

11:00 a.m.

Call to order by Chairman Ryan Ward

Acknowledge guests of the Board

Disclosure of conflicts of interest

Agenda; add or delete action or discussion items

Action and Discussion Items:

Minutes: Motion to approve and/or amend August 21, 2013

Financial Report: August and September 2013 Income and Expenses

Payment Request: Approval of Bills

General Discussion: Keller Master Agreement for Professional Services, review of project authorization procedure

Peterson, Inc. Economic Development Agreement Status Update

Positron Economic Development Agreement Status Update

Consideration, approval, and adoption of a Resolution for the Revenue Allocation Area known as the "Alameda Plaza Urban Renewal and Revenue Allocation District"

Items from staff: Deaton & Company Annual Audit Agreement

Items from Commission members:

Upcoming Events:

Executive Session:

Matters exist for discussion in an executive session as per I.C. 67-2345 (1) (e)

Motion: "I move that we enter into an executive session as per Idaho Code 67- 2345 (1) (e) to consider preliminary negotiations involving matters of trade or commerce in which the PDA may be in competition with other jurisdictions."

Adjourn

FINANCIAL REPORTS

4:33 PM
 09/09/13
 Accrual Basis

Pocatello Development Authority
Balance Sheet by Class
 As of August 31, 2013

	1-General Fund	2-Central Corridor	3-North Yellowstone	4-Naval Ordinance
ASSETS				
Current Assets				
Checking/Savings				
Checking Wells Fargo	120,796.62	171,111.46	-209,125.76	213,250.62
Savings Wells Fargo	133,043.06	4,111,578.46	0.00	0.00
Zions 2004A Bnd Fnd 7110526A	0.00	0.00	0.97	0.00
Zions 2012 Bnd Fnd 7110526D	0.00	0.00	2.63	0.00
Zions Bnd Reserve Fnd 7110526B	0.00	0.00	677,567.45	0.00
Zions Rev Alloc Fnd 7110526	0.00	0.00	1,501,763.32	0.00
Total Checking/Savings	253,839.68	4,282,689.92	1,970,208.61	213,250.62
Accounts Receivable				
Accounts Receivable	50,000.00	600,000.00	0.00	0.00
Total Accounts Receivable	50,000.00	600,000.00	0.00	0.00
Other Current Assets				
Accrued Interest Income	1.11	33.75	21.12	0.00
Property Tax Receivable	0.00	31,478.63	36,335.11	0.00
Total Other Current Assets	1.11	31,512.38	36,356.23	0.00
Total Current Assets	303,840.79	4,914,202.30	2,006,564.84	213,250.62
TOTAL ASSETS	303,840.79	4,914,202.30	2,006,564.84	213,250.62
LIABILITIES & EQUITY				
Liabilities				
Long Term Liabilities				
Deferred Notes Receivable Rev	50,000.00	596,867.85	0.00	0.00
Deferred Tax Revenues	0.00	25,929.55	36,335.11	0.00
Total Long Term Liabilities	50,000.00	622,797.40	36,335.11	0.00
Total Liabilities	50,000.00	622,797.40	36,335.11	0.00
Equity				
Fund Balance	377,140.34	4,684,535.75	2,528,232.80	415,635.04
Opening Balance Equity	0.00	0.00	64,643.86	0.00
Net Income	-123,299.55	-393,130.85	-622,646.93	-202,384.42
Total Equity	253,840.79	4,291,404.90	1,970,229.73	213,250.62
TOTAL LIABILITIES & EQUITY	303,840.79	4,914,202.30	2,006,564.84	213,250.62

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09/09/13

Accrual Basis

Pocatello Development Authority
Balance Sheet by Class
As of August 31, 2013

	6-North Portneuf	7-Pocatello Regional Airport	Unclassified	TOTAL
ASSETS				
Current Assets				
Checking/Savings				
Checking Wells Fargo	328,742.23	55,581.09	0.00	680,356.26
Savings Wells Fargo	0.00	0.00	0.00	4,244,621.52
Zions 2004A Bnd Fnd 7110526A	0.00	0.00	0.00	0.97
Zions 2012 Bnd Fnd 7110526D	0.00	0.00	0.00	2.63
Zions Bnd Reserve Fnd 7110526B	0.00	0.00	-67.45	677,500.00
Zions Rev Alloc Fnd 7110526	0.00	0.00	67.45	1,501,830.77
Total Checking/Savings	328,742.23	55,581.09	0.00	7,104,312.15
Accounts Receivable				
Accounts Receivable	0.00	30,542.44	0.00	680,542.44
Total Accounts Receivable	0.00	30,542.44	0.00	680,542.44
Other Current Assets				
Accrued Interest Income	0.00	0.00	0.00	55.98
Property Tax Receivable	9,407.86	0.00	0.00	77,221.60
Total Other Current Assets	9,407.86	0.00	0.00	77,277.58
Total Current Assets	338,150.09	86,123.53	0.00	7,862,132.17
TOTAL ASSETS	338,150.09	86,123.53	0.00	7,862,132.17
LIABILITIES & EQUITY				
Liabilities				
Long Term Liabilities				
Deferred Notes Receivable Rev	0.00	0.00	0.00	646,867.85
Deferred Tax Revenues	9,407.86	0.00	0.00	71,672.52
Total Long Term Liabilities	9,407.86	0.00	0.00	718,540.37
Total Liabilities	9,407.86	0.00	0.00	718,540.37
Equity				
Fund Balance	210,902.91	0.00	0.00	8,216,446.84
Opening Balance Equity	0.00	0.00	0.00	64,643.86
Net Income	117,839.32	86,123.53	0.00	-1,137,498.90
Total Equity	328,742.23	86,123.53	0.00	7,143,591.80
TOTAL LIABILITIES & EQUITY	338,150.09	86,123.53	0.00	7,862,132.17

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 Accrual Basis

Pocatello Development Authority
 Profit & Loss by Class
 August 2013

	1-General Fund	2-Central Corridor	3-North Yellowstone	6-North Portneuf	TOTAL
Income					
Interest Income	3.45	104.70	39.51	0.00	147.66
Property Taxes	0.00	0.00	34,764.53	53,470.38	88,234.91
Total Income	3.45	104.70	34,804.04	53,470.38	88,382.57
Gross Profit	3.45	104.70	34,804.04	53,470.38	88,382.57
Expense					
Administrative	87.10	0.00	0.00	0.00	87.10
Debt Service					
Interest	0.00	0.00	100,298.23	0.00	100,298.23
Principal	0.00	0.00	580,000.00	0.00	580,000.00
Total Debt Service	0.00	0.00	680,298.23	0.00	680,298.23
Total Expense	87.10	0.00	680,298.23	0.00	680,385.33
Net Income	-83.65	104.70	-645,494.19	53,470.38	-592,002.76

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Accrual Basis

Pocatello Development Authority
Profit & Loss by Class
October 2012 through August 2013

	1-General Fund	2-Central Corridor	3-North Yellowstone	4-Naval Ordinance
Income				
Interest Income	117.68	3,595.01	376.73	0.00
Loan Interest Income	0.00	27,632.14	0.00	0.00
Proceed from sale of bonds	0.00	0.00	309,808.59	0.00
Professional Fees	260,000.00	0.00	0.00	0.00
Property Taxes	0.00	33,087.00	1,184,462.27	172,615.58
Total Income	260,117.68	64,314.15	1,494,647.59	172,615.58
Gross Profit	260,117.68	64,314.15	1,494,647.59	172,615.58
Expense				
Administrative	2,650.93	10,000.00	252.15	0.00
Closing Cost on Bond Sales	0.00	0.00	106,445.00	0.00
Debt Service				
Interest	0.00	0.00	303,173.23	0.00
Principal	0.00	0.00	1,584,409.18	0.00
Total Debt Service	0.00	0.00	1,887,582.41	0.00
Dues and Memberships	750.00	0.00	0.00	0.00
Economic Grants Issued	375,000.00	197,445.00	122,014.96	375,000.00
Professional Services				
Other Professional Services	5,016.30	250,000.00	1,000.00	0.00
Total Professional Services	5,016.30	250,000.00	1,000.00	0.00
Total Expense	383,417.23	457,445.00	2,117,294.52	375,000.00
Net Income	-123,299.55	-393,130.85	-622,646.93	-202,384.42

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 09/09/13
 Accrual Basis

Pocatello Development Authority
Profit & Loss by Class
 October 2012 through August 2013

	6-North Portneuf	7-Pocatello Regional Airport	Unclassified	TOTAL
Income				
Interest Income	0.00	0.00	0.00	4,089.42
Loan Interest Income	0.00	0.00	0.00	27,632.14
Proceed from sale of bonds	0.00	0.00	0.00	309,808.59
Professional Fees	0.00	0.00	0.00	260,000.00
Property Taxes	127,839.32	86,123.53	0.00	1,604,127.70
Total Income	127,839.32	86,123.53	0.00	2,205,657.85
Gross Profit	127,839.32	86,123.53	0.00	2,205,657.85
Expense				
Administrative	0.00	0.00	0.00	12,903.08
Closing Cost on Bond Sales	0.00	0.00	0.00	106,445.00
Debt Service				
Interest	0.00	0.00	0.00	303,173.23
Principal	0.00	0.00	0.00	1,584,409.18
Total Debt Service	0.00	0.00	0.00	1,887,582.41
Dues and Memberships	0.00	0.00	0.00	750.00
Economic Grants Issued	0.00	0.00	0.00	1,069,459.96
Professional Services				
Other Professional Services	10,000.00	0.00	0.00	266,016.30
Total Professional Services	10,000.00	0.00	0.00	266,016.30
Total Expense	10,000.00	0.00	0.00	3,343,156.75
Net Income	117,839.32	86,123.53	0.00	-1,137,498.90

Pocatello Development Authority
Budget to Actual as of August 31 for the 2013 Fiscal year

	2011 Actual	2012 Budget	2012 Y-T-D	2013 Budget	2013 Actual YTD
<u>General Fund</u>					
Revenues	2,513	1,869,798	13	1,995,609	260,118
Expenditures	6,274	1,893,186	45,312	2,070,686	383,417
<u>Central Corridor District</u>					
Revenues	1,414,718	1,200,230	83,543	420	64,314
Expenditures	944,787	5,214,579	660,693	4,679,703	457,445
<u>North Yellowstone District</u>					
Revenues	1,305,746	1,270,160	1,125,870	1,126,240	1,494,648
Expenditures	803,040	1,157,065	806,265	3,519,083	2,117,295
<u>North Portneuf District</u>					
Revenues	46,583	3,000,000	113,934	113,934	127,839
Expenditures	0	3,000,000	0	325,519	10,000
<u>Naval Ordinance District</u>					
Revenues	230,649	305,000	188,744	363,750	172,616
Expenditures	37,745	0	0	750,000	375,000
<u>Pocatello Regional Airport District</u>					
Revenues	0	100,000	0	67,825	86,124
Expenditures	0	100,000	0	67,825	0
<u>Totals</u>					
Revenues	3,000,209	7,745,188	1,512,105	3,667,778	2,205,658
Expenditures	1,791,845	11,364,830	1,512,270	11,412,816	3,343,157

**POCATELLO DEVELOPMENT AUTHORITY
GENERAL FUND CASH FLOW PROJECTIONS
2012 THROUGH 2018**

YEARS ENDED	Budget 2013	YTD 2013	Remaining 2013	Budget 2014	Budget 2015	Budget 2016	Budget 2017	Budget 2018
Previous Year Balance:	\$377,139.23	\$377,139.23	\$253,839.68	\$253,839.68	\$423,339.68	\$417,839.68	\$413,119.68	\$408,399.68
INCOME:								
Central Corridor Admin fee	1,945,595.27	260,000.00	1,685,595.27					798,135.04
Tetridyn Loan (finished 2012)	50,000.00		50,000.00					
Naval Ordinance Plant District			0.00	175,000.00				
Refunds and reimbursements			0.00					
Interest Income	14.00	117.68	-103.68	20.00	20.00	800.00	800.00	800.00
Total Projected Income:	1,995,609.27	260,117.68	1,735,491.59	175,020.00	20.00	800.00	800.00	798,935.04
EXPENSE:								
RDA loan payoff Naval Ordinance District	175,000.00	375,000.00	-200,000.00					
Contingency	1,887,666.00		1,887,666.00					
Luncheon costs	1,320.00	1,307.86	12.14	1,320.00	1,320.00	1,320.00	1,320.00	1,320.00
Office expenses	200.00	326.28	-126.28	200.00	200.00	200.00	200.00	200.00
Banking and Professional services	6,500.00	6,783.09	-283.09	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00
Total Projected Expense:	2,070,686.00	383,417.23	1,687,268.77	5,520.00	5,520.00	5,520.00	5,520.00	5,520.00
CALCULATED ANNUAL BALANCE	\$302,062.50	\$253,839.68	\$302,062.50	\$423,339.68	\$417,839.68	\$413,119.68	\$408,399.68	\$1,201,814.72

POCATELLO DEVELOPMENT AUTHORITY
CENTRAL CORRIDOR CASH FLOW PROJECTIONS
2012 THROUGH 2013**

YEARS ENDED	Budget 2013	YTD 2013	Remaining 2013	Budget 2014	2015
Previous Year Balance*:	\$4,679,283.20	\$4,679,283.20	\$4,286,152.35	\$0.00	
INCOME:					
Projected Estimated Tax Revenues: ^{8,9}		33,087.00	-33,087.00		
Taxes Received from Previous Years & yearly interest: ⁷		27,632.14	-27,632.14		
South Cliffs Repayment: ¹²			0.00		
AMI Repayment (Building Owners): ¹²			0.00		
Positron Repayment: ^{12 (400,000.00)}			0.00		
Interest earning on trust accounts	420.00	3,595.01	-3,175.01	0.00	
Total Projected Income:	420.00	64,314.15	-63,894.15	0.00	
EXPENSE:					
Cheyenne Crossing: Committed \$3 million total ^{16 & 18}	2,475,307.00	197,445.00	2,277,862.00		
Clark Street Overpass: Committed \$258,880.93	258,800.93		258,800.93		
Admin Transfer to Unrestricted Account: ¹¹	1,945,595.27	260,000.00	1,685,595.27		
City of Pocatello, triangle land reimbursement			0.00		
			0.00		
			0.00	0.00	
Total Projected Expense:	4,679,703.20	457,445.00	4,222,258.20	0.00	
CALCULATED ANNUAL BALANCE	\$0.00	\$4,286,152.35	\$0.00	\$0.00	

**POCATELLO DEVELOPMENT AUTHORITY
NORTH YELLOWSTONE FUND CASH FLOW PROJECTIONS
2012 THROUGH 2028**

YEARS ENDED	Budget 2013	YTD 2013	Remaining 2013	Budget 2014	Budget 2015	Budget 2018	Budget 2017	Budget 2018
Previous Year Balance:	\$2,592,842.93	\$2,592,842.93	\$1,970,196.00	\$200,000.00	\$518,476.04	\$837,075.08	\$1,156,625.12	\$1,156,625.12
INCOME:								
Property taxes (org \$761,120.03)	1,126,000.00	1,184,462.27	-58,462.27	1,126,000.00	1,126,000.00	1,126,000.00	1,126,000.00	1,126,000.00
Interest on trust accounts	240.00	376.73	-136.73	240.00	240.00	240.00	240.00	240.00
Proceed from sale of bonds		309,808.59	-309,808.59					
Total Projected Income:	1,126,240.00	1,494,647.59	-368,407.59	1,126,240.00	1,126,240.00	1,126,240.00	1,126,240.00	1,126,240.00
EXPENSE:								
Current Year Debt Service:	680,750.00	303,173.23	377,576.77	680,750.00	680,625.00	679,675.00	677,900.00	680,300.00
Del Monte Meat			0.00					
Closing cost on bond issuance	0.00	106,445.00	-106,445.00					
Paydown of bonded debt	2,711,317.97	1,564,409.18	1,126,908.79					
Arbitrage fees	2,500.00	1,000.00		2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
Trustee fees	2,500.00		0.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
Administrative fee to PDA (year 2028)		252.15	-252.15					
Costco employment payment (\$732,098.04) 1	122,014.96	122,014.96	0.00	122,014.96	122,014.96	122,014.96	122,014.96	122,014.96
Total Projected Expense:	3,519,082.93	2,117,294.52	1,397,788.41	807,764.96	807,639.96	806,689.96	804,914.96	807,314.96
CALCULATED ANNUAL BALANCE	\$200,000.00	\$1,970,196.00	\$204,000.00	\$518,475.04	\$837,075.08	\$1,156,625.12	\$1,477,950.16	\$1,475,550.16
Bond reserve trust fund		681,900.00	681,900.00	681,900.00	881,900.00	681,900.00	681,900.00	
Current debt payment allocation fund reserve		678,525.00	678,525.00	678,525.00	680,050.00	680,750.00	680,750.00	
Amount available		609,771.00	-1,156,425.00	-841,949.96	-524,874.92	-206,024.88	115,300.16	1,475,550.16

Note: \$691,458.36 in bonded debt reserves are included in cash balance

1 = Per letter from David Messner, Costco Agent, the \$1 mil employment grant was reduced by a construction advance to PEG development of \$145,895.00, Dated 12/31/2007

POCATELLO DEVELOPMENT AUTHORITY
NORTH PORTNEUF DISTRICT CASH FLOW PROJECTIONS - Tentative
2012 THROUGH 2028

YEARS ENDED	Budget 2013	YTD 2013	Remaining 2013	Budget 2014	Budget 2015	Budget 2016	Budget 2017	Budget 2018
Previous Year Balance:	\$210,585.24	\$210,585.24	\$328,424.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INCOME:								
Property taxes	113,934.20	127,839.32	-13,905.12	113,934.20	113,934.20	113,934.20	113,934.20	113,934.20
Interest on trust accounts			0.00					
Loan from General Fund			0.00					
Total Projected Income:	113,934.20	127,839.32	-13,905.12	113,934.20	113,934.20	113,934.20	113,934.20	113,934.20
EXPENSE:								
Debt service			0.00					
Hoku:			0.00					
Infrastructure reimbursement			0.00					
Employment reimbursement			0.00					
Other payments:								
City infrastructure	324,519.44		0.00	113,934.20	113,934.20	113,934.20	113,934.20	113,934.20
PDA admin			0.00					
UP Railroad		10,000.00	-10,000.00					
Total Projected Expense:	324,519.44	10,000.00	-10,000.00	113,934.20	113,934.20	113,934.20	113,934.20	113,934.20
CALCULATED ANNUAL BALANCE	\$0.00	\$328,424.56	\$324,519.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Assessed valuation 2009	\$6,639,105.00							
Base valuation	\$3,458,800.00							
Increase 2009	\$3,180,305.00							

**POCATELLO DEVELOPMENT AUTHORITY
NAVAL ORDINANCE PLANT FUND CASH FLOW PROJECTIONS
2013 THROUGH 2018**

YEARS ENDED	Budget 2013	YTD 2013	Remaining 2013	Budget 2014	Budget 2015	Budget 2016	Budget 2017	Budget 2018
Previous Year Balance:	\$415,635.04	\$415,635.04	\$213,250.62	\$29,385.04	\$43,135.04	\$231,885.04	\$420,635.04	\$609,385.04
INCOME:								
Property taxes	188,750.00	172,615.58	16,134.42	188,750.00	188,750.00	188,750.00	188,750.00	188,750.00
Whisper Creek payback			0.00					
Loan from General Fund	175,000.00		175,000.00					
Total Projected Income:	363,750.00	172,615.58	191,134.42	188,750.00	188,750.00	188,750.00	188,750.00	188,750.00
EXPENSE:								
Log Homes (\$225,000.)			0.00					
Owner Contract: (RDA)	750,000.00	375,000.00	375,000.00					
Repay loan to General Fund			0.00	175,000.00				
Sewer line flushing			0.00					
Administrative fee to General Fund			0.00					798,135.04
Sewer inspection station			0.00					
Total Projected Expense:	750,000.00	375,000.00	375,000.00	175,000.00	0.00	0.00	0.00	798,135.04
CALCULATED ANNUAL BALANCE	\$29,385.04	\$213,250.62	\$29,385.04	\$43,135.04	\$231,885.04	\$420,635.04	\$609,385.04	\$0.00

**AIRPORT CASH FLOW PROJECTIONS
2012 THROUGH 2028**

YEARS ENDED	Budget 2013	YTD 2013	Remaining 2013	Budget 2014	Budget 2015	Budget 2016	Budget 2017	Budget 2018
Previous Year Balance:	\$0.00	\$0.00	\$86,123.53	\$86,123.53	\$131,773.53	\$199,598.53	\$267,423.53	\$335,248.53
INCOME:								
Property taxes	67,825.00	86,123.53	-18,298.53	67,825.00	67,825.00	67,825.00	67,825.00	67,825.00
			0.00					
			0.00					
Total Projected Income:	67,825.00	86,123.53	-18,298.53	67,825.00	67,825.00	67,825.00	67,825.00	67,825.00
EXPENSE:								
Petersen Inc. infrastructure repayment	67,825.00	0.00	67,825.00	22,175.00				
			0.00					
			0.00					
			0.00					
			0.00					
Total Projected Expense:	67,825.00	0.00	67,825.00	22,175.00	0.00	0.00	0.00	0.00
CALCULATED ANNUAL BALANCE	\$0.00	\$86,123.53	\$0.00	\$131,773.53	\$199,598.53	\$267,423.53	\$335,248.53	\$403,073.53

Estimate repayment to Petersen of \$90,000.00

Pocatello Development Authority
Balance Sheet by Class
 As of September 30, 2013

	1-General Fund	2-Central Corridor	3-North Yellowstone	4-Naval Ordinance
ASSETS				
Current Assets				
Checking/Savings				
Checking Wells Fargo	120,796.62	174,093.31	-207,889.59	213,250.62
Savings Wells Fargo	133,046.40	4,111,679.78	0.00	0.00
Zions 2004A Bnd Fnd 7110526A	0.00	0.00	0.97	0.00
Zions 2012 Bnd Fnd 7110526D	0.00	0.00	2.63	0.00
Zions Bnd Reserve Fnd 7110526B	0.00	0.00	677,579.00	0.00
Zions Rev Alloc Fnd 7110526	0.00	0.00	1,501,785.34	0.00
Total Checking/Savings	253,843.02	4,285,773.09	1,971,478.35	213,250.62
Accounts Receivable				
Accounts Receivable	50,000.00	600,000.00	0.00	0.00
Total Accounts Receivable	50,000.00	600,000.00	0.00	0.00
Other Current Assets				
Accrued Interest Income	1.11	33.75	21.12	0.00
Property Tax Receivable	0.00	31,478.63	36,335.11	0.00
Total Other Current Assets	1.11	31,512.38	36,356.23	0.00
Total Current Assets	303,844.13	4,917,285.47	2,007,834.58	213,250.62
TOTAL ASSETS	303,844.13	4,917,285.47	2,007,834.58	213,250.62
LIABILITIES & EQUITY				
Liabilities				
Long Term Liabilities				
Deferred Notes Receivable Rev	50,000.00	596,867.85	0.00	0.00
Deferred Tax Revenues	0.00	25,929.55	36,335.11	0.00
Total Long Term Liabilities	50,000.00	622,797.40	36,335.11	0.00
Total Liabilities	50,000.00	622,797.40	36,335.11	0.00
Equity				
Fund Balance	377,140.34	4,684,535.75	2,528,232.80	415,635.04
Opening Balance Equity	0.00	0.00	64,643.86	0.00
Net Income	-123,296.21	-390,047.68	-621,377.19	-202,384.42
Total Equity	253,844.13	4,294,488.07	1,971,499.47	213,250.62
TOTAL LIABILITIES & EQUITY	303,844.13	4,917,285.47	2,007,834.58	213,250.62

8:46 AM
 10/11/13
 Accrual Basis

Pocatello Development Authority
 Balance Sheet by Class
 As of September 30, 2013

	6-North Portneuf	7-Pocatello Regional Airport	Unclassified	TOTAL
ASSETS				
Current Assets				
Checking/Savings				
Checking Wells Fargo	328,742.23	86,123.53	0.00	715,116.72
Savings Wells Fargo	0.00	0.00	0.00	4,244,726.18
Zions 2004A Bnd Fnd 7110526A	0.00	0.00	0.00	0.97
Zions 2012 Bnd Fnd 7110526D	0.00	0.00	0.00	2.63
Zions Bnd Reserve Fnd 7110526B	0.00	0.00	-67.45	677,511.55
Zions Rev Alloc Fnd 7110526	0.00	0.00	67.45	1,501,852.79
Total Checking/Savings	328,742.23	86,123.53	0.00	7,139,210.84 <i>cash avail.</i>
Accounts Receivable				
Accounts Receivable	0.00	0.00	0.00	650,000.00
Total Accounts Receivable	0.00	0.00	0.00	650,000.00
Other Current Assets				
Accrued Interest Income	0.00	0.00	0.00	55.98
Property Tax Receivable	9,407.86	0.00	0.00	77,221.60
Total Other Current Assets	9,407.86	0.00	0.00	77,277.58
Total Current Assets	338,150.09	86,123.53	0.00	7,866,488.42
TOTAL ASSETS	338,150.09	86,123.53	0.00	7,866,488.42
LIABILITIES & EQUITY				
Liabilities				
Long Term Liabilities				
Deferred Notes Receivable Rev	0.00	0.00	0.00	646,867.85
Deferred Tax Revenues	9,407.86	0.00	0.00	71,672.52
Total Long Term Liabilities	9,407.86	0.00	0.00	718,540.37
Total Liabilities	9,407.86	0.00	0.00	718,540.37
Equity				
Fund Balance	210,902.91	0.00	0.00	8,216,446.84
Opening Balance Equity	0.00	0.00	0.00	64,643.86
Net Income	117,839.32	86,123.53	0.00	-1,133,142.65
Total Equity	328,742.23	86,123.53	0.00	7,147,948.05
TOTAL LIABILITIES & EQUITY	338,150.09	86,123.53	0.00	7,866,488.42

Pocatello Development Authority
Profit & Loss by Class
 September 2013

P. 2/2/10

	<u>1-General Fund</u>	<u>2-Central Corridor</u>	<u>3-North Yellowstone</u>	<u>TOTAL</u>
Income				
Interest Income	3.34	101.32	33.57	138.23
Property Taxes	0.00	981.85	1,236.17	2,218.02
Uncategorized Income	0.00	2,000.00	0.00	2,000.00
Total Income	<u>3.34</u>	<u>3,083.17</u>	<u>1,269.74</u>	<u>4,356.25</u>
Gross Profit	3.34	3,083.17	1,269.74	4,356.25
Expense	0.00	0.00	0.00	0.00
Net Income	<u><u>3.34</u></u>	<u><u>3,083.17</u></u>	<u><u>1,269.74</u></u>	<u><u>4,356.25</u></u>

Pocatello Development Authority
Profit & Loss by Class
 October 2012 through September 2013

	1-General Fund	2-Central Corridor	3-North Yellowstone	4-Naval Ordinance
Income				
Interest Income	121.02	3,696.33	410.30	0.00
Loan Interest Income	0.00	27,632.14	0.00	0.00
Proceed from sale of bonds	0.00	0.00	309,808.59	0.00
Professional Fees	260,000.00	0.00	0.00	0.00
Property Taxes	0.00	34,068.85	1,185,698.44	172,615.58
Uncategorized Income	0.00	2,000.00	0.00	0.00
Total Income	260,121.02	67,397.32	1,495,917.33	172,615.58
Gross Profit	260,121.02	67,397.32	1,495,917.33	172,615.58
Expense				
Administrative	2,650.93	10,000.00	252.15	0.00
Closing Cost on Bond Sales	0.00	0.00	106,445.00	0.00
Debt Service				
Interest	0.00	0.00	303,173.23	0.00
Principal	0.00	0.00	1,584,409.18	0.00
Total Debt Service	0.00	0.00	1,887,582.41	0.00
Dues and Memberships	750.00	0.00	0.00	0.00
Economic Grants Issued	375,000.00	197,445.00	122,014.96	375,000.00
Professional Services				
Other Professional Services	5,016.30	250,000.00	1,000.00	0.00
Total Professional Services	5,016.30	250,000.00	1,000.00	0.00
Total Expense	383,417.23	457,445.00	2,117,294.52	375,000.00
Net Income	-123,296.21	-390,047.68	-621,377.19	-202,384.42

Pocatello Development Authority Profit & Loss by Class October 2012 through September 2013

	6-North Portneuf	7-Pocatello Regional Airport	Unclassified	TOTAL
Income				
Interest Income	0.00	0.00	0.00	4,227.65
Loan Interest Income	0.00	0.00	0.00	27,632.14
Proceed from sale of bonds	0.00	0.00	0.00	309,808.59
Professional Fees	0.00	0.00	0.00	260,000.00
Property Taxes	127,839.32	86,123.53	0.00	1,606,345.72
Uncategorized Income	0.00	0.00	0.00	2,000.00
Total Income	127,839.32	86,123.53	0.00	2,210,014.10
Gross Profit				
	127,839.32	86,123.53	0.00	2,210,014.10 <i>Cash rec'd</i>
Expense				
Administrative	0.00	0.00	0.00	12,903.08
Closing Cost on Bond Sales	0.00	0.00	0.00	106,445.00
Debt Service				
Interest	0.00	0.00	0.00	303,173.23
Principal	0.00	0.00	0.00	1,584,409.18
Total Debt Service	0.00	0.00	0.00	1,887,582.41
Dues and Memberships	0.00	0.00	0.00	750.00
Economic Grants Issued	0.00	0.00	0.00	1,069,459.96
Professional Services				
Other Professional Services	10,000.00	0.00	0.00	266,016.30
Total Professional Services	10,000.00	0.00	0.00	266,016.30
Total Expense	10,000.00	0.00	0.00	3,343,156.75
Net Income	117,839.32	86,123.53	0.00	-1,133,142.65

10:50 AM
 10/16/13
 Accrual Basis

Pocatello Development Authority
Profit & Loss by Class
 August through September 2013

	<u>1-General Fund</u>	<u>2-Central Corridor</u>	<u>3-North Yellowstone</u>	<u>6-North Portneuf</u>
Income				
Interest Income	6.79	206.02	73.08	0.00
Property Taxes	0.00	981.85	36,000.70	53,470.38
Uncategorized Income	0.00	2,000.00	0.00	0.00
Total Income	<u>6.79</u>	<u>3,187.87</u>	<u>36,073.78</u>	<u>53,470.38</u>
Gross Profit	6.79	3,187.87	36,073.78	53,470.38
Expense				
Administrative	87.10	0.00	0.00	0.00
Debt Service				
Interest	0.00	0.00	100,298.23	0.00
Principal	0.00	0.00	580,000.00	0.00
Total Debt Service	<u>0.00</u>	<u>0.00</u>	<u>680,298.23</u>	<u>0.00</u>
Total Expense	<u>87.10</u>	<u>0.00</u>	<u>680,298.23</u>	<u>0.00</u>
Net Income	<u><u>-80.31</u></u>	<u><u>3,187.87</u></u>	<u><u>-644,224.45</u></u>	<u><u>53,470.38</u></u>

10:50 AM
10/16/13
Accrual Basis

Pocatello Development Authority
Profit & Loss by Class
August through September 2013

	<u>TOTAL</u>
Income	
Interest Income	285.89
Property Taxes	90,452.93
Uncategorized Income	2,000.00
Total Income	<u>92,738.82</u>
Gross Profit	92,738.82
Expense	
Administrative	87.10
Debt Service	
Interest	100,298.23
Principal	580,000.00
Total Debt Service	<u>680,298.23</u>
Total Expense	<u>680,385.33</u>
Net Income	<u><u>-587,646.51</u></u>

GENERAL
DISCUSSION
ITEMS

KELLER
ASSOCIATES,
INC.

MASTER AGREEMENT FOR PROFESSIONAL SERVICES

This is an Agreement effective as of _____ ("Effective Date") between the Pocatello Development Authority ("PDA") and Keller Associates, Inc. ("Consultant").

PDA's Project, of which Consultant's services under this Agreement are a part, is generally identified as follows: Pocatello Airport infrastructure master planning ("Project").

The PDA and the Consultant agree to the following Project scope, schedule, and compensation:

SCOPE: Consultant's services under this Agreement are generally identified as follows:

PDA intends to develop the Pocatello Airport Warehouse & Distribution property. The Pocatello Airport warehouse & distribution location is property of about 130 acres in size (*gross; approximately 114 net developable acres*) located at the Pocatello Airport. The Warehouse & Distribution property is scheduled to contain warehouse and freight movement, railroad yards and loading, greenhouse agriculture, wholesale sales, outdoor fabrication, automotive services and equipment, and light industrial and manufacturing facilities. Keller Associates will provide civil engineering, surveying, and construction administration services to assist in the planning and development of the Warehouse & Distribution infrastructure. The project will be developed in at least two phases.

PDA may request that Consultant provide professional Master Planning tasks within the general scope described above. Each engagement will be documented by a Task Order. This agreement sets forth the general terms and conditions which shall apply to all Task Orders duly executed under this Agreement. Each Task Order will indicate the specific services to be performed and deliverables to be provided. The first task order is included as part of this agreement as Attachment A.

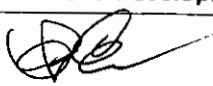
SCHEDULE: The Agreement shall commence on the above written date. Consultant shall complete its services as described in each Task Order.

COMPENSATION:

Basic Services. As compensation for services to be performed by Consultant, each Task Order will describe the compensation.

Additional Services. Compensation for performing Additional Services will be pursuant to a mutually agreed upon Addendum to this Agreement.

In Witness Whereof, the parties hereto have executed this Agreement as of the date first above written. PDA further acknowledges that it has reviewed and accepted the attached Standard Terms and Conditions.

	Pocatello Development Authority	CONSULTANT:	Keller Associates, Inc.
Signature:		Signature:	
Name:	Lonnie Crowell, PDA Director on behalf of Ryan Ward, PDA Chair	Name:	James P Mullen, PE
Title:	Chair	Title:	Vice President
Address:	911 N. 7 th Avenue Pocatello, ID 83205	Address:	305 N 3 rd Avenue, Suite A Pocatello, ID 83201
Date:	9/11/2013	Date:	

STANDARD TERMS AND CONDITIONS:

1. **CONTRACT** – This document constitutes the full and complete Agreement between the parties and supersedes all prior negotiations, representations or agreements, whether written or oral. The Agreement may be amended only if both parties specifically agree in writing to such amendment of the Agreement.
2. **INVOICES AND PAYMENT** – PDA will make payment within 30 calendar days of the invoice date. Consultant shall keep accurate records of expenses. If PDA contests an invoice, PDA shall advise the Consultant within 15 days of receipt of invoice of the specific basis for doing so, may withhold only that portion so contested, and shall pay the undisputed portion.

Interest. If payment is not received by the Consultant within 30 calendar days of the invoice date, PDA shall pay interest at a rate of 1½% per month (or the maximum allowable by law, whichever is lower) of the past due amount. Payments will be credited first to interest and then to principal.

Suspension. If PDA fails to make payments when due, the Consultant may suspend performance of services upon five (5) calendar days' notice to the PDA. PDA agrees to indemnify and hold Consultant harmless from any claim or liability resulting from such suspension.
3. **DOCUMENTS** – All documents prepared or furnished by Consultant are instruments of service, and Consultant retains ownership and property interest (including the copyright and the right of reuse) in such documents. PDA shall have a limited license to use the documents in and for the Project subject to full payment for all services relating to preparation of the documents. The PDA agrees to obtain prior written agreement for any reuse or modifications of the instruments of service, and understands that any unauthorized use of the instruments of service shall be at the PDA's sole risk and without liability to the Consultant.
4. **STANDARD OF CARE** – The standard of care for all professional engineering and related services performed or furnished by the Consultant under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. The Consultant makes no warranties, express or implied, under this Agreement or otherwise, in connection with the Consultant's services. Consultant shall exercise usual and customary professional care in its efforts to comply with applicable codes, regulations, laws, rules, ordinances, and such other requirements in effect as of the date of execution of this Agreement.
5. **CHANGES OR DELAYS** – The proposed scope of services, compensation, schedule, and allocation of risks reflect Consultant's understanding of the Project at the date of this Agreement. Costs and schedule commitments shall be subject to renegotiation for changed conditions, unreasonable delays caused by the PDA's failure, independent government agencies, acts of God, or causes beyond the reasonable control of Consultant. Where this occurs, changes in the Agreement shall be negotiated and an equitable adjustment shall be made.
6. **TERMINATION** – The PDA and Consultant may terminate this Agreement in whole or in part at any time by giving 30 days written notice thereof. The PDA shall promptly pay Consultant for all services rendered to the effective date of suspension of services, plus suspension charges, which shall include the cost of assembling documents, personnel and equipment, rescheduling or reassignment, and commitments made to others on the PDA's behalf.
7. **SUSPENSION OF SERVICES** – If the PDA suspends services of the Consultant for any reason for more than thirty days, the Consultant shall be reimbursed for expenses incurred due to suspension of services, including costs associated with rescheduling or reassigning personnel, and commitments made to others on PDA's behalf.
8. **INDEMNITY AND LIMITATION OF LIABILITY** – PDA and Consultant each agree to indemnify and hold the other (including their respective officers, directors, employees, agents, owners, shareholders, members, partners, sub-consultants, subcontractors, and representatives) harmless from and against liability for all claims, losses, damages and expenses, to the extent such claims, losses, damages, or expenses are caused by the indemnifying party's negligent acts, errors or omissions. In the event claims, losses, damages, or expenses are caused by the joint or concurrent negligence of the PDA and Consultant, they shall be borne by each party in proportion to its negligence.

Neither the PDA nor Consultant shall be liable for incidental, indirect or consequential damages. The Consultant's liability to the PDA and to all construction contractors and subcontractors on the Project, due to the Consultant's negligent acts, errors omissions, or breach of contractual obligations relating to or arising out of the Project shall not exceed twice the Consultant's task fee.

9. **OPINIONS OF COST** – Consultant's opinions of probable cost represent Consultant's judgment as an experienced and qualified design professional. Since Consultant has no control over the cost of labor, materials, equipment, or services furnished by others, or over the PDA's and other contractor's methods of determining prices, or over competitive bidding or market conditions, the Consultant cannot and does not guarantee that proposals, bids, or actual construction cost will not vary from opinions of probable cost prepared by the Consultant.
10. **CONSTRUCTION PHASE SERVICES** – If Consultant performs any services during the construction phase of the Project, Consultant shall not supervise, direct, or have control over Contractor's work. Consultant shall not have authority over or responsibility for the construction means, methods, techniques, sequences or procedures or for safety precautions and programs in connection with the work of the Contractor. Consultant does not guarantee the performance of the construction contract by the Contractor and does not assume responsibility for the Contractor's failure to furnish and perform its work in accordance with the Contract Documents.

11. MISCELLANEOUS

Right of Entry: Unless otherwise noted in the scope of work, the PDA shall provide for Consultant's right to enter the property owned by the City of Pocatello in order to fulfill the services to be performed hereunder.

Dispute Resolution: PDA or its Contractor agrees to notify Consultant of any claims against the Consultant within 10 days of discovery of any allegations, errors or omissions. Should a dispute arise, the PDA and Consultant agree to negotiate disputes between them in good faith for a period of 30 calendar days from the date the dispute is raised in writing by either the PDA or Consultant. If the parties fail to resolve the dispute through negotiation, then the dispute shall be decided through non-binding mediation or other mutually agreed alternative dispute resolution technique. Fees and expenses for mediation shall be split equally between the parties. The PDA and Consultant agree non-binding mediation or other mutually acceptable dispute resolution technique shall precede litigation. This Agreement shall be governed by the laws of the State where the Project is located.

Hazardous Environmental Conditions: The scope of Consultant's services does not include any responsibility for detection, remediation, accidental release, or services relating to waste, oil, asbestos, lead or other hazardous materials, as defined by Federal, State, and local laws or regulations. Consultant is not required to become an arranger, operator, generator, or transporter of hazardous substances, and shall have no responsibility for the discovery, handling, removal, disposal or exposure of persons to hazardous substances of any form.

Consultant Reliance: Consultant shall be entitled to rely, without liability, on the accuracy and completeness of any and all information provided by PDA, PDA's consultants and contractors, and information from public records, without the need for independent verification.

Certifications: Consultant shall not be required to sign any documents that result in Consultant having to certify, warrant, or guarantee the existence of conditions whose existence Consultant cannot ascertain within its services for the Project.

Third Parties: Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either the PDA or Consultant. Consultant's services hereunder are being performed solely for the benefit of the PDA, and no other entity shall have any claim against Consultant because of this Agreement or Consultant's performance of services hereunder.

Severability & Waiver: In the event any of these Contract Provisions are found to be illegal or otherwise unenforceable, the unenforceable Contract Provisions will be stricken, and those remaining Contract Provisions shall continue in full force and effect. The failure of either party of this Agreement to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of this Agreement, shall not be construed as a waiver of such term, covenant or right.

Joint Drafting: The Parties expressly agree that this Agreement was jointly drafted, and that they both had opportunity to negotiate its terms and to obtain the assistance of counsel in reviewing its terms prior to execution. Therefore, this Agreement shall be construed neither against nor in favor of either Party, but shall be construed in a neutral manner.

ATTACHMENT A - TASK ORDER #1

**AGREEMENT FOR
POCATELLO AIRPORT INFRASTRUCTURE MASTER PLANNING**

Task Order Effective Date: 9/12/2013

Owner Project No.: AES01

Consultant Project No.: 213090-001

This Task Order, entered between **Pocatello Development Authority** ("PDA"), and **Keller Associates, Inc.** ("Consultant"), is subject to the provisions of the Agreement for Professional Services ("Agreement"), dated [_____].

The PDA intends to develop a 25 acre site owned by the City of Pocatello for a known tenant, hereinafter referred to as the "Project"; now therefore, the PDA and Consultant agree to the following Project scope, schedule, and compensation.

SCOPE: Consultant's services under this Agreement are generally identified as follows:

Consultant will produce a conceptual level civil engineering infrastructure planning document including basic surveying generally described as the Airport / City potable water system; sewer collection and pressure systems; transportation and traffic, stormwater; and non-vehicle (pedestrian and rail) movement systems, to a 25 acre parcel in the Warehouse and Distribution district of the Pocatello Airport for a known tenant.

SCHEDULE: Task Order #1 shall commence on the above written date. Consultant shall complete its services by OCT. 18, 2013.

COMPENSATION:

Basic Services. As compensation for services to be performed by Consultant the PDA will pay Consultant a lump sum amount of \$ 7,500 (seven thousand five hundred dollars).

Additional Services. Compensation for performing Additional Services will be pursuant to a mutually agreed upon Addendum to this Task Order.

In Witness Whereof, the parties hereto have executed this Task Order Agreement as of the day and year first above written.

Pocatello Development Authority

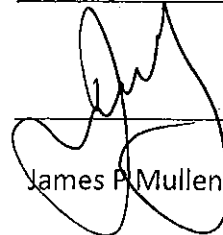
CONSULTANT:

Keller Associates, Inc.

Signature:



Signature:



Name: Lonnie Crowell, PDA Director
on behalf of Ryan Ward, PDA
Chair

Name:

James P. Mullen, PE

PETERSON,
INC.

PROPOSED
RESOLUTION
FOR
ALAMEDA
PLAZA URA
DISTRICT

RESOLUTION 2013-_____

A RESOLUTION OF THE POCATELLO DEVELOPMENT AUTHORITY APPROVING THE DEVELOPMENT PLAN AND PROJECT FOR A REVENUE ALLOCATION AREA KNOWN AS THE ALAMEDA PLAZA URBAN RENEWAL AREA AND REVENUE ALLOCATION DISTRICT, AND RECOMMENDING THAT THE CITY COUNCIL APPROVE THE PLAN AND PROJECT AND ESTABLISH THE REVENUE ALLOCATION PROVISIONS FOR A PERIOD OF TIME NECESSARY TO FINANCE ALL DESIGNATED IMPROVEMENTS, NOT TO EXCEED TWENTY YEARS.

WHEREAS, the Pocatello Development Authority has been presented with plans for infrastructure enhancement, construction of facilities, upgrade of utilities, site preparation work and other associated work to facilitate private and public development within the proposed Alameda Plaza Urban Renewal Area; and

WHEREAS, the Pocatello Development Authority has reviewed the projects and determined that they are suitable for tax revenue allocation limited to no longer than a twenty year collection period, subject to other restrictions as hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED BY THE POCATELLO DEVELOPMENT AUTHORITY AS FOLLOWS:

1. That the Pocatello Development Authority hereby approves the establishment of an urban renewal area and revenue allocation district to be known as the Alameda Plaza Urban Renewal Area and Revenue Allocation District and authorizes its presentation to the City Council for approval and passage of an ordinance to establish said Urban Renewal Area and Revenue Allocation District Plan. Said Plan does not include bond financing, and the term is limited to no longer than twenty years, terminating at 11:59 p.m. on December 31, 2033.

2. That the base year of the District will be 2013, and that the Revenue Allocation District shall last as long as through taxing year 2033, with the collection of tax increment monies lasting through calendar year 2034.

3. That this Resolution shall be effective the 16th day of October, 2013, the date of the meeting at which the vote approving said project was held.

4. That this Resolution was approved by a majority vote of the PDA Board of Commissioners.

RESOLVED this 16th day of October, 2013.

POCATELLO DEVELOPMENT AUTHORITY

By: _____
Ryan Ward, Chair

ATTEST:

Tiffany G. Olsen, Secretary

ITEMS FROM STAFF



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

We are pleased to confirm our understanding of the services we are to provide Pocatello Development Authority for the year ended September 30, 2013. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Pocatello Development Authority as of and for the year ended September 30, 2013. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Pocatello Development Authority's 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. As part of our engagement, we will apply certain limited procedures to Pocatello Development Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist principally of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Budgetary Comparison Schedules.
3. Combining and individual fun financial statements.

Audit Objective

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplemental information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Pocatello Development Authority and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit

or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Pocatello Development Authority is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. You agree to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities; to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation of the financial statements of the respective financial position of governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Pocatello Development Authority and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and

pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. Your responsibilities include acknowledging to us in the written representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's view on our current findings, conclusions, and recommendations, as well as your planned corrective actions, and the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected

by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. 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 will inform the appropriate level of management of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Pocatello Development Authority's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to Pocatello Development Authority; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Deaton & Company and constitutes confidential information. If requested, access to such audit documentation will be provided under the supervision of Deaton & Company personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the federal agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party (ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Charles W. Clark, CPA is the engagement partner and is responsible for supervising the engagement and signing the report.

Audit Fees

We estimate that our fees for the audit services will not exceed \$4,010 plus out-of-pocket costs (such as report reproduction, word processing, postage, photocopies, etc.). Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

Non-Attest Services and Fees

Estimates do not include additional nonattest services, if any. Additional nonattest services (such as reconciling trial balance accounts, preparing purposed adjusting entries, assisting in posting approved adjusted journal entries to the general ledger and any other nonattest bookkeeping services to complete the audit) will be billed out at our standard hourly rates. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to Pocatello Development Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.



Pocatello, Idaho
September 10, 2013

RESPONSE:

This letter correctly sets forth the understanding of Pocatello Development Authority

By: _____

Title: Chair of the Pocatello Development Authority

Date: _____