



**MERIDIAN**  
development corp.  
REVIVE • RENEW • REDEFINE

104 East Fairview Avenue #239  
Meridian, Idaho, 83642

(208) 830-7786  
meridiandevelopmentcorp@gmail.com

# 2024 ANNUAL REPORT





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# LETTER FROM THE CHAIRMAN



**Our board remains committed to revitalizing key parts of Meridian through urban renewal. Urban renewal gives us a powerful tool to improve community infrastructure, increase economic vitality and attract new development. We look forward to the year ahead and identifying how we can continue to use urban renewal to meet the needs of our growing community.**

2024 was another challenging year for redevelopment in many of MDC's urban renewal districts. Higher interest rates and construction costs continue to render many proposed projects financially unfeasible. Despite these challenges, MDC remains committed to advancing key initiatives. Through strategic collaboration and creative problem-solving, we are exploring ways to mitigate these barriers and bring meaningful projects to fruition.

A significant focus remains on implementing key components of the updated Destination: Downtown Master Plan. This initiative continues to serve as a roadmap for enhancing downtown's vibrancy, economic vitality, and long-term sustainability. Additionally, we are coordinating with all stakeholders involved in the Union 93 project to explore viable pathways for restarting construction and ensuring its successful completion.

As we approach the final stages of the original Downtown District, which is set to sunset in less than two years, we are strategically planning the remaining projects that have the potential to be among the most impactful investments in MDC's history. This pivotal phase represents an opportunity to solidify the legacy of urban renewal efforts while maximizing the benefits for the

community.

The opening of Scheel's in the Ten Mile District last year created quality employment opportunities, expanded the local property tax base, and boosted the statewide sales tax revenue. That district continues to showcase the positive impact of urban renewal on a wide range of beneficiaries.

To strengthen governance and ensure effective decision-making, we have restructured our board to include a seat for the City Council representative from District 3. Given that much of the original Downtown urban renewal district falls within this area, this addition ensures local leadership remains closely involved in guiding the district's initiatives.

Even with the challenges of the past year, our board remains committed to revitalizing key parts of Meridian through urban renewal. Urban renewal gives us a powerful tool to improve community infrastructure, increase economic vitality and attract new development. We look forward to the year ahead and identifying how we can continue to use urban renewal to meet the needs of our growing community.

A handwritten signature in black ink that reads "David Winder". The signature is fluid and cursive, with a large, sweeping initial "D".

**David Winder**  
Chairman

# LEADERSHIP TEAM



**DAVID WINDER**

Chairman



**NATHAN MUELLER**

Vice-Chairman



**STEVE VLASSEK**

Secretary/Treasurer

# BOARD OF COMMISSIONERS



**Robert Simison**



**Rob McCarvel**



**Diane Bevan** *(left in September)*



**Dan Basalone**



**Councilman Brad Hoaglund**



**Kit Fitzgerald**



**Doug Taylor** *(Joined in September)*

The Meridian Development Corp was established to function as the City's urban renewal agency. MDC is governed by a ten-member Board of Commissioners appointed by the Mayor and City Council for rotating three-year terms.



## DOWNTOWN URBAN RENEWAL DISTRICT

2002

Created

2026

Sunsets

73

Total Acres

The Downtown Urban Renewal District has brought renewed energy into the heart of the city by providing support for small businesses, investing in critical infrastructure improvements and spurring economic growth.

# 2024 Highlights

## DESTINATION: DOWNTOWN

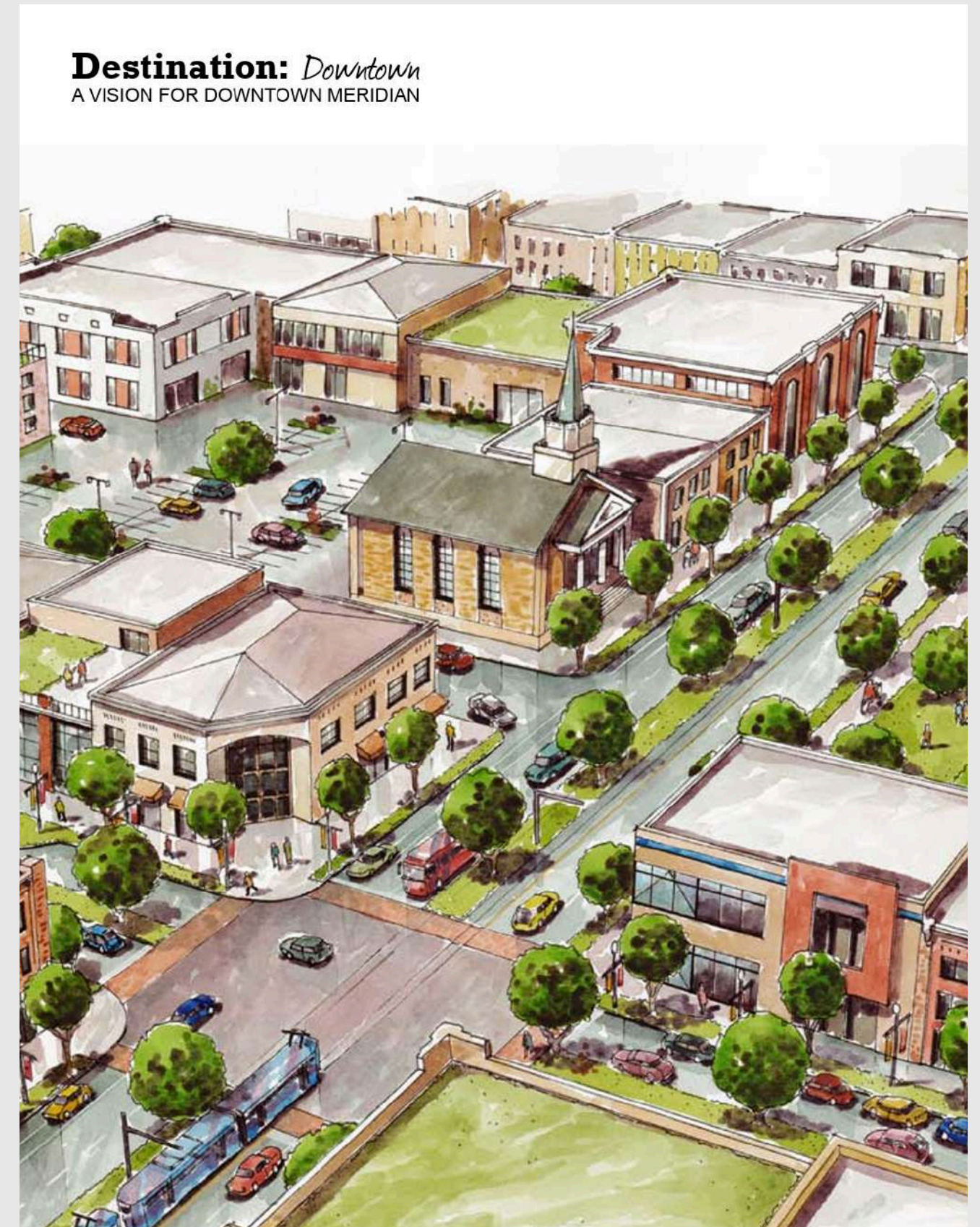
After more than two years of dedicated work with local stakeholders, elected officials and industry experts, MDC adopted an updated Destination: Downtown Master Plan. The document establishes cohesive design standards for downtown, outlines a parking strategy and gives decision makers a framework to guide important public policy and development decisions today and well into the future.

Parking has long been a challenge in downtown, which is why it was a critical focus in the Destination: Downtown update. A parking subcommittee, made up of downtown stakeholders, worked alongside Rick Williams Consulting to develop parking management solutions tailored for downtown's unique needs. The resulting parking plan prioritizes on-street parking plan for customers and residents who live near downtown and encourages shared off-street parking facilities for employers and employees. Recommendations were designed to keep parking affordable and adaptable to Meridian's needs.

The design standards established in Destination: Downtown will help ensure downtown maintains a distinct and cohesive feel as it continues to grow. The plan recommended establishing the Traditional City Core District to make sure buildings follow set architectural design standards, uses and height standards to preserve the existing historical characteristics of downtown and carry those forward in future developments.

The original Destination: Downtown Master Plan was created in 2010. The update to the plan, which was led by Vitruvian Planning, will help chart the course of the Downtown, Union and Northern Gateway Urban Renewal Districts for the next several decades.

The design standards established in Destination: Downtown will help ensure downtown maintains a distinct and cohesive feel as it continues to grow.



## FAÇADE IMPROVEMENT GRANTS

In 2024, the Meridian Development Corporation awarded three façade improvement grants to downtown businesses.

**Loose Screw Beer Company** took a vacant building and transformed it into a brewery and community gathering spot. The building had been vacant for 15 years. The façade improvement grant from MDC allowed the owners of Loose Screw Beer Company to update the windows, replace the siding, add new exterior lighting and an outdoor beer garden. In total, MDC contributed \$116,373 to the improvements.



**Eight Thirty Common**, a longtime favorite dining spot in downtown, partnered with MDC to expand their patio next to Generations Park and add new fencing. The project helped increase outdoor seating at the restaurant and better camouflage the parking lot and trash containers. MDC paid for half of the \$40,000 upgrades.



**Kilgore LLC** applied for a façade improvement grant to landscape the salon at Meridian Road and Carlton Avenue and add a ramp to make the building more accessible for the community. The new trees, plants and hardscape create a more welcoming environment. MDC gave Kilgore LLC \$15,000 to help with the project.

Since its formation, MDC has awarded more than \$420,000 in façade improvement grants to downtown business owners.

## NINE MILE FLOODPLAIN

In 2024, the City of Meridian received a \$180,000 grant from the Idaho Office of Emergency Management through FEMA to begin work to remove 78 acres and 41 buildings from the Nine Mile Floodplain in downtown. The City and MDC have been working together to solve this issue for the past 14 years.

To remove properties between Franklin Road and the Union Pacific Railroad line that fall within the 100-year-flood plain boundary, work will need to be done to install culverts and improve channel and drainage infrastructure along Nine Mile Creek. The grant allowed MDC to complete the design drawings and start the permitting process.



## CONCERTS ON BROADWAY

MDC was proud to be one of the sponsors for the 16th season of Concerts on Broadway. In 2024, the Meridian Arts Commission invited Afrosonics, Steve Fulton's UltraMuse and Summer Groove Party Band to perform. More than 1,000 people to downtown Meridian across three separate Saturday evenings in August and September.

## OKTOBERFEST

MDC was proud to sponsor the Meridian Chamber of Commerce's third annual Oktoberfest. The event, which featured beer gardens, food trucks, live music, a cornhole tournament and even costume, strudel eating and keg tossing contests, brought an estimated 11,000 people into downtown. In addition to providing a fun event for the community, the Meridian Chamber of Commerce also worked to give local business owners a boost by increasing foot traffic throughout the day-long event. The event will return to downtown in 2025.



MDC was proud to sponsor the Meridian Chamber of Commerce's third annual Oktoberfest and worked to give local business owners a boost by increasing foot traffic throughout the day-long event.



## PUBLIC ART

MDC invested nearly \$4,000 to bring more public artwork into the community. In collaboration with the Meridian Arts Commission, and with the support of Valley Regional Transit, MDC took local artist Antonia Hedrick's work and transformed it into a vinyl wrap for a bus shelter at 3rd Avenue and Pine Street. Another bus shelter in Ten Mile Crossing was wrapped with Blake Coker's art.





# UNION DISTRICT URBAN RENEWAL DISTRICT

2020

Created

2040

Sunsets

16

Total Acres

The smallest of Meridian's urban renewal districts, the Union District presents a huge opportunity to spark new investment and create a high-density, mixed-use urban neighborhood in a former industrial zone.

# Hunter Lateral Relocated

This project will give future developers more usable square footage and increased value of the Civic Block by \$600,000

To remove site constraints and open up development opportunities in downtown, MDC paid to have the Hunter Lateral relocated, so it no longer runs through the Civic Block. The Civic Block includes properties owned by MDC and the City of Meridian, including the Meridian Community Center, Centennial Park and the MDC-owned parking lot associated with the COMPASS and Valley Regional Transit Building.

Now, the Hunter Lateral runs parallel to Idaho and East Third Street. This project will give future developers more usable square footage and, according to one appraisal, increased the value of the Civic Block by \$600,000.



# Union 93

MDC remains committed to helping the site of the Union 93 project reach its full potential. Unfortunately, the original developers of the project ran into financial and legal troubles with the project and construction halted in 2022. Today, there are several developers who have expressed interest in the property and resuming work on a large, mixed-use development.

# NORTHERN GATEWAY URBAN RENEWAL DISTRICT

2021

Created

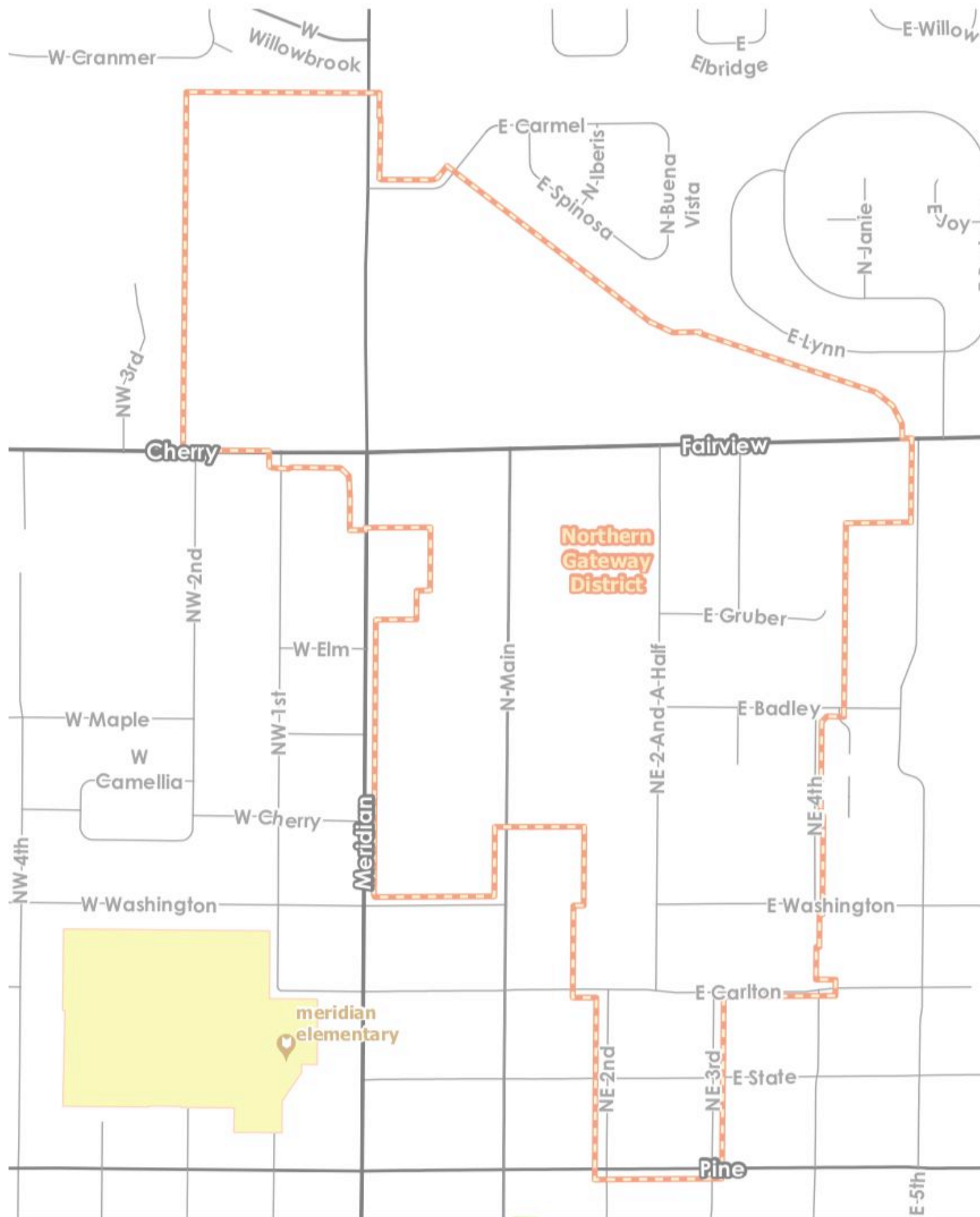
2041

Sunsets

126

Total Acres

The smallest of Meridian's urban renewal districts, the Union District presents a huge opportunity to spark new investment and create a high-density, mixed-use urban neighborhood in a former industrial zone.



# 2024 Highlights

## The Northern Gateway Urban Renewal District hit its second year in 2024.

Two thousand and twenty-four marked the Northern Gateway Urban Renewal District's second year. MDC adopted the Destination: Downtown Master Plan Update, which will help guide development decisions, and continued to identify what investments would improve the long-term vibrancy of downtown. MDC also worked on finalizing the District's foundational documents.





# TEN MILE URBAN RENEWAL DISTRICT

2016

Created

2036

Sunsets

301

Total Acres

The Ten Mile Urban Renewal District was created to rapidly take an underdeveloped section of the city and transform it into an employment and economic hub. The District is home to more than 900 residents and 1,100 employees.

# 2024 Highlights



More development is coming to the Ten Mile Urban Renewal District, including 200 additional apartments and another 95,000 square feet of office space.

The development at Ten Mile has boomed over the last decade and urban renewal has played a huge part in the transformation. Tax increment financing has helped Brighton Corporation create a key economic and employment hub for the community in less than a decade.

The Ten Mile Urban Renewal District was simply empty fields in 2016. Today, it is home to several major employers, including AmeriBen and Paylocity, three premier apartment complexes and the entertainment and retail giant SCHEELS.

More development is on the horizon including 200 additional apartments and another 95,000 square feet of office space. Half of the land in the Ten Mile Urban Renewal is developed at this point. Brighton Corporation has big plans for the remaining land but will continue to ensure future development meets the needs of the community.





# LINDER URBAN RENEWAL DISTRICT

2021

Created

2041

Sunsets

171

Total Acres

The Linder Urban Renewal District is located at an important transportation crossroads and designed to help improve connection across Meridian. Building the Linder Road Overpass will spur new growth and bring more jobs to the community.

# 2024 Highlights

## LINDER OVERPASS MOVING AHEAD

The City of Meridian, Ada County Highway District (ACHD) and Idaho Transportation Department want drivers to be able to use the Linder Road Overpass by the end of 2027. Currently, design drawings for the project are 99 percent complete and half of the right-of-way land has been acquired.

The City of Meridian, Ada County Highway District (ACHD) and Idaho Transportation Department have opted to divide the project into two phases. The first phase will include intersection improvements at Overland Road and Linder Road. With design drawings essentially complete, construction on this phase of the project will likely commence in the second quarter of 2025 and wrap up in the summer.

The second, larger phase of project includes building the Linder Road Overpass, widening Linder Road north of the freeway and improving the intersection at Franklin Road and Waltman Street. These projects will total more than \$24 million. Construction on the overpass is targeted to start in the summer of 2026 and continue through 2027.



# Appendix A: FY2023 Audit and FY2024 Budget



December 4, 2023

To the Members of the Board of Commissioners  
Meridian Development Corporation  
Meridian, Idaho

We have audited the financial statements of Meridian Development Corporation (MDC) as of and for the year ended September 30, 2023, and have issued our report thereon dated December 4, 2023. 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 7, 2023, 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 MDC 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.

We have provided our comments regarding internal control during our audit in our 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* dated December 4, 2023.

**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.

## **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 MDC is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. 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.

### *Significant 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 significant 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 MDC'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 and 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 December 4, 2023.

### **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 MDC, 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 MDC's auditors.

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

Very truly yours,

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

Boise, Idaho

**MERIDIAN DEVELOPMENT CORPORATION**  
**FINANCIAL STATEMENTS AND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED SEPTEMBER 30, 2023**

**MERIDIAN DEVELOPMENT CORPORATION  
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CPAs & BUSINESS ADVISORS

## Independent Auditor's Report

Members of the Board of Commissioners  
Meridian Development Corporation  
Meridian, Idaho

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and each major fund of Meridian Development Corporation (MDC), a discretely presented component unit of the City of Meridian, Idaho, as of and for the year ended September 30, 2023, and the related notes to the financial statements which collectively comprise MDC's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of MDC, as of September 30, 2023, and the respective changes in financial position for the year then ended in conformity 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 MDC 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 MDC'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 MDC'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 MDC'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 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2023 on our consideration of MDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MDC'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 MDC's internal control over financial reporting and compliance.



Boise, Idaho  
December 4, 2023

**MERIDIAN DEVELOPMENT CORPORATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2023**

This section of the Meridian Development Corporation's (MDC or Corporation) annual financial report presents management's discussion and analysis of MDC's financial performance during the year ended September 30, 2023. Please use this information in conjunction with the information furnished in MDC's financial statements.

**Financial Highlights**

- Fiscal year 2023 is the twentieth full year that MDC has collected property tax. Property tax is MDC's principal source of revenue. Property tax collections increased by \$302,478 or 9.92% from fiscal year 2022 to fiscal year 2023.
- The total assets of MDC exceeded its liabilities and deferred inflows at September 30, 2023 by \$6,487,584. Of the total net position, \$672,384 is net investment in capital assets. The remaining net position of \$5,815,200 is restricted to meet the Corporation's on-going obligations. This is an increase of \$2,718,314 from a net position of \$3,769,270 at September 30, 2022.

**Overview of the Financial Statements**

This annual report consists of five parts – *management discussion and analysis, the government-wide financial statements, fund financial statements, notes to the financial statements, and required supplementary information.*

**Government - Wide Financial Statements**

These statements report information about all of the operations of MDC using accounting methods similar to those used by private sector companies. These statements are prepared using the flow of economic resources measurement focus and accrual basis of accounting. The current year's revenues and expenses are recorded as transactions occur rather than when cash is received or paid.

The government-wide financial statements are divided into two categories:

Statement of Net Position – Reports all of MDC's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the entity is improving or deteriorating.

Statement of Activities – Reports all of the Corporation's revenues and expenses for the year by function. MDC currently has two functions, the community development and public education and marketing functions.

**Fund Financial Statements**

The Fund financial statements provide information about an entity's major funds. Funds may be required by law or may be established by the MDC Board of Commissioners.

Governmental Funds: Governmental fund financial statements focus on short-term inflows and outflows of spendable resources, an accounting approach known as the flow of current financial resources measurement focus and the modified accrual basis of accounting. Information provided by these statements provides a short-term view of what resources will be available to meet needs.

**MERIDIAN DEVELOPMENT CORPORATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2023**

**Fund Financial Statements (continued)**

MDC has five governmental funds:

General Fund: The general fund is the general operating fund of MDC. Income is derived primarily from property tax.

10 Mile District: The 10 Mile District fund was established as of July 1, 2016. Income is derived primarily from property tax.

Union Block District: The Union Block District fund was established as of June 22, 2020. Income is derived primarily from property tax.

Northern Gateway District: The Northern Gateway District fund was established as of December 14, 2021. Income is derived primarily from property tax.

Linder District: The Linder District fund was established as of December 14, 2021. Income is derived primarily from property tax.

**Notes to the Financial Statements**

The notes provide additional information that is necessary to fully understand the data presented in the government-wide and fund financial statements.

**Required Supplementary Information**

This section has information that further explains and supports the information in the financial statements by including a comparison of the Corporation's budget data for the year.

**MERIDIAN DEVELOPMENT CORPORATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2023**

**FINANCIAL ANALYSIS OF MERIDIAN DEVELOPMENT CORPORATION AS A WHOLE**

**Net Position**

Net Position measures the difference between what the entity owns (assets) versus what the entity owes (liabilities) and future revenues (deferred inflows). At September 30, 2023, MDC's combined assets exceeded liabilities and deferred inflows by \$6,487,584.

The following statement is condensed from the statement of net position.

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>	\$ 12,692,574	\$ 10,091,078
<b>CAPITAL ASSETS</b>	<u>672,384</u>	<u>672,384</u>
Total Assets	13,364,958	10,763,462
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>	26,161	23,020
<b>NONCURRENT LIABILITIES</b>	<u>2,438,100</u>	<u>3,640,382</u>
Total Liabilities	2,464,261	3,663,402
<b>DEFERRED INFLOWS</b>	<u>4,413,113</u>	<u>3,330,790</u>
Total Liabilities and Deferred Inflows	6,877,374	6,994,192
<b>NET POSITION</b>		
<b>INVESTMENT IN CAPITAL ASSETS RESTRICTED</b>	672,384	672,384
	<u>5,815,200</u>	<u>3,096,886</u>
	<u>\$ 6,487,584</u>	<u>\$ 3,769,270</u>

**MERIDIAN DEVELOPMENT CORPORATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2023**

**Changes in Net Position**

During the year, MDC's financial position increased by \$2,718,314. This compares with the prior year increase in financial position of \$1,234,308.

The following condensed financial information was derived from the government-wide statement of activities and shows how MDC's net position changed during the year.

	2023	2022
<b>GENERAL REVENUES</b>		
Property Tax	\$ 3,351,496	\$ 3,049,018
Interest	100,551	8,946
Other Revenues	9,365	6,411
Total General Revenues	3,461,412	3,064,375
<b>PROGRAM REVENUES</b>	-	-
Total Revenues	3,461,412	3,064,375
<b>EXPENSES</b>		
Community Development	738,284	1,824,856
Public Education and Marketing	4,814	4,762
Interest on Long-Term Debt	-	449
Total Expenses	743,098	1,830,067
<b>CHANGE IN NET POSITION</b>	2,718,314	1,234,308
Net Position - Beginning of Year	3,769,270	2,534,962
<b>NET POSITION - END OF YEAR</b>	\$ 6,487,584	\$ 3,769,270

From fiscal year 2022 to fiscal year 2023, MDC's property tax revenue increased by 9.92%.

**FINANCIAL ANALYSIS OF MDC'S FUNDS**

**Governmental Funds**

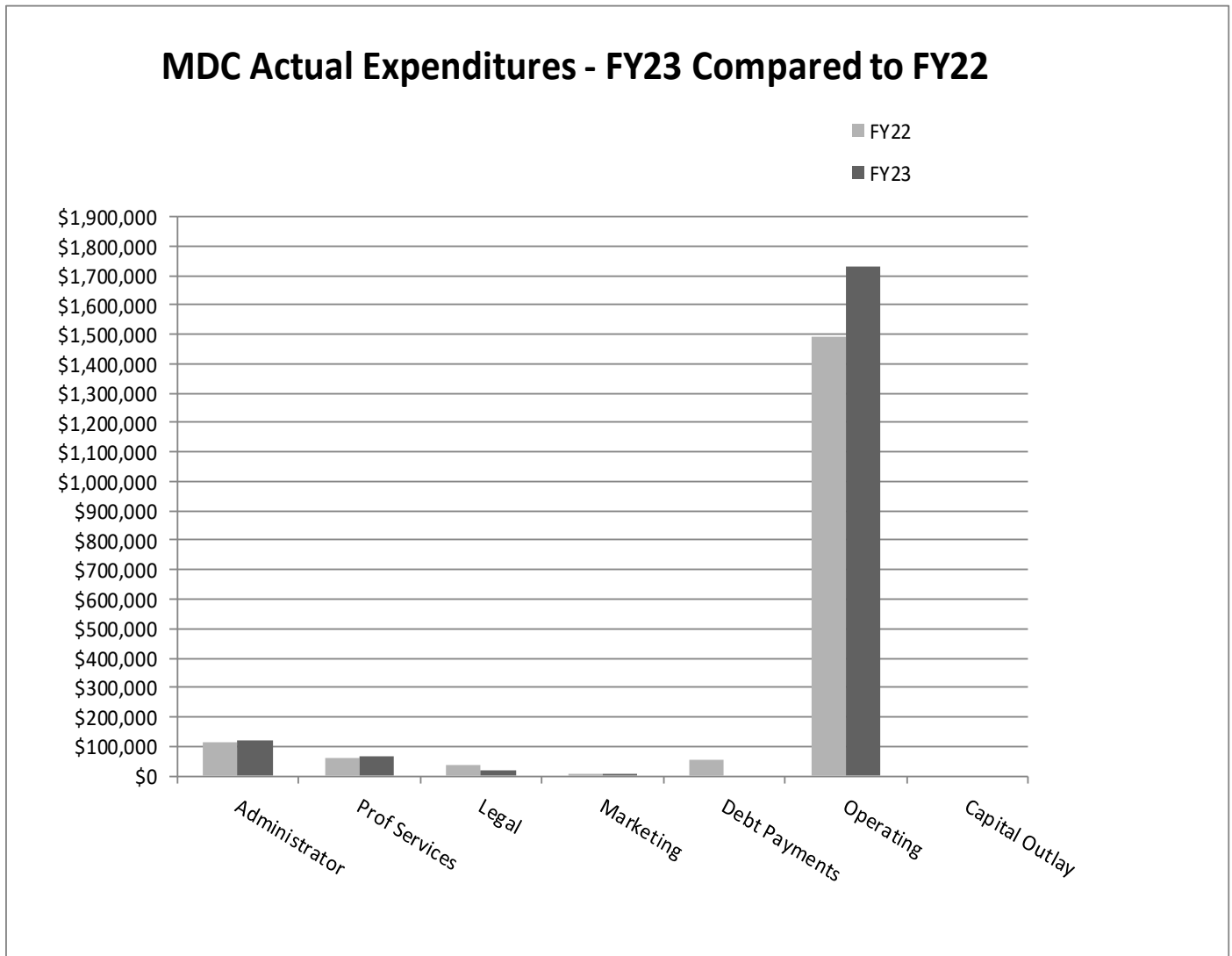
Fiscal year 2023 was the twentieth full year that MDC received property tax revenue. At September 30, 2023 the funds' balance was \$8,168,769 as compared to \$6,672,416 at September 30, 2022. Of the funds' balance, \$4,473 is nonspendable, (\$130,314) is unassigned, and \$8,294,610 is restricted. The funds' balance increased in fiscal year 2023 due to tax revenues being higher than in fiscal year 2022 and due to the tax revenues exceeding normal operating expenditures.

**MERIDIAN DEVELOPMENT CORPORATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2023**

**Budgetary Highlights**

There were no budgetary amendments or capital outlay expenditures for the year. Operating expenses were under budget.

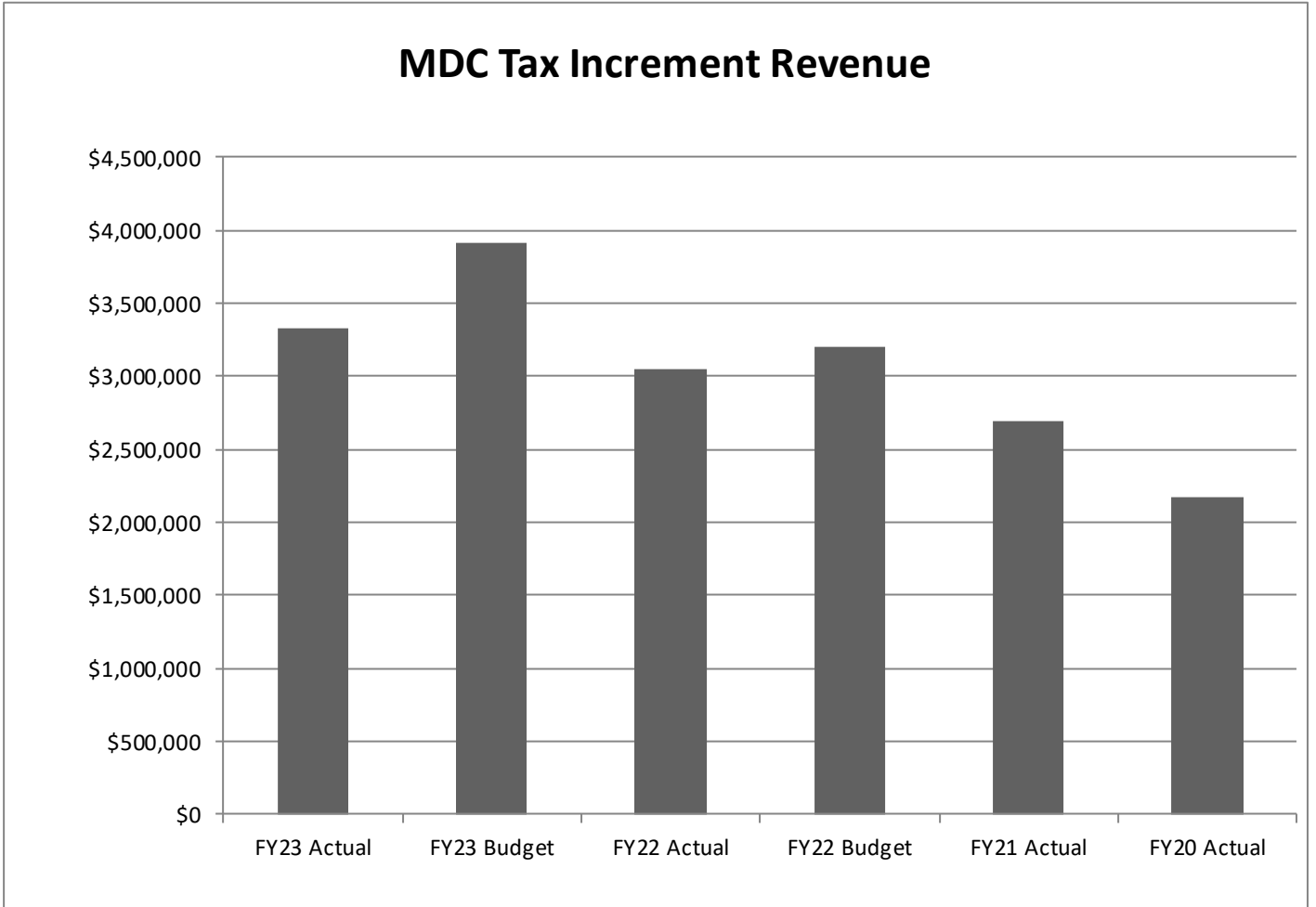
MDC does not have any employees and relies on professional service contracts for the administrator, legal, and marketing, etc. 11% of actual operating expenditures were for professional service contractors. MDC spent 22% of its operating budget.



**MERIDIAN DEVELOPMENT CORPORATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2023**

**Budgetary Highlights (continued)**

Property tax revenue was budgeted to be \$3,911,100; actual tax collected was \$3,331,817.



**MERIDIAN DEVELOPMENT CORPORATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2023**

**Capital Asset Administration**

**Capital Assets**

At the end of fiscal year 2022, MDC's total capital assets were \$672,384. At the end of fiscal year 2023, capital assets had not changed and were \$672,384, including \$672,384 in land, \$140,547 in intangibles and \$140,547 in accumulated depreciation. Intangible assets include the Downtown Master Plan and the MDC website. See Note 3 for further detail of the capital assets.

**Fiscal Year 2024 Budgetary Considerations**

For fiscal year 2024, MDC will continue downtown rehabilitation efforts by purchasing properties for redevelopment and parking and by participating in a variety of community downtown projects and programs. MDC will partner with the City of Meridian for downtown decorations, help fund public art and the split corridor lighting, and assist businesses with streetscape and façade improvements.

Property tax revenue is expected to be higher than the amount collected in fiscal year 2023.

**Requests for Information**

This report is designed to provide a general overview of Meridian Development Corporation's finances for our citizens and customers. If you have questions about this report or need additional financial information contact the Finance Office: 101 South Capitol Boulevard, Suite 1700, Boise, ID 83702. Phone 208-387-6400.

**MERIDIAN DEVELOPMENT CORPORATION**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 8,181,092
Other Receivables	9,365
Property Tax Receivable	4,413,113
Delinquent Property Taxes Receivable	84,531
Prepaid Expenses	4,473
Total Current Assets	12,692,574

**NONCURRENT ASSETS**

Capital Assets, Not Subject to Depreciation and Amortization	672,384
Capital Assets, Subject to Depreciation and Amortization	140,547
Less: Accumulated Depreciation and Amortization	(140,547)
Total Noncurrent Assets	672,384

Total Assets	13,364,958
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**LIABILITIES**

**CURRENT LIABILITIES**

Accounts Payable	26,161
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**NONCURRENT LIABILITIES**

Due to Developers	2,438,100
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Total Liabilities	2,464,261
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**DEFERRED INFLOWS OF RESOURCES**

Property Taxes	4,413,113
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**NET POSITION**

Investment in Capital Assets Restricted	672,384
	5,815,200
Total Net Position	\$ 6,487,584

See accompanying Notes to Financial Statements.

**MERIDIAN DEVELOPMENT CORPORATION**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2023**

**GENERAL REVENUES**

General Property Tax Revenue	\$ 3,351,496
Interest Earnings	100,551
Other Revenue	9,365
Total General Revenues	<u>3,461,412</u>

**EXPENSES**

Community Development	738,284
Public Education and Marketing	4,814
Total Expenditures	<u>743,098</u>

**CHANGE IN NET POSITION**

2,718,314

Net Position - Beginning of Year

3,769,270

**NET POSITION - END OF YEAR**

\$ 6,487,584

*See accompanying Notes to Financial Statements.*

**MERIDIAN DEVELOPMENT CORPORATION  
GOVERNMENTAL FUNDS BALANCE SHEET  
SEPTEMBER 30, 2023**

	General Fund	10 Mile District	Union Block District	Northern Gateway District	Linder District	Total
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 7,634,211	\$ 491,969	\$ 687	\$ 52,715	\$ 1,510	\$ 8,181,092
Other Receivables	-	-	9,365	-	-	9,365
Interfund Receivable (Payable)	137,650	-	(128,100)	-	(9,550)	-
Property Tax Receivable	1,857,392	2,279,009	99,481	148,791	28,440	4,413,113
Delinquent Property Taxes Receivable	77,509	7,022	-	-	-	84,531
Prepaid Expenses	4,473	-	-	-	-	4,473
	<u>\$ 9,711,235</u>	<u>\$ 2,778,000</u>	<u>\$ (18,567)</u>	<u>\$ 201,506</u>	<u>\$ 20,400</u>	<u>\$ 12,692,574</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 18,292	\$ 1,656	\$ 3,729	\$ 1,987	\$ 497	\$ 26,161
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes	1,934,901	2,286,031	99,481	148,791	28,440	4,497,644
<b>FUND BALANCE</b>						
<b>FUND BALANCE</b>						
Nonspendable	4,473	-	-	-	-	4,473
Restricted	7,753,569	490,313	-	50,728	-	8,294,610
Unassigned	-	-	(121,777)	-	(8,537)	(130,314)
Total Fund Balance	<u>7,758,042</u>	<u>490,313</u>	<u>(121,777)</u>	<u>50,728</u>	<u>(8,537)</u>	<u>8,168,769</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,711,235</u>	<u>\$ 2,778,000</u>	<u>\$ (18,567)</u>	<u>\$ 201,506</u>	<u>\$ 20,400</u>	<u>\$ 12,692,574</u>

See accompanying Notes to Financial Statements.

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

	General Fund	10 Mile District	Union Block District	Northern Gateway District	Linder District	Total
<b>REVENUES</b>						
General Property Tax Revenue	\$ 1,709,957	\$ 1,505,503	\$ 6,494	\$ 95,594	\$ 14,269	\$ 3,331,817
Interest Earnings	97,480	2,923	-	148	-	100,551
Other Revenue	-	-	9,365	-	-	9,365
Total General Revenues	<u>1,807,437</u>	<u>1,508,426</u>	<u>15,859</u>	<u>95,742</u>	<u>14,269</u>	<u>3,441,733</u>
<b>EXPENDITURES</b>						
Office and Operating Expense	365,157	1,342,587	25,610	-	-	1,733,354
Professional Services	132,984	18,687	32,630	18,421	4,490	207,212
Public Education and Marketing	4,814	-	-	-	-	4,814
Total Expenditures	<u>502,955</u>	<u>1,361,274</u>	<u>58,240</u>	<u>18,421</u>	<u>4,490</u>	<u>1,945,380</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,304,482	147,152	(42,381)	77,321	9,779	1,496,353
Fund Balance - Beginning of Year	<u>6,453,560</u>	<u>343,161</u>	<u>(79,396)</u>	<u>(26,593)</u>	<u>(18,316)</u>	<u>6,672,416</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 7,758,042</u></u>	<u><u>\$ 490,313</u></u>	<u><u>\$ (121,777)</u></u>	<u><u>\$ 50,728</u></u>	<u><u>\$ (8,537)</u></u>	<u><u>\$ 8,168,769</u></u>

See accompanying Notes to Financial Statements.

**MERIDIAN DEVELOPMENT CORPORATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT  
OF NET POSITION  
SEPTEMBER 30, 2023**

**TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS** \$ 8,168,769

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	672,384
Equipment and Intangibles, Net of \$140,547	
Accumulated Depreciation	-

Long-term liabilities that pertain to governmental funds are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities are reported in the statement of net position.

Due to Developers	(2,438,100)
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Some of the property taxes receivable are not available to pay for current period expenditures and, therefore, are not reported in the funds.

84,531

Total Net Position as Shown on the Statement of Net Position

\$ 6,487,584

**MERIDIAN DEVELOPMENT CORPORATION**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2023**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 1,496,353

Amounts reported for governmental activities in the statement of activities are different because:

In the statement of activities, long-term liabilities representing reimbursements against future tax receipts are recorded as expenses. 1,202,282

The change in property taxes receivable to be collected subsequent to year-end, but not available soon enough to pay for the current period's expenditures are not recognized. 19,679

Change in Net Position, as Reflected on the Statement of Activities \$ 2,718,314

**MERIDIAN DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Meridian Development Corporation (MDC) is a separate and distinct legal entity of the City of Meridian, Idaho (City) created by state statute. The Directors for MDC are appointed by the Mayor and approved by the City Council. MDC provides urban renewal services for the citizens of the City.

The financial statements of MDC have been prepared in conformity with accounting principles generally accepted in the United States of America (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 government's accounting policies are described below.

The accounting and reporting policies of MDC relating to the funds included in the accompanying basic financial statements conform to GAAP applicable to state and local governments.

**Financial Reporting Entity**

MDC is included as a component unit in the City's financial statements. These statements present only the funds of MDC and are not intended to present the financial position and results of operations of the City in conformity with GAAP.

**Government-Wide and Fund Financial Statements**

The government-wide 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.

**MERIDIAN DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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. 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 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. MDC reports the following major governmental funds:

General Fund - MDC is a general fund. General funds are used for all financial resources except those required to be accounted for in another fund.

10 Mile District Fund - The 10 Mile District fund was established as of July 1, 2016.

Union Block District Fund - The Union Block District fund was established as of June 22, 2020.

Northern Gateway District Fund - The Northern Gateway District fund was established as of December 14, 2021.

Linder District Fund - The Linder District fund was established as of December 14, 2021.

**Capital Assets**

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. All material fixed assets are valued at cost. Donated capital assets are valued at their acquisition value on the date donated. Capital assets are depreciated on the straight-line basis with the half-year convention over useful lives of 3 to 30 years.

**MERIDIAN DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 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.

**Deferred Inflow of Resources and Advanced Revenue**

Unavailable revenue is considered a deferred inflow of resources in accordance with the modified accrual basis of accounting for the fund financial statements. Deferred inflows of resources are measurable but do not represent available expendable resources for the fund financial statements for the fiscal year ended September 30, 2023. Since MDC is on a September 30 fiscal year end, property taxes levied during September for the succeeding year's collection are recorded as unavailable revenues at the MDC's year-end and recognized as revenue in the following fiscal year. Ada County bills and collects taxes for MDC.

**Risk Management**

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

**Fund Balances**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the MDC is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

*Nonspendable* – Includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at September 30, 2023 by MDC are nonspendable in form. This includes prepaid expenses of \$4,473. MDC has not reported any amounts that are legally or contractually required to be maintained intact.

*Restricted* – This fund balance is constrained for a specific purpose and legally restricted by external parties, such as state or federal agencies. MDC had \$8,294,610 in restricted fund balance at September 30, 2023.

**MERIDIAN DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Committed* – This fund balance constraint is self-imposed by the board of directors. Formal action is required by the board of directors to commit funds and must occur prior to year-end; however, the actual dollar amount may be determined in the subsequent period.

*Assigned* – This fund balance is intended for a specific purpose and the authority to “assign” is delegated to the administrator. Formal action is not necessary to impose, remove, or modify an assigned fund balance.

*Unassigned* – This is the remaining fund balance that has no internal or external restrictions. Unassigned amounts are available for any purpose. Although there is generally no set spending plan, there is a need to maintain a certain funding level. The unassigned fund balance is commonly used for emergency expenditures or reserves needed to ensure cash flow. MDC had (\$130,314) in unassigned fund balance at September 30, 2023.

MDC has a policy regarding minimum fund balance for a stabilization arrangement to reserve 8% of the current year budget of tax revenues in order to ensure there is sufficient cash flow to maintain services between property tax receipts (the Resolution).

**Pooled Cash**

MDC follows the practice of pooling cash of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Investment earnings are allocated periodically to the participating funds based upon each fund’s average equity balance in the total cash.

**NOTE 2 DEPOSITS – CUSTODIAN CREDIT RISK**

**Cash and Cash Equivalents**

As of September 30, 2023, the account balance of the cash in bank was \$8,192,851. \$7,931,092 was uninsured and uncollateralized as of September 30, 2023. Cash is held in the custody of Washington Trust Bank in MDC’s name.

**MERIDIAN DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 3 CAPITAL ASSETS**

Changes to capital assets are as follows:

	Balance 10/1/2022	Additions	Deletions	Transfers	Balance 9/30/2023
<b>GOVERNMENTAL ACTIVITIES</b>					
Capital Assets, not					
Depreciated Land	\$ 672,384	\$ -	\$ -	\$ -	\$ 672,384
Total Capital Assets, not Depreciated	672,384	-	-	-	672,384
<b>CAPITAL ASSETS, DEPRECIATED</b>					
Intangibles	140,547	-	-	-	140,547
Total Capital Assets, Depreciated	140,547	-	-	-	140,547
Less: Accumulated Depreciation					
Intangibles	(140,547)	-	-	-	(140,547)
Total Accumulated Depreciation	(140,547)	-	-	-	(140,547)
Total Net Capital Assets, Depreciated	-	-	-	-	-
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>CAPITAL ASSETS, NET</b>	<u>\$ 672,384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 672,384</u>

**NOTE 4 RELATED PARTY TRANSACTIONS**

MDC partners with the City of Meridian for various downtown improvements. During the fiscal year, MDC reimbursed the City of Meridian \$10,079 for costs related to joint projects.

**MERIDIAN DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 5 NET POSITION**

MDC had net position consisting of two components –investment in capital assets and restricted net position.

The investment in capital assets component of net position consists of capital assets that are owned by MDC, net of accumulated depreciation. As of September 30, 2023, MDC had net investment in capital assets of \$672,384.

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulation of other governments or imposed by law through constitutional provision or enabling legislation. MDC had a restricted net position as of September 30, 2023 of \$5,815,200.

**NOTE 6 COMMITMENTS AND CONTINGENCIES**

On February 8, 2017, amended on March 13, 2018, and amended on December 15, 2021, MDC entered into an Owner Participation Agreement with Ten Mile Crossing, Inc., Brighton Corporation, SCS Brighton LLC, Brighton Investments LLC, SCS Investments LLC, and SBG Ten Mile Office No. 1, LLC (the Ten Mile Developers) to carry out the approved urban renewal plan. This agreement contemplates that the Ten Mile Developers will develop the property by constructing private improvements. Eligible public improvements are to be constructed in phases and reimbursed from future tax increment revenues. As of September 30, 2023, the Ten Mile Developers have incurred life-to-date eligible expenses and requested reimbursements totaling \$5,047,471. Of this amount, \$1,337,587 was paid by MDC in fiscal year 2023 and \$2,811,416 was paid by MDC in prior fiscal years. The remaining amount of \$898,468 is to be paid, contingent upon the future receipt of tax increment.

On January 26, 2022, MDC entered into a Development Agreement with East Broadway Investment Company, LLC (the Union Developers) to carry out the approved urban renewal plan. This agreement contemplates that the Union Developers will develop the property by constructing private improvements. Eligible public improvements are to be constructed in phases and reimbursed from future tax increment revenues. As of September 30, 2023, the Union Developers have incurred life-to-date eligible expenses and requested reimbursements totaling \$750,000. Of this amount, no amount was paid by MDC in fiscal year 2023 or in prior fiscal years. The remaining amount of \$750,000 is to be paid, contingent upon the future receipt of tax increment.

**MERIDIAN DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**NOTE 6 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

On October 10, 2018, amended on April 28, 2021, MDC entered into a Development Agreement with Novembrewhisky Properties, LLC, Pacific West Communities, Inc., and Pacific West Builders, Inc. (the Old City Hall Developers) to carry out the approved urban renewal plan. This agreement contemplates that the Old City Hall Developers will develop the property by constructing private improvements. Eligible public improvements are to be constructed in phases and reimbursed from future tax increment revenues. As of September 30, 2023, the Old City Hall Developers have incurred life-to-date eligible expenses and requested reimbursements totaling \$678,000. Of this amount, \$60,304 was paid by MDC in fiscal year 2023 and \$23,673 was paid by MDC in prior fiscal years. The remaining amount of \$594,023 is to be paid, contingent upon the future receipt of tax increment.

On January 8, 2020, amended on August 1, 2020, MDC entered into a Development Agreement with RWP/Meridian, LLC and MKA, LLC (the Bower Street Developers) to carry out the approved urban renewal plan. This agreement contemplates that the Bower Street Developers will develop the property by constructing private improvements. Eligible public improvements are to be constructed in phases and reimbursed from future tax increment revenues. As of September 30, 2023, the Bower Street Developers have incurred life-to-date eligible expenses and requested reimbursements totaling \$224,000. Of this amount, \$28,391 was paid by MDC in fiscal year 2023. The remaining amount of \$195,609 is to be paid, contingent upon the future receipt of tax increment.

**MERIDIAN DEVELOPMENT CORPORATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – GENERAL FUND**  
**YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
General Property Tax Revenue	\$ 3,911,100	\$ 3,911,100	\$ 3,331,817	\$ (579,283)
Interest Earnings	10,000	10,000	100,551	90,551
Other Revenue	-	-	9,365	9,365
Total Revenues	<u>3,921,100</u>	<u>3,921,100</u>	<u>3,441,733</u>	<u>(479,367)</u>
<b>EXPENDITURES</b>				
Office and Operating Expense	8,708,261	8,708,261	1,733,354	6,974,907
Professional Services, Surveys, and Studies	248,653	248,653	207,212	41,441
Public Education and Marketing	15,000	15,000	4,814	10,186
Total Expenditures	<u>8,971,914</u>	<u>8,971,914</u>	<u>1,945,380</u>	<u>7,026,534</u>
Excess (deficiency) revenues				
<b>NET CHANGE IN FUND BALANCES</b>	(5,050,814)	(5,050,814)	1,496,353	6,547,167
Fund Balance - Beginning of Year	<u>5,209,134</u>	<u>5,209,134</u>	<u>6,672,416</u>	<u>1,463,282</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 158,320</u>	<u>\$ 158,320</u>	<u>\$ 8,168,769</u>	<u>\$ 8,010,449</u>

See accompanying Notes to Required Supplementary Information.

**MERIDIAN DEVELOPMENT CORPORATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2023**

**NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING**

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

Prior to September 1, the members of the Board of Directors and the contract administrator prepare 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 hearings are conducted at City Hall to obtain taxpayer comments.

Prior to October 1, the budget is legally enacted through passage of an ordinance.

Budgets are adopted on a basis consistent with GAAP for the funds. All annual appropriations lapse at fiscal year-end. Revisions that alter the total expenditure appropriation of any fund must be approved by the board of commissioners. State law does not allow fund expenditures to exceed fund appropriations.

Formal budgetary integration is employed as a management control device during the year.



**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***

Members of the Board of Commissioners  
Meridian Development Corporation  
Meridian, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of Meridian Development Corporation (MDC), a discretely presented component unit of the City of Meridian, Idaho as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Meridian Development Corporation’s basic financial statements, and have issued our report thereon dated December 4, 2023.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

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

Boise, Idaho  
December 4, 2023

**FY2024 MDC BUDGET AMENDMENT (OCTOBER 01, 2023 - SEPTEMBER 30, 2024)**

<b>FY2024 Amended Budget</b>	
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**Operating Revenue**

Property Tax Revenue - Downtown District	1,884,592	
Funding Carryover From FY23 - Downtown District	6,573,006	
Property Tax Revenue - Ten Mile District	2,307,637	
Funding Carryover From FY23 - Ten Mile District	433,199	
Property Tax Revenue - Union District without ACHD TIF	87,508	
Property Tax Revenue - Union District ACHD TIF Only	13,076	
Funding Carryover From FY23 - Union District without ACHD TIF	3,463	
Funding Carryover From FY23 - Union District ACHD TIF	844	
Property Tax Revenue - Northern Gateway without ACHD TIF	131,939	
Property Tax Revenue - Northern Gateway ACHD TIF Only	19,715	
Funding Carryover From FY23 - Northern Gateway District without ACHD TIF	35,221	
Funding Carryover From FY23 - Northern Gateway ACHD TIF	12,369	
Property Tax Revenue - Linder District without ACHD TIF	25,028	
Property Tax Revenue - Linder District ACHD TIF Only	3,740	
Funding Carryover From FY23 - Linder District without ACHD TIF	8,041	
Funding Carryover From FY23 - Linder District ACHD TIF	1,854	
Interest Earnings	80,000	

**TOTAL REVENUES and AVAILABLE CASH**    \$ 11,621,232

**Contractual Obligations:**

**Professional Services**

Administrator Services - Downtown District	75,772	
Administrator Services - Ten Mile District	24,442	
Administrator Services - Union District	2,444	
Administrator Services - Northern Gateway District	18,332	
Administrator Services - Linder District	1,222	
Public Relations/Marketing - Downtown District	7,500	
Public Relations/Marketing - Ten Mile District	7,500	
Legal Services - Downtown District	44,701	
Legal Services - Ten Mile District	14,420	
Legal Services - Union District	1,442	
Legal Services - Northern Gateway District	10,815	
Legal Services - Linder District	721	
Legislative Services - Downtown District	5,000	
Legislative Services - Ten Mile District	5,000	
Audit Services - Downtown District	8,000	
Audit Services - Ten Mile District	8,000	
Accounting Services - Downtown District	18,600	
Accounting Services - Ten Mile District	6,000	
Accounting Services - Union District	600	
Accounting Services - Northern Gateway District	4,500	
Accounting Services - Linder District	300	
	265,311	

**Operational Expenses**

ICRMP-Insurance Premium/Claims	3,186	
Partnerships - Valley Regional Transit	6,916	
Partnerships - City of Meridian, Concerts on	10,000	
Partnerships - City of Meridian, Bus Shelter Wraps - Downtown District	4,000	
Partnerships - City of Meridian, Bus Shelter Wraps - Ten Mile District	4,000	

**FY2024 MDC BUDGET AMENDMENT (OCTOBER 01, 2023 - SEPTEMBER 30, 2024)**

	FY2024 Amended Budget	
Irrigation Taxes - COMPASS/VRT Property	300	
Legal Notices / Publications	2,000	
Grounds Maintenance - Compass/VRT Property	5,000	
	35,402	

**ONGOING EXPENSES:**

Accounting Software Maintenance/License	3,500	
Parking Lot Maintenance - COMPASS/VRT & Masons Parking Lot	5,000	
General Electronics Expense - Website/Zoom/Email Storage Fees	2,500	
General Office Expenses	1,000	
Meeting Expenses	500	
Boise Chamber Leadership Conference	3,200	
Postage & Mailings	200	
Bank Fees	500	
Mason Parking Lot - Special Projects	5,000	
	21,400	
<b>Total Contractual Obligations</b>	322,113	
<b>Revenues less Contractual Obligation</b>	11,299,119	

**DISCRETIONARY EXPENSES:**

**Operational Expenses**

Marketing/Promotional/Publications	1,000	
Training and Meals	5,000	
Dues and Subscriptions	1,400	
<b>SUBTOTAL OPERATIONAL EXPENSES</b>	7,400	

**Project Expenditures**

Owner Participation Reimbursement to Brighton Corporation - Ten Mile District	2,076,873	
Ten Mile Revenues - MDC's 10%	594,601	
Development Agreement Reimbursement to Pacific Companies for Old Town Lofts - Downtown District	600,000	
Owner Participation Reimbursement to Galena Opportunity Fund for Union 93 - Union District	5,000	
Owner Participation Reimbursement to MKA, LLC (Keller Associates) - Downtown District	40,000	
Special Projects - Downtown District	4,219,823	
Special Projects - Union District	76,485	
Special Projects - Union District ACHD TIF	13,920	
Special Projects - Northern Gateway District	108,413	
Special Projects - Northern Gateway ACHD TIF	32,084	
Special Projects - Linder District	30,826	
Special Projects - Linder District ACHD TIF	5,594	
Destination Downtown - Downtown District	142,233	
Destination Downtown - Northern Gateway District	25,100	
Nine-Mile Floodplain - Downtown District	3,000,000	
Façade Improvement Program - Downtown District	150,000	
Façade Improvement Program - Union District	10,000	
Meridian Chamber Sponsorship - Oktoberfest 2024	10,000	
Property Acquisition - Downtown District		
<b>SUBTOTAL CAPITAL EXPENDITURES</b>	11,140,952	
8% Reserve Based on Estimated Revenues (Downtown District Only)	150,767	

Based upon 8% of \$1,884,592 estimated revenues  
 1,884,592  
 0.08  
 150,767

**TOTAL EXPENDITURES**

11,621,232

**NET**

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