



Financial Statements
September 30, 2023

Capital City Development Corporation

CAPITAL CITY DEVELOPMENT CORPORATION

TABLE OF CONTENTS

September 30, 2023

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Governmental Funds	16
Reconciliation of Net Position in the Statement of Net Position to the Fund Balance in the Balance Sheet	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Notes to Financial Statements	20
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	47
Schedule of Employer's Share of Net Pension Liability (Asset)	55
Schedule of Employer Contributions	56
Notes to Required Supplementary Information	57
 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	 59



Independent Auditor's Report

Board of Commissioners
Capital City Development Corporation
Boise, Idaho

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

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 the Agency, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, schedule of employer's share of net pension liability (asset), and schedule of employer contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary

information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed name and date.

Boise, Idaho
December 28, 2023

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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, 2023. 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 2023 by \$92,025,619. Of this total, \$22,347,969 is invested in capital assets (net of debt).
- At fiscal year close, the Agency's governmental funds reported a combined ending fund balance of \$70,680,239, of which \$69,657,928 is nonspendable, restricted, committed or assigned.
- During fiscal year 2023 the Agency's expenses were \$31,858,725 compared to the \$17,518,901 reported in 2022.
- Total revenues increased by \$8,686,166. The change is mainly due to the facts that: (1) revenue allocation funds increased by \$3,697,739; (2) parking revenue increased by \$969,693 and (3) \$3,459,702 increase in various reimbursements from Ada County Highway District (ACHD) and City of Boise for construction projects in River Myrtle/Old Boise district and Westside district.
- Interest and fees expense on long-term liabilities in governmental activities decreased by \$178,905 compared with fiscal year 2022. The Agency also adopted GASB Statement No. 87, *Leases* in fiscal year 2022. The implementation of this standard requires recording interest payment related to leases. See Note 7 Leases for more details.
- The Agency's key revenues are parking revenues and revenue allocation district revenues (tax increment revenue). Parking revenues continued to recover from pandemic in fiscal year 2023 with an increase of \$969,693 to \$8,979,252. Current year parking revenues exceeded pre-pandemic, fiscal year 2019's revenue level of \$8,625,213. Revenue allocation funds increased 19% or \$3,697,739 in fiscal year 2023 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

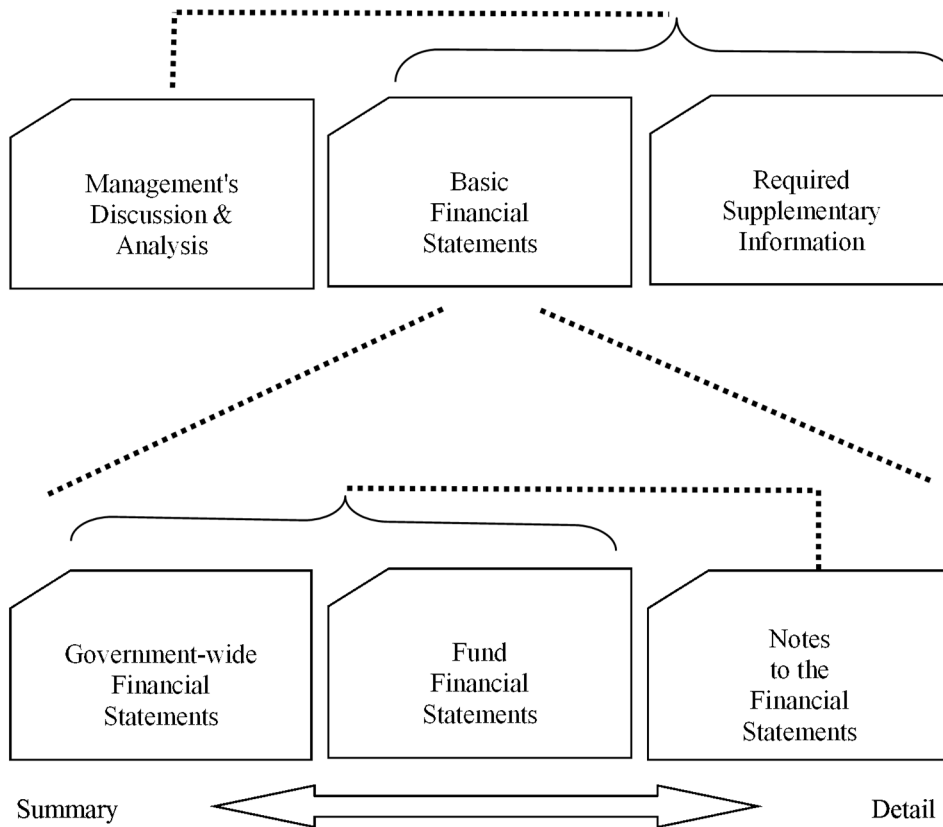
The format of this report allows the reader to examine combined financial statements to view the Agency as a whole (Agency-wide) as well as information on individual fund activities. This financial report consists of three parts: 1) Management Discussion and Analysis, 2) Basic Financial Statements, and 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 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.

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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, 2023

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, 2023

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 2023. 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: State Street 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 2023 and fiscal year 2022 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 \$6,743,844 during fiscal year 2023.

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Table 1
Statement of Net Position
As of September 30, 2023 and 2022

	2022	2023	Percent Change 2022-2023
Current and Other Assets	\$ 89,370,934	\$ 106,196,833	18.8%
Capital Assets	25,018,360	24,568,055	(1.8%)
Total Assets	<u>114,389,294</u>	<u>130,764,888</u>	<u>14.3%</u>
Deferred Outflows of Resources	878,574	706,123	(19.6%)
Other Liabilities	3,264,135	4,180,231	28.1%
Long-term Liabilities	3,802,793	3,315,890	(12.8%)
Total Liabilities	<u>7,066,928</u>	<u>7,496,121</u>	<u>6.1%</u>
Deferred Inflows of Resources	22,919,165	31,949,271	39.4%
Net Position			
Net Investment in			
Capital Assets	22,278,302	22,347,969	0.3%
Restricted	62,023,163	68,655,339	10.7%
Unrestricted	980,310	1,022,311	4.3%
Total Net Position	<u>\$ 85,281,775</u>	<u>\$ 92,025,619</u>	<u>7.9%</u>

Twenty-four percent of the Agency's net position is invested in Capital Assets (i.e. land, buildings, equipment, parking facilities, right-to-use leased assets net of related long-term liabilities). Seventy-four percent of net position is considered restricted through state statutes 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, 2023. Prior year data is presented for comparison purposes.

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Table 2
Statement of Activities
For Years Ended September 30, 2023 and 2022

	2022	2023	Percent Change 2022-2023
Revenues			
Program Revenues			
Charges for Services	\$ 702,643	\$ 304,534	(56.7%)
Operating Grants and Contributions	1,762,959	5,222,661	196.2%
Parking	8,009,559	8,979,252	12.1%
Total Program Revenue	<u>10,475,161</u>	<u>14,506,447</u>	<u>38.48%</u>
General Revenue			
Property Tax Increment	19,372,947	23,070,686	19.1%
Unrestricted Investment Earnings	68,295	1,025,436	1401.5%
Total Revenues	<u>29,916,403</u>	<u>38,602,569</u>	<u>29.03%</u>
Expenses			
Program Expenses			
Community Development	13,352,603	28,226,164	111.4%
Interest on Long-Term Debt	203,980	25,075	(87.7%)
Parking Facilities	3,962,318	3,607,486	(9.0%)
Total Program Expenses	<u>17,518,901</u>	<u>31,858,725</u>	<u>81.9%</u>
Increase in Net Position	12,397,502	6,743,844	(45.6%)
Net Position - Beginning	72,884,273	85,281,775	17.0%
Net Position - Ending	<u>\$ 85,281,775</u>	<u>\$ 92,025,619</u>	<u>7.9%</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 property tax increment and earnings on investments. Overall, total Agency revenues increased \$8,686,166 compared with the prior year. Tax increment revenues increased \$3,697,739 compared to fiscal year 2022, due to the increase in property valuations and new construction in Agency urban renewal districts. Parking revenues continued to recover from pandemic in fiscal year 2023 with an increase of \$969,693 to \$8,979,252. Current year parking revenues exceeded pre-pandemic, fiscal year 2019's revenue level of \$8,625,213.

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Expenses: *Community Development* includes the general expenses of the Agency related to fulfilling its mission. *Interest on Long-Term Liabilities* includes the interest portion of payments related to long-term financing arrangements and lease related activities. *Parking Facilities* includes the cost of operating the public parking system. Overall, total Agency expenses in fiscal year 2023 increased by \$14,339,824.

Budgetary Highlights

The fiscal year 2023 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 2023, the Agency completed several projects that started in prior year in Agency-owned garages. Therefore, a total of \$339,529 is recorded as transfers from construction in progress to improvements other than buildings and equipment. These projects are: ParkBOI Handrail and Guardrail Update, Electric Vehicle Garage Project, and Microsoft 365 Migration Project.

Starting in fiscal year 2022, the Agency adopted GASB Statement No. 87, *Leases*. The implementation of this standard requires recording and disclosing right-to-use lease assets. As of September 30, 2023, a total of \$2,038,845 is recorded as right-to-use lease assets, net of accumulated amortization.

Table 3
Capital Assets Net of Depreciation

	2022	2023	Total Dollar Change 2022-2023
Land	\$ 3,438,944	\$ 3,438,944	\$ -
Construction in Progress	382,346	889,792	507,446
Building, Improvements and Equipment, net	18,597,573	18,200,474	(397,099)
Right-to-Use Leases Assets, net	2,599,497	2,038,845	(560,652)
 Total Capital Assets	 \$ 25,018,360	 \$ 24,568,055	 \$ (450,305)

See Note 4 to the financial statements.

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

Table 4
Major Capital Additions during Fiscal 2023

Beginning Balance	\$ 25,018,360
Capital Additions:	
Construction in Progress	846,975
Buildings, Improvements and Equipment	<u>221,112</u>
Total Capital Additions	<u>1,068,087</u>
Current Year Depreciation	(957,740)
Current Year Amortization	<u>(560,652)</u>
Ending Balance	<u><u>\$ 24,568,055</u></u>

Long-Term Liabilities

Table 5 summarizes the principal amounts of the Agency's Long-Term Liabilities (See also Note 5 – Long-Term Liabilities). The changes in Long-Term Liabilities represent the principal payments on those liabilities.

Starting in fiscal year 2022, the Agency adopted GASB Statement No. 87, *Leases*. The implementation of this standard requires recording and disclosing lease liabilities. As of September 30, 2023, a total of \$2,220,086 is recorded as long-term liabilities.

Table 5
Long-Term Liabilities

Activity	<u>2022</u>	<u>2023</u>	<u>Total Dollar Change 2022-2023</u>
Leases	<u>\$ 2,740,057</u>	<u>\$ 2,220,086</u>	<u>\$ 519,971</u>
Total	<u><u>\$ 2,740,057</u></u>	<u><u>\$ 2,220,086</u></u>	<u><u>\$ 519,971</u></u>

See Note 5 to the financial statements.

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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, FY2024-28, encompasses RMOB's final two years and programs all projected revenues for a variety of public investments, working with partners and independently. The Broadstone Saratoga, a mixed-use development project with 334 apartment units and ground floor commercial space, encompasses a full city block in the RMOB district, bounded by 12th and 13th Streets to the east and west, and Grove and Front Streets to the north and south. Construction is underway and is expected to complete in fall 2024. The Broadstone Saratoga will be a great addition to the RMOB district. Three significant place-making and infrastructure projects in the district are (1) Old Boise Blocks Reinvestment and Visioning, a multi-block improvement project that covers eight city blocks along the east end of Grove Street, adjacent to Boise's downtown core, with focus given to Grove Street itself between 3rd and 5th Street; (2) Rebuild Linen Blocks on Grove Street, a project that will make catalytic infrastructure improvements on Grove Street between 10th and 16th Streets; and (3) 521 Grove Street – Public Space. This is a partnership between CCDC, Boise Parks and Recreation, and the Boise City Department of Arts & History to bring a new public space to downtown that celebrates the multicultural history of the Old Boise Neighborhood. These projects are community-driven. They support economic vitality and stronger, more connected neighborhoods.

The Westside district will sunset one year after RMOB, at the end of fiscal year 2026. On the corner of 12th Street and Idaho Street, The 12th and Idaho project is under construction. Upon completion in summer of 2025, this mixed-use building will be the second tallest building in Idaho, with 26 floors, 298 residential units and ground floor retail space. CCDC used Requests for Proposals for the Brady Blocks (Block 68), the area around 11th & State streets. In December 2021, Edlen & Company's proposal for disposition was selected by our Board. This Block 68 Catalytic Redevelopment Project will be transforming this area with workforce housing, mixed-use residential and mobility hub in the near future. Along Grove Street, two hotels, The Sparrow and Hotel Renegade, are currently under construction and they are expected to complete in spring 2024. These two hotels, upon completion, will add about 190 hotel rooms to the downtown area. Rebuild 11th Street Blocks, one of the biggest infrastructure projects in the district history, broke ground in summer 2022 and is near completion. This project combines the installation of bikeway infrastructure with streetscape improvements to realize plans by the City of Boise and ACHD for 11th Street as a corridor that prioritizes cyclists, pedestrians, retail business, and residents while accommodating existing vehicular use. The project spans two districts with the improvements extending into RMOB with the continuation from Grove Street to River Street.

The 30th Street district, home to the West End Neighborhood, Esther Simplot Park, Quinn's Pond, and the Whitewater Park, has experienced tremendous revitalization in the nearly 10 years since it was established. This district is positioned to welcome an even broader range of housing options, employment, as well as neighborhood services and amenities. Currently one of the most significant and impactful projects is West End Water Renewal – a collaborative effort brought together by CCDC with City of Boise Public Works Department and various developers. Construction is

CAPITAL CITY DEVELOPMENT CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

underway on the lift station site with an anticipated completion date of fall 2024. Upon completion, the project will include a new regional lift station, a 530-foot pressurized discharge pipe, and approximately one mile of new or replaced gravity sewer lines. Once all built, it's expected to serve 2,500 units of residential housing.

Agency's three newer urban renewal districts: Gateway East – the Agency's first industrial-focused, non-urban district, Shoreline and State Street. Gateway East, located along I-84 between Micron and the Boise Airport, is going strong due to its abundant, multi-mode transportation access and land availability. Some of the large projects in this area include: (1) Red River Logistics and Commerce Centers – the project contemplates concurrent development on two sites, one at 951 E Gowen Road for the Logistics Center and one at 7031 S Eisenman Road for the Commerce Center. In total, it will consist of nearly 1.3 million square feet of Class A industrial space designed to accommodate a wide range of uses including distribution, manufacturing, office, R&D, warehouse, storage, and other industrial uses. (2) AZEK Boise Manufacturing – this project is located at 1001 East Gowen Road, the former Shopko facility and has established a manufacturing facility and distribution center in the West. CCDC attended the ribbon cutting ceremony at AZEK in fall 2022 and toured the beautiful facility.

Shoreline district, 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. A notable project in this area is the Capitol Student Housing project at 818 Ann Morrison Park Drive – a planned mixed-use development comprised of a five-story building with 91 residential units, structured parking and ground floor commercial space. Construction is underway with a target completion date of June 2024.

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. This newest district of the Agency already had its first ground-breaking ceremony this summer for Wilson Station (formerly known as State and Arthur Apartments). This is a mixed-use affordable housing development comprised of 102 multi-family units and ground-floor commercial space. Wilson Station advances several objectives from the State Street District Plan – including (1) creating affordable housing; (2) reusing vacant land; (3) encouraging compact development with no surface parking as part of the project; and (4) improving pedestrian and cycling safety and experience with detached sidewalks, improved pedestrian crossings, and a multi-use pathway.

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, Idaho 83702, 208-384-4264 (voice), www.ccdboise.com with questions, comments or for additional information.

CAPITAL CITY DEVELOPMENT CORPORATION
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities
ASSETS	
Cash and investments	\$ 63,953,835
Receivables	
Accounts receivable	733,304
Interest receivable	94,724
Taxes receivable	31,284,983
Lease receivable	652,148
Prepays and deposits	15,589
Restricted cash	506,592
Property held for resale or development	8,955,658
Capital assets	
Land, non-depreciable	3,438,944
Construction in progress, non-depreciable	889,792
Buildings, improvements, and equipment, net of accumulated depreciation	18,200,474
Right-to-use leased assets, net of accumulated amortization	2,038,845
TOTAL ASSETS	130,764,888
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	706,123
TOTAL DEFERRED OUTFLOWS OF RESOURCES	706,123
LIABILITIES	
Accounts payable	3,291,894
Accrued liabilities	217,608
Advanced revenues	47,683
Refundable deposits	45,000
Long-term debt	
Current portion of lease liabilities	578,046
Long-term portion of lease liabilities	1,642,040
Net pension liability	1,673,850
TOTAL LIABILITIES	7,496,121
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property tax	31,284,983
Deferred inflows related to leases	629,426
Deferred inflows related to pensions	34,862
TOTAL DEFERRED INFLOWS OF RESOURCES	31,949,271
NET POSITION	
Net investment in capital assets	22,347,969
Restricted	68,655,339
Unrestricted	1,022,311
TOTAL NET POSITION	\$ 92,025,619

CAPITAL CITY DEVELOPMENT CORPORATION

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2023

Functions / Programs	Expenses	Program Revenues		Governmental Activities	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental activities					
Community development	\$ 28,226,164	\$ 304,534	\$ 5,222,661	\$ -	\$ (22,698,969)
Interest on long-term liabilities	25,075	-	-	-	(25,075)
Parking facilities	3,607,486	8,979,252	-	-	5,371,766
Total	\$ 31,858,725	\$ 9,283,786	\$ 5,222,661	\$ -	(17,352,278)
		General revenues:			
			Property tax increment		23,070,686
			Unrestricted investment earnings		1,025,436
			Total general revenues		24,096,122
			Change in net position		6,743,844
			Net position, Beginning of Year		85,281,775
			Net position, End of Year		\$ 92,025,619

CAPITAL CITY DEVELOPMENT CORPORATION

BALANCE SHEET – GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	General Fund	River Myrtle District RA Fund	Westside District RA Fund	30th Street District RA Fund
ASSETS				
Cash and investments	\$ 1,201,565	\$ 26,228,713	\$ 8,227,643	\$ 2,907,803
Accounts receivable	5,482	406,690	244,742	-
Interest receivable	94,724	-	-	-
Taxes receivable	-	14,459,113	5,339,029	1,561,201
Leases receivable	-	-	-	-
Prepays	339	15,250	-	-
Restricted cash	-	-	-	-
Property held for resale or development	-	1,803,331	7,152,327	-
	<u>\$ 1,302,110</u>	<u>\$ 42,913,097</u>	<u>\$ 20,963,741</u>	<u>\$ 4,469,004</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 61,852	\$ 924,605	\$ 1,668,972	\$ 7,678
Accrued liabilities	217,608	-	-	-
Advanced revenues	-	-	-	-
Refundable deposits	-	-	45,000	-
Total liabilities	<u>279,460</u>	<u>924,605</u>	<u>1,713,972</u>	<u>7,678</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable- property tax	-	14,459,113	5,339,029	1,561,201
Deferred Inflows related to lease liabilities	-	-	-	-
Total deferred inflows	<u>-</u>	<u>14,459,113</u>	<u>5,339,029</u>	<u>1,561,201</u>
FUND BALANCES				
Nonspendable	339	1,818,581	7,152,327	-
Restricted	-	25,710,798	6,758,413	2,900,125
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	1,022,311	-	-	-
Total fund balances	<u>1,022,650</u>	<u>27,529,379</u>	<u>13,910,740</u>	<u>2,900,125</u>
	<u>\$ 1,302,110</u>	<u>\$ 42,913,097</u>	<u>\$ 20,963,741</u>	<u>\$ 4,469,004</u>

See Notes to Financial Statements

CAPITAL CITY DEVELOPMENT CORPORATION

BALANCE SHEET – GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

Shoreline District RA Fund	Gateway East District RA Fund	State Street District RA Fund	Parking Fund	Total Governmental Funds
\$ 1,231,331	\$ 6,605,924	\$ 768,743	\$ 16,782,113	\$ 63,953,835
-	-	-	76,390	733,304
-	-	-	-	94,724
825,685	7,539,731	1,560,224	-	31,284,983
-	-	-	652,148	652,148
-	-	-	-	15,589
-	-	-	506,592	506,592
-	-	-	-	8,955,658
<u>\$ 2,057,016</u>	<u>\$ 14,145,655</u>	<u>\$ 2,328,967</u>	<u>\$ 18,017,243</u>	<u>\$ 106,196,833</u>
\$ -	\$ -	\$ -	\$ 628,787	\$ 3,291,894
-	-	-	-	217,608
-	-	-	47,683	47,683
-	-	-	-	45,000
-	-	-	676,470	3,602,185
825,685	7,539,731	1,560,224	-	31,284,983
-	-	-	629,426	629,426
<u>825,685</u>	<u>7,539,731</u>	<u>1,560,224</u>	<u>629,426</u>	<u>31,914,409</u>
-	-	-	-	8,971,247
1,231,331	6,605,924	768,743	6,530	43,981,864
-	-	-	500,000	500,000
-	-	-	16,204,817	16,204,817
-	-	-	-	1,022,311
<u>1,231,331</u>	<u>6,605,924</u>	<u>768,743</u>	<u>16,711,347</u>	<u>70,680,239</u>
<u>\$ 2,057,016</u>	<u>\$ 14,145,655</u>	<u>\$ 2,328,967</u>	<u>\$ 18,017,243</u>	<u>\$ 106,196,833</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, 2023

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

Total fund balance		\$70,680,239
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	889,792	
Cost of buildings, improvements, equipment and artwork	36,277,349	
Accumulated depreciation	<u>(18,076,875)</u>	22,529,210
Right-to-use asset related to leases	3,160,149	
Accumulated depreciation on right-to-use assets	<u>(1,121,304)</u>	2,038,845
Long-term liability is not due and payable in the current period and therefore is not reported in the funds.		
Net pension liability	<u>(1,673,850)</u>	(1,673,850)
Long-term liability is not due and payable in the current period and therefore is not reported in the funds.		
Lease liability - current portion	(578,046)	
Lease liability - long-term portion	<u>(1,642,040)</u>	(2,220,086)
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:		
Net difference between projected and actual investment earnings on pension plan investments	157,115	
Changes of assumptions	165,746	
Contributions made subsequent to measurement date	54,604	
Changes in proportionate share	41,747	
Differences between expected and actual experience	<u>286,911</u>	706,123
Deferred inflows of resources related to pensions:		
Changes in proportionate share	<u>(34,862)</u>	<u>(34,862)</u>
Net position for governmental activities		<u><u>\$92,025,619</u></u>

CAPITAL CITY DEVELOPMENT CORPORATION**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2023**

	General Fund	River Myrtle District RA Fund	Westside District RA Fund	30th District RA Fund
REVENUES				
Lease	\$ -	\$ 111,212	\$ 44,406	\$ -
Interest	64,543	403,395	133,089	35,416
Unrealized loss on investments	1,565	33,640	10,170	3,129
Other	100,007	2,401,698	2,713,846	-
Parking	-	102,290	12,280	-
Revenue allocation funds	-	11,736,842	4,252,488	1,223,825
Total revenues	166,115	14,789,077	7,166,279	1,262,370
EXPENDITURES				
Administrative expenses	3,052,879	-	-	-
Operating expenses	513,187	186,881	302,343	500
Capital outlay and related expenses	42,916	12,247,283	8,644,766	105,209
Debt service - principal	148,482	371,489	-	-
Debt service - interest	21,258	3,817	-	-
Total expenditures	3,778,722	12,809,470	8,947,109	105,709
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,612,607)	1,979,607	(1,780,830)	1,156,661
OTHER FINANCING SOURCES (USES)				
Interfund transfers	3,653,863	(1,502,223)	(728,136)	(155,524)
Gain (loss) on sale of properties held for resale	-	(2,011,840)	-	-
Total other financing sources (uses)	3,653,863	(3,514,063)	(728,136)	(155,524)
NET CHANGE IN FUND BALANCES	41,256	(1,534,456)	(2,508,966)	1,001,137
FUND BALANCES, BEGINNING OF YEAR	981,394	29,063,835	16,419,706	1,898,988
FUND BALANCES, END OF YEAR	\$ 1,022,650	\$ 27,529,379	\$ 13,910,740	\$ 2,900,125

See Notes to Financial Statements

CAPITAL CITY DEVELOPMENT CORPORATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2023**

Shoreline District RA Fund	Gateway East District RA Fund	State Street District RA Fund	Parking Fund	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 148,916	\$ 304,534
14,205	71,495	5,116	219,945	947,204
1,565	7,823	782	19,558	78,232
-	-	-	7,110	5,222,661
-	-	-	8,864,682	8,979,252
546,121	4,438,513	872,897	-	23,070,686
<u>561,891</u>	<u>4,517,831</u>	<u>878,795</u>	<u>9,260,211</u>	<u>38,602,569</u>
-	-	-	-	3,052,879
-	-	478	2,551,216	3,554,605
25,674	273,226	-	1,181,825	22,520,899
-	-	-	-	519,971
-	-	-	-	25,075
<u>25,674</u>	<u>273,226</u>	<u>478</u>	<u>3,733,041</u>	<u>29,673,429</u>
536,217	4,244,605	878,317	5,527,170	8,929,140
(95,435)	(265,098)	(109,574)	(797,873)	-
-	-	-	-	(2,011,840)
<u>(95,435)</u>	<u>(265,098)</u>	<u>(109,574)</u>	<u>(797,873)</u>	<u>(2,011,840)</u>
440,782	3,979,507	768,743	4,729,297	6,917,300
790,549	2,626,417	-	11,982,050	63,762,939
<u>\$ 1,231,331</u>	<u>\$ 6,605,924</u>	<u>\$ 768,743</u>	<u>\$ 16,711,347</u>	<u>\$ 70,680,239</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, 2023

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

Net change in fund balances - total governmental funds		\$ 6,917,300
<p>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.</p>		
Capital outlay	1,068,087	
Depreciation and amortization	<u>(957,740)</u>	110,346
Amortization	<u>(560,652)</u>	(560,652)
<p>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.</p>		
Lease principal payments	<u>519,971</u>	519,971
<p>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.</p>		
Adjustments to pension contribution	213,647	
Pension expense related to net pension liability	<u>(456,768)</u>	<u>(243,121)</u>
Changes in net position of governmental activities		<u><u>\$ 6,743,844</u></u>

CAPITAL CITY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

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.

State Street District – was established in 2022 and will end in fiscal year 2042.

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, 2023

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:

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. 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.

State Street District Revenue Allocation Special Revenue Fund - The State Street District accounts for the revenues derived from the revenue allocation area within the State 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.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

Parking Special Revenue Fund – This fund includes the parking activities of the Agency’s five structure public parking facilities and the 250 parking spaces acquired at 11th & Front garage in fiscal year 2018. The five structure public parking facilities are: 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 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 Investments

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. Restricted cash consist of cash restricted through Board resolution for emergency repairs related to the Agency’s parking system.

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, 2023

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 \$42,763,921 and the bank balance was \$42,910,759. 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 \$55,000,000 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 121 days as of September 30, 2023.

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, 2023

The Agency received property taxes during the current fiscal year in the amounts of \$11,736,842 from the River-Myrtle/Old Boise District, \$4,252,488 from the Westside District and \$1,223,825 from 30th Street District, \$546,121 from Shoreline District, \$4,438,513 from Gateway East District, and \$872,897 from State Street 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, 2023.

Lease Receivables

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

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 Life (Years)
Buildings	30 - 45
Improvements	10 - 45
Parking equipment	7
Office furniture and equipment	3 - 10

Right-to-use leased assets are recognized at the lease commencement date and represent the Agency's right-to-use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to please the lease asset into service. Right-to-use leased assets are amortized over the lease term using the straight-line method. The amortization period varies from 3 to 10 years.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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 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.

Lease Liabilities

Lease liabilities represent the Agency's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the Agency.

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 one item that qualify for reporting in this category. The 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 three items that qualify for reporting in this category. The governmental funds and government-wide financial statements 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. The third item is deferred inflows related to leases where the Agency is the lessor and is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease. See Note 7 for details of deferred inflows related to leases.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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.

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, 2023, 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, 2023, \$16,204,817 was assigned in the Parking fund for parking reinvestment projects and commitments budgeted in fiscal year 2023.

CAPITAL CITY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

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 six revenue allocation funds, one for each of its 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.

Restricted fund balances as of September 30, 2023:

River Myrtle District Revenue Allocation Fund	\$ 25,710,798
Westside District Revenue Allocation Fund	6,758,413
30th Street District Revenue Allocation Fund	2,900,125
Shoreline District Revenue Allocation Fund	1,231,331
Gateway East District Revenue Allocation Fund	6,605,924
State Street District Revenue Allocation Fund	768,743
Parking Fund	6,530

Restricted assets consist of cash and investments held by the Agency's agent in the Agency's name. Investments are generally held until maturity.

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.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2023, was as follows:

	September 30, 2022	Additions	Deletions	Transfers	September 30, 2023
Governmental Activities					
<i>Capital assets, not depreciated</i>					
Land	\$ 3,438,944	\$ -	\$ -	\$ -	\$ 3,438,944
Construction in progress	382,346	846,975	-	(339,529)	889,792
	<u>3,821,290</u>	<u>846,975</u>	<u>-</u>	<u>(339,529)</u>	<u>4,328,736</u>
<i>Capital assets, depreciated</i>					
Buildings	29,808,719	-	-	-	29,808,719
Improvements other than buildings	5,312,025	208,370	-	335,371	5,855,766
Equipment	595,964	12,742	-	4,158	612,864
Total	<u>35,716,708</u>	<u>221,112</u>	<u>-</u>	<u>339,529</u>	<u>36,277,349</u>
<i>Less accumulated depreciation</i>					
Buildings	(13,275,601)	(700,237)	-	-	(13,975,838)
Improvements other than buildings	(3,351,832)	(205,438)	-	-	(3,557,270)
Equipment	(491,702)	(52,065)	-	-	(543,767)
Total	<u>(17,119,135)</u>	<u>(957,740)</u>	<u>-</u>	<u>-</u>	<u>(18,076,875)</u>
<i>Total depreciated capital assets, net</i>	<u>18,597,573</u>	<u>(736,628)</u>	<u>-</u>	<u>339,529</u>	<u>18,200,474</u>
<i>Governmental activities capital assets, net</i>	<u>\$22,418,863</u>	<u>\$ 110,347</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$22,529,210</u>

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities	
Parking	\$ 929,790
Community Development	27,950

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

Starting in fiscal year 2022, the Agency adopted GASB Statement No. 87, *Leases*. The implementation of this standard requires recording and disclosing right-to-use lease assets. As of September 2023, a total of \$2,038,845 is recorded as right-to-use lease assets, net of accumulated amortization.

	September 30, 2022	Additions	Deletions	September 30, 2023
Right-to-use Leased Assets Being Amortized				
Right-to-use leased building	\$ 2,343,002	\$ -	\$ -	\$ 2,343,002
Right-to-use leased land	817,147	-	-	817,147
	<u>3,160,149</u>	<u>-</u>	<u>-</u>	<u>3,160,149</u>
Less Accumulated Amortization for				
Right-to-use leased building	356,364	356,364	-	712,728
Right-to-use leased land	204,288	204,288	-	408,576
Total accumulated amortization	<u>560,652</u>	<u>560,652</u>	<u>-</u>	<u>1,121,304</u>
Net right-to-use leased assets	<u>\$ 2,599,497</u>	<u>\$ (560,652)</u>	<u>\$ -</u>	<u>\$ 2,038,845</u>
Amortization Expense				
Community Development		\$ 560,652		

Note 5 - Long-Term Liabilities

At September 30, 2023, long-term liabilities consists of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Leases	\$ 2,740,057	\$ -	\$ (519,971)	\$ 2,220,086	\$ 578,046
	<u>\$ 2,740,057</u>	<u>\$ -</u>	<u>\$ (519,971)</u>	<u>\$ 2,220,086</u>	<u>\$ 578,046</u>

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

Starting in fiscal year 2022, the Agency adopted GASB Statement No. 87, *Leases*. The implementation of this standard requires recording and disclosing lease liabilities. As of September 30, 2023, a total of \$2,220,086 is recorded as long-term liabilities.

The annual requirements to pay the leased related liabilities as of September 30, 2023, are shown below.

	Governmental Activities		Total
	Principal	Interest	
2024	\$ 578,046	\$ 21,345	\$ 599,391
2025	509,502	17,507	527,009
2026	168,134	14,674	182,808
2027	176,010	12,284	188,294
2028	184,154	9,789	193,943
2029-2032	604,240	13,203	617,443
Total lease payments	<u>\$ 2,220,086</u>	<u>\$ 88,802</u>	<u>\$ 2,308,888</u>

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.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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, 2023 (July 1, 2023), it was 7.16% (6.71%) for general employees. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% (11.18%) for general employees.

The Agency's contributions were \$213,648 for the year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At September 30, 2023, 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, 2023, 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, 2023, the Agency's proportion was 0.0419441 % compared with 0.0418289 % at July 1, 2022.

For the year ended September 30, 2023, the Agency recognized pension expense of \$456,768. At September 30, 2023, 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
Differences between expected and actual experience	\$ 286,911	\$ -
Changes in assumptions or other inputs	165,746	-
Net difference between projected and actual earnings on pension plan investments	157,115	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	41,747	34,862
Agency's contributions subsequent to the measurement date	54,604	-
Total	<u>\$ 706,123</u>	<u>\$ 34,862</u>

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

An amount reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date totaling \$54,604 will be recognized as a reduction of the net pension liability (asset) in the year ending September 30, 2024.

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

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:

Years Ended September 30,

2024	\$	220,680
2025		101,929
2026		316,865
2027		(22,817)

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, 2023 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.

An experience study was performed for the period July 1, 2015 through June 30, 2020 which reviewed all economic and demographic assumptions including mortality. The Total Pension Liability as of June 30, 2023 is based on the results of an actuarial valuation date July 1, 2023.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%
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%
	5% of Fire and Police active member deaths are assumed to be duty related. These assumptions were adopted July 1, 2021.
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.

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 2023

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

CAPITAL CITY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

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 net pension liability of PERSI employer's calculated using the discount rate of 6.35% as well as what the employer's liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher 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>\$ 3,010,487</u>	<u>\$ 1,673,850</u>	<u>\$ 581,399</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, 2023, the Agency reported payables to the defined benefit pension plan of \$20,902 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 5% 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 \$88,503 contributions to the PERSI Choice 401(k) as benefits expense during the year ended September 30, 2023. The Agency recognized \$0 for the employer's liability outstanding for contributions for the period ended September 30, 2023.

CAPITAL CITY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

Note 7 - Leases

Lessee Activities

The Agency leases two office facilities and certain leases of land held for redevelopment. The leases are for various terms, under long-term, non-cancelable lease agreements and expire at various dates through 2031. The lease liability was valued using discount rates between 0.63% and 1.39%. These rates are approximate borrowing costs for the Agency as of October 1, 2021, which was the implementation date of the GASB Statement No. 87, *Leases* Standard. The total amount of right to use leased assets and the related accumulated amortization on right-to-use leased assets was \$3,160,149 and \$1,121,304, as of September 30, 2023, respectively.

Lessor Activities

The Agency has accrued a lease receivable for two building leases. The receivable is measured at the present value of lease payments expected to be received during the lease terms. The remaining receivable for these leases was \$652,148 for the year ended September 30, 2023.

A deferred inflow of resources is recorded for applicable leases at the initiation of leases in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease. Deferred inflows related to these leases were \$629,426 as of September 30, 2023. Interest revenue recognized on these leases was \$9,886 for the year ended September 30, 2023. Principal receipts of \$104,088 were recognized during the fiscal year. The interest rate on the leases ranged from 0.20% – 1.59%. Final receipt is expected in fiscal year 2036.

Note 8 - Commitments and Contingencies

River Myrtle-Old Boise District

The Agency entered 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. During the fiscal year 2023, a total of \$190,846 has been paid for rent. As of September 30, 2023, a total of \$1,530,809 has been paid to the landlord and other vendors since the MOU was executed.

The Agency entered into an Owners Participation Agreement (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

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

11th and Front parking garage. The OPA sets out conditions the developer must meet to become eligible for Agency financial participation. During fiscal year 2023, a final amount of \$706,140 was made for public improvements reimbursement. As of September 30, 2023, total payments of \$8,242,940 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 \$4,155,939 for public improvements (\$1,635,939) 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 agreement 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 was completed in 2021. As of June 30, 2022, the developer requested early termination of the monthly parking permit purchase agreement. During fiscal year 2023, \$398,737 was paid for the Type 3 public improvement reimbursement. As of September 30, 2023, total payments of \$1,750,822 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 The Hearth on Broad. The project was 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 was completed in 2022. Payments are expected to be made over three years from fiscal year 2023 to 2025. During fiscal year 2023, the first payment of \$287,294 was 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 was 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 was completed in summer 2021. Payments are expected to be made over four years from fiscal year 2022 to 2025. During fiscal year 2023, a total of \$353,019 was paid to the developer. As of September 2023, total payments of \$547,022 have been made.

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 East 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 now known as LOCAL Boise apartments. The project is in the River Myrtle-Old Boise District. The project was estimated by the developer to have a total value of \$52 million upon completion. The Agency's financial participation is 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

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

become eligible for Agency financial participation. The project started construction in November 2020 and was completed during 2023. Payments are expected to be made over three years from fiscal year 2023 to 2025. During fiscal year 2023, the first payment of \$210,919 was 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 West 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 was 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 was completed in late 2021. Payments are expected to be made over three years from fiscal year 2023 to 2025. During fiscal year 2023, the first payment of \$119,924 was 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 at 116 South 6th Street, a 7-story building housing 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 was 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 was completed in 2022. Payments are expected to be made over four years from fiscal year 2022 to 2025. During fiscal year 2023, a total of \$91,075 was paid to the developer. As of September 2023, total payments of \$445,394 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 West 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 was estimated by the developer to have a total value of \$25.5 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$661,809 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 late 2021. Payments are expected to be made over four years from fiscal year 2022 to 2025. During fiscal year 2023, a total of \$145,529 was paid to the developer. As of September 2023, total payments of \$377,251 have been made.

The Agency entered into an OPA and related agreements in fiscal year 2022 with 5th & Grove Beta Office LLC, the owner of the property at 113 South 5th Street. The owner constructed a three-story, 6,305 square foot office building and renovated public improvements on the streetscape. The project is in 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. During fiscal year 2023, the project was completed and the first and final payment of \$132,796 was made.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

The Agency entered into a Type 4 Capital Improvement Reimbursement Agreement with 11th & Lee BE LLC, the owner of the property at 1103 West Lee Street. The owner constructed a 45,000 square foot mixed use building with 48 apartment units and 600 square feet of commercial space and associated site improvements. The developer also constructed a portion of the 11th Street improvements—improving streetscapes on Lee Street and upgrades to the alley adjacent to the project. The project is in the River Myrtle-Old Boise District. The Agency’s financial participation is an anticipated amount not to exceed \$358,702 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 was completed in 2023. As of September 30, 2023, no payments have been made.

The Agency entered into a Type 1 Participation Agreement in fiscal year 2022 with the Foundation for Idaho History, the owner of the property at 210 West Main Street. The Participant is the nonprofit fundraising arm of the Idaho State Historical Society and is undertaking a public improvements project on the State’s historic Assay Office property, including constructing a pathway, installing landscaping and other site improvements, and planting trees within the streetscapes at the project site. The project is in the River Myrtle-Old Boise District. The Agency’s financial participation is an anticipated amount of \$165,635 for public improvements after the project is complete. The agreement sets out conditions the owner must meet to become eligible for Agency financial participation. The project is expected to be completed in late 2023. As of September 30, 2023, no payments have been made.

The Agency entered into a Type 4 Capital Improvement Reimbursement Agreement with the City of Boise during fiscal year 2023. The Old Boise Blocks Project is being undertaken in the River Myrtle-Old Boise District by the Agency. As part of the project, CCDC and the City have agreed to collaborate on construction and installation of public art celebrating the Boise canal and the agricultural history on West Grove Street between 3rd Street and 6th Street. The addition of public art will continue to enhance and revitalize the district. The Agency’s financial participation is an anticipated amount not to exceed \$165,000 for public art after the project is complete. The agreement sets out conditions the City must meet to become eligible for Agency financial participation. The project is expected to be completed in 2025. As of September 30, 2023, no payments have been made.

The Agency entered into a Type 4 Capital Improvement Reimbursement Agreement with the City of Boise during fiscal year 2023 for public art at 521 West Grove Street. In January 2022, the Agency purchased this .021-acre parcel located in the River Myrtle-Old Boise District with the purpose to redevelop it into a public space. CCDC and the City have agreed to collaborate on the public art for this space that will serve to celebrate the multi-cultural history of the Old Boise neighborhood, including the architecture, history, and aesthetic improvements, and will serve as an iconic feature of the property as well as contribute to the identity of the District. The Agency’s financial participation is an anticipated amount not to exceed \$400,000 for public art after the project is complete. The agreement sets out conditions the City must meet to become eligible for Agency financial participation. The project is expected to be completed in 2025. As of September 30, 2023, no payments have been made.

The Agency entered into a Type 4 Capital Improvement Reimbursement Agreement with the City of Boise during fiscal year 2023. In 2018, CCDC conveyed title to the property located 617 Ash Street to the City of Boise in a partnership to permanently preserve the property as a cultural site. This property, known as the Erma Hayman House, is located in the River Myrtle-Old Boise Urban Renewal District. This fiscal year, the City, through its Department of Arts & History, requested for the property certain funding assistance to add interpretive signage, an auxiliary lighting system to illuminate public art at night and during events, and a projector adjacent to the wall facing River Street to host temporary and rotating digital projection art. The Agency’s financial participation is an

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

anticipated amount not to exceed \$100,000 for the requested public improvements after the project is complete. The agreement sets out conditions the City must meet to become eligible for Agency financial participation. The project is expected to be completed in 2024. As of September 30, 2023, no payments have been made.

The Agency entered into a Type 4 Capital Improvement Reimbursement Agreement with Broadstone Saratoga, LP the owner of the property at 1201 West Grove Street. The owner is constructing a seven-story, 334-unit mixed-use development with ground floor commercial space and associated public improvements on the project site. The project is in the River Myrtle-Old Boise District. The Agency's financial participation is an anticipated amount not to exceed \$1,873,289 for public improvements after the project is complete. The agreement sets out conditions the owner must meet to become eligible for Agency financial participation. The project is expected to be completed in 2025 and payment for this agreement will be made as a one-time reimbursement. As of September 30, 2023, no payments have been made.

The Agency entered into a Type 4 Capital Improvement Reimbursement Agreement with the City of Boise during fiscal year 2023. The Linen Blocks on Grove Street Streetscapes Improvement Project is being undertaken in the River Myrtle-Old Boise District by the Agency. Through this project, CCDC intends to make improvements to the public right-of-way including providing for the addition of public art. As part of the project, CCDC and the City have agreed to collaborate on the installation of public art and cultural assets, which are identified as seven public art and cultural assets, both existing and new, that contribute to place making and neighborhood vision. The Agency's financial participation is an anticipated amount not to exceed \$113,000 for public art after the project is complete. The agreement sets out conditions the City must meet to become eligible for Agency financial participation. The project is expected to be completed in 2025. As of September 30, 2023, no payments have been made.

The Agency entered into a Type 4 Capital Improvement Reimbursement Agreement with the City of Boise during fiscal year 2023. The City is constructing a new two-story, 16,000 square-foot fire station on the western half of the publicly-owned parcel located at 212 South 16th Street in the River Myrtle-Old Boise District. The City will make public utility and streetscape improvements in the existing alley and along the adjoining public rights-of-way on 15th, 16th, and Front Streets. The City, through its Public Works Department, is requesting reimbursement for the public improvements associated with the project. The Agency's financial participation is an anticipated amount not to exceed \$1,155,000 for public improvements after the project is complete. The agreement sets out conditions the City must meet to become eligible for Agency financial participation. The project is expected to be completed in 2024. As of September 30, 2023, no payments have been made.

Westside District

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 was 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 was completed in 2021. Payments are expected to be made over three years from fiscal year 2022 to 2024. During fiscal year 2023, a total of \$189,507 was paid to the developer. As of September 2023, total payments of \$404,712 have been made.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

The Agency entered into a Type 3 Transformative Assistance Agreement in fiscal year 2022 with Avery LLC, the owner of property at 1010 West Main Street. The developer plans to renovate the existing structure, the Averyl Tiner Building, on the project site into two restaurants and one hotel. As part of the project, the developer intends to remove two existing art installations, improve street and sidewalk conditions on West Main Street and the rear alleyway entrance, and renovate three façade elevations. The project is in the Westside District and will contribute to enhancing and revitalizing the district. The Agency's financial participation is an anticipated amount not to exceed \$1,214,613 for public improvements. The agreement sets out conditions the developer must meet to become eligible for Agency financial participation. The project was completed during 2023. During fiscal year 2023, the first and final payment of \$1,179,181 was made.

The Agency entered into a Type 1 Streetscape Grant Participation Agreement in fiscal year 2022 with 17th and Main LLC, the owner of the property at 1700 West Main Street. The owner is renovating the exterior and a portion of the interior of an existing professional office space and improving the right of way at the project site. The project is in the Westside District. The Agency's financial participation is an anticipated amount not to exceed \$182,054 for public improvements after the project is complete. The agreement sets out conditions the owner must meet to become eligible for Agency financial participation. The project is expected to be completed in late 2023. As of September 30, 2023, no payments have been made.

The Agency entered into a Type 1 Streetscape Grant Participation Agreement in fiscal year 2022 with Fairview Partners LLC, the owner of the property at 1655 West Fairview Avenue. The owner renovated 28,000 square feet of office and retail space with associated public improvements to streetscapes at the project site. The project is in the Westside District. The Agency's financial participation is an anticipated amount not to exceed \$200,000 for public improvements after the project is complete. The agreement sets out conditions the owner must meet to become eligible for Agency financial participation. During fiscal year 2023, the project was completed and the first and final payment of \$200,00 was made.

The Agency entered into a Type 1 Streetscape Grant Participation Agreement in fiscal year 2022 with The Imperial Seven Hundred LLC, the owner of the property at 1070 West Grove Street. The owner is renovating the former Safari Inn and completing improvements to the alleyway at the project site. The project is in the Westside District. The Agency's financial participation is an anticipated amount not to exceed \$83,255 for public improvements after the project is complete. The agreement sets out conditions the owner must meet to become eligible for Agency financial participation. The project is expected to be completed in late 2023. As of September 30, 2023, no payments have been made.

The Agency entered into a Type 4 Capital Improvement Reimbursement Agreement with Hendricks Commercial Properties LLC, the owner of the property at 1110 West Grove Street. The owner is constructing an eight-story, 122-room boutique hotel with amenity space and associated public improvements on the project site. The project is in the Westside District. The Agency's financial participation is an anticipated amount not to exceed \$250,000 for public improvements after the project is complete. The agreement sets out conditions the owner must meet to become eligible for Agency financial participation. The project is expected to be completed in 2024. As of September 30, 2023, no payments have been made.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

The Agency entered into a Type 1 Streetscape Grant Participation Agreement in fiscal year 2023 with Smith Block, LLC, the owner of the property at 1015 West Main Street. The owner is renovating the exterior of the building at the project site. The project is in the Westside District. The Agency's financial participation is an anticipated amount not to exceed \$200,000 for extensive façade renovation work sensitive to the historic nature of the building. The agreement sets out conditions the owner must meet to become eligible for Agency financial participation. The project is expected to be completed during fiscal year 2024. As of September 30, 2023, no payments have been made.

The Agency entered into a Type 2 General Assistance Participation Agreement in fiscal year 2023 with 1522 W State St, LLC, the owner of property at 1522 West State Street. The developer plans to construct a mixed-use development comprised of a seven-story building with 104 residential units and approximately 1,600 square feet of ground floor commercial space. The project is located in the Westside District and is estimated by the developer to have a total value of \$23 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$657,655 for public improvements which will be made as one-time reimbursement after the project is complete. The agreement sets out conditions the developer must meet to become eligible for Agency financial participation. The project is expected to be completed in 2025. As of September 2023, no payments have been made.

The Agency entered into a Type 2 General Assistance Participation Agreement in fiscal year 2023 with 12th and Idaho Owner, LLC, the owner of property at 120 North 12th Street, which is located in the Westside District. The developer plans to construct on the project site a mixed-use development comprised of a 26-story building with 298 residential units, approximately 8,700 square feet of ground floor commercial space, and an open-air parking garage with 323 parking spaces. The project is estimated by the developer to have a total value of \$112 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$1,342,345 for public improvements which will be made as one-time reimbursement after the project is complete. The agreement sets out conditions the developer must meet to become eligible for Agency financial participation. The project is expected to be completed in 2025. As of September 2023, no payments have been made.

30th Street District

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 was 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 undergrounding utilities improvement (\$278,402). The agreement sets out conditions the developer must meet to become eligible for Agency financial participation. The project was completed in 2019. During fiscal year 2023, the fourth and final payment of \$89,869 was made to the developer for the Type 2 General Assistance Participation Agreement. As of September 30, 2023, total payments of \$546,927 have been made.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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 North 27th Street. The owner renovated 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 be completed in late 2023. As of September 30, 2023, no payments have been made.

The Agency entered into a Type 4 Capital Improvement Reimbursement Agreement with St. Luke's Health System LTD, the owner of the property at 2525 West Fairview Avenue. The agency agrees to reimburse the participant for the construction of transit infrastructure improvements. The project is in 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 agreement sets out conditions the owner must meet to become eligible for Agency financial participation. During summer of 2023, the project was completed. As of September 30, 2023, no payments have been made.

The Agency entered into a Type 1 Streetscape Grant Participation Agreement in fiscal year 2022 with ESP Property Investments LLC, the owner of property at 3205 West Moore Street. The owner constructed a residential development of nine approximately 2,100 square foot, for-sale townhomes with a common lot at the project site. The owner is renovating public improvements on the streetscape. The project is located in the 30th Street District. The Agency's financial participation is an anticipated amount not to exceed \$166,583 for public improvements after the project is complete. The agreement sets out conditions the owner must meet to become eligible for Agency financial participation. The project is expected to be completed in 2025. As of September 30, 2023, no payments have been made.

The Agency entered into a Type 2 General Assistance Participation Agreement in fiscal year 2023 with Local Acquisitions, LLC, the owner of property at 2618 West Fairview Avenue, which is located in the 30th Street District. The participant plans to construct on the project site a mixed-use development comprised of a seven-story building with a total of 271 residential units and approximately 8,500 square feet of commercial space. The project is estimated by the developer to have a total value of \$82 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$1,608,687 for public improvements after the project is complete. Payments are expected to be made over four years from fiscal year 2027 to 2030. The agreement sets out conditions the developer must meet to become eligible for Agency financial participation. The project is expected to be completed in 2025. As of September 2023, no payments have been made.

The Agency entered into a Type 4 Capital Improvement Reimbursement Agreement with the City of Boise during fiscal year 2023. The City is upgrading its wastewater renewal system on Main Street between 25th and 28th Streets and on a section of property subject to a public easement, generally located on the southeast corner of 28th Street and Main Street. The project area is located in the 30th Street Urban Renewal District. The project objectives are to construct a new wastewater lift station and pressurized discharge pipe, all to be completed by City Utility crews or their designated contractors. The City has requested CCDC's participation in the project. The Agency's financial participation is an anticipated amount not to exceed \$1,593,750 for public improvements after the project is complete. The agreement sets out conditions the City must meet to become eligible for Agency financial participation. The project is expected to be completed in 2024. As of September 30, 2023, no payments have been made.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

The Agency entered into a Type 1 Streetscape Grant Participation Agreement during fiscal year 2023 with West End Holdings, LLC, the owner of property at 101 South 27th Street. The owner renovated an existing office building located on the project site. The project is located in 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 agreement sets out conditions the owner must meet to become eligible for Agency financial participation. The project was completed during 2023. As of September 30, 2023, no payments have been made.

Shoreline District

The Agency entered into a Type 2 General Assistance Participation Agreement during fiscal year 2023 with KC Gardner Company, L.C., the owner of property at 818 West Ann Morrison Park Drive, which is located in the Shoreline District. The participant plans to construct on the project site a mixed-use development comprised of a five-story building with a total of 91 residential units, structured parking, and ground floor commercial space. The project is estimated by the developer to have a total value of \$44 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$551,057 for public improvements after the project is complete. Payments are expected to be made over four years from fiscal year 2026 to 2029. The agreement sets out conditions the developer must meet to become eligible for Agency financial participation. The project is expected to be completed in 2024. As of September 2023, no payments have been made.

Gateway East District

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 South 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 was 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 was completed in 2021. Payments are expected to be made over six years from fiscal year 2022 to 2027. During fiscal year 2023, a total of \$14,776 was paid to the developer. As of September 2023, total payments of \$29,382 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 South 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 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 was completed during summer 2020. Payments are expected to be made over six years from fiscal year 2022 to 2027. During fiscal year 2023, a total of \$146,753 was paid to the developer. As of September 2023, total payments of \$280,280 have been made.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

The Agency entered into an OPA and related agreements in fiscal year 2021 with Lynch Land Development. The developer of 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. The project is located is 10026 South 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 was completed in early 2022. Payments are expected to be made over five years from fiscal year 2023 to 2028. During fiscal year 2023, the first payment of \$56,740 was made.

The Agency entered into an OPA and related agreements in fiscal year 2021 with Boise Gateway2, LC. The developer of 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 was completed in early 2022. Payments are expected to be made over six years from fiscal year 2024 to 2029. As of September 30, 2023, no payments have been made.

The Agency entered into a Type 2 General Assistance Participation Agreement in fiscal year 2022 with CPG International LLC, the owner of property at 1001 East Gowen Road. On the project site, the developer plans to construct a manufacturing and distribution center reusing existing industrial buildings and including necessary operation and information technology systems. As part of the project, the developer will upgrade power facilities and infrastructure and install streetlights. The project is in the Gateway East District. The project was estimated by the developer to have a total value of \$123.2 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$1,405,300 for public improvements over the course of six years after the project is complete. The agreement sets out conditions the developer must meet to become eligible for Agency financial participation. The project is expected to reach final completion in late 2023. Payments are expected to be made over six years from fiscal year 2024 to 2029. As of September 30, 2023, no payments have been made.

The Agency entered into a Type 2 General Assistance Participation Agreement during fiscal year 2022 with Red River Logistics Center LLC and Red River Commerce Center LLC, owner of property at 951 East Gowen Road and 7031 South Eisenman Road. On the project sites, the developer plans to construct approximately 1.28 million square feet of speculative Class A industrial space and associated site improvements. Public improvements include expanding Production Street; extending a water main, underground power and fiber conduit; constructing a detached multi-use pathway; streetlights; and performing necessary streetscape improvements on Eisenman Road. The project is in the Gateway East District and is estimated by the developer to have a total value of \$103.2 million upon completion. The Agency's financial participation is an anticipated amount not to exceed \$4,134,124 for expenses related to the site at 951 East Gowen Road and \$105,000 for expenses related to the site at 7031 South Eisenman Road for public improvements over the course of six years after the project is complete. The agreement sets out conditions the developer must meet to become eligible for Agency financial participation. The project is expected to be completed in spring 2024. Payments are expected to be made over six years from fiscal years 2025 to 2030. As of September 30, 2023, no payments have been made.

CAPITAL CITY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2023

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 2023, the tax increment guarantee and supplemental rent obligations in the amounts of \$102,595 and \$188,658 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 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 - Conduit Debt

To further economic development in the City of Boise, the Agency, on April 29, 2016, 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 bonds meet the definition of a conduit debt obligation. 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 were issued at a fixed rate range from 3.00% to 5.00%.

The issuance was a conduit financing arrangement for the District. The property financed is pledged as collateral, and the bonds are payable solely from payments received from The District under the Appropriation Lease Agreement between the Agency and the District. The Agency has not extended any commitments for the debt service payments for those bonds beyond the collateral and the payments from the District. As an issuer, 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, 2023, the aggregate outstanding principal amount payable is \$18,200,000.

CAPITAL CITY DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023

Note 11 - Subsequent Events

On November 1, 2023, the Agency purchased a parcel of land located in the Westside District at 1010 West Jefferson Street for \$1,700,000.

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, 2023**

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
REVENUES				
Interest	\$ -	\$ 70,000	\$ 64,543	\$ (5,457)
Unrealized loss on investments	-	-	1,565	1,565
Other	-	-	100,007	100,007
Total revenues	-	70,000	166,115	96,115
EXPENDITURES				
Operating and administrative expenses	4,229,894	4,207,478	3,566,066	641,412
Capital outlay and related expenses	45,000	41,500	42,916	(1,416)
Debt service - principal	-	-	148,482	(148,482)
Debt service - interest and fees	-	-	21,258	(21,258)
Total expenditures	4,274,894	4,248,978	3,778,722	470,256
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,274,894)	(4,178,978)	(3,612,607)	566,371
OTHER FINANCING SOURCES (USES)				
Interfund transfers	4,274,894	4,528,978	3,653,863	(875,115)
Total other financing sources (uses)	4,274,894	4,528,978	3,653,863	(875,115)
NET CHANGE IN FUND BALANCES	-	350,000	41,256	(308,744)
FUND BALANCES, BEGINNING OF YEAR	981,394	981,394	981,394	-
FUND BALANCES, END OF YEAR	\$ 981,394	\$ 1,331,394	\$ 1,022,650	\$ (308,744)

CAPITAL CITY DEVELOPMENT CORPORATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2023**

	River Myrtle District RA Fund			Variance
	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)
REVENUES				
Lease	\$ -	\$ -	\$ 111,212	\$ 111,212
Interest	-	440,000	403,395	(36,605)
Unrealized loss on investments	-	-	33,640	33,640
Other	4,069,750	3,490,197	2,401,698	(1,088,499)
Parking revenues	102,000	102,290	102,290	-
Revenue allocation funds	12,880,000	11,168,000	11,736,842	568,842
Total revenues	17,051,750	15,200,487	14,789,077	(411,410)
EXPENDITURES				
Operating and administrative expenses	585,960	503,778	186,881	316,897
Capital outlay and related expenses	29,451,812	19,158,727	12,247,283	6,911,444
Debt service - principal	428,212	428,212	371,489	56,723
Debt service -interest	-	-	3,817	(3,817)
Total expenditures	30,465,984	20,090,717	12,809,470	7,281,247
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(13,414,234)	(4,890,230)	1,979,607	6,869,837
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(1,297,120)	(1,808,911)	(1,502,223)	306,688
Gain (loss) on sale of properties held for resale	-	-	(2,011,840)	(2,011,840)
Total other financing sources (uses)	(1,297,120)	(1,808,911)	(3,514,063)	(1,705,152)
NET CHANGE IN FUND BALANCES	(14,711,354)	(6,699,141)	(1,534,456)	5,164,685
FUND BALANCES, BEGINNING OF YEAR	29,063,835	29,063,835	29,063,835	-
FUND BALANCES, END OF YEAR	\$ 14,352,481	\$ 22,364,694	\$ 27,529,379	\$ 5,164,685

CAPITAL CITY DEVELOPMENT CORPORATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2023**

	Westside District RA Fund			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
REVENUES				
Lease	\$ 41,586	\$ 44,485	\$ 44,406	\$ (79)
Interest	-	154,000	133,089	(20,911)
Unrealized loss on investments	-	-	10,170	10,170
Other	1,957,303	3,261,907	2,713,846	(548,061)
Parking revenues	4,950	8,000	12,280	4,280
Revenue allocation funds	4,810,000	4,117,900	4,252,488	134,588
Total revenues	6,813,839	7,586,292	7,166,279	(420,013)
EXPENDITURES				
Operating and administrative expenses	286,710	277,563	302,343	(24,780)
Capital outlay and related expenses	13,095,539	10,122,286	8,644,766	1,477,520
Total expenditures	13,382,249	10,399,849	8,947,109	1,452,740
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,568,410)	(2,813,557)	(1,780,830)	1,032,727
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(770,165)	(904,455)	(728,136)	176,319
Total other financing sources (uses)	(770,165)	(904,455)	(728,136)	176,319
NET CHANGE IN FUND BALANCES	(7,338,575)	(3,718,012)	(2,508,966)	1,209,046
FUND BALANCES, BEGINNING OF YEAR	16,419,706	16,419,706	16,419,706	-
FUND BALANCES, END OF YEAR	\$ 9,081,131	\$ 12,701,694	\$ 13,910,740	\$ 1,209,046

CAPITAL CITY DEVELOPMENT CORPORATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2023**

	30th Street District RA Fund			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
REVENUES				
Interest	\$ -	\$ 36,000	\$ 35,416	\$ (584)
Unrealized loss on investments	-	-	3,129	3,129
Revenue allocation funds	1,450,000	1,190,200	1,223,825	33,625
Total revenues	1,450,000	1,226,200	1,262,370	36,170
EXPENDITURES				
Operating and administrative expenses	40,000	8,500	500	8,000
Capital outlay and related expenses	928,583	466,155	105,209	360,946
Total expenditures	968,583	474,655	105,709	368,946
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	481,417	751,545	1,156,661	405,116
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(283,745)	(172,277)	(155,524)	16,753
Total other financing sources (uses)	(283,745)	(172,277)	(155,524)	16,753
NET CHANGE IN FUND BALANCES	197,672	579,268	1,001,137	421,869
FUND BALANCES, BEGINNING OF YEAR	1,898,988	1,898,988	1,898,988	-
FUND BALANCES, END OF YEAR	\$ 2,096,660	\$ 2,478,256	\$ 2,900,125	\$ 421,869

CAPITAL CITY DEVELOPMENT CORPORATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2023**

	Shoreline District RA Fund			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
REVENUES				
Interest	\$ -	\$ -	\$ 14,205	\$ 14,205
Unrealized loss on investments	-	14,000	1,565	(12,435)
Revenue allocation funds	620,000	556,300	546,121	(10,179)
Total revenues	620,000	570,300	561,891	(8,409)
EXPENDITURES				
Operating and administrative expenses	120,000	4,000	-	4,000
Capital outlay and related expenses	425,000	42,000	25,674	16,326
Total expenditures	545,000	46,000	25,674	20,326
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	75,000	524,300	536,217	11,917
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(202,675)	(129,208)	(95,435)	33,773
Total other financing sources (uses)	(202,675)	(129,208)	(95,435)	33,773
NET CHANGE IN FUND BALANCES	(127,675)	395,092	440,782	45,690
FUND BALANCES, BEGINNING OF YEAR	790,549	790,549	790,549	-
FUND BALANCES, END OF YEAR	\$ 662,874	\$ 1,185,641	\$ 1,231,331	\$ 45,690

CAPITAL CITY DEVELOPMENT CORPORATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2023**

	Gateway East District RA Fund			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
REVENUES				
Interest	\$ -	\$ 66,000	\$ 71,495	\$ 5,495
Unrealized loss on investments	-	-	7,823	7,823
Revenue allocation funds	5,210,000	4,505,800	4,438,513	(67,287)
Total revenues	5,210,000	4,571,800	4,517,831	(53,969)
EXPENDITURES				
Operating and administrative expenses	70,000	3,500	-	3,500
Capital outlay and related expenses	4,201,216	366,541	273,226	93,315
Total expenditures	4,271,216	370,041	273,226	96,815
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	938,784	4,201,759	4,244,605	42,846
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(445,885)	(344,554)	(265,098)	79,456
Total other financing sources (uses)	(445,885)	(344,554)	(265,098)	79,456
NET CHANGE IN FUND BALANCES	492,899	3,857,205	3,979,507	122,302
FUND BALANCES, BEGINNING OF YEAR	2,626,417	2,626,417	2,626,417	-
FUND BALANCES, END OF YEAR	\$ 3,119,316	\$ 6,483,622	\$ 6,605,924	\$ 122,302

CAPITAL CITY DEVELOPMENT CORPORATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2023**

	State Street District RA Fund			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Interest	\$ -	\$ 3,000	\$ 5,116	\$ 2,116
Unrealized gain on investments	-	-	782	782
Other	-	-	-	-
Parking revenues	1,110,000	900,100	872,897	(27,203)
Total revenues	1,110,000	903,100	878,795	(24,305)
EXPENDITURES				
Operating and administrative expenses	200,000	2,200	478	1,722
Capital outlay and related expenses	200,000	-	-	-
Total expenditures	400,000	2,200	478	1,722
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	710,000	900,900	878,317	(22,583)
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(202,675)	(129,208)	(109,574)	19,634
TOTAL OTHER FINANCING SOURCES	(202,675)	(129,208)	(109,574)	19,634
NET CHANGE IN FUND BALANCES	507,325	771,692	768,743	(2,949)
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	\$ 507,325	\$ 771,692	\$ 768,743	\$ (2,949)

CAPITAL CITY DEVELOPMENT CORPORATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2023**

	Parking Fund			Variance
	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)
REVENUES				
Lease	\$ 140,000	\$ 150,000	\$ 148,916	\$ (1,084)
Interest	-	217,000	219,945	2,945
Unrealized loss on investments	-	-	19,558	19,558
Other	2,500	6,600	7,110	510
Parking revenues	8,371,182	8,735,851	8,864,682	128,831
Total revenues	8,513,682	9,109,451	9,260,211	150,760
EXPENDITURES				
Operating and administrative expenses	2,765,569	2,408,890	2,551,216	(142,326)
Capital outlay and related expenses	2,759,500	1,355,271	1,181,825	173,446
Debt service - principal	170,000	170,000	-	170,000
Total expenditures	5,695,069	3,934,161	3,733,041	201,120
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,818,613	5,175,290	5,527,170	351,880
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(1,000,129)	(952,712)	(797,873)	154,839
Total other financing sources (uses)	(1,000,129)	(952,712)	(797,873)	154,839
NET CHANGE IN FUND BALANCES	1,818,484	4,222,578	4,729,297	506,719
FUND BALANCES, BEGINNING OF YEAR	11,982,050	11,982,050	11,982,050	-
FUND BALANCES, END OF YEAR	\$ 13,800,534	\$ 16,204,628	\$ 16,711,347	\$ 506,719

CAPITAL CITY DEVELOPMENT CORPORATION
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY (ASSET)
YEAR ENDED SEPTEMBER 30, 2023

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Employer's portion of net of the pension (asset) liability	0.0419441%	0.0401829%	0.0445123%	0.0422940%	0.0422401%
Employer's proportionate share of the net pension (asset) liability	\$ 1,673,850	\$ 1,582,707	\$ (35,155)	\$ 982,123	\$ 482,159
Employer's covered payroll	\$ 1,767,575	\$ 1,489,671	\$ 1,535,074	\$ 1,506,386	\$ 1,426,600
Employer's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	94.70%	106.25%	-2.29%	65.20%	33.80%
Plan fiduciary net position as a percentage of the total pension (asset) liability	83.83%	83.09%	100.36%	82.22%	93.79%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Employer's portion of net of the pension (asset) liability	0.0405570%	0.0397908%	0.0403932%	0.0361820%	
Employer's proportionate share of the net pension (asset) liability	\$ 598,223	\$ 625,443	\$ 818,832	\$ 476,459	
Employer's covered payroll	\$ 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	45.70%	48.96%	68.55%	46.00%	
Plan fiduciary net position as a percentage of the total pension (asset) liability	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.

CAPITAL CITY DEVELOPMENT CORPORATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
YEAR ENDED SEPTEMBER 30, 2023

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Statutorily required contribution	\$ 213,648	\$ 201,057	\$ 189,895	\$ 184,578	\$ 166,029
Contributions in relation to the statutorily required contribution	\$ (213,948)	\$ (195,718)	\$ (189,531)	\$ (189,706)	\$ (167,556)
Contribution deficiency (excess)	\$ (300)	\$ 5,339	\$ 364	\$ (5,128)	\$ (1,527)
Employer's covered payroll	\$ 1,789,250	\$ 1,604,032	\$ 1,561,822	\$ 1,567,710	\$ 1,446,855
Contributions as a percentage of covered payroll	11.96%	12.20%	12.14%	12.10%	11.58%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Statutorily required contribution	\$ 153,809	\$ 140,234	\$ 135,975	\$ 124,326	
Contributions in relation to the statutorily required contribution	\$ (152,231)	\$ (140,418)	\$ (133,983)	\$ (123,145)	
Contribution deficiency (excess)	\$ 1,578	\$ (184)	\$ 1,992	\$ 1,181	
Employer's covered payroll	\$ 1,346,870	\$ 1,222,892	\$ 1,202,851	\$ 1,096,499	
Contributions as a percentage of covered payroll	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, 2023

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 2023 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, 2023 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.

CAPITAL CITY DEVELOPMENT CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

Contributing Members, Service Retirement Members, and Beneficiaries

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%
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%
	5% of Fire and Police active member deaths are assumed to be duty related. These assumptions were adopted July 1, 2021.
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%

The Total Pension Liability as of June 30, 2023, is based on the results of an actuarial valuation date of July 1, 2023. The District's proportionate share of changes in assumptions as of the measurement date totaled \$165,746.



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 (*Government Auditing Standards*), 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, 2023, and the related notes to the financial statements, which collectively comprise the Agency’s basic financial statements, and have issued our report thereon dated December 28, 2023.

Report on 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 or significant deficiencies may exist that have not been identified.

Report on 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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the printed text of the firm's name and location.

Boise, Idaho
December 28, 2023