

CALDWELL URBAN RENEWAL AGENCY

2025 ANNUAL UPDATE

The annual report provides an opportunity for the Agency to Update the City Council, the public and its constituencies on activities taken by the Agency during the respective calendar year. The agency holds a public meeting to allow for comment by the public on the contents of the Annual report.

CALDWELL URBAN RENEWAL AGENCY

The Caldwell Urban Renewal Agency was approved by City Council on December 21, 1998 and is governed by seven commissioners that oversee and coordinate redevelopment efforts in Caldwell, Idaho. They have engaged in strategic planning and have implemented urban renewal projects as they saw the need. At the time of this report, the Commission members are Jim Porter (Chairman), Julie Warwick (Vice Chair), Chuck Stadick, Chris Allgood, David Moore, Tom Kohl and Zach Brooks.

City staff who assist the agency are Kristina Buchan (Secretary), Mark Hilty (Legal Counsel) and Raelynn North (Treasurer) Ofelia Morales (Executive Director).

PURPOSE AND GOAL

The purpose and goals of the Urban Renewal effort have included:
1. Economic Development Activities
2. Rehabilitation and expansion of streets and providing adequate access
3. The further development of public utilities to increase the viability and readiness of future development opportunities

2025 AUDIT

The Caldwell Urban Renewal Agency is required to provide a complete financial statement setting forth its assets, liabilities, income and operating expenses. The financial statements can be found in the 2025 audit which is included as part of this annual report and is attached as a separate document. Please note that the audit only covers through the end of the fiscal year, September 30, 2025.

Eide Bailly presented to the Caldwell Urban Renewal Board on February 10, 2025 and there were no audit findings and the financial statements were issued a clean opinion.

2025 AGENCY HIGHLIGHTS

· Maverik Fuel Center (Store #797) Maverik purchased 5.15 acres to construct a new 5,637-square-foot facility. This investment (estimated at approximately $15 million) will help serve the region’s growing needs. The Agency assisted Maverik through a Tax Increment Financing (TIF) agreement in which the company will construct a water line that meets the City’s standards. This improvement will support future growth and development on the surrounding acreage.
· District 26 Access Road and TIF Agreement The Agency worked with the developers of District 26 to finalize a TIF agreement that will enable the construction of an access road from Highway 20/26 into the property at the Gravel Lane connection point. This improvement reflects the planned location of the City's future collector road and follows months of collaboration with the Idaho Transportation Department to secure the necessary approvals.
· Weather Tight Roofing, Inc. Headquarters Project Agency staff continues to support Weather Tight Roofing, Inc. in planning for a 12,000-square-foot warehouse and office headquarters on 2.35 acres within the district. Progress on this project is tied to the Agency’s ability to work with nearby property owners to facilitate the future construction of a water line needed to serve the site. Planning efforts are ongoing, and the Agency is working closely with the City to advance this infrastructure need.

As additional projects show interest in the area, Agency staff will continue to collaborate with stakeholders as plans progress over the coming years. The future is bright for the Urban Renewal District, and the City of Caldwell’s newly adopted Comprehensive Plan (February 2025) provides a planning framework for the continued industrial development of many parcels in this area, helping guide the City’s long-term growth.

BOARD MEMBER CHANGES

There were board member changes from last report.

Brad Doty was removed as a Board Member.
Chuck Stadick was added as a Board Member.

NORTH URBAN RENEWAL AREA

As of January 1, 2022, the base year for the North Revenue Allocation Area, assessed values of taxable properties within the urban renewal boundaries totaled $20,340,024. As of September 30, 2025, assessed values within this same area total $42,685,538. Property tax increment revenue estimated for the fiscal year 2025 equals $149,700.

SITE A URBAN RENEWAL AREA

As of January 1, 2024, the base year for the new Site A Revenue Allocation Area, assessed values of taxable properties within the urban renewal boundaries totaled $464,445. As of September 30, 2025, assessed values within this same area total $89,050. Property tax increment revenue estimated for the fiscal year 2025 equals $514.

SITE B URBAN RENEWAL AREA

On the 15th of December 2025 the Caldwell City Council approved Ordinance 3728 for the new Central Urban Renewal Area Plan. This area contains approximately 638.61 acres, more or less.



FY2026 APPROVED BUDGET

FY2026 Urban Renewal

	FY2023 ACTUALS	FY2024 ACTUALS	FY2025 ACTUALS	BUDGETED EXPENSES		
	FY2023	FY2024	FY2025	FY2026	Variance(%)	Variance ($)
Expenses						
Urban Renewal Agency Fund						
Adminstration						
Admin						
63210 - Annual Audit Services	$28,000	$16,100	$18,165	$18,600	16%	$2,500
63215 - Bond Paying Agent Service	$3,500	–	–	–	–	$0
63220 - Special Projects Services	$16,321,767	$3,586,443	$1,085,782	$750,000	-79%	-$2,836,443

	FY2023 ACTUALS	FY2024 ACTUALS	FY2025 ACTUALS	BUDGETED EXPENSES		
	FY2023	FY2024	FY2025	FY2026	Variance(%)	Variance ($)
63235 - Contracted Services	$216,000	$226,800	$307,694	$213,753	-6%	-$13,047
63310 - Admin/Payroll Services	$8,000	$8,400	$8,400	$154,700	1,742%	$146,300
63330 - Attorney Services	$117,660	$77,220	$81,600	$88,800	15%	$11,580
63570 - Professional Services	$50,850	$9,825	$64,807	–	-100%	-$9,825
64110 - Irrigation Assessment	$478	$335	$257	$500	49%	$165
64330 - R & M Building	$760	–	–	–	–	$0
65200 - Ins, Other Than Employee Benefits	$11,177	$12,854	$15,425	$3,895	-70%	-$8,959
65400 - Advertising	$778	$280	$439	$200	-29%	-$80
66350 - General Operating Supplies	$288	$8,941	$713	$1,000	-89%	-$7,941
99810 - Bond Principal	$1,440,000	–	–	–	–	$0
99820 - Bond Interest	$48,600	–	–	–	–	$0
ADMIN TOTAL	**$18,247,859**	**$3,947,197**	**$1,583,282**	**$1,231,448**	**-69%**	**-$2,715,749**
General						
63220 - Special Projects Services	–	$18,000	$8,135	$100,000	456%	$82,000
63330 - Attorney Services	$19,610	–	–	–	–	$0
63570 - Professional Services	$6,214	–	–	–	–	$0
GENERAL TOTAL	**$25,824**	**$18,000**	**$8,135**	**$100,000**	**456%**	**$82,000**
ADMINSTRATION TOTAL	**$18,273,683**	**$3,965,197**	**$1,591,417**	**$1,331,448**	**-66%**	**-$2,633,749**
URBAN RENEWAL AGENCY FUND TOTAL	**$18,273,683**	**$3,965,197**	**$1,591,417**	**$1,331,448**	**-66%**	**-$2,633,749**
EXPENSES TOTAL	**$18,273,683**	**$3,965,197**	**$1,591,417**	**$1,331,448**	**-66%**	**-$2,633,749**

FY2026 Urban Renewal

	FY2023 ACTUALS	FY2024 ACTUALS	FY2025 ACTUALS	BUDGETED REVENUES		
	FY2023	FY2024	FY2025	FY2026	Variance(%)	Variance ($)
Revenues						
Urban Renewal Agency Fund						
Adminstration						
General						
Property Taxes	$54,264	$83,886	$123,590	$157,200	27%	$33,610
GENERAL TOTAL	**$54,264**	**$83,886**	**$123,590**	**$157,200**	**27%**	**$33,610**
ADMINSTRATION TOTAL	**$54,264**	**$83,886**	**$123,590**	**$157,200**	**27%**	**$33,610**
Non-Departmental						
No Division						
Property Taxes	$10,825,375	$172,766	$39,511	$535	-99%	-$38,976
Property Tax Replacement	$115,704	–	–	–	–	$0
Miscellaneous Revenue	$23,551	$1	$154,863	–	-100%	-$154,863
Claims Interest	$118,792	$114,674	$48,172	$5,000	-90%	-$43,172
Investment Interest Revenue	$45,869	$42,370	$44,635	$30,000	-33%	-$14,635
Bond Interest Revenue	$46,485	$41	–	–	–	$0
Unrealized Gain or Loss	$729	$2,018	–	–	–	$0
Sale of Fixed Asset	$7,257,352	$2	–	–	–	$0
NO DIVISION TOTAL	**$18,433,857**	**$331,873**	**$287,180**	**$35,535**	**-88%**	**-$251,645**
NON-DEPARTMENTAL TOTAL	**$18,433,857**	**$331,873**	**$287,180**	**$35,535**	**-88%**	**-$251,645**
URBAN RENEWAL AGENCY FUND TOTAL	**$18,488,122**	**$415,759**	**$410,770**	**$192,735**	**-53%**	**-$218,035**

	FY2023 ACTUALS	FY2024 ACTUALS	FY2025 ACTUALS	BUDGETED REVENUES		
	FY2023	FY2024	FY2025	FY2026	Variance(%)	Variance ($)
REVENUES TOTAL	$18,488,122	$415,759	$410,770	$192,735	-53%	-$218,035

RESOLUTION NO. 2026-02

A RESOLUTION APPROVING THE FY2025 AUDIT AND FINANCIAL STATMENTS

BE IT HEREBY RESOLVED by the Caldwell Urban Renewal Agency authorizes the acceptance of the document made part hereof and set forth in full.

PASSED BY THE CALDWELL URBAN RENEWAL AGENCY of the City of Caldwell, Idaho this 9th of February, 2026

APPROVED BY THE CHAIRMAN OF THE URBAN RENEAL AGENCY OF THE CITY OF CALDWELL this 9th of February, 2026

By _____
Jim Porter
Chairman

URBAN RENEWAL AGENCY OF THE CITY OF CALDWELL, IDAHO
CORPORATE
SEAL

ATTEST:

By _____
Secretary

January 23, 2026

To the Board of Commissioners
Urban Renewal Agency of the City of Caldwell, Idaho
Caldwell, Idaho

We have audited the financial statements of Urban Renewal Agency of the City of Caldwell, Idaho (the Agency) as of and for the year ended September 30, 2025, and have issued our report thereon dated January 23, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our letter dated September 24, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

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Significant Risks Identified

As stated in our auditor's report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks". We have identified the following as significant risks:

- Management Override of Controls - Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we identified as a significant risk that management of the organization may have the ability to override controls that the organization has implemented. Management may override the organization's controls in order to modify the financial records with the intent of manipulating the financial statements to overstate the organization's financial performance or with the intent of concealing fraudulent transactions or to mis-represent revenues/expenditures.

- Revenue Recognition – We identified revenue recognition as a significant risk due to financial and operational incentives for the organization to overstate revenues.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Agency is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No such sensitive accounting estimates were identified.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There were no financial statement disclosures that we consider to be particularly sensitive or involve significant judgment.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Agency 's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated January 23, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Agency's auditors.

This report is intended solely for the information and use of the Board of Commissioners, and management of the Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Bailly LLP

Boise, Idaho
January 23, 2026

Financial Statements
September 30, 2025

Urban Renewal Agency of the City of Caldwell, Idaho

Urban Renewal Agency of the City of Caldwell, Idaho

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Eide Bailly

Independent Auditor's Report

Members of the Board of Commissioners
Urban Renewal Agency of the City of Caldwell, Idaho
Caldwell, Idaho

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Urban Renewal Agency of the City of Caldwell, Idaho (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 the 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.

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.

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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 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 January 23, 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.

Eide Bailly LLP

Boise, Idaho
January 23, 2026

Commissioners of the Urban Renewal Agency of the City of Caldwell, Idaho (the Agency) offer readers of these financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended September 30, 2025.

It is a privilege for the Caldwell Urban Renewal Agency to provide you with our Annual Report for fiscal year ended September 30, 2025. This report has been compiled in compliance with Idaho Code Section 50-2006 in which the Agency *"is required to file, with the local governing body, on or before March 31 of each year, a report of its activities for the preceding calendar year. Such report is to include a complete financial statement setting forth its assets, liabilities, income and operating expense as of the end of the calendar year."*

In addition to the above stated requirement of Idaho Law, Sections 50-1010 and 67-450B in the Idaho Code further require the Agency to *"cause a full and complete audit of its financial statements to be made each fiscal year."* In response to this annual fiscal year audit requirement, independent auditor Eide Bailly LLP has completed the 2025 fiscal year audit for the Urban Renewal Agency of the City of Caldwell (the Agency). This audit is available in the office of the City Clerk, 205 S 6th Ave, Caldwell, Idaho.

The results of the 2025 fiscal year audit for the Agency are included within the financial statements, footnotes and audit opinions presented in this annual report.

FINANCIAL HIGHLIGHTS

- The assets of the Agency exceeded its liabilities and deferred inflows of resources at September 30, 2025, by $4,269,516. Liabilities include $468,507 in accounts payable and amounts due to other governments. Deferred inflows consist of $170,294 for unavailable property tax revenues for taxes levied but not yet earned. Assets include $3,778,677 in cash, $260,152 in taxes receivable and $3,036 in interest receivables.

- As of September 30, 2025, the Agency's general fund reported ending fund balance of $3,316,839. Of this amount, $3,316,839 is restricted for urban renewal projects. Cash and cash equivalents were $3,778,677 and represents 250.16% of total fund expenditures reported on the Statement of Activities.

- The Agency's total debt obligation is $0.

BACKGROUND

The Agency was organized and approved by Caldwell City Council (City) on December 21, 1998, under Idaho Code, Title 50; Chapter 20 entitled "Idaho Urban Renewal Agency Law of 1965." The Agency was established to promote development and redevelopment efforts in an undervalued portion of the City and in the City's area of impact within Canyon County (the County). The goals of the Agency include a plan to transform this underdeveloped area into a desirable location for prospective homeowners, small businesses, and corporate development. Letters of support from taxing districts within the urban renewal area were submitted as evidence of support for the organization of the Agency during the public hearing on December 21, 1998. Later in 1999, Canyon County organized a similar Urban Renewal Agency covering lands within the City area of impact that were designated in the City's Urban Renewal Agency. This action paved the way for communication between the City and County on urban renewal matters in the impact area.

The Caldwell City Council adopted the East Urban Renewal Plan on December 21, 1998, establishing activities for the Agency and creating a tax increment financing area. On September 29, 2003, the Agency amended the Plan to expand the Revenue Allocation Area; adding the downtown corridor between 10th and 5th streets and additional land that included the Indian Creek Day lighting and Restoration Project along with updated provisions for recreational and park facilities. A 2005 amendment extended the Plan's duration through December 21, 2022, limiting the tax increment collection to assessments from 1999-2022, and initially required that increment received after December 31, 2014, be used for debt service on bonds issued before that date, with any excess returned to taxing districts. On August 25, 2014, the Plan was amended again to remove the restrictions on post-2014 increment and directing the Agency to consult with affected public bodies after 2014 when identifying and implementing urban renewal projects.

On December 21, 2022, the East Urban Renewal Area closed. With this area closing, the Agency will not receive property tax from this area after September 30, 2023. The property taxes will go back to the taxing districts within the area. However, there are still some delinquent property taxes from prior years to be collected. There was significant investment within this area, the ending accessed property taxed value for the City of Caldwell was $1,432,069,400, a significant increase from the 2008 base of $60,492,278.

As a result of 2017, legislation, the Agency's Board of Commissioners was restructured shifting from six City Council members to a six-member board composed of three City Council members and three residents of Canyon County, which removed the Agency from classification as a component unit of the City. The Board has since evolved into its current composition of two City Council members, one County Commissioner, and four Canyon County residents.

On December 20, 2021, the Caldwell City Council approved an Urban Renewal Plan for the North Urban Renewal area, establishing proposed activities and a new tax increment financing provision under which the County Commissioners and County Treasurer allocate annual incremental tax revenue between the Agency and other taxing districts within the area. The City Council later approved additional Urban Renewal Plans; one on October 14, 2024, for Site A Urban Renewal Area, and another on August 18, 2025, for the Site B Urban Renewal Area. Each Plan outlined the actives for its respective area and adopted its own tax increment financing provision, requiring the County Commissioners and County Treasurer to distribute incremental tax revenue increases annually between the Agency and other taxing districts within each designated revenue allocation area.

PROPERTY VALUE AND TAX INCREMENT FINANCING

Tax increment financing is the primary source of revenue for the Agency. The amount of revenue received from property taxes is determined by the value of taxable property in excess of the base year, multiplied by the current tax levy rates in effect from the various taxing districts within the urban renewal boundaries. If the market value of property increases, the proceeds from the property tax may increase even with no increase in the tax levy rate.

The net taxable value of properties in the City is $9,251,134,921. This $1,162,336,138 increase is 14.37% more than the 2024 net taxable value of $8,088,798,783. (2024 base adjusted for county assessor changes). The increment value of the real and personal properties within the North urban renewal boundary within City Limits is $42,685,538. (2024 increment adjusted for county assessor changes). This is an increase of $7,233,261 or 20.40%. The increment value of real and personal properties within the Site A urban renewal boundary is

$89,050, 2025 is the first year of this taxable value. Combined net taxable value increase in the City and Urban Renewal totaled $1,169,658,449 or 14.40% to a net taxable value of $9,293,909,509.

As of January 1, 2022, the base year for the new North Revenue Allocation Area, assessed values of taxable properties within the urban renewal boundaries totaled $20,340,024. As of September 30, 2025, assessed values within this same area total $42,685,538. Property tax increment revenue estimated for the fiscal year 2025 equals $149,700.

As of January 1, 2024, the base year for the new Site A Revenue Allocation Area, assessed values of taxable properties within the urban renewal boundaries totaled $464,445. As of September 30, 2025, assessed values within this same area total $89,050. Property tax increment revenue estimated for the fiscal year 2026 equals $514.

The total property tax receipts for fiscal year ended September 30, 2025, were $147,034 as reported on the Statement of Activities on page 11.

ACTIVITIES AND COMMITMENTS

The Agency remains committed to economic development and residential stability within its geographic boundaries in the City. Some of the specific activities, including accomplishments and board actions, are listed below.

- **Maverick Fuel Center**
  Maverick purchased 5.15 acres to construct a new 5,637 square foot facility. This investment, estimated at approximately $15 million, will help service the region's growing needs. The Agency assisted Maverick through a Tax Increment Financing (TIF) agreement in which the company will construct a water line that meets the City's standards. This improvement will support future growth and development on the surrounding acreage.
- **District 26 Access Road**
  The Agency worked with developers of District 26 to finalize a TIF agreement that will enable the construction of an access road from Highway 20/26 into the property at the Gravel Lan connection point. This improvement reflects the planned location of the City's future collector road and follows months of collaboration with the Idaho Transportation Department to secure necessary approvals.
- **Weather Tight Roffing, Inc**
  Agency staff continue to support Weather Tight Roffing, Inc in planning for a 12,000 square foot warehouse and office headquarters on 2.35 acres within the district. Progress on this project is tied to the Agency's ability to work with nearby property owners to facilitate the future construction of a water line needed to serve the site. Planning efforts are ongoing, and the Agency is working closely with the City to advance this infrastructure need.

As additional projects show interest in the area, Agency staff will continue to collaborate with stakeholders as plans progress over the coming years. The future is bright for the North Urban Renewal Area, and the City of Caldwell's newly adopted Comprehensive Plan provides a planning framework for the continued industrial development of many parcels in this area, helping guide the City's long-term growth.

In January 2025, the Agency released an RFP but did not receive any proposals. Staff recommended additional conversations with developers and noted that more time was needed to secure the best project for the Agency and City. The newly created site is progressing well with many ongoing conversations and a potential RFP planned for future development in the upcoming year.

These projects highlight the Agency's dedication to sustainable growth and economic vitality in Caldwell.

Overview of the Financial Statements

The financial statements of the Agency have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements are comprised of the government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all Agency assets, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Agency is improving or deteriorating.

The statement of activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement from some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific actives or objectives. The Agency, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency reports on general funds as a governmental fund.

Governmental Funds- Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of available resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Notes to the financial statements- The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other Supplementary information- In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. Required supplementary information includes the budget to actual for the general fund and the notes to the required supplementary information.

FINANCIAL OVERVIEW

Statement of Net Position

	Governmental Activities	
	2025	2024
Other assets	$ 4,041,865	$ 5,555,896
Capital assets	866,452	866,452
Total assets	4,908,317	6,422,348
Short-term liabilities	468,507	884,138
Total liabilities	468,507	884,138
Deferred Inflows of Resources	170,294	144,436
Total Liabilities and Deferred Inflow of Resources	638,801	1,028,574
Investment in capital assets	866,452	866,452
Restricted	3,403,064	4,527,322
Total Net Position	$ 4,269,516	$ 5,393,774

Statement of Activities

	Governmental Activities	
	2025	2024
Revenues		
General Revenues		
Property taxes		
General purpose	$ 147,034	$ 117,497
Unrestricted investment earnings	86,025	157,085
Unrestricted unrealized gain (loss) on investments	(1,657)	2,018
Miscellaneous	154,863	1
Total Revenues	386,265	276,601
Expenses		
Urban Renewal Agency	1,510,523	5,988,598
Total Expenses	1,510,523	5,988,598
Net Revenues	$ (1,124,258)	$ (5,711,997)

Cash and cash equivalents, both restricted and unrestricted, decreased $1,497,308 to $3,778,677 from the 2024 balance of $5,275,985. Major cash uses included City Economic Development support of $226,800 and $1,085,782 for City projects within the district. Major sources of cash included property tax revenues of $147,034 and investment earnings of $86,025. The decrease of $499 in taxes receivable resulted in a decrease in levy rates from all taxing districts. Vouchers payable, interest payable and due to other governments balances decreased $415,631 to $468,507 made up of $336,518 reimbursable to the City for projects and $131,989 in operating and project expenses at September 30, 2025.

CAPITAL ASSETS

During fiscal year 2025, there were no capital assets additions or deletions. Capital assets total $866,452 as of September 30, 2025. See Note 6 for additional information.

BUDGET

The Agency is required to submit and operate under a budget approved by the board. The 2025 budget for the Agency was approved August 12, 2024, in a public meeting and appears in the supplementary information following the footnotes section of the report.

BOARD OF COMMISSIONERS

As a result of legislation, on July 1, 2017, the Board of Commissioners was changed to be made of not less than three commissioners and no more than nine commissioners and City Council members were not able to be the majority of the board. Commissioner Porter is currently serving as Chairman of the Board of Commissioners, Commissioner Warwick serves as vice-chairman and Caldwell City Clerk, Kristina Buchan, serves as Secretary. Caldwell City Finance Director Raelynn North serves as Treasurer.

All members of the Board of Commissioners as September 30, 2025:

COMMISSIONER	TERM EXPIRATION
Jim Porter (Chair)	July 1, 2028
Julie Warwick (Vice-Chair)	July 1, 2030
Brad Doty	July 1, 2026
Chris Allgood	July 1, 2029
Tom Kohl	July 1, 2029
David Moore	July 1, 2030
Zach Brooks	July 1, 2026

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the Agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, City of Caldwell, P.O. Box 1179, 205 S 6th Ave, Caldwell, ID 83606.

Urban Renewal Agency of the City of Caldwell, Idaho
Statement of Net Position and Governmental Fund Balance Sheet
September 30, 2025

	General Fund	Adjustments (Note 2)	Statement of Net Position
Assets			
Cash and cash equivalents	$ 3,778,677	$ -	$ 3,778,677
Receivables			
Taxes	260,152	-	260,152
Interest	3,036	-	3,036
Land	-	866,452	866,452
	$ 4,041,865	$ 866,452	$ 4,908,317
Liabilities			
Vouchers and payroll payable	$ 131,989	$ -	$ 131,989
Due to other governments	336,518	-	336,518
Total liabilities	468,507	-	468,507
Deferred Inflows of Resources			
Unavailable property tax revenue	256,519	(86,225)	170,294
Fund Balance/Net Position			
Fund balances			
Restricted for urban renewal projects	3,316,839	(3,316,839)	-
Total fund balance	3,316,839	(3,316,839)	-
	$ 4,041,865		
Net Position			
Investment in capital assets		866,452	866,452
Restricted		3,403,064	3,403,064
Total net position		4,269,516	4,269,516
		$ 866,452	$ 4,908,317

See Notes to Financial Statements

	General Fund	Adjustments (Note 3)	Statement of Activities
Expenditures/Expenses			
Urban renewal	$ 1,510,523	$ -	$ 1,510,523
Total expenditures/expenses	1,510,523	-	1,510,523
General Revenues			
Property taxes	148,202	(1,168)	147,034
Interest	86,025	-	86,025
Unrealized loss on LGIP	(1,657)	-	(1,657)
Miscellaneous	154,863	-	154,863
Total general revenues	387,433	(1,168)	386,265
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,123,090)	(1,168)	(1,124,258)
Change in Total Fund Balance	(1,123,090)	(1,168)	(1,124,258)
Change in Net Position	-	-	(1,124,258)
Fund Balance/Net Position Beginning of Year	4,439,929	953,845	5,393,774
Fund Balance/Net Position, End of Year	$ 3,316,839	$ 952,677	$ 4,269,516

Note 1 - Summary of Significant Accounting Policies

The Urban Renewal Agency of the City of Caldwell, Idaho (the Agency) was organized on December 21, 1998, under the Idaho Urban Renewal Law, Chapter 20, and Title 50 of the Idaho Code. The Agency was established to oversee redevelopment efforts in the Northeastern Caldwell areas, including housing rehabilitation, incentives for development of multi-family affordable housing, beautification of entryways, improvements to the City of Caldwell (the City) infrastructure, and creation of new parks and a recreation complex. When the redevelopment plan is completed, the Agency's assets will revert to City ownership.

The financial statements of the Agency have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency's accounting policies are described below.

The accounting and reporting policies of the Agency relating to the funds included in the accompanying basic financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the GASB and the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units.

Financial Reporting Entity

For financial reporting purposes, the Agency is stand-alone government. The Agency provides urban renewal services to the City of Caldwell and its citizens.

Government-Wide and Fund Financial Statements

The government-wide column of the financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. 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 or applicants who purchase, use, or directly benefit from goods, services, 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As allowed under GAAP, the Agency is reported as a "Single Program Entity." This allows for the government-wide financial statements to be combined with the fund level financial statements.

Measurement Focus, Basis of Accounting, And Financial Statement Presentation

The government-wide column of the financial statements is 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The general fund (governmental fund) column of the financial statements is 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. The Agency considers property taxes available if they are collected within 60 days after year end and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are 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:

General Fund - the Agency's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Agency has no non-major funds.

East Revenue Allocation Area Dissolution

Under the conditions of the 2014 amendment to the Plan of the Urban Renewal Agency of the City of Caldwell, Idaho, the Agency's revenue allocation area and the collection of revenue from property taxes have ceased as of December 21, 2022.

Section 800 regarding Duration of this Plan is hereby further amended to read, in its entirety, as follows:

> Except for the nondiscrimination and non-segregation provisions which shall run in perpetuity, the provisions of this Plan shall be effective, and the provisions of other documents formulated pursuant to this Plan shall be effective for twenty-four (24) years from the original date of adoption of this Plan by the City of Caldwell through December 21, 2022, provided, however, that the revenue from property taxes shall be restricted to collection of taxes assessed for the twenty-three (23) year period commencing with the 1999 assessment through the 2022 assessment.

Section 304 regarding Cooperation with Public Bodies shall be amended by addition of the following paragraph:

> Subsequent to December 31, 2014, the Agency shall work specifically with the public bodies affected by revenue allocation to identify and implement urban renewal projects important to those public bodies and consider the scope of such projects in light of such public bodies' pro rata connection to tax increment. All projects and funding shall be at the discretion of the Agency, not the public bodies. For guidance, the Agency's construction of the new Canyon County Administration Building prior to December 31, 2014, shall be deemed an identified and implemented project for Canyon County and the Agency's construction of two sewer projects (Revenue Allocation Bonds Series 2006A for various sewer system improvements including collection lines and related facilities for the system, and Revenue Allocation Bonds Series 2008 for Caldwell Wastewater Treatment Plant upgrades – Phase 4) prior to December 31, 2014, shall be deemed identified and implemented projects for the City of Caldwell.

North Revenue Allocation Area Dissolution

On December 20, 2021, the Agency passed Ordinance No. 3391 which approved the Caldwell North Urban Renewal Area Plan. The Agency's revenue allocation area and the collection of property taxes will cease on December 31, 2041. The agency may elect to terminate the Plan at any time, pursuant to the processes contained within section 900 of the approved plan.

Site A Revenue Allocation Area Dissolution

On December 16, 2024, the Agency passed Ordinance No. 3647 which approved the Site Caldwell Urban Renewal Plan. The Agency's revenue allocation area and the collection of property taxes will cease on December 31, 2044. The agency may elect to terminate the Plan at any time, pursuant to the processes contained within the section 900 of the approved plan.

Site B Revenue Allocation Area Dissolution

On August 18, 2025, the Agency passed Ordinance No. 3703 which approve the Site B Caldwell Urban Renewal Plan. The Agency's revenue allocation area and the collection of property taxes will cease on December 31, 2045. The agency may elect to terminate the Plan at any time, pursuant to the processes contained within the section 900 of the approved plan.

Cash, Investments, and Cash Equivalents

The Agency considers all highly liquid investments, including restricted cash, with a maturity of three months or less when purchased, to be cash equivalents. For purposes of efficient cash flow management and the management of temporary investments, the Agency utilizes the State of Idaho's Local Government Investment Pool for its cash.

Investments

State statutes authorize the Agency to invest in obligations of the U.S. Treasury and U.S. agencies, commercial paper, corporate bonds, repurchase agreements, City coupons and local improvement district bonds.

Investments are stated at fair value as determined by quoted market prices, except for the certificates of deposit which are non-participating contracts and are therefore carried at amortized costs and are recorded as cash, investments, and cash equivalents in the statement of net position.

Property Taxes 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 60 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 unavailable revenue at the Agency's year-end and recognized as revenue in the following fiscal year. Canyon County bills and collects taxes for the Agency.

Capital Assets

Capital assets consist of land and at times, construction in process. Capital assets are defined by the Agency as assets with an initial, individual cost of more than $20,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are valued at their estimated acquisition value. These assets are reported in the government-wide column of the financial statements but are not reported in the general fund column of the financial statements. The Agency does not hold any capital assets that are depreciated. The agency does not have any lease agreements or subscription-based information technology agreements.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and the fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets or fund balance that applies to future periods, so will not be recognized as an inflow of resources (revenue) until that time. The Agency only has two types of items that qualify for reporting in this category relating to property taxes.

The government-wide column and general fund column of the financial statements both report the unavailable property tax revenue as a deferred inflow of resources. The balance of the deferred inflows of resources as of September 30, 2025, will be recognized as a revenue and increase in net position at the start of the next fiscal year. This treatment is a result of the property tax calendar in the State of Idaho.

The final item reported as deferred inflow of resources arises only under a modified accrual basis of accounting. The general fund column of the financial statements report unavailable revenues from delinquent property taxes not collected within 60 days after year-end as these amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Risk Management

The Agency is exposed to various risks of loss related to theft of, damage to, or destruction of assets. The Agency participates in a public entity risk pool, Idaho Counties Risk Management Pool (ICRMP), for property and liability insurance. The Agency's exposure to loss from its participation in ICRMP is limited to the extent of the deductible only.

Budgets

In accordance with Title 50, Chapter 20 of the Idaho State Code, the Agency is required to prepare, approve and adopt an annual budget for filing with the local governing body, for informational purposes. A budget means an annual estimate of revenues and expenses for the following fiscal year of the agency.

Note 2 - Explanation of Differences Between the Governmental Funds Balance Sheet and the Statement of Net Position

"Total fund balances" of the Agency's governmental fund differs from "net position" of the governmental activities reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

The main components of the differences are described below.

Fund balance – general fund	$ 3,316,839
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	866,452
Some of the property taxes receivable are not available to pay for current-period expenditures and therefore are deferred in the funds.	86,225
Net position of governmental activities	$ 4,269,516

Note 3 - Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities

The "net change in fund balances" for governmental funds differs from the "change in net position" for governmental activities reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resource focus of the governmental funds. The effect of the differences is illustrated below.

Net change in fund balances – total governmental funds	$ (1,123,090)
Some property tax revenue in the statement of activities that does not provide current financial resources is not reported as revenues in the funds.	(1,168)
Change in net position	$ (1,124,258)

Note 4 - Cash and Cash Equivalents

	Cost	Fair Value
Cash - unrestricted	$ 2,920,964	$ 2,920,964
Total cash equivalents - unrestricted	$ 2,920,964	$ 2,920,964
Investments-unrestricted		
Local Government Investment Pool	$ 856,343	$ 857,713
Total investments - unrestricted	$ 856,343	$ 857,713

Investment Types That Are Authorized for The Agency by The Idaho Code and The Agency's Investment Policy Are as Follows:

1. Local and State Agency Bonds
2. U. S. Agency Bonds
3. U. S. Agency Securities
4. Certificates of Deposit

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. One of the ways the Agency manages its exposure to interest rate risk is by purchasing a combination of long and short-term investments. The Agency keeps funds needed for operations in short-term liquid investments while maintaining a stable longer-term investment portfolio with duration matched to expected completion of capital projects. When selecting longer-term maturities, the Agency's policy requires investments which provide for the stability of income and reasonable liquidity. The Local Government Investment Pool weighted average maturity as of September 30, 2025 was 84 days. The Agency does not have any investments subject to interest rate risk at September 30, 2025.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. All other investments of the Agency are not rated and the Agency does not have a restrictive policy regarding rated investments.

Concentration of Credit Risk

When investments are concentrated in one issuer, this concentration represents heightened risk of potential loss. No specific percentage identifies when concentration risk is present. The Governmental Accounting Standards Board has adopted a principal that governments should provide note disclosure when five percent of the total entity's investments are concentrated in any one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. The Agency has no policy limiting the amount it may invest in any one issuer.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Agency does not have a policy for custodial credit risk outside of the deposit and investment agreements.

The bank ledger balance for unrestricted cash deposits at September 30, 2025, is $2,920,964. This ledger balance includes $250,000 of deposits insured by FDIC and $2,670,964 uninsured and uncollateralized.

The Agency minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be identified as to Caldwell Urban Renewal Agency ownership and be held in the Agency's name.

The LGIP is managed by the State of Idaho Treasurer's office. The funds of the pool are invested in certificates of deposit, repurchase agreements, and U.S. government securities. The certificates of deposit are federally insured. The U.S. government securities and the collateral for the repurchase agreements are held in trust by a safekeeping bank.

Note 5 - Fund Equity

In the government-wide column of the financial statements, equity is classified as net position and displayed in three components:

- Investment in capital assets – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings attributable to those assets.

- Restricted net position – Consists of net position with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation. Restricted net position in the Agency is restricted pursuant to bonds issued to finance, in part, a variety of public and private infrastructure improvements which will improve existing conditions in the project area.

- Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- Nonspendable fund balance — amounts that are not in nonspendable form (such as inventory or long-term notes receivable) or are required to be maintained intact.

- Restricted fund balance — amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

- Committed fund balance — amounts constrained to specific purposes by the Agency itself, using its highest level of decision-making authority (i.e., Board of Commissioners). To be reported as committed, amounts cannot be used for any other purpose unless the Agency takes the same highest level action to remove or change the constraint.

- Assigned fund balance — amounts the Agency intends to use for a specific purpose. Intent can be expressed by the Agency Commissioners or by an official or body to which the Agency Commissioners delegate authority.

- Unassigned fund balance — amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Agency's Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by passage of a resolution or motion. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Commissioners through adoption or amendment of the budget as intended for specific purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Agency considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Agency considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Commissioners has provided otherwise in its commitment or assignment actions.

Note 6 - Capital Assets

Changes in capital assets are as follows:

	October 01, 2024	Additions	Deletions	September 30, 2025
Governmental activities				
Capital assets, not depreciated				
Land	$ 866,452	$ -	$ -	$ 866,452
Total capital assets, not depreciated	$ 866,452	$ -	$ -	$ 866,452

Note 7 - Related Party Transactions

During 2025, the Agency reimbursed the City in the amount of $991,395 for expenditures paid on its behalf on various projects (Ustick Road Widening, Wilson Drain Culvurt, Wolfe Field Parking Lots, and Creekside Landscape) Additionally, the Agency issued monthly payments to the City for the Caldwell Economic Development funding in the amount of $226,800 and paid the City $8,400 for Accounting Services.

Note 8 - Tax Increment Financing (TIF) Agreements

The Agency has entered into multiple Tax Increment Financing (TIF) reimbursement agreements with private developers to support eligible improvements within designated urban renewal areas. Under these agreements, developers construct qualifying public improvements and may receive reimbursement from tax increment revenues generated within the applicable plan areas. Reimbursements are limited to the lesser of the actual of the approved project or the maximum amount authorized under each agreement and the time limit of the specific plan.

District 26 TIF Agreement
The Agency entered a TIF reimbursement agreement with the developer of the District 26 projects within the North Urban Renewal area: with a not to exceed reimbursement amount of $624,136. Approved invoices submitted by the developer totaled $398,911.

For the 2024 tax year (fiscal year 2025), the agency recognized $2,427,870 in URA value for reimbursement calculation purposes. The total amount available for reimbursement during the fiscal year was $9,039, before the application of the 10% administrative fee permitted under the agreement. This agreement remains in effect until the earlier full repayment of approved project costs or expiration of the North Urban Renewal Plan.

Maverick TIF Agreement
The agency maintains a TIF reimbursement agreement for the Maverick project within the North Urban Renewal Area. This project remained under construction during fiscal year 2025. The agreement authorizes a maximum reimbursement amount of $477,882. No reimbursement has been made to date. The agreement remains in effect until the earlier of a full repayment of approved costs or expiration of the North Urban Renewal Plan

Pontifex Capital LLC TIF Agreement (Site B)

The agency holds a TIF agreement with Pontifex Capital LLC for improvements within the Site B Urban Renewal Area. The maximum reimbursement available under this agreement is $174,995. Reimbursements will be made as eligible costs are incurred, and tax increment revenues will become available. The Agreement remains in effect until the earlier of either a full repayment of approved costs or expiration of the Site B Urban Renewal Plan.

Required Supplementary Information
September 30, 2025

Urban Renewal Agency of the City of Caldwell, Idaho

Urban Renewal Agency of the City of Caldwell, Idaho

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – General Fund

Year Ended September 30, 2025

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Property taxes	$ 92,500	$ 92,500	$ 148,202	$ 55,702
Interest	36,000	36,000	86,025	50,025
Unrealized loss	-	-	(1,657)	(1,657)
Miscellaneous	-	-	154,863	154,863
Total revenues	128,500	128,500	387,433	258,933
Expenditures				
Current				
Urban Renewal Agency	1,899,525	1,899,525	1,510,523	389,002
Total expenditures	1,899,525	1,899,525	1,510,523	389,002
Deficiency of Revenues Under Expenditures	(1,771,025)	(1,771,025)	(1,123,090)	647,935
Net Change in Fund Balances	$ (1,771,025)	$ (1,771,025)	(1,123,090)	$ 647,935
Fund Balance, Beginning of Year			4,439,929	
Fund Balance, End of Year			$ 3,316,839	

See Notes to Required Supplementary Information

Note 1- Budgets and Budgetary Accounting

In accordance with Title 50, Chapter 20 of the Idaho State Code, the Agency is required to prepare, approve and adopt an annual budget for filing with the local governing body, for informational purposes. A budget means an annual estimate of revenues and expenses for the following fiscal year of the Agency.

The Agency follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Board of Commissioners prepares a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public workshops are conducted in Council Chambers located at Caldwell Police Department to obtain taxpayer comments.
- The budget is passed by resolution no later than the first Tuesday of each fiscal year.

Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end. Revisions that alter the total expenditure appropriation must be approved by the Board of Commissioners.

Other Information
September 30, 2025

Urban Renewal Agency of the City of Caldwell, Idaho

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
Urban Renewal Agency of the City of Caldwell, Idaho
Caldwell, 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 the major fund of Urban Renewal Agency of the City of Caldwell, Idaho (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 January 23, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Eide Bailly LLP

Boise, Idaho
January 23, 2026