



Financial Statements
September 30, 2019

Boise City Housing Authority

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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, 2019, 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 financial position of the business-type activities of Boise City Housing Authority, as of September 30, 2019, and the 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 and combining statement of revenues, expenses, and changes in net position, (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 (SEFA) 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*, and the Financial Data Schedules (FDS) (supplementary information) are presented for purposes of additional analysis as required by the Housing and Urban Development Real Estate Assessment Center. The SEFA, combining schedules, and the FDS are also not a required part of the financial statements.

The supplementary information, the SEFA and the FDS 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 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, the FDS 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 February 12, 2020, 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
February 12, 2020

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, 2019. 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 \$8,577,188 as of September 30, 2019. This represents an increase of \$115,350 from fiscal year 2018.
- Total operating expense for the year ended September 30, 2019 of \$11,354,356 represents an increase of \$404,495 or 3.7% above fiscal year 2018. Operating revenue exceeded expenses by \$346,166 as compared to operating revenues exceeding operating expenses by \$514,216 in fiscal year 2018.
- 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 \$762,512 operating revenue in excess of expense while reporting a total change in net position of \$374,348.

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 less liabilities and deferred inflows equal net position). The Statement of Financial Position details the assets and liabilities 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. Based on Generally Accepted Accounting Principles, 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 include 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 19, which amount is then added to the ending balance of net position from FY 18 to arrive at net position for FY 19.

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 19 ending cash and cash equivalent balance.

AUTHORITY-WIDE FINANCIAL ANALYSIS

Net Position

Net position increased \$115,351 or 1.36%, above last year.

Table I - Net Position

	2019	2018	Difference
Assets			
Current Assets	\$ 9,729,775	\$ 10,800,691	\$ (1,070,916)
Capital Assets, Net	13,086,766	12,052,361	1,034,405
Other Assets	368,634	368,634	-
Total Assets	<u>23,185,175</u>	<u>23,221,686</u>	<u>(36,511)</u>
Deferred outflows of resources	<u>165,274</u>	<u>226,002</u>	<u>(60,728)</u>
Liabilities			
Current Liabilities	936,930	856,408	80,522
Other Liabilities	225,044	205,148	19,896
Non-Current Liabilities	<u>13,257,849</u>	<u>13,736,949</u>	<u>(479,100)</u>
Total Liabilities	<u>14,419,823</u>	<u>14,798,505</u>	<u>(378,682)</u>
Deferred inflows of resources	<u>353,438</u>	<u>187,345</u>	<u>166,093</u>
Net Position			
Net Investment in			
Capital Assets	1,463,049	526,237	936,812
Restricted for Housing			
Assistance Payment Equity	213,016	285,411	(72,395)
Unrestricted	<u>6,901,123</u>	<u>7,650,190</u>	<u>(749,067)</u>
Total Net Position	<u>\$ 8,577,188</u>	<u>\$ 8,461,838</u>	<u>\$ 115,350</u>

Current and other assets decreased \$36,511 from fiscal year 2018. During fiscal year 2019 the Housing Authority moved into a new office building. The decrease in current and other assets represents the cash used for the remodel of the building, which increased the capital assets, net.

Changes in Net Position

Table II - Changes in Net Position

	<u>2019</u>	<u>2018</u>	<u>Difference</u>
Operating Income			
Dwelling and rental income	\$ 2,450,145	\$ 2,311,046	\$ 139,099
Tenant revenue, other	34,657	37,709	(3,052)
HUD contributions/grants	8,892,422	8,734,904	157,518
Other revenue	323,298	380,418	(57,120)
	<u>11,700,522</u>	<u>11,464,077</u>	<u>236,445</u>
Operating Expenses			
Administration	1,569,075	1,618,623	(49,548)
Utilities	260,467	250,325	10,142
Tenant services	183,442	206,434	(22,992)
Ordinary maintenance and operations	716,698	656,147	60,551
General expenses	697,752	677,271	20,481
Extraordinary maintenance	-	17,073	(17,073)
Rental assistance payments	7,149,683	6,857,831	291,852
Depreciation	777,239	666,157	111,082
	<u>11,354,356</u>	<u>10,949,861</u>	<u>404,495</u>
Net Operating Income	<u>346,166</u>	<u>514,216</u>	<u>(168,050)</u>
Non Operating Revenue (Expense)			
Investment income, unrestricted	61,910	32,384	29,526
Investment income, restricted	1,883	1,528	355
HUD Capital Project Fund grants	-	-	-
Interest expense	(390,141)	(419,288)	29,147
Gain (loss) on sale of property	-	(6,584)	6,584
Other income (expense)	(6,001)	(16,928)	10,927
Total Non-Operating Revenue (Expense)	<u>(332,349)</u>	<u>(408,888)</u>	<u>76,539</u>
Income (Loss) Before HUD Capital Grant Income	13,817	105,328	(91,511)
HUD Capital Grant Income	<u>101,534</u>	<u>367,613</u>	<u>76,539</u>
Changes in Net Position	<u>\$ 115,351</u>	<u>\$ 472,941</u>	<u>\$ (357,590)</u>

Operating revenues increased by \$236,445. HUD contributions and grant revenue increased \$157,518 as a result of the new Mainstream Voucher program. Dwelling and rental income increased \$139,099 as rents continue to increase in the housing market. In addition, other income decreased \$57,120. In fiscal year 2018 the Component Unit distributed excess cash of \$85,546. During fiscal year 2019 management fees increased \$27,290 while there was no distribution of excess cash.

Operating expenses increased \$404,495 or 3.7% above FY 18. Rental assistance payments increased \$291,852 above FY 2018. The Voucher program was 88.1% leased during fiscal year 2019 while the program was 88.5% leased 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 \$34,668,568 in a broad range of capital assets over the years. The total accumulated depreciation on these assets amounts to \$21,581,802.

Asset acquisitions were \$1,817,646. Asset additions included some of the following:

Completed

- | | |
|--|-----------|
| • Orchard Office Bldg Remodel | \$950,951 |
| • 4 Servers and hardware | \$ 24,587 |
| • Interior/Exterior lighting – Capital Plaza | \$ 40,878 |
| • Security screens – Capital Plaza | \$ 15,805 |
| • Office Furniture and Equipment – Orchard | \$149,460 |

The Housing Authority disposed of assets totaling \$122,560 with a net book value of \$6,002. Additional information can be found at Note 5.

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 2019, the Housing Authority had \$12,847,921 in long-term debt. During FY 19, \$232,481 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 Housing 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 2020.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is intended to provide its readers with a general overview of Housing Authority's finances and to show the Housing Authority'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, 1001 S Orchard St, Boise, Idaho 83705; email: dmeo@bcacha.org; telephone: (208) 345-4907.

Boise City Housing Authority
Statement of Net Position
September 30, 2019

Assets

Current Assets

Cash and cash equivalents	\$ 7,346,459
Tenant security deposits	119,989
Accounts receivable - HUD	24,376
Accounts receivable - tenant, net	11,494
Miscellaneous receivable	10,723
Related party receivable	180,743
Prepaid expenses	34,838
Inventory	12,321
Restricted cash and cash equivalents	1,612,264
Unrestricted investments	<u>376,568</u>
Total current assets	<u>9,729,775</u>

Land, Building and Equipment

Capital assets, not depreciated	
Land	2,079,304
Construction in progress	17,144
Capital assets, depreciated	
Land improvements	2,769,294
Buildings and improvements	27,215,065
Furniture and equipment	<u>2,587,761</u>
	34,668,568
Accumulated depreciation	<u>(21,581,802)</u>
	<u>13,086,766</u>

Other Assets

Property held for development	<u>368,634</u>
Total other assets	<u>368,634</u>
Total assets	<u>23,185,175</u>

Deferred Outflows of Resources

Pension obligation	<u>165,274</u>
Total deferred outflows of resources	<u>165,274</u>

Boise City Housing Authority
Statement of Net Position
September 30, 2019

Liabilities

Current Liabilities

Accounts payable and accrued liabilities	40,803
Employee accrued liabilities	384,399
Accrued interest payable	21,484
Payment in lieu of taxes	57,034
Tenant security deposits payable	119,989
Prepaid rent	47,066
Deferred revenue	26,579
Current portion of long-term debt	<u>239,576</u>

Total current liabilities	<u>936,930</u>
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Other Liabilities

225,044

Long-Term Liabilities

Net pension liability	649,504
Mortgage payable, net of current portion	<u>12,608,345</u>

Total long-term liabilities	<u>13,257,849</u>
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Total liabilities	<u>14,419,823</u>
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Deferred Inflows of Resources

Pension obligation	<u>353,438</u>
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Net Position

Net investment in capital assets	1,463,049
Restricted for housing assistance payment equity	213,016
Unrestricted	<u>6,901,123</u>

Total net position	<u><u>\$ 8,577,188</u></u>
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Boise City Housing Authority
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended September 30, 2019

Operating Income	
Dwelling and rental income	\$ 2,450,145
Tenant revenue, other	34,657
HUD contributions/grants	8,892,422
Other revenue	<u>323,298</u>
Total operating income	<u>11,700,522</u>
Operating Expenses	
Administration	1,569,075
Utilities	260,467
Tenant services	183,442
Ordinary maintenance and operations	716,698
General expenses	697,752
Rental assistance payments	7,149,683
Depreciation	<u>777,239</u>
Total operating expenses	<u>11,354,356</u>
Net Operating Income	<u>346,166</u>
Nonoperating Revenue (Expenses)	
Investment income, unrestricted	61,910
Investment income, restricted	1,883
Interest expense	(390,141)
Loss on sale of property	<u>(6,001)</u>
Total nonoperating revenue (expense)	<u>(332,349)</u>
Income (Loss) Before HUD Capital Grant Income	13,817
HUD Capital Grant Income	<u>101,534</u>
Change in Net Position	<u>115,351</u>
Net Position, Beginning of Year	<u>8,461,837</u>
Net Position, End of Year	<u><u>\$ 8,577,188</u></u>

Boise City Housing Authority
Statement of Cash Flows
Year Ended September 30, 2019

Operating Activities	
Rental receipts	\$ 2,505,639
Other operating receipts	345,379
HUD receipts	8,958,133
Payments on behalf of voucher participants	(7,149,683)
Payments to employees	(1,516,016)
Payments to suppliers	(1,914,552)
Net Cash from Operating Activities	<u>1,228,900</u>
Capital and Related Financing Activities	
Purchase of land, building and equipment	(1,817,646)
Proceeds from grants and contributions for land, building and equipment	101,534
Repayment of principal of long-term debt	(232,481)
Payment of interest	(390,530)
Net Cash used for Capital and Related Financing Activities	<u>(2,339,123)</u>
Investing Activities	
Change in unrestricted investments	(74,913)
Change in restricted cash equivalents	412,469
Investment income on unrestricted investments	61,910
Investment income on restricted cash equivalents	1,883
Net Cash from Investing Activities	<u>401,349</u>
Net Change in Cash and Cash Equivalents	(708,874)
Cash and Cash Equivalents, Beginning of Year	<u>8,055,333</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,346,459</u>
Operating Activities	
Operating income	\$ 346,166
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	777,239
GASB 68 - Actuarial pension expense	(12,703)
Changes in operating assets and liabilities	
Accounts receivable	56,082
Related party receivables	(11,469)
Deferred revenue	26,579
Prepaid expenses	(978)
Accounts payable and accrued liabilities	22,551
Change in inventory	747
Prepaid rent	24,686
Net Cash from Operating Activities	<u>\$ 1,228,900</u>

Note 1 - Summary of Significant Accounting Policies

Boise City Housing Authority (the Housing 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 (GAAP) 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 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. In addition, the Housing Authority received funding beginning in December 2018 for 45 Mainstream Vouchers. 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 relationship 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. 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. Restricted cash equivalents relate to investments with maturities of 90 days or less. The reserves held by Centennial Mortgage, Inc. consist of restricted cash and restricted cash equivalents.

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 land, building 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, 2019, was \$777,239.

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 capital 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 and the Mainstream 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.

When both restricted and unrestricted resources are available for use, it is the Housing Authority's policy to use restricted resources first, if allowed by the program rules and regulations, and then unrestricted resources as they are needed.

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, 2019, was \$175,044. The liability and the corresponding cash are shown on the Housing Authority's Statement of 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, 2019, 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, 2019:

	Investment Value	Investment Maturities (in years)		Credit Rating
		Less than 1	1-3	
Instruments without maturities				
DL Evans ICS Money Market Demand Account	\$ 29,248	N/A	N/A	N/A
Schwab Money Market Fund & Deposits	60,952	N/A	N/A	N/A
Investment instruments with maturities				
Non-brokered Certificates of Deposit				
Idaho Central Credit Union Certificate of Deposit	210,339	210,339	-	n/a
Brokered Certificates of Deposit				
Wells Fargo Bank	10,014	10,014	-	n/a
First St Bank	10,006	10,006	-	n/a
American Express	10,004	10,004	-	n/a
Capital One Bank US	11,000	11,000	-	n/a
Ally Bank	9,994	9,994	-	n/a
Morgan Stanley	25,011	25,011	-	n/a
	<u>\$ 376,568</u>	<u>\$ 286,368</u>	<u>\$ -</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, 2019.

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. The Housing Authority was in compliance with their policy as it relates to credit risk as of September 30, 2019.

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, 2019, are as follows: Idaho Central Credit Union Certificates of Deposit – 76% and Morgan Stanley Bank – 9%.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that in the event of failure of the counterparty, the government will not 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 custodial or trust account. The Housing Authority was in compliance with their policy as it relates to custodial credit risk as of September 30, 2019.

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, 2019:

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	\$ -	\$ 76,029	\$ -	\$ 76,029
Total	\$ -	\$ 76,029	\$ -	\$ 76,029

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, 2019, was \$18,027 and the estimated allowance was \$6,533. Receivables from HUD and miscellaneous 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, 2018	Additions	Deletions	Transfers	Ending Balance as of September 30, 2019
Capital assets, not depreciated					
Land	\$ 2,079,304	\$ -	\$ -	\$ -	\$ 2,079,304
Construction in progress	59,629	17,144	-	(59,629)	17,144
	<u>2,138,933</u>	<u>17,144</u>	<u>-</u>	<u>(59,629)</u>	<u>2,096,448</u>
Capital assets, depreciated					
Buildings and improvements	25,652,287	1,503,149	-	59,629	27,215,065
Land improvements	2,726,817	42,477	-	-	2,769,294
Furniture and equipment	2,455,445	254,876	(122,560)	-	2,587,761
	<u>30,834,549</u>	<u>1,800,502</u>	<u>(122,560)</u>	<u>59,629</u>	<u>32,572,120</u>
Total	32,973,482	1,817,646	(122,560)	-	34,668,568
Less accumulated depreciation	<u>(20,921,121)</u>	<u>(777,239)</u>	<u>116,558</u>	<u>-</u>	<u>(21,581,802)</u>
Total capital assets, net	<u>\$ 12,052,361</u>	<u>\$ 1,040,407</u>	<u>\$ (6,002)</u>	<u>\$ -</u>	<u>\$ 13,086,766</u>

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

	Beginning Balance as of October 1, 2018	Additions	Deletions	Ending Balance as of September 30, 2019
Held for development, not depreciated				
Moore St. Property	<u>\$ 368,634</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 368,634</u>

Note 6 - Long-Term Debt

Long-term debt at September 30, 2019, 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) \$ 1,224,628
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) 2,966,387
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) 3,400,730
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) 3,197,007
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) <u>2,059,169</u>
	<u>\$ 12,847,921</u>

(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:

	October 1, 2018	Additions	Deletions	September 30, 2019
Mortgage Payable				
Nez Perce, LLC	\$ 1,246,789	\$ -	\$ (22,161)	\$ 1,224,628
North Liberty, LLC	3,020,063	-	(53,676)	2,966,387
Shoreline North, LLC	3,462,265	-	(61,535)	3,400,730
Shoreline Plaza, Inc.	3,254,855	-	(57,848)	3,197,007
Vine Street, LLC	2,096,430	-	(37,261)	2,059,169
	<u>\$ 13,080,402</u>	<u>\$ -</u>	<u>\$ (232,481)</u>	<u>\$ 12,847,921</u>

Maturities of long-term debt are as follows:

	Principal	Interest	Total
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	270,189	352,822	623,011
2025-2029	1,479,778	1,635,276	3,115,054
2030-2034	1,719,793	1,395,260	3,115,053
2035-2039	1,998,718	1,116,316	3,115,034
2040-2044	2,322,926	792,127	3,115,053
2045-2049	2,699,695	415,360	3,115,055
2050-2052	1,353,749	48,054	1,401,803
	<u>\$ 12,847,921</u>	<u>\$ 7,244,190</u>	<u>\$ 20,092,111</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. From October 1, 2018 to May 31, 2019 rates were 6.79% for general employees and the employer contribution rate as a percentage of covered payroll, which is set by the Retirement Board, was 11.32% for general employees. From July 1, 2019 to September 31, 2019 the rates were 7.16% for general employees and the employer contribution rate was 11.94%. The Housing Authority's contributions were \$232,238 for the year ended September 30, 2019.

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

At September 30, 2019, 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, 2019, 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, 2019, the Housing Authority's proportion was 0.000569006, which was a decrease from the prior year of 0.000033718.

For the year ended September 30, 2019, the Housing Authority recognized pension expense of \$210,498. At September 30, 2019, 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	\$ 60,361	\$ 76,547
Changes in assumptions or other inputs	36,129	-
Net difference between projected and actual earnings on pension plan investments	-	221,267
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions - 2015	1,066	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions - 2017	7,752	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions - 2018	-	15,787
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions - 2019		39,837
Housing authority contributions subsequent to the measurement date	<u>59,966</u>	<u>-</u>
Total	<u>\$ 165,274</u>	<u>\$ 353,438</u>

The Housing Authority reported \$59,966 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, 2020.

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, 2018, the beginning of the measurement period ended June 30, 2018, is 4.8 years for the measurement period ended June 30, 2019.

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

Years ended September 30:	
2020	\$ (34,364)
2021	(112,651)
2022	(63,804)
2023	(37,311)

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, 2019, 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 including mortality. The Total Pension Liability as of June 30, 2019, is based on the results of an actuarial valuation date of July 1, 2019.

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of January 1, 2017.

The capital market assumptions are:

Capital Market Assumptions

Asset Class	Expected Return	Expected Risk	Strategic Normal	Strategic Ranges
Equities			70%	66% - 77%
Broad Domestic Equity	9.15%	19.00%	55%	50% - 65%
International	9.25%	20.20%	15%	10% - 20%
Fixed Income	3.05%	3.75%	30%	23% - 33%
Cash	2.25%	0.90%	0%	0% - 5%
Total Fund	Expected Return	Expected Risk	Strategic Normal	Strategic Ranges
Actuary	7.00%	3.25%	3.75%	N/A
Portfolio	6.58%	2.25%	4.33%	12.67%

*expected arithmetic return of fees and expenses

Actuarial Assumptions

Assumed Inflation - Mean	3.25%
Assumed Inflation - Standard Deviation	2.00%
Portfolio Arithmetic Mean Return	8.42%
Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expenses	0.40%
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)	\$ 1,961,754	\$ 649,504	\$ (435,684)

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, 2019, 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, 2019, were \$30,743. 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, 2019, were \$150,000.

As of September 30, 2019, 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 \$116,061 related to utilities expenses that had been incurred and \$16,426 for other services provided to the Housing Authority for the year ended September 30, 2019. The Housing Authority paid \$45,170 in Housing Assistance Payments to the City of Boise for the year ended September 30, 2019.

The Housing Authority paid Ada County for fuel from the Sherriff's office of \$6,282 for the year ended September 30, 2019.

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, 2019, for salaries and benefits were \$459,204 and \$170,474, respectively.

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, 2019, the unpaid principal balance of the Bonds is \$10,477,624.

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, 2019, the unpaid principal balance of the Bonds is \$6,025,000.

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, 2019. 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	\$ 316,661	\$ 542,731	\$ 350,969	\$ 438,777	\$ 664,072
Total land, building and equipment, net	527,042	812,254	1,980,734	561,132	966,526
	<u>\$ 843,703</u>	<u>\$ 1,354,985</u>	<u>\$ 2,331,703</u>	<u>\$ 999,909</u>	<u>\$ 1,630,598</u>
Total current liabilities	\$ 46,516	\$ 110,734	\$ 111,393	\$ 75,655	\$ 148,146
Total long-term liabilities	1,201,793	2,911,074	3,337,314	2,020,772	3,137,392
Net position/(deficit), unrestricted	<u>(404,606)</u>	<u>(1,666,823)</u>	<u>(1,117,004)</u>	<u>(1,096,518)</u>	<u>(1,654,940)</u>
	<u>\$ 843,703</u>	<u>\$ 1,354,985</u>	<u>\$ 2,331,703</u>	<u>\$ 999,909</u>	<u>\$ 1,630,598</u>

Boise City Housing Authority

Notes to Financial Statements

September 30, 2019

	Nez Perce LLC	North Liberty LLC	Shoreline North LLC	Vine Street LLC	Shoreline Plaza, Inc.
Condensed Statement of Changes in Net Position					
Tenant rent	\$ 232,496	\$ 491,414	\$ 452,491	\$ 343,967	\$ 243,203
HUD contributions/grants	-	-	-	-	544,096
Other revenue	610	952	904	851	6,575
Operating expenses	(117,044)	(265,723)	(221,356)	(208,880)	(421,189)
Depreciation	(34,577)	(72,002)	(131,822)	(37,998)	(39,346)
Interest expense	(37,187)	(90,077)	(103,267)	(62,529)	(97,081)
Other non-operating expenses	(718)	-	(731)	(131)	(1,548)
Change in Net Position/(Deficit)	43,580	64,564	(3,781)	35,280	234,710
Distributions	-	-	-	-	-
Net Position/(Deficit), Beginning of Year	(448,186)	(1,731,387)	(1,113,223)	(1,131,798)	(1,889,650)
Net Position/(Deficit), End of Year	<u>\$ (404,606)</u>	<u>\$ (1,666,823)</u>	<u>\$ (1,117,004)</u>	<u>\$ (1,096,518)</u>	<u>\$ (1,654,940)</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	\$ 83,193	\$ 145,536	\$ 136,783	\$ 80,218	\$ 316,610
Net Cash from (used for) Investing Activities	(16,508)	(40,992)	(31,215)	(24,643)	(112,918)
Net Cash used for Financing Activities	(22,160)	(53,676)	(61,538)	(37,261)	(57,849)
Change in Cash and Cash Equivalents, Beginning of Year	44,525	50,868	44,030	18,314	145,843
Cash and Cash Equivalents, End of Year	\$ 120,329	\$ 151,663	\$ 132,320	\$ 140,098	\$ 445,381



Required Supplementary Information
September 30, 2019

Boise City Housing Authority

Boise City Housing Authority
Schedule of Employer's Share of Net Pension Liability and Employer
Contributions
September 30, 2019

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

	As of the measurement date of June 30,					
	2019	2018	2017	2016	2015	2014
Employer's portion of the net pension liability	0.000569006	0.000602724	0.00062006	0.00060801	0.0006083	0.000601333
Employer's proportionate share of the net pension liability	\$ 649,504	\$ 889,028	\$ 974,934	\$ 1,232,528	\$ 801,006	\$ 442,675
Employer's covered payroll	2,009,864	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	32.32%	45.77%	52.09%	69.13%	46.50%	26.79%
Plan fiduciary net position as a percentage of the total pension liability	91.69%	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*

	As of the fiscal year-end date of September 30,					
	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 232,238	\$ 223,135	\$ 211,824	\$ 201,818	\$ 200,263	\$ 184,159
Contributions in relation to the statutorily required contribution	232,238	223,135	211,824	201,818	200,263	184,103
Contribution (deficiency) excess	-	-	-	-	-	(56)
Employer's covered payroll	2,024,099	1,971,153	1,871,237	1,784,911	1,769,111	1,626,843
Contributions as a percentage of covered payroll	11.47%	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.



Supplementary Information
September 30, 2019

Boise City Housing Authority

Boise City Housing Authority
Combining Statement of Net Position
September 30, 2019

	Low Rent Public Housing Annual Contributions Contract SF-376	Capital Fund Program	Section 8 Vouchers-Annual Contributions Contract S-0037V	Resident Opportunity & Supportive Services	Mainstream Vouchers	Allumbaugh CDBG	Business- Type Activities	Blended Component Units	Eliminations	Total
Assets										
Current Assets										
Cash and cash equivalents	\$ 909,873	\$ -	\$ 934,149	\$ -	\$ 8,708	\$ 504,840	\$ 3,999,099	\$ 989,790	\$ -	\$ 7,346,459
Tenant security deposits	16,567	-	-	-	-	22,113	14,600	66,709	-	119,989
Accounts receivable - HUD	6,913	-	11,794	-	-	-	-	5,669	-	24,376
Accounts receivable - tenant, net	6,517	-	-	-	-	-	-	4,977	-	11,494
Miscellaneous receivable	5,889	-	-	-	-	-	4,828	6	-	10,723
Related party receivable	-	-	-	-	-	-	180,743	-	-	180,743
Interfund receivable, current	-	-	-	-	-	-	224,489	-	(224,489)	-
Prepaid expenses	3,409	-	4,018	-	-	158	5,403	21,850	-	34,838
Inventory	-	-	-	-	-	-	12,321	-	-	12,321
Restricted cash	-	-	212,116	-	-	-	-	-	-	212,116
Restricted cash equivalents	-	-	-	-	175,944	-	-	1,224,204	-	1,400,148
Unrestricted investments	-	-	-	-	-	-	376,568	-	-	376,568
Total current assets	949,168	-	1,162,077	-	184,652	527,111	4,818,051	2,313,205	(224,489)	9,729,775
Land, Building and Equipment										
Capital assets, not depreciated										
Land	283,727	-	-	-	-	297,000	695,099	803,478	-	2,079,304
Construction in progress	7,182	9,962	-	-	-	-	-	-	-	17,144
Capital assets, depreciated										
Land improvements	467,696	40,577	-	-	-	551,102	42,429	1,667,490	-	2,769,294
Buildings and improvements	8,412,198	355,961	-	-	-	1,532,063	3,349,055	13,565,788	-	27,215,065
Furniture and equipment	799,998	-	303,895	-	-	78,687	338,317	1,066,864	-	2,587,761
	9,970,801	406,500	303,895	-	-	2,458,852	4,424,900	17,103,620	-	34,668,568
Accumulated depreciation	(7,631,883)	(46,339)	(271,955)	-	-	(903,134)	(472,559)	(12,255,932)	-	(21,581,802)
	2,338,918	360,161	31,940	-	-	1,555,718	3,952,341	4,847,688	-	13,086,766
Other Assets										
Property held for development	-	-	-	-	-	-	368,634	-	-	368,634
Total other assets	-	-	-	-	-	-	368,634	-	-	368,634
Deferred outflows of resources	-	-	-	-	-	-	165,274	-	-	165,274
	\$ 3,288,086	\$ 360,161	\$ 1,194,017	\$ -	\$ 184,652	\$ 2,082,829	\$ 9,304,300	\$ 7,160,893	\$ (224,489)	\$ 23,350,449

Boise City Housing Authority
Combining Statement of Net Position
September 30, 2019

	Low Rent Public Housing Annual Contributions Contract SF-376	Capital Fund Program	Section 8 Vouchers-Annual Contributions Contract S-0037V	Resident Opportunity & Supportive Services	Mainstream Vouchers	Allumbaugh CDBG	Business- Type Activities	Blended Component Units	Eliminations	Total
Liabilities										
Current Liabilities										
Accounts payable and accrued liabilities	\$ 7,494	\$ -	\$ 4,332	\$ -	\$ -	\$ 601	\$ 7,486	\$ 20,890	\$ -	\$ 40,803
Employee accrued liabilities	27,306	-	57,627	-	-	1,590	263,420	34,456	-	384,399
Accrued interest payable	-	-	-	-	-	-	-	21,484	-	21,484
Payment in lieu of taxes	36,385	-	-	-	-	-	-	20,649	-	57,034
Tenant security deposits payable	16,567	-	-	-	-	22,113	14,600	66,709	-	119,989
Prepaid rent	9,959	-	-	-	-	-	5,484	31,623	-	47,066
Deferred revenue	-	-	-	-	-	-	26,579	-	-	26,579
Current portion of long-term debt	-	-	-	-	-	-	-	239,576	-	239,576
Interfund payable, current	16,200	-	30,750	-	-	558	119,924	57,057	(224,489)	-
Total current liabilities	113,911	-	92,709	-	-	24,862	437,493	492,444	(224,489)	936,930
Other Liabilities	50,000	-	175,044	-	-	-	-	-	-	225,044
Long-Term Liabilities										
Net pension liability	-	-	-	-	-	-	649,504	-	-	649,504
Mortgage payable, net of current portion	-	-	-	-	-	-	-	12,608,345	-	12,608,345
Total long-term liabilities	-	-	-	-	-	-	649,504	12,608,345	-	13,257,849
Deferred inflows of resources	-	-	-	-	-	-	353,438	-	-	353,438
Net Position										
Net investment in capital assets	2,338,918	360,161	31,940	-	-	1,555,718	3,952,341	(6,776,029)	-	1,463,049
Restricted	-	-	37,072	-	175,944	-	-	-	-	213,016
Unrestricted	785,257	-	857,252	-	8,708	502,249	3,911,524	836,133	-	6,901,123
	3,124,175	360,161	926,264	-	184,652	2,057,967	7,863,865	(5,939,896)	-	8,577,188
	\$ 3,288,086	\$ 360,161	\$ 1,194,017	\$ -	\$ 184,652	\$ 2,082,829	\$ 9,304,300	\$ 7,160,893	\$ (224,489)	\$ 23,350,449

Boise City Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position
Year Ended September 30, 2019

	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	Mainstream Vouchers	Family Self- Sufficiency Program	Allumbaugh CDBG	Business- Type Activities	Blended Component Units	Eliminations	Total
Operating Income											
Dwelling and rental income	\$ 446,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 264,295	\$ 1,739,475	\$ -	\$ 2,450,145
Tenant revenue, other	8,715	-	-	-	-	-	-	1,846	24,096	-	34,657
HUD contributions/grants	234,555	4,651	61,273	7,663,317	184,652	112,341	3,316	84,221	544,096	-	8,892,422
Other revenue	131,496	-	-	67,047	-	-	131,631	281,451	4,785	(293,112)	323,298
Total operating income	821,141	4,651	61,273	7,730,364	184,652	112,341	134,947	631,813	2,312,452	(293,112)	11,700,522
Operating Expenses											
Administration	270,085	4,651	-	723,193	-	-	14,665	356,849	483,014	(283,382)	1,569,075
Utilities	82,525	-	-	-	-	-	23,670	20,213	134,059	-	260,467
Tenant services	5,083	-	61,273	10,545	-	112,341	-	-	1,178	(6,978)	183,442
Ordinary maintenance and operations	173,483	-	-	1,054	-	-	42,318	106,510	393,333	-	716,698
General expenses	124,516	-	-	57,399	-	-	7,679	288,299	222,611	(2,752)	697,752
Rental assistance payments	-	-	-	7,084,302	-	-	-	65,381	-	-	7,149,683
Depreciation	197,351	45,525	-	8,780	-	-	91,237	118,601	315,745	-	777,239
Total operating expenses	853,043	50,176	61,273	7,885,273	-	112,341	179,569	955,853	1,549,940	(293,112)	11,354,356
Net Operating Income (Loss)	(31,902)	(45,525)	-	(154,909)	184,652	-	(44,622)	(324,040)	762,512	-	346,166
Nonoperating Revenue (Expenses)											
Investment income, unrestricted	6,556	-	-	8,424	-	-	3,797	39,909	3,224	-	61,910
Investment income, restricted	-	-	-	-	-	-	-	-	1,883	-	1,883
Interest expense	-	-	-	-	-	-	-	-	(390,141)	-	(390,141)
Gain (loss) on sale of property	(2,398)	-	-	-	-	-	-	(473)	(3,130)	-	(6,001)
Total nonoperating revenue (expenses)	4,158	-	-	8,424	-	-	3,797	39,436	(388,164)	-	(332,349)
Income (Loss) Before HUD Capital Grant Income	(27,744)	(45,525)	-	(146,485)	184,652	-	(40,825)	(284,604)	374,348	-	13,817
HUD Capital Grant Income	-	101,534	-	-	-	-	-	-	-	-	101,534
Change in Net Position	(27,744)	56,009	-	(146,485)	184,652	-	(40,825)	(284,604)	374,348	-	115,351
Transfers - Other	144,945	(144,945)	-	-	-	-	-	-	-	-	-
Net Position, Beginning of Year	3,006,974	449,097	-	1,072,749	-	-	2,098,792	8,148,469	(6,314,244)	-	8,461,837
Net Position, End of Year	\$ 3,124,175	\$ 360,161	\$ -	\$ 926,264	\$ 184,652	\$ -	\$ 2,057,967	\$ 7,863,865	\$ (5,939,896)	\$ -	\$ 8,577,188



Financial Data Schedules
September 30, 2019

Boise City Housing Authority

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

Submission Type: Audited/Single Audit

Fiscal Year Ended 09/30/2019

	Project Total	14.879 Mainstream Vouchers	14.218 Community Development Block Grants/Entitleme nt Grants	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.239 HOME Investment Partnerships Program	1 Business Activities	14.896 PIH Family Self- Sufficiency Program	6.2 Component Unit - Blended	14.241 Housing Opportunities for Persons with AIDS	14.870 Resident Opportunity and Supportive Services	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$909,873	\$8,708	\$504,840	\$934,149			\$3,999,099		\$989,790			\$7,346,459		\$7,346,459
112 Cash - Restricted - Modernization and Development														
113 Cash - Other Restricted		\$175,944		\$136,535								\$312,479		\$312,479
114 Cash - Tenant Security Deposits	\$16,567		\$22,113				\$14,600		\$66,709			\$119,989		\$119,989
115 Cash - Restricted for Payment of Current Liabilities				\$75,581								\$75,581		\$75,581
100 Total Cash	\$926,440	\$184,652	\$526,953	\$1,146,265	\$0	\$0	\$4,013,699	\$0	\$1,056,499	\$0	\$0	\$7,854,508	\$0	\$7,854,508
121 Accounts Receivable - PHA Projects														
122 Accounts Receivable - HUD Other Projects	\$6,913			\$11,794					\$5,669			\$24,376		\$24,376
124 Accounts Receivable - Other Government							\$4,441					\$4,441		\$4,441
125 Accounts Receivable - Miscellaneous	\$5,889						\$180,743		\$6			\$186,638		\$186,638
126 Accounts Receivable - Tenants	\$9,401								\$8,199			\$17,600		\$17,600
126.1 Allowance for Doubtful Accounts - Tenants	-\$2,884								-\$3,222			-\$6,106		-\$6,106
126.2 Allowance for Doubtful Accounts - Other	\$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							\$387					\$387		\$387
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$19,319	\$0	\$0	\$11,794	\$0	\$0	\$185,571	\$0	\$10,652	\$0	\$0	\$227,336	\$0	\$227,336
131 Investments - Unrestricted							\$376,568					\$376,568		\$376,568
132 Investments - Restricted									\$1,224,204			\$1,224,204		\$1,224,204
135 Investments - Restricted for Payment of Current Liability														
142 Prepaid Expenses and Other Assets	\$3,409		\$158	\$4,018			\$5,403		\$21,850			\$34,838		\$34,838
143 Inventories							\$12,321					\$12,321		\$12,321
143.1 Allowance for Obsolete Inventories							\$0					\$0		\$0
144 Inter Program Due From							\$224,489					\$224,489	-\$224,489	\$0
145 Assets Held for Sale														
150 Total Current Assets	\$949,168	\$184,652	\$527,111	\$1,162,077	\$0	\$0	\$4,818,051	\$0	\$2,313,205	\$0	\$0	\$9,954,264	-\$224,489	\$9,729,775

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

Submission Type: Audited/Single Audit

Fiscal Year Ended 09/30/2019

161 Land	\$283,727		\$297,000				\$695,099		\$803,478			\$2,079,304		\$2,079,304
162 Buildings	\$8,768,159		\$1,532,063				\$3,349,055		\$13,565,788			\$27,215,065		\$27,215,065
163 Furniture, Equipment & Machinery - Dwellings	\$562,711						\$24,167		\$1,066,864			\$1,653,742		\$1,653,742
164 Furniture, Equipment & Machinery - Administration	\$237,287		\$78,687	\$303,895			\$314,150					\$934,019		\$934,019
165 Leasehold Improvements	\$508,273		\$551,102				\$42,429		\$1,667,490			\$2,769,294		\$2,769,294
166 Accumulated Depreciation	-\$7,678,222		-\$903,134	-\$271,955			-\$472,559		-\$12,255,932			-\$21,581,802		-\$21,581,802
167 Construction in Progress	\$17,144											\$17,144		\$17,144
168 Infrastructure														
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,699,079	\$0	\$1,555,718	\$31,940	\$0	\$0	\$3,952,341	\$0	\$4,847,688	\$0	\$0	\$13,086,766	\$0	\$13,086,766
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	\$2,699,079	\$0	\$1,555,718	\$31,940	\$0	\$0	\$4,320,975	\$0	\$4,847,688	\$0	\$0	\$13,455,400	\$0	\$13,455,400
200 Deferred Outflow of Resources							\$165,274					\$165,274		\$165,274
290 Total Assets and Deferred Outflow of Resources	\$3,648,247	\$184,652	\$2,082,829	\$1,194,017	\$0	\$0	\$9,304,300	\$0	\$7,160,893	\$0	\$0	\$23,574,938	-\$224,489	\$23,350,449
311 Bank Overdraft														
312 Accounts Payable <= 90 Days	\$7,494		\$601	\$3,995			\$6,792		\$20,890			\$39,772		\$39,772
313 Accounts Payable >90 Days Past Due														
321 Accrued Wage/Payroll Taxes Payable							\$221,648					\$221,648		\$221,648
322 Accrued Compensated Absences - Current Portion	\$18,420		\$530	\$36,095			\$26,601		\$24,598			\$106,244		\$106,244
324 Accrued Contingency Liability														
325 Accrued Interest Payable									\$21,484			\$21,484		\$21,484
331 Accounts Payable - HUD PHA Programs				\$337								\$337		\$337
332 Account Payable - PHA Projects														
333 Accounts Payable - Other Government	\$36,385						\$694		\$20,649			\$57,728		\$57,728
341 Tenant Security Deposits	\$16,567		\$22,113				\$14,600		\$66,709			\$119,989		\$119,989
342 Unearned Revenue	\$9,959						\$32,063		\$31,623			\$73,645		\$73,645

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

Submission Type: Audited/Single Audit

Fiscal Year Ended 09/30/2019

343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue									\$239,576			\$239,576		\$239,576
344 Current Portion of Long-term Debt - Operating Borrowings														
345 Other Current Liabilities				\$75,581								\$75,581		\$75,581
346 Accrued Liabilities - Other														
347 Inter Program - Due To	\$16,200		\$558	\$30,750			\$119,924		\$57,057			\$224,489	-\$224,489	\$0
348 Loan Liability - Current														
310 Total Current Liabilities	\$105,025	\$0	\$23,802	\$146,758	\$0	\$0	\$422,322	\$0	\$482,586	\$0	\$0	\$1,180,493	-\$224,489	\$956,004
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue									\$12,608,345			\$12,608,345		\$12,608,345
352 Long-term Debt, Net of Current - Operating Borrowings														
353 Non-current Liabilities - Other	\$50,000			\$99,463								\$149,463		\$149,463
354 Accrued Compensated Absences - Non Current	\$8,886		\$1,060	\$21,532			\$15,171		\$9,858			\$56,507		\$56,507
355 Loan Liability - Non Current														
356 FASB 5 Liabilities														
357 Accrued Pension and OPEB Liabilities							\$649,504					\$649,504		\$649,504
350 Total Non-Current Liabilities	\$58,886	\$0	\$1,060	\$120,995	\$0	\$0	\$664,675	\$0	\$12,618,203	\$0	\$0	\$13,463,819	\$0	\$13,463,819
300 Total Liabilities	\$163,911	\$0	\$24,862	\$267,753	\$0	\$0	\$1,086,997	\$0	\$13,100,789	\$0	\$0	\$14,644,312	-\$224,489	\$14,419,823
400 Deferred Inflow of Resources							\$353,438					\$353,438		\$353,438
508.4 Net Investment in Capital Assets	\$2,699,079		\$1,555,718	\$31,940			\$3,952,341		-\$6,776,029			\$1,463,049		\$1,463,049
511.4 Restricted Net Position		\$175,944	\$0	\$37,072			\$0					\$213,016		\$213,016
512.4 Unrestricted Net Position	\$785,257	\$8,708	\$502,249	\$857,252	\$0	\$0	\$3,911,524	\$0	\$836,133	\$0	\$0	\$6,901,123		\$6,901,123
513 Total Equity - Net Assets / Position	\$3,484,336	\$184,652	\$2,057,967	\$926,264	\$0	\$0	\$7,863,865	\$0	-\$5,939,896	\$0	\$0	\$8,577,188	\$0	\$8,577,188
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,648,247	\$184,652	\$2,082,829	\$1,194,017	\$0	\$0	\$9,304,300	\$0	\$7,160,893	\$0	\$0	\$23,574,938	-\$224,489	\$23,350,449

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

Submission Type: Audited/Single Audit

Fiscal Year Ended 09/30/2019

	Project Total	14.879 Mainstream Vouchers	14.218 Community Development Block Grants/Entitlement Grants	14.871 Housing Choice Vouchers	14.238 Shelter Plus Care	14.239 HOME Investment Partnerships Program	1 Business Activities	14.896 PIH Family Self-Sufficiency Program	6.2 Component Unit - Blended	14.241 Housing Opportunities for Persons with AIDS	14.870 Resident Opportunity and Supportive Services	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$446,375						\$264,295		\$1,739,475			\$2,450,145		\$2,450,145
70400 Tenant Revenue - Other	\$8,715						\$1,846		\$24,096			\$34,657		\$34,657
70500 Total Tenant Revenue	\$455,090	\$0	\$0	\$0	\$0	\$0	\$266,141	\$0	\$1,763,571	\$0	\$0	\$2,484,802	\$0	\$2,484,802
70600 HUD PHA Operating Grants	\$239,206	\$184,652	\$3,316	\$7,663,317	\$7,499	\$64,883		\$112,341	\$544,096	\$11,839	\$61,273	\$8,892,422		\$8,892,422
70610 Capital Grants	\$101,534											\$101,534		\$101,534
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	\$6,556		\$3,797	\$8,424			\$39,909		\$3,224			\$61,910		\$61,910
71200 Mortgage Interest Income														
71300 Proceeds from Disposition of Assets Held for Sale														
71310 Cost of Sale of Assets														
71400 Fraud Recovery				\$17,334								\$17,334		\$17,334
71500 Other Revenue	\$131,496		\$131,631	\$49,713	\$558	\$498	\$278,831		\$4,785	\$1,564		\$599,076	-\$293,112	\$305,964
71600 Gain or Loss on Sale of Capital Assets	-\$2,398						-\$473		-\$3,130			-\$6,001		-\$6,001
72000 Investment Income - Restricted									\$1,883			\$1,883		\$1,883
70000 Total Revenue	\$931,484	\$184,652	\$138,744	\$7,738,788	\$8,057	\$65,381	\$584,408	\$112,341	\$2,314,429	\$13,403	\$61,273	\$12,152,960	-\$293,112	\$11,859,848
91100 Administrative Salaries	\$149,071		\$8,123	\$425,796	\$5,631		\$295,517		\$191,985	\$8,777		\$1,084,900		\$1,084,900
91200 Auditing Fees	\$8,055		\$420	\$14,840			\$19,085		\$36,825			\$79,225		\$79,225
91300 Management Fee									\$159,470			\$159,470	-\$159,470	\$0
91310 Book-keeping Fee														
91400 Advertising and Marketing	\$501		\$7	\$4,276			\$327		\$515			\$5,626		\$5,626
91500 Employee Benefit contributions - Administrative	\$58,106		\$3,033	\$161,641	\$2,070		-\$112,144		\$77,181	\$3,305		\$193,192		\$193,192
91600 Office Expenses	\$24,288		\$1,784	\$36,874	\$356		\$59,846		\$764			\$123,912	-\$123,912	\$0
91700 Legal Expense	\$2,992						\$819		\$2,749			\$6,560		\$6,560
91800 Travel	\$6,183			\$7,981			\$6,981					\$21,145		\$21,145
91810 Allocated Overhead														
91900 Other	\$25,540		\$1,298	\$71,785			\$65,515		\$14,289			\$178,427		\$178,427
91000 Total Operating - Administrative	\$274,736	\$0	\$14,665	\$723,193	\$8,057	\$0	\$335,946	\$0	\$483,014	\$12,846	\$0	\$1,852,457	-\$283,382	\$1,569,075

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

Submission Type: Audited/Single Audit

Fiscal Year Ended 09/30/2019

92000 Asset Management Fee														
92100 Tenant Services - Salaries	\$2,400						\$82,012				\$42,251	\$126,663		\$126,663
92200 Relocation Costs														
92300 Employee Benefit Contributions - Tenant Services	\$915						\$30,329				\$16,055	\$47,299		\$47,299
92400 Tenant Services - Other	\$1,768			\$10,545				\$1,178			\$2,967	\$16,458	-\$6,978	\$9,480
92500 Total Tenant Services	\$5,083	\$0	\$0	\$10,545	\$0	\$0	\$0	\$112,341	\$1,178	\$0	\$61,273	\$190,420	-\$6,978	\$183,442
93100 Water	\$16,049		\$1,506				\$2,638		\$47,881			\$68,074		\$68,074
93200 Electricity	\$44,673		\$13,688				\$8,891		\$28,096			\$95,348		\$95,348
93300 Gas	\$334		\$6,940				\$4,434		\$1,442			\$13,150		\$13,150
93400 Fuel														
93500 Labor														
93600 Sewer	\$21,469		\$1,536				\$4,250		\$56,640			\$83,895		\$83,895
93700 Employee Benefit Contributions - Utilities														
93800 Other Utilities Expense														
93000 Total Utilities	\$82,525	\$0	\$23,670	\$0	\$0	\$0	\$20,213	\$0	\$134,059	\$0	\$0	\$260,467	\$0	\$260,467
94100 Ordinary Maintenance and Operations - Labor	\$79,612		\$12,917				\$28,025		\$172,674			\$293,228		\$293,228
94200 Ordinary Maintenance and Operations - Materials and Other	\$16,991		\$6,334	\$943			\$22,819		\$53,715			\$100,802		\$100,802
94300 Ordinary Maintenance and Operations Contracts	\$38,417		\$15,767	\$111			\$43,937		\$86,991			\$185,223		\$185,223
94500 Employee Benefit Contributions - Ordinary Maintenance	\$30,108		\$4,848				\$10,512		\$66,522			\$111,990		\$111,990
94000 Total Maintenance	\$165,128	\$0	\$39,866	\$1,054	\$0	\$0	\$105,293	\$0	\$379,902	\$0	\$0	\$691,243	\$0	\$691,243
95100 Protective Services - Labor														
95200 Protective Services - Other Contract Costs	\$8,355		\$2,452				\$1,217					\$12,024		\$12,024
95300 Protective Services - Other									\$13,431			\$13,431		\$13,431
95500 Employee Benefit Contributions - Protective Services														
95000 Total Protective Services	\$8,355	\$0	\$2,452	\$0	\$0	\$0	\$1,217	\$0	\$13,431	\$0	\$0	\$25,455	\$0	\$25,455
96110 Property Insurance	\$41,782		\$4,593				\$13,047		\$95,284			\$154,706		\$154,706
96120 Liability Insurance	\$16,899		\$1,141	\$7,242			\$18,495		\$20,372			\$64,149		\$64,149
96130 Workmen's Compensation	\$6,291		\$419	\$10,905			\$15,938					\$33,553		\$33,553
96140 All Other Insurance									\$45,979			\$45,979		\$45,979
96100 Total insurance Premiums	\$64,972	\$0	\$6,153	\$18,147	\$0	\$0	\$47,480	\$0	\$161,635	\$0	\$0	\$298,387	\$0	\$298,387

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

Submission Type: Audited/Single Audit

Fiscal Year Ended 09/30/2019

96200 Other General Expenses	\$1,551		\$156	\$4,107			\$217,635		\$2,120			\$225,569	-\$2,752	\$222,817
96210 Compensated Absences	\$18,394		\$1,370	\$35,145			\$22,627		\$26,953	\$557		\$105,046		\$105,046
96300 Payments in Lieu of Taxes	\$36,385								\$20,649			\$57,034		\$57,034
96400 Bad debt - Tenant Rents	\$3,214								\$11,254			\$14,468		\$14,468
96500 Bad debt - Mortgages														
96600 Bad debt - Other														
96800 Severance Expense														
96000 Total Other General Expenses	\$59,544	\$0	\$1,526	\$39,252	\$0	\$0	\$240,262	\$0	\$60,976	\$557	\$0	\$402,117	-\$2,752	\$399,365
96710 Interest of Mortgage (or Bonds) Payable									\$390,141			\$390,141		\$390,141
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	\$0	\$0	\$390,141	\$0	\$0	\$390,141	\$0	\$390,141
96900 Total Operating Expenses	\$660,343	\$0	\$88,332	\$792,191	\$8,057	\$0	\$750,411	\$112,341	\$1,624,336	\$13,403	\$61,273	\$4,110,687	-\$293,112	\$3,817,575
97000 Excess of Operating Revenue over Operating Expenses	\$271,141	\$184,652	\$50,412	\$6,946,597	\$0	\$65,381	-\$166,003	\$0	\$690,093	\$0	\$0	\$8,042,273	\$0	\$8,042,273
97100 Extraordinary Maintenance														
97200 Casualty Losses - Non-capitalized														
97300 Housing Assistance Payments				\$7,084,302		\$65,381						\$7,149,683		\$7,149,683
97350 HAP Portability-In														
97400 Depreciation Expense	\$242,876		\$91,237	\$8,780			\$118,601		\$315,745			\$777,239		\$777,239
97500 Fraud Losses														
97600 Capital Outlays - Governmental Funds														
97700 Debt Principal Payment - Governmental Funds														
97800 Dwelling Units Rent Expense														
90000 Total Expenses	\$903,219	\$0	\$179,569	\$7,885,273	\$8,057	\$65,381	\$869,012	\$112,341	\$1,940,081	\$13,403	\$61,273	\$12,037,609	-\$293,112	\$11,744,497

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

Submission Type: Audited/Single Audit

Fiscal Year Ended 09/30/2019

10010 Operating Transfer In														
10020 Operating transfer Out														
10030 Operating Transfers from/to Primary Government														
10040 Operating Transfers from/to Component Unit														
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	\$144,945										\$144,945			\$144,945
10094 Transfers between Project and Program - Out	-\$144,945										-\$144,945			-\$144,945
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$28,265	\$184,652	-\$40,825	-\$146,485	\$0	\$0	-\$284,604	\$0	\$374,348	\$0	\$0	\$115,351	\$0	\$115,351
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$232,481	\$0	\$0	\$232,481		\$232,481
11030 Beginning Equity	\$3,456,071	\$0	\$2,098,792	\$1,072,749	\$0	\$0	\$8,148,470	\$0	-\$6,314,244	\$0	\$0	\$8,461,838		\$8,461,838
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0						-\$1					-\$1		-\$1
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				\$889,192								\$889,192		\$889,192
11180 Housing Assistance Payments Equity				\$37,072								\$37,072		\$37,072
11190 Unit Months Available	1920	450	12	15998	163		252		2916			21711		21711
11210 Number of Unit Months Leased	1863	0	12	14091	163		252		2852			19233		19233
11270 Excess Cash	\$786,093											\$786,093		\$786,093
11610 Land Purchases	\$0											\$0		\$0
11620 Building Purchases	\$101,534											\$101,534		\$101,534
11630 Furniture & Equipment - Dwelling Purchases	\$21,191											\$21,191		\$21,191
11640 Furniture & Equipment - Administrative Purchases	\$0											\$0		\$0
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, 2019

Boise City Housing Authority

Boise City Housing Authority
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2019

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-Through Number	Expenditures	Amounts Passed- Through to Subrecipients
U.S. Department of Housing and Urban Development				
Passed Through Idaho Housing and Finance Association Housing Opportunities for People with Aids	14.241	IDH110009	\$ 11,839	\$ 11,839
Shelter Plus Care	14.238	ID16C001001	7,499	7,499
Passed Through City of Boise CDBG-Entitlement Grants Cluster Community Development Block Grant	14.218	B-08-MC-16- 001	3,316	3,316
HOME Investment Partnership Program	14.239	M-11-MC-16- 0200	64,883	64,883
Public Low Rent Housing	14.850	N/A	234,555	-
Section 8 Housing Choice Vouchers	14.871	N/A	7,876,493	-
Public Housing Capital Fund	14.872	N/A	106,185	-
Family Self-Sufficiency Program	14.896	N/A	112,341	-
Resident Opportunity & Supportive Services	14.870	N/A	61,273	-
Total Federal Awards			<u>\$ 8,478,384</u>	<u>\$ 87,537</u>

Note 1 - 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, 2019. 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 2 - 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 3 - Indirect Cost Rate

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

Note 4 - 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 loans with continuing compliance requirements 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	\$	3,020,063
Nez Perce, LLC		1,246,789
Vine Street, LLC		2,096,430
Shoreline North, LLC		3,462,265
		3,462,265
	\$	9,825,547



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, 2019, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements and have issued our report thereon February 12, 2020.

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 "Eric Sully LLP".

Boise, Idaho
February 12, 2020



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, 2019. 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, 2019.

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.



Boise, Idaho
February 12, 2020

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, 2019, and our report there on dated February 12, 2020, 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 ID01P013501-17 and ID01E13501-17. 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
February 12, 2020

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: ID01P013501-17
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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	\$ 161,726.00
B. Funds Disbursed	\$ 161,726.00
C. Funds Expended (Actual Modernization Cost)	\$ 161,726.00
D. Amount to be Recaptured (A-C)	\$ 0
E. Excess of Funds Disbursed (B-C)	\$ 0

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor, incurred by the PHA have been fully paid;

4. 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;

5. That the time in which such liens could be filed has expired; and

6. 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>Deanna L. Watson</i>	Date: 9-26-2019
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For HUD Use Only

The Cost Certificate is approved for audit (if box 7A is marked): Approved: HARLAN STEWART, Director, Office of Public Housing X	Date: 10/01/2019
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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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form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

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)

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PHA Name: Boise City Housing Authority	Modernization Project Number: ID01E013501-17
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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	\$ 250,000.00
B. Funds Disbursed	\$ 250,000.00
C. Funds Expended (Actual Modernization Cost)	\$ 250,000.00
D. Amount to be Recaptured (A-C)	\$ 0
E. Excess of Funds Disbursed (B-C)	\$ 0

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;

4. 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;

5. That the time in which such liens could be filed has expired; and

6. 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 *Deanna L. Watson*

Date:

5-30-2019

For HUD Use Only

The Cost Certificate is approved for audit (if box 7A is marked):

X HARLAN STEWART
Approved For Audit Director, Office of Public Housing
Date: 2019.06.04 11:38:03 -0700

Date:

06/04/2019

The costs shown above agree with HUD verified costs (if box 7A or 7B is marked):

Approved: (Director, Office of Public Housing)

X

Date: