

AGENDA
POCATELLO DEVELOPMENT AUTHORITY
MEETING
JANUARY 15, 2025 – 11:00 AM
COUNCIL CHAMBERS | 911 N 7TH AVENUE

City Hall is accessible to persons with disabilities. Program access accommodations may be provided with two (2) days' advance notice by contacting Skyler Beebe at sbeebe@pocatello.us, 208.234.6248, or 5815 South 5th Avenue, Pocatello, Idaho.

In the event this meeting is still in progress at 12:00 p.m., a ten-minute recess may be called.

- 1. CALL TO ORDER, ROLL CALL, DISCLOSE CONFLICTS OF INTEREST AND ACKNOWLEDGMENT OF GUESTS.**
- 2. ACTION ITEM: REVIEW, APPROVE, AND EXECUTE THE FISCAL YEAR 2024 (FY24) FINANCIAL AUDIT REPORT.**
The Board may wish to review, approve, and execute the FY24 Financial Audit Report completed by Doran Lambson of Deaton and Company.
- 3. ACTION ITEM: MEETING MINUTES.** The Board may wish to waive the oral reading of the Board of Commissioners' meeting minutes held December 18, 2024, and approve the minutes as written.
- 4. ACTION ITEM: MONTHLY FINANCIAL REPORT, EXPENSES AND REIMBURSEMENTS.** The Board may wish to approve the monthly financial report, expenses and reimbursements.
- 5. CALENDAR REVIEW.** The Board may wish to take this opportunity to inform other Board members of upcoming meetings and events that should be called to their attention.
- 6. ADJOURN MEETING.**

Action Item 2



To the Board of Commissioners
Pocatello Development Authority

We have audited the financial statements of the governmental activities, and each major fund information of Pocatello Development Authority for the year ended September 30, 2024, and have issued our report thereon dated January 10, 2025. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 25, 2024, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not have been detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we reported to you any material errors and any fraudulent financial reporting or misappropriation of assets that came to our attention. We also informed you of any violations of laws or governmental regulations that came to our attention, unless clearly inconsequential. Our responsibility, as auditors, is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, we communicated to you internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

We as auditors did not audit and are not responsible for other information in the Authority's ACFR in addition to the entity's financial statements and report. Our audit did not extend beyond the financial information identified in the report. As auditors we do not have an obligation to perform any procedures to corroborate other information contained in these documents. We have limited our services to reading the additional information and therefore, do not provide an opinion on such information. After reading the additional information nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation appearing in the financial statements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in engagement letter on July 25, 2024.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Pocatello Development Authority are described in Note 1 to the financial statements. During the year, the Authority was not required to implement any new standards. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Authority had no estimates affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. During the audit we propose adjusting entries and reclassifications that were approved by management.

Over all the adjustments made were to correct accounts payable, property taxes receivable, deferred tax revenues and reclassifications of tax revenues by district.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 10, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

Very truly yours,

A handwritten signature in cursive script that reads "Seaton & Company". The signature is written in black ink and is positioned below the closing "Very truly yours,".

Pocatello, Idaho
January 10, 2025

Pocatello Development Authority

A COMPONENT UNIT OF THE CITY OF POCATELLO, IDAHO

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2024

**POCATELLO DEVELOPMENT AUTHORITY
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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**POCATELLO DEVELOPMENT AUTHORITY
LIST OF OFFICIALS**

David Villareal, Board Member, Chairman

Jeff Hough, Bannock County Commissioner, Vice Chairman

Brian Blad, Mayor of Pocatello, Board member

Linda Leeuwrik, Pocatello City Council President, Board member

Fred Parrish, Board member

Ruby Walsh, Board member

Kirk Lepchenske, Board Member

Jim Johnston, Board Member

Nathan Richardson, Board Member

Brent McLane, City of Pocatello, Executive Director

Aceline McCulla, City of Pocatello, Secretary

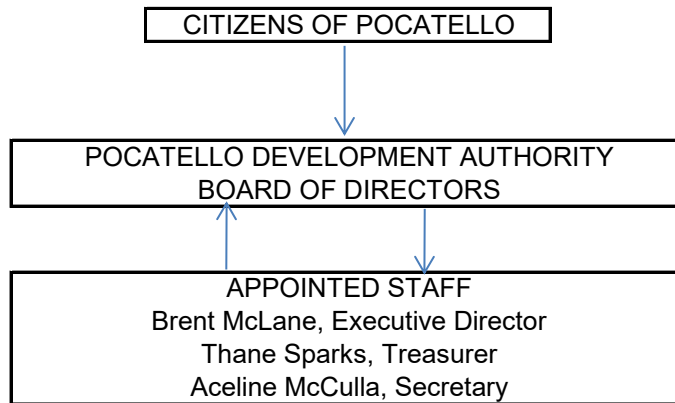
Thane Sparks, Treasurer

LIST OF EX-OFFICIO ADVISORS

Meghan Conrad-Sullivan, Legal Counsel

MiaCate Kennedy, Bannock Development Corporation, ex-officio member

POCATELLO DEVELOPMENT AUTHORITY
ORGANIZATION CHART



Advisory Staff:

Meghan Conrad-Sullivan, Attorney, Legal counsel



INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Pocatello Development Authority
Pocatello, Idaho

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund information of Pocatello Development Authority, (the Authority) a component unit of City of Pocatello as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund information of the Pocatello Development Authority, as of September 30, 2024, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. 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 Pocatello Development Authority, 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pocatello Development Authority'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 generally accepted auditing standards 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 generally accepted auditing standards 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 Authority'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 Authority'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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 20-21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information


We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Authority's basic financial statements for the year ended September 30, 2023, and we expressed unmodified opinions on the respective financial statements of the major funds information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The summarized comparative information is consistent, in all material respects, with the audited financial statements from which it has been derived.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 10, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Trust's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Deaton & Company". The signature is written in black ink and is positioned centrally on the page.

Pocatello, Idaho
January 10, 2025

POCATELLO DEVELOPMENT AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2024
WITH COMPARATIVE TOTAL AT SEPTEMBER 30, 2023

	Governmental Activities	
	2024	2023
ASSETS		
Cash and cash equivalents	\$ 3,273,483	\$ 3,264,879
Prepaid expense	5,950	-
Property tax receivable	4,373	2,459
Notes receivable (less reserve for bad debts)	-	1,813
Total assets	3,283,806	3,269,151
LIABILITIES		
Accounts payable	\$ 225,749	\$ 29,367
Total liabilities	225,749	29,367
NET POSITION		
Unrestricted	3,058,057	3,239,784
Total net position	\$ 3,058,057	\$ 3,239,784

**POCATELLO DEVELOPMENT AUTHORITY
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024
WITH COMPARATIVE TOTAL FOR THE ENDED SEPTEMBER 30, 2023**

	Governmental Activities	
	<u>2024</u>	<u>2023</u>
EXPENSES		
General	\$ 220,328	\$ 170,870
Naval Ordinance Plant	166,066	1,092,452
North Portneuf	174,460	-
Airport	67,173	36,351
Northgate	635,612	1,727
	<u>1,263,639</u>	<u>1,301,400</u>
 GENERAL REVENUES		
Property taxes	927,688	651,865
Interest	154,224	62,069
	<u>1,081,912</u>	<u>713,934</u>
 NET CHANGE IN NET POSITION	 (181,727)	 (587,466)
 BEGINNING NET POSITION	 <u>3,239,784</u>	 <u>3,827,250</u>
 ENDING NET POSITION	 <u><u>\$ 3,058,057</u></u>	 <u><u>\$ 3,239,784</u></u>

**POCATELLO DEVELOPMENT AUTHORITY
BALANCE SHEETS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024
WITH COMPARATIVE TOTAL AT SEPTEMBER 30, 2023**

	General Fund	Naval Ordinance Plant	North Portneuf	Airport	Northgate	2024	2023
ASSETS							
Cash and cash equivalents	\$ 1,068,670	\$ 47,293	\$ 1,770,069	\$ 46,012	\$ 341,439	\$ 3,273,483	\$ 3,264,879
Prepaid expense	5,950	-	-	-	-	5,950	-
Property tax receivable	-	-	3,759	-	614	4,373	2,459
Notes receivable	-	-	-	-	-	-	1,813
	<u>\$ 1,074,620</u>	<u>\$ 47,293</u>	<u>\$ 1,773,828</u>	<u>\$ 46,012</u>	<u>\$ 342,053</u>	<u>\$ 3,283,806</u>	<u>\$ 3,269,151</u>
LIABILITIES							
Accounts payable	\$ 51,289	\$ -	\$ 174,460	\$ -	\$ -	\$ 225,749	\$ 29,367
DEFERRED INFLOWS OF RESOURCES							
Unavailable tax revenues	-	-	3,759	-	614	4,373	2,459
	51,289	-	178,219	-	614	230,122	31,826
FUND BALANCES							
Nonspendable	5,950	-	-	-	-	5,950	-
Committed	-	47,293	1,595,609	46,012	341,439	2,030,353	2,148,531
Assigned	-	-	-	-	-	-	-
Unassigned	1,017,381	-	-	-	-	1,017,381	1,088,794
	<u>1,023,331</u>	<u>47,293</u>	<u>1,595,609</u>	<u>46,012</u>	<u>341,439</u>	<u>3,053,684</u>	<u>3,237,325</u>
	<u>\$ 1,074,620</u>	<u>\$ 47,293</u>	<u>\$ 1,773,828</u>	<u>\$ 46,012</u>	<u>\$ 342,053</u>		

Amounts reported for governmental activities in the statements of net position are different because:

Certain receivables are not current resources and are reported as deferred revenues in the governmental funds.	4,373	2,459
Net Position of Governmental Activities	<u>\$ 3,058,057</u>	<u>\$ 3,239,784</u>

The accompanying notes are an integral part of these financial statements

POCATELLO DEVELOPMENT AUTHORITY
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
WITH COMPARATIVE TOTAL FOR YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Naval Ordnance Plant	North Portneuf	Airport	Northgate	2024	2023
REVENUES							
General and property taxes	\$ 641	\$ 155,967	\$ 96,025	\$ 80,182	\$ 592,959	\$ 925,774	\$ 650,729
Interest	154,197	-	-	-	-	154,197	61,677
Interest from notes	27	-	-	-	-	27	392
	<u>154,865</u>	<u>155,967</u>	<u>96,025</u>	<u>80,182</u>	<u>592,959</u>	<u>1,079,998</u>	<u>712,798</u>
EXPENDITURES							
Administration	24,025	-	-	-	-	24,025	20,718
Projects and grants	-	166,066	174,460	-	635,612	976,138	1,176,030
Professional services	196,303	-	-	67,173	-	263,476	104,652
	<u>220,328</u>	<u>166,066</u>	<u>174,460</u>	<u>67,173</u>	<u>635,612</u>	<u>1,263,639</u>	<u>1,301,400</u>
EXCESS REVENUES OR (EXPENDITURES)	(65,463)	(10,099)	(78,435)	13,009	(42,653)	(183,641)	(588,602)
OTHER FINANCING SOURCES/(USES):							
Notes receivable collections	-	-	-	-	-	-	8,800
NET CHANGE IN FUND BALANCE	(65,463)	(10,099)	(78,435)	13,009	(42,653)	(183,641)	(579,802)
BEGINNING FUND BALANCE	1,088,794	57,392	1,674,044	33,003	384,092		
ENDING FUND BALANCE	<u>\$ 1,023,331</u>	<u>\$ 47,293</u>	<u>\$ 1,595,609</u>	<u>\$ 46,012</u>	<u>\$ 341,439</u>		

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

Governmental funds only report taxes received within sixty days as current fund revenues. All taxes receivable are treated as revenues in the statement of activities.

1,914 1,136

Principal payments on notes payable are current fund expenditures in governmental funds, but are presented as reductions of long-term debt in the statements of net position.

- (8,800)

Change in net position of Governmental Activities

\$ (181,727) \$ (587,466)

POCATELLO DEVELOPMENT AUTHORITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies

A. Reporting entity

The Idaho Urban Renewal Law of 1965 authorized the Mayor, with advice and consent of the City Council, to appoint a board of commissioners for an urban renewal agency to function within the municipality of Pocatello, provided that the Council has first passed a resolution finding that one or more blighted areas are in existence, and that there is a need for an urban renewal agency to function in the City.

Pocatello's urban renewal agency, Pocatello Development Authority (the Authority), was found necessary by resolution in 1988 and the board members were appointed thereafter. Unlike other advisory boards to the City Council, state law declares this agency to be "an independent public body corporate and politic" and gives it a wide range of authority to effectuate urban renewal.

Under generally accepted accounting principles, as adopted by the Governmental Accounting Standards Board, the Authority is included in the Annual Financial Statements of the City of Pocatello as a discretely presented component unit.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

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 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. All other revenue items are considered to be measurable and available only when cash is received by the authority.

POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies (Continued)

D. *Assets, liabilities, and net position or equity*

1. Deposits and investments

Unrestricted cash balances from all funds are combined and invested in investments authorized under Idaho State Code. Earnings from these investments are credited to the funds based on the monthly balance of cash in each fund. Cash includes cash on hand, deposits and other investments which are immediately convertible to cash or have a maturity of less than 90 days.

the Authority is authorized under State Code to invest in obligations of the U.S. Treasury, U.S. Government backed institutions, commercial paper, and repurchase agreements. the Authority's policy is to restrict investment to highly liquid money market accounts.

2. Receivables and payables

Property taxes receivable are recorded when certified by the State Tax Commission in October of each year. Taxes not received within sixty days of year-end are deferred. The taxing authorities, within each tax increment financing district, levy property taxes by the third Monday of September on a market value basis. These taxes are billed to the taxpayers in November and are due December 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment roll as delinquent on the first day of January of the succeeding year. Property taxes are assessed and collected for the Authority by Bannock County.

3. Inventory

Inventory is reported at the lower of cost or fair market value. The Authority had no inventory.

4. Restricted assets

The assets of the special revenue funds are restricted as to usage by the State Code to payment of District expenses and debt service and an administrative fee to the General Fund of the Authority. Remaining net position representing property taxes collected are to be refunded to the taxing districts from which the taxes were collected.

It is the Authorities policy to first apply restricted resources when an expense is incurred for purposes in which both restricted and unrestricted net assets are available.

5. Capital Assets

The Authority has no capital assets.

6. Compensated Absences

The Authority has no liability for compensated absences.

7. Long-term obligations

The Authority had no long-term obligations.

8. Fund Equity

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are subject to externally enforceable legal restrictions. Commitments of fund balance represent amounts whose use is constrained by limitations that the Board has imposed upon itself.

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes the reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position.

One element of the reconciliation explains that "Certain receivables are not current resources and are reported as deferred revenues in the governmental funds".

Deferred property taxes	\$	4,373
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NOTE 3 - Stewardship, Compliance and Accountability

A. *Budgetary Information*

The budget is prepared on a modified accrual basis by fund, (each tax increment financing district is represented by its own fund), and includes information about the current year.

The Board of the Pocatello Development Authority holds a public meeting in conjunction with adoption of its annual budget. The new budget is submitted to the board at its meeting in August as part of the cash report presented by the Treasurer. When the cash report is approved by the board the budget is approved as well. Budgets may be amended by the same procedure used to adopt the budget. The Budget is published as required.

NOTE 4 - Detailed Notes on all Funds

A. *Deposits and Investments*

Cash and cash equivalents at yearend consist of the following:

Deposits	
Cash in bank	\$ 3,261,839
Cash on books	\$ 3,273,483

The Authority has no investments

Deposits - Custodial Credit Risk for deposits is the risk that, in the event of bank failure, the government's deposits may not be returned to it. At year-end, the Authority's carrying amount (reconciled balance reported in the financial statements) of deposits was \$3,273,483 and the bank balance (balance per bank statements) was \$3,261,839. Of the cash balance, \$250,000 was covered by federal depository insurance. Some of the Authority's deposits including the State of Idaho, Local Government Investment Pool (LGIP), were not insured nor collateralized in the amount of \$3,011,839.

Deposits and Investment transactions are subject to a variety of risks.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the value of an investment. This risk does not exist since the Authority has no investments.

Credit Risk is the risk that an issuer or a counter party to an investment will not fulfill its obligations.

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - Detailed Notes on all Funds - (Continued)

B. Property Taxes and Abatements

Property tax revenues are recognized and accrued when billed by Bannock County. The Authority's property taxes, levied by the third Monday of September on a market value basis, are billed to the taxpayers in November. Half of the real, personal and mobile home property taxes are due on December 20 and the remainder is due the following June 20. Other property taxes are due December 20. Real property taxes not paid constitute a lien on the property when entered on the real property assessment roll as delinquent on the first day of January of the succeeding year. Property taxes are assessed and collected for the Authority by Bannock County.

The Authority had no tax abatements

C. Property Tax Receivable and Deferred Property Taxes

At yearend, property tax receivable and deferred tax revenues were as follows:

	Receivables	Deferred Tax
Northgate	\$ 614	\$ 614
North Portneuf District	3,759	3,759
	\$ 4,373	\$ 4,373

D. Grants

Pocatello Development Authority has provided grants to businesses wanting to locate in Pocatello, Idaho. These grants contain conditions requiring the grantee to perform specified conditions to receive the grant awards. The grantee is required to repay the grant if the conditions of the grant are not met.

E. Fund Equity

In the fund financial statements, governmental funds report the following fund balance classifications:

Nonspendable Assets

Nonspendable amounts that cannot be spent because they are not in spendable form or that are legally or contractually required to be maintained intact.

Restricted Assets

Restricted amounts are used for a particular purpose, primarily to satisfy regulatory or contractual requirements.

Committed Assets

The tax revenues of special revenue funds are committed by state law to pay for expenditures of Tax Increment Financing Districts. The Districts are established by ordinances passed by the City. The ordinance establishing the District define types of construction, bonded debt, administrative costs, and collected taxes to be refunded to the taxing districts from which they were derived.

Assigned Assets

Assigned amounts are intended to be used for certain purposes as determined by the board with a majority vote pursuant to accounting rules for fund balance reporting and the definition of Governmental Fund Type.

The Pocatello Development Authority's Board of Directors has not assigned any amounts for purposes of future projects.

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - Detailed Notes on all Funds - (Continued)

E. Fund Equity - Continued

Unassigned Assets

Unassigned residual balances in the General Fund that have not been restricted, committed or assigned.

Other governmental funds may report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources for the fund.

It is the Authority's policy to first use restricted resources and then unrestricted resources as needed. When restricted resources are available for use, it is the Authority's policy to use resources in the following order; first committed, then assigned, and finally unassigned. Fund balance commitments may be established, modified or rescinded by the board.

NOTE 5 - Other Information

A. Contingent Liabilities

The majority of the revenue collected by the Authority is derived from tax increment financing. Tax increment financing is a method of segregating a portion of the property taxes paid on properties within an urban renewal district to fund improvements for which the district was formed. This is accomplished by freezing the market value of property within the district.

A contingent liability exists when the market value increase in the district is not large enough to fund any debt incurred by the district to finance the improvements within the district.

B. Litigations, Torts, Theft or Damage, Errors and Omissions, and Natural Disasters

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Authority may be party to various pending or threatened litigations, however, liabilities are only reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 6 - Subsequent Events

Subsequent events were evaluated up to January 10, 2025, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

POCATELLO DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Original Budget Amounts	Actual Amounts	Variance
REVENUES			
GENERAL FUND			
General taxes	\$ 14,400	\$ 641	\$ (13,759)
Administrative fees	75,100	-	(75,100)
Interest	21,960	154,197	132,237
Miscellaneous	-	27	27
	111,460	154,865	43,405
SPECIAL REVENUE FUNDS			
Naval Ordnance Plant	124,200	155,967	31,767
North Portneuf	135,960	96,025	(39,935)
Pocatello Regional Airport	84,000	80,182	(3,818)
Northgate	301,900	592,959	291,059
Subtotal special revenue funds	646,060	925,133	279,073
Total revenue all funds	757,520	1,079,998	322,478
EXPENDITURES			
GENERAL FUND			
Administration	27,100	24,025	3,075
Projects and grants	-	-	-
Professional services	130,000	196,303	(66,303)
Contingency	1,052,360	-	1,052,360
	1,209,460	220,328	989,132
SPECIAL REVENUE FUNDS			
Naval Ordnance	184,200	166,066	18,134
North Portneuf	1,783,960	174,460	1,609,500
Pocatello Regional Airport	94,800	67,173	27,627
Northgate	648,800	635,612	13,188
Subtotal special revenue funds	2,711,760	1,043,311	1,668,449
Total expenditures all funds	3,921,220	1,263,639	2,657,581
EXCESS REVENUES OR (EXPENDITURES)	(3,163,700)	(183,641)	2,980,059
BEGINNING NET POSITION	\$ 3,163,700	3,237,325	\$ 73,625
ENDING NET POSITION		\$ 3,053,684	

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO STATEMENT OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL**

NOTE 1 - Expenditures in excess of budget

During the year there were expenditures in excess of budget for professional services in the general fund.

These expenditures in excess of budget were covered by decreased expenditures in budgeted contingency expenses within the general fund.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners
Pocatello Development Authority
Pocatello, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of Pocatello Development Authority, a component unit of the City of Pocatello, Idaho, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Pocatello Development Authority's basic financial statements, and have issued our report thereon dated January 10, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pocatello Development Authority's internal control over financial reporting as a basis for designing our auditing procedures 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 Pocatello Development Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pocatello Development Authority's internal control over financial reporting.

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.

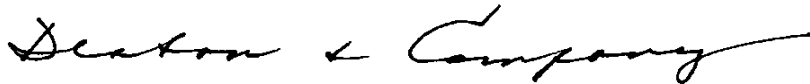
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pocatello Development Authority's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Deaton & Company". The signature is written in black ink and is positioned below the main body of text.

Pocatello, Idaho
January 10, 2025

**POCATELLO DEVELOPMENT AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
SEPTEMBER 30, 2024**

Findings

No reportable issues noted.

**POCATELLO DEVELOPMENT AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
SEPTEMBER 30, 2023**

Findings

No reportable issues noted.

Action Item 3

MINUTES
POCATELLO DEVELOPMENT AUTHORITY
MEETING
DECEMBER 18, 2024 – 11:00 AM
COUNCIL CHAMBERS | 911 N 7TH AVENUE
PARADICE CONFERENCE ROOM | BOARD AND STAFF HOLIDAY LUNCHEON

1. CALL TO ORDER AND DISCLOSURE OF CONFLICTS OF INTEREST

Chair Villarreal called the meeting to order at approximately 11:01 AM.

Members present: Mayor Brian Blad, Jeff Hough, Linda Leeuwrik (arrived at 11:10 AM), Kirk Lepchenske, Fred Parrish (arrived at 11:02 AM), David Villarreal, and Ruby Walsh. No conflicts were disclosed.

Members excused: Nathan Richardson.

Others present: Executive Director Brent McLane, Treasurer Thane Sparks, Secretary Aceline McCulla, City of Pocatello Development Engineer Merrill Quayle, City of Pocatello Attorney Jared Johnson, City of Pocatello PW Director/City Engineer Jeff Mansfield, PDA Attorney Meghan Conrad-Sullivan, IRG representative Debra Harrell, and other visitors.

Villarreal provided a farewell to Jim Johnston, and then provided each member the opportunity to give tribute to Jim Johnston.

2. MEETING MINUTES.

The Board may wish to waive the oral reading of the Board of Commissioners' regular and executive session meeting minutes and approve the meeting minutes held November 20, 2024.

It was moved by **B. Blad** and seconded by **L. Leeuwrik** to approve the Board of Commissioners' regular meeting minutes and approve the meeting minutes held November 20, 2024. Those in favor: B. Blad, J. Hough, L. Leeuwrik, K. Lepchenske, F. Parrish, David Villarreal, and R. Walsh. Those against: none. Unanimous. Motion carried.

3. MONTHLY FINANCIAL REPORT, EXPENSES AND REIMBURSEMENTS.

The Board may wish to approve the monthly financial report, expenses and reimbursements.

It was moved by **B. Blad** and seconded by **R. Walsh** to approve the financial report, expenses and reimbursements as presented. Those in favor: B. Blad, J. Hough, L. Leeuwrik, K. Lepchenske, F. Parrish, David Villarreal, and R. Walsh. Those against: none. Unanimous. Motion carried.

4. ACTION ITEM: RESOLUTION 2025-01 APPROVING THE MEMORANDUM OF UNDERSTANDING BY AND BETWEEN PDA AND POCATELLO QUINN, LLC CONCERNING FUNDING FOR TERMINATION OF THE NAVAL ORDNANCE PLANT DISTRICT IN 2025 AND TO ESTABLISH A PROPOSED NEW URBAN RENEWAL DISTRICT. The Board may wish to discuss, approve, and execute the Memorandum of Understanding and Resolution 2025-01, Exhibit B will be available during meeting.

McLane noted the expansion of the NOP District URA and funding requirements to close the current URA and open a new URA. **Blad** asked about the current boundary of the NOP District. Blad noted that this is a great TIF opportunity to improve the City and commented how TIF Districts should work. The current TIF will be closed five years early and a new tax base will be set with the current tax tables for the new TIF NOP District URA.

It was moved by **B. Blad** and seconded by **L. Leeuwrik** to approve and execute the Memorandum of Understanding and Resolution 2025-01 by and between PDA and Pocatello Quinn, LLC concerning funding for termination of the naval ordnance plant district in 2025 and to establish a proposed new urban renewal district. Those in favor: B. Blad,

J. Hough, L. Leeuwrik, K. Lepchenske, F. Parrish, D. Villarreal, and R. Walsh. Those against: none. Unanimous. Motion carried.

5. ACTION ITEM: APPROVAL OF THE NORTH PORTNEUF DISTRICT RAILROAD OVERPASS AND ACCESS ROAD SCOPE OF WORK PROPOSAL. The Board may wish to discuss, approve, and execute the Scope of Work Agreement with Keller and Associates Inc. for the North Portneuf District design of the new railroad overpass and access road.

McLane noted the RFQ with Keller and Associates was approved in the November 20, 2024 meeting, and now this Scope of Work describes the design for the new railroad overpass and access road. **Quayle** clarified that the yellow lines on the drawing of page one of the SOW represents the desired outcome. Quayle noted the PDA does not have full ownership of all parcels, but have engaged with property owners to swap land to acquire the necessary property. **McLane** noted the amount of truck traffic from the businesses in the area will have tremendous impact on Kraft Road, so this overpass and access road is widely appreciated by the local residents and businesses. **Quayle** noted its 10 months to get to the concept, then 30-100 percent another year, and then construction will depend on collaborating with partners and acquiring funding though possible grant opportunities. If everything falls into place with design and funding, this project could be completed within four-year's time.

It was moved by **B. Blad** and seconded by **L. Leeuwrik** to approve and execute the Scope of Work proposal and enter into an agreement with Keller Associates for the North Portneuf District Railroad Overpass and Access Road. Those in favor: B. Blad, J. Hough, L. Leeuwrik, K. Lepchenske, F. Parrish, D. Villarreal, and R. Walsh. Those against: none. Unanimous. Motion carried.

6. CALENDAR REVIEW. The Board may wish to take this opportunity to inform other Board members of upcoming meetings and events that should be called to their attention.

Nothing was discussed.

7. ADJOURN MEETING AND MOVE THE BOARD AND STAFF TO THE HOLIDAY LUNCH.

With no other meeting business, Villarreal closed the meeting at 11:46 and moved the Board and staff to the holiday lunch.

The Board and staff participated in the holiday luncheon and no PDA business was conducted. The holiday lunch ended at 1:30 PM.

Submitted by:
Aceline McCulla, Secretary

Approved on: January 15, 2025

Action Item 4

**Pocatello Development Authority
Monthly Finance Report
January 15, 2025
Fiscal Year 2025**

Expenditure Approvals:

Checks to be ratified:

<u>Vendor</u>	<u>Check #</u>	<u>Amount</u>
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Checks to be approved:

<u>Vendor</u>	<u>Check #</u>	<u>Amount</u>	
ICCU VISA	dbt25-1	79.71	Jimmy John's
Thane Sparks	2050	1,500.00	January Services
Elam & Burke	2051	1,133.00	Invoice# 212400
Deaton & Company	2052	8,000.00	FY 2024 audit

Board Approval

Cash Balances as of January 15, 2025

	General Fund		Naval Ordinance		North Portneuf		Airport		Northgate		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Cash*	1,016,261.42		47,293.47		1,596,138.37		46,299.59		349,805.78		3,055,798.63	
Income												
Administrative fees	-	-	-	-	-	-	-	-	-	-	-	0.00
Property taxes	17,000	-	142,000	-	98,000	709.70	82,000	286.66	415,000	8,366.32	754,000	9,362.68
Interest income	100,000	33,805.75	-	-	-	-	-	-	-	-	100,000	33,805.75
Other	-	-	-	-	-	-	-	-	-	-	-	0.00
Total Income	117,000	33,805.75	142,000	0.00	98,000	709.70	82,000	286.66	415,000	8,366.32	854,000	43,168.43
Expense												
Administrative expense	-	-	-	-	-	-	-	-	-	-	-	0.00
Luncheon costs	2,500	809.60	-	-	-	-	-	-	-	-	2,500	809.60
Office expenses	500	-	-	-	-	-	-	-	-	-	500	0.00
Dues and memberships	-	-	-	-	-	-	-	-	-	-	-	0.00
Insurance	11,900	-	-	-	-	-	-	-	-	-	11,900	0.00
City admin charges	20,000	2,421.45	-	-	-	-	-	-	-	-	20,000	2,421.45
Professional services	85,000	18,375.00	-	-	75,000	-	-	-	-	-	160,000	18,375.00
New district/feasibility study	125,000	64,607.50	-	-	-	-	-	-	-	-	125,000	64,607.50
Reimbursement - district imp.	-	-	-	-	-	-	-	-	685,000	-	685,000	0.00
Planned development projects	-	-	-	-	450,000	174,640.00	-	-	-	-	450,000	174,640.00
Non-capital Infrastructure	979,100	-	172,000	-	843,000	-	84,100	-	-	-	2,078,200	0.00
Total Expense	1,224,000	86,213.55	172,000	0.00	1,368,000	174,640.00	84,100	0.00	685,000	0.00	3,533,100	260,853.55

*Cash balances rebalanced after FY24 audit

PDA Luncheon for January 15, 2025

Jimmy John's
625 S 5th Ave, Pocatello, ID 83204
208-478-1693

City of Pocatello Tax Exempt ID: 82-6000244

**Deliver to: City Hall Council Chambers, across from Utility Billing Windows,
911 N. 7th Avenue; 10:30-10:45 AM on January 15, 2025. Call Aceline 406.202.6444,**

Items	Qty	Each Cost	Totals
12 Half Sandwiches Box	1	\$ 48.44	\$ 48.44
#2 Big John French Bread EZ Mayo			
#4 Turkey Tom French Bread, EZ Mayo			
#5 Vito French Bread No Lettuce			
#12 Beach Club French Bread, EZ Mayo			
#12 Beach Club French Bread EZ Mayo			
#14 Bootlegger Club French Bread EZ Mayo			
10 Chips: (2) BBQ, (2) Jalapeno, (2) Kickin' Ranch, (2) S&V, (2) Thinny	10	\$ 1.59	\$ 15.90
TOTAL CHECK AMOUNT			\$ 64.34
Gratuity 20% of food			\$ 12.87
Delivery Charge			\$ 2.50
Paid with PDA Credit Card ending in 0272			\$ 79.71

251 E. Front Street, Suite 300
Boise, Idaho 83702
Tax ID No. 82-0451327
Telephone 208-343-5454
Fax 208-384-5844



December 31, 2024

Pocatello Development Authority
Attn: Brent McLane
City of Pocatello
P.O. Box 4169
Pocatello, ID 83205

Invoice No. 212400
Client No. 9212
Matter No. 3
Billing Attorney: MSC

INVOICE SUMMARY

For Professional Services Rendered from December 4, 2024 through December 31, 2024.

RE: Special Counsel General

Total Professional Services	\$ 1,133.00
Total Costs Advanced	<u> \$.00</u>
TOTAL THIS INVOICE	\$ 1,133.00



January 10, 2025

Pocatello Development Authority
911 N. 7th Ave
Pocatello, Idaho 83201

RE: Billing for Services

Professional Services Performed	Total
Audit Services	
Audit report for the year ended September 30, 2024	\$ 8,000.00
Combined total	<u>\$ 8,000.00</u>

REMITTANCE REPORT	
From County Auditor of Bannock County	

Remittance No.	030
Date:	December 25, 2024

To: POCATELLO URBAN

SOURCE AND FUND	PREPAID	CURRENT	----- DELINQUENT TAXES -----					INTEREST	MISC	TOTAL
	2025	2024	2023	2022	2021	2020	2019	2018	COLLECTION	
NORTH YELLOWSTONE (1-0013)										0.00
NAVAL ORDINANCE (1-0014)										0.00
NORTH PORTNEUF 801 (1-0016)		709.70								709.70
NORTHGATE (1-0017)		8,366.32								8,366.32
(1-0018)										0.00
NORTHGATE (83-0000)										0.00
NORTHGATE (84-0000)										0.00
NORTH PORTNEUF 802 (82-0000)										0.00
PRSN PROPERTY RPLCMNT		\$ -								0.00
CIRCUIT BREAKER		-								0.00
HOMEOWNER TAX RELIEF		-								0.00
ADDITIONAL TAX RELIEF		-								0.00
COLUMN TOTALS	0.00	9,076.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,076.02

Amount of Remittance	9,076.02
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STATE OF IDAHO, }
 }ss.
 COUNTY OF BANNOCK }

I, JASON C. DIXON, County Clerk in and for the County aforesaid, being duly sworn on oath, make the following statement:

That the foregoing is a full, true, and correct report, in accordance with Section 3326, Compiled Statutes of Idaho, as amended by Chapter 169, laws of 1925, by source and fund, of all monies paid into the treasury of said county and apportioned to the POCATELLO URBAN and included district since the 30TH OF NOVEMBER the date of my last report. Subscribed and sworn to in duplicate before me on the 25TH OF DECEMBER

 Notary Public of Bannock County.

N.B. The Clerk will countersign the attached order and transmit same to the treasurer of the municipality or district accompanied by a duplicate of this report.



County Clerk: JASON C. DIXON
 By: 
 Deputy Auditor