



Financial Statements
September 30, 2021

Capital City Development Corporation

CAPITAL CITY DEVELOPMENT CORPORATION

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Independent Auditor's Report

To the Board of Commissioners
Capital City Development Corporation
Boise, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Capital City Development Corporation (the Agency), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Capital City Development Corporation, as of September 30, 2021, and the respective changes in financial position 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, budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer contributions as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 4, 2022, on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

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

Boise, Idaho

February 4, 2022

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2021

This section of Capital City Development Corporation's (the Agency's) annual financial report is provided by the management in accordance with GASB requirements to assist the reader in identifying and reviewing key issues and financial activity for the fiscal year ending September 30, 2021. Since this discussion and analysis focuses on the current fiscal year's activities and is a summary, the reader is encouraged to review the financial statements and notes which follow this section to gain a complete understanding of the Agency's finances.

Financial Highlights

- The Agency's total assets and deferred outflows of resources exceeded its liabilities and deferred inflow of resources at the close of the fiscal year 2021 by \$72,884,273. Of this total, \$19,982,334 is invested in capital assets (net of debt).
- At fiscal year close, the Agency's governmental funds reported a combined ending fund balance of \$62,915,231, of which \$61,932,023 is nonspendable, restricted, committed or assigned.
- During fiscal year 2021 the Agency's expenses were \$17,782,307 compared to the \$16,047,701 reported in 2020. The change was primarily due to the increase in community development expenses related to the increase in capital related expenses in 2021.
- Total revenues increased by \$3,661,328. The increase is mainly due to the fact that: (1) revenue allocation funds increased by \$1,158,402; (2) \$2,028,078 various one-time reimbursements from Ada County Highway District (ACHD) and City of Boise for construction projects in Westside district.
- Interest and fees expense on long-term debt in governmental activities decreased by \$116,407 compared with fiscal year 2020. In fiscal year 2021, no refunding or early redemption occurred. Early redemption of existing long-term debt is approved by Board of Commissioners and is scheduled on December 1, 2021. See Note 12 Subsequent Events for more details.
- The Agency's key revenues are parking revenues and revenue allocation district revenues (tax increment revenue). Parking revenues gradually recovered from pandemic in fiscal year 2021 with an increase of \$88,989 to \$6,153,401. Revenue allocation funds increased 7% or \$1,158,402 in fiscal year 2021 as compared to the prior year due to the increased property valuations and new construction in Agency urban renewal districts.

Overview of the Financial Statements

The format of this report allows the reader to examine combined financial statements to view the Agency as a whole (Agency-wide) as well as information on individual fund activities. This financial report consists of three parts: 1) Management Discussion and Analysis, 2) Basic Financial Statements, and 3) Required Supplementary Information. Viewing governmental activity both as a whole and by individual major fund gives the reader a broader perspective, increases the Agency's accountability and provides a more complete picture of the financial health and activities of the Agency. The Basic Financial Statements include two kinds of statements that present different views of the Agency: Government-Wide Financial Statements provide both long-term and short-term information about the Agency's overall financial status. Fund Financial Statements focus on individual parts of Agency activities and report the Agency's operations in more detail than the Government-Wide Statements. The

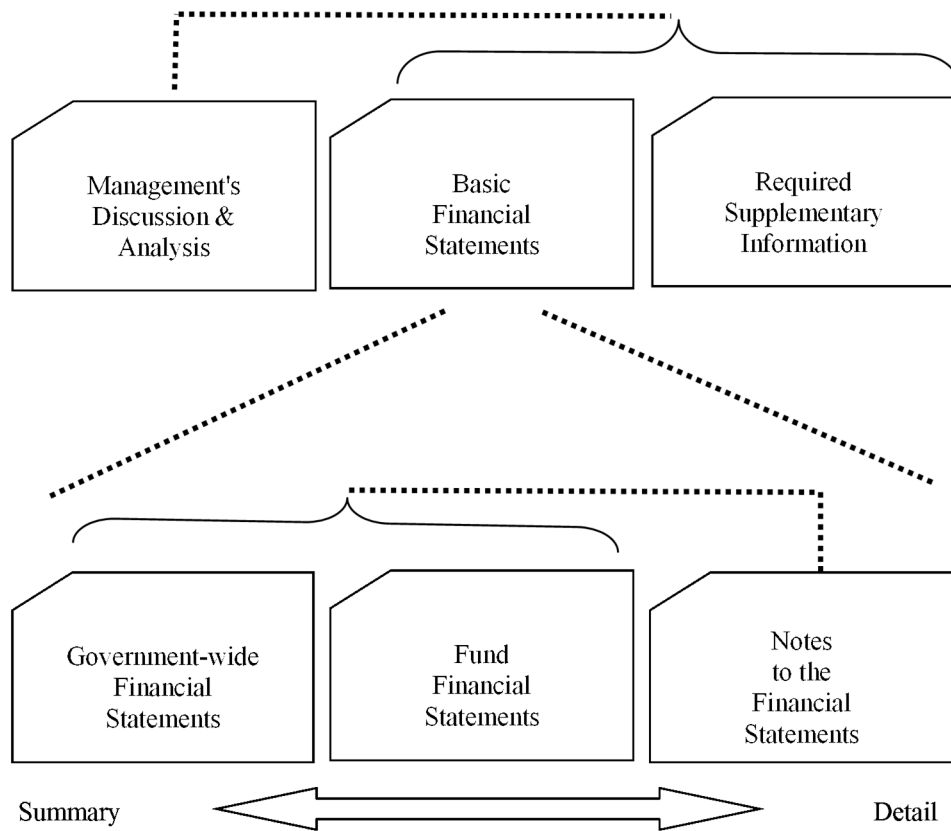
CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2021

Governmental Funds statements show how general government services such as urban renewal and parking were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of Required Supplementary Information that further explains and supports the information in the financial statements.

Figure A illustrates how the required parts of this annual report are arranged and relate to one another.

Figure A - Required Components of CCDC Annual Financial Report



CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2021

Figure B identifies the presentation of the Agency's financial statements.

Figure B - Major Features of CCDC's Government-Wide and Fund Financial Statements

	Government-Wide Statements	Governmental Funds
Scope	Entire Agency government (except fiduciary funds) and Agency's component units	The activities of the Agency that are not proprietary such as urban renewal
Required financial statements	Statements of: Net Position Activities	Balance sheet Statement of revenues, expenditures and changes in fund balances
Accounting basis / measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset / liability information	All assets and liabilities, both financial and capital and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow / outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received payment is due during the year or soon thereafter

The remainder of this overview section of Management's Discussion and Analysis explains the structure and content of each of the statements.

Government-Wide Financial Statements

Government-wide financial statements for the Agency are designed to parallel more closely the reporting used in private-sector businesses, in that all governmental activities are reported using the same basis of accounting (accrual), and that the statements include a total column to provide information on the Agency as a whole. These statements are designed to better portray the fiscal position of the Agency relative to the prior year.

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2021

The Statement of Net Position provides information on all of the Agency's assets and deferred outflows, and liabilities and deferred inflows, with the difference reported as net position. Historical trending of the net position can provide a useful indicator as to whether the financial position of the Agency is improving or declining. The Agency's principal physical assets are land and parking structures.

The Statement of Activities provides information showing changes made to the Agency's net position during fiscal year 2021. Financial activity shown on this statement is reported on an accrual basis (at the time the underlying event causing the change occurs, rather than at the time the cash flows happen). Thus revenue and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. All of the year's revenues and expenses are accounted for in the Statement of Activities. The Agency's principal activities relate to planning and facilitation of quality private development, public infrastructure improvements, operation of the downtown parking system, and issuance of debt financing for larger strategic projects. The Agency's program operation, urban renewal activities and parking system operation are included in the governmental activities. The individual district activities are tracked separately and combined for reporting purposes.

Fund Financial Statements

The focus of the Fund Financial Statements is to provide more detailed information about the Agency's major funds rather than the previous focus on fund types or on the Agency as a whole. A fund is a self-balancing set of accounts that is used to keep track of specific revenues and expenditures related to certain activities or objectives. Some funds are required by State law and some stipulated by bond policies. Operational funds are established by the Board of Commissioners for appropriations and management purposes. All of the Agency's funds are Governmental funds.

Governmental funds use modified accrual accounting, which measures current economic resources and focuses on changes to the current financial resources. This method is useful in evaluating the Agency's short-term financial resources. Supplemental information following some of the included statements further addresses long-term issues and variances with the Government-wide statements. The Agency maintains eight Governmental funds: Debt Service Fund (Ada County Courthouse Ground Lease Agreements), Central District Revenue Allocation Fund (urban renewal activities), River-Myrtle/Old Boise District Revenue Allocation Fund (urban renewal activities), Westside District Revenue Allocation Fund (urban renewal activities), 30th Street District Revenue Allocation Fund (urban renewal activities), Shoreline District Revenue Allocation Fund (urban renewal activities), Gateway East District Revenue Allocation Fund (urban renewal activities), Parking Fund (parking system activities), and the General Fund.

Notes to the Financial Statements

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

Agency-Wide Financial Analysis

Table 1 reflects the condensed fiscal year 2021 and fiscal year 2020 Statement of Net Position. Increases or decreases in Net Position value may vary significantly with variations in debt service payments, the timing of large public improvement projects, or the purchase or sale of land, buildings, and parking facilities. The Agency's total Net Position increased \$10,158,104 during fiscal year 2021.

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2021

Table 1
Statement of Net Position
As of September 30, 2021 and 2020

	<u>2020</u>	<u>2021</u>	<u>Percent Change 2020-2021</u>
Current and Other Assets	\$ 71,393,640	\$ 83,918,874	17.5%
Capital Assets	24,465,970	22,238,390	(9.1%)
Total Assets	95,859,610	106,157,264	10.7%
Deferred Outflows of Resources	308,161	566,373	83.8%
Long-Term Debt Outstanding	16,367,123	11,715,000	(28.4%)
Other Liabilities	1,433,898	1,787,942	24.7%
Total Liabilities	17,801,021	13,502,942	(24.1%)
Deferred Inflows of Resources	15,640,581	20,336,422	30.0%
Net Position			
Net Investment in			
Capital Assets	21,505,532	19,982,335	(7.1%)
Restricted	40,483,630	51,918,730	28.2%
Unrestricted	737,007	983,208	33.4%
Total Net Position	\$ 62,726,169	\$ 72,884,273	16.2%

Twenty-seven percent of the Agency's net position is invested in Capital Assets (i.e. land, buildings, equipment, parking facilities, and other, net of long term liabilities) with the remaining balance of net position to provide for ongoing obligations and subsequent year activities.

Table 2 provides a summary of the Agency's operations for the fiscal year ended September 30, 2021. Prior year data is presented for comparison purposes.

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2021

Table 2
Statement of Activities
For Years Ended September 30, 2021 and 2020

	<u>2020</u>	<u>2021</u>	<u>Percent Change 2020-2021</u>
Revenues			
Program Revenues			
Charges for Services	\$ 733,400	\$ 591,597	(19.3%)
Operating Grants and Contributions	614,549	2,563,586	317.1%
Parking	6,064,412	6,153,401	1.5%
Total Program Revenue	<u>7,412,361</u>	<u>9,308,584</u>	<u>25.58%</u>
General Revenue			
Property Tax Increment	16,560,513	17,718,915	7.0%
Unrestricted Investment			
Earnings	306,209	57,079	(81.4%)
Unrealized gain on Investments	-	3,910	100.0%
Gain (Loss) on Sale of Capital Assets	-	851,923	100.0%
Total Revenues	<u>24,279,083</u>	<u>27,940,411</u>	<u>15.08%</u>
Expenses			
Program Expenses			
Community Development	11,647,826	13,461,104	15.6%
Interest on Long-Term Debt	614,031	497,624	(19.0%)
Parking Facilities	3,785,844	3,823,579	1.0%
Total Program Expenses	<u>16,047,701</u>	<u>17,782,307</u>	<u>10.8%</u>
Increase in Net Position	8,231,382	10,158,104	23.4%
Net Position - Beginning	<u>54,494,787</u>	<u>62,726,169</u>	15.1%
Net Position - Ending	<u>\$ 62,726,169</u>	<u>\$ 72,884,273</u>	<u>16.2%</u>

Revenues: *Charges for Services* include lease revenues from the Ada County Courthouse Corridor Project and from properties held for redevelopment in Westside District, and from leasing activities in parking fund. *Operating Grants and Contributions* include various reimbursements from construction projects. *Parking* includes proceeds generated from operating the public parking garages. *General Revenues* include earnings on investments, unrealized gain on investments and gain on sale of assets. Overall, total Agency revenues increased \$3,661,328 compared with the prior year. Tax increment revenues increased \$1,158,402 compared to fiscal year 2020, due to the increase in property valuations and new construction in Agency urban renewal districts. Parking revenues

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2021

gradually recovered from the pandemic with an increase of \$88,989. One of the Agency owned and operated garages, Capitol & Front garage was sold on June 30, 2021. A total gain of \$851,923 was recorded from this sale.

Expenses: *Community Development* includes the general expenses of the Agency related to fulfilling its mission. *Interest on Long-Term Debt* includes the interest portion of payments related to long-term financing arrangements. *Parking Facilities* includes the cost of operating the public parking system. Overall, total Agency expenses in fiscal year 2021 increased \$1,734,606. The change was primarily due to the increase in community development projects.

Budgetary Highlights

The fiscal year 2021 budget was amended once during the year. The budget was decreased for amounts related to the timing of capital improvement projects that were continued into the next fiscal year or for capital improvement projects that were added, deleted or modified during the fiscal year.

Capital Assets

Tables 3 and 4 present the Agency's Capital Assets. During fiscal year 2021, the Agency started several projects in Agency-owned garages and the work continues through 2022. Therefore, a total of \$1,797,080 is recorded as construction in progress. These projects are: 9th & Front Garage Stairs Structural Repairs; 10th & Front Garage Structural Repairs; Garage Waterproofing; Garage Hand & Guard Rails Project; 10th & Front Garage Stair Tower Enclosure.

One of the Agency-owned garages, Capitol & Front Garage, was sold during 2021. Proceeds of \$3,965,428 was received and gain of \$851,923 was recorded from the sale. Land cost of \$504,716, building cost of \$5,375,125, improvement cost of \$55,915 were deleted from capital assets with the disposition. See additional information in Note 4.

Table 3
 Capital Assets Net of Depreciation

	<u>2020</u>	<u>2021</u>	<u>Total Dollar Change 2020-2021</u>
Land	\$ 3,943,660	\$ 3,438,944	\$ (504,716)
Construction in Progress	465,189	1,797,080	1,331,891
Building, Improvements and Equipment, net	20,057,121	17,002,366	(3,054,755)
Total Capital Assets	<u>\$ 24,465,970</u>	<u>\$ 22,238,390</u>	<u>\$ (2,227,580)</u>

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2021

Table 4
Major Capital Additions during Fiscal 2021

Beginning Balance	<u>\$ 24,465,970</u>
Capital Additions:	
Construction in Progress	1,734,561
Buildings, Improvements and Equipment	350,186
Total Capital Additions	<u>2,084,747</u>
Capital Deletions and transfers:	
Land	(504,716)
Buildings	(5,375,125)
Improvements other than Buildings	(55,915)
Equipment	-
Accumulated Depreciation for deletions	2,822,251
Total Capital Deletions	<u>(3,113,505)</u>
Current Year Depreciation	<u>(1,198,822)</u>
Ending Balance	<u><u>\$ 22,238,390</u></u>

Debt Amortization

Table 5 summarizes the principal amounts of the Agency's Long-Term Debt (See also Note 5 – Long-Term Debt). The changes in Long-Term Debt represent the scheduled principal payments on that debt.

Table 5
Long-Term Debt

Activity	Type	2020	2021	Total Dollar Change 2020-2021
2011 B	Note	\$ 4,930,000	\$ 3,780,000	\$ (1,150,000)
2017 A	Bond	7,455,000	5,655,000	(1,800,000)
2017 B	Bond	3,000,000	2,280,000	(720,000)
Total		<u><u>\$ 15,385,000</u></u>	<u><u>\$ 11,715,000</u></u>	<u><u>\$ (3,670,000)</u></u>

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2021

Economic Factors

CCDC, the urban renewal agency for Boise City, creates a five-year, fiscally responsible Capital Improvement Plan (CIP) as a predictable framework to collaborate with agencies and community partners to achieve economic and redevelopment goals that align with the long-term vision for City of Boise. The CIP is built in conjunction with the one-year budget to allocate limited resources by district to various capital improvement projects and participation program agreements. The plan is evaluated and revised periodically to make necessary adjustments as conditions change.

Highlights of each urban renewal district are as follows:

The River-Myrtle / Old Boise (RMOB) district is fast approaching its statutory termination year. CCDC's current 5-Year CIP, FY2021-25, encompasses RMOB's final five years and programs all projected revenues for a variety of public investments, working with partners and independently. The current locus of development activity in the district is east of Capitol Boulevard in and around Old Boise and along east, west arterials Myrtle and Front streets where several large apartment buildings are out-of-the-ground along with another hotel that is nearing completion.

The Westside district will sunset one year after RMOB, at the end of fiscal year 2026. The nine-story office tower at 11th & Idaho streets is now completed in FY2021. The developers are the owners of the Boise Plaza building on the adjacent block. Two-thirds of the north half of that block, bounded on the north by Bannock Street, has transformed to be the Cherie Buckner-Webb Park, a collaborative project between CCDC (\$3.0 million) and the city (\$1.4 million and owner / operator). This urban park provides a destination community space open to everyone. CCDC used Requests for Proposals to invite developers to propose tailored projects for a small, recently acquired parcel at 1715 Idaho Street (housing infill). The disposition of the parcel occurred on October 15, 2021 to the developer SMR Development LLC and it's expected to break ground for this 48 mixed-income units apartment building. CCDC used Requests for Proposals for the Brady Blocks (Block 68), the area around 11th & State streets. The Agency has received three responsive proposals for this Block 68 catalytic redevelopment project and currently formed a review committee for the evaluation process.

Two of the three major developments in the 30th Street District occupying the long-vacant parcels in the western Fairview Avenue area are now complete and occupied: New Path Community Housing (40 permanent supportive housing units) and Adare Manor (134 market rate to affordable housing units plus some retail). Construction on the St Luke's Regional Medical Center multi-story imaging center adjacent to Adare Manor is well underway.

Agency's newer urban renewal districts: Gateway East – the Agency's first industrial-focused, non-urban district – and Shoreline. Gateway East, located along I-84 between Micron and the Boise Airport, is off to a strong start due to its abundant, multi-mode transportation access and land availability. Shoreline, straddling the Boise River between Capitol Boulevard west to the Connector, is less a blank slate. Even with comparatively limited potential, it is an extraordinary location along the river and proximate to downtown that will attract high-caliber, urban development.

The Agency and the City of Boise established the State Street Urban Renewal District in November 2021. This new urban renewal district is to promote compact, mixed-use, mixed-income development along State Street between 27th Street and Horseshoe Bend Road and is supportive of and supported by transit. The District has a base valuation year of 2021 and an expiration date of December 31, 2041.

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2021

The Agency remains actively engaged with private developers and public agencies to make judicious use of its highly sought-after, catalytic, but limited, resources. CCDC has a distinguished record of and will continue to play a supporting yet indispensable role in the viability of many of the projects that have made this the city's premier era of growth and development.

Further Information Available

This financial report provides citizens, its governing board, appointing and confirming authorities, public and private partners, investors, creditors and legislators with an independent review of Agency finances. Contact Capital City Development Corporation at 121 N. 9th Street, Suite 501, Boise, ID 83702, 208-384-4264 (voice), www.ccdcboise.com with questions, comments or for additional information.

CAPITAL CITY DEVELOPMENT CORPORATION
STATEMENT OF NET POSITION
September 30, 2021

	Governmental Activities
ASSETS	
Cash and investments	\$ 53,857,599
Receivables	
Accounts receivable	803,610
Interest receivable	2,057
Taxes receivable	19,211,799
Prepays and deposits	48,178
Restricted cash	2,143,659
Property held for resale or development	7,816,817
Capital assets	
Land, non-depreciable	3,438,944
Construction in progress, non-depreciable	1,797,080
Buildings, improvements, and equipment, net of accumulated depreciation	17,002,366
Net Pension Asset	35,155
TOTAL ASSETS	<u>106,157,264</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on debt refunding	23,945
Deferred outflows related to pensions	542,428
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>566,373</u>
LIABILITIES	
Accounts payable	1,524,270
Accrued liabilities	168,082
Advanced revenues	40,310
Interest payable	31,254
Refundable deposits	24,026
Long-term debt	
Current portion	3,780,000
Long-term	7,935,000
TOTAL LIABILITIES	<u>13,502,942</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property tax	19,211,799
Deferred inflows related to pensions	1,124,623
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>20,336,422</u>
NET POSITION	
Net investment in capital assets	19,982,335
Restricted	51,918,730
Unrestricted	983,208
TOTAL NET POSITION	<u>\$ 72,884,273</u>

CAPITAL CITY DEVELOPMENT CORPORATION

STATEMENT OF ACTIVITIES

YEAR ENDED September 30, 2021

Functions / Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental activities					Governmental Activities
Community development	\$ 13,461,104	\$ 591,597	\$ 2,563,586	\$ -	\$ (10,305,921)
Interest on long-term debt	497,624	-	-	-	(497,624)
Parking facilities	3,823,579	6,153,401	-	-	2,329,822
Total	<u>\$ 17,782,307</u>	<u>\$ 6,744,998</u>	<u>\$ 2,563,586</u>	<u>\$ -</u>	<u>(8,473,723)</u>

General revenues:

Property tax increment	17,718,915
Unrestricted investment earnings	57,079
Unrealized gain (loss) on investments	3,910
Gain (Loss) on sale of capital assets	851,923
Total general revenues	<u>18,631,827</u>

Change in net position 10,158,104

Net position, Beginning of Year 62,726,169
 Net position, End of Year \$ 72,884,273

CAPITAL CITY DEVELOPMENT CORPORATION

BALANCE SHEET – GOVERNMENTAL FUNDS

September 30, 2021

	General Fund	Debt Service Fund	River Myrtle District RA Fund	Westside District RA Fund
ASSETS				
Cash and investments	\$ 1,200,080	\$ -	\$ 29,299,996	\$ 6,454,614
Accounts receivable	5,166	-	102,092	629,524
Interest receivable	2,057	-	-	-
Taxes receivable	-	-	10,521,108	4,178,884
Prepays	2,928	-	15,250	-
Restricted cash	-	-	232,274	-
Property held for resale or development	-	-	54,490	7,762,327
	<u>\$ 1,210,231</u>	<u>\$ -</u>	<u>\$ 40,225,210</u>	<u>\$ 19,025,349</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 56,013	\$ -	\$ 217,135	\$ 242,527
Accrued liabilities	168,082	-	-	-
Advanced revenues	-	-	-	-
Refundable deposits	-	-	-	24,026
Total liabilities	<u>224,095</u>	<u>-</u>	<u>217,135</u>	<u>266,553</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable- property tax	-	-	10,521,108	4,178,884
Total deferred inflows	<u>-</u>	<u>-</u>	<u>10,521,108</u>	<u>4,178,884</u>
FUND BALANCES				
Nonspendable	2,928	-	69,740	7,762,327
Restricted	-	-	29,417,227	6,817,585
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	983,208	-	-	-
Total fund balances	<u>986,136</u>	<u>-</u>	<u>29,486,967</u>	<u>14,579,912</u>
	<u>\$ 1,210,231</u>	<u>\$ -</u>	<u>\$ 40,225,210</u>	<u>\$ 19,025,349</u>

CAPITAL CITY DEVELOPMENT CORPORATION

BALANCE SHEET – GOVERNMENTAL FUNDS

September 30, 2021

30th Street District RA Fund	Shoreline District RA Fund	Gateway East District RA Fund	Parking Fund	Total Governmental Funds
\$ 2,060,076	\$ 321,464	\$ 1,664,911	\$ 12,856,457	\$ 53,857,598
-	-	-	66,828	803,610
-	-	-	-	2,057
1,680,179	465,077	2,366,551	-	19,211,799
-	-	-	30,000	48,178
-	-	-	1,911,385	2,143,659
-	-	-	-	7,816,817
<u>\$ 3,740,255</u>	<u>\$ 786,541</u>	<u>\$ 4,031,462</u>	<u>\$ 14,864,670</u>	<u>\$ 83,883,718</u>
\$ 226,288	\$ -	\$ 145,488	\$ 636,819	\$ 1,524,270
-	-	-	-	168,082
-	-	-	40,310	40,310
-	-	-	-	24,026
<u>226,288</u>	<u>-</u>	<u>145,488</u>	<u>677,129</u>	<u>1,756,688</u>
<u>1,680,179</u>	<u>465,077</u>	<u>2,366,551</u>	<u>-</u>	<u>19,211,799</u>
<u>1,680,179</u>	<u>465,077</u>	<u>2,366,551</u>	<u>-</u>	<u>19,211,799</u>
-	-	-	30,000	7,864,995
1,833,788	321,464	1,519,423	1,411,383	41,320,870
-	-	-	500,000	500,000
-	-	-	12,246,158	12,246,158
-	-	-	-	983,208
<u>1,833,788</u>	<u>321,464</u>	<u>1,519,423</u>	<u>14,187,541</u>	<u>62,915,231</u>
<u>\$ 3,740,255</u>	<u>\$ 786,541</u>	<u>\$ 4,031,462</u>	<u>\$ 14,864,670</u>	<u>\$ 83,883,718</u>

CAPITAL CITY DEVELOPMENT CORPORATION
RECONCILIATION OF NET POSITION IN THE STATEMENT OF NET POSITION TO THE FUND BALANCE IN THE
BALANCE SHEET
September 30, 2021

Amounts reported for *governmental activities* in the Statement of Net Position are different because:

Total fund balance		\$ 62,915,231
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of land	3,438,944	
Cost of construction in progress	1,797,080	
Cost of buildings, improvements, equipment and artwork	33,072,837	
Accumulated depreciation	<u>(16,070,471)</u>	22,238,390
Net pension asset is not a current financial resource and therefore is not reported in the funds, but is reported on the Statement of Net Position.		35,155
Interest is expensed when paid on the Statement of Revenues, Expenditures and Changes in Fund Balances but is accrued as a payable on the Statement of Net Position.		(31,254)
Proceeds from the theater parking validation agreement were recorded as revenue when received and available on the governmental fund statements however were amortized over the life of the agreement as advanced lease payments on the Statement of Net Position.		
Theater validation proceeds	(1,741,920)	
Revenue amortized to date	<u>1,741,920</u>	-
Long-term liabilities applicable to the Agency's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Position.		
Bonds payable - current	(3,780,000)	
Bonds payable - long-term	<u>(7,935,000)</u>	(11,715,000)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions:		
Changes of assumptions	403,533	
Contributions made subsequent to measurement date	42,041	
Changes in proportionate share	45,058	
Differences between expected and actual experience	<u>51,796</u>	542,428
Deferred inflows of resources related to pensions:		
Net difference between projected and actual investment earnings on pension plan investments	(1,104,188)	
Differences between expected and actual experience	<u>(20,434)</u>	(1,124,622)
Deferred charge on debt refunding		
Deferred economic loss on 2017 B Bonds	<u>23,945</u>	<u>23,945</u>
Net position for governmental activities		<u>\$72,884,273</u>

CAPITAL CITY DEVELOPMENT CORPORATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	General Fund	Debt Service Fund	River Myrtle District RA Fund	Westside District RA Fund
REVENUES				
Lease	\$ -	\$ 104,850	\$ -	\$ 123,275
Interest	3,148	-	30,506	8,402
Unrealized gain on investments	80	-	2,111	469
Other	62,862	-	470,180	2,028,078
Parking	-	-	-	10,650
Revenue allocation funds	-	-	10,834,662	4,166,300
	<u>66,090</u>	<u>104,850</u>	<u>11,337,459</u>	<u>6,337,174</u>
EXPENDITURES				
Administrative expenses	2,891,118	-	-	-
Operating expenses	672,821	104,850	496,956	269,740
Capital outlay and related expenses	26,570	-	3,127,577	5,450,946
Debt service - principal	-	-	2,520,000	-
Debt service - interest	-	-	257,556	-
	<u>3,590,509</u>	<u>104,850</u>	<u>6,402,089</u>	<u>5,720,686</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,524,419)</u>	<u>-</u>	<u>4,935,370</u>	<u>616,488</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	3,773,548	-	(830,338)	(805,439)
Proceeds from sales of capital assets	-	-	-	-
	<u>3,773,548</u>	<u>-</u>	<u>(830,338)</u>	<u>(805,439)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,773,548</u>	<u>-</u>	<u>(830,338)</u>	<u>(805,439)</u>
NET CHANGE IN FUND BALANCES	249,129	-	4,105,032	(188,951)
FUND BALANCES, BEGINNING OF YEAR	<u>737,007</u>	<u>-</u>	<u>25,381,935</u>	<u>14,768,863</u>
FUND BALANCES, END OF YEAR	<u>\$ 986,136</u>	<u>\$ -</u>	<u>\$ 29,486,967</u>	<u>\$ 14,579,912</u>

CAPITAL CITY DEVELOPMENT CORPORATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

30th District RA Fund	Shoreline District RA Fund	Gateway East District RA Fund	Parking Fund	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 363,472	\$ 591,597
2,063	281	992	11,687	57,079
156	39	117	938	3,910
-	-	-	2,466	2,563,586
-	-	-	6,130,654	6,141,304
<u>961,780</u>	<u>267,800</u>	<u>1,488,373</u>	<u>-</u>	<u>17,718,915</u>
<u>963,999</u>	<u>268,120</u>	<u>1,489,482</u>	<u>6,509,217</u>	<u>27,076,391</u>
-	-	-	-	2,891,118
258	28,041	1,039	2,186,665	3,760,370
400,617	-	148,722	2,565,077	11,719,509
-	-	-	1,150,000	3,670,000
-	-	-	234,175	491,731
<u>400,875</u>	<u>28,041</u>	<u>149,761</u>	<u>6,135,917</u>	<u>22,532,728</u>
<u>563,124</u>	<u>240,079</u>	<u>1,339,721</u>	<u>373,300</u>	<u>4,543,663</u>
(300,209)	(94,038)	(336,820)	(1,406,704)	-
-	-	-	3,965,428	3,965,428
<u>(300,209)</u>	<u>(94,038)</u>	<u>(336,820)</u>	<u>2,558,724</u>	<u>3,965,428</u>
262,915	146,041	1,002,901	2,932,024	8,509,091
<u>1,570,873</u>	<u>175,423</u>	<u>516,522</u>	<u>11,255,517</u>	<u>54,406,140</u>
<u>\$ 1,833,788</u>	<u>\$ 321,464</u>	<u>\$ 1,519,423</u>	<u>\$ 14,187,541</u>	<u>\$ 62,915,231</u>

CAPITAL CITY DEVELOPMENT CORPORATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Net change in fund balances - total governmental funds		\$ 8,509,091
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Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	2,084,748	
Proceeds from sale of capital assets	(3,965,428)	
Gain (loss) from sale of capital assets	851,923	
Depreciation	<u>(1,198,822)</u>	(2,227,579)

Proceeds from the prepaid theatre validations were recorded as revenue when received on the Governmental Fund Statements but amortized over the life of the theatre validation agreement for the Statement of Activities and recorded as unavailable revenue on the Statement of Net Position.		12,097
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Amortize deferred economic gain (loss) on refunded debt		
2017 B Refunding	<u>(15,617)</u>	(15,617)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but a reduction of long-term liabilities in the statement of net position. In addition, interest expense is not recognized in the governmental funds until it is legally due, but is recognized when incurred and payable in the Statement of Activities.

Princial payments of long-term debt	3,670,000	
Change In Interest payable	<u>9,724</u>	3,679,724

In the Governmental funds, pension contributions are considered an expense, while on the Statement of Activities the contributions are considered a deferred outflow because they are made subsequent to the measurement date. The cost of pension benefits earned net of employee contribution is reported as pension expense.

Adjustments to pension contribution	197,494	
Pension expense related to net pension liability	<u>2,894</u>	<u>200,388</u>

Changes in net position of governmental activities		<u>\$ 10,158,104</u>
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CAPITAL CITY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

Capital City Development Corporation (the Agency) is an urban renewal agency created by the City of Boise (the City) under the Idaho Urban Renewal Law of 1965, as amended, and is an independent public body, corporate and politic. The Agency provides urban renewal services to the City of Boise and its citizens but is not a component unit of the City. The commissioners are appointed by the Mayor and approved by City Council. These statements present only the funds and account groups of the Agency in conformity with generally accepted accounting principles.

Urban Renewal Districts

The Agency currently has five urban renewal districts: River Myrtle/Old Boise District, Westside District, 30th Street District, Shoreline District, and Gateway East District.

River Myrtle/Old Boise District – the City’s largest district, was established in 1996 and will end in fiscal year 2025.

Westside District – was established in 2003 and will end in fiscal year 2026.

30th Street District –was established in 2014 and will end in fiscal year 2033.

Shoreline District –was established in 2019 and will end in fiscal year 2039.

Gateway East District –was established in 2019 and will end in fiscal year 2039.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position) report information on all of the non-fiduciary activities of the Agency. For the most part, the effect of inter-fund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, service or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2021

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The Agency reports the following major governmental funds:

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. This fund currently accounts for the activities related to the Ada County Courthouse Corridor project ground lease transactions.

River Myrtle/Old Boise District Revenue Allocation Special Revenue Fund – The River Myrtle/Old Boise District accounts for the revenues derived from the revenue allocation area within the River Myrtle/Old Boise District and was established as a funding mechanism to provide public infrastructure improvements. The revenues are first pledged to repay the Series 2017 A Redevelopment Bond, the 2017 B Refunding Redevelopment Bond and the 2011 B Revenue Refunding Note. Revenues may only be expended in accordance with the provisions of the urban renewal statutes.

Westside Revenue District Allocation Special Revenue Fund – The Westside District accounts for the revenues derived from the revenue allocation area within the Westside District and was established as a funding mechanism to provide public infrastructure improvements. Revenues may only be expended in accordance with the provisions of the urban renewal statutes.

30th Street District Revenue Allocation Special Revenue Fund - The 30th Street District accounts for the revenues derived from the revenue allocation area within the 30th Street District and was established as a funding mechanism to provide public infrastructure improvements. Revenues may only be expended in accordance with the provisions of the urban renewal statutes.

Shoreline District Revenue Allocation Special Revenue Fund - The Shoreline District accounts for the revenues derived from the revenue allocation area within the Shoreline District and was established as a funding mechanism to provide public infrastructure improvements. Revenues may only be expended in accordance with the provisions of the urban renewal statutes.

Gateway East District Revenue Allocation Special Revenue Fund - The Gateway East District accounts for the revenues derived from the revenue allocation area within the Gateway East District and was established as a funding mechanism to provide public infrastructure improvements. Revenues may only be expended in accordance with the provisions of the urban renewal statutes.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2021

Parking Special Revenue Fund – This fund includes the parking activities of the Agency’s six structure public parking facilities and the 250 parking spaces acquired at 11th & Front garage in fiscal year 2018. The six structure public parking facilities are: Capitol & Front garage (formerly named Boulevard garage), Capitol & Main garage (formerly Capitol Terrace), 9th & Front garage (formerly City Centre), 9th & Main garage (formerly Eastman), 10th & Front garage (formerly Grove Street) and Capitol & Myrtle garage (formerly Myrtle Street). The revenues of the Parking Fund are pledged to support the operations of the Fund. Net parking revenues are otherwise unrestricted and are used for repayment of the Series 2011 B, 2017 A and 2017 B debt, parking system operations and maintenance and are also available for general Agency use.

General Fund – This fund includes the personnel costs for Agency staff, general office operations as well as downtown-wide activities and program delivery.

As mentioned the effect of inter-fund activity has generally been eliminated from the government-wide financial statements. Amounts reported as program revenues include: 1) charges for services, or privileges provided, 2) operating grants and contributions (which includes various reimbursements), and 3) capital grants and contributions (which includes reimbursement from Ada County for the Courthouse Corridor development project). Internally dedicated resources are reported as general revenues rather than as program revenues. When applying revenues to a program for which unrestricted and restricted revenues are used, restricted revenues are applied first.

Cash and Cash Equivalents

Cash represents all cash on hand and in banks. Investments with original maturities of three months or less from the date of acquisition are also considered cash and cash equivalents.

Investments

Investments are stated at fair value, as determined by quoted market prices, except for any certificates of deposit, which are non-participating contracts, and are therefore carried at amortized cost. Interest earned is allocated on a basis of average investment balance. Idaho Code provides authorization for the investment of funds as well as to what constitutes an allowable investment. The Agency policy for investment of idle funds is consistent with Section 50-1013, Idaho Code.

Idaho Code limits investments of public funds to the following general types:

Certain revenue bonds, general obligation bonds, local improvement district bonds and registered warrants of state and local governmental entities.

Time deposit accounts, tax anticipation and interest-bearing notes.

Bonds, treasury bills, debentures, or other similar obligations of the United States Government and United States Government Agencies.

Repurchase agreements secured by the above.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2021

Custodial Credit Risk

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party. The Agency limits its investments to institutions that are registered with the State of Idaho Department of Finance that adhere to the Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). Non-bank broker/dealer firms and individuals doing business with the Agency must be registered with the National Association of Securities Dealers.

At year end, the carrying amount of the Agency's deposits were \$35,238,130 and the bank balance was \$35,271,688. Of the bank balance \$250,000 was covered by federal depository insurance; in addition Federal Home Loan Bank of Cincinnati issued a letter of credit that would allow the Agency to draw up to \$47,000,000 or the amount of the deposit balance, in the event of bank default. All cash is held in national financial institutions located in Ada County.

Concentration of Credit Risk

Per GASB Statement No. 40, *Concentration of Credit Risk* is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Agency's policy is to avoid concentration in securities from a specific issuer or business sector other than U.S. Securities. However, the policy does not specifically limit the concentration in any single issuer. No single issuer exceeded 5% of the Agency's total investments.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely impact the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The weighted average maturity of the Local Government Investment Pool is 133 days as of September 30, 2021.

Property Taxes (Tax Increment Revenue) Receivable

Property taxes are recognized as revenue when the amount of taxes levied is measurable, and proceeds are available to finance current period expenditures.

Available tax proceeds include property tax receivables expected to be collected within sixty days after year end. Property taxes attach as liens on properties on January 1, and are levied in September of each year. Tax notices are sent to taxpayers during November, with tax payments scheduled to be collected on or before December 20. Taxpayers may pay all or one half of their tax liability on or before December 20, and if one half of the amount is paid, they may pay the remaining balance by the following June 20. Since the Agency is on a September 30 fiscal year end, property taxes levied during September for the succeeding year's collection are recorded as unearned revenue at the Agency's year end and recognized as revenue in the following fiscal year. Ada County bills and collects taxes for the Agency.

CAPITAL CITY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

The Agency received property taxes during the current fiscal year in the amounts of \$10,834,662 from the River-Myrtle/Old Boise District, \$4,166,300 from the Westside District and \$961,780 from 30th Street District, \$267,800 from Shoreline District, and \$1,488,373 from Gateway East District.

Accounts Receivable

The Agency provides credit based on contractual agreements in the normal course of business. An allowance for doubtful accounts is based on management's review of the outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are past due based on the terms of the contracts and interest is charged on overdue receivables on a case-by-case basis as allowed by the contracts. Based on management's review of accounts receivable, no allowance was deemed necessary as of September 30, 2021.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000. Assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Depreciation is computed using the straight-line method, over the estimated useful lives of the assets as follows:

	Estimated Useful <u>Life (Years)</u>
Buildings	30 - 45
Improvements	10 - 45
Parking equipment	7
Office furniture and equipment	3 - 10

Property Held for Resale or Development

Property held for resale or development includes several properties in the River Myrtle/Old Boise and Westside Districts and reflected in the accompanying balance sheets. In furtherance of the Agency's purpose of redeveloping downtown Boise, these properties may be disposed of for consideration that is substantially less than carrying value.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, 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

CAPITAL CITY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

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.

Deferred Outflows/Inflows of Resources and Unavailable Revenue

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency has two items that qualify for reporting in this category. The first item is the deferred charge on refunding reported in the Government-Wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is the deferred inflows related to pensions reported in the Government-Wide Statement of Net Position. See Note 6 for details of deferred inflows related to pensions.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods, so will not be recognized as an inflow of resources (revenue) until that time. The Agency has two items that qualify for reporting in this category. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is the deferred inflows related to pensions reported in the Government-Wide Statement of Net Position. See Note 6 for details of deferred inflows related to pensions.

Fund Equity

The Agency established accounting policies related to GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement redefines the elements of fund balance in governmental funds and more clearly describes the different types of governmental funds to make the nature and extent of the constraints placed on a government's fund balance more transparent. Accordingly, the beginning fund balance of certain government funds have been restated. The governmental fund types classify fund balances as follows:

Fund balance is reported as nonspendable when the resources cannot be spent because they are either legally or contractually required to be maintained intact, or are in a nonspendable form such as inventories, prepaid accounts, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the Agency Board of Commissioners passes an ordinance or resolution that places specific constraints on how the resources may be used. The Board of Commissioners can modify or rescind the ordinance or resolution at any time through passage of an additional ordinance or resolution, respectively.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2021

Fund balance is reported as assigned when it is intended for a specific purpose and the authority to “assign” is delegated to the Agency’s Executive Director.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

The Board of Commissioners is the Agency’s highest level of decision making authority. The Board adopted the Fund Balance Policy that recommends a spending order of restricted, committed, assigned and then unassigned unless the Board approves otherwise.

Per the guidance in the policy, the Board established that an emergency repair reserve in the minimum amount of \$500,000 shall be on hand as of September 30th of each fiscal year in the Parking fund. Funds within this reserve may be used intra-fiscal year for unforeseen, non-routine repair and maintenance expenditures in the garages when failure to do such repair and maintenance could adversely affect life safety or the ability to operate the garage(s) normally in the immediate future. The Board will evaluate the emergency repair reserve amount as part of each fiscal year’s budget process and may amend the amount by resolution as it deems appropriate. The balance in the Parking Emergency Repair Reserve fund as of September 30, 2021 was \$500,000.

The Board further determined that it may be appropriate to set aside funds apart from working capital for a future project or initiative pursuant generally to the budget and related documents such as the capital improvement plan and parking reinvestment program. The Board delegated its authority to assign funds in this manner to the Executive Director. As of September 30, 2021, \$12,246,158 was assigned in the Parking fund for parking reinvestment projects and commitments budgeted in fiscal year 2021.

Estimates

The preparation of the Agency's financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in the report relate to the estimated net pension liability. It is reasonably possible that the significant estimates used will change within the next year.

Note 2 - Restricted Assets

The Agency has five revenue allocation funds, one for each of its four revenue allocation districts. Title 50, Chapter 20 and Chapter 29 of Idaho Code delineates the purposes for which revenue allocation funds may be spent by urban renewal agencies, along with the purposes set forth in the Agency’s several urban renewal plans. Since the use of funds is proscribed in statute, the fund balance of the revenue allocation funds is considered restricted under the definitions provided in GASB Statement 54. Therefore, fund balance in its entirety is reported as restricted on the fund financial statements.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2021

Restricted fund balances as of September 30, 2021:

River Myrtle District Revenue Allocation Fund	\$ 29,417,227
Westside District Revenue Allocation Fund	6,817,585
30th Street District Revenue Allocation Fund	1,833,788
Shoreline District Revenue Allocation Fund	321,464
Gateway East District Revenue Allocation Fund	1,519,423
Parking Fund	1,411,383

The restricted balance in the Parking fund is restricted for reserves on the outstanding bonds. Restricted assets consist of cash and investments held by the Agency's agent in the Agency's name. Investments are generally held until maturity. The bond resolutions limit investments to certain types of securities which meet defined standards.

Note 3 - Interfund Transfers

Interfund transfers are made for one primary purpose. Transfers are made as a method of allocating the costs of program operations to their respective funds. The program operations costs are shown in the General Fund.

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2021, was as follows:

	September 30, 2020	Additions	Deletions	Transfers	September 30, 2021
Governmental Activities					
<i>Capital assets, not depreciated</i>					
Land	\$ 3,943,660	\$ -	\$ (504,716)	\$ -	\$ 3,438,944
Construction in progress	465,189	1,734,561	-	(402,670)	1,797,080
	<u>4,408,849</u>	<u>1,734,561</u>	<u>(504,716)</u>	<u>(402,670)</u>	<u>5,236,024</u>
<i>Capital assets, depreciated</i>					
Buildings	33,164,164	-	(5,375,125)	-	27,789,039
Improvements other than buildings	4,077,605	341,297	(55,915)	402,670	4,765,657
Equipment	509,252	8,889	-	-	518,141
Total	<u>37,751,021</u>	<u>350,186</u>	<u>(5,431,040)</u>	<u>402,670</u>	<u>33,072,837</u>
<i>Less accumulated depreciation</i>					
Buildings	(14,674,339)	(692,753)	2,777,145	-	(12,589,947)
Improvements other than buildings	(2,668,679)	(408,887)	45,106	-	(3,032,460)
Equipment	(350,882)	(97,182)	-	-	(448,064)
Total	<u>(17,693,900)</u>	<u>(1,198,822)</u>	<u>2,822,251</u>	<u>-</u>	<u>(16,070,471)</u>
<i>Total depreciated capital assets, net</i>	<u>20,057,121</u>	<u>(848,636)</u>	<u>(2,608,789)</u>	<u>402,670</u>	<u>17,002,366</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 24,465,970</u>	<u>\$ 885,925</u>	<u>\$(3,113,505)</u>	<u>\$ -</u>	<u>\$ 22,238,390</u>

CAPITAL CITY DEVELOPMENT CORPORATION
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Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities	
Parking	\$ 1,147,692
Community Development	51,130

Note 5 - Long-Term Debt

At September 30, 2021, long-term debt consists of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Government activities					
2011 B	\$ 4,930,000	\$ -	\$ (1,150,000)	\$ 3,780,000	\$ 1,200,000
2017 A	7,455,000	-	(1,800,000)	5,655,000	1,840,000
2017 B	<u>3,000,000</u>	<u>-</u>	<u>(720,000)</u>	<u>2,280,000</u>	<u>740,000</u>
	<u>\$ 15,385,000</u>	<u>\$ -</u>	<u>\$ (3,670,000)</u>	<u>\$ 11,715,000</u>	<u>\$ 3,780,000</u>

The 2011 B Revenue Refunding Note was issued through the Boise City Housing Authority, is tax exempt but subject to the alternative minimum tax and has a fixed rate of 4.75% and matures on September 1, 2024.

The Series 2017 A Bond is tax exempt with a fixed rate of 2.32% that matures on September 1, 2024.

The Series 2017 B Bond is tax exempt with a fixed rate of 2.82% that matures on September 1, 2024.

There are certain restrictive covenants, coverage requirements and ratios associated with the Agency's bonds and notes. As of September 30, 2021, the Agency is in compliance with these requirements.

The annual requirements to retire the debt for the 2011 B Note, 2017 A Bond and 2017 B Bond as of September 30, 2021 are shown below.

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 3,780,000	\$ 375,042
2023	3,905,000	254,486
2024	<u>4,030,000</u>	<u>129,472</u>
Total	<u>\$ 11,715,000</u>	<u>\$ 759,000</u>

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Note 6 - Pension Plan

Plan Description

The Agency contributes to the Public Employee Retirement System of Idaho (PERSI or System) Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by the PERSI Retirement Board. The Base Plan covers substantially all employees of the State of Idaho and a variety of participating local and special district political subdivisions. As a special purpose unit of local government the Agency is an eligible public employer and Agency employees are eligible public employees. 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. That report may be obtained at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the PERSI Retirement 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, but 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 for 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. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees. As of June 30, 2021 it was 7.16% for general employees. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees.

The Agency's contributions were \$189,895 for the year ended September 30, 2021.

CAPITAL CITY DEVELOPMENT CORPORATION
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At September 30, 2021, the Agency reported a liability for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of July 1, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability (asset) was based on the Agency's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At July 1, 2021, the Agency's proportion was 0.0445123% compared with 0.0422940% at July 1, 2020.

For the year ended September 30, 2021, the Agency recognized pension expense of \$2,894. At September 30, 2021, the Agency 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
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 51,796	\$ 20,434
Changes in assumptions or other inputs	403,533	-
Net difference between projected and actual earnings on pension plan investments	-	1,104,188
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	45,058	-
Agency's contributions subsequent to the measurement date	<u>42,041</u>	<u>-</u>
Total	<u>\$ 542,428</u>	<u>\$ 1,124,622</u>

An amount reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date totaling \$42,041 will be recognized as a reduction of the net pension liability (asset) in the year ending September 30, 2022.

The average of the expected remaining service lives of all employees that are provided with pensions through the Base Plan (active and inactive employees) determined at July 1, 2020 the beginning of the measurement period ended June 30, 2021 is 4.6 years.

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

<u>Years Ended September 30,</u>	
2022	\$ (140,826)
2023	(128,312)
2024	(114,656)
2025	(240,441)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of normal payroll 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 (asset) 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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30 percent
Salary increases including inflation	3.05 percent
Investment rate of return-net of investment fees	6.35 percent
Cost of living (COLA) adjustments	1.00 percent

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2021.

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%
Teachers - Males	Pub-2010 Teacher Tables, increased 12%
Teachers - Females	Pub-2010 Teacher Tables, increased 21%
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%

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.

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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.

Capital Market Assumptions from Callen 2021

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	1.80%	-0.20%
Broad US Equities	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.52%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%

Investment Policy Assumptions from PERSI November 2019

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

Economic/Demographic Assumptions from Milliman 2018

Valuation Assumptions Chosen by PERSI Board	
Long-Term Expected Real Rate of Return, Net of Investment Expenses	4.05%
Assumed Inflation	2.30%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	6.35%

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Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.35%. The projection of cash flows is 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 (asset). The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

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

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	<u>\$ 1,222,059</u>	<u>\$ (35,155)</u>	<u>\$ (1,065,719)</u>

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 at www.persi.idaho.gov.

Payables to the Pension Plan

At September 30, 2021, the Agency reported payables to the defined benefit pension plan of \$6,046 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Defined Contribution – PERSI Choice 401(k)

Employees of the Agency participating in the PERSI Base Plan may enroll in the PERSI Choice 401(k) defined contribution retirement savings plan available to active members. Participation is voluntary. The PERSI Choice 401(k) is intended to be a governmental plan within the meaning of Code Section 414 (d) and within the meaning of section 3(32) of the Employee Retirement Income Security Act (ERISA) and as such, is exempt from provisions of Title I ERISA. The Agency will match participants' contributions in the PERSI Choice 401(k) up to 4% of base annual salary. A participant shall be 100% vested in their individual account at all times. The authority of the benefit and contribution terms are established and amended by the PERSI Board. The Agency recognized \$60,445

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contributions to the PERSI Choice 401(k) as benefits expense during the year ended September 30, 2021. The Agency recognized \$0 for the employer's liability outstanding for contributions for the period ended September 30, 2021.

Note 7 - Leases

Advance Lease Payments

In 2008, the Agency entered into an agreement with Bodo Development, LLC to provide theatre parking validation through November 30, 2020. All funds for this agreement were received by the Agency in the initial year of the agreement. This revenue is being amortized ratably over the life of the agreement on the Government-Wide Financial Statements.

Lease Expense

The Agency is a party to the following operating leases:

The Agency renewed the lease for its office space on October 1, 2021. The lease term expires on September 30, 2026. Monthly rent is \$14,145 for the first two years, \$14,499 for the third year, \$14,859 for the fourth year and \$15,234 for the fifth year. A one-time allowance of \$84,870 is provided by the landlord and may use for tenant improvements, rent and leasing fees.

The Agency entered into the lease for Trailhead office space on February 1, 2015. Trailhead is a non-profit entrepreneurial resource center supported by the Agency, City of Boise and private sector partners. The original lease term expired on January 31, 2020 and it was renewed through April 30, 2022. Current monthly rent is \$15,250.

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Lease Other

In fiscal year 2016, the Agency entered into a Termination Agreement and Mutual Release with Civic Partners Idaho, LLC and Ada County. The Termination Agreement terminates the Sublease Agreements with Civic Partners and all interest that Civic Partners has in and to the subleased properties. In fiscal year 2021, the Agency made a total payment of \$172,122 for rent. These payments and future payments of the rent for the parcels that Civic Partners defaulted on in 2016 allow the Agency to retain full lessee authority concerning the units and parcels under the two ground leases. Total ground lease expense for the year ended September 30, 2021, was \$276,972.

	<u>Master Ground</u>	<u>Office Facility</u>
2022	\$ 282,044	\$ 276,490
2023	295,672	169,740
2024	368,853	173,988
2025	374,125	178,308
2026	380,013	182,808
2027-2031	1,432,554	-
2032-2036	565,580	-
2037-2041	655,666	-
2042-2046	760,091	-
2047-2051	881,144	-
2052-2056	1,021,499	-
2057-2061	1,184,202	-
2062-2066	1,372,809	-
2067-2071	1,591,462	-
2072-2076	1,844,940	-
2077-2081	2,138,793	-
2082-2086	2,479,451	-
2087-2091	2,874,362	-
2092-2096	3,332,172	-
2097-2098	1,103,505	-
	<u>\$ 24,938,937</u>	<u>\$ 981,334</u>
Total	<u>\$ 24,938,937</u>	<u>\$ 981,334</u>

Note 8 - Commitments and Contingencies

The Agency entered into a Memorandum of Understanding (MOU) and related agreements with the City of Boise for the non-profit Trailhead Entrepreneurial Resource Center. The Agency and the City have been working together to encourage private investment within the City by facilitating business education, connecting entrepreneurs to resources, and working to increase the interaction between entrepreneurs and local businesses located in downtown Boise. Trailhead was established in February 2015 by the Agency and the City to accomplish this goal. The Agency agreed to take responsibility for the rent and maintenance of the office space occupied by Trailhead at 500 South 8th Street. See Note 7 for details of the lease for Trailhead office space. During the fiscal year 2021, a total of \$183,000 has been made for rent. As of September 30, 2021, a total of \$1,154,675 has been paid to landlord and other vendors since the MOU was executed.

The Agency entered into an Owner's Participation Agreement (OPA) and related agreements with Pennbridge Bodo, LLC, the developer of the Residence Inn by Marriott – a 10-story extended stay hotel of approximately 186

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hotel rooms, conference room, fitness area, pool, a third floor patio and bar, and 103 parking spaces in the River-Myrtle/Old Boise District. The project was estimated by the developer to have a total value of \$25 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$875,897 for public improvements over the course of four years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project was completed in fall 2017. Payments are expected to be made over four years from fiscal year 2019 to 2022. During the fiscal year 2021, a total of \$315,903 was paid. As of September 30, 2021, total payments of \$854,248 have been made.

The Agency entered into an OPA and related agreements with Boise Hotel Investors, LLC, the developer of the Hyatt Place – a 5-story hotel of approximately 150 hotel rooms, conference rooms, fitness area, spa, and eating area in the Westside District. The project was estimated by the developer to have a total value of \$20 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$452,463 for public improvements over the course of four years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project completed in summer 2017. Payments are expected to be made over four years from fiscal year 2019 to 2022. During the fiscal year 2021, a total of \$88,599 was paid. As of September 30, 2021, total payments of \$281,372 have been made.

The Agency entered into an OPA and related agreements with 5th and Idaho Development, LLC, the developer of the 5th and Idaho Apartments (The Gibson), a mixed-use, 5-story project consisting of approximately 81 studio one and two bedroom apartments, 82 underground parking stalls, 3,000 square feet of retail space, and a 3,600 square foot public park facing Idaho Street in the River-Myrtle/Old Boise District. The project was estimated by the developer to have a total value of \$13 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$1,155,000 for public improvements over the course of four years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project started construction in the fall of 2017 and completed in 2019. During the fiscal year 2021, a total of \$172,451 was paid. As of September 30, 2021, total payments of \$1,087,046 have been made.

The Agency entered into an OPA and related agreements with BVGC Parcel B, LLC, the developer of Pioneer Crossing (previously known as Parcel B), a completed mixed-use development consisting of retail space, office space, other commercial uses and an 839-space parking garage in the River-Myrtle/Old Boise District. The project was estimated by the developer to have a total value of \$46 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$9,688,625 for public improvements (\$4,288,625) and purchase of 250 parking spaces (\$5,400,000) to be available to the public in the 11th and Front parking garage. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. During fiscal year 2021, a payment of \$640,282 was made for the public improvements reimbursement. As of September 30, 2021, total payments of \$6,929,155 have been made.

The Agency entered into a Type 4 Capital Improvements Reimbursement Agreement with Northwest Integrity Housing Co., an Idaho nonprofit corporation (NIHC) and a Type 2 General Assistance Participation Agreement with Adare Manor, LLC, an Idaho Limited Liability Company. NIHC is Managing Member for the Adare Manor Apartments, a mixed-use project including retail space along Fairview Avenue and 25th Street and 134 units affordable housing in the 30th Street District. The project is estimated by the developer to have a total value of \$20.5 million upon completion. The Agency's financial participation was an anticipated amount not to exceed \$563,598 for public improvements (\$285,196) over the course of four years after the project is complete and for

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undergrounding utilities improvement (\$278,402). The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project completed in 2019. During fiscal year 2021, a total of \$87,122 has been paid to the developer for the Type 2 General Assistance Participation Agreement. As of September 30, 2021, total payments of \$365,524 have been made.

The Agency entered into a Type 3 Transformative Assistance Agreement and a parking permit purchase agreement with Front Street Investors, LLC, the developer of 6th and Front project, a mixed-use development consisting of a 7-story hotel with 138 rooms and a parking garage with 540 parking spaces in the River-Myrtle/Old Boise District. The project is estimated by the developer to have a total value of \$43 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$4,088,439 for public improvements (\$1,568,439) over the course of four years after the project is complete and purchase of 200 monthly parking permits for seven years for public parking (\$2,520,000). The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The garage portion of the project was completed in 2020 and the hotel is expected to be completed in 2021. During fiscal year 2021, a total of \$360,000 has been made with the purchase of 200 monthly parking permits and a total of \$330,000 has been made with the Type 3 public improvement reimbursement. As of September 30, 2021, total payments of \$840,000 have been made.

The Agency entered into an OPA and related agreements in fiscal year 2019 with The Cartee Project, LLC, the developer of The Cartee – a 163-unit, 8-floor residential apartment project in the River-Myrtle/Old Boise District and the city's Central Addition area. The project is now known as Hearth Apartments. The project is estimated by the developer to have a total value of \$48 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$1,394,035 for public improvements over the course of three years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project started construction in July 2019 and is expected to complete in late 2021. Payments are expected to be made over three years from fiscal year 2023 to 2025. As of September 30, 2021, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2019 with Boise Caddis, LLC, the developer of Boise Caddis – a 173-unit residential apartment project with 394 structured parking spaces and 4,000 square feet of ground floor retail space in the River-Myrtle/Old Boise District and in Boise's Central Addition district. The project is now known as Jules on 3rd Apartments. The project is estimated by the developer to have a total value of \$31 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$1,122,334 for public improvements over the course of four years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project started construction in fall 2019 and completed in summer 2021. Payments are expected to be made over four years from fiscal year 2022 to 2025. As of September 30, 2021, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2019 with 11th & Idaho Partners, LLC, the developer of 11th & Idaho Office Building – 9-stories with approximately 10,000 square feet of lobby, retail and office space on the ground floor, approximately 170,000 square feet of floor 2 to 9 being Class A office space in the Westside District. The project is estimated by the developer to have a total value of \$40 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$740,690 for public improvements over the course of three years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project started construction in August 2019 and completed in 2021. Payments are expected to be made over three years from fiscal year 2022 to 2024. As of September 30, 2021, no payments have been made.

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The Agency entered into an OPA and related agreements in fiscal year 2020 with CDG Acquisitions, LLC, the developer of a mixed-use building on 204 and 270 E Myrtle Street consisting of approximately 249 rental apartments, indoor and outdoor community amenities, 7,800 square feet of ground floor retail and a 353 space structured parking garage. The project is in the River-Myrtle/Old Boise District. The project is estimated by the developer to have a total value of \$52 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$988,276 for public improvements over the course of three years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project is expected to start construction in November 2020 and is expected to complete in winter 2022. Payments are expected to be made over three years from fiscal year 2023 to 2025. As of September 30, 2021, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2020 with 600 Vanguard, LLC, the developer of a mixed-use building on 600 W. Myrtle Street consisting of approximately 75 rental apartments, indoor and outdoor community amenities and 2,600 square feet of ground floor retail. The project is in the River-Myrtle/Old Boise District. The project is estimated by the developer to have a total value of \$16 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$497,674 for public improvements over the course of four years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project is expected to complete in late 2021. Payments are expected to be made over four years from fiscal year 2022 to 2025. As of September 30, 2021, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2020 with 9025 Federal, LLC, the developer of a mixed-use office/industrial building on 9025 S. Federal Way consisting of three office suites, two warehouse bays and 30 surface parking stalls. The project is in the Gateway East District. The project is estimated by the developer to have a total value of \$2.1 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$92,113 for public improvements over the course of six years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project completed in 2021. Payments are expected to be made over six years from fiscal year 2022 to 2027. As of September 30, 2021, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2020 with 6th and Grove Limited Partnership, the developer of a mixed-use building on 116 S 6th Street, a 7-story building that will house 60 income-restricted and market-rate apartments, 5,000 square feet of ground floor commercial space and 9,000 square feet of office space. The project is in the River-Myrtle/Old Boise District. The project is now known as Thomas Logan Apartments. The project is estimated by the developer to have a total value of \$15 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$597,848 for public improvements over the course of four years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project is expected to complete in late 2021. Payments are expected to be made over four years from fiscal year 2022 to 2025. As of September 30, 2021, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2020 with 5th and Grove Investors, LLC, the developer of a mixed-use building on 512 W. Grove Street – 6 story building that will house 114 market-rate apartments, 8,000 square feet of ground floor retail space and amenity space including a rooftop patio. The project is in the River-Myrtle/Old Boise District. The project is now known as The Lucy Apartments. The project is estimated by the developer to have a total value of \$25.5 million upon completion. The Agency's financial

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2021

participation is an anticipated amount not to exceed \$1,111,347 for public improvements over the course of four years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project is expected to complete in late 2021. Payments are expected to be made over four years from fiscal year 2022 to 2025. As of September 30, 2021, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2020 with Boise Gateway 1, LC. The developer constructed a 168,000 square foot industrial building at 9605 S. Eisenman Road with related infrastructure and site improvement. The project is in the Gateway East District. The project was estimated by the developer to have a total value of \$12.8 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$426,144 for public improvements over the course of five years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project completed in summer 2020. Payments are expected to be made over five years from fiscal year 2022 to 2026. As of September 30, 2021, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2020 with Main Eleven LLC, the owner of the property on 1015 W. Main Street. The owner intends to modernize the alley drive-ramp on West 11th Street to meet ADA accessibility standards. The project is the Westside District. The Agency's financial participation is an anticipated amount not to exceed \$22,612 for public improvements after the project is complete. The OPA sets out conditions the owner must meet to become eligible for Agency financial participation. The project completed in 2021. During fiscal 2021, the first and final payment of \$22,612 has been made.

The Agency entered into an OPA and related agreements in fiscal year 2020 with FireFusion Studio LLC, the owner of the property on 1322 W. Main Street. The owner is renovating public improvements on the streetscape. The project is the Westside District. The Agency's financial participation is an anticipated amount not to exceed \$54,367 for public improvements after the project is complete. The OPA sets out conditions the owner must meet to become eligible for Agency financial participation. The project completed in 2021. During fiscal 2021, the first and final payment of \$47,792 has been made.

The Agency entered into an OPA and related agreements in fiscal year 2021 with I.M. IRIE TWO LLC, the owner of the property on 505 West Bannock Street. The owner is renovating public improvements on the streetscape. The project is the River-Myrtle/Old Boise District. The Agency's financial participation is an anticipated amount not to exceed \$120,412 for public improvements after the project is complete. The OPA sets out conditions the owner must meet to become eligible for Agency financial participation. The project completed in 2021. During fiscal 2021, the first and final payment of \$120,412 has been made.

The Agency entered into an OPA and related agreements in fiscal year 2021 with Lynch Land Development. The developer is constructing a new travel center off the I-84 Eisenman Road Exit in Boise with fuel and amenities for professional drivers as well as commuter and recreational traffic with fuel canopies and an 11,000 square foot convenience store. Project location is 10026 S. Eisenman Road and is in the Gateway East District. The project was estimated by the developer to have a total value of \$12.9 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$1,005,645 for public improvements over the course of six years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project is expected to complete in fall 2021. Payments are expected to be made over five years from fiscal year 2023 to 2028. As of September 30, 2021, no payments have been made.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2021

The Agency entered into an OPA and related agreements in fiscal year 2021 with Prentiss Properties 21, LLC, the owner of the property on 901 N 27th Street. The owner is renovating public improvements on the streetscape. The project is the 30th Street District. The Agency's financial participation is an anticipated amount not to exceed \$200,000 for public improvements after the project is complete. The OPA sets out conditions the owner must meet to become eligible for Agency financial participation. The project is expected to complete in 2022. As of September 30, 2021, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2021 with 3rd & Broad LLC, the owner of the property on 406 S 3rd Street. The owner is renovating public improvements on the streetscape. The project is the River-Myrtle/Old Boise District. The Agency's financial participation is an anticipated amount not to exceed \$200,000 for public improvements after the project is complete. The OPA sets out conditions the owner must meet to become eligible for Agency financial participation. The project is expected to complete in late 2021. As of September 30, 2021, no payments have been made.

The Agency entered into an OPA and related agreements in fiscal year 2021 with Boise Gateway2, LC. The developer is constructing a 278,000 square foot industrial building on 2155 East Freight Street. The project is in the Gateway East District. The project was estimated by the developer to have a total value of \$53.9 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$895,382 for public improvements over the course of six years after the project is complete. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. The project is expected to complete in late 2021. Payments are expected to be made over five years from fiscal year 2023 to 2028. As of September 30, 2021, no payments have been made.

Note 9 - Significant Contractual Agreements

The Agency is party to numerous agreements related to the development of the parcels in the Ada County Courthouse Corridor. In 2011, the various agreements were amended to facilitate the refunding of the 2002 B bonds with the 2011 B Revenue Refunding Note. The Business Terms Sheet/Funds Flow calculation was one of the agreements amended. Under the terms of the amended agreement, the tax increment guarantee for the Idaho Place parcels was restated as \$245,000 for fiscal year 2011, increasing 3% each year thereafter through fiscal year 2024. The developer will receive credit against the guarantee amount for any actual increment received from the subject parcels. The supplemental rent obligation on the apartment parcels in the Courthouse Corridor is stated in the Business Terms Sheet as \$289,865 for fiscal year 2011, increasing 3% each year thereafter through fiscal year 2024. The developer will receive credit against the supplemental rent amount for any actual increment received from the apartment parcels. During fiscal year 2021, the tax increment guarantee and supplemental rent obligations in the amounts of \$100,304 and \$3,222 were received in full.

As part of the Ada County Courthouse Corridor project and under the terms of the associated Second Amended and Restated Master Sublease, the Agency subleased two parcels (parcels 4 and 5) to Civic Partners Idaho, LLC. Similarly, under the terms of the Amended and Restated Parcel 1 Sublease, the Agency subleased two Courthouse Corridor project condominium units (units 401 and 102) to Civic Partners. Civic Partners failed to make the April 1, 2015 and July 1, 2015 quarterly lease payments as required by the agreements and failed to timely cure the defaults. The Agency declared the leases terminated on October 2, 2015 and initiated action to take possession of the properties as permitted under the leases. On May 10, 2016, the Agency, Civic Partners, and Ada County

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2021

entered into a Termination Agreement and Mutual Release (Termination Agreement). The Termination Agreement terminates the Sublease Agreements with Civic Partners and all interest that Civic Partners has in and to the subleased properties.

Note 10 - Pledged Revenues

The Agency has certain long-term debt obligations for which revenues have been pledged. The Agency issued the Series 2011 B Revenue Refunding Note to refund the 2002 B bonds. Amounts in the Series 2011 B note fund are pledged to support this debt. One twelfth of the annual debt service is to be deposited into the note fund each month. The source revenues for the deposits into the note fund are revenue allocation from the River-Myrtle/Old Boise District and net parking revenues from the parking system. The 2011 B Revenue Refunding Note matures in 2024. The bond fund is pledged until the bonds mature. For the year ended September 30, 2021, the total debt service on this note was \$1,384,175.

The Agency issued the Series 2017 A Redevelopment Bond in fiscal year 2017. Amounts in the Series 2017 A bond fund are pledged to support this debt. One twelfth of the annual debt service is to be deposited into the bond fund each month. The source revenues for the deposits into the bond fund are revenue allocation from the River-Myrtle/Old Boise District and net parking revenues from the parking system. The Series 2017 A bond matures in 2024. The bond fund is pledged until the bond matures. For the year ended September 30, 2021, the total debt service on this bond was \$1,972,956.

The Agency issued the Series 2017B Bond to refund the 2010B Bond. Amounts in the Series 2017B Bond fund are pledged to support this debt. One-twelfth of the annual debt service is to be deposited into the bond fund each month. The source revenues for the deposits into the bond fund are revenue allocation from the River Myrtle/Old Boise District and net parking revenues from the parking system. For the year ended September 30, 2021, the total debt service on these bonds was \$804,600.

Note 11 - Conduit Debt

On April 29, 2016, the Agency authorized the issuance of its Lease Revenue Bonds, Series 2016 (Greater Boise Auditorium District Expansion Project), in the aggregate principal amount of \$23,085,000. The proceeds of the bonds were used to expand and improve the "Boise Centre", an existing convention center and public event facility in downtown Boise operated by the Greater Boise Auditorium District (the District), to pay bond issuance costs, to fund capitalized interest and to fund a reserve fund. The Series 2016 Bonds was issued at a fixed rate range from 3.00% to 5.00%. The issuance is a conduit financing arrangement for the District. The Agency receives no benefit from the issuance of these bonds and has no liability. Therefore, the Agency has not recorded any benefit or liability. The first principal payment was scheduled and made on December 15, 2017. As of September 30, 2021, the unpaid principal balance is \$19,965,000.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2021

Note 12 - Subsequent Events

On October 15, 2021, the Agency completed the disposition of 1715 West Idaho Street, one of the properties held for redevelopment, in Westside District. The sales price was \$605,000 to the developers, SMR Development LLC, deChase Miksis and Edlen & Co. The housing infill project will provide 48 mixed-income residential apartment units in the west downtown neighborhood.

On November 3, 2021, the Agency and City of Boise established the State Street Urban Renewal District. This district is to promote compact, mixed-use, mixed-income development along State Street between 27th Street and Horseshoe Bend Road. The district will receive its first tax increment revenue in fiscal year 2023 and terminates on December 31, 2041.

On December 1, 2021, the Agency early redeemed all three outstanding bonds – 2011 B, 2017 A and 2017 B bonds. The total redemption cost is \$11,900,973, including repayment of principal \$11,715,000, accrued interests \$93,761, and prepayment fee \$92,212. The early redemption of bonds saved a total of \$573,027 compared to the current debt service schedule.

CAPITAL CITY DEVELOPMENT CORPORATION

REQUIRED SUPPLEMENTARY INFORMATION

CAPITAL CITY DEVELOPMENT CORPORATION**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	General Fund			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Interest	\$ 10,000	\$ -	\$ 3,148	\$ 3,148
Unrealized gain on investments	-	-	80	80
Other	188,000	175,314	62,862	(112,452)
Total revenues	198,000	175,314	66,090	(109,224)
EXPENDITURES				
Operating and administrative expenses	4,237,000	4,182,174	3,563,939	618,235
Capital outlay and related expenses	46,000	65,000	26,570	38,430
Total expenditures	4,283,000	4,247,174	3,590,509	656,665
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,085,000)	(4,071,860)	(3,524,419)	547,441
OTHER FINANCING SOURCES (USES)				
Interfund transfers	4,085,000	4,563,444	3,773,548	(789,896)
TOTAL OTHER FINANCING SOURCES	4,085,000	4,563,444	3,773,548	(789,896)
NET CHANGE IN FUND BALANCES	-	491,584	249,129	(242,455)
FUND BALANCES, BEGINNING OF YEAR	737,007	737,007	737,007	-
FUND BALANCES, END OF YEAR	\$ 737,007	\$ 1,228,591	\$ 986,136	\$ (242,455)

CAPITAL CITY DEVELOPMENT CORPORATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	River Myrtle District RA Fund			Variance
	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)
REVENUES				
Interest	\$ 80,000	\$ -	\$ 30,506	\$ 30,506
Unrealized gain on investments	-	-	2,111	2,111
Other	512,500	458,500	470,180	11,680
Revenue allocation funds	11,850,000	10,550,000	10,834,662	284,662
Total revenues	12,442,500	11,008,500	11,337,459	328,959
EXPENDITURES				
Operating and administrative expenses	644,122	649,222	496,956	152,266
Capital outlay and related expenses	19,539,900	3,523,739	3,127,577	396,162
Debt service - principal	2,520,000	2,520,000	2,520,000	-
Debt service -interest	257,556	257,556	257,556	-
Total expenditures	22,961,578	6,950,517	6,402,089	548,428
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,519,078)	4,057,983	4,935,370	877,387
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(1,159,834)	(1,113,471)	(830,338)	283,133
Total other financing sources (uses)	(1,159,834)	(1,113,471)	(830,338)	283,133
NET CHANGE IN FUND BALANCES	(11,678,912)	2,944,512	4,105,032	1,160,520
FUND BALANCES, BEGINNING OF YEAR	25,381,935	25,381,935	25,381,935	-
FUND BALANCES, END OF YEAR	\$ 13,703,023	\$ 28,326,447	\$ 29,486,967	\$ 1,160,520

CAPITAL CITY DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021

	Westside District RA Fund			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
REVENUES				
Lease	\$ 300,000	\$ 99,318	\$ 123,275	\$ 23,957
Interest	15,000	-	8,402	8,402
Unrealized gain on investments	-	-	469	469
Other	1,790,945	2,001,531	2,028,078	26,547
Parking revenues	39,120	9,975	10,650	675
Revenue allocation funds	4,500,000	4,000,000	4,166,300	166,300
Total revenues	6,645,065	6,110,824	6,337,174	226,350
EXPENDITURES				
Operating and administrative expenses	432,000	377,000	269,740	107,260
Capital outlay and related expenses	21,095,000	6,111,599	5,450,946	660,653
Total expenditures	21,527,000	6,488,599	5,720,686	767,913
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(14,881,935)	(377,775)	616,488	994,263
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(980,400)	(1,003,958)	(805,439)	198,519
Net proceeds and payoffs, refunded debt	10,000,000	-	-	-
Total other financing sources (uses)	9,019,600	(1,003,958)	(805,439)	198,519
NET CHANGE IN FUND BALANCES	(5,862,335)	(1,381,733)	(188,951)	1,192,782
FUND BALANCES, BEGINNING OF YEAR	14,768,863	14,768,863	14,768,863	-
FUND BALANCES, END OF YEAR	\$ 8,906,528	\$ 13,387,130	\$ 14,579,912	\$ 1,192,782

CAPITAL CITY DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021

	30th Street District RA Fund			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Interest	\$ 5,000	\$ -	\$ 2,063	\$ 2,063
Unrealized gain on investments	-	-	156	156
Revenue allocation funds	1,100,000	930,000	961,780	31,780
Total revenues	1,105,000	930,000	963,999	33,999
EXPENDITURES				
Operating and administrative expenses	70,000	60,200	258	59,942
Capital outlay and related expenses	1,920,000	352,122	400,617	(48,495)
Total expenditures	1,990,000	412,322	400,875	11,447
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(885,000)	517,678	563,124	45,446
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(245,100)	(365,076)	(300,209)	64,867
Total other financing sources (uses)	(245,100)	(365,076)	(300,209)	64,867
NET CHANGE IN FUND BALANCES	(1,130,100)	152,602	262,915	110,313
FUND BALANCES, BEGINNING OF YEAR	1,570,873	1,570,873	1,570,873	-
FUND BALANCES, END OF YEAR	\$ 440,773	\$ 1,723,475	\$ 1,833,788	\$ 110,313

CAPITAL CITY DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021

	Shoreline District RA Fund			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
REVENUES				
Interest	\$ 100	\$ -	\$ 281	\$ 281
Unrealized gain on investments	-	-	39	39
Revenue allocation funds	290,000	260,000	267,800	7,800
Total revenues	290,100	260,000	268,120	8,120
EXPENDITURES				
Operating and administrative expenses	105,000	30,100	28,041	2,059
Capital outlay and related expenses	100,000	3,000	-	3,000
Total expenditures	205,000	33,100	28,041	5,059
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	85,100	226,900	240,079	13,179
OTHER FINANCING SOURCES (USES)				
Interfund transfers	18,300	(128,172)	(94,038)	34,134
Total other financing sources (uses)	18,300	(128,172)	(94,038)	34,134
NET CHANGE IN FUND BALANCES	103,400	98,728	146,041	47,313
FUND BALANCES, BEGINNING OF YEAR	175,423	175,423	175,423	-
FUND BALANCES, END OF YEAR	\$ 278,823	\$ 274,151	\$ 321,464	\$ 47,313

CAPITAL CITY DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021

	Gateway East District RA Fund			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
REVENUES				
Interest	\$ 300	\$ -	\$ 992	\$ 992
Unrealized gain on investments	-	-	117	117
Revenue allocation funds	1,730,000	1,500,000	1,488,373	(11,627)
Total revenues	1,730,300	1,500,000	1,489,482	(10,518)
EXPENDITURES				
Operating and administrative expenses	50,000	45,000	1,039	43,961
Capital outlay and related expenses	720,000	455,000	148,722	306,278
Total expenditures	770,000	500,000	149,761	350,239
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	960,300	1,000,000	1,339,721	339,721
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(285,950)	(410,710)	(336,820)	73,890
Total other financing sources (uses)	(285,950)	(410,710)	(336,820)	73,890
NET CHANGE IN FUND BALANCES	674,350	589,290	1,002,901	413,611
FUND BALANCES, BEGINNING OF YEAR	516,522	516,522	516,522	-
FUND BALANCES, END OF YEAR	\$ 1,190,872	\$ 1,105,812	\$ 1,519,423	\$ 413,611

CAPITAL CITY DEVELOPMENT CORPORATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2021**

	Parking Fund			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
REVENUES				
Lease	\$ 448,032	\$ 310,000	\$ 363,472	\$ 53,472
Interest	30,000	-	11,687	11,687
Unrealized gain on investments	-	-	938	938
Other	45,000	50,000	2,466	(47,534)
Parking revenues	4,138,445	5,944,466	6,130,654	186,188
Total revenues	4,661,477	6,304,466	6,509,217	204,751
EXPENDITURES				
Operating and administrative expenses	2,718,309	2,044,457	2,186,665	(142,208)
Capital outlay and related expenses	3,373,500	2,821,200	2,565,077	256,123
Debt service - principal	1,150,000	1,150,000	1,150,000	-
Debt service - interest and fees	234,175	234,175	234,175	-
Total expenditures	7,475,984	6,249,832	6,135,917	113,915
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,814,507)	54,634	373,300	318,666
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(1,571,016)	(1,673,642)	(1,406,704)	266,938
Proceeds from sales of capital assets	-	3,977,000	3,965,428	(11,572)
TOTAL OTHER FINANCING SOURCES	(1,571,016)	2,303,358	2,558,724	255,366
NET CHANGE IN FUND BALANCES	(4,385,523)	2,357,992	2,932,024	574,032
FUND BALANCES, BEGINNING OF YEAR	11,255,517	11,255,517	11,255,517	-
FUND BALANCES, END OF YEAR	\$ 6,869,994	\$ 13,613,509	\$ 14,187,541	\$ 574,032

CAPITAL CITY DEVELOPMENT CORPORATION
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY AND SCHEDULE OF EMPLOYER CONTRIBUTIONS
YEAR ENDED SEPTEMBER 30, 2021

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

	2021	2020	2019	2018	2017	2016	2015
Employer's portion of net of the pension (asset) liability	0.0445123%	0.0422940%	0.0422401%	0.0405570%	0.0397908%	0.0403932%	0.0361820%
Employer's proportionate share of the net pension (asset) liability	\$ (35,155)	\$ 982,123	\$ 482,159	\$ 598,223	\$ 625,443	\$ 818,832	\$ 476,459
Employer's covered payroll	\$ 1,535,074	\$ 1,506,386	\$ 1,426,600	\$ 1,309,034	\$ 1,277,551	\$ 1,194,427	\$ 1,035,703
Employer's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	-2.29%	65.20%	33.80%	45.70%	48.96%	68.55%	46.00%
Plan fiduciary net position as a percentage of the total pension (asset) liability	100.36%	82.22%	93.79%	91.69%	90.68%	87.26%	91.38%

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

Data reported is measured as of June 30 of each year.

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

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 189,895	\$ 184,578	\$ 166,029	\$ 153,809	\$ 140,234	\$ 135,975	\$ 124,326
Contributions in relation to the statutorily required contribution	\$ (189,531)	\$ (189,706)	\$ (167,556)	\$ (152,231)	\$ (140,418)	\$ (133,983)	\$ (123,145)
Contribution deficiency (excess)	\$ 364	\$ (5,128)	\$ (1,527)	\$ 1,578	\$ (184)	\$ 1,992	\$ 1,181
Employer's covered payroll	\$ 1,561,822	\$ 1,567,710	\$ 1,446,855	\$ 1,346,870	\$ 1,222,892	\$ 1,202,851	\$ 1,096,499
Contributions as a percentage of covered payroll	12.14%	12.10%	11.58%	11.30%	11.48%	11.14%	11.23%

* 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 Agency will present information for those use for which information is available.

Data reported is measured as of September 30 of each year.

CAPITAL CITY DEVELOPMENT CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Agency follows these procedures in establishing the budget:

1. Prior to August, the preliminary budget is reviewed by the Agency’s Executive Committee.
2. The preliminary budget is revised, if necessary, prior to Board consideration.
3. The proposed budget is approved by the Board of Commissioners at its regular August meeting.
4. The proposed budget is published for public review.
5. The Board of Commissioners holds a special meeting including a public hearing on the budget in August.
6. The proposed budget is adopted by the Board of Commissioners prior to September 1.
7. The adopted budget is filed with the City of Boise.
8. October 1 begins the Agency’s fiscal year.
9. Budget amendments, if any, require formal approval of the Agency’s Board of Commissioners.

Note 2 - Summary of Significant Accounting Policies

The fiscal year 2021 budget was amended once during the year to reflect a restatement of appropriations in the adopted and amended budget.

Note 3 - Actuary Assumptions

The total pension liability (asset) in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30 percent
Salary increases including inflation	3.05 percent
Investment rate of return-net of investment fees	6.35 percent
Cost of living (COLA) adjustments	1.00 percent

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2021.

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%
Teachers - Males	Pub-2010 Teacher Tables, increased 12%
Teachers - Females	Pub-2010 Teacher Tables, increased 21%
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%

CAPITAL CITY DEVELOPMENT CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021

The Total Pension Liability as of June 30, 2021 is based on the results of an actuarial valuation date of July 1, 2021. The District's proportionate share of changes in assumptions as of the measurement date totaled \$403,533.



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
Capital City Development Corporation
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 governmental activities, and each major fund of Capital City Development Corporation (the Agency), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency’s basic financial statements, and have issued our report thereon dated February 4, 2022.

Internal Control over Financial Reporting

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

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

Our consideration of internal control 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 been identified.

Compliance and Other Matters

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

Purpose of this Report

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

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

Boise, Idaho

February 4, 2022