

Financial Statements  
September 30, 2025

# Capital City Development Corporation

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**TABLE OF CONTENTS**  
**SEPTEMBER 30, 2025**

---

Page

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 ..... 16

    Fund Financial Statements

        Balance Sheet - Governmental Funds ..... 17

        Reconciliation of Net Position in the Statement of Net Position to the Fund Balance in the Balance Sheet..... 19

        Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds ..... 20

        Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds..... 22

        Notes to Financial Statements ..... 23

**REQUIRED SUPPLEMENTARY INFORMATION**

    Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual ..... 45

    Schedule of Employer's Share of Net Pension Liability (Asset) ..... 53

    Schedule of Employer Contributions..... 54

    Notes to Required Supplementary Information..... 55

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*..... 56

    Schedule of Findings and Responses..... 58



## 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 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, 2025, 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 accompanying 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, 2025, 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.

#### *Correction of Error*

As discussed in Note 11 to the financial statements, certain errors resulting in an overstatement of amounts previously reported for accrued sick leave and accrued vacation pay as of September 30, 2024, were discovered by management of the Agency during the current year. Accordingly, a restatement has been made to the fund balance of the General Fund as of October 1, 2024, to correct the error. Our opinions are not modified with respect to that matter.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design,

implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 GAAS, 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 February 3, 2026, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

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

Boise, Idaho

February 3, 2026

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2025**

---

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, 2025. 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 2025 by \$104,523,669. Of this total, \$24,398,374 is invested in capital assets (net of debt).
- At fiscal year close, the Agency's governmental funds reported a combined ending fund balance of \$81,535,699, of which \$80,123,392 is nonspendable, restricted, committed or assigned.
- Total revenues increased by \$2,451,539. The change is mainly due to the facts that: (1) revenue allocation funds (also known as property tax increment revenue) increased by \$2,652,132. This significant increase was a result of the property value change from the continued growth in the commercial and industrial real estate market across the Treasure Valley; and (2) parking revenue increased by \$427,912. This increase was a result of the hourly parker customers spending increased time in the garages and a slight increase in number of hourly parker customers.
- During fiscal year 2025, the Agency's expenses were \$51,226,790 compared to \$35,183,257 reported in 2024. The increase in expenditures is largely due to the completion of major community development projects in the River Myrtle/Old Boise and Westside districts, as the districts sunset in fiscal year 2025 and 2026, respectively.
- Interest and fees expense on long-term liabilities in governmental activities decreased by \$2,995 compared with fiscal year 2024. See Note 7 Leases and Note 8 Subscription-Based Information Technology Arrangements for more details.

**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, 2025**

---

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**

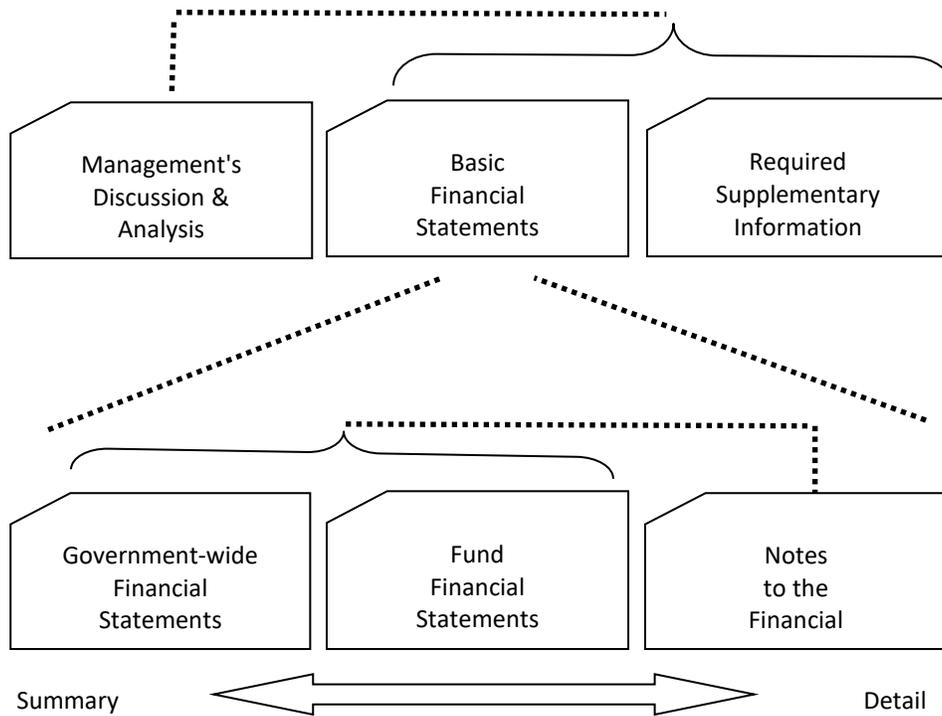


Figure B identifies the presentation of the Agency’s financial statements.

**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, 2025**

---

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 2025. 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: River-Myrtle/Old Boise District Revenue Allocation Fund (urban renewal activities), Westside District Revenue Allocation Fund (urban renewal activities), 30<sup>th</sup> 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), State Street 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.

**Government-Wide Financial Analysis**

Table 1 reflects the condensed fiscal year 2025 and fiscal year 2024 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 decreased \$546,972 during fiscal year 2025.

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2025**

Table 1  
Statement of Net Position  
As of September 30, 2025 and 2024

	2024	2025	Percent Change 2024-2025
Assets			
Current and Other Assets	\$ 121,166,651	\$ 113,826,109	(6.1%)
Capital Assets	23,665,473	25,935,208	9.6%
Total Assets	<u>144,832,124</u>	<u>139,761,317</u>	<u>(3.5%)</u>
Deferred Outflows of Resources	360,468	310,393	(13.9%)
Liabilities			
Other Liabilities	4,088,122	8,024,311	96.3%
Long-term Liabilities	2,521,926	2,394,980	(5.0%)
Total Liabilities	<u>6,610,048</u>	<u>10,419,291</u>	<u>57.6%</u>
Deferred Inflows of Resources	33,511,903	25,128,750	(25.0%)
Net Position			
Net Investment in Capital Assets	22,255,181	24,398,374	9.6%
Restricted	81,773,142	54,460,586	(33.4%)
Unrestricted	1,042,318	25,664,709	2362.3%
Total Net Position	<u>\$ 105,070,641</u>	<u>\$ 104,523,669</u>	<u>(0.5%)</u>

Twenty-three percent of the Agency's net position is invested in Capital Assets (i.e. land, buildings, equipment, parking facilities, right-to-use leased assets and right-to-use IT subscription assets net of related long-term liabilities). Fifty-two 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, 2025. Prior year data is presented for comparison purposes.

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2025**

Table 2  
Statement of Activities  
For Years Ended September 30, 2025 and 2024

	2024	2025	Percent Change 2024-2025
Revenues			
Program Revenues			
Charges for Services	\$ 385,858	\$ 264,360	(31.5%)
Operating Grants and Contributions	5,184,738	4,830,258	(6.8%)
Parking	9,244,144	9,672,056	4.6%
Total Program Revenue	<u>14,814,740</u>	<u>14,766,674</u>	<u>(0.3%)</u>
General Revenue			
Property Tax Increment	32,157,065	34,809,197	8.2%
Unrestricted Investment Earnings	1,264,168	1,103,947	(12.7%)
Loss on Sale of Capital Assets	(7,694)	-	100.0%
Total Revenues	<u>48,228,279</u>	<u>50,679,818</u>	<u>5.1%</u>
Expenses			
Program Expenses			
Community Development	31,260,477	47,735,535	52.7%
Interest on Long-Term Debt	21,345	18,350	(14.0%)
Parking Facilities	3,901,435	3,472,905	(11.0%)
Total Program Expenses	<u>35,183,257</u>	<u>51,226,790</u>	<u>45.6%</u>
Increase (Decrease) in Net Position	13,045,022	(546,972)	(104.2%)
Net Position - Beginning	<u>92,025,619</u>	<u>105,070,641</u>	14.2%
Net Position - Ending	<u>\$ 105,070,641</u>	<u>\$ 104,523,669</u>	<u>(0.5%)</u>

Revenues: *Charges for Services* include lease revenues from the Ada County Courthouse Corridor Project 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 \$2,451,539 compared with the prior year. Tax increment revenues increased \$2,652,132 compared to fiscal year 2024, due to the increase in property valuations and new construction in Agency urban renewal districts. Parking revenues had an increase of \$427,912 to \$9,672,056, due to hourly parker customers spending increased time in the garages and a slight increase in hourly parker customers.

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2025**

---

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 2025 increased by \$16,043,533. The increase in expenditures is largely due to the completion of major community development projects in the River Myrtle/Old Boise and Westside districts, as the districts sunset in fiscal year 2025 and 2026, respectively.

**Budgetary Highlights**

The fiscal year 2025 budget was amended twice during the year. In March, the State Street District budget was amended for the purchase of real property located within the district. As is typical, the budget was then amended for all funds during the summer to adjust 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 2025, the Agency completed one project that started in the prior year in Agency-owned garages. This project is the elevator modernization at the Capitol and Myrtle Garage.

As of September 30, 2025, a total of \$996,811 is recorded as right-to-use lease assets, net of accumulated amortization. A total of \$430,455 is recorded as right-to-use IT subscription assets, net of accumulated amortization.

Table 3  
Capital Assets Net of Depreciation

	2024	2025	Total Dollar Change 2024-2025
Land	\$ 3,438,944	\$ 3,438,944	\$ -
Construction in Progress	485,641	2,081,862	1,596,221
Building, Improvements and Equipment, net	18,466,978	18,987,136	520,158
Right-to-Use Leased Assets, net	1,273,910	996,811	(277,099)
Right-to-Use IT Subscription, net	-	430,455	430,455
<b>Total Capital Assets</b>	<b>\$ 23,665,473</b>	<b>\$ 25,935,208</b>	<b>\$ 2,269,735</b>

See Note 4 to the financial statements.

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2025**

---

Table 4  
Major Capital Additions during Fiscal 2025

Beginning Balance	\$ 23,665,473
Capital Additions:	
Construction in Progress	1,870,012
Buildings, Improvements and Equipment	1,265,490
Right-to-Use IT Subscription Assets	<u>434,072</u>
Total Capital Additions	<u>3,569,574</u>
Capital Deletions and transfers:	
Improvements other than Buildings	(1,495,924)
Equipment	(68,638)
Accumulated Depreciation for deletions	<u>1,564,562</u>
Total Capital Deletions	<u>-</u>
Current Year Depreciation	(1,019,123)
Current Year Amortization	<u>(280,716)</u>
Ending Balance	<u><u>\$ 25,935,208</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.

During fiscal year 2025, the Agency adopted GASB Statement No. 101, *Compensated Absences*. The implementation of this standard requires recording and disclosing liabilities for compensated absences. In addition, a total of \$280,261 is recorded as a long-term liability.

As of September 30, 2025, a total of \$1,817,095 is recorded as long-term liabilities.

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2025**

---

Table 5  
 Long-Term Liabilities

	2024	2025	Total Dollar Change 2024-2025
Leases	\$ 1,410,292	\$ 1,132,538	\$ (277,754)
IT Subscriptions	-	404,296	404,296
Compensated Absences	234,409	280,261	45,852
<b>Total</b>	<b>\$ 1,644,701</b>	<b>\$ 1,817,095</b>	<b>\$ 172,394</b>

**Economic Factors**

Capital City Development Corporation (CCDC), Boise’s urban renewal agency, prepares a five-year Capital Improvement Plan (CIP) as a fiscally responsible framework to guide collaboration with public agencies and community partners. The CIP aligns with long-term visions and works in tandem with the annual budget to allocate limited resources by district. These resources fund capital improvement projects and participation program agreements. The plan is periodically evaluated and revised to reflect changing conditions.

**District and ParkBOI Highlights**

**River Myrtle/Old Boise (RMOB) District**

The RMOB district sunset at the end of fiscal year 2025 after a 30-year term, marking the Agency’s second district termination (the Central district sunset in 2018). Significant investments and projects were completed during fiscal year 2025, with final portions of several large construction projects finishing in fall 2025. Once all remaining obligations are paid, any non-obligated surplus will be remitted to the Ada County Treasurer for pro rata distribution to the seven overlapping taxing districts.

Key actions:

- Transferred Agency-owned property at 521 West Grove Street (Kaixo Corner) to the City of Boise on September 23, 2025.
- Retained ownership of three parking garages—9th & Front, Capital & Myrtle, and 11th & Front—which will continue operating under the ParkBOI public parking system.

Impact:

- Spanning nearly 300 acres, RMOB drove more than \$1.5 billion in increased assessed property value and generated over \$13 million annually in tax increment revenues by the end of its term.
- Landmark projects include the Basque Block, Kaixo Corner, JUMP campus and Simplot HQ, the Afton, and Rebuild Grove Street.

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2025**

---

**Westside District**

The Westside district will sunset at the end of fiscal year 2026 after a 24-year term. Key projects include The Arthur (12th & Idaho), completed in 2025, and Bannock Street Streetscape Improvements, with the final block scheduled for spring 2026. Another major project is the 1010 West Jefferson Street Commercial Space and Public Parking Facility.

**30th Street District**

The 30th Street district is home to the West End Neighborhood, Esther Simplot Park, Quinn's Pond, and Whitewater Park. Major project completed in 2025: West End Water Renewal Infrastructure, featuring a regional lift station, a 530-foot pressurized discharge pipe, and one mile of gravity sewer lines to support redevelopment and future growth.

**Shoreline District**

Located along the Boise River between Capitol Boulevard and the Connector, this district focuses on improving connectivity and access to natural amenities. Planned initiatives include addressing stormwater drainage and streetscape deficiencies in the Lusk Street neighborhood and revitalizing riverfront areas.

**Gateway East District**

The Agency's first industrial-focused district, Gateway East is positioned along I-84 between Micron and the Boise Airport. Priorities include diversifying Boise's economy through industrial development, building infrastructure for manufacturing, and improving workforce mobility. Recent projects include Azek Manufacturing, Red River Logistics, East Port Logistics, and Boise Gateway 3 Warehouses.

**State Street District**

Established in 2021, this district promotes compact, mixed-use, mixed-income development along State Street between 27th Street and Horseshoe Bend Road, with strong transit integration. First major project: Wilson Station, a mixed-use affordable housing development with 102 multi-family units and ground-floor commercial space.

**Parking and Mobility**

Under the ParkBOI brand, the Agency owns and operates six public parking garages downtown. In collaboration with community partners, CCDC promotes alternatives such as public transit, carpooling, and ridesharing.

**Outlook and Considerations**

CCDC remains committed to judicious use of its limited resources and active collaboration with private developers and public agencies. While the Agency has a strong record of supporting transformative projects, future conditions—such as economic fluctuations, construction delays, and funding constraints—may impact timelines and priorities.

**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. 9<sup>th</sup> Street, Suite 501, Boise, Idaho 83702, 208-384-4264 (voice), [www.ccdchoise.com](http://www.ccdchoise.com) with questions, comments or for additional information.

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2025**

---

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 72,541,477
Receivables	
Accounts receivable	618,303
Interest receivable	84,908
Taxes receivable	24,142,868
Lease receivable	535,350
Prepays and deposits	73,905
Restricted cash	505,390
Property held for resale or development	15,323,908
Capital assets	
Land, non-depreciable	3,438,944
Construction in progress, non-depreciable	2,081,862
Buildings, improvements, and equipment, net of accumulated depreciation	18,987,136
Right-to-use leased assets, net of accumulated amortization	996,811
Right-to-use IT subscription assets, net of accumulated amortization	430,455
<b>TOTAL ASSETS</b>	<u><b>139,761,317</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	<u>310,393</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>310,393</b></u>

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2025**

---

	Governmental Activities
<b>LIABILITIES</b>	
Accounts payable	7,434,011
Accrued liabilities	121,604
Advanced revenues	92,893
Interest Payable	1,147
Long-term debt	
Current portion of lease liabilities	168,134
Current portion of IT subscription	46,220
Current portion of accrued leave	160,302
Long-term portion of lease liabilities	964,404
Long-term portion of IT subscription	358,076
Long-term portion of accrued leave	119,959
Net pension liability	952,541
<b>TOTAL LIABILITIES</b>	<u>10,419,291</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - property tax	24,142,868
Deferred inflows related to leases	499,034
Deferred inflows related to pensions	486,848
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>25,128,750</u>
<b>NET POSITION</b>	
Net investment in capital assets	24,398,374
Restricted	54,460,586
Unrestricted	25,664,709
<b>TOTAL NET POSITION</b>	<u><u>\$ 104,523,669</u></u>

**CAPITAL CITY DEVELOPMENT CORPORATION**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED SEPTEMBER 30, 2025**

<u>Functions / Programs</u>	<u>Expenses</u>	Program Revenues		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities				
Community development	\$ 47,735,535	\$ 264,360	\$ 4,830,258	\$ (42,640,917)
Interest on long-term liabilities	18,350	-	-	(18,350)
Parking facilities	3,472,905	9,672,056	-	6,199,151
Total	\$ 51,226,790	\$ 9,936,416	\$ 4,830,258	(36,460,116)
		General revenues:		
			Property tax increment	34,809,197
			Unrestricted investment earnings	1,103,947
			Total general revenues	35,913,144
			Change in net position	(546,972)
			Net position, Beginning of Year	105,070,641
			Net position, End of Year	\$ 104,523,669

**CAPITAL CITY DEVELOPMENT CORPORATION**

**BALANCE SHEET – GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2025**

	General Fund	River Myrtle District RA Fund	Westside District RA Fund	30th Street District RA Fund
<b>ASSETS</b>				
Cash and investments	\$ 1,499,754	\$ 11,791,388	\$ 2,869,756	\$ 5,126,037
Accounts receivable	5,952	485,610	18,308	-
Interest receivable	84,908	-	-	-
Taxes receivable	-	-	7,355,476	1,822,761
Leases receivable	-	-	-	-
Prepays	70,704	-	3,061	-
Restricted cash	-	-	-	-
Property held for resale or development	-	-	13,547,161	-
	<u>\$ 1,661,318</u>	<u>\$ 12,276,998</u>	<u>\$ 23,793,762</u>	<u>\$ 6,948,798</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 56,703	\$ 4,895,816	\$ 1,253,636	\$ -
Accrued liabilities	121,604	-	-	-
Advanced revenues	-	-	-	-
Total liabilities	<u>178,307</u>	<u>4,895,816</u>	<u>1,253,636</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable- property tax	-	-	7,355,476	1,822,761
Deferred Inflows related to lease liabilities	-	-	-	-
Total deferred inflows	<u>-</u>	<u>-</u>	<u>7,355,476</u>	<u>1,822,761</u>
<b>FUND BALANCES</b>				
Nonspendable	70,704	-	13,550,222	-
Restricted	-	7,381,182	1,634,428	5,126,037
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	1,412,307	-	-	-
Total fund balances	<u>1,483,011</u>	<u>7,381,182</u>	<u>15,184,650</u>	<u>5,126,037</u>
	<u>\$ 1,661,318</u>	<u>\$ 12,276,998</u>	<u>\$ 23,793,762</u>	<u>\$ 6,948,798</u>

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2025**

Shoreline District RA Fund	Gateway East District RA Fund	State Street District RA Fund	Parking Fund	Total Governmental Funds
\$ 2,451,636	\$ 22,026,623	\$ 1,992,319	\$ 24,783,964	\$ 72,541,477
-	-	-	108,433	618,303
-	-	-	-	84,908
1,427,274	11,246,992	2,290,365	-	24,142,868
-	-	-	535,350	535,350
-	-	-	140	73,905
-	-	-	505,390	505,390
-	-	1,776,747	-	15,323,908
<u>\$ 3,878,910</u>	<u>\$ 33,273,615</u>	<u>\$ 6,059,431</u>	<u>\$ 25,933,277</u>	<u>\$ 113,826,109</u>
\$ 4,564	\$ 63,116	\$ 524	\$ 1,159,652	\$ 7,434,011
-	-	-	-	121,604
-	-	-	92,893	92,893
<u>4,564</u>	<u>63,116</u>	<u>524</u>	<u>1,252,545</u>	<u>7,648,508</u>
1,427,274	11,246,992	2,290,365	-	24,142,868
-	-	-	499,034	499,034
<u>1,427,274</u>	<u>11,246,992</u>	<u>2,290,365</u>	<u>499,034</u>	<u>24,641,902</u>
-	-	1,776,747	140	15,397,813
2,447,072	21,963,507	1,991,795	-	40,544,021
-	-	-	500,000	500,000
-	-	-	23,681,558	23,681,558
-	-	-	-	1,412,307
<u>2,447,072</u>	<u>21,963,507</u>	<u>3,768,542</u>	<u>24,181,698</u>	<u>81,535,699</u>
<u>\$ 3,878,910</u>	<u>\$ 33,273,615</u>	<u>\$ 6,059,431</u>	<u>\$ 25,933,277</u>	<u>\$ 113,826,109</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, 2025

---

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

Total fund balance		\$ 81,535,699
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	2,081,862	
Cost of buildings, improvements, equipment and artwork	37,385,057	
Accumulated depreciation	<u>(18,397,921)</u>	24,507,942
Right-to-use asset related to leases	1,661,323	
Accumulated amortization on right-to-use assets	<u>(664,512)</u>	996,811
Right-to-use asset - IT subscription	434,072	
Accumulated amortization - right-to-use asset	<u>(3,617)</u>	430,455
Long-term liability is not due and payable in the current period and therefore is not reported in the funds.		
Net pension liability	<u>(952,541)</u>	(952,541)
Long-term liability is not due and payable in the current period and therefore is not reported in the funds.		
Lease liability - current	(168,134)	
IT subscription liability - current	(46,220)	
Lease liability - long-term	(964,404)	
IT subscription liability - long-term	(358,076)	
IT subscription interest payable	<u>(1,147)</u>	(1,537,980)
Accrued vacation and sick leave that is not due and payable in the current period and therefore is not reported in the funds.		
Current	(160,302)	
Long-term	<u>(119,959)</u>	(280,261)
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:		
Contributions made subsequent to measurement date	66,580	
Changes in proportionate share	64,313	
Differences between expected and actual experience	<u>179,500</u>	310,393
Deferred inflows of resources related to pensions:		
Net difference between projected and actual investment earnings on pension plan investments	(244,866)	
Changes of assumptions	(167,502)	
Changes in proportionate share	<u>(74,480)</u>	<u>(486,848)</u>
Net position for governmental activities		<u><u>\$ 104,523,669</u></u>

**CAPITAL CITY DEVELOPMENT CORPORATION**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2025**

	General Fund	River Myrtle District RA Fund	Westside District RA Fund
<b>REVENUES</b>			
Lease	\$ -	\$ 142,072	\$ -
Interest	67,573	292,952	77,117
Unrealized loss on investments	(246)	(2,708)	(637)
Other	106,500	3,234,930	1,312,466
Parking	-	-	92,338
Revenue allocation funds	-	14,319,743	6,325,606
<b>Total revenues</b>	<b>173,827</b>	<b>17,986,989</b>	<b>7,806,890</b>
<b>EXPENDITURES</b>			
Administrative expenses	3,585,799	-	-
Operating expenses	616,664	266,851	137,364
Capital outlay and related expenses	83,390	28,263,857	9,879,310
Capital outlay - right-to-use, IT subscriptions	-	-	-
Debt service - principal	161,348	116,406	-
Debt service - interest	16,960	243	-
<b>Total expenditures</b>	<b>4,464,161</b>	<b>28,647,357</b>	<b>10,016,674</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,290,334)</b>	<b>(10,660,368)</b>	<b>(2,209,784)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund transfers	4,375,648	(1,650,758)	(893,607)
Gain (loss) on sale of properties held for resale	-	(4,244,967)	-
IT subscription	-	-	-
<b>Total other financing sources (uses)</b>	<b>4,375,648</b>	<b>(5,895,725)</b>	<b>(893,607)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>85,314</b>	<b>(16,556,093)</b>	<b>(3,103,391)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>1,163,288</b>	<b>23,937,275</b>	<b>18,288,041</b>
Adjustments	234,409	-	-
<b>BEGINNING FUND BALANCES, AS RESTATED</b>	<b>1,397,697</b>	<b>23,937,275</b>	<b>18,288,041</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 1,483,011</b>	<b>\$ 7,381,182</b>	<b>\$ 15,184,650</b>

**CAPITAL CITY DEVELOPMENT CORPORATION**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2025**

30th District RA Fund	Shoreline District RA Fund	Gateway East District RA Fund	State Street District RA Fund	Parking Fund	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 122,288	\$ 264,360
60,137	26,995	241,202	30,415	320,356	1,116,747
(838)	(409)	(3,596)	(335)	(4,031)	(12,800)
-	-	-	-	176,362	4,830,258
-	-	-	-	9,579,718	9,672,056
<u>1,539,835</u>	<u>1,186,553</u>	<u>9,652,189</u>	<u>1,785,271</u>	<u>-</u>	<u>34,809,197</u>
<u>1,599,134</u>	<u>1,213,139</u>	<u>9,889,795</u>	<u>1,815,351</u>	<u>10,194,693</u>	<u>50,679,818</u>
-	-	-	-	-	3,585,799
-	2,120	2,332	13,150	2,793,578	3,832,059
-	17,894	385,802	-	2,745,888	41,376,141
-	-	-	-	434,072	434,072
-	-	-	-	28,629	306,383
-	-	-	-	1,147	18,350
<u>-</u>	<u>20,014</u>	<u>388,134</u>	<u>13,150</u>	<u>6,003,314</u>	<u>49,552,804</u>
<u>1,599,134</u>	<u>1,193,125</u>	<u>9,501,661</u>	<u>1,802,201</u>	<u>4,191,379</u>	<u>1,127,014</u>
(194,578)	(210,291)	(408,488)	(267,928)	(749,997)	-
-	-	-	-	-	(4,244,967)
-	-	-	-	434,072	434,072
<u>(194,578)</u>	<u>(210,291)</u>	<u>(408,488)</u>	<u>(267,928)</u>	<u>(315,925)</u>	<u>(3,810,895)</u>
1,404,556	982,834	9,093,173	1,534,273	3,875,454	(2,683,881)
3,721,481	1,464,238	12,870,334	2,234,269	20,306,244	83,985,170
-	-	-	-	-	234,409
<u>3,721,481</u>	<u>1,464,238</u>	<u>12,870,334</u>	<u>2,234,269</u>	<u>20,306,244</u>	<u>84,219,579</u>
<u>\$ 5,126,037</u>	<u>\$ 2,447,072</u>	<u>\$ 21,963,507</u>	<u>\$ 3,768,542</u>	<u>\$ 24,181,698</u>	<u>\$ 81,535,698</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, 2025**

---

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

Net change in fund balances - total governmental funds \$ (2,683,881)

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.

New capital assets	3,135,502	
Capital outlay - IT subscription	434,072	
Depreciation	(1,019,123)	
Amortization	(280,716)	
	2,269,735	2,269,735

Debt service payments for principal payments are reported as expenditures in the governmental funds, but are not reported as expenses in the statement of activities.

Lease principal payments	277,754	
IT subscription principal payments	28,629	
	306,383	306,383

The issuance of long-term debt provides current financial resources to governmental funds, but are not reported as revenues in the statement of activities resources of governmental funds.

IT subscription proceeds (434,072)

Expenditures related to the long-term portion of accrued vacation and sick leave do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (45,851)

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

Adjustments to pension contribution	249,092	
Pension expense related to net pension liability	(208,378)	
	40,714	40,714

Changes in net position of governmental activities \$ (546,972)

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2025**

---

**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 of the Agency in conformity with generally accepted accounting principles.

**Urban Renewal Districts**

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

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

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

30<sup>th</sup> 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, 2025

---

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 District Revenue 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.

30<sup>th</sup> 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, 2025

---

Parking Special Revenue Fund – The Agency currently owns and operates six public parking garages under the ParkBOI name, including 30% ownership at 11th & Front garage and 100% ownership at the other five. 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, Restricted 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 consists 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, 2025

---

### **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 \$49,086,690 and the bank balance was \$49,757,263. 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 \$73,000,000 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 68 days as of September 30, 2025.

### **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, 2025

---

The Agency received property taxes during the current fiscal year in the amounts of \$14,319,743 from the River-Myrtle/Old Boise District, \$6,325,606 from the Westside District, and \$1,539,835 from 30th Street District, \$1,186,553 from Shoreline District, \$9,652,189 from Gateway East District, and \$1,785,271 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, 2025.

### 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 \$10,000 for office equipment and furniture and \$50,000 for land, building, and building improvements. 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

# **CAPITAL CITY DEVELOPMENT CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2025**

---

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.

Right-to-use subscription IT assets are recognized at the subscription commencement date and represent the Agency's right to use the underlying IT asset for the subscription term. Right-to-use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right-to-use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period is 10 years.

### **Property Held for Resale or Development**

Property held for resale or development includes several properties in the Westside and State Street 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.

### **Voluntary Employees' Beneficiary Association**

The Agency established a Health Reimbursement Arrangement (HRA) with a Voluntary Employees' Beneficiary Association Plan (VEBA) during fiscal year 2024. The Agency makes contributions to a medical trust established under Section 501(c)(9) of the Internal Revenue Code. Funding sources for an employee's VEBA may include wellness reimbursement and unused sick leave. Individual accounts are established for the benefit of and are the property of each participant. Each participant is responsible for selecting the investment options for their account. Once an individual account is established, the employee may use the accumulated balance for IRS allowable medical expenses for themselves and qualified dependents. The Agency has no ongoing responsibility for the trust and is not included in these financial statements. The Agency contributed \$30,508 during the year ended September 30, 2025.

### **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 and Subscription-Based IT Arrangements**

A lease and/or subscription-based information technology arrangement (SBITA) is defined as a contractual that conveys control of the right to use another entity's non-financial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2025**

---

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.

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

**Compensated Absences Payable**

The Agency provides vacation and sick leave to its non-temporary full-time employees and part-time employees who regularly work 20 hours/week or more. The Agency maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from Agency if certain criteria are met. These benefits are classified as compensated absences.

Accrued vacation is paid to employees when taken or upon separation of employment. The amount of unused vacation accumulated by Agency employees is accrued as an expense when incurred – in the government-wide financial statements, which uses the accrual basis of accounting. In the Governmental Funds, only the amount that normally would be liquidated with expendable available financial resources is accrued as current year expenditures. Unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditure is accrued.

Sick leave is paid to the employees when taken and the cost is recognized when payment is made. The amount of unused sick leave is also paid to the employees through VEBA upon separation of employment, with conversion ratio of 2:1. See the separate discussion of the VEBA noted above.

**Deferred Outflows/Inflows of Resources**

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 assets 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 qualifies for reporting in this category. The item is the deferred outflows related to pensions reported in the Government-Wide Statement of Net Position. See Note 6 for details of deferred inflows related to pensions.

# CAPITAL CITY DEVELOPMENT CORPORATION

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2025

---

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 assets 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.

### 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. 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.

# CAPITAL CITY DEVELOPMENT CORPORATION

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2025

---

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, 2025, 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, 2025, \$23,681,558 was assigned in the Parking fund for parking reinvestment projects and commitments budgeted in fiscal year 2025.

### 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.

### Recently Issued and Adopted Accounting Pronouncements

GASB 101: As of October 1, 2024, the Agency adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered compensated absences and provide guidance for a consistent recognition and measurement of the compensated absence liability. There was no impact on beginning net position. The additional disclosures required by this standard is included in Note 5.

### 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, the fund balance in its entirety is reported as restricted on the fund financial statements.

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2025**

---

Restricted fund balances as of September 30, 2025:

River Myrtle District Revenue Allocation Fund	\$ 7,381,182
Westside District Revenue Allocation Fund	1,634,428
30th Street District Revenue Allocation Fund	5,126,037
Shoreline District Revenue Allocation Fund	2,447,072
Gateway East District Revenue Allocation Fund	21,963,507
State Street District Revenue Allocation Fund	1,991,795

Restricted assets consist of cash held by the Agency’s agent in the Agency’s name.

**Note 3 - Interfund Transfers**

Interfund transfers are primarily made as a method of allocating the costs of program operations to their respective funds. The program operations costs are shown in the General Fund.

**Note 4 - Capital Assets**

Capital asset activity for the year ended September 30, 2025, was as follows:

	September 30, 2024	Additions	Deletions	Transfers	September 30, 2025
<b>Governmental Activities</b>					
<i>Capital assets, not depreciated</i>					
Land	\$ 3,438,944	\$ -	\$ -	\$ -	\$ 3,438,944
Construction in progress	485,641	1,870,012	-	(273,791)	2,081,862
	<u>3,924,585</u>	<u>1,870,012</u>	<u>-</u>	<u>(273,791)</u>	<u>5,520,806</u>
<i>Capital assets, depreciated</i>					
Buildings	30,826,235	-	-	-	30,826,235
Improvements other than buildings	5,980,213	1,250,207	(1,495,924)	273,791	6,008,287
Equipment	603,889	15,283	(68,638)	-	550,534
Total	<u>37,410,337</u>	<u>1,265,490</u>	<u>(1,564,562)</u>	<u>273,791</u>	<u>37,385,056</u>
<i>Less accumulated depreciation</i>					
Buildings	(14,723,466)	(751,112)	-	-	(15,474,578)
Improvements other than buildings	(3,654,758)	(238,722)	1,495,924	-	(2,397,556)
Equipment	(565,135)	(29,289)	68,638	-	(525,786)
Total	<u>(18,943,359)</u>	<u>(1,019,123)</u>	<u>1,564,562</u>	<u>-</u>	<u>(18,397,920)</u>
<i>Total depreciated capital assets, net</i>	<u>18,466,978</u>	<u>246,367</u>	<u>-</u>	<u>273,791</u>	<u>18,987,136</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 22,391,563</u>	<u>\$ 2,116,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,507,942</u>

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2025**

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

Governmental Activities	
Parking	\$ 989,834
Community Development	29,289

As of September, 2025, a total of \$1,427,266 is recorded as right-to-use lease assets, net of accumulated amortization.

	September 30, 2024	Additions	Deletions	September 30, 2025
Right-to-use Leased Assets Being Amortized				
Right-to-use leased building	\$ 2,343,002	\$ -	\$ 681,679	\$ 1,661,323
	<u>2,343,002</u>	<u>-</u>	<u>681,679</u>	<u>1,661,323</u>
Less Accumulated Amortization for				
Right-to-use leased building	1,069,092	277,099	(681,679)	664,512
Total accumulated amortization	<u>1,069,092</u>	<u>277,099</u>	<u>(681,679)</u>	<u>664,512</u>
Net right-to-use leased assets	<u>1,273,910</u>	<u>277,099</u>	<u>-</u>	<u>996,811</u>
Right to Subscription IT Assets Being Amortized	-	434,072	-	434,072
Less Accumulated Amortization	<u>-</u>	<u>3,617</u>	<u>-</u>	<u>3,617</u>
Net right-to-use leased assets	<u>-</u>	<u>430,455</u>	<u>-</u>	<u>430,455</u>
Total leased and subscription IT assets, net	<u>\$ 1,273,910</u>	<u>\$ 707,554</u>	<u>\$ -</u>	<u>\$ 1,427,266</u>

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

Governmental Activities	
Community Development	\$ 280,716

**Note 5 - Long-Term Liabilities**

At September 30, 2025, long-term liabilities consist of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Leases	\$ 1,410,292	\$ -	\$ (277,754)	\$ 1,132,538	\$ 168,134
IT Subscriptions	-	434,072	(29,776)	404,296	46,220
Compensated Absences	<u>234,409</u>	<u>45,852</u>	<u>-</u>	<u>280,261</u>	<u>160,302</u>
	<u>\$ 1,644,701</u>	<u>\$ 479,924</u>	<u>\$ (307,530)</u>	<u>\$ 1,817,095</u>	<u>\$ 374,656</u>

As of September 30, 2025, a total of \$1,817,095 is recorded as long-term liabilities.

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2025**

---

**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](http://www.persi.idaho.gov).

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

**Pension Benefits**

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

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

**Member and Employer Contributions**

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees. As of June 30, 2025, it was 7.18% for general employees. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.96% for general employees.

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2025**

---

The Agency's contributions were \$249,092 for the year ended September 30, 2025.

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

At September 30, 2025, 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, 2025, 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, 2025, the Agency's proportion was 0.039391% compared with 0.037143% at July 1, 2024.

For the year ended September 30, 2025, the Agency recognized pension expense of \$208,378. At September 30, 2025, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 179,500	\$ -
Changes in assumptions or other inputs	-	167,502
Net difference between projected and actual earnings on pension plan investments	-	244,866
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	64,313	74,480
Agency's contributions subsequent to the measurement date	66,580	-
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 310,393</u>	<u>\$ 486,848</u>

An amount reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date totaling \$66,580 will be recognized as a reduction of the net pension liability (asset) in the year ending September 30, 2026.

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, 2024, the beginning of the measurement period ended June 30, 2025, is 4.4 years.

# CAPITAL CITY DEVELOPMENT CORPORATION

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2025

---

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

Years Ended September 30,

2026	\$	150,751
2027		(168,059)
2028		(141,099)
2029		(84,628)

### *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, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases including inflation	3.15 percent
Investment rate of return-net of investment fees	6.55 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, 2025, is based on the results of an actuarial valuation date July 1, 2025.

# CAPITAL CITY DEVELOPMENT CORPORATION

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2025

---

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

---

Asset Class	Target	10-Year
	Allocation	Projected Real Rate of Return
Large Cap US Equity	22%	4.75%
Small/Mid Cap US Equity	10%	4.95%
International Equity	11%	4.75%
Emerging Markets Equity	11%	4.95%
Domestic Fixed	20%	2.25%
TIPS	10%	2.05%
Core Real Estate	8%	3.75%
Private Equity	8%	6.00%

# CAPITAL CITY DEVELOPMENT CORPORATION

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2025

---

### *Discount Rate*

The discount rate used to measure the total pension liability (asset) was 6.55%. 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 6.55% 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 (5.55%)	Current Discount Rate (6.55%)	1% Increase (7.55%)
Employer's proportionate share of the net pension liability (asset)	<u>\$ 2,291,819</u>	<u>\$ 952,541</u>	<u>\$ (141,589)</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](http://www.persi.idaho.gov).

### *Payables to the Pension Plan*

At September 30, 2025, the Agency reported payables to the defined benefit pension plan of \$28,073 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 \$98,063 contributions to the PERSI Choice 401(k) as benefits expense during the year ended September 30, 2025. The Agency recognized \$0 for the employer's liability outstanding for contributions for the year ended September 30, 2025.

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2025**

---

**Note 7 - Leases**

**Lessee Activities**

The Agency leases two office facilities, one of which expired April 2025. The remaining office lease is under a long-term, non-cancelable lease agreement and will expire in 2031.

The remaining lease liability was valued using a discount rate of 1.39%. The rate was the approximate borrowing cost for the Agency as of October 1, 2021. The total amount of right-to-use leased assets and the related accumulated amortization on right-to-use leased assets were \$1,661,323 and \$664,512 as of September 30, 2025, respectively.

Remaining obligations associated with the lease are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 168,134	\$ 14,674	\$ 182,808
2027	176,010	12,284	188,294
2028	184,154	9,789	193,943
2029	192,586	7,175	199,761
2030-2031	<u>411,654</u>	<u>6,028</u>	<u>417,682</u>
Total	<u>\$ 1,132,538</u>	<u>\$ 49,950</u>	<u>\$ 1,182,488</u>

**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 \$535,350 for the year ended September 30, 2025.

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 \$499,034 as of September 30, 2025. Interest revenue recognized on these leases was \$8,212 for the year ended September 30, 2025. Principal receipts of \$59,569 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.

**CAPITAL CITY DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED SEPTEMBER 30, 2025**

**Note 8 - Subscription-Based Information Technology Arrangements (SBITAs)**

During the current year, the Agency entered into a SBITA contract for the use of Amano McGann software associated with the replacement of Parking Access and Revenue Control System (PARCS) equipment at all six Agency owned parking garages. This required the Agency to apply GASB Statement No. 96, *Subscription Based Technology Arrangements (SBITAs)*, which was implemented in fiscal year 2023. Payments are made annually on the SBITA with annual payments ranging from \$44,664 - \$58,276. The subscription liability was valued using a discount rate of 3.57%, which was the Agency’s incremental borrowing rate as of the inception date of the agreement. A summary of the changes in SBITA liability during the year ended September 30, 2025, is as follows:

	Balance Oct. 1, 2024	Additions	Deductions	Balance Sept. 30, 2025	Due within One Year
IT Subscription Liabilities	\$ -	\$ 434,072	\$ (29,776)	\$ 404,296	\$ 46,220

The remaining principal and interest payment on the SBITA are as follows:

	Principal	Interest	Total
2026	\$ 46,220	\$ 14,672	\$ 60,892
2027	34,389	12,995	47,384
2028	37,026	11,779	48,805
2029	39,867	10,403	50,270
2030	42,822	8,956	51,778
2031-2035	203,972	19,145	223,117
<b>Total</b>	<b>\$ 404,296</b>	<b>\$ 77,950</b>	<b>\$ 482,246</b>

**Note 9 - Commitments and Contingencies**

The Agency had commitments at September 30, 2025, mainly from The Participation Program contracts. The Participation Program is the Agency’s development assistance program. The program is designed to advance the goals of the Agency’s urban renewal districts as well as common goals identified by partner agencies. The purpose of the program is to encourage high-quality private economic development through partnerships both large and small. These partnerships assist private and public development projects with improvements that benefit the public.

The program offers 5 types of partnerships:

- **Type 1 – One Time Assistance:** Provides a one-time grant of up to \$200,000 for public improvements. Funding is based on a dollar-for-dollar match with the private developer’s investment.
- **Type 2 – General Assistance:** Is intended to assist most projects and provides reimbursement for public improvements through the actual tax increment generated by the project. Reimbursement rates are determined by the Program Scorecard which encourages healthy community design. The program is especially tuned to assist Affordable and Workforce housing projects.

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2025**

- **Type 3 – Transformation Assistance:** Makes available a more customized partnership for projects deemed by the Agency Board to be transformative in nature and of benefit to the community at large. Generally, these are higher value projects that may include the construction of a significant public facility and will have a high likelihood of maintaining an enduring presence in the community.
- **Type 4 – Capital Improvement Project Coordination:** Allows the Agency to adjust, co-time, accelerate, or sub-contract capital improvement projects in coordination with private developers or other public agencies.
- **Type 5 – Property Disposition of Agency-Owned Property:** Involves a competitive process, typically a Request for Proposals and/or Qualifications (RFQ/P) which provides conditions and requirements of development. The details of each disposition differ based on the unique characteristics of the property and needs of the community.

The table below lists the commitments (contractual obligations) the Agency has with partnering organizations, either completed or outstanding as of current fiscal year.

Urban Renewal District	Contract Type	Project Name	Payment Year(s)	Total Commitment (Not to Exceed) Amount	Payments Made in FY2025	Total Payments Made as of September 30, 2025	Commitment Status as of September 30, 2025
River Myrtle-Old Boise	MOU	Trailhead Memorandum of Understanding (MOU) with the City of Boise	FY 2015 - 2025	\$ 1,844,029	\$ 116,649	\$ 1,844,029	Completed
River Myrtle-Old Boise	Type 3	202 S. 6th St., Home2Suites with Front Street Investors, LLC	FY 2020 - 2025	\$ 3,998,439	\$ 283,731	\$ 2,313,689	Completed
River Myrtle-Old Boise	Type 2	323 W. Broad St., Hearth on Broad with The Cartee Project, LLC	FY 2023 - 2025	\$ 1,394,035	\$ 382,985	\$ 1,169,767	Completed
River Myrtle-Old Boise	Type 2	200 W. Myrtle St., Jules on 3rd with Boise Caddis, LLC	FY 2022 - 2025	\$ 1,102,665	\$ 139,023	\$ 1,102,665	Completed
River Myrtle-Old Boise	Type 2	600 W. Front St., The Vanguard with 600 Vanguard, LLC	FY 2023 - 2025	\$ 497,674	\$ 109,092	\$ 394,633	Completed
River Myrtle-Old Boise	Type 2	512 W. Grove St., The Lucy with 5th and Grove Investors, LLC	FY 2022 - 2025	\$ 661,809	\$ 23,599	\$ 661,809	Completed
River Myrtle-Old Boise	Type 4	Old Boise Canal and Agricultural Past with Boise Arts & History	FY 2025	\$ 165,000	\$ 112,317	\$ 112,317	Completed
River Myrtle-Old Boise	Type 4	521 W. Grove St. Public Space with Boise Arts & History	FY 2025	\$ 550,850	\$ 545,434	\$ 545,434	Completed

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2025**

Urban Renewal District	Contract Type	Project Name	Payment Year(s)	Total Commitment (Not to Exceed) Amount	Payments Made in FY2025	Total Payments Made as of September 30, 2025	Commitment Status as of September 30, 2025
River Myrtle-Old Boise	Type 4	1201 W. Grove St., The Broadstone Saratoga with Alliance Realty Partners, LLC	FY 2025	\$ 1,873,289	\$ 1,873,289	\$ 1,873,289	Completed
River Myrtle-Old Boise	Type 4	Linen Blocks on Grove Street Public Art with Boise Arts & History	FY 2025	\$ 63,000	\$ 59,100	\$ 59,100	Completed
River Myrtle-Old Boise	Type 4	212 S. 16th St., Boise Fire Station #5 with Boise Public Works	FY 2025	\$ 1,155,000	\$ 1,155,000	\$ 1,155,000	Completed
River Myrtle-Old Boise	Type 4	Traffic Signal Box Art Program with Boise Arts & History	FY 2025	\$ 37,500	\$ 29,031	\$ 29,031	Completed
River Myrtle-Old Boise	Type 4	Public Art Deferred Maintenance with Boise Arts & History	FY 2025	\$ 2,900	\$ 2,900	\$ 2,900	Completed
River Myrtle-Old Boise	Type 4	Grove Street Interpretive Signage with Boise Arts & History	FY 2025	\$ 90,000	\$ 87,655	\$ 87,655	Completed
River Myrtle-Old Boise	Type 4	CW Moore Park Improvements with Boise Parks and Recreation	FY 2025	\$ 350,000	\$ 330,731	\$ 330,731	Completed
River Myrtle-Old Boise	Type 4	South 8th Street and Greenbelt Site Improvements with Boise Public Works	FY 2025	\$ 2,968,781	\$ 2,594,073	\$ 2,594,073	Completed
<b>River Myrtle-Old Boise total:</b>				<b>\$ 16,754,971</b>	<b>\$ 7,844,608</b>	<b>\$ 14,276,121</b>	
Westside	Type 1	1015 W. Main St., Smith Block Building with Smith Block, LLC	FY 2025	\$ 200,000	\$ 200,000	\$ 200,000	Completed
Westside	Type 2	1522 W. State St., 16th & State with 1522 W. State St., LLC	FY 2026	\$ 657,655	\$ -	\$ -	Outstanding
Westside	Type 2	120 N. 12th St., Arthur with 12th and Idaho Owner, LLC	FY 2025	\$ 1,342,345	\$ 926,945	\$ 926,945	Completed
Westside	Type 4	Traffic Signal Box Art Program with Boise Arts & History	FY 2026	\$ 42,500	\$ -	\$ -	Outstanding
Westside	Type 4	Public Art Deferred Maintenance with Boise Arts & History	FY 2025	\$ 39,000	\$ 38,304	\$ 38,304	Completed
Westside	Type 1	821 W. State St., Idaho Wheat Commission with the Idaho State Building Authority	FY 2026	\$ 200,000	\$ -	\$ -	Outstanding
<b>Westside total:</b>				<b>\$ 2,481,500</b>	<b>\$ 1,165,249</b>	<b>\$ 1,165,249</b>	

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2025**

Urban Renewal District	Contract Type	Project Name	Payment Year(s)	Total Commitment (Not to Exceed) Amount	Payments Made in FY2025	Total Payments Made as of September 30, 2025	Commitment Status as of September 30, 2025
30th Street	Type 1	3205 W. Moore St., Whitewater Townhomes with ESP Property Investments, LLC	FY 2026	\$ 166,583	\$ -	\$ -	Outstanding
30th Street	Type 2	2618 W. Fairview Ave., The LOCAL Fairview with LOCAL Acquisitions, LLC	FY 2027 - 2030	\$ 1,608,687	\$ -	\$ -	Outstanding
30th Street	Type 4	170 S. 28th St., West End Water Renewal Infrastructure with Boise Public Works	FY 2026	\$ 1,593,750	\$ -	\$ -	Outstanding
30th Street	Type 3	114 N. 23rd St., New Path 2 with Pacific West Communities, Inc.	FY 2026	\$ 257,234	\$ -	\$ -	Outstanding
<b>30th Street total:</b>				<b>\$ 3,626,254</b>	<b>\$ -</b>	<b>\$ -</b>	
Gateway East	Type 2	9025 S. Federal Way, Mixed-Use Office and Industrial Project with 9025 Federal, LLC	FY 2022 - 2027	\$ 92,113	\$ 18,200	\$ 65,778	Outstanding
Gateway East	Type 2	10026 S. Eisenman Rd., On The Run Travel Center with Conrad & Bischoff, LLC	FY 2023 - 2028	\$ 1,005,645	\$ 63,116	\$ 187,098	Outstanding
Gateway East	Type 2	2500 E. Freight St. with Boise Gateway 2, LC	FY 2024 - 2025	\$ 632,883	\$ 233,878	\$ 632,883	Completed
Gateway East	Type 2	1001 E. Gowen Rd., The AZEK Company Manufacturing & Distribution Facility with CPG International, LLC	FY 2024 - 2029	\$ 1,405,300	\$ 70,609	\$ 365,758	Outstanding
Gateway East	Type 2	951 E. Gowen Rd & 7031 E. Eisenman Rd., Red River Logistics and Commerce Centers with Red River Logistics Center, LLC and Red River Commerce Center, LLC	FY 2027 - 2032	\$ 4,325,796	\$ -	\$ -	Outstanding
Gateway East	Type 2	2500 E. Freight St., Boise Gateway 3 with Boise Gateway 3, LC	FY 2028 - 2033	\$ 1,152,552	\$ -	\$ -	Outstanding
Gateway East	Type 4	2392 E. WinCo Ct. EastPort Logistics with EastPort Owner, LLC	FY 2027 - 2034	\$ 6,247,004	\$ -	\$ -	Outstanding
<b>Gateway East total:</b>				<b>\$ 14,861,293</b>	<b>\$ 385,802</b>	<b>\$ 1,251,517</b>	
State Street	Type 3	3922 W. State St., Wilson Station with Pacific West Communities, Inc	FY 2026 - 2029	\$ 860,000	\$ -	\$ -	Outstanding
State Street	Type 1	1620 N. 31st St., 31st Street Apartments with Tai June Properties, LLC	FY 2026	\$ 157,754	\$ -	\$ -	Outstanding
State Street	Type 1	1711 N. 31st St., Residential Infill Development with Cook Property Management	FY 2026	\$ 200,000	\$ -	\$ -	Outstanding
<b>State Street total:</b>				<b>\$ 1,217,754</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Agency total:</b>				<b>\$ 38,941,772</b>	<b>\$ 9,395,659</b>	<b>\$ 16,692,887</b>	

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2025**

---

**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, 2025, the aggregate outstanding principal amount payable is \$16,255,000.

**Note 11 - Restatement**

**Correction of Error in Previously Issued Financial Statements**

During fiscal year 2025, the Agency determined that there was a certain error in amounts previously reported in the 2024 financial statements resulting in a restatement of the beginning fund balance.

The Agency identified accrued vacation and sick leave payables should not have been recorded in the prior year in the governmental fund financial statements. Accordingly, accrued liabilities and administrative expenses in General Fund as of September 30, 2024, were overstated by \$234,409. The prior year change in fund balance of the general fund was understated by \$234,409. The effect of this correction is shown in the table below.

Beginning fund balance was restated as follows:

	October 1, 2024 As Previously Reported	Change in Principle	Error Correction	October 1, 2024 As Restated
Governmental Funds				
General Fund	\$ 1,163,288	\$ -	\$ 234,409	\$ 1,397,697

**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, 2025**

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
<b>REVENUES</b>				
Interest	\$ 34,500	\$ 66,000	\$ 67,573	\$ 1,573
Unrealized gain (loss) on investments	-	-	(246)	(246)
Other	-	-	106,500	106,500
<b>Total revenues</b>	<b>34,500</b>	<b>66,000</b>	<b>173,827</b>	<b>107,827</b>
<b>EXPENDITURES</b>				
Operating and administrative expenses	4,965,600	4,744,951	4,202,463	542,488
Capital outlay and related expenses	80,000	90,000	83,390	6,610
Debt service - principal	-	-	161,348	(161,348)
Debt service - interest and fees	-	-	16,960	(16,960)
<b>Total expenditures</b>	<b>5,045,600</b>	<b>4,834,951</b>	<b>4,464,161</b>	<b>370,790</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(5,011,100)</b>	<b>(4,768,951)</b>	<b>(4,290,334)</b>	<b>478,617</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers	5,011,100	5,228,951	4,375,648	(853,303)
<b>Total other financing sources (uses)</b>	<b>5,011,100</b>	<b>5,228,951</b>	<b>4,375,648</b>	<b>(853,303)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>460,000</b>	<b>85,314</b>	<b>(374,686)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>1,163,288</b>	<b>1,163,288</b>	<b>1,163,288</b>	<b>-</b>
Adjustment	-	-	234,409	(234,409)
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	<b>1,163,288</b>	<b>1,163,288</b>	<b>1,397,697</b>	<b>(234,409)</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 1,163,288</b>	<b>\$ 1,623,288</b>	<b>\$ 1,483,011</b>	<b>\$ 140,277</b>

**CAPITAL CITY DEVELOPMENT CORPORATION**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2025**

	River Myrtle District RA Fund			Variance
	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)
<b>REVENUES</b>				
Lease	\$ -	\$ -	\$ 142,072	\$ 142,072
Interest	490,000	330,000	292,952	(37,048)
Unrealized gain (loss) on investments	-	-	(2,708)	(2,708)
Other	1,869,059	3,689,252	3,234,930	(454,322)
Revenue allocation funds	13,800,000	13,959,300	14,319,743	360,443
<b>Total revenues</b>	<b>16,159,059</b>	<b>17,978,552</b>	<b>17,986,989</b>	<b>8,437</b>
<b>EXPENDITURES</b>				
Operating and administrative expenses	507,500	440,749	266,851	173,898
Capital outlay and related expenses	32,083,305	35,248,565	28,263,857	6,984,708
Debt service - principal	459,072	459,072	116,406	342,666
Debt service -interest	-	-	243	(243)
<b>Total expenditures</b>	<b>33,049,877</b>	<b>36,148,386</b>	<b>28,647,357</b>	<b>7,501,029</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(16,890,818)</b>	<b>(18,169,834)</b>	<b>(10,660,368)</b>	<b>7,509,466</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers	(1,803,526)	(1,892,674)	(1,650,758)	241,916
Gain (loss) on sale of properties held for resale	-	(1,818,791)	(4,244,967)	(2,426,176)
<b>Total other financing sources (uses)</b>	<b>(1,803,526)</b>	<b>(3,711,465)</b>	<b>(5,895,725)</b>	<b>(2,184,260)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(18,694,344)</b>	<b>(21,881,299)</b>	<b>(16,556,093)</b>	<b>5,325,206</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>23,937,275</b>	<b>23,937,275</b>	<b>23,937,275</b>	<b>-</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 5,242,931</b>	<b>\$ 2,055,976</b>	<b>\$ 7,381,182</b>	<b>\$ 5,325,206</b>

**CAPITAL CITY DEVELOPMENT CORPORATION**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2025**

	Westside District RA Fund			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
<b>REVENUES</b>				
Interest	\$ 60,000	\$ 81,000	\$ 77,117	\$ (3,883)
Unrealized gain (loss) on investments	-	-	(637)	(637)
Other	1,800,000	1,200,000	1,312,466	112,466
Parking revenues	14,000	85,000	92,338	7,338
Revenue allocation funds	5,800,000	6,196,600	6,325,606	129,006
<b>Total revenues</b>	<b>7,674,000</b>	<b>7,562,600</b>	<b>7,806,890</b>	<b>244,290</b>
<b>EXPENDITURES</b>				
Operating and administrative expenses	518,000	179,000	137,364	41,636
Capital outlay and related expenses	9,664,760	10,368,338	9,879,310	489,028
<b>Total expenditures</b>	<b>10,182,760</b>	<b>10,547,338</b>	<b>10,016,674</b>	<b>530,664</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,508,760)</b>	<b>(2,984,738)</b>	<b>(2,209,784)</b>	<b>774,954</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers	(949,224)	(1,045,951)	(893,607)	152,344
<b>Total other financing sources (uses)</b>	<b>(949,224)</b>	<b>(1,045,951)</b>	<b>(893,607)</b>	<b>152,344</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(3,457,984)</b>	<b>(4,030,689)</b>	<b>(3,103,391)</b>	<b>927,298</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>18,288,041</b>	<b>18,288,041</b>	<b>18,288,041</b>	<b>-</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 14,830,057</b>	<b>\$ 14,257,352</b>	<b>\$ 15,184,650</b>	<b>\$ 927,298</b>

**CAPITAL CITY DEVELOPMENT CORPORATION****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2025**

	30th Street District RA Fund			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
REVENUES				
Interest	\$ 26,500	\$ 58,000	\$ 60,137	\$ 2,137
Unrealized gain (loss) on investments	-	-	(838)	(838)
Revenue allocation funds	1,500,000	1,640,500	1,539,835	(100,665)
Total revenues	1,526,500	1,698,500	1,599,134	(99,366)
EXPENDITURES				
Operating and administrative expenses	55,000	11,000	-	11,000
Capital outlay and related expenses	1,975,333	1,593,750	-	1,593,750
Total expenditures	2,030,333	1,604,750	-	1,604,750
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(503,833)	93,750	1,599,134	1,505,384
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(237,306)	(249,036)	(194,578)	54,458
Total other financing sources (uses)	(237,306)	(249,036)	(194,578)	54,458
NET CHANGE IN FUND BALANCES	(741,139)	(155,286)	1,404,556	1,559,842
FUND BALANCES, BEGINNING OF YEAR	3,721,481	3,721,481	3,721,481	-
FUND BALANCES, END OF YEAR	\$ 2,980,342	\$ 3,566,195	\$ 5,126,037	\$ 1,559,842

**CAPITAL CITY DEVELOPMENT CORPORATION****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2025**

	Shoreline District RA Fund			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
REVENUES				
Interest	\$ 12,000	\$ 24,000	\$ 26,995	\$ 2,995
Unrealized gain (loss) on investments	-	-	(409)	(409)
Revenue allocation funds	1,000,000	1,160,000	1,186,553	26,553
Total revenues	1,012,000	1,184,000	1,213,139	29,139
EXPENDITURES				
Operating and administrative expenses	55,000	20,500	2,120	18,380
Capital outlay and related expenses	365,000	39,250	17,894	21,356
Total expenditures	420,000	59,750	20,014	39,736
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	592,000	1,124,250	1,193,125	68,875
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(189,845)	(249,036)	(210,291)	38,745
Total other financing sources (uses)	(189,845)	(249,036)	(210,291)	38,745
NET CHANGE IN FUND BALANCES	402,155	875,214	982,834	107,620
FUND BALANCES, BEGINNING OF YEAR	1,464,238	1,464,238	1,464,238	-
FUND BALANCES, END OF YEAR	\$ 1,866,393	\$ 2,339,452	\$ 2,447,072	\$ 107,620

**CAPITAL CITY DEVELOPMENT CORPORATION****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2025**

	Gateway East District RA Fund			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Interest	\$ 72,500	\$ 214,000	\$ 241,202	\$ 27,202
Unrealized gain (loss) on investments	-	-	(3,596)	(3,596)
Revenue allocation funds	8,300,000	9,487,900	9,652,189	164,289
Total revenues	8,372,500	9,701,900	9,889,795	187,895
EXPENDITURES				
Operating and administrative expenses	55,000	3,000	2,332	668
Capital outlay and related expenses	1,991,101	435,804	385,802	50,002
Total expenditures	2,046,101	438,804	388,134	50,670
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,326,399	9,263,096	9,501,661	238,565
OTHER FINANCING SOURCES (USES)				
Interfund transfers	(379,690)	(448,265)	(408,488)	39,777
Total other financing sources (uses)	(379,690)	(448,265)	(408,488)	39,777
NET CHANGE IN FUND BALANCES	5,946,709	8,814,831	9,093,173	278,342
FUND BALANCES, BEGINNING OF YEAR	12,870,334	12,870,334	12,870,334	-
FUND BALANCES, END OF YEAR	<u>\$ 18,817,043</u>	<u>\$ 21,685,165</u>	<u>\$ 21,963,507</u>	<u>\$ 278,342</u>

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
**YEAR ENDED SEPTEMBER 30, 2025**

	State Street District RA Fund			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
<b>REVENUES</b>				
Interest	\$ 8,500	\$ 36,000	\$ 30,415	\$ (5,585)
Unrealized gain (loss) on investments	-	-	(335)	(335)
Revenue allocation funds	1,700,000	1,771,000	1,785,271	14,271
<b>Total revenues</b>	<b>1,708,500</b>	<b>1,807,000</b>	<b>1,815,351</b>	<b>8,351</b>
<b>EXPENDITURES</b>				
Operating and administrative expenses	53,000	18,000	13,150	4,850
Capital outlay and related expenses	2,448,000	1,768,565	-	1,768,565
<b>Total expenditures</b>	<b>2,501,000</b>	<b>1,786,565</b>	<b>13,150</b>	<b>1,773,415</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(792,500)</b>	<b>20,435</b>	<b>1,802,201</b>	<b>1,781,766</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers	(237,306)	(298,843)	(267,928)	30,915
<b>Total other financing sources</b>	<b>(237,306)</b>	<b>(298,843)</b>	<b>(267,928)</b>	<b>30,915</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,029,806)</b>	<b>(278,408)</b>	<b>1,534,273</b>	<b>1,812,681</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>2,234,269</b>	<b>2,234,269</b>	<b>2,234,269</b>	<b>-</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 1,204,463</b>	<b>\$ 1,955,861</b>	<b>\$ 3,768,542</b>	<b>\$ 1,812,681</b>

**CAPITAL CITY DEVELOPMENT CORPORATION**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED SEPTEMBER 30, 2025**

	Parking Fund			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
<b>REVENUES</b>				
Lease	\$ 115,000	\$ 125,000	\$ 122,288	\$ (2,712)
Interest	157,500	314,000	320,356	6,356
Unrealized gain (loss) on investments	-	-	(4,031)	(4,031)
Other	7,000	176,342	176,362	20
Parking revenues	9,188,361	9,399,219	9,579,718	180,499
<b>Total revenues</b>	<b>9,467,861</b>	<b>10,014,561</b>	<b>10,194,693</b>	<b>180,132</b>
<b>EXPENDITURES</b>				
Operating and administrative expenses	3,207,587	2,844,041	2,793,578	50,463
Capital outlay and related expenses	16,212,119	2,821,219	2,745,888	75,331
Capital outlay - right-to-use, IT subscriptions	-	-	434,072	(434,072)
Debt service - principal	-	-	28,629	(28,629)
Debt service - interest and fees	-	-	1,147	(1,147)
<b>Total expenditures</b>	<b>19,419,706</b>	<b>5,665,260</b>	<b>6,003,314</b>	<b>(338,054)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(9,951,845)</b>	<b>4,349,301</b>	<b>4,191,379</b>	<b>(157,922)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers	(1,119,231)	(943,853)	(749,997)	193,856
IT subscription	-	-	434,072	434,072
<b>Total other financing sources (uses)</b>	<b>(1,119,231)</b>	<b>(943,853)</b>	<b>(315,925)</b>	<b>193,856</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(11,071,076)</b>	<b>3,405,448</b>	<b>3,875,454</b>	<b>470,006</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>20,306,244</b>	<b>20,306,244</b>	<b>20,306,244</b>	<b>-</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 9,235,168</b>	<b>\$ 23,711,692</b>	<b>\$ 24,181,698</b>	<b>\$ 470,006</b>

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY (ASSET)**  
**YEAR ENDED SEPTEMBER 30, 2025**

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Employer's portion of net of the pension (asset) liability	0.0393911%	0.0371430%	0.0419441%	0.0401829%	0.0445123%
Employer's proportionate share of the net pension (asset) liability	\$ 952,541	\$ 1,389,388	\$ 1,673,850	\$ 1,582,707	\$ (35,155)
Employer's covered payroll	\$ 1,995,379	\$ 1,822,252	\$ 1,767,575	\$ 1,489,671	\$ 1,535,074
Employer's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	47.74%	76.25%	94.70%	106.25%	-2.29%
Plan fiduciary net position as a percentage of the total pension (asset) liability	90.89%	85.54%	83.83%	83.09%	100.36%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employer's portion of net of the pension (asset) liability	0.0422940%	0.0422401%	0.0405570%	0.0397908%	0.0403932%
Employer's proportionate share of the net pension (asset) liability	\$ 982,123	\$ 482,159	\$ 598,223	\$ 625,443	\$ 818,832
Employer's covered payroll	\$ 1,506,386	\$ 1,426,600	\$ 1,309,034	\$ 1,277,551	\$ 1,194,427
Employer's proportionate share of the net pension (asset) liability as a percentage of its covered payroll	65.20%	33.80%	45.70%	48.96%	68.55%
Plan fiduciary net position as a percentage of the total pension (asset) liability	82.22%	93.79%	91.69%	90.68%	87.26%

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

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**YEAR ENDED SEPTEMBER 30, 2025**

---

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Statutorily required contribution	\$ 249,091	\$ 208,617	\$ 213,648	\$ 201,057	\$ 189,895
Contributions in relation to the statutorily required contribution	\$ (252,185)	\$ (209,778)	\$ (213,948)	\$ (195,718)	\$ (189,531)
Contribution deficiency (excess)	\$ (3,094)	\$ (1,161)	\$ (300)	\$ 5,339	\$ 364
Employer's covered payroll	\$ 2,063,528	\$ 1,838,829	\$ 1,789,250	\$ 1,604,032	\$ 1,561,822
Contributions as a percentage of covered payroll	12.22%	11.41%	11.96%	12.20%	12.14%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 184,578	\$ 166,029	\$ 153,809	\$ 140,234	\$ 135,975
Contributions in relation to the statutorily required contribution	\$ (189,706)	\$ (167,556)	\$ (152,231)	\$ (140,418)	\$ (133,983)
Contribution deficiency (excess)	\$ (5,128)	\$ (1,527)	\$ 1,578	\$ (184)	\$ 1,992
Employer's covered payroll	\$ 1,567,710	\$ 1,446,855	\$ 1,346,870	\$ 1,222,892	\$ 1,202,851
Contributions as a percentage of covered payroll	12.10%	11.58%	11.30%	11.48%	11.14%

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

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED SEPTEMBER 30, 2025**

---

**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 2025 budget was amended twice 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 June 30, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases including inflation	3.15 percent
Investment rate of return-net of investment fees	6.55 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.



**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, 2025, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated February 3, 2026.

**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 Agency's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2025-001 that we consider to be a material weakness.

### **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*.

### **Agency's Response to Findings**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Boise, Idaho  
February 3, 2026

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED SEPTEMBER 30, 2025**

---

**2025-001      Accrued Liability Overstatement-Material Weakness**

*Criteria:*

Management should have an internal control system to ensure financial information is appropriately reported.

*Condition:*

The Agency inadvertently included long term liabilities in the Governmental Fund Financial Statements (“Fund Statements”).

*Cause:*

Accrued vacation and sick leave payables that were considered due in more than one year were included in the accrued liabilities under the General Fund in the governmental fund financial statements.

*Effect:*

In the General Fund, accrued liabilities were overstated by \$234,409 and fund balance was understated by the same amount, at the beginning of fiscal year 2025.

*Recommendation:*

Management should review liabilities to ensure amounts not reported on the fund financial statements are appropriately excluded.

*Management Response:*

**Background:**

The Agency’s Basic Financial Statements include two kinds of statements that present different views of the Agency: **Government-Wide Financial Statements (“Government-Wide Statements”)** provide both long-term and short-term information about the Agency’s overall financial status. For example, they include all assets and liabilities, both long-term and short-term. **Governmental Fund Financial Statements (“Fund Statements”)** focus on current (short-term) financial resources.

The Agency has historically recorded accrued vacation payables and accrued sick leave payables in both the Government-Wide Statements and Fund Statements, with the understanding that those payables were considered short-term.

**Error Discovery and Correction:**

During the fiscal year 2025 audit and the implementation of GASB Statement No. 101, *Compensated Absences*, the Agency identified that accrued vacation and sick leave payables are considered long-term liabilities, instead of short-term liabilities. Therefore, both payables should not have been recorded in the prior year in the Fund Statements. Accordingly, accrued liabilities and administrative expenses in General Fund as of September 30, 2024, were overstated by \$234,409.

Therefore, a restatement of 10/1/24 balances for both accrued vacation and sick leave payable was recorded, in the Fund Statements only.

**CAPITAL CITY DEVELOPMENT CORPORATION**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED SEPTEMBER 30, 2025**

---

Going forward, in the Fund Statements, the Agency will not accrue for vacation or sick leave payables unless payouts are due immediately at year-end. Agency management have also implemented additional procedures to review financial statements periodically during the year to ensure financial information is appropriately recorded.