



Financial Statements
September 30, 2018

Boise City Housing Authority

Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	3
Financial Statements	
Statement of Net Position	8
Statement of Revenues, Expenses, and Changes in Net Position	9
Statement of Cash Flows	10
Notes to Financial Statements.....	11
Required Supplementary Information	
Schedule of Employer’s Share of Net Pension Liability and Employer Contributions	30
Supplementary Information	
Combining Statement of Net Position	31
Combining Statement of Revenues, Expenses and Changes in Net Position	33
Financial Data Schedules	
Financial Data Schedules.....	34
Federal Awards Report in Accordance with the Uniform Guidance	
Schedule of Expenditures of Federal Awards.....	41
Notes to Schedule of Expenditures of Federal Awards	42
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	43
Independent Auditor’s Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance.....	45
Schedule of Findings and Questioned Costs.....	47
Certification of Project Owner	48
Management Agent’s Certification.....	49
Independent Auditor’s Report on Additional Information.....	50
Management Agent’s Certification.....	51



Independent Auditor's Report

To the Board of Commissioners
Boise City Housing Authority
Boise, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Boise City Housing Authority (the Housing Authority) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Boise City Housing Authority, as of September 30, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority's basic financial statements. The combining statement of net position, combining statement of revenues, expenses, and changes in net position, and the financial data schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 25, 2019, on our consideration of Boise City Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority'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 Housing Authority's internal controls over financial reporting and compliance.



Boise, Idaho
January 25, 2019

Our discussion and analysis of the Boise City Housing Authority's financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended September 30, 2018. Please read it in conjunction with the Housing Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Housing Authority reported combined net position (assets and deferred outflows less liabilities and deferred inflows) of \$8,461,838 as of September 30, 2018. This represents an increase of \$472,941 from fiscal year 2017.
- Total operating expense for the year ended September 30, 2018 of \$10,949,861 represents a decrease of \$380,528 or 3.4% below fiscal year 2017. Operating revenue exceeded expenses by \$514,216 as compared to operating revenues exceeding operating expenses by \$844,465 in fiscal year 2017.
- Shoreline Plaza, Inc., North Liberty, LLC, Nez Perce, LLC, Vine Street, LLC and Shoreline North, LLC, the blended component units of the Housing Authority, reported \$726,345 operating revenue in excess of expense while reporting a total change in net position of \$303,045.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements consist of management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, a Statement of Cash Flows, and Notes to the Financial Statements section.

The Statement of Net Position is presented in a format that displays net position (assets and deferred outflows of resources less liabilities and deferred inflows of resources equal net position). The Statement of Financial Position details the assets, deferred outflows, liabilities, and deferred inflows of the Housing Authority based on their liquidity, utilizing current (maturing within twelve months) and non-current (maturing in more than twelve months) categories. The resulting net positions in this statement are displayed as either net investment in capital assets, restricted or unrestricted. Under Governmental Accounting Standards Board Statement Nos. 34, 37 and 38, assets are restricted when their use is subject to external restrictions (such as bond resolutions, legal agreements, statutes, etc.), with assets not falling under this category being characterized as unrestricted. Please note, however, that unrestricted net position includes assets that have been committed by the Housing Authority for certain specific uses, but for which an agreement may not yet be in place.

The Statement of Revenues, Expenses and Changes in Net Position presents the operating income (loss), which consists of operating revenues less operating expenses. In addition, the Statement of Revenues, Expenses and Changes in Net Position details non-operating revenues and expenses. The resulting amount (revenues less expenses) is the change in net position for FY 18, which amount is then added to the ending balance of net position from FY 17 to arrive at net position for FY 18.

The Statement of Cash Flows reports the net increase (decrease) in cash and cash equivalents (highly liquid investments with a maturity of three months or less when purchased) for the fiscal year. This statement includes cash flows from operating activities, cash flows from capital financing activities (such as issuance of bonds and acquisition of capital assets), non-capital financing activities, and cash flows from investing activities. The resulting net increase (or decrease) in cash and cash equivalents is then added to the balance of cash and cash equivalents at the beginning of the year to determine the FY 18 ending cash and cash equivalent balance.

AUTHORITY-WIDE FINANCIAL ANALYSIS

Net Position

Net position increased \$472,941 or 5.92%, above last year.

Table I - Net Position

	2018	2017	Difference
Assets			
Current Assets	\$ 10,800,691	\$ 11,849,414	\$ (1,048,723)
Capital Assets, Net	12,052,361	10,689,927	1,362,434
Other Assets	368,634	368,634	-
Total Assets	<u>23,221,686</u>	<u>22,907,975</u>	<u>313,711</u>
Deferred outflows of resources	<u>226,002</u>	<u>226,572</u>	<u>(570)</u>
Liabilities			
Current Liabilities	856,408	710,486	145,922
Other Liabilities	205,148	233,928	(28,780)
Non-Current Liabilities	13,736,949	14,055,036	(318,087)
Total Liabilities	<u>14,798,505</u>	<u>14,999,450</u>	<u>(200,945)</u>
Deferred inflows of resources	<u>187,345</u>	<u>146,200</u>	<u>41,145</u>
Net Position			
Net Investment in			
Capital Assets	526,237	(978,670)	1,504,907
Restricted for Housing			
Assistance Payment Equity	285,411	164,850	120,561
Unrestricted	7,650,190	8,802,717	(1,152,527)
Total Net Position	<u>\$ 8,461,838</u>	<u>\$ 7,988,897</u>	<u>\$ 472,941</u>

Current assets decreased \$1,048,723 and capital assets increased \$1,362,434 from fiscal year 2017. This was due to the Housing Authority's purchase of a new office building for \$1,300,000. The office building should be ready for occupancy sometime during the spring of 2019.

Changes in Net Position

Table II - Changes in Net Position

	<u>2018</u>	<u>2017</u>	<u>Difference</u>
Operating Income			
Dwelling and Rental Income	\$ 2,311,046	\$ 2,199,950	\$ 111,096
Tenant Revenue, Other	37,709	32,360	5,349
HUD Contributions/Grants	8,734,904	9,091,259	(356,355)
Other Revenue	380,418	851,285	(470,867)
	<u>11,464,077</u>	<u>12,174,854</u>	<u>(710,777)</u>
Operating Expenses			
Administration	1,618,623	1,550,917	67,706
Utilities	250,325	278,639	(28,314)
Tenant Services	206,434	129,270	77,164
Ordinary Maintenance and operations	656,147	627,964	28,183
General Expenses	677,271	763,353	(86,082)
Extraordinary Maintenance	17,073	63,825	(46,752)
Rental Assistance Payments	6,857,831	7,156,885	(299,054)
Depreciation	666,157	759,536	(93,379)
	<u>10,949,861</u>	<u>11,330,389</u>	<u>(380,528)</u>
Net Operating Income	<u>514,216</u>	<u>844,465</u>	<u>(330,249)</u>
Non Operating Revenue (Expense)			
Investment income, unrestricted	32,384	16,726	15,658
Investment income, restricted	1,528	1,963	(435)
HUD Capital Project Fund grants	367,613	226,145	141,468
Interest expense	(419,288)	(617,757)	198,469
Gain (loss) on sale of property	(6,584)	863,821	(870,405)
Other income (expense)	(16,928)	(378,742)	361,814
Total Non-Operating Revenue (Expense)	<u>(41,275)</u>	<u>112,156</u>	<u>(153,431)</u>
Changes in Net Position	<u>\$ 472,941</u>	<u>\$ 956,621</u>	<u>\$ (483,680)</u>

Operating revenues decreased by \$710,777. HUD contributions and grant revenue decreased \$356,355 as a result of decreased leasing in the Housing Choice Voucher program. Dwelling and rental income increased \$111,096 as rents continue to increase in the housing market. In addition, other income decreased \$470,867. During fiscal year 2017 the blended component unit of the Housing Authority refinanced bonds and reported an increase in other income related to that refinance.

Operating expenses decreased \$380,528 or 3.4% below FY 17. Rental assistance payments decreased \$299,054 below FY 2017. The Voucher program was 88.5% leased during fiscal year 2018 while the program was 94.1% leased during fiscal year 2017. Leasing declined during fiscal year 2018. Voucher holders continue to have difficulty finding rents low enough to fit within the payment standards allowed by HUD. Housing Authority management continues to monitor the leasing of the Housing Choice Voucher program on a weekly basis.

Capital assets

The Housing Authority has invested approximately \$33,086,737 in a broad range of capital assets over the years. The total accumulated depreciation on these assets amounts to \$20,921,121.

Asset acquisitions were \$2,035,172. Asset additions included some of the following:

In progress		
• Orchard Office Bldg Remodel		\$ 59,629
Completed		
• Building and land for Orchard Office		\$1,300,000
• Capital shower upgrade		\$209,185
• Capital Video & Door Security System		\$ 95,057
• Capital elevator upgrade		\$123,570
• Franklin Video & Door Security System		\$ 63,371
• Franklin elevator upgrade		\$125,517
• Radon Mitigation – Nez Perce Apartments		\$ 20,288
• Radon Mitigation – North Liberty Apartments		\$ 29,833
• Radon Mitigation – Vine Apartments		\$ 29,834
• Shoreline Apartments – Install ADA Doors		\$ 21,643
• Shoreline elevator upgrade		\$160,805

The Housing Authority disposed of assets totaling \$113,255 with a net book value of \$6,581. Additional information regarding the Housing Authority's capital assets can be found in Note 5 to the basic financial statements.

Property held for development

The property held for development consists of the Moore Street property held by Boise City Housing Authority.

Long-term debt

At the end of FY 2018, the Housing Authority had \$13,080,402 in long-term debt. During FY 18, \$225,596 of the 223f mortgage debt was retired.

Additional information regarding the Housing Authority's long-term debt can be found in Note 6 to the basic financial statements.

ECONOMIC OUTLOOK

The Authority anticipates full utilization of the voucher program in fiscal year 2019 within the limitations set by renewal funding and payment standard restrictions. The Housing Authority does not anticipate opening the waiting list in FY 2019.

CONTACTING BCHA'S FINANCIAL MANAGEMENT

This financial report is intended to provide its readers with a general overview of the Authority's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or wish to request additional information, contact Diana Meo, Finance Director, Boise City Housing Authority, 1276 River Street, Suite 300, Boise, Idaho 83702; email: dmeo@bcacha.org; telephone: (208) 345-4907.

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Assets

Current Assets

Cash and cash equivalents	\$ 8,055,333
Tenant security deposits	118,707
Accounts receivable - HUD	63,508
Accounts receivable - tenant, net	7,645
Miscellaneous receivable	32,804
Related party receivable	169,274
Prepaid expenses	33,860
Inventory	13,068
Restricted cash and cash equivalents	2,004,837
Unrestricted investments	301,655

Total current assets 10,800,691

Land, Building and Equipment

Capital assets, not depreciated	
Land	2,079,304
Construction in progress	59,629
Capital assets, depreciated	
Land improvements	2,726,817
Buildings and improvements	25,652,287
Furniture and equipment	2,455,445

32,973,482

Accumulated depreciation (20,921,121)

12,052,361

Other Assets

Property held for development	<u>368,634</u>
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Total other assets 368,634

Total assets 23,221,686

Deferred Outflows of Resources

Pension obligation	<u>226,002</u>
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Total deferred outflows of resources 226,002

Boise City Housing Authority
Statement of Net Position
September 30, 2018

Liabilities

Current Liabilities

Accounts payable and accrued liabilities	84,087
Employee accrued liabilities	322,087
Accrued interest payable	21,873
Payment in lieu of taxes	54,793
Tenant security deposits payable	118,707
Prepaid rent	22,380
Current portion of long-term debt	<u>232,481</u>

Total current liabilities 856,408

Other Liabilities 205,148

Long-Term Liabilities

Net pension liability	889,028
Mortgage payable, net of current portion	<u>12,847,921</u>

Total long-term liabilities 13,736,949

Total liabilities 14,798,505

Deferred Inflows of Resources

Pension obligation	<u>187,345</u>
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Net Position

Net investment in capital assets	526,237
Restricted for housing assistance payment equity	285,411
Unrestricted	<u>7,650,190</u>

Total net position \$ 8,461,838

Boise City Housing Authority
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended September 30, 2018

Operating Income	
Dwelling and rental income	\$ 2,311,046
Tenant revenue, other	37,709
HUD contributions/grants	8,734,904
Other revenue	<u>380,418</u>
Total operating income	<u>11,464,077</u>
Operating Expenses	
Administration	1,618,623
Utilities	250,325
Tenant services	206,434
Ordinary maintenance and operations	656,147
General expenses	677,271
Extraordinary maintenance	17,073
Rental assistance payments	6,857,831
Depreciation	<u>666,157</u>
Total operating expenses	<u>10,949,861</u>
Net Operating Income	<u>514,216</u>
Nonoperating Revenue (Expenses)	
Investment income, unrestricted	32,384
Investment income, restricted	1,528
HUD capital project fund grants	367,613
Interest expense	(419,288)
Other expense	(16,928)
Loss on sale of property	<u>(6,584)</u>
Total nonoperating revenue (expense)	<u>(41,275)</u>
Change in Net Position	472,941
Net Position, Beginning of Year	<u>7,988,897</u>
Net Position, End of Year	<u><u>\$ 8,461,838</u></u>

Boise City Housing Authority
Statement of Cash Flows
Year Ended September 30, 2018

Operating Activities	
Rental receipts	\$ 2,337,748
Other operating receipts	404,989
HUD receipts	8,686,451
Payments on behalf of voucher participants	(6,857,831)
Payments to employees	(1,487,226)
Payments to suppliers	(1,684,103)
	<u>1,400,028</u>
Net Cash from Operating Activities	<u>1,400,028</u>
Capital and Related Financing Activities	
Purchase of land, building and equipment	(2,035,172)
Proceeds from grants and contributions for land, building and equipment	367,613
Repayment of principal of long-term debt	(225,596)
Payment of interest	(397,415)
	<u>(2,307,498)</u>
Net Cash used for Capital and Related Financing Activities	<u>(2,307,498)</u>
Investing Activities	
Change in unrestricted investments	34,788
Change in restricted cash equivalents	62,520
Investment income on unrestricted investments	32,384
Investment income on restricted investments	1,528
	<u>131,220</u>
Net Cash from Investing Activities	<u>131,220</u>
Net Change in Cash and Cash Equivalents	(776,250)
Cash and Cash Equivalents, Beginning of Year	<u>8,831,583</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 8,055,333</u></u>
Operating Activities	
Operating income	\$ 514,216
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	666,157
GASB 68 - Actuarial pension expense	(43,893)
Changes in operating assets and liabilities	
Accounts receivable	(26,765)
Related party receivables	(16,218)
Prepaid expenses	191,207
Accounts payable and accrued liabilities	127,763
Change in inventory	(1,840)
Prepaid rent	(10,599)
	<u>(10,599)</u>
Net Cash from Operating Activities	<u><u>\$ 1,400,028</u></u>

Note 1 - Summary of Significant Accounting Policies

Boise City Housing Authority (the Housing Authority) or (the Authority) was organized on February 14, 1963, by Boise City under Section 50-1905 of the Idaho Code, for the purpose of providing housing to low-income residents of Boise City through participation in federal assistance programs administered and financed by the U.S. Department of Housing and Urban Development (HUD).

The accounting and reporting policies of the Housing Authority included in the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governments*.

The Housing Authority owns and operates 160 units under HUD Annual Contribution Contract SF-376. The Housing Authority generally leases the units under an annual lease agreement. The Housing Authority collects rents from tenants based upon the tenants' income and receives debt service financing and operating subsidies from HUD.

The Housing Authority is authorized to administer 1,142 units under HUD Section 8 Voucher Housing Annual Contribution Contract ID013V, as well as an additional 192 units under the Veterans Affairs Supportive Housing Program. The Housing Authority receives housing assistance funds and administrative fees from HUD and provides Housing Assistance Payments to participating owners in the program. The Housing Authority is also authorized to provide housing to disabled persons under the Supportive Housing for Persons with Disability Program. The Housing Authority receives housing assistance funds and administrative fees from HUD, and provides Housing Assistance Payments to participating owners in the program.

The Housing Authority also administers programs with grants received from HUD to make capital improvements to HUD properties under HUD Public Housing Capital Fund Program.

Economic Dependency

The Housing Authority is dependent upon ongoing subsidies from HUD.

Financial Reporting Entity

The Housing Authority follows GASB in determining the reporting entity. Accordingly, the financial statements include all organizations for which the Housing Authority is financially accountable and other organizations for which the nature and significance of their relations with the Housing Authority are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Board of Commissioners of the Housing Authority is also the Board of Ada County Housing Authority (ACHA). The Board meetings are joint meetings for the Housing Authority and ACHA. The Commissioners of the Housing Authority and ACHA are appointed in alternating years by the Mayor of Boise in odd numbered years and the Ada County Commissioners in even numbered years. ACHA is not included in the reporting entity of the Housing Authority.

The Housing Authority contributes to the multi-employer Public Employee Retirement System of Idaho (PERSI). PERSI is administered by the State of Idaho and the Housing Authority is not the major participant in the plan; therefore, the plan financial statements are not included in this report.

Blended Component Units

Shoreline Plaza, Inc. (the Corporation) was formed as a non-profit corporation under the laws of the State of Idaho on May 23, 1977, for the purpose of developing, constructing, owning, maintaining, and operating multi-family housing developments to provide housing for the elderly, handicapped, and disabled pursuant to Section 8 of the United States Housing Act of 1937, as amended, or other Federal, state or local assistance programs. The Corporation is governed by a Board of Directors, which also serves as the Board of Commissioners of the Housing Authority. In addition, in the event of dissolution of the Corporation, the net assets would revert to the Housing Authority. Accordingly, the Corporation is reported as a blended component unit of the Housing Authority. Complete financial statements for the Corporation may be obtained by contacting the Housing Authority.

North Liberty, LLC (Liberty) was formed April 22, 2016, as a limited liability corporation under the laws of the state of Idaho and shall continue in perpetuity, unless dissolved or terminated at an earlier date. Liberty was formed for the purpose of owning and operating a 48-unit affordable rental housing complex located in Boise. Substantially all of Liberty's income is derived from the rental of its apartment units. Liberty began operations during November 2016. Liberty is a single member LLC, and the Housing Authority is the single member. Accordingly, Liberty is reported as a blended component unit of the Housing Authority. Complete financial statements for Liberty may be obtained by contacting the Housing Authority.

Nez Perce, LLC (Nez Perce) was formed April 22, 2016, as a limited liability corporation under the laws of the state of Idaho and shall continue in perpetuity, unless dissolved or terminated at an earlier date. Nez Perce was formed for the purpose of owning and operating a 26-unit affordable rental housing complex located in Boise, Idaho. Substantially all of Nez Perce's income is derived from the rental of its apartment units. Nez Perce began operations during November 2016. Nez Perce is a single member LLC, and the Housing Authority is the single member. Accordingly, Nez Perce is reported as a blended component unit of the Housing Authority. Complete financial statements for Nez Perce may be obtained by contacting the Housing Authority.

Shoreline North, LLC (Shoreline) was formed April 22, 2016, as a limited liability corporation under the laws of the state of Idaho and shall continue in perpetuity, unless dissolved or terminated at an earlier date. Shoreline was formed for the purpose of owning and operating a 54-unit affordable rental housing complex located in Boise. Substantially all of Shoreline's income is derived from the rental of its apartment units. Shoreline began operations during November 2016. Shoreline is a single member LLC, and the Housing Authority is the single member. Accordingly, Shoreline is reported as a blended component unit of the Housing Authority. Complete financial statements for Shoreline may be obtained by contacting the Housing Authority.

Vine Street, LLC (Vine) was formed April 22, 2016, as a limited liability corporation under the laws of the state of Idaho and shall continue in perpetuity, unless dissolved or terminated at an earlier date. Vine was formed for the purpose of owning and operating a 35-unit affordable rental housing complex located in Boise. Substantially all of Vine's income is derived from the rental of its apartment units. Vine began operations during November 2016. Vine is a single member LLC, and the Housing Authority is the single member. Accordingly, Vine is reported as a blended component unit of the Housing Authority. Complete financial statements for Vine may be obtained by contacting the Housing Authority.

Activity between the blended component units and the Housing Authority has been eliminated.

Fund Accounting

The accounts of the Housing Authority are organized into a single enterprise fund.

Enterprise Fund - The Enterprise Fund is used to account for operations financed and operated in a manner similar to private business enterprises - (a) where 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 (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or change in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Measurement Focus

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Proprietary funds are accounted for on an economic resources measurement focus and the accrual basis of accounting. This means that all assets, deferred outflows, liabilities (whether current or non-current), and deferred inflows associated with their activity are included on their Statement of Net Position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

In instances in which both restricted and unrestricted sources of revenues are earned for a similar purpose, the restricted revenues are applied toward expenses first.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates that affect certain reported amounts and disclosures. These estimates are based on management's knowledge and experience. Accordingly, actual results could differ from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents include unrestricted cash equivalents with maturities of three months or less at the origination date for cash flow purposes.

The Housing Authority pools its available funds to maximize interest income. The Housing Authority allocates interest income to the various projects based on the average balance of the net contribution of the respective project.

Restricted Cash and Cash Equivalents

Restricted cash relates to the accrued subsidies for the family self-sufficiency program described later on in Note 1 as well as restricted deposits and funded reserves associated with the mortgage payable with Centennial Mortgage, Inc. Cash is restricted to meet guidance provided by HUD that requires the Housing Authority to restrict cash balances that equal restricted net position.

Investment Policy

The United States Department of Housing and Urban Development provides authorization for the investment of funds as well as specific direction as to what constitutes an allowable investment. Housing Authority policy is consistent with this direction. HUD-approved investment instruments consist of the following:

1. Direct Obligations of the Federal Government Backed by the Full Faith and Credit of the United States (U.S. Treasury Bills and U.S. Treasury Notes and Bonds)
2. Obligations of Federal Government Agencies (Federal Financing Bank; Government National Mortgage Association Mortgage Backed Securities and Participation Certificates; Maritime Administration Merchant Marine Bonds, Notes and Obligations; Small Business Administration and Small Business Investment Corporation Debentures; Tennessee Valley Authority Power Bonds and Notes)
3. Securities of Government Sponsored Agencies (Farm Credit Consolidated System-wide Discount Notes; Federal Farm Credit Banks Consolidated System-wide Bonds; Federal Home Loan Banks Consolidated Obligations; FHLMC Mortgage Participation Certificates; FHLMC Collateralized Obligations; Federal Home Loan Mortgage Association Debentures; FNMA Notes, Short-term Discount Notes and Capital Debentures; Student Loan Marketing Associations Obligations)
4. Demand and Savings Deposits
5. Money-Market Deposit Accounts
6. Municipal Depository Fund
7. Super NOW Accounts
8. Certificates of Deposit
9. Repurchase Agreements
10. Sweep Accounts
11. Separate Trading of Registered Interest and Principal of Securities
12. Mutual Funds
13. The Housing Authority's blended component unit may invest in U.S Treasury and Government Agency Obligations; Corporate Bonds Rated A or Better; Commercial Paper Rated P-1 or Better; Certificates of Deposit and Money Market Deposits

Investments

Investments are stated at fair value, except for the non-brokered certificates of deposit, which are non-participating contracts, and are therefore carried at amortized cost. The cost of investments sold for determining gain or loss is based on specific identification. Unrealized gains or losses are included in the statement of revenues, expenses and changes in net position.

Property Taxes

As a governmental entity, the Housing Authority is not subject to assessment by taxing authorities. By agreement, the Housing Authority provides payment in lieu of property taxes (P.I.L.O.T.) to Boise City.

Capital Assets

Capital additions, improvements and major renewals are classified as property, plant and equipment and are recorded at cost. The Housing Authority capitalizes all capital asset purchases with costs in excess of \$500, except for stoves, refrigerators, and air conditioners, which are capitalized regardless of the costs as required by HUD. Computers are not considered for capitalization purposes. Depreciation is recorded by use of the straight-line method. The book value of each asset is reduced by equal amounts over its estimated useful life as follows:

	Estimated Useful Life (Years)
Land improvements	15 - 40
Buildings and improvements	15 - 40
Furniture and equipment	3 - 10

Costs of maintenance repairs that do not improve or extend the useful lives of the respective assets are expensed currently. 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. Interest costs incurred during construction are capitalized net of earnings when they are material. Depreciation expense for the year ended September 30, 2018, was \$666,157.

The Public Housing Capital Fund’s purpose is to provide funding for capital improvements. The Housing Authority has two years in which to obligate funds and four years in which to expend funds. At the end of the contract, the fixed assets are transferred from Public Housing Capital Fund to Low Rent Public Housing – Annual Contributions.

Property Held for Development

The Moore Property has been classified as land held for development. The property is valued at historical cost.

Compensated Absences

Vacation is accrued retroactively to the first day of work upon completion of the introductory period of six months of service. Employees may accumulate leave based on their years of service, ranging from 192 to 336 hours.

Prepaid Rent

Cash from tenants received prior to year-end related to the following year is classified as a current liability.

Restricted Net Position

Excess Housing Assistance Payment (HAP) funds provided by HUD for the Boise City Voucher program are considered restricted. All restricted net position must be used solely for the purpose of the Voucher program HAP expenses with the exception of over-leased units.

Family Self-Sufficiency

The Family Self-Sufficiency program (FSS) is an incentive program for low-income persons receiving subsidies to help them find ways to increase their income through schooling, technical training, etc. The Housing Authority sets aside in an escrow account the difference between the participants' starting subsidy and their declining subsidy as their wages increase. When the participants achieve an income level at which they no longer receive subsidies in accordance with program guidelines, they will receive the escrow balance in cash. If the participants fail to comply with the program requirements, their escrow balance is forfeited. The total balance of the escrow accounts at September 30, 2018, was \$165,148. The liability and the corresponding cash are shown on the Housing Authority's Net Position as Other Liabilities and Restricted Cash.

Deferred Outflows/Inflows of Resources

The Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The Housing Authority has one item that qualifies for reporting in this category: the deferred net pension obligation reported on the Statement of Net Position. The deferred net pension obligation results from changes in assumptions or other inputs in the actuarial calculation of the Housing Authority's net pension liability.

The Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Housing Authority has one item that qualifies for reporting in this category: the deferred net pension obligation. The deferred net pension assumption results from the differences between the expected and actual experience and the net difference between projected and actual earnings on pension plan investments derived from the actuarial calculation of the Housing Authority's net pension liability.

Pensions

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

Operating and Non-Operating Revenue

The Housing Authority defines operating revenue as revenue that is directly related to the purpose of providing housing. Accordingly, HUD Capital Fund grants, investment income, gains on sale of assets, and interest expense are recorded as non-operating.

Grants and Other Intergovernmental Revenues

Federal and state reimbursement-type grants are recorded as revenues when the related expenses are incurred. For programs that are supported by multiple funding sources, Federal and state grant monies are applied to expenses first.

Concentrations

Revenue is comprised principally of amounts due from HUD for reimbursement of modernization costs and for annual contributions due under grants.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents, including tenant security deposits and restricted cash, at September 30, 2018, were either insured or collateralized in its entirety.

Note 3 - Investments

The following table represents the fair value of investments by type at September 30, 2018:

	Investment Value	Investment Maturities (in years)		Credit Rating
		Less than 1	1-3	
Instruments without maturities				
Schwab Money Market Fund & Deposits	\$ 39,150	N/A	N/A	N/A
Investment instruments with maturities				
Non-brokered Certificates of Deposit				
Idaho Central Credit Union Certificate of Deposit	206,132	206,132	-	n/a
Brokered Certificates of Deposit				
Wells Fargo Bank	24,925	24,925	-	n/a
First St Bank	15,007	15,007	-	n/a
American Express	9,969	9,969	-	n/a
Capital One Bank US	10,923	-	10,923	n/a
Ally Bank	9,875	-	9,875	n/a
Morgan Stanley	24,824	-	24,824	n/a
	<u>\$ 340,805</u>	<u>\$ 256,033</u>	<u>\$ 45,622</u>	

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from changes in interest rates, the Housing Authority limits its investment to maturities of three years or less. The Housing Authority was in compliance with their investment policy at September 30, 2018.

Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The Housing Authority does not have a restrictive policy with regard to credit quality but achieves safety through adherence to the list of permitted investments which are backed by the full faith and credit of, or a guarantee of principal and interest by, the U.S. Government, a Government agency or issued by a Government-sponsored agency, coupled with an appropriate maturity date. The Housing Authority was in compliance with their policy as it relates to credit risk as of September 30, 2018.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Housing Authority does not have a policy limiting concentration in a single issuer. Investments in any one issuer that exceed 5% of the total investments at September 30, 2018, are as follows: Wells Fargo Brokered Certificate of Deposit – 8.3%, Morgan Stanley Brokered Certificate of Deposit – 8.2% and Idaho Central Credit Union Certificates of Deposit – 68.3%.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that in the event of failure of the counterparty, the government will be able to recover the value of its investment or collateral securities that are in the possession of the outside party. Policy requires that investments be held by the Housing Authority or registered in the Housing Authority's name and maintained in a custodian or trust account. The Housing Authority was in compliance with their policy as it relates to custodial credit risk as of September 30, 2018.

Fair Value of Investments

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. Investments' fair value measurements are as follows at September 30, 2018:

Certificates of deposit: Prices are based upon quoted market prices that are updated on a daily basis, skipping days if no sales activity has occurred.

	Fair Value Measurement at Report Date			
	Level 1	Level 2	Level 3	Total
Investment instruments				
Brokered Certificates of Deposit	\$ -	\$ 95,523	\$ -	\$ 95,523
Total	\$ -	\$ 95,523	\$ -	\$ 95,523

Note 4 - Account Receivables

Tenant account receivables are recorded net of an allowance for expected losses. Tenant account receivables are due at the beginning of each month, and are considered overdue if payments are not made, or if the tenant has not obtained approval for specific arrangements for payment. Bad debts are accounted for using the allowance method. The allowance is estimated from historical performance and projections of trends. Bad debts are written off when management has exhausted all efforts to collect. The overdue accounts are non-interest bearing. The accounts receivable balance at September 30, 2018, was \$16,922 and the estimated allowance was \$9,277. All other receivables are believed to be fully collectible.

Note 5 - Capital Assets

A summary of activity in the Capital Assets is as follows:

	Beginning Balance as of October 1, 2017	Additions	Deletions	Transfers	Ending Balance as of September 30, 2018
Capital assets, not depreciated					
Land	\$ 1,754,304	\$ 325,000	\$ -	\$ -	\$ 2,079,304
Construction in progress	361,503	59,629	-	(361,503)	59,629
	2,115,807	384,629	-	(361,503)	2,138,933
Capital assets, depreciated					
Buildings and improvements	23,848,557	1,510,399	(66,001)	359,332	25,652,287
Land improvements	2,684,300	40,346	-	2,171	2,726,817
Furniture and equipment	2,402,901	99,798	(47,254)	-	2,455,445
	28,935,758	1,650,543	(113,255)	361,503	30,834,549
Total	31,051,565	2,035,172	(113,255)	-	32,973,482
Less accumulated depreciation	(20,361,638)	(666,157)	106,674	-	(20,921,121)
Total capital assets, net	\$ 10,689,927	\$ 1,369,015	\$ (6,581)	\$ -	\$ 12,052,361

Following is the summary of activity for the property held for development (Moore St. Property):

	Beginning Balance as of October 1, 2017	Additions	Deletions	Ending Balance as of September 30, 2018
Held for development, not depreciated				
Moore St. Property	\$ 368,634	\$ -	\$ -	\$ 368,634

Note 6 - Long-Term Debt

Long-term debt at September 30, 2018, is as follows:

3.01% \$1,284,000 mortgage note payable to Centennial Mortgage, Inc., due in monthly installments of \$4,949 beginning January 1, 2017, through December 2051, secured by a deed of trust on all property and equipment of Nez Perce, LLC, a security agreement, funded reserves, an assignment of rents and leases and a HUD regulatory agreement (A)	\$ 1,246,789
3.01% \$3,110,200 mortgage note payable to Centennial Mortgage, Inc. due in monthly installments of \$11,987 beginning January 1, 2017 through December 2051, secured by a deed of trust on all property and equipment of North Liberty, LLC, a security agreement, funded reserves, assignment of rents and leases and HUD regulatory agreement (A)	3,020,063
3.01% \$3,565,600 mortgage note payable to Centennial Mortgage, Inc. due in monthly installments of \$13,742 beginning January 1, 2017 through December 2051, secured by a deed of trust on all property and equipment of Shoreline North, LLC, a security agreement, funded reserves, an assignment of rents and leases and HUD regulatory agreement (A)	3,462,265
3.01% \$3,352,000 mortgage note payable to Centennial Mortgage, Inc. due in monthly installments of \$12,919 beginning January 1, 2017 through December 2051, secured by a deed of trust on all property and equipment of Shoreline Plaza, Inc., a security agreement, funded reserves, an assignment of rents and leases and HUD regulatory agreement (A)	3,254,855
3.01% \$2,159,000 mortgage note payable to Centennial Mortgage, Inc. due in monthly installments of \$8,321 beginning January 1, 2017 through December 2051, secured by a deed of trust on all property and equipment of Vine Street, LLC., a security agreement, funded reserves, an assignment of rents and leases and HUD regulatory agreement (A)	2,096,430
	\$ 13,080,402

(A) - The loan is insured by HUD under the HUD 223f insured mortgage program. In the event of a default on the mortgage, all rents, profits, and income of the project are to be assigned to HUD. The regulatory agreement accompanying the HUD-insured mortgage shall remain in effect until termination or maturity of the HUD-insured mortgage.

A summary of activity in the long-term debt is as follows:

	<u>October 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>September 30, 2018</u>
Mortgage Payable				
Nez Perce, LLC	\$ 1,268,291	\$ -	\$ (21,502)	\$ 1,246,789
North Liberty, LLC	3,072,150	-	(52,087)	3,020,063
Shoreline North, LLC	3,521,978	-	(59,713)	3,462,265
Shoreline Plaza, Inc.	3,310,992	-	(56,137)	3,254,855
Vine Street, LLC	<u>2,132,587</u>	<u>-</u>	<u>(36,157)</u>	<u>2,096,430</u>
	<u>\$ 13,305,998</u>	<u>\$ -</u>	<u>\$ (225,596)</u>	<u>\$ 13,080,402</u>

Maturities of long-term debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 232,481	\$ 390,529	\$ 623,010
2020	239,576	383,436	623,012
2021	246,888	376,124	623,012
2022	254,422	368,590	623,012
2023	262,187	360,825	623,012
2024-2028	1,435,956	1,679,100	3,115,056
2029-2033	1,668,863	1,446,193	3,115,056
2034-2038	1,939,546	1,175,509	3,115,055
2039-2043	2,254,134	860,923	3,115,057
2044-2048	2,619,745	495,311	3,115,056
2049-2052	<u>1,926,604</u>	<u>98,185</u>	<u>2,024,789</u>
	<u>\$ 13,080,402</u>	<u>\$ 7,634,725</u>	<u>\$ 20,715,127</u>

Note 7 - Pension Plan

Plan Description

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

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

Pension Benefits

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

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

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate. As of September 30, 2018, it was 6.79% for general employees. The employer contribution rate as a percentage of covered payroll is set by the Retirement Board and was 11.32% for general employees. The Housing Authority's contributions were \$223,135 for the year ended September 30, 2018.

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

At September 30, 2018, the Housing Authority reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Housing Authority's proportion of the net pension liability was based on the Housing Authority'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, 2018, the Housing Authority's proportion was 0.000602724, which was a decrease from the prior year of 0.000017340.

For the year ended September 30, 2018, the Housing Authority recognized pension expense of \$178,868. At September 30, 2018, the Housing Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 97,590	\$ 67,143
Changes in assumptions or other inputs	57,849	-
Net difference between projected and actual earnings on pension plan investments	-	98,776
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions - 2015	3,199	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions - 2017	11,829	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions - 2018	-	21,426
Housing authority contributions subsequent to the measurement date	55,535	-
Total	\$ 226,002	\$ 187,345

The Housing Authority reported \$55,535 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2019.

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, 2017, the beginning of the measurement period ended June 30, 2018, is 4.8 years for the measurement period ended June 30, 2018.

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

Year ended September 30:	
2019	\$ 72,841
2020	8,023
2021	(74,816)
2022	(22,926)

Actuarial Assumptions

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

The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions	
Inflation	3.00%
Salary increases, including inflation	3.75%
Investment rate of return	7.05%, net of investment expenses
Cost-of-living adjustments	1.00%

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

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

An experience study was performed for the period 2013 through 2017 for the PERSI Base Plan, which reviewed all economic and demographic assumptions. The Total Pension Liability as of June 30, 2018, is based on the results of an actuarial valuation date of July 1, 2018.

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

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers, and trustees to develop capital market assumptions in analyzing the System's asset allocation.

The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

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

The capital market assumptions are:

Capital Market Assumptions

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Nominal Rate of Return (Arithmetic)</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Core Fixed Income	30.00%	3.05%	0.80%
Broad US Equities	55.00%	8.30%	6.05%
Developed Foreign Equities	15.00%	8.45%	6.20%
Assumed Inflation - Mean		2.25%	2.25%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.75%	4.50%
Portfolio Standard Deviation		12.54%	12.54%
Portfolio Long-Term (Geometric) Expected Rate of Return		6.13%	3.77%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.73%	3.37%
Portfolio Long-Term Expected Real Rate of Return Net of Investment Expenses			4.19%
Portfolio Standard Deviation			14.16%
Valuation Assumptions Chosen by PERSI Board			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.05%
Assumed Inflation			3.00%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			7.05%

Discount Rate

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

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

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

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)	\$2,225,439	\$ 889,028	\$ (217,575)

Pension Plan Fiduciary Net Position

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

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

Payables to the pension plan

At September 30, 2018, the Housing Authority had no reported payables to the defined benefit pension plan for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Note 8 - Related Party Transactions

Amounts due from related parties include amounts owed to the Local General Fund of the Housing Authority, which acts as a disbursing agent for routine expenditures for ACHA. The net amounts due from ACHA at September 30, 2018, were \$20,584. It also includes a receivable from Affordable Housing Solutions (AHS), a non-profit affiliated with the Housing Authority. The amounts loaned to AHS as of September 30, 2018, were \$145,000.

As of September 30, 2018, the Housing Authority had \$54,793 payable to the City of Boise for P.I.L.O.T. The Housing Authority also paid the City of Boise \$111,370 related to utilities expenses that had been incurred and \$11,975 for other services provided to the Housing Authority for the year ended September 30, 2018. The Housing Authority paid \$153,756 in Housing Assistance Payments for BCHA and ACHA to the City of Boise for the year ended September 30, 2018.

The Housing Authority paid Ada County for fuel from the Sherriff's office of \$7,473 for the year ended September 30, 2018. The Housing Authority paid \$4,483 to Ada County for P.I.L.O.T.

All personnel are employed by the Housing Authority. The salaries and benefits of the Executive Director, other administrative staff, and maintenance personnel are allocated among the Housing Authority and ACHA. Amounts allocated to ACHA for the year ended September 30, 2018, for salaries and benefits were \$461,651 and \$168,676, respectively.

Office space and equipment are located at 1278 W. River Street. The Housing Authority purchased the building in November 2003 and sold the building in September 2017. The Housing Authority has continued to rent the building from the new owner until their new facility is ready for use and has allocated a percentage of this rent payment to ACHA. ACHA made rental payments to the Housing Authority of \$36,043 during the year. Equipment owned by the respective programs of the Housing Authority is not segregated and is used by employees while working on various programs of each entity.

Note 9 - Risk Management

The Housing Authority purchases liability, medical and disability insurance through a commercial insurance carrier. Worker's compensation insurance is maintained through the State Insurance Fund.

Note 10 - Conduit Debt

On October 1, 2002, the Housing Authority authorized the issuance of its Multifamily Housing Refunding Revenue Bonds (Civic Plaza Housing Project), Series 2002A, in the aggregate principal amount of \$20,175,000. The Bonds were issued to refund a portion in an amount equal to \$17,175,000 of the Housing Authority's Affordable Housing Revenue Bond Anticipation Notes, 2002A (Civic Plaza Housing Project), which were issued pursuant to a Trust Indenture dated as of August 1, 2002. A corresponding portion of the proceeds held under the 2002A Notes was used to provide for a portion of the financing for the construction and development by Civic Plaza LP, an Idaho limited partnership (the Developer), of a multifamily residential rental housing development and related support facilities and to fund capitalized interest on the Bonds. The balance of the Bonds in an amount equal to \$3,000,000 was issued to provide additional financing for the project. The issuance is a conduit financing arrangement for the Developer, and the Housing Authority receives no benefit from the issuance of these Bonds and has no liability. Therefore, the Housing Authority has not recorded any benefit or liability on its books. The purpose of the financing is to preserve housing tax credits (Section 42) for the Developer until the project is completed. On April 1, 2005, the Housing Authority authorized the issuance of a refinancing of the bonds into the Multifamily Housing Refunding Revenue Bonds (Civic Plaza Housing Project), Series 2005A. On November 1, 2006, a portion of the Bonds in the amount of \$3,635,000 were redeemed. On January 30, 2007, a modification occurred resulting in further reduction of \$2,950,000. As of September 30, 2018, the unpaid principal balance of the Bonds is \$10,763,663.

On October 1, 2002, the Housing Authority authorized the issuance of its Multi-Mode Variable Rate Multifamily Housing Refunding Revenue Bonds (Civic Plaza Housing Project), Series 2002B, in the aggregate principal amount of \$12,825,000. The proceeds of the bonds were loaned by the Housing Authority to Civic Plaza L.P., an Idaho limited partnership (the Developer), pursuant to a loan agreement between the Housing Authority and the Developer dated October 1, 2002. The Bonds was used to refund on October 15, 2002, a portion of the Housing Authority's Affordable Housing Revenue Bond Anticipation Notes (Civic Plaza Housing Project), 2002A. A corresponding portion of the proceeds of the 2002A Notes were used by the Developer to finance the costs of acquiring and constructing an underground parking structure as well as other projects as described in the bond document. In fiscal year 2011 the bonds were refinanced as Series 2011B. The purpose of the refinancing was to obtain a fixed interest rate. The issuance is a conduit financing arrangement for the Developer, and the Housing

Authority receives no benefit from the issuance of this Bond and has no liability. Therefore, the Housing Authority has not recorded any benefit or liability on its books. As of September 30, 2018, the unpaid principal balance of the Bonds is \$7,070,000.

Note 11 - Blended Component Units

Below is the summarized (audited) financial information for the rental activity of the blended component units as described in Note 1 as of and for the year ended September 30, 2018. Shoreline Plaza, Inc., North Liberty, LLC, Nez Perce, LLC, Vine Street, LLC, and Shoreline North, LLC are the blended component units of the Housing Authority. The blended component units are prepared under the Financial Accounting Standards Board framework, which, when consolidated into Boise City Housing Authority, has resulted in a different net position and net income of the blended component units as the Housing Authority is prepared in accordance with GASB. This difference relates to the treatment of bond issuance costs.

	Nez Perce LLC	North Liberty LLC	Shoreline North LLC	Vine Street LLC	Shoreline Plaza, Inc.
Condensed Statement of Net Position					
Total current assets	\$ 260,492	\$ 466,568	\$ 439,412	\$ 407,908	\$ 803,346
Total land, building and equipment, net	557,983	867,806	1,952,768	586,557	645,101
	<u>\$ 818,475</u>	<u>\$ 1,334,374</u>	<u>\$ 2,392,180</u>	<u>\$ 994,465</u>	<u>\$ 1,448,447</u>
Total current liabilities	\$ 42,032	\$ 99,374	\$ 104,674	\$ 67,093	\$ 141,091
Total long-term liabilities	1,224,629	2,966,387	3,400,729	2,059,170	3,197,006
Net position/(deficit), unrestricted	<u>(448,186)</u>	<u>(1,731,387)</u>	<u>(1,113,223)</u>	<u>(1,131,798)</u>	<u>(1,889,650)</u>
	<u>\$ 818,475</u>	<u>\$ 1,334,374</u>	<u>\$ 2,392,180</u>	<u>\$ 994,465</u>	<u>\$ 1,448,447</u>

Boise City Housing Authority
Notes to Financial Statements
September 30, 2018

	Nez Perce LLC	North Liberty LLC	Shoreline North LLC	Vine Street LLC	Shoreline Plaza, Inc.
Condensed Statement of Changes in Net Position					
Tenant rent	\$ 221,984	\$ 457,766	\$ 426,487	\$ 326,676	\$ 226,359
HUD contributions/grants	-	-	-	-	538,827
Other revenue	331	2,019	511	462	4,886
Operating expenses	(110,015)	(265,434)	(201,317)	(178,599)	(416,033)
Depreciation	(33,833)	(70,026)	(131,131)	(36,140)	(35,995)
Interest expense	(39,967)	(96,807)	(110,981)	(67,199)	(104,334)
Other non-operating expenses	(485)	(1,390)	(1,115)	-	(2,462)
Change in Net Position/(Deficit)	38,015	26,128	(17,546)	45,200	211,248
Distributions	(36,248)	-	(33,188)	(16,109)	-
Net Position/(Deficit), Beginning of Year	<u>(449,953)</u>	<u>(1,757,515)</u>	<u>(1,062,489)</u>	<u>(1,160,889)</u>	<u>(2,100,898)</u>
Net Position/(Deficit), End of Year	<u><u>\$ (448,186)</u></u>	<u><u>\$ (1,731,387)</u></u>	<u><u>\$ (1,113,223)</u></u>	<u><u>\$ (1,131,798)</u></u>	<u><u>\$ (1,889,650)</u></u>
	Nez Perce LLC	North Liberty LLC	Shoreline North LLC	Vine Street LLC	Shoreline Plaza, Inc.
Condensed Statement of Cash Flows					
Net Cash from Operating Activities	\$ 83,367	\$ 120,753	\$ 136,683	\$ 97,391	\$ 225,459
Net Cash from (used for) Investing Activities	(6,379)	(13,592)	(31,114)	30,425	39,545
Net Cash used for Financing Activities	<u>(57,751)</u>	<u>(52,087)</u>	<u>(92,901)</u>	<u>(52,266)</u>	<u>(56,136)</u>
Change in Cash	19,237	55,074	12,668	75,550	208,868
Cash and Cash Equivalents, Beginning of Year	<u>56,567</u>	<u>45,721</u>	<u>75,622</u>	<u>46,234</u>	<u>90,670</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 75,804</u></u>	<u><u>\$ 100,795</u></u>	<u><u>\$ 88,290</u></u>	<u><u>\$ 121,784</u></u>	<u><u>\$ 299,538</u></u>



Required Supplementary Information
September 30, 2018

Boise City Housing Authority

Boise City Housing Authority
Schedule of Employer's Share of Net Pension Liability and Employer Contributions
September 30, 2018

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

	2018	2017	2016	2015	2014
Employer's portion of the net pension liability	0.000602724	0.000620064	0.000608009	0.0006083	0.000601333
Employer's proportionate share of the net pension liability	\$ 889,028	\$ 974,934	\$ 1,232,528	\$ 801,006	\$ 442,675
Employer's covered payroll	1,942,481	1,856,353	1,780,345	1,722,520	1,652,429
Employer's proportional share of the net pension liability as a percentage of its covered payroll	45.77%	52.09%	69.13%	46.50%	26.79%
Plan fiduciary net position as a percentage of the total pension liability	91.69%	90.68%	87.26%	91.38%	94.95%

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

Data reported is measured as of June 30.

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

	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 223,135	\$ 211,824	\$ 201,818	\$ 200,263	\$ 184,159
Contributions in relation to the statutorily required contribution	223,135	211,824	201,818	200,263	184,103
Contribution (deficiency) excess	-	-	-	-	(56)
Employer's covered payroll	1,971,153	1,871,237	1,784,911	1,769,111	1,626,843
Contributions as a percentage of covered payroll	11.32%	11.32%	11.32%	11.32%	11.32%

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

Data reported is measured as of September 30.



Supplementary Information
September 30, 2018

Boise City Housing Authority

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	Low Rent Public Housing Annual Contributions Contract SF-376	Capital Fund Program	Section 8 Vouchers- Annual Contributions Contract S-0037V	Resident Opportunity & Supportive Services	Supportive Housing for Persons with Disabilities
Assets					
Current Assets					
Cash and cash equivalents	\$ 756,800	\$ -	\$ 836,621	\$ -	\$ -
Tenant security deposits	17,153	-	-	-	-
Accounts receivable - HUD	9,754	-	9,966	-	-
Accounts receivable - tenant, net	1,253	-	-	-	-
Miscellaneous receivable	6,011	-	-	-	-
Related party receivable	-	-	-	-	-
Interfund receivable, current	-	-	-	-	-
Prepaid expenses	2,230	-	4,257	-	-
Inventory	-	-	-	-	-
Restricted cash	-	-	450,559	-	-
Restricted cash equivalents	-	-	-	-	-
Unrestricted investments	-	-	-	-	-
Total current assets	<u>793,201</u>	<u>-</u>	<u>1,301,403</u>	<u>-</u>	<u>-</u>
Land, Building and Equipment					
Capital assets, not depreciated					
Land	283,727	-	-	-	-
Construction in progress	-	-	-	-	-
Capital assets, depreciated					
Land improvements	465,796	-	-	-	-
Buildings and improvements	8,261,002	456,162	-	-	-
Furniture and equipment	834,006	-	308,272	-	-
	<u>9,844,531</u>	<u>456,162</u>	<u>308,272</u>	<u>-</u>	<u>-</u>
Accumulated depreciation	<u>(7,472,000)</u>	<u>(7,065)</u>	<u>(292,138)</u>	<u>-</u>	<u>-</u>
	<u>2,372,531</u>	<u>449,097</u>	<u>16,134</u>	<u>-</u>	<u>-</u>
Other Assets					
Property held for development	-	-	-	-	-
Total other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred outflows of resources	-	-	-	-	-
	<u>\$ 3,165,732</u>	<u>\$ 449,097</u>	<u>\$ 1,317,537</u>	<u>\$ -</u>	<u>\$ -</u>

Boise City Housing Authority
Combining Statement of Net Position
September 30, 2018

Allumbaugh CDBG	Business- Type Activities	Blended Component Units	Eliminations	Total
\$ 458,036	\$ 5,317,665	\$ 686,211	\$ -	\$ 8,055,333
22,113	14,600	64,841	-	118,707
-	-	43,788	-	63,508
-	-	6,392	-	7,645
-	26,793	-	-	32,804
-	169,274	-	-	169,274
-	216,655	-	(216,655)	-
118	5,039	22,216	-	33,860
-	13,068	-	-	13,068
-	-	-	-	450,559
-	-	1,554,278	-	1,554,278
-	301,655	-	-	301,655
<u>480,267</u>	<u>6,064,749</u>	<u>2,377,726</u>	<u>(216,655)</u>	<u>10,800,691</u>
297,000	695,099	803,478	-	2,079,304
-	59,629	-	-	59,629
551,102	42,429	1,667,490	-	2,726,817
1,532,063	2,338,476	13,064,584	-	25,652,287
80,817	186,940	1,045,410	-	2,455,445
<u>2,460,982</u>	<u>3,322,573</u>	<u>16,580,962</u>	<u>-</u>	<u>32,973,482</u>
<u>(814,876)</u>	<u>(364,295)</u>	<u>(11,970,747)</u>	<u>-</u>	<u>(20,921,121)</u>
<u>1,646,106</u>	<u>2,958,278</u>	<u>4,610,215</u>	<u>-</u>	<u>12,052,361</u>
-	368,634	-	-	368,634
-	368,634	-	-	368,634
-	226,002	-	-	226,002
<u>\$ 2,126,373</u>	<u>\$ 9,617,663</u>	<u>\$ 6,987,941</u>	<u>\$ (216,655)</u>	<u>\$ 23,447,688</u>

	Low Rent Public Housing Annual Contributions Contract SF-376	Capital Fund Program	Section 8 Vouchers- Annual Contributions Contract S-0037V	Resident Opportunity & Supportive Services	Supportive Housing for Persons with Disabilities
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities	\$ 5,803	\$ -	\$ 4,077	\$ -	\$ -
Employee accrued liabilities	33,633	-	49,988	-	-
Accrued interest payable	-	-	-	-	-
Payment in lieu of taxes	35,866	-	-	-	-
Tenant security deposits payable	17,153	-	-	-	-
Prepaid rent	8,101	-	-	-	-
Current portion of long-term debt	-	-	-	-	-
Interfund payable, current	18,202	-	25,575	-	-
Total current liabilities	118,758	-	79,640	-	-
Other Liabilities	40,000	-	165,148	-	-
Long-Term Liabilities					
Net pension liability	-	-	-	-	-
Mortgage payable, net of current portion	-	-	-	-	-
Total long-term liabilities	-	-	-	-	-
Deferred inflows of resources	-	-	-	-	-
Net Position					
Net investment in capital assets	2,372,531	449,097	16,134	-	-
Restricted	-	-	285,411	-	-
Unrestricted	634,443	-	771,204	-	-
	3,006,974	449,097	1,072,749	-	-
	\$ 3,165,732	\$ 449,097	\$ 1,317,537	\$ -	\$ -

Boise City Housing Authority
Combining Statement of Net Position
September 30, 2018

Allumbaugh CDBG	Business- Type Activities	Blended Component Units	Eliminations	Total
\$ 3,858	\$ 59,822	\$ 10,527	\$ -	\$ 84,087
881	199,775	37,810	-	322,087
-	-	21,873	-	21,873
-	-	18,927	-	54,793
22,113	14,600	64,841	-	118,707
-	1,688	12,591	-	22,380
-	-	232,481	-	232,481
729	116,935	55,214	(216,655)	-
<u>27,581</u>	<u>392,820</u>	<u>454,264</u>	<u>(216,655)</u>	<u>856,408</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,148</u>
-	889,028	-	-	889,028
-	-	12,847,921	-	12,847,921
<u>-</u>	<u>889,028</u>	<u>12,847,921</u>	<u>-</u>	<u>13,736,949</u>
<u>-</u>	<u>187,345</u>	<u>-</u>	<u>-</u>	<u>187,345</u>
1,646,106	2,958,278	(6,915,909)	-	526,237
-	-	-	-	285,411
452,686	5,190,192	601,665	-	7,650,190
<u>2,098,792</u>	<u>8,148,470</u>	<u>(6,314,244)</u>	<u>-</u>	<u>8,461,838</u>
<u>\$ 2,126,373</u>	<u>\$ 9,617,663</u>	<u>\$ 6,987,941</u>	<u>\$ (216,655)</u>	<u>\$ 23,447,688</u>

	Low Rent Public Housing Annual Contributions Contract SF-376	Public Housing Capital Fund Program 1D16P01350105	Low Rent Public Housing ROSS Service Coordinator	Section 8 Vouchers- Annual Contributions Contract S-0037V	Family Self-Sufficiency Program
Operating Income					
Dwelling and rental income	\$ 439,093	\$ -	\$ -	\$ -	\$ -
Tenant revenue, other	2,097	-	-	-	-
HUD contributions/grants	208,922	8,570	69,317	7,659,116	114,612
Other revenue	118,091	-	-	83,389	-
Total operating income	768,203	8,570	69,317	7,742,505	114,612
Operating Expenses					
Administration	308,668	8,570	-	708,301	-
Utilities	82,532	-	-	-	-
Tenant services	5,130	-	69,317	16,338	114,612
Ordinary maintenance and operations	161,084	-	-	3,104	-
General expenses	126,217	-	-	62,039	-
Extraordinary maintenance	1,674	-	-	-	-
Rental assistance payments	-	-	-	6,748,875	-
Depreciation	190,869	7,066	-	3,711	-
Total operating expenses	876,174	15,636	69,317	7,542,368	114,612
Net Operating Income (Loss)	(107,971)	(7,066)	-	200,137	-
Nonoperating Revenue (Expenses)					
Investment income, unrestricted	1,935	-	-	2,600	-
Investment income, restricted	-	-	-	-	-
HUD Capital Project Fund grants	-	367,613	-	-	-
Interest expense	-	-	-	-	-
Other income (expense)	(11,911)	-	-	-	-
Gain (loss) on sale of property	(618)	-	-	-	-
Total nonoperating revenue (expenses)	(10,594)	367,613	-	2,600	-
Change in Net Position	(118,565)	360,547	-	202,737	-
Transfers - Other	137,595	(137,595)	-	-	-
Distributions/Contributions	-	-	-	-	-
Net Position, Beginning of Year	2,987,944	226,145	-	870,012	-
Net Position, End of Year	\$ 3,006,974	\$ 449,097	\$ -	\$ 1,072,749	\$ -

Boise City Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2018

Supportive Housing for Persons with Disabilities	Allumbaugh CDBG	Business- Type Activities	Blended Component Units	Eliminations	Total
\$ -	\$ -	\$ 244,107	\$ 1,627,846	\$ -	\$ 2,311,046
-	-	4,186	31,426	-	37,709
-	4,790	130,750	538,827	-	8,734,904
-	131,604	174,830	5,312	(132,808)	380,418
-	136,394	553,873	2,203,411	(132,808)	11,464,077
-	10,615	269,599	445,678	(132,808)	1,618,623
-	28,313	8,067	131,413	-	250,325
-	-	-	1,037	-	206,434
-	49,057	70,058	372,844	-	656,147
-	6,599	271,447	210,969	-	677,271
-	-	7,399	8,000	-	17,073
-	-	108,956	-	-	6,857,831
-	90,970	66,416	307,125	-	666,157
-	185,554	801,942	1,477,066	(132,808)	10,949,861
-	(49,160)	(248,069)	726,345	-	514,216
-	1,108	25,372	1,369	-	32,384
-	-	-	1,528	-	1,528
-	-	-	-	-	367,613
-	-	-	(419,288)	-	(419,288)
-	-	(3,560)	(1,457)	-	(16,928)
-	(514)	-	(5,452)	-	(6,584)
-	594	21,812	(423,300)	-	(41,275)
-	(48,566)	(226,257)	303,045	-	472,941
-	-	-	-	-	-
-	-	85,545	(85,545)	-	-
-	2,147,358	8,289,182	(6,531,744)	-	7,988,897
\$ -	\$ 2,098,792	\$ 8,148,470	\$ (6,314,244)	\$ -	\$ 8,461,838



Financial Data Schedules
September 30, 2018

Boise City Housing Authority

Boise City Housing Authority (ID013)
Boise, ID
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year Ended 09/30/2018

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.191 Multifamily Housing Service Coordinators	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	14.241 Housing Opportunities for Persons with AIDS	14.238 Shelter Plus Care	14.239 HOME Investment Partnerships Program	1 Business Activities	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$756,800			\$458,036		\$836,621	\$686,211				\$5,317,665	\$8,055,333		\$8,055,333
112 Cash - Restricted - Modernization and Development														
113 Cash - Other Restricted						\$389,454						\$389,454		\$389,454
114 Cash - Tenant Security Deposits	\$17,153			\$22,113			\$64,841				\$14,600	\$118,707		\$118,707
115 Cash - Restricted for Payment of Current Liabilities						\$61,105						\$61,105		\$61,105
100 Total Cash	\$773,953	\$0	\$0	\$480,149	\$0	\$1,287,180	\$751,052	\$0	\$0	\$0	\$5,332,265	\$8,624,599	\$0	\$8,624,599
121 Accounts Receivable - PHA Projects														
122 Accounts Receivable - HUD Other Projects	\$9,754					\$9,966	\$43,788					\$63,508		\$63,508
124 Accounts Receivable - Other Government											\$13,430	\$13,430		\$13,430
125 Accounts Receivable - Miscellaneous	\$6,011										\$182,304	\$188,315		\$188,315
126 Accounts Receivable - Tenants	\$4,350						\$12,137					\$16,487		\$16,487
126.1 Allowance for Doubtful Accounts - Tenants	-\$3,097						-\$5,745					-\$8,842		-\$8,842
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current														
128 Fraud Recovery														
128.1 Allowance for Doubtful Accounts - Fraud														
129 Accrued Interest Receivable											\$333	\$333		\$333
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$17,018	\$0	\$0	\$0	\$0	\$9,966	\$50,180	\$0	\$0	\$0	\$196,067	\$273,231	\$0	\$273,231
131 Investments - Unrestricted											\$301,655	\$301,655		\$301,655
132 Investments - Restricted							\$1,554,278					\$1,554,278		\$1,554,278
135 Investments - Restricted for Payment of Current Liability														
142 Prepaid Expenses and Other Assets	\$2,230			\$118		\$4,257	\$22,216				\$5,039	\$33,860		\$33,860
143 Inventories											\$13,068	\$13,068		\$13,068
143.1 Allowance for Obsolete Inventories											\$0	\$0		\$0
144 Inter Program Due From											\$216,655	\$216,655	-\$216,655	\$0
145 Assets Held for Sale														
150 Total Current Assets	\$793,201	\$0	\$0	\$480,267	\$0	\$1,301,403	\$2,377,726	\$0	\$0	\$0	\$6,064,749	\$11,017,346	-\$216,655	\$10,800,691

Boise City Housing Authority (ID013)
Boise, ID
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year Ended 09/30/2018

161 Land	\$283,727			\$297,000			\$803,478				\$695,099	\$2,079,304		\$2,079,304
162 Buildings	\$8,717,164			\$1,532,063			\$13,064,584				\$2,338,476	\$25,652,287		\$25,652,287
163 Furniture, Equipment & Machinery - Dwellings	\$505,283						\$1,045,410				\$23,254	\$1,573,947		\$1,573,947
164 Furniture, Equipment & Machinery - Administration	\$328,723			\$80,817		\$308,272					\$163,686	\$881,498		\$881,498
165 Leasehold Improvements	\$465,796			\$551,102			\$1,667,490				\$42,429	\$2,726,817		\$2,726,817
166 Accumulated Depreciation	-\$7,479,065			-\$814,876		-\$292,138	-\$11,970,747				-\$364,295	-\$20,921,121		-\$20,921,121
167 Construction in Progress											\$59,629	\$59,629		\$59,629
168 Infrastructure														
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,821,628	\$0	\$0	\$1,646,106	\$0	\$16,134	\$4,610,215	\$0	\$0	\$0	\$2,958,278	\$12,052,361	\$0	\$12,052,361
171 Notes, Loans and Mortgages Receivable - Non-Current														
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due														
173 Grants Receivable - Non Current														
174 Other Assets											\$368,634	\$368,634		\$368,634
176 Investments in Joint Ventures														
180 Total Non-Current Assets	\$2,821,628	\$0	\$0	\$1,646,106	\$0	\$16,134	\$4,610,215	\$0	\$0	\$0	\$3,326,912	\$12,420,995	\$0	\$12,420,995
200 Deferred Outflow of Resources											\$226,002	\$226,002		\$226,002
290 Total Assets and Deferred Outflow of Resources	\$3,614,829	\$0	\$0	\$2,126,373	\$0	\$1,317,537	\$6,987,941	\$0	\$0	\$0	\$9,617,663	\$23,664,343	-\$216,655	\$23,447,688
311 Bank Overdraft														
312 Accounts Payable <= 90 Days	\$5,803			\$3,858		\$4,077	\$10,527				\$4,970	\$29,235		\$29,235
313 Accounts Payable >90 Days Past Due														
321 Accrued Wage/Payroll Taxes Payable											\$167,680	\$167,680		\$167,680
322 Accrued Compensated Absences - Current Portion	\$25,156			\$701		\$30,874	\$27,996				\$17,240	\$101,967		\$101,967
324 Accrued Contingency Liability														
325 Accrued Interest Payable							\$21,873					\$21,873		\$21,873
331 Accounts Payable - HUD PHA Programs														
332 Account Payable - PHA Projects														
333 Accounts Payable - Other Government	\$35,866						\$18,927					\$54,793		\$54,793
341 Tenant Security Deposits	\$17,153			\$22,113			\$64,841				\$14,600	\$118,707		\$118,707
342 Unearned Revenue	\$8,101						\$12,591				\$1,688	\$22,380		\$22,380

Boise City Housing Authority (ID013)
Boise, ID
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year Ended 09/30/2018

343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue							\$232,481					\$232,481		\$232,481
344 Current Portion of Long-term Debt - Operating Borrowings														
345 Other Current Liabilities						\$61,105						\$61,105		\$61,105
346 Accrued Liabilities - Other										\$54,852		\$54,852		\$54,852
347 Inter Program - Due To	\$18,202			\$729		\$25,575	\$55,214			\$116,935	\$216,655	-\$216,655		\$0
348 Loan Liability - Current														
310 Total Current Liabilities	\$110,281	\$0	\$0	\$27,401	\$0	\$121,631	\$444,450	\$0	\$0	\$0	\$377,965	\$1,081,728	-\$216,655	\$865,073
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue							\$12,847,921					\$12,847,921		\$12,847,921
352 Long-term Debt, Net of Current - Operating Borrowings														
353 Non-current Liabilities - Other	\$40,000					\$104,043						\$144,043		\$144,043
354 Accrued Compensated Absences - Non Current	\$8,477			\$180		\$19,114	\$9,814			\$14,855	\$52,440			\$52,440
355 Loan Liability - Non Current														
356 FASB 5 Liabilities														
357 Accrued Pension and OPEB Liabilities										\$889,028	\$889,028			\$889,028
350 Total Non-Current Liabilities	\$48,477	\$0	\$0	\$180	\$0	\$123,157	\$12,857,735	\$0	\$0	\$0	\$903,883	\$13,933,432	\$0	\$13,933,432
300 Total Liabilities	\$158,758	\$0	\$0	\$27,581	\$0	\$244,788	\$13,302,185	\$0	\$0	\$0	\$1,281,848	\$15,015,160	-\$216,655	\$14,798,505
400 Deferred Inflow of Resources										\$187,345	\$187,345			\$187,345
508.4 Net Investment in Capital Assets	\$2,821,628			\$1,646,106	\$0	\$16,134	-\$6,915,910				\$2,958,278	\$526,236		\$526,236
511.4 Restricted Net Position	\$0				\$0	\$285,411	\$0			\$0	\$285,411			\$285,411
512.4 Unrestricted Net Position	\$634,443	\$0	\$0	\$452,686	\$0	\$771,204	\$601,666	\$0	\$0	\$0	\$5,190,192	\$7,650,191		\$7,650,191
513 Total Equity - Net Assets / Position	\$3,456,071	\$0	\$0	\$2,098,792	\$0	\$1,072,749	-\$6,314,244	\$0	\$0	\$0	\$8,148,470	\$8,461,838	\$0	\$8,461,838
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,614,829	\$0	\$0	\$2,126,373	\$0	\$1,317,537	\$6,987,941	\$0	\$0	\$0	\$9,617,663	\$23,664,343	-\$216,655	\$23,447,688

Boise City Housing Authority (ID013)
Boise, ID
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year Ended 09/30/2018

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.191 Multifamily Housing Service Coordinators	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	6.2 Component Unit - Blended	14.241 Housing Opportunities for Persons with AIDS	14.238 Shelter Plus Care	14.239 HOME Investment Partnerships Program	1 Business Activities	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$439,093						\$1,627,846				\$244,107	\$2,311,046		\$2,311,046
70400 Tenant Revenue - Other	\$2,097						\$31,426				\$4,186	\$37,709		\$37,709
70500 Total Tenant Revenue	\$441,190	\$0	\$0	\$0	\$0	\$0	\$1,659,272	\$0	\$0	\$0	\$248,293	\$2,348,755	\$0	\$2,348,755
70600 HUD PHA Operating Grants	\$217,492	\$114,612	\$66,614	\$4,790	\$69,317	\$7,659,116	\$472,213	\$15,054	\$6,733	\$108,964		\$8,734,905		\$8,734,905
70610 Capital Grants	\$367,613											\$367,613		\$367,613
70710 Management Fee														
70720 Asset Management Fee														
70730 Book Keeping Fee														
70740 Front Line Service Fee														
70750 Other Fees														
70700 Total Fee Revenue												\$0	\$0	\$0
70800 Other Government Grants														
71100 Investment Income - Unrestricted	\$1,935			\$1,108		\$2,600	\$1,369				\$25,372	\$32,384		\$32,384
71200 Mortgage Interest Income														
71300 Proceeds from Disposition of Assets Held for Sale														
71310 Cost of Sale of Assets														
71400 Fraud Recovery						\$280						\$280		\$280
71500 Other Revenue	\$118,091			\$131,604		\$83,109	\$5,312	\$2,138	\$931		\$171,761	\$512,946	-\$132,808	\$380,138
71600 Gain or Loss on Sale of Capital Assets	-\$618			-\$514			-\$5,452					-\$6,584		-\$6,584
72000 Investment Income - Restricted							\$1,528					\$1,528		\$1,528
70000 Total Revenue	\$1,145,703	\$114,612	\$66,614	\$136,988	\$69,317	\$7,745,105	\$2,134,242	\$17,192	\$7,664	\$108,964	\$445,426	\$11,991,827	-\$132,808	\$11,859,019
91100 Administrative Salaries	\$183,021		\$44,010	\$5,561		\$417,522	\$143,615	\$11,188	\$5,293		\$270,270	\$1,080,480		\$1,080,480
91200 Auditing Fees	\$13,647			\$785		\$20,780	\$36,500				\$20,970	\$92,682		\$92,682
91300 Management Fee							\$132,808					\$132,808	-\$132,808	\$0
91310 Book-keeping Fee														
91400 Advertising and Marketing	\$715			\$7		\$863	\$131					\$1,716		\$1,716
91500 Employee Benefit contributions - Administrative	\$65,787		\$19,991	\$2,151		\$156,149	\$53,328	\$4,222	\$1,957		-\$151,212	\$152,373		\$152,373
91600 Office Expenses	\$24,348			\$996		\$34,740		\$914	\$414		\$52,025	\$113,437		\$113,437
91700 Legal Expense	\$1,368						\$1,993					\$3,361		\$3,361
91800 Travel	\$4,705			\$189		\$10,695					\$11,076	\$26,665		\$26,665
91810 Allocated Overhead														
91900 Other	\$23,647		\$2,613	\$926		\$67,552	\$10,689	\$125			\$42,358	\$147,910		\$147,910
91000 Total Operating - Administrative	\$317,238	\$0	\$66,614	\$10,615	\$0	\$708,301	\$379,064	\$16,449	\$7,664	\$0	\$245,487	\$1,751,432	-\$132,808	\$1,618,624

Boise City Housing Authority (ID013)
Boise, ID
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year Ended 09/30/2018

92000 Asset Management Fee														
92100 Tenant Services - Salaries	\$2,400	\$84,032			\$45,123	\$4,413						\$135,968		\$135,968
92200 Relocation Costs														
92300 Employee Benefit Contributions - Tenant Services	\$877	\$30,580			\$17,147	\$1,591						\$50,195		\$50,195
92400 Tenant Services - Other	\$1,853				\$7,047	\$10,334	\$1,037					\$20,271		\$20,271
92500 Total Tenant Services	\$5,130	\$114,612	\$0	\$0	\$69,317	\$16,338	\$1,037	\$0	\$0	\$0	\$0	\$206,434	\$0	\$206,434
93100 Water	\$15,582			\$1,529			\$48,066				\$2,990	\$68,167		\$68,167
93200 Electricity	\$46,560			\$16,649			\$30,111				\$1,727	\$95,047		\$95,047
93300 Gas	\$343			\$9,071			\$1,475				\$268	\$11,157		\$11,157
93400 Fuel														
93500 Labor														
93600 Sewer	\$20,047			\$1,064			\$51,761				\$3,082	\$75,954		\$75,954
93700 Employee Benefit Contributions - Utilities														
93800 Other Utilities Expense														
93000 Total Utilities	\$82,532	\$0	\$0	\$28,313	\$0	\$0	\$131,413	\$0	\$0	\$0	\$8,067	\$250,325	\$0	\$250,325
94100 Ordinary Maintenance and Operations - Labor	\$76,453			\$6,551			\$171,743				\$21,884	\$276,631		\$276,631
94200 Ordinary Maintenance and Operations - Materials and Other	\$18,990			\$7,451		\$1,043	\$42,624				\$16,974	\$87,082		\$87,082
94300 Ordinary Maintenance and Operations Contracts	\$29,413			\$30,746		\$2,061	\$83,681				\$21,726	\$167,627		\$167,627
94500 Employee Benefit Contributions - Ordinary Maintenance	\$27,061			\$2,364			\$62,963				\$8,118	\$100,506		\$100,506
94000 Total Maintenance	\$151,917	\$0	\$0	\$47,112	\$0	\$3,104	\$361,011	\$0	\$0	\$0	\$68,702	\$631,846	\$0	\$631,846
95100 Protective Services - Labor														
95200 Protective Services - Other Contract Costs	\$9,167			\$1,945			\$11,833				\$1,356	\$24,301		\$24,301
95300 Protective Services - Other														
95500 Employee Benefit Contributions - Protective Services														
95000 Total Protective Services	\$9,167	\$0	\$0	\$1,945	\$0	\$0	\$11,833	\$0	\$0	\$0	\$1,356	\$24,301	\$0	\$24,301
96110 Property Insurance	\$39,254			\$4,361			\$90,058				\$9,329	\$143,002		\$143,002
96120 Liability Insurance	\$15,915			\$1,129		\$6,854	\$20,169				\$15,749	\$59,816		\$59,816
96130 Workmen's Compensation	\$5,939			\$205		\$11,264					\$14,335	\$31,743		\$31,743
96140 All Other Insurance							\$46,164					\$46,164		\$46,164
96100 Total Insurance Premiums	\$61,108	\$0	\$0	\$5,695	\$0	\$18,118	\$156,391	\$0	\$0	\$0	\$39,413	\$280,725	\$0	\$280,725

Boise City Housing Authority (ID013)
Boise, ID
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year Ended 09/30/2018

96200 Other General Expenses	\$4,173			\$156		\$8,716	\$1,861			\$8	\$213,506	\$228,420		\$228,420
96210 Compensated Absences	\$19,658			\$748		\$35,205	\$24,813	\$743			\$17,781	\$98,948		\$98,948
96300 Payments in Lieu of Taxes	\$35,866						\$18,927					\$54,793		\$54,793
96400 Bad debt - Tenant Rents	\$5,412						\$8,977					\$14,389		\$14,389
96500 Bad debt - Mortgages														
96600 Bad debt - Other														
96800 Severance Expense														
96000 Total Other General Expenses	\$65,109	\$0	\$0	\$904	\$0	\$43,921	\$54,578	\$743	\$0	\$8	\$231,287	\$396,550	\$0	\$396,550
96710 Interest of Mortgage (or Bonds) Payable							\$419,288					\$419,288		\$419,288
96720 Interest on Notes Payable (Short and Long Term)														
96730 Amortization of Bond Issue Costs														
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$419,288	\$0	\$0	\$0	\$0	\$419,288	\$0	\$419,288
96900 Total Operating Expenses	\$692,201	\$114,612	\$66,614	\$94,584	\$69,317	\$789,782	\$1,514,615	\$17,192	\$7,664	\$8	\$594,312	\$3,960,901	-\$132,808	\$3,828,093
97000 Excess of Operating Revenue over Operating Expenses	\$453,502	\$0	\$0	\$42,404	\$0	\$6,955,323	\$619,627	\$0	\$0	\$108,956	-\$148,886	\$8,030,926	\$0	\$8,030,926
97100 Extraordinary Maintenance	\$1,674						\$8,000				\$7,399	\$17,073		\$17,073
97200 Casualty Losses - Non-capitalized	\$11,911						\$1,457				\$3,560	\$16,928		\$16,928
97300 Housing Assistance Payments						\$6,748,875				\$108,956		\$6,857,831		\$6,857,831
97350 HAP Portability-In														
97400 Depreciation Expense	\$197,935			\$90,970		\$3,711	\$307,125				\$66,416	\$666,157		\$666,157
97500 Fraud Losses														
97600 Capital Outlays - Governmental Funds														
97700 Debt Principal Payment - Governmental Funds														
97800 Dwelling Units Rent Expense														
90000 Total Expenses	\$903,721	\$114,612	\$66,614	\$185,554	\$69,317	\$7,542,368	\$1,831,197	\$17,192	\$7,664	\$108,964	\$671,687	\$11,518,890	-\$132,808	\$11,386,082

Boise City Housing Authority (ID013)
Boise, ID
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year Ended 09/30/2018

10010 Operating Transfer In	\$137,595											\$137,595	-\$137,595	\$0
10020 Operating transfer Out	-\$137,595											-\$137,595	\$137,595	\$0
10030 Operating Transfers from/to Primary Government														
10040 Operating Transfers from/to Component Unit							-\$85,545				\$85,545	\$0		\$0
10050 Proceeds from Notes, Loans and Bonds														
10060 Proceeds from Property Sales														
10070 Extraordinary Items, Net Gain/Loss														
10080 Special Items (Net Gain/Loss)														
10091 Inter Project Excess Cash Transfer In														
10092 Inter Project Excess Cash Transfer Out														
10093 Transfers between Program and Project - In														
10094 Transfers between Project and Program - Out														
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	-\$85,545	\$0	\$0	\$0	\$85,545	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$241,982	\$0	\$0	-\$48,566	\$0	\$202,737	\$217,500	\$0	\$0	\$0	-\$140,716	\$472,937	\$0	\$472,937
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$225,596	\$0	\$0	\$0	\$0	\$225,596		\$225,596
11030 Beginning Equity	\$3,214,089	\$0	\$0	\$2,147,358	\$0	\$870,012	-\$6,531,742	\$0	\$0	\$0	\$8,289,186	\$7,988,903		\$7,988,903
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors							-\$2					-\$2		-\$2
11050 Changes in Compensated Absence Balance														
11060 Changes in Contingent Liability Balance														
11070 Changes in Unrecognized Pension Transition Liability														
11080 Changes in Special Term/Severance Benefits Liability														
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents														
11100 Changes in Allowance for Doubtful Accounts - Other														
11170 Administrative Fee Equity						\$787,338						\$787,338		\$787,338
11180 Housing Assistance Payments Equity						\$285,411						\$285,411		\$285,411
11190 Unit Months Available	1920			12		15948	2916		168	252	21216			21216
11210 Number of Unit Months Leased	1878			12		14121	2848		141	250	19250			19250
11270 Excess Cash	\$623,721											\$623,721		\$623,721
11610 Land Purchases	\$0											\$0		\$0
11620 Building Purchases	\$367,613											\$367,613		\$367,613
11630 Furniture & Equipment - Dwelling Purchases	\$8,032											\$8,032		\$8,032
11640 Furniture & Equipment - Administrative Purchases	\$7,582											\$7,582		\$7,582
11650 Leasehold Improvements Purchases	\$0											\$0		\$0
11660 Infrastructure Purchases	\$0											\$0		\$0
13510 CFFP Debt Service Payments	\$0											\$0		\$0
13901 Replacement Housing Factor Funds	\$0											\$0		\$0



Federal Awards Report in Accordance with the Uniform
Guidance

September 30, 2018

Boise City Housing Authority

Boise City Housing Authority
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2018

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Number	Expenditures	Amounts Passed- Through to Subrecipients
<u>U.S. Department of Housing and Urban Development</u>				
Passed Through Idaho Housing and Finance Association:				
Housing Opportunities for People with Aids	14.241	IDH110009	\$ 15,054	\$ 15,054
Shelter Plus Care	14.238	ID16C001001	6,733	6,733
Passed Through City of Boise:				
CDBG-Entitlement Grants Cluster: Community Development Block Grant				
	14.218	B-08-MC-16- 001	4,790	4,790
HOME Investment Partnership Program	14.239	M-11-MC-16- 0200	108,964	108,964
Direct Funding:				
Public Low Rent Housing	14.850	N/A	208,922	-
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	N/A	7,542,368	-
Public Housing Capital Fund	14.872	N/A	376,183	-
Family Self-Sufficiency Program	14.896	N/A	114,612	-
Resident Opportunity & Supportive Services	14.870	N/A	69,317	-
Total Federal Awards			<u>\$ 8,446,943</u>	<u>\$ 135,541</u>

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Boise City Housing Authority (the Housing Authority) under programs of the federal government for the year ended September 30, 2018. 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 Housing Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Housing Authority.

The accompanying schedule of expenditures of federal awards does not include the federal grant activity of the blended component unit, Shoreline Plaza, Inc. These awards are reported on the schedule of expenditures of federal awards of Shoreline Plaza Inc.'s standalone financial statements. A separate data collection form will also be submitted.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting, except for subrecipient expenditures, which are reported 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 C - Indirect Cost Rate

The Housing Authority has not elected to use the 10% de minimis cost rate.

Note D – Mortgage Insurance for the Purchase of Refinancing of Existing Multifamily Housing Projects (Section 223 (f))

The Housing Authority's financial statements include blended component units that have expended more the \$750,000 in federal awards that are not subject to the Uniform Guidance, and therefore, not included in the Housing Authority's Schedule of Expenditures of Federal Awards. Below is a summary of the entities and the outstanding balance at the beginning of the year under the Mortgage Insurance for the Purchase of Refinancing of Existing Multifamily Housing Projects (Section 223 (f)):

North Liberty, LLC	\$ 3,072,150
Nez Perce, LLC	1,268,291
Vine Street, LLC	2,132,587
Shoreline North, LLC	3,521,978
	\$ 9,995,006



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*

To the Board of Commissioners
Boise City Housing Authority
Boise, 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 business-type activities of Boise City Housing Authority (the Housing Authority), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements and have issued our report thereon January 25, 2019.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Housing Authority'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not yet been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed text of the firm's name.

Boise, Idaho
January 25, 2019



Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Commissioners
Boise City Housing Authority
Boise, Idaho

Report on Compliance for the Major Federal Program

We have audited Boise City Housing Authority's (the Housing Authority) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Housing Authority's major federal program for the year ended September 30, 2018. The Housing Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for the Housing Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Housing Authority's compliance.

Opinion on the Major Federal Program

In our opinion, the Housing Authority 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, 2018.

Report on Internal Control over Compliance

Management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement 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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
January 25, 2019

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness 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 2CFR 200.516:	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Section 8 Housing Choice Vouchers	14.871
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

None

Section III – Federal Award Findings and Questioned Costs

None

Certification of Project Owner

We hereby certify that we have examined the accompanying financial statements and supplemental data of the Boise City Housing Authority, and to the best of our knowledge and belief, the same are accurate and complete.

Deanna Watson
Executive Director
Boise City Housing Authority
82-0290739

Date

Management Agent's Certification

We hereby certify that we have examined the accompanying financial statements and supplemental data of the Boise City Housing Authority, and to the best of our knowledge and belief, the same are accurate and complete.

Deanna Watson
Executive Director
Boise City Housing Authority
82-0290739

Date



Independent Auditor's Report on Additional Information

To the Board of Commissioners
Boise City Housing Authority
Boise, Idaho

We have audited the financial statements of Boise City Housing Authority as of and for the year ended September 30, 2018, and our report there on dated January 25, 2019, which expressed an unmodified opinion on those financial statements, appear on page 1. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The U.S. Department of Housing and Urban Development Forms HUD-53001 are presented for the purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Forms HUD-53001 correctly reports the closing of the Capital Fund Grants for comprehensive grant number ID01P013501-16. The amounts reported appear accurate and appear to have been expended for Capital Fund Purposes. The amounts as reported in the general ledger agree to the amounts included in the Actual Modernization Cost Certificate report.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Boise, Idaho
January 25, 2019

**Actual Modernization
Cost Certificate**

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 01/31/2017)

Capital Fund Program (CFP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

PHA Name: Boise City Housing Authority	Modernization Project Number: ID01P013501-16
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The PHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant is as shown below:

A. Funds Approved	\$ 154,319.00
B. Funds Disbursed	\$ 154,319.00
C. Funds Expended (Actual Modernization Cost)	\$ 154,319.00
D. Amount to be Recaptured (A-C)	\$ 0
E. Excess of Funds Disbursed (B-C)	\$ 0

- That all modernization work in connection with the Modernization Grant has been completed;
- That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;
- That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work;
- That the time in which such liens could be filed has expired; and
- That for any years in which the grantee is subject to the audit requirements of the Single Audit Act, 31 U.S.C. § 7501 et seq., as amended, the grantee has or will perform an audit in compliance with said requirements.

7. Please mark one:

- A. This grant will be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.
- B. This grant will not be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012, 31 U.S.C. 3729, 3802)

Name & Title of Authorized Signatory (type or print clearly):

Signature of Executive Director (or Authorized Designee): X <i>Harlan Stewart</i>	Date: 9-6-2018
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For HUD Use Only

The Cost Certificate is approved for audit (if box 7A is marked): Approved by: HARLAN STEWART X	Date: 09/10/2018
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The costs shown above agree with HUD verified costs (if box 7A or 7B is marked):

Approved: (Director, Office of Public Housing) X	Date:
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