,136	279,341	865,477
Gain (loss) on disposal of assets	38,092	(17,210)	20,882
Transfers	(13,834)	13,834	-
Transfer of capital assets	(73,478)	73,478	-
Total general revenues and transfers	<u>39,910,591</u>	<u>2,425,439</u>	<u>42,336,030</u>
Change in Net Position	32,867,056	14,377,736	47,244,792
Net Position, Beginning of Year	<u>244,743,199</u>	<u>176,130,189</u>	<u>420,873,388</u>
Restatement (see Note 17)	<u>3,356</u>	<u>-</u>	<u>3,356</u>
Net Position, Beginning of Year as Restated	<u>244,746,555</u>	<u>176,130,189</u>	<u>420,876,744</u>
Net Position, End of Year	<u><u>\$ 277,613,611</u></u>	<u><u>\$ 190,507,925</u></u>	<u><u>\$ 468,121,536</u></u>

City of Caldwell, Idaho
Balance Sheet – Governmental Funds
September 30, 2023

	General	Street	Other Governmental Funds	Total Governmental Funds
Assets				
Cash, investments and cash equivalents	\$ 55,824,329	\$ 14,688,308	\$ 6,724,347	\$ 77,236,984
Prepaid expenses	30,438	-	19,846	50,284
Receivables				
Interest	189,462	64,798	302,863	557,123
Taxes	21,661,513	3,173,936	3,051,356	27,886,805
Intergovernmental	1,473,499	2,762,652	601,936	4,838,087
Accounts	170,016	104,259	105,519	379,794
Special assessments	-	-	181,454	181,454
Grants	186,276	-	582,624	768,900
Notes	-	-	38,391	38,391
Leases	142,117	-	2,908,470	3,050,587
Due from other funds	291,840	-	84,616	376,456
Advances	-	-	28,000	28,000
Inventory	9,689	460,314	-	470,003
Restricted cash and cash equivalents	-	-	135,843	135,843
Restricted investments	-	-	206,968	206,968
	<u>\$ 79,979,179</u>	<u>\$ 21,254,267</u>	<u>\$ 14,972,233</u>	<u>\$ 116,205,679</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Vouchers and payroll payable	\$ 4,021,225	\$ 5,114,769	\$ 350,279	\$ 9,486,273
Customer deposits	-	-	7,996	7,996
Due to other funds	616	-	291,840	292,456
Advanced revenues	10,359,563	-	-	10,359,563
Total liabilities	<u>14,381,404</u>	<u>5,114,769</u>	<u>650,115</u>	<u>20,146,288</u>
Deferred Inflows of Resources				
Unavailable property tax revenue	21,612,455	3,173,936	3,051,356	27,837,747
Unavailable revenue-other	-	-	420,853	420,853
Lease related	141,194	-	2,927,224	3,068,418
Total deferred inflows of resources	<u>21,753,649</u>	<u>3,173,936</u>	<u>6,399,433</u>	<u>31,327,018</u>
Fund Balances				
Nonspendable	40,127	460,314	58,237	558,678
Committed for public safety	4,832,020	-	-	4,832,020
Committed for capital outlay	10,457,913	-	-	10,457,913
Assigned for building capital maintenance	-	-	697,891	697,891
Assigned for library services	-	-	1,594,603	1,594,603
Assigned for debt services	-	-	447,523	447,523
Assigned for community services	-	12,505,248	5,132,531	17,637,779
Assigned for city projects	13,000,000	-	-	13,000,000
Unassigned for operations	15,514,066	-	(8,100)	15,505,966
Total fund balances	<u>43,844,126</u>	<u>12,965,562</u>	<u>7,922,685</u>	<u>64,732,373</u>
	<u>\$ 79,979,179</u>	<u>\$ 21,254,267</u>	<u>\$ 14,972,233</u>	<u>\$ 116,205,679</u>

City of Caldwell, Idaho
 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
 September 30, 2023

Fund balance - total governmental funds		\$ 64,732,373
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The costs of the assets is \$294,491,715 and the accumulated depreciation is \$80,395,765.		214,095,950
Some of the property taxes receivable are not available to pay for current-period expenditures and therefore are deferred in the funds.		365,055
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:		
Interest receivable on community development loans	18,284	
Special assessments	402,569	420,853
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.		
Net pension asset related to the PERSI FRF plan	9,951,771	
Net pension liability related to the PERSI base plan	(19,692,960)	
Deferred inflow of resources related to PERSI plans	(19,197)	
Deferred outflow of resources related to PERSI plans	10,000,508	240,122
Long-term interfund loan is not due and payable in the current period and therefore is not reported in the funds.		(40,000)
Long-term liabilities, including subscriptions are not due and payable in the current period and, therefore, are not reported in the funds.		(692,313)
Accrued interest on Subscription IT liabilities is not due and payable in the current-period and therefore is not reported in the funds.		(7,649)
A portion of the accrued compensated absences are not due and payable in the current period and therefore, are not reported in the funds.		(2,067,779)
Internal service funds are used by management to charge the costs of certain employee benefits to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		566,999
Net position of governmental activities		\$ 277,613,611

City of Caldwell, Idaho
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended September 30, 2023

	General	Street	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 17,692,621	\$ 2,582,606	\$ 2,046,284	\$ 22,321,511
Franchise fees	1,043,941	-	-	1,043,941
Interest	1,897,337	507,175	373,130	2,777,642
Interest from leases	3,364	-	94,122	97,486
Licenses and permits	4,665,963	-	-	4,665,963
Intergovernmental	4,369,234	5,771,511	2,254,916	12,395,661
Capital grants	-	10,603,667	783,536	11,387,203
Operating grants	5,847,255	987,549	22,105	6,856,909
Charges for services	11,873,093	1,915,426	903,981	14,692,500
Assessments	-	-	372,903	372,903
Unrealized gain (loss) on investments	202,652	37,723	(953)	239,422
Miscellaneous	237,278	49,558	299,300	586,136
Total revenues	47,832,738	22,455,215	7,149,324	77,437,277
Expenditures				
Current				
General government	8,206,910	-	315,740	8,522,650
Public safety	24,286,002	-	-	24,286,002
Culture and recreation	352,952	-	2,650,825	3,003,777
Community services	1,061,500	-	3,089,835	4,151,335
Streets	-	5,316,378	-	5,316,378
Debt service				
Principal repayments on interfund loan	40,000	-	-	40,000
Principal repayments subscriptions	56,803	-	-	56,803
Interest and other	108,087	-	-	108,087
Capital outlay	6,997,928	15,618,108	2,145,675	24,761,711
Total expenditures	41,110,182	20,934,486	8,202,075	70,246,743
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,722,556	1,520,729	(1,052,751)	7,190,534
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	29,850	-	334,321	364,171
Contributions from other entities	-	-	216,000	216,000
Subscriptions	642,604	-	-	642,604
Transfers in	-	34,544	1,750,723	1,785,267
Transfers out	(1,750,723)	-	(48,378)	(1,799,101)
Total other financing sources (uses)	(1,078,269)	34,544	2,252,666	1,208,941
Net Change in Fund Balances	5,644,287	1,555,273	1,199,915	8,399,475
Fund Balance, Beginning of Year	38,199,839	11,410,289	6,722,770	56,332,898
Fund Balance, End of Year	\$ 43,844,126	\$ 12,965,562	\$ 7,922,685	\$ 64,732,373

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, 2023

Net change in fund balances - total governmental funds \$ 8,399,475

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

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.

Capital outlay	24,761,711
Depreciation and amortization expense	(8,501,428)

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. (326,079)

Transfers of capital assets to business activities do not require financial resources. (73,478)

Capital assets contributed do not provide financial resources. 11,816,432

Some property tax revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 71,674

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.

Special assessments	(19,263)
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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. (2,212,405)

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.

Subscription principal payments	56,803
Interfund loan principal payments	40,000
Subscription proceeds	(642,604)

Interest expense accrued but not paid reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (7,659)

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. (624,798)

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. 128,675

Change in Net Position \$ 32,867,056

City of Caldwell, Idaho
Statement of Net Position – Proprietary Funds
September 30, 2023

	Enterprise Funds					Governmental
	Water	Sewer	Sanitation	Other	Total	Activities
				Enterprise Funds		Internal Service Funds
Assets						
Current Assets						
Cash, investments and cash equivalents	\$10,502,753	\$ 31,750,209	\$2,190,437	\$ 4,102,547	\$ 48,545,946	\$1,173,162
Receivables						
Interest	47,264	140,760	10,605	15,171	213,800	2,523
Accounts, net	849,113	1,669,700	790,213	617,166	3,926,192	-
Due from other funds	-	-	40,000	-	40,000	-
Leases receivable	5,879	-	-	-	5,879	-
Inventory	465,803	-	-	29,905	495,708	-
Total current assets	11,870,812	33,560,669	3,031,255	4,764,789	53,227,525	1,175,685
Noncurrent Assets						
Leases receivable	38,177	-	-	-	38,177	-
Capital assets						
Capital assets not being depreciated	9,730,546	10,606,215	-	681,836	21,018,597	-
Capital assets being depreciated (net)	34,270,786	69,793,013	33,406	17,184,276	121,281,481	-
Total noncurrent assets	44,039,509	80,399,228	33,406	17,866,112	142,338,255	-
Deferred Outflow of Resources						
OPEB Liability	-	-	-	-	-	153,489
Pension	649,855	471,338	-	222,104	1,343,297	-
Total deferred outflow of resources	649,855	471,338	-	222,104	1,343,297	153,489
	\$56,560,176	\$114,431,235	\$3,064,661	\$22,853,005	\$ 196,909,077	\$1,329,174

City of Caldwell, Idaho
Statement of Net Position – Proprietary Funds
September 30, 2023

	Enterprise Funds					Governmental
	Water	Sewer	Sanitation	Other	Total	Activities
				Enterprise Funds		Internal Service Funds
Liabilities						
Current Liabilities						
Vouchers and payroll payable	\$ 748,845	\$ 636,027	\$ 502,754	\$ 496,879	\$ 2,384,505	\$ 6,805
Customer deposits	609,841	178,266	-	84,597	872,704	-
Due to other funds	-	-	-	84,000	84,000	-
Advances	-	-	-	28,000	28,000	-
Current portion of compensated absences payable	136,150	57,839	-	31,881	225,870	-
Total current liabilities	1,494,836	872,132	502,754	725,357	3,595,079	6,805
Noncurrent Liabilities						
OPEB liability	-	-	-	-	-	642,904
Net pension liability	1,332,702	972,329	-	456,206	2,761,237	-
Total noncurrent liabilities	1,332,702	972,329	-	456,206	2,761,237	642,904
Deferred Inflow of Resources						
Changes in assumptions-OPEB	-	-	-	-	-	112,466
Lease related	42,144	-	-	-	42,144	-
Pension	1,299	948	-	445	2,692	-
Total deferred inflow of resources	43,443	948	-	445	44,836	112,466
Net Position						
Investment in capital assets	44,001,332	80,399,228	33,406	17,866,112	142,300,078	-
Unrestricted	9,687,863	32,186,598	2,528,501	3,804,885	48,207,847	566,999
Total net position	53,689,195	112,585,826	2,561,907	21,670,997	190,507,925	566,999
	\$ 56,560,176	\$ 114,431,235	\$ 3,064,661	\$ 22,853,005	\$ 196,909,077	\$ 1,329,174

City of Caldwell, Idaho
Statement Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
Year Ended September 30, 2023

	Enterprise Funds					Governmental
	Water	Sewer	Sanitation	Other	Total	Activities
				Enterprise Funds		Internal Service Funds
Operating Revenues						
Charges for services	\$ 7,534,419	\$ 16,661,868	\$6,474,472	\$ 4,706,752	\$ 35,377,511	\$ 408,912
Other	29,591	19,057	198,608	32,085	279,341	-
Total operating revenues	7,564,010	16,680,925	6,673,080	4,738,837	35,656,852	408,912
Operating Expenses						
Personnel expenses	2,392,166	1,723,793	-	822,870	4,938,829	122,847
Contractual services	1,873,985	2,880,145	6,234,840	1,024,398	12,013,368	159,488
Materials and supplies	207,315	479,296	121,170	465,387	1,273,168	-
Utilities	446,814	831,989	532	1,023,225	2,302,560	-
Repairs and maintenance	1,797,991	851,755	30,345	740,903	3,420,994	-
Other expenses	153,653	481,707	39,210	100,890	775,460	-
Depreciation	1,883,982	4,005,028	8,528	868,550	6,766,088	-
Total operating expenses	8,755,906	11,253,713	6,434,625	5,046,223	31,490,467	282,335
Operating Income (Loss)	(1,191,896)	5,427,212	238,455	(307,386)	4,166,385	126,577
Nonoperating Revenues (Expenses)						
Hook-on-fees	696,975	33,605	-	-	730,580	-
Interest income	601,313	1,091,391	90,064	142,323	1,925,091	71,317
Gain (Loss) on the sale of assets	2,010	(19,220)	-	-	(17,210)	-
Other Misc Revenues - Leases	3,004	-	-	-	3,004	-
Unrealized gain on investments	95,786	46,559	978	4,578	147,901	1,385
OPEB expenses (offset)	-	-	-	-	-	(70,604)
Total nonoperating revenues	1,399,088	1,152,335	91,042	146,901	2,789,366	2,098
Income (Loss) Before Contributions and Transfers	207,192	6,579,547	329,497	(160,485)	6,955,751	128,675
Contributions from developers	3,005,851	2,285,091	-	2,043,731	7,334,673	-
Operating transfers in	14,565	9,269	-	-	23,834	-
Transfer of capital assets from governmental activities	-	-	-	73,478	73,478	-
Operating transfers out	-	-	-	(10,000)	(10,000)	-
Change in Net Position	3,227,608	8,873,907	329,497	1,946,724	14,377,736	128,675
Net Position, Beginning of Year	50,461,587	103,711,919	2,232,410	19,724,273	176,130,189	438,324
Net Position, End of Year	\$ 53,689,195	\$112,585,826	\$2,561,907	\$21,670,997	\$190,507,925	\$ 566,999

City of Caldwell, Idaho
Statement of Cash Flows – Proprietary Funds
Year Ended September 30, 2023

	Enterprise Funds			Other Enterprise Funds	Total	Internal Service Funds
	Water	Sewer	Sanitation			
Operating Activities						
Received from user charges	\$ 7,429,098	\$ 16,583,320	\$ 6,574,967	\$ 4,690,588	\$ 35,277,973	\$ 408,912
Payments to employees for services	(2,112,214)	(1,526,881)	-	(746,288)	(4,385,383)	-
Payments to suppliers for goods and services	(3,962,634)	(6,025,530)	(6,399,289)	(3,102,579)	(19,490,032)	(275,763)
Net Cash from Operating Activities	1,354,250	9,030,909	175,678	841,721	11,402,558	133,149
Noncapital Financing Activities						
Interfund loan payments received	-	-	40,000	-	40,000	-
Transfers in	14,565	9,269	-	-	23,834	-
Transfers out	-	-	-	(10,000)	(10,000)	-
Other financial assistance	3,004	-	-	-	3,004	-
Repayment of interfund loans	-	-	-	(84,000)	(84,000)	-
Net Cash from (used for) Noncapital Financing Activities	17,569	9,269	40,000	(95,000)	(28,162)	-
Capital and Related Financing Activities						
Acquisition of capital assets	(9,611,209)	(5,665,030)	-	(694,996)	(15,971,235)	-
Proceeds from sale of assets	6,350	21,364	-	-	27,714	-
Hook-on fees	696,975	33,605	-	-	730,580	-
Net Cash used for Capital and Related Financing Activities	(8,907,884)	(5,610,061)	-	(694,996)	(15,212,941)	-
Investing Activities						
Interest received on investments	585,346	998,323	81,677	131,912	1,797,258	69,727
Net increase in pooled investments	95,786	46,559	978	4,578	147,901	1,385
Net Cash from Investing Activities	681,132	1,044,882	82,655	136,490	1,945,159	71,112
Net Change in Cash, Investments and Cash Equivalents	(6,854,933)	4,474,999	298,333	188,215	(1,893,386)	204,261
Cash, Investments and Cash Equivalents, October 1, 2022	17,357,686	27,275,210	1,892,104	3,914,332	50,439,332	968,901
Cash, Investments and Cash Equivalents, September 30, 2023	<u>\$ 10,502,753</u>	<u>\$ 31,750,209</u>	<u>\$ 2,190,437</u>	<u>\$ 4,102,547</u>	<u>\$ 48,545,946</u>	<u>\$ 1,173,162</u>
Supplemental Information						
Contributed capital assets	<u>\$ 3,005,851</u>	<u>\$ 2,285,091</u>	<u>\$ -</u>	<u>\$ 2,043,731</u>	<u>\$ 7,334,673</u>	<u>\$ -</u>

City of Caldwell, Idaho
Statement of Cash Flows – Proprietary Funds
Year Ended September 30, 2023

	Enterprise Funds				Total	Governmental
	Water	Sewer	Sanitation	Other Enterprise Funds		Activities
						Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash from operating activities						
Operating income (loss)	\$(1,191,896)	\$ 5,427,212	\$ 238,455	\$ (307,386)	\$ 4,166,385	\$ 126,577
Depreciation	1,883,982	4,005,028	8,528	868,550	6,766,088	-
GASB 68 pension expense	261,923	167,394	-	76,270	505,587	-
Changes in assets and liabilities						
Accounts receivable	(230,246)	(175,485)	(98,113)	(65,196)	(569,040)	-
Inventory	145,858	-	-	(6,204)	139,654	-
Vouchers payable	373,059	(499,596)	26,808	259,119	159,390	6,572
Compensated absences	16,236	28,476	-	(379)	44,333	-
Customer deposits	95,334	77,880	-	16,947	190,161	-
Net Cash from Operating Activities	<u>\$ 1,354,250</u>	<u>\$ 9,030,909</u>	<u>\$ 175,678</u>	<u>\$ 841,721</u>	<u>\$ 11,402,558</u>	<u>\$ 133,149</u>

Supplemental noncash disclosure: During fiscal year 2023 governmental activities transferred \$73,478 in equipment to the Golf Fund.

City of Caldwell, Idaho
Statement of Fiduciary Net Position – Fiduciary Funds
September 30, 2023

	Treasure Valley Metro Task Force Fund	Employee Benefit Plan Trust
	<u> </u>	<u> </u>
Assets		
Cash	\$ -	\$ 3,231,506
Accounts receivables	-	4,249
	<u> </u>	<u> </u>
Total Assets	<u>\$ -</u>	<u>\$ 3,235,755</u>
Liabilities		
Vouchers payables	\$ -	\$ 82,144
Health claims incurred but not reported	-	396,737
	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>478,881</u>
Net Position		
Restricted for Employee Benefit Plan Trust	<u>-</u>	<u>2,756,874</u>
Total Liabilities, and Net Position	<u>\$ -</u>	<u>\$ 3,235,755</u>

City of Caldwell, Idaho
Statement Revenues, Expenses, and Changes in Net Position – Fiduciary Funds
Year Ended September 30, 2023

	Treasure Valley Metro Task Force	Employee Benefit Plan Trust
Additions		
Contributions		
Employer	\$ -	\$ 4,260,696
Employees	-	314,666
COBRA	-	31,592
Total contributions	-	4,606,954
Other Income		
Rebates	-	237,233
Total other income	-	237,233
Total additions	-	4,844,187
Deductions		
Insurance claim benefits	-	3,661,297
Change in health claims incurred but not paid	-	70,204
Stop loss premiums	-	430,292
Administrative expenses	1,761	367,979
Total deductions	1,761	4,529,772
Change in Net Position	(1,761)	314,415
Net Position, Beginning of Year	1,761	2,442,459
Net Position, End of Year	\$ -	\$ 2,756,874

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 Urban Renewal Agency of the City of Caldwell (Agency) 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 Agency is not 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. Trust funds account for assets held by the Government under the terms of a formal trust agreement.

The Treasure Valley Metro Task Force fiduciary fund is a custodial fund used to account for the resources and activities of the federal government’s Treasure Valley Metro Task Force. As of September 30, 2023 these funds were transferred to Canyon County and the City is no longer accounting for these assets.

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.

Lease Receivables

Lease receivables are recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate determined by the City based on the term of the lease.

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position reports 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 as deferred outflows of resources. The balance of the deferred outflow of resources as of September 30, 2023, 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 reports 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 City has four types of items that qualify for reporting in this category. The first item, unavailable revenue from property taxes, arises under a modified accrual basis of accounting and is reported only in the Governmental Funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available. The second item is property tax levied for subsequent years, which represent property taxes received

or reported as a receivable before the period for which the taxes are levied, and is reported as a deferred inflow of resources in both the government-wide statement of net position and the governmental funds balance sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied and in the governmental fund financial statements during the year for which they are levied, if available. The third item is deferred inflows related to pension and OPEB plans as a result of various estimate differences that will be recognized as expenses in future years, reported in the government-wide statement of net position. The fourth item is deferred inflows related to leases where the City is the lessor and is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenues) on the straight-line basis over the term of the lease.

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 capital 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.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the City’s right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of

the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the short of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 4 to 7 years.

Depreciation and amortization 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
Subscription IT Assets	4-7

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.

Long-Term Obligations

Subscription Liabilities represent the City’s obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of the future subscription payments expected to be made during the subscription term. The present value of the subscription payments are discounted based on a borrowing rate determined by the City based on the term of the agreement.

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, Finance 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 short-term 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, 2023, the City has no outstanding debt.

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, 2023. 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:

- Net investment in capital assets – consists of capital assets, net of accumulated depreciation and amortization, and reduced by the outstanding liabilities attributable to those assets.
- 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.

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 30% 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.

Implementation of GASB Statement No. 96

As of October 1, 2022, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 17 and the additional disclosures on this standard are included on Note 16.

Note 2 - Cash and Investments

At September 30, 2023, the City’s cash and cash equivalents and investments (including fiduciary funds) were invested as follows:

		<u>Fair Value</u>
Cash and cash equivalents- Unrestricted		
Cash	\$	10,788,686
Money market funds		<u>2,622,002</u>
Total cash and cash equivalents - unrestricted		<u>\$ 13,410,688</u>
		<u>Fair Value</u>
Cash and cash equivalents - Restricted		
Cash - library	\$	<u>135,843</u>
Total cash and cash equivalents - restricted		<u>\$ 135,843</u>
	<u>Cost</u>	<u>Fair Value</u>
Investments - Unrestricted		
Investments carried at fair value		
Local government investment pool	\$ 94,893,265	\$ 95,016,626
Idaho State Treasurer's Bond Fund	<u>22,466,607</u>	<u>21,760,284</u>
	<u>\$ 117,359,872</u>	<u>\$ 116,776,910</u>
Investments - Restricted		
Investments carried at fair value		
U.S. Government Agency Obligations	\$ 162,105	\$ 161,716
Mutual funds	<u>54,508</u>	<u>45,252</u>
Total investments - restricted	<u>\$ 216,613</u>	<u>\$ 206,968</u>

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, 2023, 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	\$ 95,016,626	\$ 95,016,626	\$ -	\$ -	\$ -
Idaho State Treasurer's					
Bond Fund	21,760,284	-	21,760,284	-	-
U.S. Government Agency	161,716	-	-	37,597	124,119
	<u>\$ 116,938,626</u>	<u>\$ 95,016,626</u>	<u>\$ 21,760,284</u>	<u>\$ 37,597</u>	<u>\$ 124,119</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+	\$ 133,900	\$ -	\$ -	\$ 133,900
Unrated	27,816	95,016,626	21,760,284	116,804,726
	<u>\$ 161,716</u>	<u>\$ 95,016,626</u>	<u>\$ 21,760,284</u>	<u>\$ 116,938,626</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, 2023, 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, 2023, is \$14,553,248 of which \$14,211,239 is collateralized. Deposits in each local and area bank are insured by the FDIC in the amount of \$342,010 for interest bearing and non-interest bearing deposit accounts. The uninsured and uncollateralized deposit balance at September 30, 2023, 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, 2023.

Investments	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt securities				
U.S. Government Agency Securities	\$ 37,597	\$ -	\$ 37,597	\$ -
Mortgage-backed securities	<u>124,119</u>	<u>-</u>	<u>124,119</u>	<u>-</u>
	161,716	-	161,716	-
Mutual funds				
Short-term government	<u>45,252</u>	<u>45,252</u>	<u>-</u>	<u>-</u>
Total investments	<u>206,968</u>	<u>\$ 45,252</u>	<u>\$ 161,716</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV)				
Local government investment pool	95,016,626			
State of Idaho diversified bond fund	<u>21,760,284</u>			
Total investments	<u>\$ 116,983,878</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				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Local government investment pool	\$ 95,016,626	None	Next business day	3 days; over \$10,000,000
State of Idaho diversified bond fund	\$ 21,760,284	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. 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, 2023:

State of Idaho	
Revenue sharing	\$ 1,823,814
Liquor apportionment	130,514
Gas tax	1,228,787
Urban Renewal Agency	1,637,053
Canyon County	
Road and bridge tax	1,366
Court revenue	16,553
	<u>\$ 4,838,087</u>
Grants owed to the City at September 30, 2023, by source are:	
Federal	\$ 711,880
State	57,020
	<u>\$ 768,900</u>

Note 5 - Capital Assets

	(Restated) Balance October 1, 2022	Additions	Contributed Capital	Deletions	Transfers	Balance September 30, 2023
Governmental Activities						
Capital assets, not depreciated						
Land	\$ 14,058,278	\$ 3,154,461	\$ -	\$ -	\$ (186,110)	\$ 17,026,629
Construction in progress	10,431,938	17,379,712	-	-	(5,564,317)	22,247,332
Total capital assets, not depreciated	<u>24,490,216</u>	<u>20,534,173</u>	<u>-</u>	<u>-</u>	<u>(5,750,428)</u>	<u>39,273,961</u>
Capital assets, depreciated						
Buildings	34,901,224	1,845,499	-	(321,296)	2,218,886	38,644,313
Improvements other than buildings	59,444,037	96,114	-	-	3,212,034	62,752,184
Equipment	25,470,953	1,618,321	-	(165,580)	59,920	26,983,618
Intangibles	7,133,687	-	1,298,930	-	193,429	8,626,046
Infrastructure	106,878,971	-	10,517,502	-	(7,319)	117,389,154
Total capital assets, depreciated	<u>233,828,872</u>	<u>3,559,934</u>	<u>11,816,432</u>	<u>(486,876)</u>	<u>5,676,950</u>	<u>254,395,315</u>
Less accumulated depreciation for						
Buildings	(11,045,443)	(1,018,066)	-	118,950	-	(11,944,559)
Improvements other than buildings	(21,648,314)	(2,012,448)	-	-	1,841,107	(21,819,655)
Equipment	(14,357,165)	(1,898,148)	-	41,848	-	(16,213,465)
Intangibles	-	-	-	-	-	-
Infrastructure	(24,962,918)	(3,498,096)	-	-	(1,841,107)	(30,302,121)
Total accumulated depreciation	<u>(72,013,840)</u>	<u>(8,426,758)</u>	<u>-</u>	<u>160,798</u>	<u>-</u>	<u>(80,279,806)</u>
Total net capital assets, depreciated	<u>161,815,032</u>	<u>(4,866,824)</u>	<u>11,816,432</u>	<u>(326,078)</u>	<u>5,676,950</u>	<u>174,115,509</u>
Governmental Activities Capital Assets, Net						
	<u>186,305,248</u>	<u>15,667,349</u>	<u>11,816,432</u>	<u>(326,078)</u>	<u>(73,478)</u>	<u>213,389,470</u>
Right to use Subscription IT Assets being amortized						
	154,836	667,604	-	-	-	822,440
Less accumulated amortization						
	(41,290)	(74,670)	-	-	-	(115,960)
Net right to use subscription IT Assets						
	<u>113,546</u>	<u>592,934</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>706,480</u>
Total Governmental Activities Capital Assets, Net						
	<u>\$ 186,418,794</u>	<u>\$ 16,260,283</u>	<u>\$ 11,816,432</u>	<u>\$ (326,078)</u>	<u>\$ (73,478)</u>	<u>\$ 214,095,950</u>

Depreciation/amortization expense for the year ended September 30, 2023, was charged to the following functions:

Governmental Activities	
General government	\$ 546,725
Police	506,361
Fire	633,720
Building safety	35,087
Parks and recreation	850,614
Community services	757,575
Streets	<u>5,171,346</u>
Total depreciation/amortization expense - governmental activities	<u><u>\$8,501,428</u></u>

	Balance October 1, 2022	Additions	Contributed Capital	Deletions	Transfers	Balance September 30, 2023
Business-type Activities						
Capital assets, not depreciated						
Land	\$ 459,062	\$ 2,527,772	\$ -	\$ -	\$ -	\$ 2,986,834
Construction in progress	5,659,152	12,521,822	-	-	(149,210)	18,031,764
Total capital assets, not depreciated	<u>6,118,214</u>	<u>15,049,594</u>	<u>-</u>	<u>-</u>	<u>(149,210)</u>	<u>21,018,597</u>
Capital assets, depreciated						
Buildings	33,231,589	-	-	-	-	33,231,589
Improvements other than buildings	155,830,872	23,013	7,334,673	-	149,210	163,337,766
Equipment	13,049,006	898,628	-	(148,496)	73,478	13,872,617
Total capital assets, depreciated	<u>202,111,467</u>	<u>921,641</u>	<u>7,334,673</u>	<u>(148,496)</u>	<u>222,688</u>	<u>210,441,972</u>
Less accumulated depreciation for						
Buildings	(7,422,037)	(1,075,213)	-	-	-	(8,497,250)
Improvements other than buildings	(66,049,933)	(4,827,269)	-	-	-	(70,877,202)
Equipment	(9,026,002)	(863,606)	-	103,568	-	(9,786,040)
Total accumulated depreciation	<u>(82,497,972)</u>	<u>(6,766,088)</u>	<u>-</u>	<u>103,568</u>	<u>-</u>	<u>(89,160,491)</u>
Total net capital assets, depreciated	<u>119,613,495</u>	<u>(5,844,447)</u>	<u>7,334,673</u>	<u>(44,928)</u>	<u>222,688</u>	<u>121,281,481</u>
Business-type Activities Capital Assets, Net	<u><u>\$ 125,731,709</u></u>	<u><u>\$ 9,205,147</u></u>	<u><u>\$ 7,334,673</u></u>	<u><u>\$ (44,928)</u></u>	<u><u>\$ 73,478</u></u>	<u><u>\$ 142,300,078</u></u>

Depreciation expense for the year ended September 30, 2023, was charged to the following functions:

Business-type Activities		
Water		\$ 1,883,982
Sewer		4,005,028
Sanitation		8,528
Golf		200,424
Street lighting		211,842
Irrigation		<u>456,284</u>
Total depreciation expense - business-type activities		<u><u>\$ 6,766,088</u></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, 2023, is as follows:

Receivable Fund	Payable Fund	Description	Amount
Advances			
Other governmental	Other enterprise	Long-term loan	\$ 28,000
Due to/from			
Other governmental	Other enterprise	Short-term loan	45,000
Other governmental	Other enterprise	Short-term loan	25,000
Other governmental	Other enterprise	Short-term loan	14,000
Other governmental	Other enterprise	Library payroll	616
Sanitation	General/Police Impact	Short-term loan	40,000
General	Other governmental	Negative cash in CDBG Fund	175,422
General	Other governmental	Library payroll	<u>116,418</u>
			<u><u>\$ 444,456</u></u>

During 2019, the Sanitation fund loaned to 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. \$40,000 was owed to the Sanitation fund at September 30, 2023 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 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, 2023, is as follows:

	Transfers Out			Total
	General	Other Enterprise	Other Governmental	
Transfers in				
Street	\$ -	\$ -	\$ 34,544	\$ 34,544
Water	-	10,000	4,565	14,565
Sewer	-	-	9,269	9,269
Other governmental	1,750,723	-	-	1,750,723
	\$ 1,750,723	\$ 10,000	\$ 48,378	\$ 1,809,101

During 2023, governmental activities transferred capital assets of \$73,478 to the Golf Fund.

Note 7 - Compensated Absences

The following is a summary of changes in compensated absences of the City for the year ended September 30, 2023:

	October 1, 2022	Increases	Decreases	September 30, 2023	Due Within One Year
Governmental Activities					
Compensated absences	\$ 1,442,981	\$ 2,466,724	\$ 1,841,926	\$ 2,067,779	\$ 1,276,724
Governmental activities long-term liabilities	\$ 1,442,981	\$ 2,466,724	\$ 1,841,926	\$ 2,067,779	\$ 1,276,724
Business-type Activities					
Compensated absences	\$ 181,537	\$ 356,735	\$ 312,402	\$ 225,870	\$ 225,870
Business-type activities long-term liabilities	\$ 181,537	\$ 356,735	\$ 312,402	\$ 225,870	\$ 225,870

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 discontinued making contributions in July 2020, 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 74% for police and firefighters. As of June 30, 2023, it was 7.16% for general employees and 9.13% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The City's contribution was \$2,705,063 for the year ended September 30, 2023.

There are currently no FRF employer contributions as of July 1, 2020 following the PERSI Board's approval made at the 2019 December board meeting. However, by statute, one-half of all proceeds from fire insurance premium tax collected throughout the state are automatically assigned to the FRF and are accounted for in employer contributions.

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

At September 30, 2023, 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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. 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, 2023, the City's proportion was .5626673 percent compared to .4411089 percent at June 30, 2022. For the year ended September 30, 2023, the City recognized pension expense related to the Base Plan of \$6,019,151.

At September 30, 2023, 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	\$ 3,848,820	\$ -
Changes in assumptions or other inputs	2,223,438	-
Net difference between projected and actual earnings on pension plan investments	2,107,657	-
Changes in the proportion and differences between the employer's contributions and the employer's proportionate contributions	1,940,202	21,889
City's contributions subsequent to the measurement date	844,129	-
Total	\$ 10,964,246	\$ 21,889

The \$844,129 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, 2024.

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, 2022, the beginning of the measurement period ended June 30, 2023, is 4.4.

At September 30, 2023, 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, 2023, 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, 2023, the City's proportion was 4.2096683 percent compared to 4.2096683 at June 30, 2022. Contributions to the FRF were no longer required by PERSI effective July 1, 2020.

For the year ended September 30, 2023, the City recognized plan pension expense offset related to the FRF of (\$811,450). At September 30, 2023, 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	\$ 379,559	\$ -
Total	\$ 379,559	\$ -

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2022, the beginning of the measurement period ended June 30, 2023, 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
2024	\$ 3,470,020	\$ 29,461
2025	1,894,473	(121,225)
2026	4,769,179	572,710
2027	(35,444)	(101,387)

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, 2023, actuarial valuation was determined using the following actuarial assumptions and the entry age, applied to all periods included in the measurement:

	Base Plan	FRF
Inflation	2.30%	2.30%
Salary increases including inflation	3.05%	3.05% *
Investment rate of return-net of investment fees	6.35%	6.35%
Cost-of-living (COLA) adjustments	1.00%	**

*3.05 percent or 1.00 percent depending on whether the member was hired on or before July 1, 2012.

**There is an additional component of assumed salary grown (on top of the 3.05%) that varies for each individual member based on years of service.

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2023.

Contributing Members, Service Retirement Members, and beneficiaries

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

For the base plan, economic and demographic assumptions, including mortality were studied in an experience study performed for the period 2015 through 2020. The net pension liability was determined by an actuarial valuation as of June 30, 2023, applied to all prior periods included in the measurement.

For the FRF plan, economic and demographic assumptions including mortality were studied in an experience study performed for the period 2015 through 2020. The net pension asset was determined by an actuarial valuation as of July 1, 2023 applied to all prior periods included in the measurement.

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. 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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	0.00%	0.00%
Large Cap	18.00%	4.50%
Small/Mid Cap	11.00%	4.70%
International Equity	15.00%	4.50%
Emerging Markets Equity	10.00%	4.90%
Domestic Fixed	20.00%	-0.25%
TIPS	10.00%	-0.30%
Real Estate	8.00%	3.75%
Private Equity	8.00%	6.00%

Discount Rate

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability (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 6.35%, 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 (5.35 %) or 1-percentage-point higher (7.35%) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)			
Base Plan	\$ 40,384,798	\$ 22,454,197	\$ 7,799,294
FRF	(9,102,966)	(9,951,771)	(10,691,545)

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, 2023, 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 now 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:

Years of Service	Monthly Accrual Rate	Maximum Carryover
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, 2023, valuation date the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Inactive employees entitled but not yet receiving benefits	-
Active employees entitled to but not yet receiving benefit payments	36
Active employees	<u>217</u> <u>262</u>

Total OPEB Liability

The City’s total OPEB liability of \$642,904 was measured as of September 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The Total OPEB liability in the September 30, 2023, 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 and inflation rate.

Valuation Date	September 30, 2023
Discount Rate	4.02% per annum (BOY) 4.09% per annum (EOY)
Salary Increase Rate	3.5% per annum
Inflation Rate	2.5% per annum
Census Data	Census data as of September 2022 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 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).
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 12.2 years starting on October 1, 2022, equal to the average remaining service of active and inactive plan members (who have no future service).
Termination Tables	PERSI Actuarial Valuation as of June 30, 2023
Retirement Tables	PERSI Actuarial Valuation as of June 30, 2023

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB Liability - Start of Year October 1, 2022	\$ 580,764
Changes for the Year:	
Service cost	61,055
Interest cost	25,370
Changes in assumptions or other inputs	(2,816)
Benefit payments	<u>(21,469)</u>
Net change in total OPEB liability	<u>62,140</u>
Total OPEB Liability - End of Year September 30, 2023	<u><u>\$ 642,904</u></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 (3.09 percent) or 1 – percentage – point higher (5.09 percent) than the current discount rate.

	1% Increase (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB Liability	\$ 603,000	\$ 642,904	\$ 686,000

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

For the year ended September 30, 2023, the City recognized an OPEB expense of \$92,075. At September 30, 2023, 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	\$ 86,515	\$ (21,435)
Changes of assumptions/inputs	66,974	(91,031)
Total	\$ 153,489	\$ (112,466)

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

Years Ended September 30,		
2024		\$ 5,650
2025		5,650
2026		5,650
2027		5,650
2028		5,650
Thereafter		12,773

At September 30, 2023, cash and cash equivalents held in the internal service fund total \$1,127,958. Anticipated plan revenues for 2023 are \$185,150 against budgeted expenditures of \$69,000. Three employees have opted to retire in 2023.

Note 10 - 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, 2023:

Streets	\$	1,391,196
Golf	\$	90,426
Sanitation	\$	296,196
Irrigation	\$	80,186
HRA Veba	\$	62,769

Note 11 - 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 12 - Other Commitments

The City has the following commitments at September 30, 2023:

Project Description	Outstanding Commitments	% Complete	Completed as of September 30	Total Contract Amount
Pickle Ball Courts/Luby Park - Construction	\$ 38,441	95%	\$ 730,370	\$ 768,810
Centennial Way Median Infill	24,770	84%	126,185	150,955
Indian Creek Plaza Expansion/7th & Arthur	11,125	70%	26,255	37,380
Wolfe Parking Lot Improvements	20,147	80%	78,959	99,106
Ustick Road Widening I-84 to Lake	5,198	99%	553,433	558,631
Ustick Road Widening I-84 to Lake	48,806	80%	194,427	243,232
Ustick Road Widening I-84 to Lake	1,352,117	85%	7,956,545	9,308,662
Ustick & Indian RAB	125,619	96%	2,671,852	2,797,471
Ustick & Florida RAB	89,945	96%	2,053,624	2,143,569
Ustick Road I-84 to Middleton	246,736	31%	110,199	356,935
Middleton Rd & Joplin St	69,741	54%	81,802	151,543
Middleton & Skyway St RAB	7,893	94%	131,657	139,550
Montana Ave & Ustick Rd Intersection	951	99%	68,041	68,992
Indian Creek at Ustick Road	42,156	70%	98,484	140,640
Linden Ward RAB	17,521	93%	232,779	250,300
LID 17-1 / Concrete LID	-	100%	508,394	508,394
LID 21-1 / Concrete LID	192,259	3%	5,021	197,280
Caldwell Airport Seal Coat/AIP37	9,104	84%	47,532	56,635
Pool Construction	4,136,043	2%	82,987	4,219,030
Lake Lowell Pathway (Cougar) Design	72,511	78%	252,099	324,610
New Pool Design	442,298	52%	480,072	922,370
Farmway Water Main Extension	251,994	68%	526,193	778,187
10th Ave Water Main/Mallard Park to Vallivue	155,300	6%	9,440	164,740
Ustick Road Trunk, Dixie Drain to Florida	166,839	94%	2,747,160	2,913,999
Sewer Model Consolidation & Collection	58,674	77%	199,726	258,400
WWTP Shop Expansion	49,885	83%	237,345	287,230
Highway 20/26 Sewer Extension	36,896	75%	111,724	148,620
	<u>\$ 7,672,969</u>		<u>\$ 20,322,305</u>	<u>\$ 27,995,271</u>

Note 13 - Tax Abatements

Agency 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, 2023, as follows:

Tax Abatement Program	Total Amount of Taxes Abated for the City
Idaho Code 63-602NN Tax Exemption	\$ 149,133

Note 14 - Related Party Transactions

During 2023, the Caldwell Urban Renewal agency reimbursed the City in the amount of \$14,427,766 for expenditures paid on its behalf on various projects (Wolfe Field Parking, Ustick/Indiana RAB, Trash Compactor relocation, Ustick Overpass Widening, Ustick Road Widening, 21st Ave Parking Lot, 602 Cleveland Parking Lot, Centennial Median Infill, Downtown Alley Way and Vineyard Improvements, and Pickle Ball Courts at Luby Park). 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, 2023, the Agency owed the City \$1,637,053 in project related costs (Ustick Overpass Widening, Ustick Road Widening, 21st Ave Parking Lot, Pickle Ball, Indiana RAB Expansion and Compactor Relocation).

Note 15 – Leases

Lessor Activities

The City has accrued leases receivable for 2 building leases and 272 land leases related primarily to airport hangers. The remaining receivable for these leases was \$3,094,643 as of September 30, 2023. Deferred inflows related to these leases were \$3,110,562 as of September 30, 2023. Interest revenue recognized on these leases was \$98,507 for the year ended September 30, 2023. Principal receipts of \$392,501 were recognized during the fiscal year. The implicit interest rate used by the City of to calculate the leases was 2.158% and 5.438%. Final receipt is expected through fiscal year 2063.

Note 16 – Subscription-Based Information Technology Arrangements (SBITAs)

The City has entered into two SBITA contracts for the use of procurement and budgeting software and for cybersecurity software. The City is required to make annual principal and interest payments through September 2030. The subscription liability was valued using a discount rate of 2.503% and 3.409% respectively, based on the City’s incremental borrowing rate.

A summary of changes in subscription IT liabilities during the year ended September 30, 2023, is as follows:

	(Restated) Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023	Due Within One Year
Subscription IT liabilities	\$ 106,512	\$ 642,604	\$ (56,803)	\$ 692,313	\$ 119,424
Net right to use subscription IT assets	\$ 106,512	\$ 642,604	\$ (56,803)	\$ 692,313	\$ 119,424

Remaining principal and interest payments on subscriptions are as follows:

<u>Years Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 119,424	\$ 14,880
2025	116,707	11,545
2026	86,730	9,349
2027	88,928	7,100
2028	91,182	4,808
2029-2030	189,342	2,438
	<u>\$ 692,313</u>	<u>\$ 50,120</u>

Note 17 – Adoption of New Standard

As of October 1, 2023, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. Beginning net position was restated to retroactively adopt the provisions of GASB Statement No. 96 as follows:

	Governmental Activities
Net Position at Beginning of Year, as previously stated	\$ 244,743,199
Recognition of right to use subscription IT assets	113,546
Recognition of subscription IT liabilities	(106,512)
Recognition of accrued interest	(3,678)
Net Position at Beginning of Year, as restated	\$ 244,746,555



Required Supplementary Information
September 30, 2023

City of Caldwell, Idaho

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

	2023	2022	2021	2020	
Employer's portion of net the pension liability	0.5626673%	0.4411089%	0.4438023%	0.4382035%	
Employer's proportionate share of the net pension liability (asset)	\$ 22,454,197	\$ 17,374,214	\$ (350,509)	\$ 10,175,662	
Employer's covered payroll	\$ 19,218,479	\$ 15,945,204	\$ 15,121,544	\$ 14,403,507	
Employer's proportional share of the net pension liability as a percentage of its covered payroll	117%	109%	-2%	71%	
Plan fiduciary net position as a percentage of the total pension liability	83.83%	83.09%	100.36%	88.22%	
	2019	2018	2017	2016	2015
Employer's portion of net the pension liability	0.4272990%	0.4299319%	0.4292893%	0.4151597%	0.4176759%
Employer's proportionate share of the net pension liability (asset)	\$ 4,877,497	\$ 6,341,569	\$ 6,747,689	\$ 8,415,926	\$ 5,500,112
Employer's covered payroll	\$ 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	37%	50%	55%	75%	55%
Plan fiduciary net position as a percentage of the total pension liability	93.79%	91.69%	90.68%	87.26%	91.38%

*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 Share of Net Pension Liability (Asset)
Year Ended September 30, 2023

Schedule of Employer's Share of Net Pension Asset
FRF
Last 10 - Fiscal Years*

	2023	2022	2021	2020
Employer's portion of net the pension asset	4.2096683%	4.2096683%	4.2096683%	4.2096683%
Employer's proportionate share of the net pension asset	\$ 9,951,771	\$ 8,642,067	\$ 11,375,653	\$ 6,268,160
Employer's covered payroll	\$ 1,474,438	\$ 1,201,115	\$ 1,081,918	\$ 1,002,746
Employer's proportional share of the net pension asset as a percentage of its covered payroll	674.95%	719.50%	1051.43%	625.10%
Plan fiduciary net position as a percentage of the total pension asset	200.58%	184.72%	211.83%	155.55%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employer's portion of net the pension asset	3.9304645%	4.0348687%	3.9578287%	3.8194708%
Employer's proportionate share of the net pension asset	\$ 5,650,185	\$ 4,566,267	\$ 3,395,644	\$ 2,052,905
Employer's covered payroll	\$ 926,446	\$ 906,609	\$ 867,239	\$ 794,910
Employer's proportional share of the net pension asset as a percentage of its covered payroll	609.88%	503.66%	391.55%	258.26%
Plan fiduciary net position as a percentage of the total pension asset	152.74%	140.15%	129.65%	118.42%

*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).

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

		2023	2022	2021	2020
Statutorily required contribution	\$	2,705,063	\$ 2,166,427	\$ 1,984,468	\$ 2,054,507
Contributions in relation to the statutorily required contribution	\$	2,705,063	\$ 2,166,427	\$ 1,984,468	\$ 2,054,507
Contributions (deficiency) excess	\$	-	\$ -	\$ -	\$ -
Employer's covered payroll	\$	20,475,367	\$ 17,033,768	\$ 15,232,229	\$ 14,637,182
Contributions as a percentage of covered payroll		13%	13%	13%	14%
		2019	2018	2017	2016
Statutorily required contribution	\$	1,642,850	\$ 1,565,835	\$ 1,519,344	\$ 1,424,055
Contributions in relation to the statutorily required contribution	\$	1,642,850	\$ 1,565,835	\$ 1,519,344	\$ 1,424,055
Contributions (deficiency) excess	\$	-	\$ -	\$ -	\$ -
Employer's covered payroll	\$	13,535,037	\$ 12,933,267	11,967,974	\$ 11,306,995
Contributions as a percentage of covered payroll		12%	12%	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 Employer Contributions
FRF
Last 10 - Fiscal Years***

	2023	2022	2021	2020	
Statutorily required contribution	\$ -	\$ -	\$ -	\$ 164,297	
Contributions in relation to the statutorily required contribution	\$ -	\$ -	\$ -	\$ 164,297	
Contributions (deficiency) excess	\$ -	\$ -	\$ -	\$ -	
Employer's covered payroll	\$ -	\$ -	\$ -	\$ 1,042,330	
Contributions as a percentage of covered payroll	0%	0%	0%	16%	
	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 154,346	\$ 151,041	\$ 143,431	\$ 101,420	\$ 204,650
Contributions in relation to the statutorily required contribution	\$ 154,346	\$ 151,041	\$ 143,431	\$ 101,420	\$ 204,650
Contributions (deficiency) excess	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 933,995	\$ 916,508	\$ 852,346	\$ 805,272	\$ 1,517,282
Contributions as a percentage of covered payroll	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.

City of Caldwell, Idaho
Schedule of Changes in City's Total OPEB Liability and Related Ratios
Year Ended September 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$ 61,055	\$ 74,479	\$ 72,458	\$ 48,508	\$ 47,951	\$ 46,027
Interest cost	25,370	13,117	17,079	17,384	24,674	27,245
Changes of benefit terms	-	-	-	47,217	-	-
Differences between expected and actual experience	-	103,479	-	(32,877)	-	-
Changes in assumptions or other inputs	(2,816)	(95,428)	2,209	52,377	56,070	(18,526)
Benefit Payments	(21,469)	(95,378)	(234,646)	(61,327)	(37,846)	(198,251)
Net change in total OPEB liability	<u>62,140</u>	<u>269</u>	<u>(142,900)</u>	<u>71,282</u>	<u>90,849</u>	<u>(143,505)</u>
Total OPEB Liability - Start of Year 10/01	<u>580,764</u>	<u>580,495</u>	<u>723,395</u>	<u>652,113</u>	<u>561,264</u>	<u>704,769</u>
Total OPEB Liability - End of Year 09/30	<u>\$ 642,904</u>	<u>\$ 580,764</u>	<u>\$ 580,495</u>	<u>\$ 723,395</u>	<u>\$ 652,113</u>	<u>\$ 561,264</u>
Covered employee payroll	\$ 19,399,000	\$ 18,834,176	\$ 16,003,188	\$ 12,303,818	\$ 10,570,085	\$10,570,085
Total OPEB Liability as a % of covered employee payroll	3.31%	3.08%	3.63%	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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	\$ 17,379,145	\$ 17,379,145	\$ 17,692,621	\$ 313,476
Franchise fees	785,000	785,000	1,043,941	258,941
Interest	237,870	237,870	1,900,701	1,662,831
Licenses and permits	3,710,448	4,058,799	4,665,963	607,164
Intergovernmental	4,564,657	4,564,657	4,369,234	(195,423)
Operating grants	7,438,378	11,305,878	5,847,255	(5,458,623)
Charges for services	10,943,582	11,088,582	11,873,093	784,511
Unrealized gain on investments	-	-	202,652	202,652
Miscellaneous	241,577	353,780	237,278	(116,502)
Total revenues	<u>45,300,657</u>	<u>49,773,711</u>	<u>47,832,738</u>	<u>(1,940,973)</u>
Expenditures				
Current				
General government	14,000,713	15,393,803	8,206,910	7,186,893
Public safety	24,631,608	25,320,335	24,286,002	1,034,333
Culture and recreation	644,752	732,002	352,952	379,050
Community development	962,639	964,944	1,061,500	(96,556)
Debt Service				
Principal payments	515,002	515,002	96,803	418,199
Interest and other	100,650	100,650	108,087	(7,437)
Capital outlay	6,616,593	6,901,593	6,997,928	(96,335)
Total expenditures	<u>47,471,957</u>	<u>49,928,329</u>	<u>41,110,182</u>	<u>8,818,147</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<u>(2,171,300)</u>	<u>(154,618)</u>	<u>6,722,556</u>	<u>6,877,174</u>
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	29,850	29,850
Contributions from other entities	-	-	642,604	642,604
Transfers in	972,540	989,790	-	(989,790)
Transfers Out	-	(4,228,717)	(1,750,723)	2,477,994
Total other financing sources (uses)	<u>972,540</u>	<u>(3,238,927)</u>	<u>(1,078,269)</u>	<u>2,160,658</u>
Net Change in Fund Balances	<u>\$ (1,198,760)</u>	<u>\$ (3,393,545)</u>	5,644,287	<u>\$ 9,037,832</u>
Fund Balance, Beginning of Year			<u>38,199,839</u>	
Fund Balance, End of Year			<u>\$ 43,844,126</u>	

City of Caldwell, Idaho

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Street Fund
Year Ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	\$ 2,582,606	\$ 2,582,606	\$ 2,582,606	\$ -
Interest	20,000	320,000	507,175	187,175
Intergovernmental	4,394,783	5,294,783	5,771,511	476,728
Charges for services	2,024,468	2,024,468	1,915,426	(109,042)
Operating grants	199,312	199,312	987,549	788,237
Capital Grants	-	6,500,000	10,603,667	4,103,667
Unrealized gain (loss) on investments	-	-	37,723	37,723
Miscellaneous	20,500	20,500	49,558	29,058
Total revenues	<u>9,241,669</u>	<u>16,941,669</u>	<u>22,455,215</u>	<u>5,513,546</u>
Expenditures				
Streets	8,515,196	8,515,196	5,316,378	3,198,818
Capital outlay	3,328,094	11,028,094	15,618,108	(4,590,014)
Total expenditures	<u>11,843,290</u>	<u>19,543,290</u>	<u>20,934,486</u>	<u>(1,391,196)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,601,621)</u>	<u>(2,601,621)</u>	<u>1,520,729</u>	<u>4,122,350</u>
Other Financing Sources (Uses)				
Operating transfers in	-	-	34,544	34,544
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>34,544</u>	<u>34,544</u>
Net Change in Fund Balances	<u>\$ (2,601,621)</u>	<u>\$ (2,601,621)</u>	1,555,273	<u>\$ 4,156,894</u>
Fund Balance, Beginning of Year			<u>11,410,289</u>	
Fund Balance, End of Year			<u>\$ 12,965,562</u>	

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 Finance Director 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 Finance Director and Mayor are 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, 2023

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).

Business Improvement District Fund

To account for the resources and expenditures of the City's business improvement district fund. Special assessments are the only revenue source. Expenditures are restricted by state code.

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 revenues property taxes to financing of parks and recreation programs.

City of Caldwell, Idaho
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2023

	Debt Service	Business Improvement District	CDBG HUD	Cemetery	Cemetery Capital Improvement	Cemetery Perpetual Care	Community Development	Library	Airport	Recreation	Totals
Assets											
Cash and cash equivalents	\$446,283	\$ 54,830	\$ -	\$ 769,311	\$ 142,618	\$1,694,457	\$ 705,358	\$1,268,155	\$ 355,594	\$ 1,287,741	\$ 6,724,347
Prepaid expenses	-	-	8,100	-	-	-	-	11,746	-	-	19,846
Receivables											
Interest	222,355	-	-	2,331	203	6,446	20,734	6,363	1,404	4,870	264,706
Interest lease related	-	-	-	-	-	-	-	-	38,157	-	38,157
Taxes	-	-	-	183,318	-	-	-	1,388,507	500,157	979,374	3,051,356
Intergovernmental	-	-	-	18,238	-	-	-	136,497	21,886	425,315	601,936
Accounts	-	51,989	-	-	-	-	-	3,476	38,275	11,779	105,519
Special assessments	181,454	-	-	-	-	-	-	-	-	-	181,454
Grants	-	-	193,666	-	-	-	-	-	388,958	-	582,624
Notes	-	-	-	-	-	-	38,391	-	-	-	38,391
Leases	-	-	-	-	-	-	-	-	2,908,470	-	2,908,470
Due from other funds	-	-	-	45,000	-	39,000	-	616	-	-	84,616
Advances	-	-	-	-	-	28,000	-	-	-	-	28,000
Restricted assets											
Cash and cash equivalent:	-	-	-	-	-	-	-	135,843	-	-	135,843
Investments	-	-	-	-	-	-	-	206,968	-	-	206,968
	<u>\$850,092</u>	<u>\$ 106,819</u>	<u>\$201,766</u>	<u>\$ 1,018,198</u>	<u>\$ 142,821</u>	<u>\$1,767,903</u>	<u>\$ 764,483</u>	<u>\$3,158,171</u>	<u>\$ 4,252,901</u>	<u>\$ 2,709,079</u>	<u>\$ 14,972,233</u>

City of Caldwell, Idaho
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2023

	Debt Service	Business Improvement District	CDBG HUD	Cemetery	Cemetery Capital Improvement	Cemetery Perpetual Care	Community Development	Library	Airport	Recreation	Totals
Liabilities, Deferred Inflows of Resources, and Fund Balances											
Liabilities											
Vouchers and payroll payable	\$ -	\$ 32,227	\$ 26,344	\$ 13,213	\$ -	\$ -	\$ 9,917	\$ 46,897	\$ 44,810	\$ 176,871	\$ 350,279
Customer deposits	-	-	-	-	-	-	-	-	-	7,996	7,996
Due to other funds	-	-	175,422	-	-	-	-	116,418	-	-	291,840
Total liabilities	-	32,227	201,766	13,213	-	-	9,917	163,315	44,810	184,867	650,115
Deferred Inflows of Resources											
Unavailable property tax revenue	-	-	-	183,318	-	-	-	1,388,507	500,157	979,374	3,051,356
Unavailable revenue	402,569	-	-	-	-	-	18,284	-	-	-	420,853
Lease related	-	-	-	-	-	-	-	-	2,927,224	-	2,927,224
Total deferred inflows of resources	402,569	-	-	183,318	-	-	18,284	1,388,507	3,427,381	979,374	6,399,433
Fund Balances											
Nonspendable	-	-	8,100	-	-	-	38,391	11,746	-	-	58,237
Assigned for building capital maintenance	-	-	-	-	-	-	697,891	-	-	-	697,891
Assigned for library services	-	-	-	-	-	-	-	1,594,603	-	-	1,594,603
Assigned for debt service	447,523	-	-	-	-	-	-	-	-	-	447,523
Assigned for community services	-	74,592	-	821,667	142,821	1,767,903	-	-	780,710	1,544,838	5,132,531
Unassigned	-	-	(8,100)	-	-	-	-	-	-	-	(8,100)
Total fund balances	447,523	74,592	-	821,667	142,821	1,767,903	736,282	1,606,349	780,710	1,544,838	7,922,685
	<u>\$ 850,092</u>	<u>\$ 106,819</u>	<u>\$ 201,766</u>	<u>\$ 1,018,198</u>	<u>\$ 142,821</u>	<u>\$ 1,767,903</u>	<u>\$ 764,483</u>	<u>\$ 3,158,171</u>	<u>\$ 4,252,901</u>	<u>\$ 2,709,079</u>	<u>\$ 14,972,233</u>

City of Caldwell, Idaho
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
Year Ended September 30, 2023

	Debt Service	Business Improvement District	CDBG/ HUD	Cemetery	Cemetery Capital Improvement	Cemetery Perpetual Care	Community Development	Library	Airport	Recreation	Totals
Revenues											
Property taxes	\$ -	\$ -	\$ -	\$ 149,164	\$ -	\$ -	\$ -	\$ 911,927	\$ 189,084	\$ 796,109	\$ 2,046,284
Interest	18,198	-	-	24,407	24,281	110,549	42,562	60,308	25,424	67,401	373,130
Interest lease related	-	-	-	-	-	-	19,498	-	74,624	-	94,122
Intergovernmental	-	-	-	68,322	-	-	-	511,331	81,986	1,593,277	2,254,916
Capital grants	-	-	341,421	-	-	-	-	-	442,115	-	783,536
Operating grants	-	-	-	-	-	-	-	22,105	-	-	22,105
Charges for services	-	-	-	149,826	16,039	29,179	-	36,371	234,227	438,339	903,981
Unrealized (loss)/gain on investments	892	-	-	1,661	(56)	(134)	(210)	(6,388)	(893)	4,175	(953)
Assessments	42,647	330,256	-	-	-	-	-	-	-	-	372,903
Miscellaneous	-	-	-	612	-	-	127,785	88,314	47,060	35,529	299,300
Total revenues	61,737	330,256	341,421	393,992	40,264	139,594	189,635	1,623,968	1,093,627	2,934,830	7,149,324
Expenditures											
Current											
General government	-	315,740	-	-	-	-	-	-	-	-	315,740
Parks and recreation	-	-	-	-	-	-	-	-	-	2,650,825	2,650,825
Community services	-	-	341,421	356,521	-	-	311,713	1,522,784	557,396	-	3,089,835
Capital outlay	-	-	-	-	-	-	-	-	2,145,675	-	2,145,675
Total expenditures	-	315,740	341,421	356,521	-	-	311,713	1,522,784	2,703,071	2,650,825	8,202,075
Excess (Deficiency) of Revenues											
Over (Under) Expenditures	61,737	14,516	-	37,471	40,264	139,594	(122,078)	101,184	(1,609,444)	284,005	(1,052,751)

City of Caldwell, Idaho
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
Year Ended September 30, 2023

	Debt Service	Business Improvement District	CDBG/ HUD	Cemetery Cemetery	Cemetery Capital Improvement	Cemetery Perpetual Care	Community Development	Library	Airport	Recreation	Totals
Other Financing Sources (Uses)											
Proceeds from sale of assets	-	-	-	-	-	-	-	-	334,321	-	334,321
Contributions from other governments	-	-	-	-	-	-	216,000	-	-	-	216,000
Operating transfers out	(48,378)	-	-	-	-	-	-	-	-	-	(48,378)
Operating transfers in	-	-	-	-	-	-	39,256	-	1,711,467	-	1,750,723
Total other financing sources (uses)	(48,378)	-	-	-	-	-	255,256	-	2,045,788	-	2,252,666
Excess of Revenues Over Expenditures and Other Financing Sources	13,359	14,516	-	37,471	40,264	139,594	133,178	101,184	436,344	284,005	1,199,915
Fund Balance, Beginning of Year	434,164	60,076	-	784,196	102,557	1,628,309	603,104	1,505,165	344,366	1,260,833	6,722,770
Fund Balance, End of Year	<u>\$447,523</u>	<u>\$ 74,592</u>	<u>\$ -</u>	<u>\$821,667</u>	<u>\$142,821</u>	<u>\$1,767,903</u>	<u>\$ 736,282</u>	<u>\$1,606,349</u>	<u>\$ 780,710</u>	<u>\$1,544,838</u>	<u>\$7,922,685</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, 2023

	Golf	Street Lighting	Irrigation	Totals
Assets				
Current Assets				
Cash and cash equivalents	\$ 319,489	\$ 1,981,883	\$ 1,801,175	\$ 4,102,547
Interest receivable	-	8,075	7,096	15,171
Accounts receivable	-	89,012	528,154	617,166
Inventory	29,905	-	-	29,905
Total current assets	<u>349,394</u>	<u>2,078,970</u>	<u>2,336,425</u>	<u>4,764,789</u>
Noncurrent Assets				
Capital assets				
Capital assets not being depreciated	178,368	-	503,468	681,836
Capital asset being depreciated (net)	<u>719,922</u>	<u>4,807,912</u>	<u>11,656,442</u>	<u>17,184,276</u>
Total noncurrent assets	<u>898,290</u>	<u>4,807,912</u>	<u>12,159,910</u>	<u>17,866,112</u>
Deferred Outflow of Resources				
Pension	<u>157,157</u>	<u>-</u>	<u>64,947</u>	<u>222,104</u>
	<u>\$ 1,404,841</u>	<u>\$ 6,886,882</u>	<u>\$ 14,561,282</u>	<u>\$ 22,853,005</u>
Liabilities				
Current Liabilities				
Vouchers and payroll payables	\$ 109,978	\$ 47,434	\$ 339,467	\$ 496,879
Customer deposits	84,597	-	-	84,597
Due to other funds	84,000	-	-	84,000
Advances	28,000	-	-	28,000
Compensated absences	<u>31,881</u>	<u>-</u>	<u>-</u>	<u>31,881</u>
Total current liabilities	<u>338,456</u>	<u>47,434</u>	<u>339,467</u>	<u>725,357</u>
Noncurrent Liabilities				
Net pension liability	<u>323,902</u>	<u>-</u>	<u>132,304</u>	<u>456,206</u>
Deferred Inflow of Resources				
Pension	<u>316</u>	<u>-</u>	<u>129</u>	<u>445</u>
Net Position				
Investment in capital assets	898,290	4,807,912	12,159,910	17,866,112
Unrestricted	<u>(156,123)</u>	<u>2,031,536</u>	<u>1,929,472</u>	<u>3,804,885</u>
Total net position	<u>742,167</u>	<u>6,839,448</u>	<u>14,089,382</u>	<u>21,670,997</u>
	<u>\$ 1,404,841</u>	<u>\$ 6,886,882</u>	<u>\$ 14,561,282</u>	<u>\$ 22,853,005</u>

City of Caldwell, Idaho

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds
Year Ended September 30, 2023

	Golf	Street Lighting	Irrigation	Totals
Operating Revenues				
Charges for services	\$ 1,754,757	\$ 804,349	\$ 2,147,646	\$ 4,706,752
Other	20,375	11,710	-	32,085
Total operating revenues	<u>1,775,132</u>	<u>816,059</u>	<u>2,147,646</u>	<u>4,738,837</u>
Operating Expenses				
Personnel services	591,320	-	231,550	822,870
Contractual services	369,569	172,303	482,526	1,024,398
Materials and supplies	326,350	-	139,037	465,387
Utilities	106,022	241,620	675,583	1,023,225
Repairs and maintenance	171,212	85,875	483,816	740,903
Other expenses	71,814	7,669	21,407	100,890
Depreciation	200,424	211,842	456,284	868,550
Total operating expenses	<u>1,836,711</u>	<u>719,309</u>	<u>2,490,203</u>	<u>5,046,223</u>
Operating Income (Loss)	<u>(61,579)</u>	<u>96,750</u>	<u>(342,557)</u>	<u>(307,386)</u>
Nonoperating Revenues (Expenses)				
Interest income	-	72,667	69,656	142,323
Unrealized (loss) gain on investments	-	(1,357)	5,935	4,578
Total nonoperating revenues	<u>-</u>	<u>71,310</u>	<u>75,591</u>	<u>146,901</u>
Income (Loss) Before Contributions and Transfers	<u>(61,579)</u>	<u>168,060</u>	<u>(266,966)</u>	<u>(160,485)</u>
Contributions from developers	-	496,906	1,546,825	2,043,731
Transfer of capital assets from governmental activities	73,478	-	-	73,478
Transfers out	-	-	(10,000)	(10,000)
Change in Net Position	11,899	664,966	1,269,859	1,946,724
Net Position, Beginning of Year	<u>730,268</u>	<u>6,174,482</u>	<u>12,819,523</u>	<u>19,724,273</u>
Net Position, End of Year	<u>\$ 742,167</u>	<u>\$ 6,839,448</u>	<u>\$ 14,089,382</u>	<u>\$ 21,670,997</u>

City of Caldwell, Idaho
Combining Statement of Cash Flows – Nonmajor Enterprise Funds
Year Ended September 30, 2023

	Golf	Street Lighting	Irrigation	Total
Operating Activities				
Received from user charges	\$ 1,792,079	\$ 805,014	\$ 2,093,495	\$ 4,690,588
Payments to employees for services	(545,069)	-	(201,219)	(746,288)
Payments to suppliers for goods and services	(1,041,155)	(479,196)	(1,582,228)	(3,102,579)
Net Cash from Operating Activities	205,855	325,818	310,048	841,721
Noncapital Financing Activities				
Transfers out	-	-	(10,000)	(10,000)
Advances	(1,000)	-	-	(1,000)
Repayment on interfund loan	(84,000)	-	-	(84,000)
Net Cash used for Noncapital Financing Activities	(85,000)	-	(10,000)	(95,000)
Capital and Related Financing Activities				
Acquisition of capital assets	-	-	(694,996)	(694,996)
Net Cash used for Capital and Related Financing Activities	-	-	(694,996)	(694,996)
Investing Activities				
Interest received on investments	-	66,293	65,619	131,912
Net increase (decrease) in pooled investments	-	(1,357)	5,935	4,578
Net Cash from Investing Activities	-	64,936	71,554	136,490
Net Change in Cash and Cash Equivalents	120,855	390,754	(323,394)	188,215
Cash and Cash Equivalents, October 1, 2022	198,634	1,591,129	2,124,569	3,914,332
Cash and Cash Equivalents, September 30, 2023	<u>\$ 319,489</u>	<u>\$ 1,981,883</u>	<u>\$ 1,801,175</u>	<u>\$ 4,102,547</u>
Contributed property, plant and equipment	<u>\$ -</u>	<u>\$ 496,906</u>	<u>\$ 1,546,825</u>	<u>\$ 2,043,731</u>

City of Caldwell, Idaho
Combining Statement of Cash Flows – Nonmajor Enterprise Funds
Year Ended September 30, 2023

	<u>Golf</u>	<u>Street Lighting</u>	<u>Irrigation</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash from operating activities				
Operating income (loss)	\$ (61,579)	\$ 96,750	\$ (342,557)	\$ (307,386)
Depreciation	200,424	211,842	456,284	868,550
GASB 68 pension expense	46,458	-	29,812	76,270
Changes in assets and liabilities				
Accounts receivable	-	(11,045)	(54,151)	(65,196)
Prepaid expenses	-	-	-	-
Inventory	(6,204)	-	-	(6,204)
Vouchers payable	10,188	28,271	220,660	259,119
Compensated absences	(379)	-	-	(379)
Customer deposits	16,947	-	-	16,947
Net Cash from Operating Activities	<u>\$ 205,855</u>	<u>\$ 325,818</u>	<u>\$ 310,048</u>	<u>\$ 841,721</u>

Supplemental noncash disclosure: During fiscal year 2023 governmental activities transferred \$73,478 in equipment to the Golf Fund.

City of Caldwell, Idaho
Combining Statement of Net Position – Nonmajor Internal Service Funds
September 30, 2023

	Post-Retirement Health Reimbursement Arrangement	Section 125 Benefit Plan	Totals
Assets and Deferred Outflows of Resources			
Current Assets			
Cash and cash equivalents	\$ 1,127,958	\$ 45,204	\$ 1,173,162
Interest receivable	2,523	-	2,523
Total current assets	<u>1,130,481</u>	<u>45,204</u>	<u>1,175,685</u>
Deferred Outflows of Resources			
OPEB obligations	<u>153,489</u>	<u>-</u>	<u>153,489</u>
Total deferred outflows of resources	<u>153,489</u>	<u>-</u>	<u>153,489</u>
	<u>\$ 1,283,970</u>	<u>\$ 45,204</u>	<u>\$ 1,329,174</u>
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Vouchers payable	\$ 6,000	\$ 805	\$ 6,805
OPEB liability	<u>642,904</u>	<u>-</u>	<u>642,904</u>
Total liabilities	<u>648,904</u>	<u>805</u>	<u>649,709</u>
Deferred Inflows of Resources			
OPEB obligations	<u>112,466</u>	<u>-</u>	<u>112,466</u>
Total deferred inflows of resources	<u>112,466</u>	<u>-</u>	<u>112,466</u>
Net Position			
Unrestricted	<u>522,600</u>	<u>44,399</u>	<u>566,999</u>
Total net position	<u>522,600</u>	<u>44,399</u>	<u>566,999</u>
	<u>\$ 1,283,970</u>	<u>\$ 45,204</u>	<u>\$ 1,329,174</u>

City of Caldwell, Idaho
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Internal Service
Funds
Year Ended September 30, 2023

	<u>Post-Retirement Health Reimbursement Arrangement</u>	<u>Section 125 Benefit Plan</u>	<u>Totals</u>
Operating Revenues			
Charges for services	\$ 275,761	\$ 133,151	\$ 408,912
Total operating revenues	<u>275,761</u>	<u>133,151</u>	<u>408,912</u>
Operating Expenses			
Personnel services	-	122,847	122,847
Contractual services	155,427	4,061	159,488
Total operating expenses	<u>155,427</u>	<u>126,908</u>	<u>282,335</u>
Operating Income	<u>120,334</u>	<u>6,243</u>	<u>126,577</u>
Nonoperating Revenues (Expenses)			
Interest income	71,317	-	71,317
Unrealized gain on investments	1,385	-	1,385
OPEB expenses (offset)	(70,604)	-	(70,604)
Total nonoperating revenues	<u>2,098</u>	<u>-</u>	<u>2,098</u>
Change in Net Position	122,432	6,243	128,675
Net Position, Beginning of Year	<u>400,168</u>	<u>38,156</u>	<u>438,324</u>
Net Position, End of Year	<u>\$ 522,600</u>	<u>\$ 44,399</u>	<u>\$ 566,999</u>

City of Caldwell, Idaho
Combining Statement of Cash Flows – Nonmajor Internal Service Funds
Year Ended September 30, 2023

	Post-Retirement Health Reimbursement Arrangement	Section 125 Benefit Plan	Totals
Operating Activities			
Received from user charges	\$ 275,761	\$ 133,151	\$ 408,912
Payments to suppliers for goods and services	(149,427)	(126,336)	(275,763)
Net Cash from Operating Activities	<u>126,334</u>	<u>6,815</u>	<u>133,149</u>
Investing Activities			
Interest received on investments	69,727	-	69,727
Net increase in pooled investments	1,385	-	1,385
Net Cash from Investing Activities	<u>71,112</u>	<u>-</u>	<u>71,112</u>
Net Change in Cash and Cash Equivalents	197,446	6,815	204,261
Cash and Cash Equivalents, October 1, 2022	<u>930,512</u>	<u>38,389</u>	<u>968,901</u>
Cash and Cash Equivalents, September 30, 2023	<u><u>\$ 1,127,958</u></u>	<u><u>\$ 45,204</u></u>	<u><u>\$ 1,173,162</u></u>
Reconciliation of Operating Income to Net Cash from operating activities			
Operating income	\$ 120,334	\$ 6,243	\$ 126,577
Changes in assets and liabilities			
Vouchers payable	6,000	572	6,572
Net Cash from Operating Activities	<u><u>\$ 126,334</u></u>	<u><u>\$ 6,815</u></u>	<u><u>\$ 133,149</u></u>



Federal Awards Reports in Accordance with the
Uniform Guidance
September 30, 2023
City of Caldwell, Idaho



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

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

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Caldwell, Idaho (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated March 6, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

City's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



Boise, Idaho
March 6, 2024



Independent Auditor’s Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Members of the City Council
City of Caldwell, Idaho
Caldwell, Idaho

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Caldwell, Idaho’s (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City’s major federal program for the year ended September 30, 2023. The City’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2023.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 6, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Boise, Idaho
March 6, 2024

City of Caldwell, Idaho
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Federal Grantor/ Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Direct Program</i>				
CDBG - Entitlement Grants Cluster				
CDBG/Entitlement Grants	14.218	B-20-MS-16-0008	\$ 150,000	\$ 150,000
COVID-19 CDBG/Entitlement Grants	14.218	B-20-MW-16-0008	127,784	101,458
CDBG/Entitlement Grants	14.218	B-22-MC-16-0008	<u>63,636</u>	<u>-</u>
Total Department of Housing and Urban Development / CDBG Entitlement Grants Cluster			<u>341,420</u>	<u>251,458</u>
U. S. DEPARTMENT OF JUSTICE				
<i>Passed through City of Nampa</i>				
Edward Byrne Memorial Justice Assistance	16.738	2021-DJ-BX-0597	13,452	-
<i>Passed through City of Nampa</i>				
Edward Byrne Memorial Justice Assistance	16.738	2022-DJ-BX-0597	34,360	-
<i>Passed through Idaho Office of the Attorney General</i>				
Missing Childrens Assistance (ICAC)	16.543	2022-50793-ID-MC	<u>7,030</u>	<u>-</u>
Total Department of Justice			<u>54,842</u>	<u>-</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Direct Program</i>				
Staffing for Adequate Fire and Emergency Response (SAFER)				
Response (SAFER)	97.083	ENW-2021-FF-01852	<u>260,086</u>	<u>-</u>
Total Department of Homeland Security			<u>260,086</u>	<u>-</u>
U. S. DEPARTMENT OF TRANSPORTATION				
<i>Direct Program</i>				
Federal Aviation Administration				
COVID -19 Airport Improvement Program	20.106	3-16-0045-36-2022	59,000	-
Airport Improvement Program	20.106	3-16-0045-37-2023	362,952	-
<i>Passed through the Idaho Department of Transportation, Office of Highway Safety</i>				
National Priority Safety Programs	20.600	PT-2023-EA-00-00	3,325	-
National Priority Safety Programs	20.600	DD-2023-EA-00-00	3,149	-
State and Community Highway Safety	20.616	PT-2023-EA-00-00	2,970	-
State and Community Highway Safety	20.616	M2HVE-2023-EA-00-00	2,284	-
State and Community Highway Safety	20.616	M5HVE-2023-EA-00	2,085	-
State and Community Highway Safety	20.616	M5HVE-2023-EB-00	1,135	-
State and Community Highway Safety	20.616	M5HVE-2023-EE-00	1,083	-
State and Community Highway Safety	20.616	M2HVE-2023-EB-00-00	3,000	-
State and Community Highway Safety	20.616	69A27522	752	-
State and Community Highway Safety	20.616	M5HVE-2023-ED-00	1,354	-
State and Community Highway Safety	20.616	M5HVE-2023-EC-00	<u>529</u>	<u>-</u>
Total U.S. Department of Transportation			<u>443,618</u>	<u>-</u>

City of Caldwell, Idaho
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Federal Grantor/ Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
<i>Passed through the State of Idaho Commission for Libraries</i>				
Grants to States	45.310	LS-252457-OLS-22	5,928	-
Total Institute of Museum and Library Services			<u>5,928</u>	<u>-</u>
U.S. DEPARTMENT OF THE TREASURY				
<i>Passed through State of Idaho Controllers Office</i>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	20-1982-0-1-806	1,502,895	-
Total Department of the Treasury			<u>1,502,895</u>	<u>-</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 2,608,789</u>	<u>\$ 251,458</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of Caldwell, Idaho (the City) under programs of the federal government for the year ended September 30, 2023. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or fund balance of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The City does not draw for indirect administrative expenses and has not elected to use the 10% de minimis cost rate.

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	Yes

Identification of major program:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

**2023-001 Impact Fees - Lost Revenues
Material Weakness**

Criteria:

Resolution 384-22 passed by City Council on October 20, 2022 increased the total Impact Fee rates for Parks, Fire, and Police on the effective date of the resolution from \$2,220.17 per unit to \$3,186.34 per unit for residential impact fees and \$0.42 per square foot to \$0.59 per square foot for non-residential impact fees.

Resolution 422-21 passed by City Council on December 6, 2021 increased the total Impact Fee rates for Parks, Fire, and Police on the effective date of the resolution from \$1,936.00 per unit to \$2,220.17 per unit for residential impact fees and \$0.37 per square foot to \$0.42 per square foot for non-residential impact fees.

Condition:

During our audit of impact fees we noted Public Works Department had not updated the impact fee rates in the software application utilized to calculate the impact fees (Citizenserve) to the rates approved by City Council on the effective dates of the resolutions in fiscal years 2022 and 2023.

The Public Works Department incorrectly adjusted the impact fee rates on October 20, 2022 to the rates previously approved by City Council through Resolution 422-21 that was intended to be effective December 6, 2021. The impact fee rates were never updated to the rates approved by City Council through Resolution 384-22 that was intended to be effective October 20, 2022.

Cause:

Public Works Department failed to update the impact rates in Citizenserve to the approved rates. There is no formal process in place to ensure the rates in Citizenserve are input timely and accurately.

Effect:

For fiscal year 2023 we estimated lost revenues for Park, Fire, and Police impact fees totaled \$1,050,995, \$253,994, and \$58,235, respectively, as a result of not updating the impact fee rates. The impact on nonresidential impact fees could not be determined since the fee is based on square feet.

For fiscal year 2022 we estimated lost revenues for Park, Fire, and Police impact fees totaled \$190,361, \$58,489, and \$8,743, respectively, as a result of not updating the impact fee rates. The impact on nonresidential impact fees could not be determined since the fee is based on square feet.

Section II – Financial Statement Findings

Recommendation:
We recommend the City add additional levels of control to ensure the impact fees rates are input timely and accurately upon passage of an approved resolution by City Council.

Views of Responsible Officials:
The City concurs with the recommendation as stated.

Section III – Federal Award Findings and Questioned Costs

None reported.