OFFICIAL NOTICE OF BOND SALE

And

PRELIMINARY OFFICIAL STATEMENT

City of Caldwell, Idaho

$4,825,000*
General Obligation Bonds, Series 2026

Electronic bids will be received up to 10:00:00 A.M., M.D.T., via the ***PARITY***® electronic bid submission system, on Tuesday, April 7, 2026.

* Preliminary; subject to change.

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Official Notice of Bond Sale

(Bond Sale to be Conducted Electronically)

City of Caldwell, State of Idaho

$4,825,000* General Obligation Bonds, Series 2026

Bids will be received electronically (as described under "Procedures Regarding Electronic Bidding" below) by the City of Caldwell, State of Idaho (the "City") via the PARITY® electronic bid submission system ("PARITY®") until up to 10:00 a.m., Mountain Time ("MT"), for the purchase, all or none ("AON"), of the City's $4,825,000* General Obligation Bonds, Series 2026 (the "2026 Bonds") on Tuesday, April 7, 2026. The bids will be reviewed and considered by authorized officers of the City and representatives from Zions Public Finance, Inc., acting as municipal advisor to the City (the "Municipal Advisor"), in accordance with certain parameters established by the City Council of the City (the "Council") pursuant to Ordinance No. 3745 adopted by the Council on March 16, 2026 (the "Ordinance").

Description of the 2026 Bonds

The 2026 Bonds will be dated as of the date of issuance and delivery[1], will be issuable only as fully registered bonds in book-entry form, will be issued in denominations of $5,000 or any whole multiple thereof, not exceeding the amount of each maturity, and will mature on September 1 of each of the years and in the principal amounts as follows:

Maturity (September 1)	Principal Amount(1)	Maturity (September 1)	Principal Amount(1)
2027	$ 80,000	2037	$260,000
2028	170,000	2038	275,000
2029	175,000	2039	290,000
2030	185,000	2040	305,000
2031	195,000	2041	320,000
2032	205,000	2042	335,000
2033	215,000	2043	350,000
2034	225,000	2044	370,000
2035	235,000	2045	385,000
2036	250,000		
		Total	$4,825,000

(1) Preliminary; subject to change. See "Adjustment Of Principal Amount Of The 2026 Bonds" herein.

The 2026 Bonds will be issued in registered form and, when issued, will be registered in the name of The Depository Trust Company, New York, New York, or its nominee ("DTC"). DTC will act as securities depository for the 2026 Bonds. The 2026 Bonds are more fully described in the City's Preliminary Official Statement with respect to the 2026 Bonds dated April 21, 2026 (the "Preliminary Official Statement").

Term Bonds and Mandatory Sinking Fund Redemption at Bidder's Option

The 2026 Bonds scheduled to mature on two or more of the above–designated maturity dates may be rescheduled, at bidder's option, to mature as term bonds on one or more dates within that period, in which event the 2026 Bonds

* Preliminary; subject to change.

1 The anticipated date of delivery of the 2026 Bonds is Thursday, April 21, 2026.

will mature and be subject to mandatory sinking fund redemption in such amounts and on such dates as will correspond to the above–designated maturity dates and principal amounts maturing on those dates, as adjusted.

Modification, Postponement, Cancellation

Bidders are advised that the City may modify the terms of this Official Notice of Sale prior to the time for receipt of bids, or postpone or cancel the sale of the 2026 Bonds, at its discretion. Any such modification, postponement, or cancellation will be provided to Parity and i-Deal Prospectus on or before 2:00 p.m., Mountain Time, the day before bids are due. Failure of any bidder to receive such notice will not affect the legality of the sale.

Adjustment of Principal Amount of the 2026 Bonds

The adjustment of maturities may be made in such amounts as are necessary to provide the City with desired debt service payments during the life of the 2026 Bonds. Any such adjustment will be in an amount of $5,000 or a whole multiple thereof. The dollar amount of the price bid by the successful bidder may be changed as described above, but the interest rates specified by the successful bidder for all maturities will not change. A successful bidder may not withdraw its bid as a result of any changes made within these limits, and the City will consider the bid as having been made for the adjusted amount of the 2026 Bonds. The dollar amount of the price bid will be changed so that the percentage net compensation to the successful bidder (i.e., the percentage resulting from dividing (a) the aggregate difference between the offering price of the 2026 Bonds to the public and the price to be paid to the City, by (b) the principal amount of the 2026 Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown above. The City expects to advise the successful bidder as soon as possible, but expects no later than 2:00 p.m., MT, on the date of sale, of the amount, if any, by which the aggregate principal amount of the 2026 Bonds will be adjusted and the corresponding changes to the principal amount of 2026 Bonds maturing on one or more of the above–designated maturity dates for the 2026 Bonds.

To facilitate any adjustment in the principal amounts, the successful bidder is required to indicate by electronic means or to the Municipal Advisor at michael.keith@zionsbancorp.com within one–half hour of the time of bid opening, the amount of any original issue discount or premium on each maturity of the 2026 Bonds and the amount received from the sale of the 2026 Bonds to the public that will be retained by the successful bidder as its compensation.

Ratings

The City will, at its own expense, pay fees of Moody's Investors Service ("Moody's") for rating the 2026 Bonds. *Any additional ratings shall be at the option and expense of the bidder.*

Purchase Price

The purchase price bid for the 2026 Bonds shall not be less than 105% of the principal amount of the 2026 Bonds.

Interest Rates

The 2026 Bonds will bear interest at any number of different rates, any of which may be repeated, which rates shall be expressed in multiples of one–eighth or one–twentieth of one percent (1/8 or 1/20 of 1%) per annum. In addition:

1. the highest interest rate bid for any of the 2026 Bonds shall not exceed five and a quarter percent (5.25%) per annum;
2. no 2026 Bond shall have more than one rate of interest per maturity;
3. interest shall be computed from the dated date of a 2026 Bond to its stated maturity date at the single interest rate specified in the bid for the 2026 Bonds of such maturity;

4. the purchase price must be paid in immediately available funds and no bid will be accepted that contemplates the cancellation of any interest or the waiver of interest or other concession by the bidder as a substitute for immediately available federal funds;
5. any premium must be paid in the funds specified for the payment of the 2026 Bonds as part of the purchase price;
6. there shall be no supplemental interest coupons;
7. a zero percent (0%) interest rate may not be used; and
8. interest shall be computed on the basis of a 360–day year of Twelve, 30–day months.

Interest for the 2026 Bonds will be payable semiannually on March 1 and September 1 beginning March 1, 2027, at the rate or rates to be fixed at the time the 2026 Bonds are sold.

Payment of Principal and Interest

Zions Bancorporation, National Association, Boise, Idaho, will be the paying agent and bond registrar for the 2026 Bonds. The City may remove any paying agent and any bond registrar, and any successor thereto, and appoint a successor or successors thereto. So long as the 2026 Bonds are outstanding in book-entry form, the principal of and interest on the 2026 Bonds will be paid under the standard procedures of DTC.

Redemption Provisions

The 2026 Bonds maturing on and after September 1, 2036 are subject to redemption prior to maturity in whole or in part at the option of the City on March 1, 2036 (the "First Redemption Date") or on any date thereafter, from such maturities or parts thereof as shall be selected by the City, at the redemption price of 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, upon not less than 30 days' prior written notice. Any 2026 Bond maturing on or prior to the First Redemption Date are not subject to optional redemption.

Security and Sources of Payment

The 2026 Bonds will be full general obligations of the City, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the City, fully sufficient to pay the same as to both principal and interest.

Award

Award or rejection of bids will be made on Tuesday, April 7, 2026, by certain delegated officers of the City, and in no event later than 24 hours after the expiration of the time herein pre-scribed for the receipt of bids, unless such time of award is waived by the successful bidder. The 2026 Bonds will be awarded to the responsible bidder offering to pay the lowest effective interest rate to the City computed from the date of the 2026 Bonds to maturity and taking into consideration the premium, if any, in the purchase price of the 2026 Bonds. The effective interest rate to the City shall be the interest rate per annum determined on a per annum true interest cost ("TIC") basis by discounting the scheduled semiannual debt service payments of the City on the 2026 Bonds (based on such rate or rates of interest so bid) to the dated date of the 2026 Bonds (based on a 360–day year consisting of 12, 30-day months), compounded semiannually and to the bid price.

If there are two or more equal bids for the 2026 Bonds and those bids are the best bids received, the City will determine which bid will be presented to Council for its consideration. The City, in its sole discretion, reserves the right to reject any or all bids submitted with respect to the 2026 Bonds and to waive any formality in the bidding or bidding process. If all bids for the 2026 Bonds are rejected, the 2026 Bonds may be re-advertised for sale in the manner provided by law and as described above.

Notification

The Municipal Advisor, on behalf of the City, will notify the apparent successful bidder (electronically via *PARITY*®) as soon as possible after the City's receipt of bids, that such bidder's bid appears to be the lowest and best bid received which conforms to the requirements of this Official Notice of Bond Sale, subject to verification and to official action to be taken by the City as described in the next succeeding paragraph.

Procedures Regarding Electronic Bidding

- If any provision in this Official Notice of Sale conflicts with information or terms provided or required by Parity, this Official Notice of Sale, including any modification or postponement communicated as described under "Modification, Postponement, Cancellation," will control

- The bidding will be made and awarded for the 2026 Bonds on an AON basis.

- No bid will be accepted unless the City has determined that such bidder has provided the requested Deposit described under "Good Faith Deposit" below.

Bids will be received by means of the *PARITY*® electronic bid submission system. A prospective bidder must communicate its bid electronically through *PARITY*® on or before 10:00 MT on Tuesday, April 7, 2026. No bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in *PARITY*® conflict with this Official Notice of Bond Sale, the terms of this Official Notice of Bond Sale shall control. For further information about *PARITY*®, potential bidders may contact the Municipal Advisor or i–Deal LLC at 1359 Broadway, New York, New York 10018; 212.849.5021. The time as maintained by *PARITY*® shall constitute the official time. **Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access *PARITY*® for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the Municipal Advisor, the City nor i–Deal LLC shall have any duty or obligation to provide or assure such access to any qualified prospective bidder, and neither the Municipal Advisor, the City nor i–Deal LLC shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY*®. The City is using *PARITY*® as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the 2026 Bonds.**

Upon acceptance of a bid by the City, this Official Notice of Sale and the information that is electronically transmitted through Parity will form a contract between the bidder and the City.

Form of Bid

Each bidder for the 2026 Bonds is required to transmit electronically via *PARITY*® an unconditional bid specifying the lowest rate or rates of interest and confirm the purchase price (as described under "Purchase Price" above) at which the bidder will purchase the 2026 Bonds. Each bid must be for all the 2026 Bonds herein offered for sale.

For information purposes only, bidders are requested to state in their bids the effective interest rate for the 2026 Bonds represented on a "true interest cost" ("TIC") basis, as described under "Award" herein, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by electronic mail or in any other medium or on any system other than by means of *PARITY*®. If requested by the Municipal Advisor, the apparent successful bidder will provide written confirmation of its bid (by electronic mail) to the Municipal Advisor prior to 2:00 p.m., MT, on Tuesday, April 7, 2026.

Right of Cancellation

The successful bidder shall have the right, at its option, to cancel its obligation to purchase the 2026 Bonds if the City shall fail to execute the 2026 Bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying its bid.

Good Faith Deposit

A good faith deposit (the "Deposit") in the amount of $50,000.00 is required only from the successful bidder. The Deposit shall be payable to the order of the City in the form of a wire transfer in federal funds as instructed by the Municipal Advisor no later than 1:00 pm, MT, on Tuesday, April 7, 2025.

The City shall, as security for the faithful performance by the successful bidder of its obligation to take up and pay for the 2026 Bonds when tendered, of the successful bidder and hold the proceeds of the Deposit of the successful bidder, or invest the same (at the City's risk) in obligations which mature at or before the delivery of the 2026 Bonds as described under the caption "Manner and Time of Delivery" below, until disposed of as follows: (a) at such delivery of the 2026 Bonds and upon compliance with the successful bidder's obligation to take up and pay for the 2026 Bonds, the full amount of the Deposit held by the City, without adjustment for interest, shall be applied toward the purchase price of the 2026 Bonds at that time and the full amount of any interest earnings thereon shall be retained by the City; and (b) if the successful bidder fails to take up and pay for the 2026 Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the City as liquidated damages.

Sale Reservations

The City reserves the right: (i) to waive any irregularity or informality in any bid or in the bidding process; (ii) to reject any and all bids for the 2026 Bonds; and (iii) to resell the 2026 Bonds as provided by law.

Prompt Award

The City will take action awarding the 2026 Bonds or rejecting all bids not later than twenty-four (24) hours after the expiration of the time herein prescribed for the receipt of bids, unless such time of award is waived by the successful bidder.

Reoffering Prices; Purchaser's Certificate Relating to Issue Price

The successful bidder or bidders (or manager of the purchasing account or accounts) shall notify the chief financial officer of the City and the City's Municipal Advisor by electronic mail to Michael Keith (michael.keith@zionsbancorp.com) within 24 hours of the bid opening, of the initial offering prices of such Bonds to the public. The notification must be confirmed in writing in form and substance satisfactory to Bond Counsel (defined hereunder) prior to the delivery of the 2026 Bonds. The confirmation will be part of the "Purchaser's Certificate" which will be in substantially the same form as Exhibit A in the event the City receives three (3) or more bids that fit the requirements of the Official Notice of Bond Sale for the 2026 Bonds; and in substantially the same form as Exhibit B in the event the City does not receive three (3) or more such bids for the 2026 Bonds.

Each bidder, by submitting its bid, agrees to complete, execute and deliver the applicable certificate, in form and substance satisfactory to Bond Counsel, by the date of delivery of the 2026 Bonds, if its bid is accepted by the City. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation or otherwise to ascertain the facts necessary to make such certification. Any questions regarding the certificate should be directed to John R. McDevitt of Skinner Fawcett LLP, Bond Counsel, 250 W. Bobwhite Court, Suite 240, Boise, Idaho 83712; 208.345.2663; jmcdevitt@skinnerfawcett.com.

For purposes of federal tax issue price regulations, the City expects that the sale of the Bonds will qualify as a competitive sale. In the event that the competitive sale requirements are not satisfied, the City will advise the successful bidder. The City will treat the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), applied on a maturity-by-maturity basis. Bids will not be subject to cancellation in the event that the hold-the-offering-price rule applies to the Bonds.

Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

Manner and Time of Delivery

The successful bidder will be given at least seven (7) business days' advance notice of the proposed date of the delivery of the 2026 Bonds when that date has been tentatively determined. It is now estimated that the 2026 Bonds will be delivered in book–entry form on or about April 21, 2026. The 2026 Bonds will be delivered as a single bond certificate for each maturity of the 2026 Bonds, registered in the name of DTC or its nominee. Delivery of the 2026 Bonds will be made in Boise, Idaho, pursuant to DTC's FAST system. The successful bidder must also agree to pay for the 2026 Bonds in federal funds which will be immediately available to the City on the day of delivery.

CUSIP Numbers

It is anticipated that CUSIP numbers will be printed on the 2026 Bonds, at the expense of the City, but neither the failure to print such numbers on any 2026 Bond nor any error with respect thereof shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for the 2026 Bonds in accordance with terms of this Official Notice of Bond Sale.

Tax-Exempt Status

In the opinion of Skinner Fawcett LLP, Bond Counsel to the City, based upon an analysis of existing laws, regulations, rulings, and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2026 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the 2026 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the 2026 Bonds is exempt from State of Idaho personal income taxes. The 2026 Bonds will be designated by the City as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the 2026 Bonds. For a more complete description, see the Preliminary Official Statement under the caption "TAX MATTERS."

Legal Opinion and Closing Documents

The unqualified approving opinion of Skinner Fawcett LLP covering the legality of the 2026 Bonds and the opinion of the attorney for the City, Oscar Klaas, City Attorney, addressing no known pending or threatened litigation that would legally stop, enjoin, or prohibit the issuance, sale or delivery of the 2026 Bonds or the levy or collection of taxes for the payment of the 2026 Bonds will be furnished to the successful bidder. A supplemental opinion shall also be furnished to the successful bidder by Skinner Fawcett LLP with respect to the disclosure of certain information in the final Official Statement. Closing certificates will also be furnished, dated as of the date of delivery of and payment for the 2026 Bonds, including a statement that there is no litigation pending or, to the knowledge of the signer thereof, threatened affecting the validity of the 2026 Bonds.

Disclosure Certificate

The City will deliver to the successful bidder a certificate of an authorized officer(s) of the City, dated the date of the delivery of the 2026 Bonds, stating that as of the date thereof, to the best of the knowledge and belief of said authorized officer(s), and after reasonable investigation: (a) the descriptions and statements contained in the Preliminary Official Statement circulated with respect to the 2026 Bonds were at the time of the acceptance of the bid true and correct in all material respects and did not at the time of the acceptance of the bid contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (b) the descriptions and statements contained in the final Official Statement are at the time of the delivery of the 2026 Bonds true and correct in all material respects and do not at the time of the delivery of the 2026 Bonds contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided*, should the final Official Statement be supplemented or amended subsequent to the date thereof, the foregoing confirmation as to the final Official Statement shall relate to the final Official Statement as so supplemented or amended.

Continuing Disclosure Agreement (Disclosure Undertaking)

The City covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the City for the benefit of the beneficial owners of the 2026 Bonds on or before the date of delivery of the 2026 Bonds as required under paragraph (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Preliminary Official Statement, with such changes as may be agreed upon in writing by the successful bidder.

For a detailed discussion of the Continuing Disclosure Agreement, previous disclosure agreements and timing of submissions see the section titled "CONTINUING DISCLOSURE AGREEMENT" in the Preliminary Official Statement.

The successful bidder's obligation to purchase the 2026 Bonds shall be conditioned upon the City delivering the Undertaking on or before the date of delivery of the 2026 Bonds.

Delivery of Copies of Final Official Statement

The City shall deliver to the successful bidder on such business day as directed in writing by the successful bidder, which is not earlier than the second business day or later than the seventh business day after the award of the 2026 Bonds as described under the caption "Award" above, copies of the final Official Statement in sufficient quantity, as directed in writing by the successful bidder, to comply with paragraph (b)(4) of the Rule and the Rules of the Municipal Securities Rulemaking Council.

Additional Information

For copies of this OFFICIAL NOTICE OF BOND SALE and the Preliminary Official Statement and information regarding the electronic bidding procedures and other related information with respect to the 2026 Bonds, contact the Municipal Advisor to the City, Zions Public Finance, Inc. at 800 W. Main Street, Suite 700, Boise, Idaho 83702; 208.501.7533; Micheal Keith micheal.keith@zionsbancorp.com) or Cara Bertot (cara.bertot@zionsbancorp.com). The Preliminary Official Statement is available at www.fmmunihub.com, www.i-dealprospectus.com, and www.munios.com.

DATED this 24th day of March, 2026.

CITY OF CALDWELL, STATE OF IDAHO

By: /s/ Raelynne North
Director of Finance

EXHIBIT A

Competitive Sale – Three Bids Received

Purchaser's Certificate:

IT IS HEREBY CERTIFIED by the undersigned on behalf of_____ (the "Purchaser"), as representative of the underwriters for the "_____" (the "Bonds"):

1. We acknowledge receipt of the Bonds in the aggregate principal amount of $_____, bearing interest and maturing as provided in [Instrument providing principal amount and interest rate] _____of the_____ (the "Issuer") on _____, and the instruments described therein, and such Bonds being in the denominations and registered in the name of Cede & Co., as nominee of The Depository Trust Company, as requested by us.

2. A bona fide public offering was made for all of the Bonds on the sale date at the prices shown on the inside cover page of the Official Statement for the Bonds. Those prices are the reasonably expected initial offering prices of each maturity of the Bonds to the public which were used by the Purchaser in formulating its bid to purchase the Bonds. For this purpose:

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party.

"Sale date" means the date the Purchaser's bid for the Bonds was accepted on behalf of the Issuer.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public).

If a yield is shown on the [inside] cover page for any maturity, "price" herein means the dollar price that produces that yield.

3. The underwriter was not given the opportunity to review other bids prior to submitting its bid.

4. The bid submitted by the underwriter constituted a firm bid to purchase the Bonds.

5. The Issuer and its counsel may rely on these certifications in concluding that the Bonds meet certain requirements of the Internal Revenue Code of 1986 as amended (the "Code"), relating to tax-exempt bonds; however, nothing herein represents our interpretation of any law and we are not providing any interpretations of law or regulations in executing and delivering this certificate.

DATED as of _____, 2026.

_____, as Representative of the Underwriters

By: _____
Title: _____

Exhibit 1
(Offering Prices of Bonds)

EXHIBIT B

10% each maturity sold

Purchaser's Certificate:

IT IS HEREBY CERTIFIED by the undersigned on behalf of_____ (the "Purchaser"), as representative of the underwriters for the "_____" (the "Bonds"):

1. We acknowledge receipt of the Bonds in the aggregate principal amount of $_____, bearing interest and maturing as provided in the _____ [Instrument providing principal amount and interest rate] of the_____ (the "Issuer") on _____, and the instruments described therein, and such Bonds being in the denominations and registered in the name of Cede & Co., as nominee of The Depository Trust Company, as requested by us.

2. A bona fide public offering was made for all of the Bonds on the sale date at the prices shown on the inside cover page of the Official Statement for the Bonds. The first price at which a substantial amount of each maturity of the Bonds was sold to the public is the price shown on the inside cover page of the Official Statement for that maturity of the Bonds. For this purpose:

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party.

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public).

"Substantial amount" is 10% or more of each maturity.

If a yield is shown on the inside cover page for any maturity, "price" herein means the dollar price that produces that yield.

3. The Issuer and its counsel may rely on these certifications in concluding that the Bonds meet certain requirements of the Internal Revenue Code of 1986 as amended (the "Code"), relating to tax-exempt bonds; however, nothing herein represents our interpretation of any law and we are not providing any interpretations of law or regulations in executing and delivering this certificate.

DATED as of _____, 2026.

_____, as Representative of the Underwriters

By: _____
Title: _____

Exhibit 1
(Offering Prices of Bonds)

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PRELIMINARY OFFICIAL STATEMENT

$4,825,000*

City of Caldwell, Idaho

General Obligation Bonds, Series 2026

On Tuesday, April 7, 2026 up to 10:00:00 A.M., Mountain Daylight Time ("M.D.T."), electronic bids will be received by means of the ***PARITY***® electronic bid submission system. See the "OFFICIAL NOTICE OF BOND SALE—Procedures Regarding Electronic Bidding."

The 2026 Bonds (as defined herein) will be awarded to the successful bidder(s) and issued pursuant to an ordinance of the City of Caldwell, Idaho adopted on March 16, 2026.

The City has deemed this PRELIMINARY OFFICIAL STATEMENT final as of the date hereof, for purposes of paragraph (b)(1) of Rule 15c2–12 of the Securities and Exchange Commission, subject to completion with certain information to be established at the time of sale of the 2026 Bonds as permitted by the Rule.

For additional information with respect to the 2026 Bonds contact the Municipal Advisor:

ZIONS PUBLIC FINANCE, INC.
800 W Main St, Ste 700
Boise ID 83702
208.501.7533
michael.keith@zionsbancorp.com

This PRELIMINARY OFFICIAL STATEMENT is dated March 24, 2026, and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

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This PRELIMINARY OFFICIAL STATEMENT and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this PRELIMINARY OFFICIAL STATEMENT constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 24, 2026

NEW ISSUE—BOOK–ENTRY ONLY
Bank-Qualified

Rating: Moody's "Aa1"
See "MISCELLANEOUS—Bond Rating" herein.

In the opinion of Skinner Fawcett LLP, Bond Counsel to the City, based upon an analysis of existing laws, regulations, rulings, and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2026 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the 2026 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the 2026 Bonds is exempt from State of Idaho personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the 2026 Bonds. For a more complete description, see "TAX MATTERS" herein.

The 2026 Bonds have been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

$4,825,000*

City of Caldwell, Idaho

General Obligation Bonds, Series 2026

The $4,825,000* General Obligation Bonds, Series 2026 (the "2026 Bonds") are issued by the City of Caldwell, Idaho (the "City"), as fully–registered bonds and, when initially issued, will be in book–entry form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York. DTC will act as securities depository for the 2026 Bonds.

Principal of and interest on the 2026 Bonds (interest payable March 1 and September 1 of each year, commencing March 1, 2027) are payable to Zions Bancorporation, National Association, Boise, Idaho, as Paying Agent (the "Paying Agent"), to the registered owners thereof, initially DTC. See "THE 2026 BONDS—Book–Entry System" herein.

The 2026 Bonds are subject to optional redemption prior to maturity and may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See "THE 2026 BONDS—Redemption Provisions" and "—Mandatory Sinking Fund Redemption at Bidder's Option" herein.

The 2026 Bonds will be general obligations of the City payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the City, fully sufficient to pay the 2026 Bonds as to both principal and interest.

Dated: Date of Delivery[1]

Due: September 1, as shown on inside cover

See the inside front cover for the maturity schedule of the 2026 Bonds

The 2026 Bonds will be awarded pursuant to competitive bidding received by means of the *PARITY*® electronic bid submission system on Tuesday, April 7, 2026, as set forth in the OFFICIAL NOTICE OF BOND SALE dated as of the date of this PRELIMINARY OFFICIAL STATEMENT.

Zions Public Finance, Inc., Boise, Idaho, is acting as Municipal Advisor.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision.

This OFFICIAL STATEMENT is dated April _, 2026, and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

[1] The anticipated date of delivery is Tuesday, April 21, 2026.

City of Caldwell, Idaho

$4,825,000*

General Obligation Bonds, Series 2026

Dated: Date of Delivery[1] **Due: September 1, as shown below**

Due September 1	CUSIP® 129019	Principal Amount*	Interest Rate	Yield
2027…….		$ 80,000		
2028…….		170,000		
2029…….		175,000		
2030…….		185,000		
2031…….		195,000		
2032…….		205,000		
2033…….		215,000		
2034…….		225,000		
2035…….		235,000		
2036…….		250,000		
2037…….		260,000		
2038…….		275,000		
2039…….		290,000		
2040…….		305,000		
2041…….		320,000		
2042…….		335,000		
2043…….		350,000		
2044…….		370,000		
2045…….		385,000		

$_____ Term Bond due September 1, 20__—Yield of ____% (CUSIP [_____] ___)

[1] The anticipated date of delivery is Tuesday, April 21, 2026.

® CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by Global Services, managed by FactSet Research Systems, on behalf of the American Bankers Association.

* Preliminary; subject to change.

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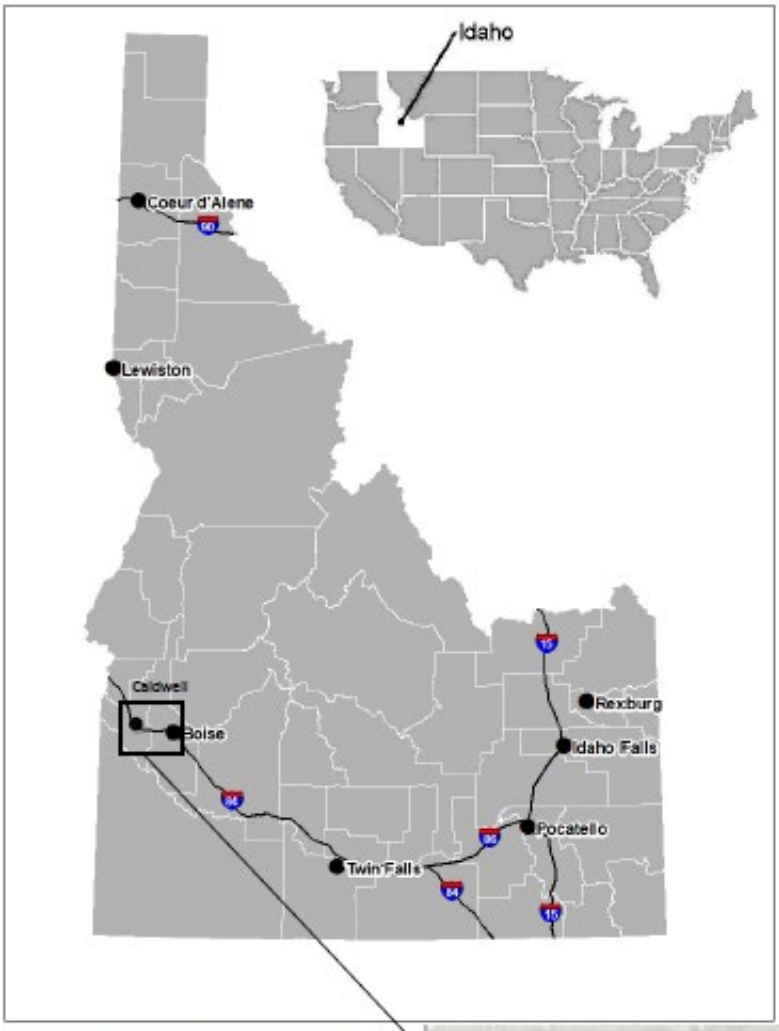
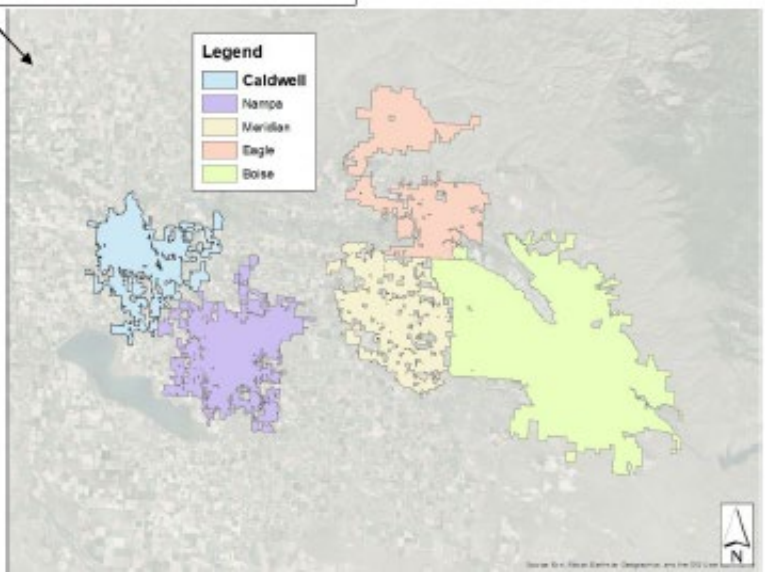
LOCATION MAP OF THE CITY OF CALDWELL, IDAHO



The City of Caldwell, Idaho



This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of, the 2026 Bonds (as defined herein), by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by either the City of Caldwell, Idaho (the "City"); Zions Public Finance, Inc., Boise, Idaho, as Municipal Advisor; Zions Bancorporation, National Association, Boise, Idaho, as Paying Agent; the successful bidder; or any other entity. All other information contained herein has been obtained from the City, The Depository Trust Company, New York, New York and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery, or exchange of the 2026 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the City since the date hereof.

The 2026 Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is unlawful.

The yields/prices at which the 2026 Bonds are offered to the public may vary from the initial reoffering yields on the inside front cover page of this OFFICIAL STATEMENT. In addition, the successful bidder may allow concessions or discounts from the initial offering prices of the 2026 Bonds to dealers and others. In connection with the offering of the 2026 Bonds, the successful bidder may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2026 Bonds. Such transactions may include overallotments in connection with the purchase of 2026 Bonds, the purchase of 2026 Bonds to stabilize their market price and the purchase of 2026 Bonds to cover the successful bidder's short positions. Such transactions, if commenced, may be discontinued at any time.

Forward–Looking Statements. Certain statements included or incorporated by reference in this OFFICIAL STATEMENT constitute "forward–looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as "plan," "project," "forecast," "expect," "estimate," "budget" or other similar words. ***The achievement of certain results or other expectations contained in such forward–looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward–looking statements. The City does not plan to issue any updates or revisions to those forward–looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.***

The CUSIP® (the Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover pages of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders. None of the City, the successful bidder(s), or the Municipal Advisor makes any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP® number for a specific maturity is subject to being changed after the issuance of the 2026 Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2026 Bonds.

References to websites presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this OFFICIAL STATEMENT for purposes of, and as that term is defined in, SEC Rule 15c2-12. In addition, information available on such websites has not been reviewed for accuracy and completeness.

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OFFICIAL STATEMENT RELATED TO

$4,825,000*

City of Caldwell, Idaho

General Obligation Bonds, Series 2026

INTRODUCTION

This introduction is only a brief description of the 2026 Bonds, as hereinafter defined, the security and source of payment for the 2026 Bonds and certain information regarding City of Caldwell, Canyon County, Idaho (the "City"). The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT. Investors are urged to make a full review of the entire OFFICIAL STATEMENT, as well as of the documents summarized or described herein.

See the following appendices that are attached hereto and incorporated herein by reference: "APPENDIX A—FINANCIAL STATEMENTS OF CITY OF CALDWELL, IDAHO FOR FISCAL YEAR 2025"; "APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL"; "APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT"; and "APPENDIX D—BOOK–ENTRY SYSTEM."

When used herein the terms "Fiscal Year[s] 20YY" or "Fiscal Year[s] End[ed][ing] September 30, 20YY" shall refer to the year ended or ending on September 30 of the year indicated and beginning on October 1 of the preceding calendar year. Capitalized terms used but not otherwise defined herein have the same meaning as given to them in the Bond Ordinance (as defined herein).

Public Sale/Electronic Bid

The 2026 Bonds will be awarded pursuant to competitive bidding received by means of the ***PARITY***® electronic bid submission system on Tuesday, April 7, 2026, pursuant to the OFFICIAL NOTICE OF BOND SALE (dated as of the date of this PRELIMINARY OFFICIAL STATEMENT).

The 2026 Bonds may be offered and sold to certain dealers (including dealers depositing the 2026 Bonds into investment trusts) at prices lower than the initial public offering prices set forth on the inside cover page of the OFFICIAL STATEMENT and that such public offering prices may be changed from time to time.

City Of Caldwell, Idaho

The City, located in Canyon County, in the Southwest portion of Idaho, was originally chartered in 1890 and incorporated on January 27, 1955 and serves as the County seat. The City's estimated population for 2024 is 73,088. The City is governed by a Mayor and a six-member City Council. See "CITY OF CALDWELL, IDAHO" below.

The 2026 Bonds

This OFFICIAL STATEMENT, including the cover page, introduction and Appendices (the "OFFICIAL STATEMENT"), provides information in connection with the issuance and sale of $4,825,000* aggregate principal amount of General Obligation Bonds, Series 2026 (the "2026 Bonds" or "2026 Bond"), initially issued in book–entry form only.

* Preliminary; subject to change.

Authorization For And Purpose Of The 2026 Bonds

Authority. The 2026 Bonds are being issued pursuant to the applicable provisions of (i) Title 50, Chapter 10, Idaho Code, as amended (the "Idaho Code") and the Public Obligations Registration Act, Title 57, Chapter 9, Idaho Code, as amended, and the Municipal Bond Law, Title 57, Chapter 2, Idaho Code (collectively, the "Act"), (ii) Ordinance No. 3745 adopted by the City Council of the City (the "City Council") and approved by the Mayor on March 16, 2026 (the "Bond Ordinance"), which provides for the sale and issuance of the 2026 Bonds, and (iii) other applicable provisions of law.

The 2026 Bonds were authorized at a bond election held for that purpose on November 7, 2023 (the "2023 Bond Election"). The proposition submitted to the voters of the City was as follows:

> Shall the City of Caldwell, Canyon County, Idaho, be authorized to incur an indebtedness and issue and sell its general obligation bonds, in one or more series of bonds, in an aggregate principal amount for all such bonds of not more than $17,300,000, or so much thereof as may be necessary, for the purpose of providing funds with which to prepare, construct, and furnish the City's portion of the construction of a new fire station, the reconstruction of an existing fire station, and the renovation, upgradement, and improvement of certain existing fire training and administrative equipment and facilities, with each of said series of bonds to be payable annually or at such lesser intervals as determined by future resolutions or ordinances of the City, and to mature serially with the final installment to fall due within twenty (20) years from the date of each said series of bonds, and to bear interest at a rate or rates to be determined by future resolutions or ordinances of the City. All as provided in the ordinance of the City adopted September 5, 2023?

On November 15, 2023, Canyon County Commissioners canvassed the results of the 2023 Bond Election and determined there were enough votes cast in favor of the issuance of bonds. The Office of the Attorney General received a recount request and issued the Order for Recount of Ballots, which took place on December 11, 2023. The recount was completed, and the Idaho Office of the Attorney General certified the results with 66.74% in favor of passage of the general obligation bonds, exceeding the required two–thirds majority approval for election passage with the final vote count of 2,902 votes cast in favor of the issuance of bonds and 1,446 votes cast against the issuance of bonds, for a total vote count of 4,038.

The 2026 Bonds are the second and final series to be issued from the 2023 Bond Election. After the sale and delivery of the 2026 Bonds the City will have no remaining authorized unissued bonds from the 2023 Bond Election.

Security

The 2026 Bonds will be general obligations of the City, payable from the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all of the taxable property in the City, fully sufficient to pay the 2026 Bonds as to both principal and interest. See "SECURITY AND SOURCES OF PAYMENT" and "FINANCIAL INFORMATION REGARDING THE CITY OF CALDWELL, IDAHO—Property Tax Matters" below.

Redemption Provisions

The 2026 Bonds are subject to optional redemption prior to maturity and may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See "THE 2026 BONDS—Redemption Provisions" and "—Mandatory Sinking Fund Redemption at Bidder's Option" below.

Registration, Denominations, Manner Of Payment

The 2026 Bonds are issuable only as fully registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, ("DTC"). DTC will act as securities depository of the 2026 Bonds. Purchases of 2026 Bonds will be made in book–entry form only, in the principal amount of $5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC's Participants (as defined herein). Beneficial Owners (as defined herein) of the 2026 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2026 Bonds. "Direct Participants," "Indirect Participants" and "Beneficial Owners" are defined under "APPENDIX D—BOOK–ENTRY SYSTEM."

Principal of and interest on the 2026 Bonds (interest payable March 1 and September 1 of each year, commencing March 1, 2027) are payable by Zions Bancorporation, National Association, Boise, Idaho ("Zions Bancorporation"), as paying agent (the "Paying Agent") for the 2026 Bonds, to the registered owners of the 2026 Bonds. So long as Cede & Co. is the registered owner of the 2026 Bonds, DTC will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2026 Bonds, as described under "APPENDIX D—BOOK–ENTRY SYSTEM" below.

So long as DTC or its nominee is the sole registered owner of the 2026 Bonds, neither the City, the successful bidder(s), nor the Paying Agent will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2026 Bonds. Under these same circumstances, references herein and in the Bond Ordinance to the "Bondowners" or "Registered Owners" of the 2026 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2026 Bonds.

Tax–Exempt Status Of The 2026 Bonds

In the opinion of Skinner Fawcett LLP, Bond Counsel to the City, based upon an analysis of existing laws, regulations, rulings, and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2026 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the 2026 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the 2026 Bonds is exempt from State of Idaho personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the 2026 Bonds.

The 2026 Bonds have been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

For a more complete description, see "TAX MATTERS" herein.

Professional Services

In connection with the issuance of the 2026 Bonds, the following have served the City in the capacity indicated.

Bond Counsel
Skinner Fawcett LLP
206 W Jefferson St
Boise ID 83712
208.345.2663
jmcdevitt@skinnerfawcett.com

Attorney for the City
Oscar Klaas, City Attorney
205 S 6th Ave.
Caldwell ID 83605
208.402.4373
oklaas@cityofcaldwell.org

Paying Agent and Bond Registrar
Zions Bancorporation, National Association
800 W Main St Ste 700
Boise ID 83702
208.501.7495
joseph.dailey@zionsbancorporation.com

Municipal Advisor
Zions Public Finance, Inc.
800 W Main St, Ste 700
Boise ID 83702
208.501.7533
michael.keith@zionsbancorp.com

Conditions Of Delivery, Anticipated Date, Manner And Place Of Delivery

The 2026 Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidder(s) subject to the approval of legality by Skinner Fawcett LLP, Boise, Idaho, Bond Counsel to the City, and certain other conditions. Certain legal matters will be passed upon for the City by the City Attorney, Oscar Klaas. It is expected that the 2026 Bonds, in book–entry form, will be available for delivery to DTC or its agent on or about Tuesday, April 21, 2026.

Continuing Disclosure Agreement

The City will enter into a Continuing Disclosure Agreement (the "Disclosure Undertaking") for the benefit of the Owners of the 2026 Bonds. For a detailed discussion of this disclosure undertaking, previous undertakings and timing of submissions see "CONTINUING DISCLOSURE AGREEMENT" below and "APPENDIX C—FORM OF CONTINUING DISCLOSURE AGREEMENT."

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date and the information contained herein is subject to change. Brief descriptions of the City, the 2026 Bonds, and the Bond Ordinance are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Bond Ordinance are qualified in their entirety by reference to such document and references herein to the 2026 Bonds are qualified in their entirety by reference to the form thereof included in the Bond Ordinance. The "basic documentation" which includes the Bond Ordinance, the closing documents and other documentation, authorizing the issuance of the 2026 Bonds and establishing the rights and responsibilities of the City and other parties to the transaction may be obtained from the "contact persons" as indicated below.

Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance, Inc., Boise, Idaho, as municipal advisor to the City (the "Municipal Advisor"):

Michael Keith, Vice President, michael.keith@zionsbancorp.com
Zions Public Finance, Inc.
800 W Main St Ste 700
Boise ID 83702
208.501.7533

As of the date of this OFFICIAL STATEMENT, the chief contact persons for the City concerning the 2026 Bonds are:

RaeLynn North, Finance Director, rnorth@cityofcaldwell.org
Rachelle Castleberry, Treasurer, rcastleberry@cityofcaldwell.org
City of Caldwell
205 S 6th Ave
Caldwell ID 83605
208.455.3000

CONTINUING DISCLOSURE UNDERTAKING

Disclosure Undertaking

The City will enter into a Disclosure Undertaking for the benefit of the Owners of the 2026 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") pursuant to the requirements of paragraph (b)(5) of Rule 15c2–12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. No person, other than the City, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the 2026 Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment, and remedies, are set forth in the proposed form of Disclosure Undertaking in "APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT."

The Disclosure Undertaking requires the City to submit its annual financial report (Fiscal Year Ending September 30) and other operating and financial information on or before April 27 (210 days from the end of the Fiscal Year). The City will submit the Fiscal Year 2026 financial report and other operating and financial information for the 2026 Bonds on or before April 27, 2027, and annually thereafter on or before each April 27.

The City represents that during the five years prior to the date of this OFFICIAL STATEMENT, the City has not failed to comply in all material respects with its prior undertakings pursuant to the Rule.

A failure by the City to comply with the Disclosure Undertaking will not constitute a default under the Bond Ordinance and the Beneficial Owners of the 2026 Bonds are limited to the remedies described in the Undertaking. A failure by the City to comply with the annual disclosure requirements of the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2026 Bonds in the secondary market. Consequently, such a failure may adversely affect the marketability and liquidity of the 2026 Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of the Rule.

THE 2026 BONDS

General

The 2026 Bonds will be dated the date of their original issuance and delivery [1] (the "Dated Date") and will mature on September 1 of the years and in the amounts and pay interest on the dates and at the rates shown on the inside front cover page.

The 2026 Bonds will bear interest from their Dated Date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2026 Bonds is payable semiannually on each March 1 and September 1, commencing March 1, 2027. Interest on the 2026 Bonds will be computed on the basis of a 360–day year comprised of 12, 30–day months. Zions Bancorporation is the initial Registrar (the "Registrar") and Paying Agent for the 2026 Bonds under the Bond Ordinance. If any date for the payment of principal or interest on the 2026 Bonds is not a business day, then the payment will be due on the first day thereafter that is a business day, and no interest will accrue during such period.

The 2026 Bonds will be issued as fully–registered bonds, initially in book–entry form, in the denomination of $5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

The 2026 Bonds are being issued within the constitutional debt limit imposed on cities in the State of Idaho. See "DEBT STRUCTURE OF CITY OF CALDWELL, IDAHO—General Obligation Legal Debt Limit and Additional Debt Incurring Capacity" below.

Sources And Uses Of Funds

The proceeds from the sale of the 2026 Bonds are estimated to be applied as set forth below:

Sources:	
Par amount of 2026 Bonds……	$
[Net] original issue premium…….	
Total……..	
Uses:	
Deposit to Project Construction Fund……	$
Underwriter's discount……..	
Costs of Issuance(1) ……..	
Total……..	

(1) Includes legal fees, Municipal Advisor fees, rating agency fees, Bond Registrar and Paying Agent fees, rounding amounts, and other miscellaneous costs of issuance.

[1] The anticipated date of delivery is Tuesday, April 21, 2026.

Redemption Provisions

Optional Redemption for the 2026 Bonds. The 2026 Bonds maturing on and after September 1, 2036 are subject to redemption prior to maturity in whole or in part at the option of the City on March 1, 2036 (the "First Redemption Date") or on any date thereafter, from such maturities or parts thereof as shall be selected by the City, at the redemption price of 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, upon not less than 30 days' prior written notice. Any 2026 Bond maturing on or prior to the First Redemption Date are not subject to optional redemption.

Selection for Redemption. If less than all 2026 Bonds of any maturity are to be redeemed, the particular 2026 Bonds or portion of 2026 Bonds of such maturity to be redeemed will be selected at random by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate. The portion of any registered 2026 Bond of a denomination of more than $5,000 to be redeemed will be in the principal amount of $5,000 or a whole multiple thereof, and in selecting portions of such 2026 Bonds for redemption, the Bond Registrar will treat each such 2026 Bond as representing that number of 2026 Bonds of $5,000 denomination that is obtained by dividing the principal amount of such 2026 Bond by $5,000.

Notice of Redemption. Notice of redemption will be given by the Bond Registrar by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, to the owner, as of the Record Date, as defined under "THE 2026 BONDS—Registration and Transfer" below, of each 2026 Bond that is subject to redemption, at the address of such owner as it appears on the registration books of the City kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such owner on or prior to the Record Date. Each notice of redemption will state the Record Date, the principal amount, the redemption date, the place of redemption, the redemption price and, if less than all of the 2026 Bonds are to be redeemed, the distinctive numbers of the 2026 Bonds or portions of 2026 Bonds to be redeemed, and will also state that the interest on the 2026 Bonds in such notice designated for redemption will cease to accrue from and after such redemption date and that on the redemption date there will become due and payable on each of the 2026 Bonds to be redeemed the principal thereof and interest accrued thereon to the redemption date.

Each notice of optional redemption may further state that such redemption will be conditioned upon the receipt by the Paying Agent, on or prior to the date fixed for redemption, of moneys sufficient to pay the principal of and premium, if any, and interest on such 2026 Bonds to be redeemed and that if such moneys have not been so received the notice will be of no force or effect and the City will not be required to redeem such 2026 Bonds. In the event that such notice of redemption contains such a condition, and such moneys are not so received, the redemption will not be made, and the Bond Registrar will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. Any such notice mailed will be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice. Failure to give such notice or any defect therein with respect to any 2026 Bond will not affect the validity of the proceedings for redemption with respect to any other 2026 Bond.

In addition to the foregoing notice, further notice of such redemption will be given by the Bond Registrar to DTC and certain registered securities depositories and national information services as provided in the Bond Ordinance, but no defect in such further notice nor any failure to give all or any portion of such notice will in any manner affect the validity of a call for redemption if notice thereof is given as prescribed above and in the Bond Ordinance.

For so long as a book–entry system is in effect with respect to the Bonds, the Bond Registrar will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants or any failure of the Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency of the notice or the validity of the redemption of Bonds. See "THE 2026 BONDS—Book–Entry System" below.

Mandatory Sinking Fund Redemption At Bidder's Option

The 2026 Bonds may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See "OFFICIAL NOTICE OF BOND SALE—Term Bonds and Mandatory Sinking Fund Redemption at Bidder's Option."

Registration And Transfer; Record Date

In the event the book–entry system is discontinued, any 2026 Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by such owner's duly authorized attorney, upon surrender of such 2026 Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any 2026 Bond is surrendered for transfer, the Bond Registrar will authenticate and deliver a new fully registered 2026 Bond or 2026 Bonds of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the City, for a like aggregate principal amount.

The 2026 Bonds may be exchanged at the principal corporate office of the Bond Registrar for a like aggregate principal amount of fully registered 2026 Bonds of the same series, designation, maturity and interest rate of other authorized denominations.

For every such exchange or transfer of the 2026 Bonds, the Bond Registrar must make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer of the 2026 Bonds.

Record Date. The Bond Registrar will not be required to transfer or exchange any 2026 Bond (a) after the Record Date with respect to any interest payment date to and including such interest payment date, or (b) after the Record Date with respect to any redemption of such 2026 Bond. The term "Record Date" means (i) with respect to each interest payment date, the day that is 15 days preceding such interest payment date, or if such day is not a business day for the Bond Registrar, the next preceding day that is a business day for the Bond Registrar, and (ii) with respect to any redemption of any 2026 Bond such Record Date as is specified by the Bond Registrar in the notice of redemption, provided that such Record Date will be not less than the 15th day prior to the mailing of such notice of redemption.

The City, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2026 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof (on the 2026 Bonds) and interest due thereon and for all other purposes whatsoever.

Book–Entry System

DTC will act as securities depository for the 2026 Bonds. The 2026 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered 2026 Bond certificate will be issued for each maturity of the 2026 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or a "fast agent" of DTC. See "APPENDIX D—BOOK–ENTRY SYSTEM" for a more detailed discussion of the book–entry system and DTC.

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Debt Service On The 2026 Bonds

	The 2026 Bonds			
Payment Date	Principal*	Interest	Period Total	Fiscal Total
March 1, 2027	$ 0.00			
September 1, 2027	80,000.00			
March 1, 2028	0.00			
September 1, 2028	170,000.00			
March 1, 2029	0.00			
September 1, 2029	175,000.00			
March 1, 2030	0.00			
September 1, 2030	185,000.00			
March 1, 2031	0.00			
September 1, 2031	195,000.00			
March 1, 2032	0.00			
September 1, 2032	205,000.00			
March 1, 2033	0.00			
September 1, 2033	215,000.00			
March 1, 2034	0.00			
September 1, 2034	225,000.00			
March 1, 2035	0.00			
September 1, 2035	235,000.00			
March 1, 2036	0.00			
September 1, 2036	250,000.00			
March 1, 2037	0.00			
September 1, 2037	260,000.00			
March 1, 2038	0.00			
September 1, 2038	275,000.00			
March 1, 2039	0.00			
September 1, 2039	290,000.00			
March 1, 2040	0.00			
September 1, 2040	305,000.00			
March 1, 2041	0.00			
September 1, 2041	320,000.00			
March 1, 2042	0.00			
September 1, 2042	335,000.00			
March 1, 2043	0.00			
September 1, 2043	350,000.00			
March 1, 2044	0.00			
September 1, 2044	370,000.00			
March 1, 2045	0.00			
September 1, 2045	385,000.00			
Totals	$4,825,000.00	$	$	

* Preliminary; subject to change.

SECURITY AND SOURCES OF PAYMENT

The 2026 Bonds are general obligations of the City and the full faith, credit and resources of the City are pledged for the punctual payment of the principal of and interest on the 2026 Bonds. The 2026 Bonds are secured by ad valorem taxes to be levied against all taxable property within the City. More specifically, for the purpose of paying the principal of and interest on the 2026 Bonds as the same will become due, the City will levy on all taxable property

located within the City, in addition to all other taxes, direct annual taxes sufficient in amount to provide for the payment of principal of and interest on the 2026 Bonds. The taxes, when collected, are required to be applied solely for the purpose of payment of principal and interest on the 2026 Bonds and for no other purpose.

The City may, subject to applicable laws, apply other funds available to make payments with respect to the 2026 Bonds and thereby reduce the amount of future tax levies for such purpose.

See "FINANCIAL INFORMATION REGARDING THE CITY OF CALDWELL, IDAHO—Property Tax Matters" below

Bond Fund For The 2026 Bonds

The Ordinance creates a bond fund for the deposit of revenues and disbursement of payments of debt service on the 2026 Bonds (the "Bond Fund"). In the Ordinance, the City covenants to levy and collect property taxes sufficient, together with other funds, to pay debt service on the 2026 Bonds, to deposit such revenues into the Bond Fund and to use the funds on deposit in the Bond Fund for no other purpose than for payment of principal and interest on the 2026 Bonds as they become due.

The Idaho system of ad valorem tax collection and disbursement does not require counties to segregate tax collections dedicated to pay principal and interest on bonded indebtedness of political subdivisions from the other revenues the county collects on behalf of the political subdivision. The City maintains certain policies and internal controls to ensure that monies received from the County are properly allocated to their intended purposes, and that monies received from the bond levy are promptly deposited into the Bond Fund. The City also has policies and internal controls in place to prevent withdrawals from the Bond Fund for any purpose other than payment of principal and interest on the 2026 Bonds.

The Ordinance pledges the revenues from the bond levy and all funds on deposit in the Bond Fund for the payment of principal and interest on the 2026 Bonds.

CITY OF CALDWELL, IDAHO

General

The City was organized in 1890 and incorporated in 1955. It covers an area of approximately 22.7 square miles and is located in Canyon County, Idaho. The City is situated in western Idaho approximately 30 miles west of the capital, City of Boise. The City had approximately 73,088 residents according to the 2024 Census estimate.

The City provides the following services: public safety (police and fire), parks and recreation, culture, community services, community development, public improvements, and general administrative services.

Form Of Government

The City operates under the mayor-council system of government as a city of the first class under the general laws of the State with a mayor (the "Mayor") and six council members (the "City Council"). The Mayor is elected to a four-year term. City Council members are also elected for four-year terms, three being elected every two years to stagger the terms for continuity. The Mayor is the chief executive officer for the City, responsible for carrying out policies set by the City Council and for enforcing the Agreements existing in the City Code.

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The following are the current members of the City Council:

Office	Person	Years of Service	Expiration of Term
Mayor	Eric Phillips	<1	January 2030
Council President	Scott Tilmant	<1	January 2030
Council Member	Chuck Stadick	8	January 2030
Council Member	Diana Register	4	January 2030
Council Member	Geoff Williams	4	January 2028
Council Member	Chris Allgood	12	January 2028
Council Member	Mike Dittenber	3	January 2028
Attorney	Oscar Klaas	1	Appointed
Clerk	Kristina Buchan	1	Appointed
Finance Director	RaeLynn North	3	Appointed
Fire Chief	Bryan Daniels	1	Appointed
Treasurer	Rachelle Castleberry	4	Appointed

(Source: the City.)

Employee Workforce; Other Post–Employment Benefits; Pension System

Employee Workforce. The City employs approximately 486 full–time equivalent employees.

Other Post–Employment Benefits ("OPEB"). The City has a post-retirement Health Reimbursement Arrangement Plan, referred to as the HRA VEBA Plan, under Internal Revenue Service ("IRS") Notice 2002-45. It is a single-employer Plan. Employees who retire under PERSI (defined below) before age 65 will not be eligible for Medicare until age 65 or older. The City established the post-retirement health reimbursement benefit for PERSI retired employees to help bridge the gap between retirement and age 65.

The Plan was established and can be amended or discontinued by City Council action. Initial funding came from the agency fund Employee Health Insurance formerly used to cover employee health and dental care claims. These monies were not required to support current health claims now covered by the Employee Health Trust Plan. The City's total OPEB liability of $ 670,388 was measured as of September 30, 2025, and was determined by an actuarial valuation as of that date. For additional information, see "APPENDIX A—FINANCIAL STATEMENTS OF CITY OF CALDWELL, IDAHO FOR FISCAL YEAR 2025–Notes to the Financial Statements–Note 9. Other Post Employment Benefits" (audit page 55).

Pension System. The City is a member of the Idaho State Public Employees' Retirement System ("PERSI"). PERSI is the administrator of a multiple employer cost–sharing defined benefit public employee retirement system. A retirement board (the "PERSI Board"), appointed by the governor and confirmed by the legislature, manages the system which includes selecting investment managers to direct the investment, exchange, and liquidation of assets in the managed accounts and to establish policy for asset allocation and other investment guidelines. The PERSI Board is charged with the fiduciary responsibility of administering the plan.

PERSI is the administrator of seven fiduciary funds, including three defined benefit retirement plans, the Public Employee Retirement Fund Base Plan ("PERSI Base Plan"), the Firefighters' Retirement Fund ("FRF"), and the Judge's Retirement Fund; two defined contribution plans, the Public Employee Retirement Fund Choice Plans 401(k) and 414(k); and two Sick Leave Insurance Reserve Trust Funds, one for State employers and one for school district employers. Contribution requirements of PERSI and its members are established by the PERSI Board within limitations, as defined by State law. There are currently no FRF employer contributions as of July 1, 2020 following the PERSI Board's approval made at the 2019 December board meeting. However, by statute, one-half of all proceeds from fire insurance premium tax collected throughout the state are automatically assigned to the FRF and are accounted for in employer contributions.

The City reported a liability for its proportionate share of the net pension liability. The net pension liability is measured as of July 1 annually, and the total pension liability used to calculate the net pension liability is determined by an actuarial valuation as of that date. The City's proportion of the net pension liability is based on the City's share of contributions in the PERSI Base Plan pension plan relative to the total contributions of all participating PERSI Base

Plan employers. According to the Public Employees Retirement System of Idaho Base Plan Report, on June 30, 2025, the City's proportion was approximately 0.5% or $2,861,017.

Contribution Rate Increases. In October 2022, the PERSI Board approved a series of three contribution rate increases to comply with the statutory requirement that the System's unfunded actuarial liability be amortized within 25 years. These increases were originally scheduled to take effect on July 1, 2024, July 1, 2025, and July 1, 2026. The first increase of 1.25% became effective on July 1, 2024.

The PERSI Board reviews contribution rates annually. Although the fund has experienced a second consecutive year of recovery following the 2022 market decline, ongoing market volatility prevented the PERSI Board from removing the remaining planned contribution rate increases. However, based on current conditions, the PERSI Board determined that the next two increases could be delayed by one year. As a result, the increases originally scheduled for July 1, 2025, and July 1, 2026, have each been postponed by one year.

PERSI issues a publicly available financial report that includes financial statements and required supplementary information and may be found at http://www.persi.idaho.gov. For a detailed discussion of PERSI and the City's contributions see "APPENDIX A—FINANCIAL STATEMENTS OF CITY OF CALDWELL, IDAHO FOR FISCAL YEAR 2025–Notes to the Financial Statements–Note 8. Defined Benefit Pension Plan and Firefighter Retirement Fund" (audit page 50).

Risk Management And Cybersecurity

Risk Management. The City manages its risks through the purchase of a general insurance coverage policy for public entities through the Idaho Counties Risk Management Program ("ICRMP"), a program that is the primary source of property and casualty loss protection for Idaho local governments including counties, cities, and special purpose districts. The City also self-insures health and accident insurance. The City established the "Employee Benefit Plan Trust" (the "Trust Plan") in 2008. All health claims are paid from the Trust Plan and all plan contributions are deposited into it. The City's Human Resource Director, Human Resource Trustee, Finance Director, and Treasurer serve as trustees. The Trust is audited each year, and a copy of the audit is submitted to the Idaho Department of Insurance. As of the date of this OFFICIAL STATEMENT, all policies are current and in force. The City believes its risk management policies and coverages are normal and within acceptable coverage limits for the type of services the City provides. See "APPENDIX A—FINANCIAL STATEMENTS OF CITY OF CALDWELL, IDAHO FOR FISCAL YEAR 2025–Notes to the Financial Statements–Note 1. Summary of Significant Accounting Policies–Risk Management" (audit page 30).

Cybersecurity. The risk of cyberattacks against local governments has become more prevalent in recent years. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City's technology systems for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage by cybersecurity incidents or cyberattacks, the City invests in multiple forms of cybersecurity and operational safeguards and carries insurance for cyber liability. To date, the City has not experienced a material breach to its information systems. The City believes it has made all reasonable efforts to ensure that any such attach is not successful and that the City's information systems are secure. However, there can be no assurance that a cyberattack will not occur in a manner resulting in damage to the City's information systems.

Investment Of Funds

The City has a formal investment policy, approved on August 18, 2022, as Ordinance No. 3447. Additionally, the City's investment policy is governed by Idaho Code Chapter 12 of Title 67, which provides authorization for the investment of funds as well as specific direction as to what constitutes an allowable investment. City procedures are consistent with the Idaho Code. The Idaho Code limits investments to the following general types: (i) certain revenue bonds, general obligation bonds, local improvement district bonds and registered warrants of State and local governmental entities; (ii) time deposits accounts and tax anticipation and interest–bearing notes; (iii) bonds, treasury bills, debentures or other similar obligations issued or guaranteed by agencies or instrumentalities of the government of the State of Idaho or the United States; and (iv) repurchase agreements.

Local governments, including the City, are also authorized to invest in the Local Government Investment Pool ("LGIP") and the State of Idaho Diversified Bond Fund ("DBF"), which is managed by the Idaho State Treasurer's

Office. Information on the LGIP investments is available from the Idaho State Treasurer. The City does invest in the LGIP and DBF.

Investments are stated at cost, except for investments in the deferred compensation agency fund, which are reported at market value. Interest income on such investments is recorded as earned in the General Fund of the City unless otherwise specified by law. For additional detail regarding the City's investment policy, see also "APPENDIX A—FINANCIAL STATEMENTS OF CITY OF CALDWELL, IDAHO FOR FISCAL YEAR 2025–Note 2. Cash and Investments" (audit page 40).

DEMOGRAPHIC INFORMATION

Population

	City	% Change from Prior Period	County	% Change from Prior Period
2024 Estimate	73,088	21.8	266,892	15.5
2020 Census	59,997	29.8	231,105	22.3
2010 Census	46,237	78.1	188,923	43.7
2000 Census	25,967	41.1	131,441	45.9
1990 Census	18,400	4.0	90,076	7.5
1980 Census	17,699	24.5	83,756	36.7

(Source: U.S. Department of Commerce, Bureau of the Census.)

Economic Indicators Of The County

Per Capita, Total Personal Income and Median Income

	2024	2023	2022	2021	2020
Per Capita Income[1]					
Canyon County	$50,169	$47,290	$46,187	$44,127	$38,922
% change from prior year	6.1	2.4	4.7	13.4	9.0
State of Idaho	62,323	59,201	57,034	55,603	49,724
% change from prior year	5.3	3.8	2.6	11.8	8.4
Total Personal Income (000's)[1]					
Canyon County	$ 13,389,824	$ 12,235,787	$ 11,617,547	$ 10,777,954	$ 9,069,929
% change from prior year	9.4	5.3	7.8	18.8	12.3
State of Idaho	124,746,670	116,692,434	110,891,063	105,916,030	91,960,057
% change from prior year	6.9	5.2	4.7	15.2	10.8
Median Income[2]					
Canyon County	$86,018	$72,059	$70,594	$64,301	$57,886
% change from prior year	19.4	2.1	9.8	11.1	(1.3)
State of Idaho	81,166	74,859	72,634	69,717	62,603
% change from prior year	8.4	3.1	4.2	11.4	2.9

(1) Source: Bureau of Economic Analysis, U.S. Department of Commerce.

(2) Source: U.S. Census Bureau.

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Largest Employers

The following is a list of the largest employers in the County:

Firm	Business	Employees
Wal-Mart	Private, retail	1,000-1,999
Nampa School District	Local government	1,000-1,999
Vallivue School District	Local government	1,000-1,999
St. Alphonsus Health System	Health care	1,000-1,999
St. Luke's Medical Health Center	Health care	1,000-1,999
College of Western Idaho	Local government	1,000-1,999
Sorrento Lactalis	Non-Durable Manufacturing	500-999
JR Simplot	Non-Durable Manufacturing	500-999
Canyon County	Local government	500-999
City of Nampa	Local government	500-999
Amalgamated Sugar	Non-Durable Manufacturing	500-999
Caldwell School District	Local government	500-999
Middleton School District	Local government	500-999
Randall Inc	Food Services and Drinking Places	250-499
West Valley Medical Center	Health Care - Private	250-499
Zoroco Packaging Inc.	Warehousing	250-499
RMD Management	Food Services and Drinking Places	250-499
Plexus	Durable Manufacturing	250-499
City of Caldwell	Local government	250-499
Materne	Non-Durable Manufacturing	250-499
Albertsons	Retail - Private	250-499
Johnson Thermal	Durable Manufacturing	250-499
Fresca Mexican Foods	Non-Durable Manufacturing	250-499
Costco	Retail - Private	250-499
Northwest Nazarene University	Educational Services - Private	250-499
Terry Reilly Health Clinics	Healthcare - Private	250-499
Idaho Dept. of Health & Welfare	Public Administration - State	250-499
Jackson's Food Stores	Retail Trade - Private	250-499
CTI Food Service	Non-Durable Manufacturing	250-499
ON Semiconductor	Durable Manufacturing	250-499
Mission Aviation	Other Services	250-499
College of Idaho	Education - Private	250-499
Human Resource Management	PEO	250-499
D & B Supply	Retail - Private	250-499
U.S. Postal Service	Transportation - Federal	250-499
Right Now HVAC	Construction	250-499
Brown Bus School District	Transportation - Private	100-249
Das Co of Idaho	Construction	100-249

(Source: Quarterly Census of Employment & Wages, Idaho Department of Labor; 4th Quarter 2024–3rd Quarter 2025 largest employers, updated January 2026)

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Labor Market Data Of The County And Employment By Industry

	2024	2023	2022	2021	2020
Total civilian work force	133,445	116,741	114,909	110,244	105,982
Unemployed	5,026	3,974	3,348	4,359	6,218
Percent of labor force unemployed	3.80%	3.40%	2.90%	4.00%	5.90%
Total employment	128,419	112,767	111,561	105,885	99,763
Total covered employment	88,643	85,414	83,759	79,663	72,411
Natural resources and mining	3,470	3,274	3,161	3,156	3,328
Construction	11,444	10,697	10,510	9,092	8,138
Manufacturing	11,239	11,062	11,406	10,986	10,645
Trade, utilities, and transportation	20,859	20,095	19,960	19,631	15,318
Information	611	538	559	531	556
Financial activities	2,066	2,046	2,013	1,895	1,825
Professional and business services	7,556	7,145	6,695	6,130	5,614
Education and health services	18,509	17,846	17,151	16,691	16,269
Leisure and hospitality	7,520	7,455	7,236	6,642	5,944
Other services	2,248	2,192	2,082	1,990	1,835
Public administration	3,121	3,064	2,986	2,919	2,939

(Source: Quarterly Census of Employment & Wages and Local Area Unemployment Statistics, Idaho Department of Labor.)

Construction Value Of The City

Year	Permits Issued	New Residential Value	New Non-Residential Value	Repairs/ Additions/ Remodel	Total Construction Value	% Change From Prior Year
2025……	9,660	$ 85,977,040	$ 68,416,670	$37,442,964	$191,836,673	60.7
2024……	10,571	14,573,485	96,769,633	8,019,420	119,362,538	(63.8)
2023……	9,047	129,489,344	200,120,372	2,500	329,662,116	24.5
2022……	8,388	106,236,144	158,621,407	1,200	264,868,439	29.4
2021……	8,690	131,147,036	73,461,848	–	204,618,774	5.1

(Source: The City of Caldwell Construction Activity Report.)

Rate Of Unemployment—Annual Average

Year	The County[1]	The State of Idaho[1]	United States
2025[2] ……..	3.3%	3.3%	4.3%
2024……	2.9	2.7	4.0
2023……	3.3	3.3	3.6
2022……	2.9	2.7	3.6
2021……	4.0	3.6	5.3

(1) Source: State of Idaho Department of Labor.
(2) Preliminary; subject to change. As of July 2025 only; seasonally adjusted.

(Source: US Bureau of Labor Statistics.)

DEBT STRUCTURE OF THE CITY OF CALDWELL, IDAHO

Outstanding Municipal Debt

Outstanding General Obligation Bonded Indebtedness

Series[1]	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2026[2]……	Fire station	$ 4,825,000	September 1, 2045	$ 4,825,000
2024 ……	Fire station	11,575,000	September 1, 2043	10,935,000
Total general obligation bonds outstanding……..				$15,760,000

* Preliminary; subject to change.

(1) Rated "Aa1" by Moody's Investors Service ("Moody's") as of the date of this OFFICIAL STATEMENT.

(2) For purposes of this OFFICIAL STATEMENT, the 2026 Bonds will be considered issued and outstanding.

Debt Service Schedule Of General Obligation Bonds Outstanding By Calendar Year

	Series 2026 $4,825,000*		Series 2024 $11,220,000		**Totals***		
Calendar Year	Principal*	Interest [a]	Principal	Interest	Total Principal	Total Interest	Debt Service
2026.....	$ 0	$ 0	$395,000	$499,900	$ 395,000	$ 499,900	$ 894,900
2027.....	80,000	328,368	410,000	480,150	490,000	808,518	1,298,518
2028.....	170,000	237,250	435,000	459,650	605,000	696,900	1,301,900
2029.....	175,000	228,750	455,000	437,900	630,000	666,650	1,296,650
2030.....	185,000	220,000	475,000	415,150	660,000	635,150	1,295,150
2031.....	195,000	210,750	500,000	391,400	695,000	602,150	1,297,150
2032.....	205,000	201,000	525,000	366,400	730,000	567,400	1,297,400
2033.....	215,000	190,750	555,000	340,150	770,000	530,900	1,300,900
2034.....	225,000	180,000	580,000	312,400	805,000	492,400	1,297,400
2035….	235000	168,750	610,000	283,400	845,000	452,150	1,297,150
2036….	250,000	157,000	640,000	252,900	890,000	409,900	1,299,900
2037….	260,000	144,500	670,000	220,900	930,000	365,400	1,295,400
2038….	275,000	131,500	705,000	187,400	980,000	318,900	1,298,900
2039….	290,000	117,750	735,000	159,200	1,025,000	276,950	1,301,950
2040….	305,000	103,250	765,000	129,800	1,070,000	233,050	1,303,050
2041….	320,000	88,000	795000	99,200	1,115,000	187,200	1,302,200
2042….	335,000	72,000	825,000	67400	1,160,000	139,400	1,299,400
2043….	350,000	55,250	860,000	34,400	1,210,000	89,650	1,299,650
2044….	370,000	37,750	–	–	370,000	37,750	407,750
2045....	385,000	19,250	–	–	385,000	19,250	404,250
Totals....	$4,825,000	$2,891,868	$10,935,000	$5,137,700	$15,760,000	$8,029,568	$23,789,568

* Preliminary; subject to change.

(a) Preliminary; subject to change. Interest calculated at 5.00% per annum.

(Source: the Municipal Advisor.)

Future Issuance Of Debt; Other Financial Considerations

Future issuance of debt. After the sale and delivery of the 2026 Bonds the City will have no remaining authorized unissued bonds from the 2023 Bond Election. Other than the issuance of the 2026 Bonds (and any refunding opportunities) the City does not anticipate the issuance of any other bonds within the next three years. However, the City reserves the right to issue any bonds or other obligations as its capital needs may require.

Other Financial Considerations. *Leases.* In October 2025, the City entered into a capital lease agreement totaling $3,157,494 to fund three new, fully equipped fire engines. Lease terms include semi-annual principal and interest payments in March and September of approximately $200,000 with the final payment set to occur on September 1, 2033.

Subscription-Based Information Technology Arrangements. The City has entered into two Subscription-Based Information Technology Arrangements ("SBITAs") for cybersecurity software. The City is required to make annual principal and interest payments through September 2030 with the total balance outstanding at Fiscal Year 2025 of $1,269,666. For additional information, see "APPENDIX A—FINANCIAL STATEMENTS OF CITY OF CALDWELL, IDAHO FOR FISCAL YEAR 2025–Notes to the Financial Statements–Note 16. Subscription-Based Information Technology Arrangements" (audit page 62).

Overlapping General Obligation Debt

Taxing Entity	2025 Taxable Value[(1)]	City's Portion of Taxable Value	City's Percentage	Entity's General Obligation Debt[(1)]	City's Portion of General Obligation Debt
Vallivue School District No. 139	$12,342,608,947	$4,597,801,584	37.3%	$162,280,000	$60,530,440
Total overlapping and underlying general obligation debt……					60,530,000
Total direct general obligation bonded indebtedness*……...					15,760,000
Total direct and overlapping general obligation debt*……..					$76,290,440

This table excludes any additional principal amounts attributable to unamortized original issue bond premium and deferred amount on refunding.

* Preliminary; subject to change.

(1) Taxing entity's general obligation debt includes all bonds backed by a general obligation pledge including self-supporting general obligation bonds and limited tax debt.

Debt Ratios

The following table sets forth the ratios of general obligation debt (excluding any additional principal amounts attributable to unamortized original issue bond premium and deferred amount on refunding) that is expected to be paid from taxes levied specifically for such debt and not from other revenues over the taxable value of property within the City, the estimated market value of such property and the population of the City. *The State's general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of general obligation debt.*

	To 2025 Taxable Value[(1)]	To 2025 Market Value[(2)]	To 2024 Population Estimate Per Capita [(3)]
Direct General Obligation Debt*……	0.14%	0.17%	$ 216
Direct and Overlapping General Obligation Debt*……..	0.68	0.82	1,044

* Preliminary; subject to change.

(1) Based on a 2025 Taxable Value of $9,320,502,066, which excludes Urban Renewal Agency ("URA") value.

(2) Based on a 2025 Market Value of $11,286,964,500, which excludes URA value.

(3) Based on the City's estimated 2024 population of 73,066 by the U.S. Census Bureau.

See "FINANCIAL INFORMATION REGARDING THE CITY OF CALDWELL, IDAHO—Taxable Value of Property" below.

General Obligation Legal Debt Limit And Additional Debt Incurring Capacity

Idaho Code Section 50–1019, establishes limits on voter–approved general obligation debt for Idaho cities to an amount not to exceed 2% of the taxable value for assessment purposes, less the aggregate outstanding voter–approved

general obligation bond indebtedness. The legal debt limit and additional debt incurring capacity of the City are based on the taxable value for 2025, and are calculated as follows:

2025 Taxable Value[(1)]…….	$9,329,459,479
"Taxable Value" times 2% equals the "Debt Limit"……..	$186,589,190
Less: current outstanding general obligation debt*……..	(15,760,000)
Estimated additional debt incurring capacity*..…….	$170,829,190

* Preliminary; subject to change.

(1) Includes URA value.

No Defaulted Obligations

The City has never failed to pay principal of and interest on any of its financial obligations when due.

FINANCIAL INFORMATION REGARDING THE CITY OF CALDWELL, IDAHO

Fund Structure; Accounting Basis

The government–wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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.

Governmental fund financial statements are reported using the current financial resources management focus and modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes available if they are collected within 30 days after year end. A 90–day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Budget And Budgetary Process

As required by Idaho Code Section 50–1002, the City Council shall, prior to passing the annual appropriation ordinance, prepare a budget estimating the revenues and expenditures for the ensuing fiscal year. After proper publication, a public hearing is held for any interested person to appear and show cause why such proposed budget should or should not be adopted.

City Council may amend the budget during the fiscal year by following the same procedure as used in adopting the original appropriation ordinance. However, in order to amend the budget to a greater amount than originally adopted, additional revenue must accrue to the City equal to the proposed expenditures.

Sources Of General Fund Revenues

Set forth below are brief descriptions of the various sources of revenues available to the City's general fund. The percentage of total general fund revenues represented by each source is based on the City's Fiscal Year 2025 period (total general fund revenues were $52,297,831).

Property Taxes—Approximately 45.6% (or $23,867,365) of general fund revenues are from property taxes, including interest on delinquent taxes.

Fees and Charges for Services—Approximately 27.6% (or $14,447,522) of general fund revenues are from fees and charges for services.

Licenses and Permits—Approximately 11.3% (or $5,909,040) of general fund revenues are from licenses and permits.

Intergovernmental—Approximately 8.2% (or $4,293,866) of general fund revenues are collected from intergovernmental revenue.

Interest—Approximately 3.8% (or $1,964,596) of general fund revenues are collected from interest revenues.

Franchise Fees—Approximately 2.1% (or $1,107,396) of general fund revenues are collected from franchise fees.

Operating Grants—Approximately 1.5% (or $789,664) of general fund revenues are from operating grants.

Miscellaneous—Approximately 1.2% (or $616,174) of general fund revenues are miscellaneous revenue.

Interest on Leases—Less than 1% (or $2,279) of general fund revenues are collected from interest on leases.

Unrealized (Loss) on Investments—0.0% (or –$23,697) of general fund revenue is deducted by unrealized loss on investments.

Capital Grants—Approximately (1.3)% (or –$676,376) of general fund revenues is deducted by capital grants.

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Financial Summaries

The summaries contained herein were extracted from the City's audited financial reports. The summaries themselves have not been unaudited.

The administration of the City prepared a narrative discussion, overview, and analysis of the financial activities of the City for Fiscal Year 2025. See "APPENDIX A—FINANCIAL STATEMENTS OF CITY OF CALDWELL, IDAHO FOR FISCAL YEAR 2025–Management's Discussion and Analysis" (audit page 5).

Statement of Net Position

(Summary has not been audited)

	As of September 30				
	2025	2024	2023	2022	2021
Assets					
Current Assets					
Cash, investments, and cash equivalents	$146,981,069	$146,971,680	$126,956,092	$120,310,389	$100,633,054
Prepaid expenses	567,197	186,673	50,284	93,486	73,183
Receivables					
Interest	845,400	876,928	773,446	461,750	248,761
Taxes	33,215,352	30,679,978	27,886,805	22,135,262	20,725,160
Intergovernmental	3,348,483	3,621,160	4,838,087	3,400,295	3,853,849
Accounts	7,263,610	5,361,337	4,305,986	3,678,202	3,634,826
Special assessments	675,359	453,455	181,454	224,801	303,545
Grants	707,903	834,935	768,900	56,502	1,897,833
Notes receivable, current portion	38,391	38,391	38,391	51,478	51,478
Lease receivable, current portion	276,019	258,039	256,186	370,220	—
Inventory	1,522,654	1,066,791	965,711	757,173	485,520
Total current assets	195,441,437	190,349,367	167,021,342	151,539,558	131,907,209
Noncurrent Assets					
Restricted cash, investments and cash equivalents	2,003,760	2,309,410	135,843	121,231	110,176
Restricted investments	208,481	215,280	206,968	219,890	271,340
Net pension asset - FRF	12,289,241	10,595,570	9,951,771	8,642,067	11,375,653
Lease receivable, net of current portion	3,776,792	3,061,881	2,838,457	3,479,112	492,031
Capital Assets					
Land and other assets not depreciated	75,076,811	66,546,966	60,292,558	30,608,430	26,734,337
Capital assets being depreciated	395,434,318	345,963,485	295,396,990	281,428,527	248,519,354
Right to use subscription IT assets, net of accumulated amortization	1,365,542	1,506,956	706,480	—	—
Equipment lease, net of accumulated amortization	7,802	13,653	–	–	–
Total noncurrent assets	490,162,747	430,213,201	369,529,067	324,499,257	287,502,891
Total assets	685,604,184	620,562,568	536,550,409	476,038,815	419,410,100
Deferred outflows of resources					
OPEB	157,715	179,684	153,489	171,695	86,423
Pension	6,581,016	7,123,823	11,343,805	10,383,774	5,145,726
Total assets and deferred outflows of resources	$692,342,915	$627,866,075	$548,047,703	$486,594,284	$424,642,249

(Statement of Net Position continued on following page.)

Statement of Net Position—*continued*

(Summary has not been audited)

	As of September 30				
	2025	2024	2023	2022	2021
Liabilities					
Current Liabilities					
Vouchers and payroll payable	$14,029,711	$15,649,452	$11,877,585	$7,759,347	$9,870,578
Customer deposits	909,212	812,090	880,700	688,554	556,727
Interest payable	87,608	165,590	7,649	—	—
Advance revenues	1,853,195	833,785	10,359,563	11,862,459	6,165,395
Subscription IT liabilities	481,933	397,970	119,424		
Equipment lease liabilities	5,847	5,568	–	–	–
Current portion of compensated absences	3,178,244	1,850,678	1,502,594	1,416,320	1,286,453
Current portion of loan payable	—	262,570	–	–	–
Current portion of long-term liabilities	720,846	330,728	–	–	–
Total current assets	21,266,596	20,308,431	24,747,515	21,726,680	17,879,153
Noncurrent Liabilities					
Compensated absences payable	1,279,802	1,452,355	791,055	208,198	205,535
Bonds payable	10,540,000	11,754,293	–	–	–
Loan payable	3,200,218	2,624,257	–	–	–
Subscription IT liabilities	787,733	1,080,227	572,889	–	–
Equipment lease liabilities	–	5,847	–	–	–
OPEB liability	670,388	625,827	642,904	580,764	580,495
Net pension liability - Base Plan	15,284,025	21,205,501	22,454,197	17,374,214	141,522
Total noncurrent assets	31,762,166	38,748,307	24,461,045	18,163,176	927,552
Total liabilities	53,028,762	59,056,738	49,208,560	39,889,856	18,806,705
Deferred inflows of resources					
Pension	6,859,034	398,462	21,889	114,325	13,668,644
OPEB	254,822	231,608	112,466	122,208	39,108
Lease related	4,085,975	3,339,961	3,110,562	3,841,454	—
Unavailable property taxes	32,790,565	30,277,016	27,472,690	21,753,053	20,279,505
Total deferred inflows of resources	43,990,396	34,247,047	30,717,607	25,831,040	33,987,257
Net position					
Net investment in capital assets	456,147,896	397,569,600	355,703,715	312,036,957	275,253,691
Restricted for pensions	12,529,605	10,595,570	9,951,771	8,642,067	11,867,684
Unrestricted	126,646,256	126,397,120	102,466,050	100,194,364	84,726,912
Total net position	595,323,757	534,562,290	468,121,536	420,873,388	371,848,287
Total liabilities, deferred inflows of resources and net position	$692,342,915	$627,866,075	$ 548,047,703	$486,594,284	$424,642,249

(Source: Information taken from the City's audited financial statements, compiled by the Municipal Advisor.)

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Statement of Activities–Total Primary Government

(Summary has not been audited)

	Net (Expense) Revenue and Changes in Net Assets[1]				
	Fiscal Year Ended September 30				
	2025	2024	2023	2022	2021
Governmental activities					
General government					
Executive and legislative	$ (390,998)	$ 476,247)	$ (512,182)	$ (414,871)	$ (343,782)
Administrative	(751,940)	(745,180)	(646,162)	(429,678)	(428,497)
Legal	(460,666)	(174,791)	(305,069)	(252,757)	(227,377)
City clerk	(418,868)	(299,039)	(256,529)	(221,289)	(160,884)
Accounting	(1,150,548)	(1,192,542)	(559,888)	(415,720)	(328,022)
Tort insurance	–	–	–	(78,114)	–
Other general government	(1,086,568)	(5,966,881)	(5,189,170)	(3,028,753)	(304,680)
Gov. bldgs. & engineering svcs.	(67,957)	310,437	184,987	183,586	153,939
Public safety					
Law enforcement	(16,838,843)	(15,126,932)	(12,415,405)	(10,699,239)	(10,028,134)
Fire department	(8,874,101)	(7,630,721)	(6,006,985)	(4,140,383)	(3,767,418)
Building safety	3,800,200	3,519,718	3,009,003	3,028,056	2,230,012
Parks and recreation					
Parks	(1,009,789)	(1,064,560)	(1,071,201)	(800,871)	(724,071)
Culture and recreation	(246,043)	(347,155)	(161,920)	(124,525)	(206,401)
Community services					
Community services	(3,803,121)	7,103,644	(731,942)	(246,121)	(18,971)
Community development	20,915,739	24,672,212	25,291,579	18,278,371	23,142,380
Senior citizens	(53,731)	(44,889)	(56,660)	(48,915)	(30,761)
Streets	(10,207,484)	(9,015,210)	(7,503,932)	(7,584,926)	(6,215,174)
Interest on long-term debt	(107,601)	(285,178)	(112,059)	(98,100)	(109,800)
Total governmental activities	(20,752,320)	(6,763,314)	(7,043,535)	(7,094,249)	2,632,359
Business type activities					
Water	10,721,795	8,111,348	2,481,339	6,922,705	5,145,964
Sewer	12,459,505	10,435,435	7,726,851	9,327,029	8,201,021
Sanitation	174,028	(1,055,693)	39,847	121,146	72,101
Golf	399,657	(172,932)	(81,954)	178,003	12,359
Street lighting	557,533	1,183,295	581,946	1,507,372	995,223
Irrigation	3,667,200	2,030,685	1,204,268	4,063,802	2,602,423
Total business type activities	27,979,718	20,532,138	11,952,297	21,764,051	17,004,373
Total Primary Government	7,227,398	13,768,824	4,908,762	14,669,802	19,636,732
Changes in net position net rev (exp)	7,227,398	13,768,824	4,908,762	14,669,802	19,636,732
General revenues					
Shared revenues					
Property taxes, general purposes	30,104,776	27,533,223	22,393,185	20,868,349	19,597,720
Property taxes, debt service	886,393	–	–	–	–
Franchise taxes	1,107,396	1,176,644	1,043,941	854,451	798,018
Sales tax and other governmental	13,578,375	13,909,704	12,395,661	12,418,612	10,792,233
Special assessments for DS of LIDs	481,520	509,097	353,637	331,715	392,162
Unrestricted investment earnings	6,121,903	6,313,819	4,774,050	1,104,519	611,624
Unrestricted investment leases	(81,601)	86,708	388,707	–	–
Unrestricted unrealized gains (loss) on investments	97,401	1,155,695	100,490	(2,147,316)	(403,063)
Miscellaneous	1,564,667	2,841,869	865,477	855,050	487,580
(Loss) gain on disposal of assets	(58,546)	(854,826)	20,882	38,386	416,062
Total general revenues and transfers	53,802,284	52,671,933	42,336,030	34,323,766	32,692,336
Change in net position	61,029,682	66,440,757	47,244,792	48,993,568	52,329,068
Net position–beginning	534,562,290	468,121,537	420,873,388	371,848,287	319,418,808
Restatement	(268,215)	–	3,356	31,533	100,411
Net position–beginning of year, restated	534,294,075	468,121,537	420,876,744	371,879,820	319,519,219
Net position–ending	$595,323,757	$534,562,294	$468,121,536	$420,873,388	$371,848,287

(1) This report is presented is summary format concerning the single item of "Net (Expense) Revenue and Changes in Net Assets" and is not intended to be complete.

(Source: Information taken from the City's audited financial statements, compiled by the Municipal Advisor.)

Balance Sheet—Governmental Fund Types

(Summary has not been audited)

	Fiscal Year Ended September 30				
	2025	2024	2023	2022	2021
Assets					
Cash, investments, and cash equivalents	$48,093,158	$47,210,519	$55,824,329	$50,563,682	$40,148,243
Prepaid expenses	542,435	145,584	30,438	69,094	49,220
Receivables					
Interest	173,998	232,915	189,462	89,961	22,740
Taxes	26,118,534	23,585,230	21,661,513	17,506,372	16,409,094
Intergovernmental	1,367,996	1,130,059	1,473,499	1,839,200	1,797,971
Accounts	1,274,119	1,031,617	170,016	212,962	331,684
Grants	215,367	191,716	186,276	33,108	16,991
Leases	91,431	117,549	142,117	162,349	—
Due from other funds	111,214	201,828	291,840	32,637	770,255
Restricted cash and cash equivalents	188,887	1,251,241	—	—	—
Inventory	—	—	9,689	—	—
Total assets	$78,177,139	$75,098,258	$79,979,179	$70,509,365	$59,546,198
Liabilities					
Vouchers and payroll payable	3,529,649	4,578,966	4,021,225	2,273,128	3,011,464
Due to other funds	7,550	—	616	125,000	—
Advances	—	—	—	475,000	—
Advanced revenues	1,853,195	833,785	10,359,563	11,862,459	6,165,395
Total liabilities	5,390,394	5,412,751	14,381,404	14,735,587	9,176,859
Deferred Inflows of Resources					
Unavailable property tax revenue	26,028,837	23,489,445	21,612,455	17,417,545	16,336,838
Unavailable revenue - other	638,349	656,963	–	–	–
Lease related	84,217	112,157	141,194	156,394	—
Total deferred inflows of resources	26,751,403	24,258,565	21,753,649	17,573,939	16,336,838
Fund balances					
Nonspendable	542,435	145,584	40,127	69,094	49,220
Committed for public safety	—	2,634,247	4,832,020	5,831,125	6,092,773
Committed for capital outlay	12,845,114	14,321,163	10,457,913	6,585,375	6,731,981
Assigned for building safety	—	—	—	—	4,269,957
Assigned for city projects	8,432,297	9,494,604	13,000,000	673,960	6,678,820
Assigned for operations	—	—	—	—	—
Unassigned for operations	24,215,496	18,831,344	15,514,066	25,040,285	10,209,750
Unassigned	—	—	—	—	—
Total fund balance	46,035,342	45,426,942	43,844,126	38,199,839	34,032,501
Total liabilities and fund balance	$78,177,139	$75,098,258	$79,979,179	$70,509,365	$59,546,198

(Source: Information taken from the City's audited financial statements, compiled by the Municipal Advisor.)

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Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Fund Types—General Fund

(Summary has not been audited)

	Fiscal Year Ended September 30				
	2025	2024	2023	2022	2021
Revenues					
Property taxes	$23,867,365	$21,312,331	$17,692,621	$16,660,300	$15,655,886
Franchise fees	1,107,396	1,176,644	1,043,941	854,451	798,018
Interest	1,964,596	2,660,375	1,897,337	419,688	262,237
Interest from leases	2,279	2,851	3,364	–	–
Licenses and permits	5,909,040	5,354,064	4,665,963	4,377,849	3,544,100
Intergovernmental	4,293,866	4,175,662	4,369,234	4,977,884	4,579,728
Other financial assistance	—	—	—	—	696,910
Capital grants	(676,376)	—	—	—	—
Operating grants	789,664	10,361,468	5,847,255	4,040,175	6,704,619
Charges for services	14,447,522	13,386,116	11,873,093	10,088,080	9,211,754
Unrealized gain (loss) on investments	(23,695)	361,808	202,652	(752,910)	(122,154)
Miscellaneous	616,174	789,055	237,278	142,290	259,897
Total revenues	52,297,831	59,580,374	47,832,738	40,807,807	41,590,995
Expenditures					
Current					
General government	8,781,477	9,432,862	8,206,910	5,896,486	8,615,557
Public safety	32,233,843	28,959,242	24,286,002	20,249,958	19,233,148
Culture and recreation	451,413	546,760	352,952	231,375	289,809
Community services	1,760,856	1,415,077	1,061,500	815,422	640,061
Debt service					
Principal repayments subscriptions	562,404	452,896	56,803	—	—
Principal repayments on interfund loan	262,570	40,000	40,000	40,000	40,000
Principal repayments on bonds	–	270,667	–	–	–
Principal repayments on equipment leases	6,138	6,138	–	–	–
Interest and other	183,057	131,344	108,087	98,100	109,800
Capital outlay	8,776,140	11,001,091	6,997,928	9,304,764	6,284,547
Total expenditures	53,017,898	52,256,077	41,110,182	36,636,105	35,212,922
Excess of revenues over (under) expenditures	(720,067)	7,324,297	6,722,556	4,171,702	6,378,073
Other financing sources (uses)					
Proceeds from sale of capital assets	676,658	226,994	29,850	22,500	921,224
Subscriptions	364,775	1,231,082	642,604	—	—
Equipment leases	—	17,544	—	—	—
Loan proceeds	—	3,157,494	—	—	—
Transfers in (out) (net)	287,034	(10,374,607)	(1,750,723)	(33,653)	(10,426)
Total other financing sources (uses)	1,328,467	(5,741,493)	(1,078,269)	(11,153)	910,798
Net change in fund balance	608,400	1,582,804	5,644,287	4,160,549	7,288,871
Fund balance at beginning of year	45,426,942	43,844,126	38,199,839	34,032,501	26,658,699
Restatement	—	—	—	6,789	84,931
Fund Balance, Beginning of Year, restated	45,426,942	43,844,126	38,199,839	34,039,290	26,743,630
Fund balance at end of year	$46,035,342	$45,426,930	$43,844,126	$38,199,839	$34,032,501

(Source: Information taken from the City's audited financial statements, compiled by the Municipal Advisor.)

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Property Tax Matters

Tax Levy Procedure. The City's tax levy is certified to the board of county commissioners in September and taxes are due and payable one–half on December 20 and one–half on June 20 of the following calendar year. The County Treasurer disburses tax receipts to the City approximately one month after the statutory payable dates.

Ad Valorem Tax Limitation. Idaho Code Section 63-802 provides that the City shall not certify a budget request for an amount of ad valorem tax revenues to finance an annual budget that exceeds the highest dollar amount of ad valorem taxes certified for its annual budget for any one of the three tax years preceding the current tax year, which amount may be increased by a growth factor of not to exceed 3% plus the amount of revenue that would have been generated by applying the levy rate of the previous year to 90% of any increase in market value subject to taxation resulting from new construction or annexation. For dissolving or de-annexing urban renewal revenue allocation areas, only 80% of the difference between the most recent increment and the 2006 increment value can be included on the new construction roll. The City's total budget increase from all sources may not exceed 8%; provided, however, that, any increase in new construction market value resulting from a termination, de-annexation, or plan modification of an urban-renewal revenue allocation area is not limited by this 8% cap.

The City may submit to the electors within the City the question of whether the budget from property tax revenues may be increased beyond the amount authorized in Idaho Code Section 63-802, but not beyond the levy authorized by statute. The additional amount must be approved by 66 2/3% or more of the voters voting on the question at an election called for that purpose and held on the May or November dates provided by section 34-106, Idaho Code. If approved by the required minimum 66 2/3% of the voters voting at the election, the new budget amount shall be the base budget for the purposes of Idaho Code Section 63–802. In addition, the board of county commissioners may set a levy that exceeds the limitation above if it has been approved by a majority of the City's electors voting on the question at an election called for that purpose, provided however, that such voter approval shall be for a period of not to exceed two years.

Once the City has approved its annual budget in accordance with the parameters of Idaho Code Section 63–802, it submits its Budget Dollar Certification Form (L-2 Form) and published budget to the board of county commissioners. Using the completed L-2 Form, the board of county commissioners then submits the City's budget request to the State Tax Commission.

The limitation on the amount of property tax revenues to finance an annual budget does not include revenue from non-property tax sources and does not include revenues from levies that are voter approved for bonds, override levies, or supplemental levies.

Ad valorem taxes, including delinquent taxes and penalties, are collected by the Treasurer of the County and are remitted to the City during the month following collection.

Direct And Overlapping Tax Rates Of The City

	Tax Rate (Fiscal Year)[1]				
	2025	2024	2023	2022	2021
Direct Tax Rates:					
The City	0.003484329	0.003678648	0.003649751	0.003992964	0.005801054
Overlapping Rates:					
Ambulance District	0.000278940	0.000098531	0.000101437	0.000100017	0.000135943
Vallivue School District No. 139	0.001416662	0.001749174	0.001994778	0.002146049	0.003290022
Canyon County	0.001520824	0.001556847	0.001614778	0.001227019	0.002469842
Canyon Highway #4	0.000602532	0.000629205	0.000640835	0.000651454	0.000940393
College of Western Idaho	0.000081939	0.000085194	0.000087502	0.000078612	0.000104843
Mosquito Abatement	0.000090221	0.000093641	0.000095288	0.000093577	0.000132407
Total Direct and Overlapping Tax Rate[2]	0.007475447	0.007891240	0.008184369	0.008289692	0.012874504

(1) These tax rates represent a taxing district within the City with the highest combined total tax rates of all overlapping taxing districts.

(2) Includes total City tax rate.

(Source: The Office of the County Treasurer; compiled by the Municipal Advisor.)

Taxable Value Of Property

The County Assessor annually assign "valuation of market value for assessment purposes" to all taxable real and personal property within the County. The following table shows the history of the values for the City during the last five years:

Tax Year	Full Market Value[1][2]	% Change	Homeowner's Exemption	Taxable Assessed Value[2][3]	% Change	URA Value[4][5]
2025……	$11,295,921,913	12.6	$1,966,462,434	$9,329,459,479	14.4	$ 8,957,413
2024……	10,031,717,460	10.0	1,877,729,790	8,153,987,670	11.1	7,022,552
2023……	9,122,007,558	26.9	1,783,579,260	7,338,428,298	34.6	421,914
2022……	7,185,570,621	17.9	1,732,147,974	5,453,422,647	20.7	1,642,572,188
2021……	6,095,761,017	28.2	1,577,038,482	4,518,722,535	26.4	1,019,597,496

(1) Each year all taxable property must be assessed at 100% of the current market value.
(2) Includes URA value.
(3) "Taxable Assessed Value" is the full market value less statutory exemptions and incremental changes to the base value in any urban renewal area that overlaps the City pursuant to Title 50 of the Code. Statutory exemptions include a homeowner's exemption, and property tax reductions. The Taxable Assessed Value is the value against which tax levies are applied.
(4) Incremental value assessed to that portion of the URA that lie within the City.
(5) Incremental value in the amount of $1,432,069,396 was terminated in tax year 2023.

(Source: Reports from the Idaho State Tax Commission.)

Property Tax Exemptions

Idaho law includes many full or partial exemptions, including inventories, livestock, stored property in transit, pollution control facilities, household belongings, clothing, property licensed motor or recreational vehicles, and most property belonging to religious, fraternal, and educational organizations and institutions. Partial exemptions are available for residential improvement and speculative value of agricultural land. Partial tax credits are available to elderly, widowed, and disabled homeowners. Other major exemptions include the following:

Homeowner's Property Tax Exemption. The homeowner's exemption provides a permanent exemption from ad valorem taxation for 50% of the Full Market Value of a homeowner's primary residence (including up to one acre of the land value) subject to a maximum exemption of $125,000 (the "Homeowner's Exemption").

Business Investment Property Tax Exemption: Under Idaho Code Section 63-602NN local county commissioners can declare that all or a portion of the market value of the improvements of a defined project with investments that meet certain tax incentive criteria can be exempt from property tax for a specified period of time. The exemption can be up to 100% per year for up to five years for each project. The investment must be in new manufacturing facilities valued at a minimum of $500,000 and land is not eligible for the exemption. Any existing buildings are not eligible for the exemption and approval of the exemption is at the discretion of the local county commissioners.

Use of the business investment property tax exemption ("Business Exemption") only exempts the collection of property taxes on new business investment and does not impact the District's ability to repay the 2026 Bonds. Following the expiration of the Business Exemption the value of the new investment of property will be included in the District's Taxable Assessed Value for future tax levy certifications.

Personal Property Tax Exemption: The 2026 Bonds are secured by an unlimited tax on taxable property in the City. Taxable property includes real property and personal property. Idaho currently has a $3,000 exemption on a de minimus item of taxable property and, effective January 1, 2022, a $250,000 exemption on business personal property.

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Tax Collection Record

Year[1]	Tax Levy in Dollars	Amount Collected[2]	% Collected
2025 [3] …….	$32,476,606	$19,803,813	61.0
2024……..	30,744,587	30,497,107	99.2
2023…..…….	27,252,726	27,132,401	99.6
2022…….	22,060,046	22,035,789	99.9
2021…….	20,654,852	20,654,852	100.0
2020…….	19,335,526	19,335,526	100.0

(1) The tax year runs from January 1 to December 31. Ad valorem taxes, including delinquent taxes, penalties and amounts canceled, are collected by the Treasurer of the County and are remitted to the City during the month following collection.

(2) Includes property tax collections from Canyon County as of December 2025.

(3) First half tax collection paid December 2025. Second half tax collection will be due in June 2026 for tax year 2025.

(Source: The Office of the County Treasurer; compiled by the Municipal Advisor.)

The Largest Taxpayers Of The City

Idaho Code Section 50-2908 allows URA value to be used for calculating the tax rate for voter approved general obligation bonds authorized after December 31, 2007. As such, the taxable assessed valuation applicable to the City's bond levy is larger than the taxable assessed value applicable to the City's regular property tax levy.

The following chart shows the largest taxpayers with URA value included (i.e., bond levy):

Taxpayer	Type of Business	2025 Taxable Value	% of the City's 2025 TV
Sky Ranch Real Estate LLC	Real estate developer	$ 95,488,329	1.0
Open Door Rentals LLC	Property management	81,638,090	0.9
Capitol Distributing II LLC	Dry goods merchant wholesaler	81,163,400	0.9
Neighborhoods by Gini LLC	Real estate developer	73,426,900	0.8
Canyon Village Multifamily LLC	Real estate developer	67,713,600	0.7
CRE-WPL Sky Ranch Owner LLC	Real estate developer	62,201,900	0.7
AT North Ranch A LP	Commercial real estate developer	53,042,580	0.6
AT Caldwell II LP	Real estate developer	49,874,230	0.5
JR Simplot Co. (WSI)	Fertilizer manufacturing	49,716,717	0.5
West Valley Medical Center Inc.	General medical and surgical hospitals	44,032,370	0.5
Totals Top Ten Taxpayers…….		$658,298,116	7.1
Total City Taxable Value (includes URA values)…….		$9,329,459,479	100.0

(Source: The Office of the County Treasurer; compiled by the Municipal Advisor.)

TAX MATTERS

General

In the opinion of Skinner Fawcett LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and court decisions and assuming, among other matters, the accuracy of certain representation and compliance with certain covenants, interest on the 2026 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the IRS Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the 2026 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion based on existing laws of the State of Idaho as enacted and construed that interest on the Bonds is exempt from State of Idaho income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the 2026 Bonds. A complete copy of the proposed form of the opinion of Bond Counsel is set forth in "APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL" hereof.

Bond Counsel notes that interest on the 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding other tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the 2026 Bonds.

The Code establishes certain requirements which must be met on a continuing basis subsequent to the delivery of the 2026 Bonds for interest on the 2026 Bonds to be excludable from gross income for federal income tax purposes. The City has covenanted to take all reasonable steps to comply with all of the requirements of the Code so that interest on the 2026 Bonds will be excludable from gross income for federal income tax purposes. Bond Counsel has assumed continuing compliance by the City with the above covenants and procedures in rendering their opinion. Failure to comply with certain tax requirements may cause interest on the 2026 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of such bonds. Bond Counsel's engagement with respect to the 2026 Bonds ends with the issuance of the 2026 Bonds. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) or any other matters coming to the attention of Bond Counsel after the date of issuance of the 2026 Bonds may adversely affect the value of, or the tax status of interest on, the 2026 Bonds. Accordingly, its opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2026 Bonds to be subject directly or indirectly, to federal income taxation or interest on the 2026 Bonds to be subject to or exempted from state income taxation, or otherwise prevent Bondholders from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the 2026 Bonds. Prospective purchasers of the 2026 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the 2026 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS.

Although Bond Counsel expects to render an opinion that interest on the 2026 Bonds is excludable from gross income for federal income tax purposes and that interest on the 2026 Bonds is exempt from State of Idaho income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the 2026 Bonds may otherwise affect a Bondholder's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the Bondholder's particular tax status or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Other Tax Consequences

[*Original Issue Discount*. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Bond is generally the first price at which a substantial amount of the 2026 Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[*Original Issue Premium.* For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Bond is the sum of all payments on the Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a 2026 Bond is generally the first price at which a substantial amount of the 2026 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the 2026 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the 2026 Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the 2026 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange or retirement of the 2026 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the 2026 Bond. To the extent a 2026 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the 2026 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the 2026 Bonds, and to the proceeds paid on the sale of the 2026 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the 2026 Bonds should be aware that ownership of the 2026 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the 2026 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of 2026 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the 2026 Bonds, including the possible application of state, local, foreign and other tax laws.

Qualified Tax–Exempt Obligations

The City intends to designate the Bonds as "qualified tax–exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Code.

LEGAL MATTERS

Absence Of Litigation Concerning The 2026 Bonds

The attorney for the City, Oscar Klaas, City Attorney, has officially advised that, to his knowledge, there is no pending or threatened litigation that would legally stop, enjoin, or prohibit the issuance, sale or delivery of the 2026 Bonds or the levy or collection of taxes for the payment of the 2026 Bonds.

Opinions Of Bond Counsel

Legal matters incident to the authorization, issuance and sale of the 2026 Bonds by the City are subject to the approving legal opinion of Bond Counsel, substantially in the form attached hereto as APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL." Bond Counsel has reviewed this document only to confirm that the portions of it describing the 2026 Bonds and the authority to issue the 2026 Bonds, the security for the Bonds and tax matters relative to the 2026 Bonds present a fair summary of such matters.

Tax Legislative Changes

Current law may change to directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the 2026 Bonds from the gross income for federal income tax purposes. Any proposed legislation, whether enacted, could also affect the value and liquidity of the 2026 Bonds. Prospective purchasers of the 2026 Bonds should consult with their own tax advisors with respect to the effects of any proposed or future legislation.

Legislative Referrals

Referrals are proposed laws that originate from the State Legislature to be voted on by the people. In Idaho, both houses of the State Legislature must vote and must pass by two–thirds of its members to refer a statute or constitutional amendment for a popular vote. Such referrals cannot be vetoed by the governor. According to the Elections Division of the Idaho Secretary of State, there are no current proposed Legislative referrals.

The Initiative Process

Article I, Section 3 of the Idaho Constitution provides that the people of the State have reserved to themselves the power of initiative and referendum, pursuant to which measures to enact, or repeal laws can be placed on the statewide general election ballot for consideration by the voters. The initiative and referendum powers relate only to laws; the Idaho Supreme Court has ruled that the Idaho Constitution cannot be amended by initiative or referendum.

In 1997, the State Legislature enacted significant procedural prerequisites including signature distribution requirements, to qualify an initiative or referendum measure for submittal to the electors. Any person may file a proposed measure with the signatures of 20 qualified electors of the State with the Idaho Secretary of State's office. The Idaho Attorney General is required by law to review and make recommendations (if any) on the petition to the petitioner before issuing a certificate of review to the Secretary of State. The petitioner then, within 15 working days, files the measure with the Secretary of State for assignment of a ballot title and submittal to the Attorney General. The Attorney General, within 10 working days thereafter, shall provide a ballot title for the measure. Any elector that submitted written comments who is dissatisfied with the ballot title certified by the Attorney General may petition the Idaho Supreme Court seeking a revision of the certified ballot title.

Once the ballot title has been certified and the form of the petition has been approved by the Secretary of State, the proponents of the measure shall print the petition and, during an 18-month circulation period or until April 30 in an election year, whichever occurs first, may start gathering the petition signatures necessary to place the proposed measure on the ballot.

Prior to 2021, to be placed on a general election ballot, the proponents must submit, not less than four months prior to the election, to the Secretary of State petitions signed by a number of qualified voters equal to at least 6% of the qualified electors in a majority of the States's 35 legislative districts, and the total number of signatures must be 6% of the total registered voters in the State. The 2021 Legislature adopted legislation changing this requirement to provide that petitions must be signed by a number of qualified voters equal to at least 6% of the qualified electors in all of the State's legislative districts. In 2021, the Idaho Supreme Court struck down the Legislation as violative of the Idaho Constitution's provision for initiatives and referenda. The effect of the Court's actions is that the law reverts to its former form of requiring signatures of 6% of the qualified electors in 18 of the State's 35 legislative districts, and 6% of the total registered voters of the State.

Proponents of measures are permitted to compensate persons obtaining signatures for the petition, but in such instances the petition must contain a notice of such payment to the elector whose signature is being sought.

Historical Initiative Petitions

According to the Elections Division of the Idaho Secretary of State, there have been four initiative petitions and three referendums that qualified for the ballot between 2006 and 2020.

Laws Relating To Municipal Reorganization

Idaho Code Section 67–3903 permits taxing districts of the State, to file a petition for federal bankruptcy relief, in accordance with Chapter 9 of the United States Bankruptcy Code, which permits municipalities to file a voluntary

petition for the adjustment of debts. Prior to filing such petition, the taxing district is required to adopt a resolution authorizing the filing. The statute authorizes the taxing district to take actions to consummate a plan of readjustment pursuant to its bankruptcy proceedings, including cancellation and remission of moneys payable under bonds, warrants or other obligations; issuance of refunding bonds on certain conditions, adoption of necessary ordinances, assessment, levy and collection of taxes to enforce collections necessary pursuant to the plan of readjustment, cancellation or reduction in taxes or special assessments for bonds refunded under the plan as a result of reduction in debt service accomplished by such refunding and to take any other actions necessary for accomplishment of the plan. Prior to refunding bonds or levying any taxes or special assessments, the taxing district is required to provide notice and hold a hearing prior to the adoption of the plan for readjustment requiring such actions.

General

Certain legal matters will be passed upon for the City by City Attorney, Oscar Klaas. The expected form of the opinion of Bond Counsel is attached to this OFFICIAL STATEMENT as "APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL."

The various legal opinions to be delivered concurrently with the delivery of the 2026 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

MISCELLANEOUS

Bond Rating

As of the date of this OFFICIAL STATEMENT, the 2026 Bonds have been rated "Aa1" by Moody's. An explanation of this rating may be obtained from Moody's. The City has not applied to S&P Global Ratings or Fitch Ratings for a rating on the 2026 Bonds.

Such rating does not constitute a recommendation by the rating agency to buy, sell or hold the 2026 Bonds. Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

There is no assurance that the rating given the 2026 Bonds will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2026 Bonds.

Municipal Advisor

The City has entered into an agreement with the Municipal Advisor whereunder the Municipal Advisor provides financial recommendations and guidance to the City with respect to preparation for sale of the 2026 Bonds, timing of sale, tax–exempt bond market conditions, costs of issuance and other factors related to the sale of the 2026 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty or warranty respecting the accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors

The basic financial statements of the City as of September 30, 2025 and for the year then ended, included in this OFFICIAL STATEMENT, have been audited by Eide Bailly, Boise, Idaho ("Eide Bailly"), as stated in their report in "APPENDIX A—FINANCIAL STATEMENTS OF CITY OF CALDWELL, IDAHO FOR FISCAL YEAR 2025."

Eide Bailly have not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon their non–participation, they have not consented to the use of their name in this OFFICIAL STATEMENT.

Additional Information

The information set forth herein has been obtained from the City and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, warranty or guarantee by the Underwriters. So far as any statement herein includes matters of opinion, or estimates of future expenses and income, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

The information contained herein should not be construed as representing all conditions affecting the City or the 2026 Bonds. Additional information may be obtained from the City. The statements relating to the Bond Ordinance are in summarized form, and in all respects, are subject to and qualified in their entirety by express reference to the provisions of such document in its complete form.

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether or not expressly so stated, are intended as such and not as a representation of fact.

The appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction with the foregoing material.

This PRELIMINARY OFFICIAL STATEMENT is in a form deemed final by the City for purposes of paragraph (b)(1) of Rule 15c2–12 of the Securities and Exchange Commission.

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the City.

City of Caldwell, Idaho

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APPENDIX A

FINANCIAL STATEMENTS CITY OF CALDWELL, IDAHO
FOR FISCAL YEAR 2025

The City's Financial Statements and Supplementary Information for Fiscal Year 2025 are contained herein, and such page numbers may not be in numerical order. Copies of current and prior financial reports are available upon request from the City's contact person as indicated under "INTRODUCTION—Contact Persons" above.

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September 30, 2025

City of Caldwell, Idaho

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CITY OF CALDWELL, IDAHO

CITY OFFICIALS

September 30, 2025

MAYOR

Jarom Wagoner

COUNCIL

Brad Doty – Council President

Chris Allgood

Chuck Stadick

Diana Register

Geoff Williams

Mike Dittenber

CITY CLERK

Kristina Buchan

CITY TREASURER

Rachelle Castleberry

CITY FINANCE DIRECTOR

Raelynn North

Independent Auditor's Report

Members of City Council
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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Caldwell, Idaho (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City'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, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof 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 City 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.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* for the year ended September 30, 2025. Accordingly, a restatement has been made to the governmental activities and business-type activities net position as of October 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 City'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 City'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, the schedule of employer's share of net pension asset/liability and employer's contributions, schedule of changes in the City's total OPEB liability and related ratios, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining nonmajor fund financial statements and schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2026, on our consideration of the City'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 City'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 City's internal control over financial reporting and compliance.

Eide Bailly LLP

Boise, Idaho
March 11, 2026

Management of the City of Caldwell, Idaho, (the City) offers readers of these financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Caldwell, Idaho exceeded its liabilities and deferred inflows of resources at September 30, 2025, by $595,323,757. This is an increase of $61,029,683 over the September 30, 2024, beginning balance of $534,562,290. Of this amount, unrestricted net position of $126,646,256 may be used to meet the City's ongoing obligations to citizens compared to $126,397,120 on September 30, 2024.

- As of September 30, 2025, the City of Caldwell's governmental funds reported combined ending fund balances of $79,355,827. This is a decrease of $2,794,579 under the September 30, 2024, balance of $82,150,406. Of this amount, $24,215,496 is unassigned, which includes $19,624,983 to be held for emergencies and $4,590,513 available for operations and project spending, compared to $17,832,239 on September 30, 2024.

- Management has committed $12,845,114 for capital projects and assigned $8,432,297 for city projects of the $46,035,342 in the general fund.

An explanation of the events and activities giving rise to the increases or decreases between years is provided in the main body of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These financial statements are comprised of three components:

1) government-wide financial statements
2) fund financial statements
3) notes to the financial statements

The report also contains required supplementary information and other supplementary information.

Government-Wide Financial Statements

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

The statement of net position presents information on all City assets, liabilities, and deferred inflows/outflows 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 City is improving or deteriorating.

The statement of activities presents information showing how the City'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 for some items that will only result in cash flows in future fiscal periods.

Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, parks and recreation, community services, community development, streets and other charges. The business-type activities of the City include water, sewer, sanitation, golf, street lighting, and irrigation.

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 activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Caldwell can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between the two.

The City maintains twelve governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, street fund, and debt service fund which are considered major funds. Data from the other nine funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The City maintains two different types of proprietary funds, namely enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains six individual enterprise funds. Information is presented separately in the proprietary statement of net position and the proprietary statement of revenues, expenses and changes in fund net position for the Water, Sewer and Sanitation funds, which are considered major funds. Data from the other three funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements elsewhere in this report.

Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its employee section 125-benefit plan and to maintain and administer a post-retirement Health Retirement Account Voluntary Employee Beneficiary Association (HRA VEBA) authorized under Internal Revenue Code 501(c)(9). Data from these funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Other 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 street fund. It also includes the schedules of the City's share of the net pension asset/liability and the City's contributions to the PERSI Base plan, FRF plan and OPEB plan. The combining statements referred to earlier in connection with non-major funds and internal service funds are presented immediately after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time, net positions may serve as a useful indicator of a government's financial position. At September 30, 2025, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources $595,323,757. This is an increase of $61,029,683 over the September 30, 2024, balance of $534,562,290. Current and other assets increased by $7,188,203, capital assets net of depreciation increased $57,853,413, deferred outflows decreased by $564,777, liabilities decreased by $6,027,976 and deferred inflows of resources increased $9,743,349. The changes in the accounts above are attributed to changes in net position which are discussed below.

Investments in capital assets totaling $456,147,896 represent by far the largest portion of the City's net position (76.62%). Capital assets are used to provide services to citizens, and they are not available for future spending. Capital assets for governmental activities, net of accumulated depreciation and amortization, totaled $285,033,524 at September 30, 2025, and increased $31,734,410 from September 30, 2024, balance of $253,299,114 for governmental activities. Capital assets, net of accumulated depreciation for business-type activities totaled $186,850,949 at September 30, 2025, and increased $26,119,002 from September 30, 2024, balance of $160,731,947. Major asset additions are scheduled on page 13.

Governmental activities. Governmental activities increased the City's net position by $30,231,167 (change in net position) accounting for a 5.66% increase in the net position. Governmental expenses totaled $70,358,372 compared to $68,051,542 in 2024. Police expenses increased $1,492,609 for salary, benefits and capital. Fire expenses increased by $1,818,157 for salary, benefits and capital.

Program revenues totaled $49,606,052, which is $11,682,176 less than last year and covered 70.5% of governmental expenses. A major component of this decrease is related federal grant revenue and expenditures decreasing.

Expenses less program revenues produced a net expense of $20,752,320. When netted against general revenues of $50,983,487 the change in net position for governmental activities is an increase of $30,231,167 (see statement of activities on page 18).

Business-type activities. Business-type activities increased the City's net position by $30,798,515 accounting for a 5.76% increase in the City's net position. Business-type operating expenses totaled $40,683,807 compared to $34,645,318 in 2024. Expenses for water, sewer, sanitation, and electrical increased $2,361,125, $975,853 $1,519,207, and $1,319,899, respectively. The water increase of $2,361,125 resulted from increases in personnel, contractual services, and infrastructure projects. The sewer increase of $975,853 resulted from increases in personnel, maintenance, and operations. The sanitation expense increase of $1,519,207 was caused by an increase in contractual services. The $1,319,899 increase in electrical was the result of an increase in maintenance and operations.

Program revenues totaled $68,663,525 compared to $55,177,455 in 2024 and covered 168.7% of expenses. The major component of this $13,486,070 increase was due to increases in charges for services. Charges for services for water, sewer, and sanitation increased $4,202,749, $1,632,300, and $2,748,928 respectively.

General revenues totaled $2,818,797 compared to $7,389,351 last year and covered 6.93% of expenses. General revenues are primarily comprised of investment earnings of $2,503,459, miscellaneous revenues of $470,767 and transfers to governmental activities of $169,807.

Expenses less program revenues produced net revenue of $27,979,718. When combined with general revenues of $2,818,797, the change in net position for business-type activities is an increase of $30,798,515 (see statement of activities on page 18).

City of Caldwell's Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024*	2025	2024*	2025	2024*
Current and Other	$ 144,124,277	$ 143,544,406	$ 69,595,434	$ 62,987,101	$ 213,719,711	$ 206,531,507
Capital Assets	285,033,524	253,299,114	186,850,949	160,731,947	471,884,473	414,031,060
Total Assets	429,157,801	396,843,520	256,446,383	223,719,048	685,604,184	620,562,567
Deferred Outflows	5,859,045	6,487,683	879,685	815,824	6,738,730	7,303,507
Short-Term Liabilities	16,087,244	16,836,252	5,179,352	3,472,179	21,266,596	20,308,431
Long-Term Liabilities	29,723,577	36,198,573	2,038,589	2,549,734	31,762,166	38,748,307
Total Liabilities	45,810,821	53,034,825	7,217,941	6,021,913	53,028,762	59,056,738
Deferred Inflows	43,077,528	34,163,493	912,868	83,554	43,990,396	34,247,047
Net Investment in Capital Assets	269,296,947	236,837,653	186,850,949	160,731,947	456,147,896	397,569,600
Restricted	12,289,241	10,595,570	240,364	-	12,529,605	10,595,570
Unrestricted	64,542,309	68,699,662	62,103,947	57,697,458	126,646,256	126,397,120
Total Net Position	$ 346,128,497	$ 316,132,885	$ 249,195,260	$ 218,429,405	$ 595,323,757	$ 534,562,290

* Effective October 1, 2024 the City adopted provisions of GASB Statement No. 101 Compensated Absences. As a result of this change in accounting principle, it was not appropriate for the City to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended September 30, 2024 was not restated. See note 17 to the financial statements for further information on the change in accounting principle.

At the end of the current fiscal year, the City is able to report positive balances in both categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

City of Caldwell's Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 24,508,479	$ 20,530,865	$ 49,966,467	$ 39,890,677	$ 74,474,946	$ 60,421,541
Operating grants and contributions	1,560,140	3,038,893	-	-	1,560,140	3,038,893
Capital grants and contributions	23,537,433	37,718,470	18,697,058	15,286,779	42,234,491	53,005,249
General revenues:						
Property taxes-general purpose	30,104,776	27,533,223	-	-	30,104,776	27,533,223
Franchise fees	1,107,396	1,176,644	-	-	1,107,396	1,176,644
Sales tax and other government	13,578,375	13,909,704	-	-	13,578,375	13,909,704
Special assessments for debt service of LIDs	481,520	509,097	-	-	481,520	509,097
Investment earnings	3,618,444	4,011,695	2,503,459	2,302,124	6,121,903	6,313,819
Interest on Leases	91,735	80,208	5,666	6,500	97,401	86,708
Unrealized gain (loss) on investment	(83,015)	641,262	1,414	514,433	(81,601)	1,155,695
Miscellaneous	1,093,900	1,944,824	470,767	897,042	1,564,667	2,841,866
Gain (loss) on disposal	(65,844)	(843,579)	7,298	(11,247)	(58,546)	(854,826)
Internal transfers	169,807	(3,680,497)	(169,807)	3,680,499	-	2
Total revenues	100,589,539	106,570,809	71,482,322	62,566,807	172,071,861	169,137,616
Expenses:						
General government	10,539,745	13,918,183	40,683,807	34,645,318	51,223,552	48,563,501
Public safety	34,026,855	30,443,971	-	-	34,026,855	30,443,971
Culture and recreation	4,902,049	4,789,319	-	-	4,902,049	4,789,319
Community services and Development	6,651,574	6,874,476	-	-	6,651,574	6,874,476
Streets	14,130,547	11,740,415	-	-	14,130,547	11,740,415
Interest on long-term debt	107,601	285,178	-	-	107,601	285,178
Total expenses	70,358,372	68,051,542	40,683,807	34,645,318	111,042,179	102,696,860
	$ 30,231,167	$ 38,519,267	$ 30,798,515	$ 27,921,487	$ 61,029,682	$ 66,440,754

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Caldwell uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds. The purpose of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of cash and near cash resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At September 30, 2025, the City's governmental funds reported combined ending fund balances of $79,355,827. Of this amount, $24,215,496 (30.52%) is unassigned fund balance for operations and emergencies. Other assigned fund balances include: $12,681,639 to be used for debt services, $8,432,297 to be used for City projects, and $23,932 to be used for capital maintenance. Fund balance of $11,682,479 is committed for community services related to street projects with $6,097,983 committed for other community services. Fund balance committed for library services and capital outlay are $2,474,915 and $12,845,114, respectively. Finally, $901,972 is classified as non-spendable with the $337,631 being inventory, and $564,341 being pre-paid expenditures.

The general fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance was $24,215,496. Within the unassigned fund balance, the City should maintain $19,624,982 for reserves which is 30% of 2026 budgeted expenditures to cover operations and emergencies as needed. The remaining unassigned fund balance can be used for one-time expenditures approved by city council. Total general fund balance amounted to $46,035,342, which is $608,400 more than last year.

As a measure of the general fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures of $53,017,092. Unassigned fund balance represents 15.9% and total fund balance represents 86.83% of total general fund expenditures.

Major components affecting the general fund's total fund balance are $8,432,297 assigned for city projects and $12,845,114 committed from impact fees for new parks, police and fire capital improvements, and capital equipment for park and recreation maintenance. General fund receivables for property taxes due within one year total $26,028,837, an increase of $2,539,392, from the September 30, 2024 balance of $23,489,445.

The street fund builds, maintains and monitors all roads, bridges, storm drains and other public easements within city limits. At the end of the current fiscal year, assigned fund balance in the street fund was $12,020,110, which is $4,656,980 less than last year. This fund balance is designated for streets and related transportation projects and is reported to the State Transportation Department annually. The street fund tries to maintain fund balance to cover all budgeted capital expenditures for the coming fiscal year to ensure timely payment of all current obligations, contracts and construction projects. The next fiscal year capital expenditures budget equals $19,181,325.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The changes in total net position for the Water, Sewer, and Sanitation funds were $11,007,502, $14,297,485 and $287,881, respectively. Total net position increase in the water fund resulted from excess revenues over expenditures of $2,988,448 (before contributions and transfers). The increase in sewer and sanitation fund net positions also resulted from excess revenues over expenditures of $8,658,163 and $287,881 (before contributions and transfers).

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget to Actual Revenues. General fund revenues were under budget projections by ($7,676,351). This variance is reported in detail on page 70. Property tax and permit revenue is $737,572 and $1,050,695 over budget resulting from delinquent tax collections and unanticipated growth. Operating grants were under budget projections by ($8,669,754) resulting from a decline in grant expenditures.

Budget to Actual Expenditures. Savings in general fund expenditures totaled $16,693,907. General government expenditures were under budget by $10,496,830 due to grant projects. Capital outlay expenditures were under budget by $5,521,743 due to uncompleted capital projects.

CAPITAL ASSETS

Capital Assets. The City's investment in capital assets for its governmental and business-type activities at September 30, 2025, amounts to $471,884,473 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings including water and sewer service lines and streetlights, automobiles and equipment, infrastructure including streets, roads and bridges, and construction in progress. The City added $38,298,689 in capital assets (excluding contributed capital) during the year and retired assets totaling $2,216,533. Depreciation and amortization expense for the year was $19,628,589.

DEBT ADMINISTRATION

According to state statutes, all cities have a legal limitation on the general obligation debt equal to two percent of their assessed valuation. Using this formula, the City of Caldwell has a legal debt margin of $193 million, an increase of $23 million over last year due to increased total assessed value.

The City of Caldwell currently has $13,559,257 in total long term debt obligations as of September 30, 2025. Principal payments for debt totaled $547,570 during fiscal year 2025. No new debt was issued in fiscal year 2025. See Note 7 for more detailed information on debt.

Major capital asset additions during the current fiscal year included the following:

Governmental Funds	
General Fund Land and ROW	$ 598,785
Leased Equip & SBITA's	367,536
Street Equip & Machinery	200,301
Library Equip & Vehicles	137,456
Parks/Rec Vehicles & Equipment	189,927
Gen Fun Vehicles & Equipment	49,966
Fire Vehicles & Machinery	1,614,359
Police Vehicles	263,443
Cemetary Machinery	45,436
CNR Announcers Box	3,220,394
New Pool Rehab & Bath House	4,513,081
Park Improvements	989,912
Simplot & Wolfe Field Turf Replacement	13,874
City Hall Building Improvements	161,925
Airport Improvements	1,250,139
Street Dept Construction	10,295,170
Cemetary Buildings	206,722
CEC Facility Improvements	82,483
Public Safety Building Improvements	224,525
Dedicated Streets	14,554,913
Dedicated Storm Drains	981,985
Dedicated ROW's and Easements	4,083,745
	$ 44,046,077
Enterprise Funds	
Water Department Vehicle & Machinery	$ 211,708
Sewer Department Vehicle & Machinery	44,383
St. Light Machinery	86,406
Dedicated Water Lines	8,191,834
Water Meters & Water Line Improvements	4,125,854
Dedicated Sewer Lines	5,636,352
Well Improvements & Well Construction	728,208
Sewer Line New Construction	3,654,074
Sewer Plant Improvements	3,476,073
Dedicated Street Lights	1,214,798
Well Improvements & Well Construction	1,799,795
Sewer Line New Construction	4,288,466
Sewer Plant Improvements	746,631
	$ 34,204,582

Additional information on the City's capital assets can be found in Note 5.

ECONOMIC FACTORS AND NEXT YEAR'S PLANS

Enterprise fund utility rate increases varied in 2025. Water added new distribution system connections fees in lieu of the water main line fee and trunk line fee, and water usage rates increased approximately 10% in 2026. Sewer connection fees increased 4.9% and sewer user fees increased 35% and sanitation (garbage collection) rates increased 4.9%, respectively in 2026. Street lights increased 4.75%, respectively. These rates are set by council resolution each year including a public hearing for fee increases in excess of 5% of the fee previously charged.

Pending Conditions of Significant Importance. Economic conditions continued to improve slightly in 2025. The demand for new single-family residential units in 2025 resulted in 1,439 new residential building permits issued. Real estate prices and sales increased slightly as buyers continue to enter the market. Home sale prices stayed relatively the same, so did the county assessed values. District table values increased $1,173,536,939 from 2024 value of $8,088,798,783. New construction and annexations added $348,120,135 in taxable value. District Taxable values as of September 30, 2025, reached $9,251,134,921. Property taxes levied on this $9,251,134,921 are $31,528,863 compared to $29,080,020 levied on the $8,088,798,783 in 2024. The City also levied bond revenue in 2026 for the amount of $894,900. The City-wide levy decreased by .05% to 34.84 mills in 2025 compared to 36.78 mills in 2024.

The economy is continuing to grow at sustainable levels of new construction. Building permits, January-December, for new construction commercial and residential were 831 in 2019, 955 in 2020, 1,028 in 2021, 884 in 2022, 1,069 in 2023, 1,624 in 2024, and 1,457 in 2025. Demand for residential building permits is expected to decline slightly in 2026. Demand for commercial building permits is expected to stay the same in 2026.

Requests for Information. This financial report is designed to provide a general overview of the City of Caldwell's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Treasurer, City of Caldwell, P.O. Box 1179, 411 Blaine St., Caldwell, Idaho 83606.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash, investments and cash equivalents	$ 84,010,042	$ 62,971,027	$ 146,981,069
Prepaid expenses	564,341	2,856	567,197
Receivables			
Interest	626,790	218,610	845,400
Taxes	33,215,352	-	33,215,352
Intergovernmental	3,348,483	-	3,348,483
Accounts, Net	2,488,676	4,774,934	7,263,610
Special assessments	675,359	-	675,359
Grants	707,903	-	707,903
Notes receivable	38,391	-	38,391
Lease receivable	268,468	7,551	276,019
Internal balances	14,000	(14,000)	-
Inventory	337,631	1,185,023	1,522,654
Total current assets	126,295,436	69,146,001	195,441,437
Noncurrent Assets			
Restricted cash and cash equivalents	1,577,643	426,117	2,003,760
Restricted investments	208,481	-	208,481
Net pension asset - FRF	12,289,241	-	12,289,241
Lease receivable	3,753,476	23,316	3,776,792
Capital assets			
Land and other assets not depreciated	43,927,143	31,149,668	75,076,811
Capital assets being depreciated	239,733,037	155,701,281	395,434,318
Right to use subscription IT assets, net of accumulated amortization	1,365,542	-	1,365,542
Equipment Lease, net of accumulated depreciation	7,802	-	7,802
Total noncurrent assets	302,862,365	187,300,382	490,162,747
Deferred Outflows of Resources			
OPEB liability	157,715	-	157,715
Pension	5,701,330	879,686	6,581,016
Total deferred outflows of resources	5,859,045	879,686	6,738,731

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Current Liabilities			
Vouchers and payroll payable	10,271,428	3,758,283	14,029,711
Customer deposits	-	909,212	909,212
Interest payable	87,608	-	87,608
Advance Revenues	1,853,195	-	1,853,195
Subscription IT liabilities	481,933	-	481,933
Equipment lease liabilities	5,847	-	5,847
Current portion of compensated absences	2,666,387	511,857	3,178,244
Current portion of long-term liabilities	720,846	-	720,846
Total current liabilities	16,087,244	5,179,352	21,266,596
Noncurrent Liabilities			
Compensated absences payable	1,279,802	-	1,279,802
Bonds payable	10,540,000	-	10,540,000
Loan payable	3,200,218	-	3,200,218
Subscription IT Liabilities	787,733	-	787,733
OPEB liability	670,388	-	670,388
Net pension liability-Base Plan	13,245,436	2,038,589	15,284,025
Total noncurrent liabilities	29,723,577	2,038,589	31,762,166
Deferred Inflows of Resources			
Pension	5,975,807	883,227	6,859,034
OPEB liability	254,822	-	254,822
Lease related	4,056,334	29,641	4,085,975
Property tax revenue	32,790,565	-	32,790,565
Total deferred inflows of resources	43,077,528	912,868	43,990,396
Net Position			
Net Investment in capital assets	269,296,947	186,850,949	456,147,896
Restricted for pensions	12,289,241	-	12,289,241
Unrestricted	64,542,309	62,344,311	126,886,620
Total net position	$ 346,128,497	$ 249,195,260	$ 595,323,757

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
Governmental Activities					
General government					
Executive and legislative	$ 390,998	$ -	$ -	$ -	$ (390,998)
Administrative	751,940	-	-	-	(751,940)
Legal	460,666	-	-	-	(460,666)
City clerk	471,377	52,509	-	-	(418,868)
Accounting	1,150,548	-	-	-	(1,150,548)
Other general government	4,419,894	3,333,326	-	-	(1,086,568)
Government buildings and engineering services	2,894,322	2,826,365	-	-	(67,957)
Public safety					
Law enforcement	17,867,897	931,093	97,961	-	(16,838,843)
Fire department	14,102,627	4,536,823	691,703	-	(8,874,101)
Building safety	2,056,331	5,856,531	-	-	3,800,200
Parks and recreation					
Parks	4,450,636	3,440,847	-	-	(1,009,789)
Culture and recreation	451,413	205,370	-	-	(246,043)
Community services					
Community services	4,871,160	571,381	5,037	491,621	(3,803,121)
Community development	1,726,683	-	569,834	22,072,588	20,915,739
Senior citizens	53,731	-	-	-	(53,731)
Streets	14,130,547	2,754,234	195,605	973,224	(10,207,484)
Interest on long-term debt	107,601	-	-	-	(107,601)
Total governmental activities	70,358,372	24,508,479	1,560,140	23,537,433	(20,752,320)
Business-Type Activities					
Water	11,594,630	14,124,591	-	8,191,834	10,721,795
Sewer	13,436,033	20,259,186	-	5,636,352	12,459,505
Sanitation	8,659,455	8,833,483	-	-	174,028
Golf	2,072,989	2,472,646	-	-	399,657
Electrical	2,051,597	1,394,332	-	1,214,798	557,533
Irrigation	2,869,103	2,882,229	-	3,654,074	3,667,200
Total business-type activities	40,683,807	49,966,467	-	18,697,058	27,979,718
Total Primary Government	$ 111,042,179	$ 74,474,946	$ 1,560,140	$ 42,234,491	$ 7,227,398

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Change in Net Position			
Net revenue (expense)	$ (20,752,320)	$ 27,979,718	$ 7,227,398
General revenues			
Shared revenues			
Property taxes, levied for general purposes	30,104,776	-	30,104,776
Property taxes, levied for debt service	886,393	-	886,393
Franchise fees	1,107,396	-	1,107,396
Sales tax and other governmental	13,578,375	-	13,578,375
Special assessments for debt service of Local Improvement Districts	481,520	-	481,520
Unrestricted investment earnings	3,618,444	2,503,459	6,121,903
Unrestricted interest-leases	91,735	5,666	97,401
Unrestricted unrealized gain (loss) on investments	(83,015)	1,414	(81,601)
Miscellaneous	1,093,900	470,767	1,564,667
Gain (loss) on disposal of assets	(65,844)	7,298	(58,546)
Transfers	169,807	(169,807)	-
Total general revenues and transfers	50,983,487	2,818,797	53,802,284
Change in Net Position	30,231,167	30,798,515	61,029,682
Net Position, Beginning of Year	316,132,885	218,429,405	534,562,290
Restatement (see note 17)	(235,555)	(32,660)	(268,215)
Net Position, Beginning of Year as Restated	315,897,330	218,396,745	534,294,075
Net Position, End of Year	$ 346,128,497	$ 249,195,260	$ 595,323,757

City of Caldwell, Idaho
Balance Sheet – Governmental Funds
September 30, 2025

	General	Street	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash, investments and cash equivalents	$ 48,093,158	$ 14,461,457	$ 12,658,662	$ 7,243,383	$ 82,456,660
Prepaid expenses	542,435	-	-	21,906	564,341
Receivables					
Interest	173,998	53,292	304,621	89,473	621,384
Taxes	26,118,534	3,070,676	897,121	3,129,021	33,215,352
Intergovernmental	1,367,996	1,258,968	-	721,519	3,348,483
Accounts, Net	1,274,119	1,049,246	-	165,311	2,488,676
Special assessments	-	-	675,359	-	675,359
Grants	215,367	-	-	492,536	707,903
Notes	-	-	-	38,391	38,391
Leases	91,431	-	-	3,930,513	4,021,944
Due from other funds	111,214	-	-	14,000	125,214
Inventory	-	337,631	-	-	337,631
Restricted cash and cash equivalents	188,887	1,183,410	1,543	173,905	1,547,745
Restricted investments	-	-	-	208,481	208,481
	$ 78,177,139	$ 21,414,680	$ 14,537,306	$ 16,228,439	$ 130,357,564
Liabilities					
Vouchers and payroll payable	$ 3,529,649	$ 6,323,894	$ -	$ 408,437	$ 10,261,980
Due to other funds	7,550	-	21,820	81,844	111,214
Advanced revenues	1,853,195	-	-	-	1,853,195
Total liabilities	5,390,394	6,323,894	21,820	490,281	12,226,389
Deferred Inflows of Resources					
Unavailable property tax revenue	26,028,837	3,070,676	1,833,847	3,129,021	34,062,381
Unavailable revenue-other	638,349	-	-	18,284	656,633
Lease related	84,217	-	-	3,972,117	4,056,334
Total deferred inflows of resources	26,751,403	3,070,676	1,833,847	7,119,422	38,775,348
Fund Balances					
Nonspendable	542,435	337,631	-	21,906	901,972
Committed for library services	-	-	-	2,474,915	2,474,915
Committed for community services	-	11,682,479	-	6,097,983	17,780,462
Committed for capital outlay	12,845,114	-	-	-	12,845,114
Assigned for capital maintenance	-	-	-	23,932	23,932
Assigned for debt services	-	-	12,681,639	-	12,681,639
Assigned for city projects	8,432,297	-	-	-	8,432,297
Unassigned for operations	24,215,496	-	-	-	24,215,496
Total fund balances	46,035,342	12,020,110	12,681,639	8,618,736	79,355,827
	$ 78,177,139	$ 21,414,680	$ 14,537,306	$ 16,228,439	$ 130,357,564

Fund balance - total governmental funds		$ 79,355,827
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The costs of the assets is $384,556,232 and the accumulated depreciation is $99,522,708.		285,033,524
Some of the property taxes receivable are not available to pay for current-period expenditures and therefore are deferred in the funds.		393,875
Some of the City's long-term receivables will be collected after year-end, but are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Opioid settlements	577,343	
Interest receivable on community development loans	18,284	
Special assessments	938,947	1,534,574
The obligations related to the PERSI base plan and the PERSI FRF plan are not due and payable in the current period nor are they financial resources in the current period. Therefore, they are not reported in the funds.		
Net pension asset related to the PERSI FRF plan	12,289,241	
Net pension liability related to the PERSI base plan	(13,245,436)	
Deferred inflow of resources related to PERSI plans	(5,975,807)	
Deferred outflow of resources related to PERSI plans	5,701,330	(1,230,672)
Long-term liabilities, including subscriptions and leases are not due and payable in the current period and, therefore, are not reported in the funds.		(1,275,513)
Long-term debt is not due and payable in the current-period and therefore is not reported in the funds.		(14,461,064)
Interest on long-term debt is not due and payable in the current-period and therefore is not reported in the funds.		(87,608)
A portion of the accrued compensated absences are not due and payable in the current period and therefore, are not reported in the funds.		(3,946,189)
Internal service funds are used by management to charge the costs of certain employee benefits to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		811,743
Net position of governmental activities		$ 346,128,497

City of Caldwell, Idaho

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended September 30, 2025

	General	Street	Debt Srvs Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 23,867,365	$ 3,166,855	$ 886,393	$ 3,037,338	$ 30,957,951
Franchise fees	1,107,396	-	-	-	1,107,396
Interest	1,964,596	753,559	526,823	319,339	3,564,317
Interest from leases	2,279	-	-	89,456	91,735
Licenses and permits	5,909,040	-	-	-	5,909,040
Intergovernmental	4,293,866	6,562,440	-	2,722,069	13,578,375
Capital grants	(676,376)	2,224	-	1,514,688	840,536
Operating grants	789,664	1,009,624	-	5,037	1,804,325
Charges for services	14,447,522	2,754,234	-	1,397,683	18,599,439
Assessments	-	-	96,753	384,767	481,520
Unrealized gain (loss) on investments	(23,695)	(27,291)	(22,112)	(11,223)	(84,321)
Miscellaneous	616,174	27,762	-	226,324	870,260
Total revenues	52,297,831	14,249,407	1,487,857	9,685,478	77,720,573
Expenditures					
Current					
General government	8,781,477	-	-	348,495	9,129,972
Public safety	32,233,843	-	-	-	32,233,843
Culture and recreation	451,413	-	-	3,439,281	3,890,694
Community services	1,760,856	-	-	3,774,652	5,535,508
Streets	-	7,448,324	608,817	-	8,057,141
Debt service					
Principal Repayments on					
Bonds	-	-	285,000	-	285,000
Loans	262,570	-	-	-	262,570
Subscriptions	562,404	-	-	-	562,404
Equipment leases	6,138	-	-	-	6,138
Interest and other	183,057	-	-	-	183,057
Capital outlay	8,776,140	10,853,800	12,263	3,148,962	22,791,165
Total expenditures	53,017,898	18,302,124	906,080	10,711,390	82,937,492
Excess (Deficiency) of Revenues Over (Under) Expenditures	(720,067)	(4,052,717)	581,777	(1,025,912)	(5,216,919)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	676,658	4,600	-	8,700	689,958
Contributions from other entities	-	971,000	-	226,800	1,197,800
Subscriptions	364,775	-	-	-	364,775
Transfers in	1,889,265	73,467	-	1,567,944	3,530,676
Transfers out	(1,602,231)	(1,653,330)	(105,308)	-	(3,360,869)
Total other financing sources (uses)	1,328,467	(604,263)	(105,308)	1,803,444	2,422,340
Net Change in Fund Balances	608,400	(4,656,980)	476,469	777,532	(2,794,579)
Fund Balance, Beginning of Year	45,426,942	16,677,090	12,205,170	7,841,204	82,150,406
Fund Balance, End of Year	$ 46,035,342	$ 12,020,110	$ 12,681,639	$ 8,618,736	$ 79,355,827

Net change in fund balances - total governmental funds	$ (2,794,579)
Amounts reported for governmental activities in the statement of activities are different because:	
Government funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	22,791,165
Depreciation and amortization expense	(11,543,010)
In the statement of activities, the gain (loss) on sale of the equipment is reported, whereas in the governmental funds, the proceeds from sales increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the equipment sold.	(755,802)
Capital assets contributed do not provide financial resources.	21,254,912
Some property tax revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	33,218
Some of the City's long-term receivables will not be collected for several months after the City's fiscal year end and they are not considered available revenues in the governmental funds, but are instead counted as unavailable revenues. They are however, recorded as revenues in the statement of activities.	
Opioid Settlement	(26,138)
Special assessments	249,773
Revenues (expenditures) related to the PERSI obligations do not require the use of current financial resources and therefore, are not reported as revenue or expenditures in the governmental funds.	872,078
Long-term interfund loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of interfund loan principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.	
Subscription principal payments	562,404
Equipment lease principal payments	6,138
Debt principle payments	547,570
Amortization of premium	(36,786)
Subscription proceeds	(364,775)
Interest expense accrued but not paid reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	75,456
Expenditures related to the long-term portion of accrued compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(751,751)
Internal service funds are used by management to charge the costs of certain employee benefits to individual funds. The net revenue (expense) of certain internal service funds are included in governmental activities in the statement of activities.	111,294
Change in Net Position	$ 30,231,167

	Enterprise Funds					Governmental Activities
	Water	Sewer	Sanitation	Other Enterprise Funds	Total	Internal Service Funds
Assets						
Current Assets						
Cash, investments and cash equivalents	$ 10,770,373	$ 44,594,894	$ 1,541,744	$ 6,064,016	$ 62,971,027	$ 1,583,280
Prepaid expenses	-	2,456	-	400	2,856	-
Receivables						
Interest	33,031	158,521	6,048	21,010	218,610	5,406
Accounts, net	1,090,713	1,901,718	1,006,225	776,278	4,774,934	-
Leases receivable	7,551	-	-	-	7,551	-
Inventory	999,734	-	-	185,289	1,185,023	-
Total current assets	12,901,402	46,657,589	2,554,017	7,046,993	69,160,001	1,588,686
Noncurrent Assets						
Restricted cash and cash equivalents	185,753	240,364	-	-	426,117	-
Leases receivable	23,316	-	-	-	23,316	-
Capital assets						
Not being depreciated	17,773,254	13,198,046	-	178,368	31,149,668	-
Being depreciated (net)	49,966,792	81,111,154	16,352	24,606,983	155,701,281	-
Total noncurrent assets	67,949,115	94,549,564	16,352	24,785,351	187,300,382	-
Deferred Outflow of Resources						
OPEB Liability	-	-	-	-	-	157,715
Pension	391,239	307,590	-	180,857	879,686	-
Total deferred outflow of resources	391,239	307,590	-	180,857	879,686	157,715
	$ 81,241,756	$ 141,514,743	$ 2,570,369	$ 32,013,201	$ 257,340,069	$ 1,746,401

	Enterprise Funds					Governmental Activities
	Water	Sewer	Sanitation	Other Enterprise Funds	Total	Internal Service Funds
Liabilities						
Current Liabilities						
Vouchers and payroll payable	$ 1,542,342	$ 1,194,774	$ 663,423	$ 357,744	$ 3,758,283	$ 9,450
Customer deposits	807,410	7,800	-	94,002	909,212	-
Due to other funds	-	-	-	14,000	14,000	-
Current portion of compensated absences payable	241,320	156,978	-	113,559	511,857	-
Total current liabilities	2,591,072	1,359,552	663,423	579,305	5,193,352	9,450
Noncurrent Liabilities						
OPEB liability	-	-	-	-	-	670,388
Net pension liability	957,988	666,967	-	413,634	2,038,589	-
Total noncurrent liabilities	957,988	666,967	-	413,634	2,038,589	670,388
Deferred Inflow of Resources						
Changes in assumptions-OPEB	-	-	-	-	-	254,822
Lease related	29,641	-	-	-	29,641	-
Pension	415,052	288,966	-	179,209	883,227	-
Total deferred inflow of resources	444,693	288,966	-	179,209	912,868	254,822
Net Position						
Investment in capital assets	67,740,046	94,309,200	16,352	24,785,351	186,850,949	-
Unrestricted	9,507,957	44,890,058	1,890,594	6,055,702	62,344,311	811,741
Total net position	77,248,003	139,199,258	1,906,946	30,841,053	249,195,260	811,741
	$ 81,241,756	$ 141,514,743	$ 2,570,369	$ 32,013,201	$ 257,340,069	$ 1,746,401

City of Caldwell, Idaho

Statement of Revenue, Expenses, and Changes in Fund Net Position– Proprietary Funds

Year Ended September 30, 2025

	Enterprise Funds					Governmental Activities
	Water	Sewer	Sanitation	Other Enterprise Funds	Total	Internal Service Funds
Operating Revenues						
Charges for services	$ 12,626,844	$ 20,075,532	$ 8,833,483	$ 6,749,207	$ 48,285,066	$ 501,883
Other	69,669	1,719	53,212	346,168	470,768	-
Total operating revenues	12,696,513	20,077,251	8,886,695	7,095,375	48,755,834	501,883
Operating Expenses						
Personnel expenses	3,395,606	2,207,204	-	1,556,725	7,159,535	165,785
Contractual services	2,350,993	3,076,607	8,461,137	1,339,627	15,228,364	190,503
Materials and supplies	158,255	509,635	130,000	283,038	1,080,928	-
Utilities	529,653	884,695	948	1,235,302	2,650,598	-
Repairs and maintenance	2,295,454	1,687,470	9,600	1,283,854	5,276,378	-
Other expenses	431,899	555,624	49,245	165,657	1,202,425	-
Depreciation	2,432,768	4,514,798	8,525	1,129,488	8,085,579	-
Total operating expenses	11,594,628	13,436,033	8,659,455	6,993,691	40,683,807	356,288
Operating Income (Loss)	1,101,885	6,641,218	227,240	101,684	8,072,027	145,595
Nonoperating Revenues (Expenses)						
Hook-on-fees	1,497,747	183,654	-	-	1,681,401	-
Interest income	381,442	1,832,017	59,408	230,592	2,503,459	54,127
Gain (Loss) on the sale of assets	7,300	-	-	-	7,300	-
Other Misc Revenues - Leases	5,666	-	-	-	5,666	-
Unrealized gain (loss) on investments	(5,592)	1,274	1,233	4,499	1,414	1,306
OPEB expenses (offset)	-	-	-	-	-	(89,744)
Nonoperating revenues (expenses)	1,886,563	2,016,945	60,641	235,091	4,199,240	(34,311)
Income Before Contributions and Transfers	2,988,448	8,658,163	287,881	336,775	12,271,267	111,284
Contributions from developers	8,191,832	5,636,352	-	4,868,872	18,697,056	-
Operating transfers in	13,071	2,970	-	-	16,041	-
Operating transfers out	(185,849)	-	-	-	(185,849)	-
Change in Net Position	11,007,502	14,297,485	287,881	5,205,647	30,798,515	111,284
Net Position, Beginning of Year	66,250,250	124,910,571	1,619,065	25,649,519	218,429,405	700,457
Restatement (see note 17)	(9,749)	(8,798)	-	(14,113)	(32,660)	-
Net Position, Beginner of Year as Restated	66,240,501	124,901,773	1,619,065	25,635,406	218,396,745	700,457
Net Position, End of Year	$ 77,248,003	$ 139,199,258	$ 1,906,946	$ 30,841,053	$ 249,195,260	$ 811,741

	Enterprise Funds					
	Water	Sewer	Sanitation	Other Enterprise Funds	Total	Internal Service Funds
Operating Activities						
Received from user charges	$ 12,684,491	$ 19,840,067	$ 8,778,484	$ 6,991,192	$ 48,294,234	$ 501,883
Payments to employees for services	(3,243,308)	(2,163,945)	-	(1,358,467)	(6,765,720)	-
Payments to suppliers for goods and services	(5,017,587)	(6,461,774)	(8,567,748)	(4,404,767)	(24,451,876)	(367,652)
Net Cash from Operating Activities	4,423,596	11,214,348	210,736	1,227,958	17,076,638	134,231
Noncapital Financing Activities						
Transfers in	-	2,970	-	-	2,970	-
Transfers out	(172,778)	-	-	-	(172,778)	-
Other financial assistance	5,666	-	-	-	5,666	-
Repayment of interfund loans	-	-	-	(14,000)	(14,000)	-
Net Cash from (used for) Noncapital Financing Activities	(167,112)	2,970	-	(14,000)	(178,142)	-
Capital and Related Financing Activities						
Acquisition of capital assets	(6,137,357)	(9,283,761)	-	(86,406)	(15,507,524)	-
Proceeds from sale of assets	7,300	-	-	-	7,300	-
Hook-on fees	1,497,747	183,654	-	-	1,681,401	-
Net Cash (used for) Capital and Related Financing Activities	(4,632,310)	(9,100,107)	-	(86,406)	(13,818,823)	-
Investing Activities						
Interest received on investments	385,305	1,817,834	57,118	223,003	2,483,260	53,442
Net increase (decrease) in pooled investments	(5,592)	1,274	1,233	4,499	1,414	1,306
Net Cash from Investing Activities	379,713	1,819,108	58,351	227,502	2,484,674	54,748
Net Change in Cash, Investments and Cash Equivalents	3,887	3,936,319	269,087	1,355,054	5,564,347	188,979
Cash, Investments and Cash Equivalents, October 1, 2024	10,952,239	40,898,939	1,272,657	4,708,962	57,832,797	1,394,301
Cash, Investments and Cash Equivalents, September 30, 2025	$ 10,956,126	$ 44,835,258	$ 1,541,744	$ 6,064,016	$ 63,397,144	$ 1,583,280
Supplemental Information						
Contributed capital assets	$ 8,191,834	$ 5,636,352	$ -	$ 4,868,872	$ 18,697,058	$ (11,364)

	Enterprise Funds					Governmental Activities
	Water	Sewer	Sanitation	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of Operating Income to Net Cash from operating activities						
Operating income	$ 1,101,883	$ 6,641,218	$ 227,240	$ 101,685	$ 8,072,026	$ 145,595
Depreciation	2,432,768	4,514,798	8,524	1,129,487	8,085,577	-
GASB 68 pension expense	118,510	8,336	-	127,462	254,308	-
Changes in assets and liabilities						
Accounts receivable	(105,006)	(237,184)	(108,210)	(117,203)	(567,603)	-
Prepaid expenses	-	(2,456)	-	(400)	(2,856)	-
Inventory	(293,036)	-	-	(146,289)	(439,325)	-
Vouchers payable	1,043,101	257,282	83,182	51,594	1,435,159	(11,364)
Compensated absences	32,392	32,354	-	70,298	135,044	-
Customer deposits	92,984	-	-	11,324	104,308	-
Net Cash from Operating Activities	$ 4,423,596	$ 11,214,348	$ 210,736	$ 1,227,958	$ 17,076,638	$ 134,231

	Employee Benefit Plan Trust
Assets	
Cash	$ 3,449,106
Accounts receivables	12,417
Total Assets	$ 3,461,523
Liabilities	
Vouchers payables	$ 144,979
Health claims incurred but not reported	706,614
Total liabilities	851,593
Net Position	
Restricted for Employee Benefit Plan Trust	2,609,930
Total Liabilities and Net Position	$ 3,461,523

	Employee Benefit Plan Trust
Contributions	
Employer	$ 5,528,595
Employees	765,360
COBRA	35,913
Total contributions	6,329,868
Other Income	
Rebates	251,700
Total other income	251,700
Deductions	
Insurance claim benefits	5,166,859
Change in health claims incurred but not paid	(25,017)
Stop loss premiums	641,534
Administrative expenses	439,619
Total deductions	6,222,995
Change in Net Position	358,573
Net Position, Beginning of Year	2,251,358
Net Position, End of Year	$ 2,609,931

Note 1 - Summary of Significant Accounting Policies

City of Caldwell, Idaho (the City) operates under a Mayor and Council form of government and provides the following services as authorized by its charter: public safety (police and fire), parks and recreation, community services, streets, and general administrative services.

The financial statements of the City 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 government's most significant accounting policies are described below.

Financial Reporting Entity

For financial reporting purposes, the financial statements for the City include all organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationships with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City's Mayor is responsible for appointing members of the Caldwell Housing Authority Board, but the City's accountability for this organization does not extend beyond making the appointments. Therefore, Caldwell Housing Authority is not included in the City's financial statements.

The Urban Renewal Agency of the City of Caldwell (URA) was organized on December 21, 1998, to oversee redevelopment efforts in underdeveloped areas of Caldwell. The Board of Commissioners for the Agency includes three members from City Council and three members from the public who reside within the urban renewal boundaries. The URA is no longer considered a component unit of the City and is not included in the City's financial statements.

Government-Wide 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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.

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 City considers revenues to be available if they are collected within 30 to 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 compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Street Fund - The Street Fund is used to account for the operation of the street system. Operation, maintenance and construction of the streets is provided by property taxes, state sales tax, state gas tax and federal/state transportation funds.

Debt Service Fund - The Debt Service Fund is used to account for the revenue and expenses associated with debt services such as bond proceeds, project costs, and debt repayment, as well as Local Improvement District Debt services.

The City reports the following major enterprise funds:

Water Fund – The Water Fund is used to account for the operations of the water system.

Sewer Fund – The Sewer Fund is used to account for the operations of the sewer system.

Sanitation Fund – The Sanitation Fund is used to account for the billings and receipts for the City trash service. The trash collection is contracted out to an independent firm.

These funds are used to account for operations that are financed and operated in a manner similar to private business when the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered, primarily through user charges or when the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Additionally, the City reports the following fund types:

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost reimbursement basis. The City uses internal service funds to account for its employee section 125-benefit plan and to maintain and accumulate a post-retirement Health Retirement Account Voluntary Employee Beneficiary Association (HRA VEBA) authorized under Internal Revenue Code 501(c)(9). This plan is subject to vesting and provides post-retirement benefits only (see Note 9).

Fiduciary Funds – Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. Trust funds account for assets held by the Government under the terms of a formal trust agreement.

Employee Benefit Plan Trust Funds account for the revenues received, expenses incurred and the net position available for health benefits of the City's employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between various functions of the government when elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and products and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges for services to customers for sales and services. The Water and Sewer Funds also recognize as nonoperating revenue the portion of hook-on fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments, including restricted cash, with a maturity of three months or less when purchased to be cash equivalents. The investment purchases and sales information is not available for individual funds and management believes that due to the nature of pooled investments this information is not significant for purposes of understanding the statement of cash flows. Accordingly, the net change method is used to report cash flows from investments in these statements.

For purposes of efficient cash flow management and the management of temporary investments, the City utilizes external investment pools for its cash.

Investments

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

Investments are stated at fair value as determined by quoted market prices. The City pools its cash and investments to maximize interest income. The City allocates interest income on investments to the various funds based on the average balance of the net contribution of the respective fund.

Property Taxes Receivable

Within the governmental fund financial statements, 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. If one-half of the amount is paid on December 20, the remaining balance is due by the following June 20. Since the City 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 City's year-end and recognized as revenue in the following fiscal year. Canyon County bills and collects taxes for the City.

Lease Receivables

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

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents the use of net assets that applies to future periods, so will not be recognized as an outflow of resources (expense) until that time. The government-wide statement of net position reports the future outflows related to pension obligations and other post-employment benefits as deferred outflows of resources. The balance of the deferred outflow of resources as of September 30, 2025, will be recognized as an expense and decrease in net position in future fiscal years.

In addition to liabilities, the statement of net position and the fund balance sheet reports a separate section for deferred inflow of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods, so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this category. The first item, unavailable revenue from property taxes, arises under a modified accrual basis of accounting and is reported only in the Governmental Funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available. The second item is property tax levied for subsequent years, which represents property taxes received or reported as a receivable before the period for which the taxes are levied, and is reported as a deferred inflow of resources in both the government-wide statement of net position and the governmental funds balance sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied and in the governmental fund financial statements during the year for which they are levied, if available. The third item is deferred inflows related to pension and OPEB plans as a result of various estimate differences that will be recognized as expenses in future years, reported in the government-wide statement of net position. The fourth item is deferred inflows related to leases where the City is the lessor and is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenues) on the straight-line basis over the term of the lease.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

In the governmental fund financial statements, receivables are recorded when they are both measurable and available. Proprietary fund receivables consist of all revenues earned at year-end and not yet received.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market. The costs of inventory items are recognized as expenditures in governmental funds when consumed (consumption method) and as expenses in proprietary funds when used.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City 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 capital assets are valued at their estimated acquisition value on the date donated. Public domain infrastructure consisting of roads and sidewalks are also reported in the applicable governmental or business-type activities columns in the government-wide financial statements but are not reported in the fund financial statements.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the City's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the asset into service.

They are amortized over the shorter of the subscription term or useful life using the straight-line method. The amortization varies from 4 to 7 years.

Depreciation is recorded by use of the straight-line method. The book value of each asset is reduced by equal amounts over its estimated useful life as follows:

	Estimated Useful Life (Years)
Buildings	10-50
Improvements other than buildings	7-40
Sewer and water service lines	30-50
Public domain infrastructure	30-50
Office furniture and equipment	3-30
Vehicles	5-10
Machinery and equipment	3-20

Maintenance, repairs and minor renewals are charged to operations as incurred. When an asset is disposed of, accumulated depreciation is deducted from the original cost, and any gain or loss arising from its disposal is credited or charged to operations.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Risk Management

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

The City provides self-insurance against potential unemployment claims. Expenses and funding for these risks are provided for in the funds responsible for employment of the workers.

The City also partially self-insures health and accident insurance. The City established the "Employee Benefit Plan Trust" (the Trust) in 2008. All health claims are paid from this Trust and all plan contributions are deposited into it. The City's Human Resource Director, Finance Director, and Treasurer serve as trustees. The Trust is audited each year and a copy of the audit is submitted to the Idaho Department of Insurance.

The City also maintains an internal service fund to account for employee short-term and long-term disability insurance.

All funds of the City participate in the self-insurance programs. A liability for claims is established in the Trust fund if information indicates that it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate for claims incurred but not reported (IBNR) on health and accident coverage is determined by the actual claims paid through the first few months of the following year. Claims paid in excess of the estimate, if any, are not expected to be material. No amounts were accrued in the City internal service fund in the current year.

Budgets

In accordance with Title 50, Chapter 10 of the Idaho State Code, the City 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.

Long-Term Obligations

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

present value of the subscription payments are discounted based on a borrowing rate determined by the City based on the term of the lease.

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are recognized in the period the bonds are issued.

In the fund financial statements, governmental fund types recognize long-term obligations as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources are reported as a fund liability of a governmental fund. Bond premiums and discounts, as well as bond issuance costs, are recognized in the period the bonds are issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. As of September 30, 2025 the City has $10,935,000 in bond debt and $2,624,257 in long-term loans.

Pensions

For purposes of measuring the net pension asset, the net pension liability and pension expense (expense offset), information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and Firefighters' Retirement Fund (FRF) and additions to/deductions from Base Plan's and FRF's fiduciary net position have been determined on the same basis as they are reported by the Base Plan and FRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post Employment Benefits (OPEB)

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB and plan expense, information has been actuarially determined as of the measurement date of September 30, 2024. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Net Position and Fund Balances

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

- Net Investment in capital assets – consists of capital assets, net of accumulated depreciation and amortization.
- 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.

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

When both restricted and unrestricted resources are available for use, it is the City'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 City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.
- Assigned fund balance—amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.
- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. 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 special incentives).

Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In the general fund, the City strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 30% of the actual GAAP basis expenditures and other financing sources and uses.

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

Other Revenues

Sales Taxes—Sales taxes are collected by vendors and required to be remitted to the State of Idaho. The tax is then remitted to the City quarterly. A two-month lag exists between collection by the vendor and payment to the City. Revenue received in October and November from sales made in August and September, respectively, is available for prior year expenses and is accrued in both the government-wide and fund financial statements.

Charges for Service—Charges for services consist primarily of charges made by both governmental and enterprise funds for services such as city council, mayor, human resources, clerk, treasurer, engineering, mapping, insurance, attorney, payroll and accounting, utility billing and other benefits provided to customers of the City.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues, expenditures and expenses during the reported period. The actual results could differ from those estimates.

Compensated Absences

The City provides PTO (personal time off) time to all full-time employees, FTO (Field training officer) time to its police officers, and banked Flex Time to certain employees. These types of leave are paid to employees when taken and will also be paid to employees or their beneficiaries upon the employee's termination, retirement or death. The amount of unpaid leave accumulated by City employees is accrued as an expense when incurred in the government-wide and proprietary fund financial statements, which use the accrual basis of accounting. The City does not pay earned sick pay upon the employees' termination, retirement or death, but does provide sick leave to employees during the year.

Implementation of GASB Statement No. 101

As of October 1, 2024, the City adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of this implementation of this standard on beginning net position is disclosed in Note 17.

Note 2 - Cash and Investments

At September 30, 2025, the City's cash and cash equivalents and investments (including fiduciary funds) were invested as follows:

	Cost	Fair Value
Cash and cash equivalents - Unrestricted		
Cash	$ 7,835,398	$ 7,835,398
Total cash and cash equivalents - unrestricted	$ 7,835,398	$ 7,835,398

	Cost	Fair Value
Cash and cash equivalents - Restricted		
Cash - library	$ 173,905	$ 173,905
Other restricted accounts	1,829,855	1,829,855
Total cash and cash equivalents - restricted	$ 2,003,760	$ 2,003,760

	Cost	Fair Value
Investments - Unrestricted		
Investments carried at fair value		
Local government investment pool	$ 118,893,384	$ 119,083,613
Idaho state treasurer's bond fund	23,192,060	23,511,164
	$ 142,085,444	$ 142,594,777
Investments - Restricted		
Investments carried at fair value		
U.S. Government Agency Obligations	$ 161,465	$ 162,373
Mutual funds	54,508	46,108
Total investments - restricted	$ 215,973	$ 208,481

Investment types that are authorized for the City of Caldwell, Idaho by the Idaho Code and the City'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 City manages its exposure to interest rate risk is by purchasing a combination of long and short-term investments. The City 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 City's policy requires investments which provide for the stability of income and reasonable liquidity.

Investments and maturity dates at September 30, 2025, were as follows:

		Investment Maturities in Years			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
Local Government Investment Pool	$ 119,083,613	$ 119,083,613	$ -	$ -	$ -
Idaho State Treasurer's Bond Fund	23,511,164	-	23,511,164	-	-
U.S. Government Agency	162,373	-	38,057	5,116	119,200
	$ 142,757,150	$ 119,083,613	$ 23,549,221	$ 5,116	$ 119,200

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. The City's investment policy requires a rating of A or better by Standard & Poor's or other nationally recognized rating agency.

Rating	U.S. Government Agency Obligation	Local Government Investment Pool	Idaho State Treasurer's Bond Fund	Total
AA+	$ 139,466	$ -	$ -	$ 139,466
Unrated	22,907	119,083,613	23,511,164	142,617,684
	$ 162,373	$ 119,083,613	$ 23,511,164	$ 142,757,150

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 principle that governments should provide note disclosure when five percent of the total entities 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 City's investment policy has no limitations on the amount that can be invested in any one issuer.

At September 30, 2025, there are no investments in any one issuer (other than State investment pools) that represent 5% or more of total City investments.

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 City does not have a policy restricting the amount of deposits and investments subject to custodial credit risk.

The bank balance for cash deposits at September 30, 2025, is $10,819,576 of which $10,174,427 is collateralized. Deposits in each local and area bank are insured by the FDIC in the amount of $645,149 for interest bearing and non-interest bearing deposit accounts. The uninsured and uncollateralized deposit balance at September 30, 2025, was $0. Money market fund are not considered deposits and thus are not insured by the FDIC and are not collateralized.

The City minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be identified as to City of Caldwell ownership and be held in the City's name. All commercial paper, agency bonds and money market funds, including the cash management automatic investment account, are held in custody by U.S. Bank, First Interstate, or Zion's First National Bank in the City's name.

Investment in State Investment Pools

The City is a voluntary participant in the State of Idaho Local Government Investment Pool (LGIP) and the State of Idaho Diversified Bond Fund (DBF). Both the LGIP and the DBF are regulated by State of Idaho code under the oversight of the Treasurer of the State of Idaho. The fair value of the City's investment in the pools is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair market value provided by the fund for the entire portfolio. Both the LGIP and the DBF are unrated.

The LGIP and DBF are 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. Interest income earned on pooled investments is allocated to the various funds of the City in proportion to each fund's respective investment balances

Fair Value

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's investment fair value measurements are as follows at September 30, 2025.

Investments	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Debt securities				
Corporate bonds	$ 96,293	$ -	$ 96,293	$ -
Mortgage-backed securities	66,080	-	66,080	-
	162,373	-	162,373	-
Mutual funds				
Short-term government	46,108	46,108	-	-
Total investments	$ 208,481	$ 46,108	$ 162,373	$ -

Investments measured at the net asset value (NAV)	
Local government investment pool	$ 119,083,613
State of Idaho diversified bond fund	23,511,164
Total investments measured at fair value	$ 142,803,258

Mutual funds categorized as Level 1 are valued based on prices quoted in active markets for those securities. Debt securities categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices. Investments valued using NAV per share do not have readily obtainable fair values and are instead valued based on the City's pro-rata share of the pool's net position. The City values these investments based on the information provided by the State of Idaho Treasurer's Office. The following table presents the unfunded commitments, redemption frequency and the redemption notice period for the City's investments measured at NAV:

	Investments Measured at NAV			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Local government investment pool	$ 119,083,613	None	Next business day	3 days; over $10,000,000
State of Idaho diversified bond fund	$ 23,511,164	None	Monthly	5-25 days

Note 3 - Restricted Assets

Restricted assets are required to be segregated as to use and are therefore identified as restricted assets. Assets restricted in the nonmajor special revenue funds are primarily for current and future library operational funding.

Note 4 - Intergovernmental and Grant Receivables

The following summarizes the intergovernmental receivables at September 30, 2025:

State of Idaho	
Revenue sharing	$ 1,942,041
Liquor apportionment	124,296
Gas tax	918,666
Urban Renewal Agency	338,472
Canyon County	
Road and bridge tax	1,872
Court revenue	23,136
	$ 3,348,483

Grants owed to the City at September 30, 2025, by source are:

Federal	$ 640,300
State	67,603
	$ 707,903

Note 5 - Capital Assets

	October 1, 2024	Additions	Contributed Capital	Deletions	Transfers	September 30, 2025
Governmental Activities						
Capital assets, not depreciated						
Land	$ 17,174,332	$ -	$ -	$ (519,815)	$ 6,998	$ 16,661,515
Construction in progress	28,458,913	18,743,486	-	-	(19,936,771)	27,265,628
Total capital assets, not depreciated	45,633,245	18,743,486	-	(519,815)	(19,929,773)	43,927,143
Capital assets, depreciated						
Buildings	40,254,216	-	1,620,394	-	7,167,992	49,042,602
Improvements other than buildings	67,912,871	580,471	13,874	(390,420)	7,508,524	75,625,319
Equipment	30,442,729	2,500,887	-	(1,092,957)	(404,388)	31,446,275
Intangibles	11,862,826	598,785	4,083,745	-	22,082	16,567,438
Infrastructure	144,502,466	-	15,536,899	-	5,635,563	165,674,928
Total capital assets, depreciated	294,975,108	3,680,143	21,254,912	(1,483,377)	19,929,773	338,356,562
Less accumulated depreciation for						
Buildings	(13,091,628)	(1,316,737)	-	-	(202,516)	(14,610,881)
Improvements other than buildings	(24,049,479)	(2,312,305)	-	242,427	(269,005)	(26,388,362)
Equipment	(17,400,559)	(2,635,021)	-	1,004,962	471,521	(18,559,097)
Intangibles	-	-	-	-	-	-
Infrastructure	(34,288,183)	(4,777,002)	-	-	-	(39,065,185)
Total accumulated depreciation	(88,829,849)	(11,041,065)	-	1,247,389	-	(98,623,525)
Net depreciable capital assets	206,145,259	(7,360,922)	21,254,912	(235,988)	19,929,773	239,733,037
Right to use leased assets being amortized	17,555	-	-	-	-	17,555
Less accumulated amortization	(3,901)	(5,852)	-	-	-	(9,753)
Net right to use leased assets	13,654	(5,852)	-	-	-	7,802
Right to use Subscription IT Assets Being Amortized	2,053,523	367,536	-	(167,693)	1,606	2,254,972
Less accumulated amortization	(546,567)	(496,093)	-	154,836	(1,606)	(889,430)
Net right to use subscription IT assets	1,506,956	(128,557)	-	(12,857)	-	1,365,542
Governmental Activities Capital Assets, Net	$ 253,299,114	$ 11,248,155	$ 21,254,912	$ (768,660)	$ -	$ 285,033,524

Depreciation/amortization expense for the year ended September 30, 2025, was charged to the following functions:

Governmental Activities	
General government	$ 940,345
Police	805,954
Fire	947,443
Building safety	39,616
Parks and recreation	1,011,355
Community services	1,116,073
Streets	6,682,224
Total depreciation expense - governmental activities	$ 11,543,010

	Balance October 1, 2024	Additions	Contributed Capital	Deletions	Transfers	Balance September 30, 2025
Business-type Activities						
Capital assets, not depreciated						
Land	$ 2,986,834	$ 728,208	$ -	$ -	$ (78,050)	$ 3,636,992
Construction in progress	17,926,887	14,436,819	-	-	(4,851,030)	27,512,676
Total capital assets, not depreciated	20,913,721	15,165,027	-	-	(4,929,080)	31,149,668
Capital assets, depreciated						
Buildings	35,749,582	-	-	-	-	35,749,582
Improvements other than buildings	185,079,059	-	18,697,058	-	4,929,080	208,705,197
Equipment	15,273,560	342,497	-	(45,648)	-	15,570,409
Total capital assets, depreciated	236,102,201	342,497	18,697,058	(45,648)	4,929,080	260,025,187
Less accumulated depreciation for						
Buildings	(9,613,987)	(1,158,218)	-	-	-	(10,772,205)
Improvements other than buildings	(75,995,401)	(5,823,481)	-	-	-	(81,818,882)
Equipment	(10,674,587)	(1,103,880)	-	45,648	-	(11,732,819)
Total accumulated depreciation	(96,283,975)	(8,085,579)	-	45,648	-	(104,323,906)
Total net capital assets, depreciated	139,818,226	(7,743,082)	18,697,058	-	4,929,080	155,701,281
Business-type Activities Capital Assets, Net	$ 160,731,947	$ 7,421,945	$ 18,697,058	$ -	$ -	$ 186,850,949

Depreciation expense was charged to functions/programs of the City as follows:

Business-type Activities	
Water	$ 2,432,768
Sewer	4,514,799
Sanitation	8,526
Golf	208,894
Street lighting	287,882
Irrigation	632,710
Total depreciation expense - business-type activities	$ 8,085,579

Note 6 - Interfund Balances and Transfers

Incoming receipts and outgoing disbursements are sometimes deposited to/disbursed from one fund on behalf of another fund. At that time, a corresponding receivable/payable and operating transfer is recorded between the funds.

The composition of interfund balances as of September 30, 2025, is as follows:

Receivable Fund	Payable Fund	Description	Amount
Due to/from			
Other governmental	Other enterprise	Short-term loan	$ 14,000
General	Other governmental	Negative cash in Cemetary Capital Fund	18,710
General	Other governmental	Negative cash in GO Fire Fund	21,820
General	Other governmental	Negative cash in Parking Fund	7,550
General	Other governmental	Library Payroll	63,134
			$ 125,214

Transfers from Water and Streets to General Government was for the ARPA Funded Farmway Road Improvement Project Refund received. Transfers from the General fund to Other Governmental was for the renovation of the new Pool and Bathhouse. Transfers from Streets to General Fund was for the Quite Zone project. Transfers from Debt Service to General, Street, Water, and Sewer fund are for the Local Improvement District special assessment payments received.

The composition of interfund transfers for the year ended September 30, 2025, is as follows:

	Transfers Out				
	General	Streets	Debt Service	Water	Total
Transfers in					
General	$ -	$ 1,653,330	$ 50,087	$ 185,848	$ 1,889,265
Street	34,287	-	39,180	-	73,467
Water	-	-	13,071	-	13,071
Sewer	-	-	2,970	-	2,970
Other governmental	1,567,944	-	-	-	1,567,944
	$ 1,602,231	$ 1,653,330	$ 105,308	$ 185,849	$ 3,546,718

Note 7 - Long-term Debt and Compensated Absences

Long-term debt consisted of the following as of September 30, 2025:

General Obligation Bond		
$11,220,000 general obligation bond, series 2024, issued for the purpose of Capital Improvements for rebuild of Fire Station 1. The final installment of $875,000 is due in 2043 plus interest at 3.56% and including unamortized bond premium of $901,807.	$ 11,836,807	
Fire Equipment Loan		
$3,157,494 equipment loan, issued for the purpose of Capital Equipment, 3 new fire pumpers. The final installment $195,246 is due in 2033 plus interest at 4.87%.	2,624,257	
		$ 14,461,064

The annual requirements to amortize all debt outstanding at September 30, 2025, are as follows:

	Governmental Activities	
	Principal	Interest
2026	$ 670,513	$ 624,387
2027	699,094	591,056
2028	738,344	556,306
2029	773,297	519,603
2030	808,985	481,164
2031-2035	3,874,025	1,789,726
2036-2040	3,515,000	950,200
2041-2043	2,480,000	201,000
	13,559,258	$ 5,713,442
Bond Premium - Current	50,333	
Bond Premium - Long-term	851,473	
	$ 14,461,064	

Total interest cost incurred during 2025 for governmental funds was $787,196.

In Idaho, a municipality is allowed a debt limit, excluding enterprise fund debt, of 2% of the market valuation of the real and personal property in its taxing area. The city's legal debt limits for governmental funds for fiscal year 2025, based on data available from Canyon County would be approximately $193,133,198.

The following is a summary of changes in long-term debt of the City for the year ended September 30, 2025:

	Balance October 1, 2024 As Restated	Additions	Payments	Balance September 30, 2025	Due Within One Year
Governmental Activities					
Long-term debt	$ 14,106,827	$ -	$ 547,570	$ 13,559,257	$ 670,513
Bond premium	865,021	88,270	51,485	901,806	50,333
Compensated absences	3,194,438	3,503,797	2,752,046	3,946,189	2,666,387
Governmental activities long-term liabilities	$ 18,166,286	$ 3,592,067	$ 3,351,101	$ 18,407,252	$ 3,387,233
Business-type Activities					
Compensated absences	$ 376,811	$ 689,005	$ 553,959	$ 511,857	$ 511,857
Business-type activities long-term liabilities	$ 376,811	$ 689,005	$ 553,959	$ 511,857	$ 511,857

Note 8 - Defined Benefit Pension Plan and Firefighter Retirement Fund

Plan Description

The City contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

The City discontinued making contributions in July 2020, to the FRF which is a cost-sharing multiple-employer defined benefit pension plan administered by the PERSI that covers a closed group of firefighters who were hired before October 1, 1980, and who received benefits in addition to those provided under the PERSI Base Plan. The cost to administer the plan is financed through the contributions and investment earnings of the FRF. Additional FRF funding is obtained from receipts from a state fire insurance premium tax. PERSI issues a publicly available financial report that included financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

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

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on member' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

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

The FRF provides retirement, disability, death and survivor benefits of eligible members of beneficiaries. Benefits are based on members' years of service as well as the final average salary. A firefighter must have 5 years of service to be eligible for a lifetime retirement allowance at age 60. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance is based on Idaho Code Title 72 Chapter 14. The benefit payments for the FRF are calculated using a benefit formula adopted by the Idaho Legislature. The FRF cost of living increase is based on the increase in the statewide average firefighter's wage.

Member and Employer Contributions

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

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of April 30, 2025, it was 7.18% for general employees and 10.36% for police and firefighters. The employer contribution rate as a percentage of covered payroll is set by the Retirement Board and was 11.96% for general employees and 13.98% for police and firefighters. The City's contribution was $4,001,909 for the year ended September 30, 2025.

There are currently no FRF employer contributions as of July 1, 2020 following the PERSI Board's approval made at the 2019 December board meeting. However, by statute, one-half of all proceeds from fire insurance premium tax collected throughout the state are automatically assigned to the FRF and are accounted for in employer contributions.

Pension Liabilities, Pension Expense (Expense Offset), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2025, the City reported a liability for its proportionate share of the net pension liability of the Base Plan. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI Base Plan employers. At June 30, 2025, the City's proportion was .6320512 percent compared to .5668943 percent at June 30, 2024. For the year ended September 30, 2025, the City recognized pension expense related to the Base Plan of $3,536,023.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,880,178	$ -
Changes in assumptions or other inputs	-	2,687,654
Net difference between projected and actual earnings on pension plan investments	-	3,929,006
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	2,458,412	5,205
City's contributions subsequent to the measurement date	1,242,426	-
Total	$ 6,581,016	$ 6,621,865

The $1,242,426 reported as deferred outflows of resources related to pensions resulting from Employer contributions to the Base Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2026.

The average of the expected remaining service lives of all employee that are provided with pensions through the System (active and inactive employees) determined at July 1, 2024, the beginning of the measurement period ended June 30, 2025, is 4.4.

At September 30, 2025, the City reported an asset for its proportionate share of the net pension asset of the FRF. The net pension asset was measured as of June 30, 2025, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City's share of contributions in the FRF pension plan relative to the total contributions of all participating FRF employers. At June 30, 2025, the City's proportion was 4.2096683 percent compared to 4.2096683 at June 30, 2024. Contributions to the FRF were no longer required by PERSI effective July 1, 2020.

For the year ended September 30, 2025, the City recognized plan pension expense offset related to the FRF of ($1,115,908). At September 30, 2025, the City reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 237,169
Total	$ -	$ 237,169

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2024, the beginning of the measurement period ended June 30, 2025, is 1.0 years.

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

Year Ending September 30,	Base Plan	FRF
2026	$ 3,588,123	$ 394,993
2027	(1,783,872)	(279,104)
2028	(1,889,493)	(177,717)
2029	(1,198,033)	(175,341)

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The unfunded actuarial accrued liability for FRF is the difference between the actuarial present value of the FRF benefits not provided by the Base Plan and the FRF assets. Currently FRF assets exceed this actuarial present value; therefore, there is not an unfunded liability to amortize at this time. The maximum amortization period for the FRF permitted under Section 59-1394, Idaho Code, is 50 years.

The total pension liability of the Base Plan and total pension asset of the FRF in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions and the entry age, applied to all periods included in the measurement:

	Base Plan	FRF
Inflation	2.40%	2.40%
Salary increases including inflation	3.15%	3.15%*
Investment rate of return-net of investment fees	6.55%	6.55%
Cost-of-living (COLA) adjustments	1.00%	**

*3.15 percent or 1.00 percent depending on whether the member was hired on or before July 1, 2012.
**There is an additional component of assumed salary grown (on top of the 3.05%) that varies for each individual member based on years of service.

Several different sets of mortality rates are used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for the valuation dated July 1, 2024.

Contributing Members, Service Retirement Members, and Beneficiaries

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

For the base plan, Economic assumptions and demographic assumptions, including mortality were studied for the period 2015 through 2020. The net pension liability was determined by an actuarial valuation as of June 30, 2024, applied to all prior periods included in the measurement.

For the FRF plan, Economic assumptions and demographic assumptions, including mortality were studied for the period 2015 through 2020. The net pension asset was determined by an actuarial valuation as of June 30, 2024 applied to all prior periods included in the measurement.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are show below. The formal asset allocation policy is somewhat more conservative than the current allocation of PERSI's assets. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

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

Discount Rate

The discount rate used to measure the total pension liability was 6.55%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

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

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.55%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.55 %) or 1-percentage-point higher (7.55%) than the current rate:

	1% Decrease (5.55%)	Current Discount Rate (6.55%)	1% Increase (7.55%)
Employer's proportionate share of the net pension liability (asset)			
Base Plan	$ 36,773,444	$ 15,284,026	$ (2,271,872)
FRF	(11,515,930)	(12,289,241)	(12,968,472)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at the www.persi.idaho.gov.

Payable to the Pension Plan

At September 30, 2025, there were no payables to the defined benefit pension plans for legally required employer contributions or for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Note 9 - Other Post-Employment Benefits

Plan Description

Effective March 1, 2014, the City established a post-retirement Health Reimbursement Arrangement Plan, referred to as the HRA VEBA Plan, under Internal Revenue Service Notice 2002-45. It is a single employer Plan. Employees who retire under PERSI before age 65 will not be eligible for Medicare until age 65 or older. The City established the post-retirement health reimbursement benefit for PERSI retired employees to help bridge the gap between retirement and age 65.

The Plan was established and can be amended or discontinued by City Council action. Initial funding came from the agency fund Employee Health Insurance formerly used to cover employee health and dental care claims. These monies were not required to support current health claims now covered by the Employee Health Trust Plan.

Benefits

The Plan is funded solely by employer contributions on a pay as you go basis. Basic benefit funding is $500 per year for each regular full-time employee at the beginning of each fiscal year. Upon retirement, payment is made at $500 for each year of service up to 30 years. The employee's benefit is deposited in a Trust Account held by an independent third party and the City has no further financial obligation.

Only those employees who retire from the City according to the Public Employee Retirement System of Idaho ("PERSI") retirement rules may receive the City's post-employment benefit. Employees are vested after five years of service at the City.

PERSI retirement criteria is defined as follows:

Employee Category	Early Retirement	Service Retirement
Police & Fire Employees	5 Years of Service, Age 50	5 Years of Service, Age 60
General Employees	5 Years of Service, Age 60	5 Years of Service, Age 65

Additionally, the full value of the benefit will only be provided to those employees who meet the following age-plus-service criteria. The value of the benefit will be reduced for those who do not meet this requirement.

Employee Category	Age Plus Service
Sworn Police Officers and Fire Administrative Staff	80
General Employees	90

Note that the Fire Union employees are not eligible for the post employment benefit, unless they are Fire Administrative Staff.

Eligible retirees receive a one-time payment into an HRA. The payment consists of two parts:
(1) paid time off ("PTO") accumulation payout and,
(2) one-time contribution based on age and years of service.

The first part of this payment is given to the retiree based on carryover hours at their hourly rate of pay at retirement. The maximum carryover hours are based on years of service, as follows:

Years of Service	Monthly Accrual Rate	Maximum Carryover
Up to 12 Months	10 hours	120 hours
1 - 5 Years	14 hours	400 hours
6 - 10 Years	16 hours	400 hours
11 - 15 Years	18 hours	400 hours
16+ Years	20 hours	400 hours
21+ Years	17 hours	400 hours

The second part of this payment is calculated according to a benefit schedule provided by the City, which is based on age and years of service at retirement. Benefit amounts range from $1,250 to $36,000.

Employees covered by benefit terms. At September 30, 2025 valuation date the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled but not yet receiving benefits	-
Active employees entitled to but not yet receiving benefit payments	32
Active employees	325
	359

Total OPEB Liability

The City's total OPEB liability of $670,388 was measured as of September 30, 2025, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs. The Total OPEB liability in the September 30, 2025, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Impact of Assumption Changes. The City had no changes in assumptions other than discount rate and inflation rate.

Valuation Date	September 30, 2024
Discount Rate	4.08% per annum (BOY) 3.81% per annum (EOY)
Salary Increase Rate	3.5% per annum
Inflation Rate	2.7% per annum
Census Data	Census data as of September 2024 was provided by the City.
Marriage Rate	There are no spouse benefits provided to retirees.
Spouse Age	There are no spouse benefits provided to retirees.

Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65.
Actuarial Cost Method	Entry Age Normal based on level percentage of projected salary.
Mortality Rates	Pub-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).
Plan Participation Percentage	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 100% of all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan. This assumes that a one-time irrevocable election to participate is made at retirement.
Amortization Method	*Experience/Assumptions* gains and losses are amortized over a closed period of 12.8 years starting on October 1, 2023, equal to the average remaining service of active and inactive plan members (who have no future service).
Termination Tables	PERSI Actuarial Valuation as of June 30, 2024
Retirement Tables	PERSI Actuarial Valuation as of June 30, 2024

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability - Start of Year October 1, 2024	$ 625,827
Changes for the Year:	
Service cost	96,732
Interest cost	26,991
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(50,909)
Benefit payments	(28,253)
Net change in total OPEB liability	44,561
Total OPEB Liability - End of Year September 30, 2025	$ 670,388

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1- percentage – point lower (3.9 percent) or 1 – percentage – point higher (5.9 percent) than the current discount rate.

	1% Decrease (3.9%)	Discount Rate (4.9%)	1% Increase (5.9%)
Total OPEB Liability	$ 628,000	$ 670,388	$ 715,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2025, the City recognized an OPEB expense of $123,723. At September 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 69,552	$ (136,252)
Changes of assumptions/inputs	88,163	(118,570)
Total	$ 157,715	$ (254,822)

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended September 30,	
2026	$ (5,726)
2027	(5,726)
2028	(5,726)
2029	(4,525)
2030	(7,719)
Thereafter	(67,685)

At September 30, 2025, cash and cash equivalents held in the internal service fund total $1,583,280. Anticipated plan revenues for 2026 are $75,000 against budgeted expenditures of $191,000. Three employees opted to retire in 2025.

Note 10 - Other Information

Accounting principles generally accepted in the United States of America require disclosure, as part of the basic financial statements, of certain information concerning individual funds. The following funds had expenditures greater than appropriations for the year ended September 30, 2025:

Cemetery Capital Improvement	$ 902
Fire Impact Fee	987,258
Street Impact Fee	769
Water	1,445,369
Electrical	213,909
Irrigation	230,618

Note 11 - Contingent Liabilities

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Any disallowed claims, including amounts already collected, could become a liability of the City. City management believes disallowances, if any, will be immaterial.

The City has been named as defendant in various legal actions, the results of which are not presently determinable. However, in the opinion of the City's management and legal counsel, the amount of losses that might be sustained, if any, would not materially affect the City's financial position.

Note 12 - Other Commitments

The City has the following commitments at September 30, 2025:

Project Description	Outstanding Commitments	% Complete	Completed as of September 30	Total Contract Amount
Farmway Road Improvements/Pathway	$ 451,174	88%	$ 3,207,985	$ 3,659,160
Indian Creek at Ustick Bridge	37,601	68%	81,039	118,640
Indian Creek at Ustick Bridge	1,885,259	64%	3,390,114	5,275,373
Middleton Rd & Lincol Rd RAB	318,491	16%	60,360	378,851
Linden Ward RAB	21,630	2%	370	22,000
10th Ave Overlay Rehab	360,758	68%	772,751	1,133,509
Caldwell Taxiway C Rehab Design	78,317	50%	78,372	156,689
Police and Fire Training Building	590,781	25%	196,927	787,707
602 Cleveland Parking Lot	90,026	77%	293,457	383,484
Lions Park Design	34,548	67%	70,771	105,319
Pool Bathhouse Facility Design	390,118	67%	807,052	1,197,170
Pool Bathhouse Facility Construction	16,372	99%	3,232,003	3,248,375
Piece Aerial Ladder Truck/Delivery 2029	2,441,321	0%	-	2,441,321
Caldwell Cleveland and Linden Intersection Design	622,632	0%	769	623,401
Test Well 22	10,024	97%	300,071	310,095
Test Well 22 Design	32,835	57%	43,665	76,500
Well 20 Pumping Facility Design	29,215	77%	95,485	124,700
Farmway Road Improvements/Water Utility Lines	-	100%	3,715,059	3,715,059
Test Well 24 Karcher Commons Reimb	2,000,000	0%	-	2,000,000
Farmway Road Improvements/Sewer Infras Imprvmnts	-	100%	4,288,466	4,288,466
21st Avenue Sewer Bypass	6,793,600	7%	545,346	7,338,946
Waste Activated Sludge Design	127,959	60%	188,741	316,700
Lincoln LS & Sewer Trunk Line	125,680	62%	202,420	328,100
	$ 16,458,339		$ 21,571,225	$ 38,029,564

Note 13 - Tax Abatements

Agency tax revenues were reduced under agreements entered into by Canyon County.

These revenues were reduced through a business property tax abatement program authorized under Idaho Code 63-602NN. This program provides property tax exemptions to certain businesses which invest in non-retail buildings or plants for commercial or industrial purposes. The investment must be made in a plant that will bring significant economic benefit to the county. The exemption may be granted for up to five years. Canyon County has determined the City's share of abatements as of September 30, 2025 as follows:

Tax Abatement Program	Total Amount of Taxes Abated for the City
Idaho Code 63-602NN Tax Exemption	$ 59,268

Note 14 - Related Party Transactions

During 2025, the Caldwell Urban Renewal agency reimbursed the City in the amount of $1,226,595 for expenditures paid on its behalf on various projects (Ustick Road Widening, Underground Alleyway Project, Wilson Drain Culvert Project, and Wolfe Field Parking Lot). 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.

As of September 30, 2025, the Agency owed the City $336,518 in project related costs.

Note 15 - Leases

Lessor Activities

The City has accrued leases receivable for 1 building lease and 311 land leases related primarily to airport hangers. The remaining receivable for these leases was $4,052,811 as of September 30, 2025. Deferred Inflows related to these leases were $4,085,975 as of September 30, 2025. Interest revenue recognized on these leases was $97,401 for the year ended September 30, 2025. Principal receipts of $327,517 were recognized during the fiscal year. The implicit interest rate used by the City to calculate the leases was 2.158% and 5.438%. Final receipt is expected through fiscal year 2061.

Lessee Activities

The City has accrued lease liability for one vehicle in the general fund. The remaining liability for this lease was $5,277 as of September 30, 2025. Interest expense recognized on this leases was $387, for the year ended September 30, 2025. Principal payment of $6,138 was recognized during the fiscal year. The implicit interest rate used by the City to calculate the lease was 4.87%. Final payment is expected through fiscal year 2026.

Note 16 - Subscription-Based Information Technology Arrangements (SBITAs)

As of September 30, 2025, the City had 13 active subscriptions. The subscriptions have payments that range from $2,246 to $152,097 and interest rates that range from 2.3640% to 3.7600%, respectively. As of September 30, 2025, the total combined value of the subscription liability is $1,269,666, and the total combined value of the short-term subscription liability is $481,933.

	Balance October 1, 2024	Additions	Deletions	Balance September 30, 2025	Due Within One Year
Subscription IT liabilities	$ 1,478,197	$ 366,729	$ (575,260)	$ 1,269,666	$ 481,933
Net right to use subscription IT assets	$ 1,478,197	$ 366,729	$ (575,260)	$ 1,269,666	$ 481,933

Remaining principal and interest payments on subscriptions are as follows:

Years Ending September 30,	Principal	Interest
2026	$ 481,932	$ 38,675
2027	358,073	23,258
2028	240,239	12,381
2029	93,533	4,749
2030-2030	95,889	2,397
	$ 1,269,666	$ 81,460

Note 17 - Adoption of New Standard

As of October 1, 2024, the City adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Therefore, compensated absences were increased by $268,215, as of October 1, 2024. The effect of this change in accounting principle is described in the table below.

	October 1, 2024, As Previously Reported	Change in Accounting Principle	October 1, 2024, As Restated
Government-Wide			
Governmental Activities	$ 316,132,885	$ (235,555)	$ 315,897,330
Business-Type Activities	218,429,405	(32,660)	218,396,745
Total Primary Government	$ 534,562,290	$ (268,215)	$ 534,294,075
Proprietary Funds			
Major Funds:			
Water	$ 66,250,250	$ (9,749)	$ 66,240,501
Sewer	124,910,571	(8,798)	124,901,773
Sanitation	1,619,065	-	1,619,065
NonMajor Funds	25,649,519	(14,113)	25,635,406
Total Propriety Funds	$ 218,429,405	$ (32,660)	$ 218,396,745

Required Supplementary Information
September 30, 2025

City of Caldwell, Idaho

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

	2025	2024	2023	2022	2021
Employer's portion of net the pension liability	0.6320512%	0.5668943%	0.5626673%	0.4411089%	0.4438023%
Employer's proportionate share of the net pension liability (asset)	$ 15,284,025	$ 21,205,501	$ 22,454,197	$ 17,374,214	$ (350,509)
Employer's covered payroll	$ 27,672,043	$ 25,371,176	$ 19,218,479	$ 15,945,204	$ 15,121,544
Employer's proportional share of the net pension liability as a percentage of its covered payroll	55.23%	83.58%	116.84%	108.96%	-2.32%
Plan fiduciary net position as a percentage of the total pension liability	90.89%	85.54%	83.83%	83.09%	100.36%

	2020	2019	2018	2017	2016
Employer's portion of net the pension liability	0.4382035%	0.4272990%	0.4299319%	0.4292893%	0.4151597%
Employer's proportionate share of the net pension liability (asset)	$ 10,175,662	$ 4,877,497	$ 6,341,569	$ 6,747,689	$ 8,415,926
Employer's covered payroll	$ 14,403,507	$ 13,350,459	$ 12,702,613	$ 12,308,096	$ 11,161,497
Employer's proportional share of the net pension liability as a percentage of its covered payroll	70.65%	36.53%	49.92%	54.82%	75.40%
Plan fiduciary net position as a percentage of the total pension liability	88.22%	93.79%	91.69%	90.68%	87.26%

Data reported is measured as of June 30 (measurement date).

Schedule of Employer's Share of Net Pension Asset
FRF
Last 10 - Fiscal Years

	2025	2024	2023	2022	2021
Employer's portion of net the pension asset	4.2096683%	4.2096683%	4.2096683%	4.2096683%	4.2096683%
Employer's proportionate share of the net pension asset	$ 12,289,241	$ 10,595,570	$ 9,951,771	$ 8,642,067	$ 11,375,653
Employer's covered payroll	$ 1,778,431	$ 1,460,922	$ 1,474,438	$ 1,201,115	$ 1,081,918
Employer's proportional share of the net pension asset as a percentage of its covered payroll	691.02%	725.27%	674.95%	719.50%	1051.43%
Plan fiduciary net position as a percentage of the total pension asset	227.13%	207.66%	200.58%	184.72%	211.83%

	2020	2019	2018	2017	2016
Employer's portion of net the pension asset	4.2096683%	3.9304645%	4.0348687%	3.9578287%	3.8194708%
Employer's proportionate share of the net pension asset	$ 6,268,160	$ 5,650,185	$ 4,566,267	$ 3,395,644	$ 2,052,905
Employer's covered payroll	$ 1,002,746	$ 926,446	$ 906,609	$ 867,239	$ 794,910
Employer's proportional share of the net pension asset as a percentage of its covered payroll	625.10%	609.88%	503.66%	391.55%	258.26%
Plan fiduciary net position as a percentage of the total pension asset	155.55%	152.74%	140.15%	129.65%	118.42%

Data reported is measured as of June 30 (measurement date).

Schedule of Employer's Contributions

Base Plan

Last 10 - Fiscal Years

	2025	2024	2023	2022	2021
Statutorily required contribution	$ 3,930,249	$ 3,377,830	$ 2,705,063	$ 2,166,427	$ 1,984,468
Contributions in relation to the statutorily required contribution	$ 3,930,249	$ 3,377,830	$ 2,705,063	$ 2,166,427	$ 1,984,468
Contributions (deficiency) excess	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 27,672,043	$ 25,183,281	$ 20,475,367	$ 17,033,768	$ 15,232,229
Contributions as a percentage of covered payroll	14%	13%	13%	13%	13%

	2020	2019	2018	2017	2016
Statutorily required contribution	$ 2,054,507	$ 1,642,850	$ 1,565,835	$ 1,519,344	$ 1,424,055
Contributions in relation to the statutorily required contribution	$ 2,054,507	$ 1,642,850	$ 1,565,835	$ 1,519,344	$ 1,424,055
Contributions (deficiency) excess	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 14,637,182	$ 13,535,037	$ 12,933,267	11,967,974	$ 11,306,995
Contributions as a percentage of covered payroll	14%	12%	12%	13%	13%

Data reported is measured as of September 30.

Schedule of Employer's Contributions

FRF

Last 10 - Fiscal Years

	2025	2024	2023	2022	2021
Statutorily required contribution	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the statutorily required contribution	$ -	$ -	$ -	$ -	$ -
Contributions (deficiency) excess	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ -	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	0%	0%	0%	0%	0%

	2020	2019	2018	2017	2016
Statutorily required contribution	$ 164,297	$ 154,346	$ 151,041	$ 143,431	$ 101,420
Contributions in relation to the statutorily required contribution	$ 164,297	$ 154,346	$ 151,041	$ 143,431	$ 101,420
Contributions (deficiency) excess	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 1,042,330	$ 933,995	$ 916,508	$ 852,346	$ 805,272
Contributions as a percentage of covered payroll	16%	17%	16%	17%	13%

Data reported is measured as of September 30.

Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last 10 - Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 96,732	$ 63,023	$ 61,055	$ 74,479	$ 72,458	$ 48,508	$ 47,951	$ 46,027
Interest cost	26,991	28,586	25,370	13,117	17,079	17,384	24,674	27,245
Changes of benefit terms	-	-	-	-	-	47,217	-	-
Differences between expected and actual experience	(50,909)	(142,859)	-	103,479	-	(32,877)	-	-
Changes in assumptions or other inputs	-	48,164	(2,816)	(95,428)	2,209	52,377	56,070	(18,526)
Benefit Payments	(28,253)	(13,991)	(21,469)	(95,378)	(234,646)	(61,327)	(37,846)	(198,251)
Net change in total OPEB liability	44,561	(17,077)	62,140	269	(142,900)	71,282	90,849	(143,505)
Total OPEB Liability - Start of Year 10/01	625,827	642,904	580,764	580,495	723,395	652,113	561,264	704,769
Total OPEB Liability - End of Year 09/30	$ 670,388	$ 625,827	$ 642,904	$ 580,764	$ 580,495	$ 723,395	$ 652,113	$ 561,264
Covered employee payroll	$ 20,682,768	$ 19,983,350	$ 19,399,000	$ 18,834,176	$ 16,003,188	$ 12,303,818	$ 10,570,085	$ 10,570,085
Total OPEB Liability as a % of covered employee payroll	3.24%	3.13%	3.31%	3.08%	3.63%	5.88%	6.17%	5.31%

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4; these benefits are funded on a pay-as-you go basis.

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Property taxes	$ 23,129,793	$ 23,129,793	$ 23,867,365	$ 737,572
Franchise fees	1,175,000	1,175,000	1,107,396	(67,604)
Interest	1,041,580	1,041,580	1,966,875	925,295
Licenses and permits	4,858,345	4,858,345	5,909,040	1,050,695
Intergovernmental	3,962,604	3,962,604	4,293,866	331,262
Operating grants	9,359,418	9,459,418	789,664	(8,669,754)
Other financial assistance - CARES Act	-	-	-	-
Capital Grants	-	-	(676,376)	(676,376)
Charges for services	15,669,524	15,823,324	14,447,522	(1,375,802)
Unrealized gain on investments	-	-	(23,695)	(23,695)
Miscellaneous	404,118	524,118	616,174	92,056
Total revenues	59,600,382	59,974,182	52,297,831	(7,676,351)
Expenditures				
Current				
General government	18,791,829	19,278,311	8,781,481	10,496,830
Public safety	33,124,408	33,277,204	32,233,843	1,043,361
Culture and recreation	855,367	1,475,265	451,413	1,023,852
Community development	1,466,026	976,908	1,760,856	(783,948)
Debt Service				
Principal Repayments on Loans	270,700	270,700	262,570	8,130
Subscriptions	-	-	562,404	(562,404)
Equipment Leases	-	6,138	6,138	-
Interest and other	-	129,400	183,057	(53,657)
Capital outlay	7,288,000	14,297,883	8,776,140	5,521,743
Total expenditures	61,796,330	69,711,809	53,017,902	16,693,907
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,195,948)	(9,737,627)	(720,071)	9,017,556
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	676,658	676,658
Subscriptions & Equip Leases	-	-	364,775	364,775
Transfers in	1,306,897	2,973,412	1,889,265	(1,084,147)
Transfers Out	(1,465,897)	(5,005,589)	(1,602,231)	3,403,358
Total other financing sources (uses)	(159,000)	(2,032,177)	1,328,467	3,360,644
Net Change in Fund Balances	$ (2,354,948)	$ (11,769,804)	608,396	$ 12,378,200
Fund Balance, Beginning of Year			45,426,942	
Fund Balance, End of Year			$ 46,035,342	

See Notes to Required Supplementary Information

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Property taxes	$ 3,166,855	$ 3,166,855	$ 3,166,855	$ -
Interest	550,500	550,500	753,559	203,059
Intergovernmental	5,918,974	5,918,974	6,562,440	643,466
Charges for services	1,622,090	2,622,090	2,754,234	132,144
Other grants	1,000,000	1,000,000	2,224	(997,776)
Capital Grants - Other General	1,000,000	1,000,000	1,009,624	9,624
Unrealized gain (loss) on investments	-	-	(27,291)	(27,291)
Miscellaneous	20,000	20,000	27,762	7,762
Total revenues	13,278,419	14,278,419	14,249,407	(29,012)
Expenditures				
Streets	8,216,908	9,221,511	7,448,324	1,773,187
Capital outlay	16,252,881	22,416,967	10,853,800	11,563,167
Total expenditures	24,469,789	31,638,478	18,302,124	13,336,354
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,191,370)	(17,360,059)	(4,052,717)	13,307,342
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	4,600	4,600
Contributions from other entities	-	-	971,000	971,000
Operating transfers in	150,000	150,000	73,467	(76,533)
Operating transfers out	-	-	(1,653,330)	(1,653,330)
Total other financing sources (uses)	150,000	150,000	(604,263)	(754,263)
Net Change in Fund Balances	$ (11,041,370)	$ (17,210,059)	(4,656,980)	$ 12,553,079
Fund Balance, Beginning of Year			16,677,090	
Fund Balance, End of Year			$ 12,020,110	

Note 1 - Budgets and Budgetary Accounting

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

- Prior to September 1, the Finance Director and City Council 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 appropriation ordinance.
- Budgetary amendments are approved by City Council during the year.

Budgets are adopted on a basis consistent with generally accepted accounting principles for the general, debt service, and special revenue funds. All annual appropriations lapse at fiscal year-end. The Finance Director and Mayor are authorized to transfer budget amounts within departments and between departments within any fund. Revisions that alter the total expenditure appropriation of any fund must be approved by the City Council. State law does not allow fund expenditures to exceed fund appropriations.

Other Financial Information
September 30, 2025

City of Caldwell, Idaho

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest, including bonds, certificates of participation and capital leases.

SPECIAL REVENUE FUNDS

To account for specific revenues that are legally restricted to expenditures for particular purposes.

CDBG/HUD
To account for resources received for federal community development block programs received directly from the U.S. Department of Housing and Urban Development (HUD).

Business Improvement District Fund
To account for the resources and expenditures of the City's business improvement district fund. Special assessments are the only revenue source. Expenditures are restricted by state code.

Cemetery Fund
To account for the operation and maintenance of the cemetery. Property taxes and sales of cemetery plots are the principal revenue sources. City ordinances require that these revenues be used to finance cemetery operations and maintenance.

Cemetery Capital Improvement Fund
To account for the resources and expenditures of the City's cemetery capital improvement fund. Grave fees are the principal revenue sources and capital outlay is the primary expenditure.

Cemetery Perpetual Care Fund
To account for the resources and expenditures of the City's perpetual care fund. Grave fees and earnings on investments are the principal source of revenues. Capital outlay is the primary expenditure.

Community Development Fund
To account for the collection of low interest mortgages made to low income citizens of the City and the subsequent expenditures of these funds. These loans were established under a Community Development grant.

Library Fund
To account for the operation of the public library. Financing is provided principally through property taxes which are restricted for library operations by City ordinance.

Airport Fund
To account for operation of the City airport. Financing is provided by property taxes, federal and state grants as well as state gasoline and sales tax. City ordinance requires that these revenues be restricted to financing airport operations.

Recreation Fund
To account for operation of City-owned parks and recreation programs. Financing is provided principally through program fees and a specific annual property tax levy. City ordinance restricts revenues property taxes to financing of parks and recreation programs.

City of Caldwell, Idaho
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2025

	Business Improvement District	CDBG HUD	Cemetery	Cemetery Capital Improvement	Cemetery Perpetual Care	Community Development	Library	Airport	Recreation	Totals
Assets										
Cash and cash equivalents	$ 136,381	$ 20,090	$ 777,613	$ -	$ 1,904,919	$ 27,921	$ 2,027,261	$ 652,074	$ 1,697,124	$ 7,243,383
Prepaid expenses	-	8,280	-	-	-	-	11,817	-	1,809	21,906
Receivables										
Interest	-	18,284	2,770	6,683	-	122	8,021	2,435	4,909	43,224
Interest lease related	-	-	-	-	-	-	-	46,249	-	46,249
Taxes	-	-	193,453	-	-	-	1,473,925	429,895	1,031,748	3,129,021
Intergovernmental	-	-	-	-	-	-	169,963	22,991	528,565	721,519
Accounts	93,240	-	-	-	-	-	-	67,321	4,750	165,311
Grants	-	46,015	-	-	-	3,657	-	442,864	-	492,536
Notes	-	38,391	-	-	-	-	-	-	-	38,391
Leases	-	-	-	-	-	-	-	3,930,513	-	3,930,513
Due from other funds	-	-	-	-	14,000	-	-	-	-	14,000
Restricted assets										
Cash and cash equivalents	-	-	-	-	-	-	173,905	-	-	173,905
Investments	-	-	-	-	-	-	208,481	-	-	208,481
	$ 229,621	$ 131,060	$ 973,836	$ 6,683	$ 1,918,919	$ 31,700	$ 4,073,373	$ 5,594,342	$ 3,268,905	$ 16,228,439

City of Caldwell, Idaho
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2025

	Business Improvement District	CDBG HUD	Cemetery	Cemetery Capital Improvement	Cemetery Perpetual Care	Community Development	Library	Airport	Recreation	Totals
Liabilities, Deferred Inflows of Resources, and Fund Balances										
Liabilities										
Vouchers and payroll payable	$ 11,263	$ 61,274	$ 11,265	$ 6,288	$ 266	$ 7,768	$ 49,583	$ 60,435	$ 200,293	$ 408,435
Due to other funds	-	-	-	18,711	-	-	63,133	-	-	81,844
Total liabilities	11,263	61,274	11,265	24,999	266	7,768	112,716	60,435	200,293	490,279
Deferred Inflows of Resources										
Unavailable property tax revenue	-	-	193,453	-	-	-	1,473,925	429,895	1,031,748	3,129,021
Unavailable revenue	-	18,284	-	-	-	-	-	-	-	18,284
Lease related	-	-	-	-	-	-	-	3,972,117	-	3,972,117
Total deferred inflows of resources	-	18,284	193,453	-	-	-	1,473,925	4,402,012	1,031,748	7,119,422
Fund Balances										
Nonspendable	-	8,280	-	-	-	-	11,817	-	1,809	21,906
Assigned for Capital Maintenance	-	-	-	-	-	23,932	-	-	-	23,932
Committed for library services	-	-	-	-	-	-	2,474,915	-	-	2,474,915
Committed for community services	218,358	43,222	769,118	(18,316)	1,918,653	-	-	1,131,895	2,035,055	6,097,985
Total fund balances	218,358	51,502	769,118	(18,316)	1,918,653	23,932	2,486,732	1,131,895	2,036,864	8,618,738
	$ 229,621	$ 131,061	$ 973,836	$ 6,683	$ 1,918,919	$ 31,700	$ 4,073,373	$ 5,594,342	$ 3,268,905	$ 16,228,440

City of Caldwell, Idaho

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds

Year Ended September 30, 2025

	Business Improvement District	CDBG/ HUD	Cemetery	Cemetery Capital Improvement	Cemetery Perpetual Care	Community Development	Library	Airport	Recreation	Totals
Revenues										
Property taxes	$ -	$ -	$ 184,256	$ -	$ -	$ -	$ 1,396,311	$ 428,970	$ 1,027,801	$ 3,037,338
Interest	-	-	33,106	81,169	711	4,144	95,607	35,502	69,100	319,339
Interest lease related	-	-	-	-	-	-	-	89,456	-	89,456
Intergovernmental	-	-	-	-	-	-	641,217	86,740	1,994,112	2,722,069
Capital grants	-	122,690	-	-	-	3,657	-	1,388,341	-	1,514,688
Operating grants	-	-	-	-	-	-	5,037	-	-	5,037
Charges for services	-	-	157,689	14,827	23,668	1	35,767	339,430	826,301	1,397,683
Unrealized (loss)/gain on investments	-	-	(168)	(218)	(181)	126	(7,741)	(708)	(2,333)	(11,223)
Assessments	384,767	-	-	-	-	-	-	-	-	384,767
Miscellaneous	-	-	460	-	-	5,000	149,784	56,626	14,454	226,324
Total revenues	384,767	122,690	375,343	95,778	24,198	12,928	2,315,982	2,424,357	3,929,435	9,685,478
Expenditures										
Current										
General government	348,497	-	-	-	-	-	-	-	-	348,497
Parks and recreation	-	-	-	-	-	-	-	-	3,439,281	3,439,281
Community services	-	122,690	448,669	3,750	-	344,164	1,884,877	970,500	-	3,774,650
Capital outlay	-	-	-	252,158	-	-	-	1,250,138	1,646,666	3,148,962
Total expenditures	348,497	122,690	448,669	255,908	-	344,164	1,884,877	2,220,638	5,085,947	10,711,390
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,270	-	(73,326)	(160,130)	24,198	(331,236)	431,105	203,719	(1,156,512)	(1,025,912)

City of Caldwell, Idaho

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds

Year Ended September 30, 2025

	Business Improvement District	CDBG/ HUD	Cemetery	Cemetery Capital Improvement	Cemetery Perpetual Care	Community Development	Library	Airport	Recreation	Totals
Other Financing Sources (Uses)										
Proceeds from sale of assets	-	-	-	8,700	-	-	-	-	-	8,700
Contributions from other governments	-	-	-	-	-	226,800	-	-	-	226,800
Operating transfers in	-	-	-	-	-	-	-	-	1,567,944	1,567,944
Total other financing sources (uses)	-	-	-	8,700	-	226,800	-	-	1,567,944	1,803,444
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources	36,270	-	(73,326)	(151,430)	24,198	(104,436)	431,105	203,719	411,432	777,532
Fund Balance, Beginning of Year	182,088	51,502	842,444	133,113	1,894,454	128,367	2,055,627	928,177	1,625,432	7,841,205
Fund Balance, End of Year	$ 218,358	$ 51,502	$ 769,118	$ (18,316)	$ 1,918,653	$ 23,932	$ 2,486,731	$ 1,131,895	$ 2,036,864	$ 8,618,739

NONMAJOR PROPRIETARY FUNDS

ENTERPRISE FUND

To account for operations that are financed and operated in a manner similar to private business enterprises when the intent of the governing body is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or when the City's council has decided that periodic determination of net income is appropriate for accountability purposes.

Golf Fund

To account for the operations of the City's public golf courses (Purple Sage and Fairview).

Electrical Fund

To account for the billings and receipts for the City street lights.

Irrigation Fund

To account for maintenance, operation and capital replacement of the City's irrigation system.

INTERNAL SERVICE FUNDS

To account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Post-Retirement Health Reimbursement Arrangement

To account for post-employment benefits for employees who retire under PERSI before age 65 that are not yet eligible for Medicare until age 65 or older. The benefits will help retired employees to bridge the gap between retirement and age 65.

Section 125 Benefit Plan

To account for employee cafeteria contributions and expenditures for health services.

City of Caldwell, Idaho
Combining Statement of Net Position – Nonmajor Enterprise Funds
September 30, 2025

	Golf	Electrical	Irrigation	Totals
Assets				
Current Assets				
Cash and cash equivalents	$ 677,942	$ 2,663,608	$ 2,722,466	$ 6,064,016
Prepaid expenses	400			400
Interest receivable	1,996	8,896	10,118	21,010
Accounts receivable	-	128,414	647,864	776,278
Inventory	185,289	-	-	185,289
Total current assets	865,627	2,800,918	3,380,448	7,046,993
Noncurrent Assets				
Capital assets				
Capital assets not being depreciated	178,368	-	-	178,368
Capital asset being depreciated (net)	424,563	6,688,347	17,494,073	24,606,983
Total noncurrent assets	602,931	6,688,347	17,494,073	24,785,351
Deferred Outflow of Resources				
Pension	81,660	60,129	39,068	180,857
	$ 1,550,218	$ 9,549,394	$ 20,913,589	$ 32,013,201
Liabilities				
Current Liabilities				
Vouchers and payroll payables	$ 99,765	$ 161,271	$ 96,708	$ 357,744
Customer deposits	94,002	-	-	94,002
Due to other funds	14,000	-	-	14,000
compensated absences	47,995	65,564	-	113,559
Total current liabilities	255,762	226,835	96,708	579,305
Noncurrent Liabilities				
Net pension liability	187,517	136,517	89,600	413,634
Deferred Inflow of Resources				
Pension	81,242	59,147	38,820	179,209
Net Position				
Investment in capital assets	602,931	6,688,347	17,494,073	24,785,351
Unrestricted	422,766	2,438,548	3,194,388	6,055,702
Total net position	1,025,697	9,126,895	20,688,461	30,841,053
	$ 1,550,218	$ 9,549,394	$ 20,913,589	$ 32,013,201

	Golf	Electrical	Irrigation	Totals
Operating Revenues				
Charges for services	$ 2,472,646	$ 1,394,332	$ 2,882,229	$ 6,749,207
Other	30,378	314,426	1,364	346,168
Total operating revenues	2,503,024	1,708,758	2,883,593	7,095,375
Operating Expenses				
Personnel services	646,253	647,754	262,718	1,556,725
Contractual services	586,278	123,005	630,344	1,339,627
Materials and supplies	233,596	29,225	20,217	283,038
Utilities	115,988	273,019	846,295	1,235,302
Repairs and maintenance	200,453	677,779	405,622	1,283,854
Other expenses	81,527	12,933	71,197	165,657
Depreciation	208,894	287,882	632,710	1,129,486
Total operating expenses	2,072,989	2,051,597	2,869,103	6,993,689
Operating Income (Loss)	430,035	(342,839)	14,490	101,686
Nonoperating Revenues (Expenses)				
Interest income	8,613	105,594	116,385	230,592
Investments	1,962	(308)	2,845	4,499
Total nonoperating revenues	10,575	105,286	119,230	235,091
Income (Loss) Before Contributions and Transfers	440,610	(237,553)	133,720	336,777
Contributions from developers	-	1,214,798	3,654,074	4,868,872
Change in Net Position	440,610	977,245	3,787,794	5,205,649
Net Position, Beginning of Year	599,201	8,149,650	16,900,668	25,649,519
Restatement (See Note 16)	(14,113)	-	-	(14,113)
Net Position, Beginning of year as Restated	585,088	8,149,650	16,900,668	25,635,406
Net Position, End of Year	$ 1,025,697	$ 9,126,895	$ 20,688,461	$ 30,841,053

	Non Major Enterprise Funds			
	Golf	Electrical	Irrigation	Total
Operating Activities				
Received from user charges	$ 2,515,323	$ 1,680,287	$ 2,795,583	$ 6,991,193
Payments to employees for services	(626,322)	(446,655)	(285,490)	(1,358,467)
Payments to suppliers for goods and services	(1,403,446)	(1,000,774)	(2,000,547)	(4,404,767)
Net Cash from (used for) Operating Activities	485,555	232,858	509,546	1,227,959
Noncapital Financing Activities				
Repayment on interfund loan	(14,000)	-	-	(14,000)
Net Cash from (used for) Noncapital Financing Activities	(14,000)	-	-	(14,000)
Capital and Related Financing Activities				
Acquisition of capital assets	-	(86,406)	-	(86,406)
Net Cash from (used for) Capital and Related Financing Activities	-	(86,406)	-	(86,406)
Investing Activities				
Interest received on investments	6,671	105,123	111,208	223,002
Net increase (decrease) in pooled investments	1,962	(308)	2,845	4,499
Net Cash from Investing Activities	8,633	104,815	114,053	227,501
Net Change in Cash and Cash Equivalents	480,188	251,268	623,601	1,355,056
Cash and Cash Equivalents, October 1, 2024	197,754	2,412,341	2,098,867	4,708,962
Cash and Cash Equivalents, September 30, 2025	$ 677,942	$ 2,663,608	$ 2,722,466	$ 6,064,016
Supplemental Information				
Contributed property, plant and equipment	$ -	$ 1,214,798	$ 3,654,074	$ 4,868,872

	Non Major Enterprise Funds			
	Golf	Electrical	Irrigation	Total
Reconciliation of operating income (loss) to net cash from (used for) operating activities				
Operating income (loss)	$ 430,035	$ (342,839)	$ 14,490	$ 101,686
Depreciation	208,895	287,882	632,710	1,129,487
Amortization	-	-	-	-
GASB 68 pension expense	14,630	135,535	(22,703)	127,462
Changes in assets and liabilities				
Accounts receivable	975	(30,168)	(88,010)	(117,203)
Grants receivable	-	-	-	-
Internal balances	-	-	-	-
Prepaid Expenses	(400)	-	-	(400)
Inventory	(146,289)	-	-	(146,289)
Vouchers payable	(38,349)	116,882	(26,940)	51,594
Unearned revenue	-	-	-	-
Compensated absences	4,734	65,564	-	70,298
Customer deposits	11,324	-	-	11,324
Net Cash from (used for) Operating Activities	$ 485,555	$ 232,856	$ 509,547	$ 1,227,959

	Post-Retirement Health Reimbursement Arrangement	Section 125 Benefit Plan	Totals
Assets and Deferred Outflows of Resources			
Current Assets			
Cash and cash equivalents	$ 1,528,907	$ 54,373	$ 1,583,280
Interest receivable	5,406	-	5,406
Total current assets	1,534,313	54,373	1,588,686
Deferred Outflows of Resources			
OPEB obligations	157,715	-	157,715
Total deferred outflows of resources	157,715	-	157,715
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Vouchers payable	-	9,450	9,450
OPEB liability	670,388	-	670,388
Total liabilities	670,388	9,450	679,838
Deferred Inflows of Resources			
OPEB obligations	254,822	-	254,822
Total deferred inflows of resources	254,822	-	254,822
Net Position			
Unrestricted	766,818	44,923	811,741
Total net position	766,818	44,923	811,741
	$ 1,692,028	$ 54,373	$ 1,746,401

City of Caldwell, Idaho

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Internal Service Funds

Year Ended September 30, 2025

	Post-Retirement Health Reimbursement Arrangement	Section 125 Benefit Plan	Totals
Operating Revenues			
Charges for services	$ 326,684	$ 175,199	$ 501,883
Total operating revenues	326,684	175,199	501,883
Operating Expenses			
Personnel Services	-	165,785	165,785
Contractual services	184,634	5,869	190,503
Total operating expenses	184,634	171,654	356,288
Operating Income (Loss)	142,050	3,545	145,595
Nonoperating Revenues (Expenses)			
Interest income	54,127	-	54,127
Unrealized gain (loss) on investments	1,306	-	1,306
OPEB expenses (offset)	(89,744)	-	(89,744)
Total nonoperating (expenses)	(34,311)	-	(34,311)
Change in Net Position	107,739	3,545	111,284
Net Position, Beginning of Year	659,079	41,378	700,456
Net Position, End of Year	$ 766,818	$ 44,923	$ 811,740

	Internal Service Funds		
	Post-Retirement Health Reimbursement Arrangement	Section 125 Benefit Plan	Totals
Operating Activities			
Received from user charges	$ 326,684	$ 175,199	$ 501,883
Payments to employees for services	-	-	-
Payments to suppliers for goods and services	(204,121)	(163,531)	(367,652)
Net Cash from (used for) Operating Activities	122,563	11,668	134,231
Investing Activities			
Interest received on investments	53,442	-	53,442
Net increase in pooled investments	1,306	-	1,306
Net Cash from (used for) Investing Activities	54,748	-	54,748
Net Change in Cash and Cash Equivalents	177,312	11,668	188,980
Cash and Cash Equivalents, October 1, 2024	1,351,596	42,705	1,394,301
Cash and Cash Equivalents, September 30, 2025	$ 1,528,907	$ 54,373	$ 1,583,280
Reconciliation of Operating Income to Net Cash from operating activities			
Operating income (loss)	$ 142,050	$ 3,545	$ 145,595
Changes in assets and liabilities			
Vouchers Payable	$ (19,487)	$ 8,123	$ (11,364)
Net Cash from (used for) Operating Activities	$ 122,563	$ 11,668	$ 134,231
Reconciliation of Operating Income to Net Cash from operating activities			
Operating income (loss)	$ 142,050	$ 3,545	$ 145,595
Depreciation	-	-	-
Amortization	-	-	-
Changes in assets and liabilities			
Vouchers payable	(19,487)	8,123	(11,364)
Net Cash from Operating Activities	$ 122,563	$ 11,668	$ 134,231

Single Audit Information
September 30, 2025

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*

Members of the City Council
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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Caldwell, Idaho (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 11, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 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 City'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.

Boise, Idaho
March 11, 2026

Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Members of the City Council
City of Caldwell, Idaho
Caldwell, Idaho

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Caldwell, Idaho's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2025. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 11, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Eide Bailly LLP

Boise, Idaho
March 11, 2026

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed-Through to Subrecipients
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Community Dev Block Grant/Entitlement Grants Cluster				
COVID-19 CDBG/Entitlement Grant	14.218	B-20-MW-16-0008	$ 55,000	$ 55,000
COVID-19 CDBG/Entitlement Grant	14.218	B-24-MC-16-0008	67,690	35,620
Total Community Development Block Grant Cluster Entitlement / Special			122,690	90,620
Total Department of Housing and Urban Development			122,690	90,620
U. S. DEPARTMENT OF ENERGY				
Energy Efficiency and Conservation Block Grant	81.128	IA-0000000569	96,000	-
Total U.S. Department of Energy			96,000	-
U. S. DEPARTMENT OF JUSTICE				
Passed through City of Nampa				
Edward Byrne Memorial Justice Assistance	16.738	2024-DJ-BX-0597	33,373	-
Office of Community Policing Services	16.710	15JCOPS-24-GG-03385	49,139	-
Total U.S. Department of Justice			82,512	-
U.S. DEPARTMENT OF HOMELAND SECURITY				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	ENW-2021-FF-01852	691,706	-
Total U.S. Department of Homeland Security			691,706	-
U. S. DEPARTMENT OF TRANSPORTATION				
Federal Aviation Administration				
AIP-Airport Improvement Project	20.106	3-16-0045-038-2023	35,699	-
AIP-Airport Improvement Project	20.106	3-16-0045-039-2024	487,796	-
AIP-Airport Improvement Project	20.106	3-16-0045-040-2024	501,092	-
AIP-Airport Improvement Project	20.106	3-16-0045-041-2024	161,604	-
AIP-Airport Improvement Project	20.106	3-16-0045-042-2024	80,202	-
Total 20.106			1,266,393	-

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA number	Pass-through Entity Identifying Number	Expenditures	Amounts Passed-Through to Subrecipients
Passed through the Idaho Department of Transportation, Office of Highway Safety				
State and Community Highway Safety	20.205	FHWA OHSIP	1,745	-
Transportation Highway Cluster				
National Priority Safety Programs	20.600	PT-2025-EA-00	3,447	-
State and Community Highway Safety	20.616	M5HVE-2025-EA-00	1,677	-
State and Community Highway Safety	20.616	B8ADDLE-2025-EA-00	2,500	-
State and Community Highway Safety	20.616	M2HVE-2025-EA-00	2,776	-
State and Community Highway Safety	20.616	M5HVE-2025-EB-00	1,883	-
State and Community Highway Safety	20.616	M5HVE-2025-EC-00	1,421	-
Total U.S. Department of Transportation Highway Safety Cluster			13,704	-
Total U.S Department of Transportation			1,281,842	-
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Passed through the State of Idaho Commission for Libraries				
That All May Read Grant	45.310	STEM 25-17	500	-
Continuing Education Grant	45.310	TAMR 25-05	1,000	-
Continuing Education Grant	45.310	CE 25-19	1,013	-
Total Institute of Museum and Library Services			2,513	-
U.S. DEPARTMENT OF THE TREASURY				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (SLSRF)	21.027	20-1982-0-1-806	819,768	-
Total Department of the Treasury			819,768	-
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Brownsfields & Land Revitalization Program	66.818	EPA-OLEM-OBLR-24-08	3,656	-
Total Environmental Protection Agency			3,656	-
TOTAL FEDERAL FINANCIAL ASSISTANCE			$ 3,100,688	$ 90,620

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the City of Caldwell, Idaho (the City) under programs of the federal government for the year ended September 30, 2025. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or fund balance of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The City does not draw for indirect administrative expenses and has not elected to use the 10% de minimums cost rate.

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major program:

Name of Federal Program	Federal Financial Assistance Listing
Airport Improvement Program	20.106
Dollar threshold used to distinguish between type A and type B programs:	$ 1,000,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the 2026 Bonds, Skinner Fawcett LLP, Bond Counsel to the City, propose to issue its final approving opinion in substantially the following form:

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SKINNER FAWCETT LLP
LAW OFFICES

206 W. JEFFERSON ST., BOISE, IDAHO 83702
POST OFFICE BOX 700, BOISE, IDAHO 83701
TELEPHONE: (208) 345-2663
FAX: (208) 345-2668

_____, 2026

City of Caldwell
Caldwell, Idaho

RE: City of Caldwell, Canyon County, State of Idaho, General Obligation Bonds, Series 2026

We have acted as bond counsel in connection with the issuance by the City of Caldwell, Canyon County, State of Idaho (the "Issuer"), of $_____ aggregate principal amount of General Obligation Bonds, Series 2026 dated (the "Bonds") pursuant to Bond Ordinance No. _____ adopted by the City Council of the Issuer on March 16, 2026 (the "Bond Ordinance"), which Bonds are being issued to provide funds to reconstruct and furnish existing fire facilities, construct a portion of a shared fire station, and all other related costs, items and appurtenances necessary, useful and convenient for the betterment of the Issuer's fire safety facilities, as otherwise determined by the Issuer. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. We have reviewed and relied upon the opinion of the City Attorney, with respect to paragraph 1 below.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or events occurring after the date hereof. We have not undertaken to determine or to inform any person, whether any such actions or events are taken or do occur. Accordingly, this opinion speaks only as of its date and is not intended to, and may not, be relied upon in connection with any such actions, events, or matters. We disclaim any obligation to update this letter. Also, in examining the documents and matters referred to herein, we have not undertaken to independently verify the accuracy of the factual matters represented, warranted, or certified in such documents and we have assumed compliance with the covenants and agreements contained in the Bond Ordinance and the Tax Certificate for the Bonds. For example, the Bond Ordinance and the Tax Certificate contain covenants and agreements as to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that will be met; the Issuer has covenanted in the Bond Ordinance and the Tax Certificate to take all reasonable steps to comply with such requirements; and we have assumed continuing compliance in rendering our opinion with respect to the tax-exempt status of the interest paid on the Bonds. Finally, we call attention to the fact that the rights and obligations under the Bonds and the Bond Ordinance are subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, waiver or severability provisions contained in the foregoing documents. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Bond Ordinance.

We have not been engaged or undertaken to review the accuracy, completeness or

sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds are valid and binding full faith and credit general obligations of the Issuer.

2. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.

3. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code, and interest on the Bonds is exempt from State of Idaho personal income tax. Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. The Bonds have been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount of accrual or receipt of interest on, the Bonds.

This opinion is furnished solely for your benefit and may not, without our express written consent, be relied upon by any other person. It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases. As bond counsel we are passing only upon those matters set forth in this opinion and are not passing upon the accuracy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds, or upon any other federal or state of Idaho tax consequences arising from the ownership of the Bonds.

Very truly yours,

SKINNER FAWCETT LLP

APPENDIX C

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

CITY OF CALDWELL, CANYON COUNTY, STATE OF IDAHO
GENERAL OBLIGATION BONDS, SERIES 2026

(CUSIP Base Number 129019)

THIS CONTINUING DISCLOSURE AGREEMENT (the "Agreement") is executed and delivered by the City of Caldwell, Canyon County, Idaho (the "Issuer") and Zions Public Finance, Inc. (the "Dissemination Agent"), as of the date set forth below in order for the Issuer to authorize and direct the Dissemination Agent, as the agent of the Issuer, to make certain information available to the public in compliance with Section (b)(5)(i) of Rule 15c2-12, as hereinafter defined.

WITNESSETH:

1. Background. The Issuer has resolved to issue its General Obligation Bonds, Series 2026 (the "Bonds"). The Bonds are issued pursuant to Ordinance No. _____, adopted by the City Council of the Issuer on March 16, 2026 (the "Ordinance"), which names Dissemination Agent as the as paying agent and registrar, all as further described in the Official Statement prepared in connection with the issuance of the Bonds. The CUSIP number assigned to the final maturity of the Bonds is 129019 [_____].

2. Appointment of Dissemination Agent. The Issuer hereby appoints the Dissemination Agent and any successor Dissemination Agent acting as such under the Ordinance as its agent under this Agreement to disseminate the financial information and notices furnished by the Issuer hereunder in the manner and at the times as herein provided and to discharge the other duties assigned.

3. Information to be Furnished by the Issuer. The Issuer hereby covenants for the benefit of the registered and beneficial owners of the Bonds that, as long as any of the Bonds are outstanding under the Ordinance, the Issuer will deliver the following information to the Dissemination Agent:

a. Within 210 days after the end of the Issuer's fiscal year, beginning with fiscal year ended September 30, 2026, the audited financial statements of the Issuer prepared in accordance with generally accepted accounting principles, together with the report thereon of the Issuer's independent auditors. If audited financial statements are not available by the time specified herein, unaudited financial statements will be provided and audited financial statements will be provided when, and if, available. The Issuer shall include with each submission a written representation addressed to the Dissemination Agent to the effect that the financial statements are the financial statements required by this Agreement and that they comply with the applicable requirements of this Agreement. For the purposes of determining whether information received from the Issuer is the required financial statements, the Dissemination Agent shall be entitled conclusively to rely on the Issuer's written representation made pursuant to this Section.

b. Within 210 days after the end of the Issuer's fiscal year, beginning with fiscal year ended September 30, 2026, the other financial, statistical and operating data for said fiscal year of the Issuer in the form and scope similar to the financial, statistical and operating data contained in the Issuer's Official Statement, specifically the tables and/or information contained under the following tables and headings of the Official Statement:

DEBT STRUCTURE OF THE CITY OF CALDWELL, IDAHO

- Outstanding Municipal Debt:
    - "Outstanding General Bonded Indebtedness" (pg. 15);
    - "Overlapping General Obligation Debt" (pg. 15); and
    - "General Obligation Legal Debt Limit And Additional Debt Incurring Capacity" (pg. 16).
- Debt Ratios (pgs. 15-16).

FINANCIAL INFORMATION REGARDING THE CITY OF CALDWELL, IDAHO

- Financial Summaries:
    - "Statement of Net Position" (pgs. 18-19);
    - "Statement of Activities – Total Primary Government" (pg. 20);
    - "Balance Sheet – Governmental Fund Types" (pg. 21); and
    - "Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund Types – General Fund" (pg. 22).
- Direct and Overlapping Tax Rates of the City (pg. 23).
- Taxable Value of Property (pg. 24).
- Tax Collection Record (pg. 25).
- The Largest Taxpayers of the City (pg. 25).

c. The Dissemination Agent shall provide notice to the Issuer of its requirement to provide the information listed in Sections 3.a. and 3.b. at least thirty (30) days prior to the date such information is to be provided to the Dissemination Agent by the Issuer. Any or all of the items listed above in Sections 3.a. or 3.b. may be incorporated by reference from other documents, including official statements of debt issues of the Issuer which have been previously submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such document incorporated by reference. In the event Issuer is unable or fails to provide the required annual financial information specified in Sections 3.a. and 3.b. above on or before the date specified therein, Issuer shall timely submit to the Repository notice of such failure in the form attached hereto as Exhibit A.

d. Within ten (10) business days after the occurrence of the event, written notice of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies;

(2) Nonpayment-related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(7) Modifications to rights of security holders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution or sale of property securing repayment of the securities, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;[1]

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the obligated person, if material; or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect securities holders, if material; and

[1] For the purposes of the event identified in paragraph (12) above, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(16) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

e. The Dissemination Agent shall promptly advise the Issuer whenever, in the course of performing its duties under the Ordinance, the Dissemination Agent identifies an occurrence listed above which may require the Issuer to provide a notice of the occurrence of any of the events listed in Section 3.f. above; provided that the failure of the Dissemination Agent so to advise the Issuer of such occurrence shall not constitute a breach by the Dissemination Agent of any of its duties and responsibilities hereunder or under the Ordinance. The Dissemination Agent shall only send notice of such event listed in Section 3.d. above to the Repository if such written notice is provided to it by the Issuer, and in no event shall the Dissemination Agent be required to determine the materiality of such event.

4. Manner and Time by Which Information is to be Made Public by the Dissemination Agent.

a. The information required to be delivered to the Dissemination Agent pursuant to Sections 3.a. and 3.b. hereof shall be referred to as the Continuous Disclosure Information (the "Continuous Disclosure Information"), and the notices required to be delivered to the Dissemination Agent pursuant to Section 3.d. hereof shall be referred to as the Event Information (the "Event Information").

b. After the receipt of any Continuous Disclosure Information or any Event Information, the Dissemination Agent will deliver the information as provided in the following Section 4.c.

c. It shall be the Dissemination Agent's duty:

(1) to deliver the Continuous Disclosure Information to the Repository once it is received from the Issuer not later than five (5) days after receipt thereof;

(2) to deliver the Event Information to the Repository immediately upon receipt from the Issuer, and in any event not more than two business days following receipt from Issuer;

(3) to determine the identity and address of the then existing Repository to which Continuous Disclosure Information and Event Information must be sent under rules and regulations promulgated by the MSRB or by the SEC.

d. The Dissemination Agent shall have no duty or obligation to disclose to the Repository any information other than (i) Continuous Disclosure Information that the Dissemination Agent actually has received from the Issuer and (ii) Event Information about which the Dissemination Agent has received written notice from the Issuer. Any such disclosures shall be required to be made only as and when specified in this Agreement. The Dissemination Agent's duties and obligations are only those specifically set forth in this Agreement, and the Dissemination Agent shall have no implied duties or obligations.

e. All Continuous Disclosure Information and Event Information, or other financial information and notices pursuant to this Agreement are to be provided to the Repository in electronic PDF format (word-searchable) as prescribed by the MSRB. All documents provided to

the MSRB pursuant to this Agreement must be accompanied by identifying information as prescribed by the MSRB.

5. Indemnification.

a. The Dissemination Agent shall have no obligation to examine or review the Continuous Disclosure Information and shall have no liability or responsibility for the form of, or the accurateness or completeness of, the Continuous Disclosure Information or Event Information disseminated by the Dissemination Agent hereunder. The Dissemination Agent's duties under this Agreement are ministerial in nature. The Continuous Disclosure Information shall contain a legend to such effect. The Dissemination Agent shall have the same rights, protections, and immunities hereunder as provided to it as a trustee under the Ordinance.

b. The Issuer hereby agrees to hold harmless and to indemnify the Dissemination Agent, its employees, officers, directors, agents and attorneys from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorneys' fees and expenses, whether incurred before trial, at trial, or on appeal, or in any bankruptcy or arbitration proceedings), which may be incurred by the Dissemination Agent by reason of or in connection with the disclosure of information in accordance with this Agreement, except to the extent such claims, damages, losses, liabilities, costs or expenses result directly from the willful or negligent conduct of the Dissemination Agent in the performance of its duties under this Agreement. This Section 5.b shall survive the termination of the Agreement, payment of the Bonds, and the removal or resignation of the Dissemination Agent.

c. In no event shall Dissemination Agent be liable for special, indirect, or consequential losses or damages of any kind whatsoever (including but not limited to lost profits) even if Dissemination Agent has previously been advised of such losses and damages.

6. Compensation. The Issuer hereby agrees to compensate the Dissemination Agent for the services provided and the expenses (including legal fees and expenses) incurred pursuant to this Agreement in an amount to be agreed upon from time to time hereunder. Such compensation shall be in addition to any fees previously agreed upon with respect to the services of Zions Bancorporation, National Association, in its capacity as Trustee under the Ordinance.

7. Enforcement. The obligations of the Issuer under this Agreement shall be for the benefit of the registered and beneficial holders of the Bonds. Any holder of the Bonds then outstanding, including any Beneficial Owner of the Bonds (as defined in the Ordinance), may enforce specific performance of such obligations by any judicial proceeding available. However, any failure by the Issuer to perform in accordance with this Agreement shall not constitute a default under the Ordinance.

This Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

8. Definitions. As used herein, the following terms shall have the following meanings:

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b); provided that "financial obligation" shall not include

municipal securities as to which a final official statement (as defined in Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"obligated person" as defined in Rule 15c2-12 shall mean any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the municipal securities to be sold in the offering (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

"Official Statement" shall mean the final Official Statement of the Issuer dated _____, 2026.

"Ordinance" means Ordinance No. _____ of the Issuer pursuant to which the Bonds have been authorized and issued.

"Repository" shall mean MSRB through its Electronic Municipal Market Access system ("EMMA") at http://emma.msrb.org, or such other nationally recognized municipal securities information repository recognized by the SEC from time to time pursuant to Rule 15c2-12.

"Rule 15c2-12" shall mean Rule 15c2-12, as amended, promulgated by the SEC under the Securities Exchange Act of 1934, and as amended from time to time.

"SEC" shall mean the Securities and Exchange Commission.

9. Amendments and Termination; Resignation of Dissemination Agent. This Agreement may be amended with the mutual agreement of the Issuer and the Dissemination Agent and without the consent of any registered or beneficial holders of the Bonds under the following conditions, as evidenced by receipt of an opinion of nationally recognized bond counsel delivered to the Dissemination Agent opining as to the following:

a. the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted;

b. this Agreement, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any change in circumstances; and

c. the amendment does not materially impair the interests of holders of the Bonds, as determined by parties unaffiliated with the Issuer (such as the Dissemination Agent or nationally recognized bond counsel).

Any party to this Agreement may terminate this Agreement by giving written notice of an intent to terminate to the other parties at least thirty (30) days prior to such termination, provided that no such termination shall relieve the obligation of the Issuer to comply with Rule 15c2-12(b)(5) either through a successor agent or otherwise.

The Dissemination Agent may resign as Dissemination Agent by giving written notice of intent to resign to the Issuer at least ninety (90) days prior to resignation.

The undertaking contained in this Agreement shall be in effect from and after the issuance and delivery of the Bonds and shall extend to the earlier of (i) the date all principal and interest on the Bonds shall have been paid in full pursuant to the terms of the Ordinance; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of Rule 15c2-12; or (iii) the date on which those portions of Rule 15c2-12 that require this written undertaking (a) are held to be invalid by a court of competent jurisdiction in a nonappealable action, (b) have been repealed retroactively, or (c) in the opinion of counsel who is an expert in federal securities laws, acceptable to the Issuer or the Dissemination Agent, otherwise, do not apply to the Bonds. The Issuer shall notify the Repository if this Agreement is terminated pursuant to (iii), above.

10. Successor Dissemination Agent. Upon the transfer of the duties created under the Ordinance from the current Dissemination Agent to a successor Dissemination Agent, such successor Dissemination Agent shall succeed to the duties under this Agreement without any further action on the part of any party, and the then current Dissemination Agent shall have no further duties or obligations upon the transfer to a successor Dissemination Agent. Such Successor Dissemination Agent may terminate this Agreement or cause it to be amended as provided in paragraph 9.

11. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating (or from causing the Dissemination Agent to disseminate) any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Continuous Disclosure Information or notice of the occurrence of any Event Information, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Continuous Disclosure Information or Event Information in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Continuous Disclosure Information or notice of occurrence of any Event Information.

If the Issuer provides to the Dissemination Agent information relating to the Issuer or the Bonds, which information is not designated as Event Information, and directs the Dissemination Agent to provide such information to the Repository, the Dissemination Agent shall provide such information in a timely manner to the Repository

12. Notices. All notices and communications required hereunder shall be in writing and shall be given to the parties at their addresses set forth below under their signatures or at such places as the parties to this Agreement may designate from time to time. Any notice or communication hereunder shall be deemed duly given if in writing and delivered either in person, by overnight mail, or by first class mail, postage prepaid.

13. Counterparts. This Agreement may be executed in one or more counterparts, and each such instrument shall constitute an original counterpart of this Agreement.

14. Governing Law. This Agreement shall be governed by the laws of the State of Idaho.

15. Certification of Compliance with Anti-Boycott Against Israel Act. The Dissemination Agent, by acceptance of the Agreement, certifies, pursuant to Section 67-2346, Idaho Code, that the Dissemination Agent, including any wholly owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of the Dissemination Agent is not currently engaged in, and will not

for the duration of this Agreement, engage in, a boycott of goods or services from Israel or territories under its control.

16. Certification of Compliance with Prohibition on Contracting with Government of China. The Dissemination Agent, by acceptance of the Agreement, certifies, pursuant to Section 67-2359, Idaho Code, that it, including any wholly owned subsidiaries, majority-owned subsidiaries, parent companies and affiliates, is not currently owned or operated by the Government of China and will not for the duration of the Agreement be owned or operated by the Government of China.

17. Certification of Compliance with Prohibition on Contracts With Companies Boycotting Certain Sectors. The Dissemination Agent, by acceptance of the Agreement, certifies, pursuant to Section 67-2347A, Idaho Code, that it, including any wholly owned subsidiaries, majority-owned subsidiaries, parent companies and affiliates, is not currently not currently engaged in, and will not for the duration of the contract engage in, a boycott of any individual or company because the individual or company: (a) Engages in or supports the exploration, production, utilization, transportation, sale, or manufacture of fossil fuel-based energy, timber, minerals, hydroelectric power, nuclear energy, or agriculture; or (b) Engages in or supports the manufacture, distribution, sale, or use of firearms, as defined in section 18-3302(2)(d), Idaho Code.

[The following page is the signature page.]

IN WITNESS WHEREOF, the Issuer and the Dissemination Agent have caused this Agreement to be executed and delivered by a duly authorized officer of each of them, all as of this _____, 2026.

ISSUER: **CITY OF CALDWELL, CANYON COUNTY, IDAHO**

_____
Raelynn North, Finance Director

Notice Address:

205 S. 6th Ave.
Caldwell, Idaho 83606
Attn: Finance Director

DISSEMINATION AGENT: **ZIONS PUBLIC FINANCE, INC.**

By: _____
Authorized Officer

Notice Address:

One South Main Street, 18th Floor
Salt Lake City, UT 84133-1109
Attn: Zions Public Finance, Inc.

EXHIBIT A

FORM OF NOTICE OF THE MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	City of Caldwell, Canyon County, Idaho
Name of Bond Issue:	General Obligation Bonds, Series 2026
Date of Issuance:	_____, 2026

NOTICE IS HEREBY GIVEN that the above referenced Issuer has not provided an Annual Report with respect to the above captioned Bonds as required by Section 3 of the Continuing Disclosure Agreement, between the Issuer and Zions Public Finance, Inc., as Dissemination Agent, dated the Date of Issuance. The Issuer has notified the Dissemination Agent that it anticipates the Annual Report will be filed on or about _____.

Dated: _____

ZIONS PUBLIC FINANCE, INC., as Dissemination Agent, on behalf of the Issuer

By: _____

Name: _____

Title: _____

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APPENDIX D

BOOK–ENTRY SYSTEM

DTC, the world's largest securities depository, is a limited–purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non–U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post–trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book–entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non–U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non–U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at dtcc.com.

Purchases of 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2026 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2026 Bonds, except in the event that use of the book–entry system for the 2026 Bonds is discontinued.

To facilitate subsequent transfers, all 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of 2026 Bonds may wish to ascertain that the nominee holding the 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede

& Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its 2026 Bonds purchased or tendered, through its Participant, to the Remarketing Agent, and shall effect delivery of such 2026 Bonds by causing the Direct Participant to transfer the Participant's interest in the 2026 Bonds, on DTC's records, to the Remarketing Agent. The requirement for physical delivery of 2026 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the 2026 Bonds are transferred by Direct Participants on DTC's records and followed by a book–entry credit of tendered 2026 Bonds to the Remarketing Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the 2026 Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2026 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book–entry–only transfers through DTC (or a successor securities depository). In that event, 2026 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book–entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

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