

**POCATELLO
DEVELOPMENT
AUTHORITY**

ANNUAL REPORT

**For The Year Ended
December 31, 1989**

March 30, 1990

Board of Directors
Pocatello Development Authority

Dear Board Members:

The accompanying Balance Sheet and Statement of Revenues, Expenses, and Changes in Returned Earnings for the years ended December 31, 1988 and 1989 have been compiled from available accounting records and source documents.

A compilation is usually limited to presenting in the form of financial statements information that is the representation of management. However, since no formal accounting system has been maintained, it was necessary to review source documents maintained by the Executive Director of Pocatello Development Authority in the offices of Southeast Idaho Council of Government (SEICOG) in order to prepare the statements.

Since neither a formal accounting system nor adequate internal controls have been established, it would be difficult for an independent auditor to express an unqualified opinion on the financial statements. If future financial statements are to be prepared in accordance with generally accepted accounting principles and in the event that audited statements are required, it will be necessary to establish appropriate systems and controls.

Efforts have been initiated to create the necessary accounting records for the Pocatello Development Authority as part of SEICOG's accounting information system. SEICOG will be installing a new computer based system in May, 1990 and will use this accounting system to prepare future financial statements for the Board on a timely basis.

Very truly yours,



G. Michael Ransom
Secretary/Treasurer

Pocatello Development Authority

Balance Sheet (Unaudited)

For the years ended December 31,

	1988	1989
Assets		
Current Assets:		
Cash in Checking - Domsea	\$36,000	\$6
Cash in Savings	0	46,475
Accounts Receivable	0	2,000
Tax Increment Receivable	<u>0</u>	<u>20,722</u>
Total Assets	<u>\$36,000</u>	<u>\$69,203</u>
Liabilities		
Current Liabilities:		
Current Portion of LT Debt	\$0	\$6,700
Accounts Payable	0	3,556
Interest Payable on LT Debt	0	2163
Due to SEICOG	<u>0</u>	<u>10,025</u>
Total Current Liabilities	<u>\$0</u>	<u>\$22,444</u>
Long-Term Debt:		
5% Note due to E.I.E.D.C	\$0	\$54,972
9% Note due City of Pocatello	<u>78,278</u>	<u>83,322</u>
Total Long-Term Debt	<u>\$78,278</u>	<u>\$138,294</u>
Fund Equity:		
Contribution from City	\$0	\$0
Appropriated Retained Earnings	(42,278)	(91,535)
Unappropriated Retained Earnings	<u>0</u>	<u>0</u>
Total Fund Equity	<u>(\$42,278)</u>	<u>(\$91,535)</u>
Total Liabilities and Fund Equity	<u>\$36,000</u>	<u>\$69,203</u>

The accompanying notes are an integral part of the financial statements

Pocatello Development Authority

Statement of Revenues, Expenses, and
Changes in Retained Earnings (Unaudited)

For the years ended December 31,

	1988	1989
Revenues:		
Tax Increment Revenue	\$0	\$20,722
Unrestricted Grants	0	0
Restricted Grants	0	46,400
Project Administration Fees	0	2,000
Rental Income	0	0
Interest Income	<u>0</u>	<u>75</u>
Total Revenues	<u>\$0</u>	<u>\$69,197</u>
Expenses:		
Administrative Expense	\$0	\$0
Domsea Project Costs	\$42,278	93,751
Cerule Project Costs	0	13,376
Main & Bonneville Project Costs	0	170
Interest Expense	<u>0</u>	<u>11,157</u>
Total Expenses	<u>\$42,278</u>	<u>\$118,454</u>
Net Income (loss) for the Period	(\$42,278)	(\$49,257)
Appropriated Retained Earnings, Beginning	<u>0</u>	<u>(42,278)</u>
Appropriated Retained Earnings, Ending	<u><u>(\$42,278)</u></u>	<u><u>(\$91,535)</u></u>

The accompanying notes are an integral part of the financial statements

Pocatello Development Authority

Balance Sheet (Unaudited)

For the quarter ended
March 31, 1990

Assets

Current Assets:

Cash in Checking - Domsea	\$4,394
Cash in Savings	47,149
Accounts Receivable	0
Tax Increment Receivable	<u>10,361</u>

Total Assets \$61,904

Liabilities

Current Liabilities:

Current Portion of LT Debt	\$0
Accounts Payable	4,499
Interest Payable on LT Debt	0
Due to SEICOG	<u>11,425</u>

Total Current Liabilities \$15,924

Long-Term Debt:

9% Note due to E.I.E.D.C	\$56,420
9% Note due City of Pocatello	<u>86,508</u>

Total Long-Term Debt \$142,928

Fund Equity:

Contribution from City	\$0
Appropriated Retained Earnings	(\$96,948)
Unappropriated Retained Earnings	<u>0</u>

Total Fund Equity (\$96,948)

Total Liabilities and Fund Equity \$61,904

The accompanying notes are an integral part of the financial statements

Pocatello Development Authority

Statement of Revenues, Expenses, and
Changes in Retained Earnings (Unaudited)

For the quarter ended March 31, 1990

Revenues:

Tax Increment Revenue	\$0
Unrestricted Grants	0
Restricted Grants	0
Project Administration Fees	0
Rental Income	0
Interest Income	<u>674</u>

Total Revenues \$674

Expenses:

Administrative Expense	\$0
Domsea Project Costs	0
Ceratile Project Costs	3,840
Main & Bonneville Project Costs	503
Interest Expense	<u>1,744</u>

Total Expenses \$6,087

Net Income (loss) for the Period (\$5,413)

Appropriated Retained Earnings, Beginning (91,535)

Appropriated Retained Earnings, Ending (\$96,948)

The accompanying notes are an integral part of the financial statements

**Pocatello Development Authority
Notes to Financial Statements**

1. Summary of Accounting Policies

Enterprise Fund. The accounting records for Pocatello Development Authority have been maintained as an enterprise fund. Accordingly, full accrual accounting has been used to report all assets and liabilities. Distinction has been made in the fund equity accounts between equity contributed to the fund and earnings resulting from operations of the fund.

2. Accounts Payable

	<u>1988</u>	<u>1989</u>	<u>1990</u>
Ward, Maguire & Bybee		\$1,386	\$1,468
Idaho State Journal		20	20
American Land Title		150	150
Stuart Bullington		2,000	
CSHQA Architects			503
Skinner, Fawcett & Mauk			<u>2,358</u>
Totals		<u>\$3,556</u>	<u>\$4,499</u>

2. Long-Term Debt

9% Note due to Eastern Idaho Development Corporation. In January 1989, Pocatello Development Authority secured a loan from Eastern Idaho Development Corporation for the Domsea Project in the amount of \$55,000. Interest expense of \$2,807 was accrued from the date of disbursement to July 31, 1989 and added to the principle amount of the loan. The modified principle of \$57,807 was to accrue interest at 9% commencing August 1, 1989, with installment payments of \$3,988 due February 1 and August 1 of each year until August 1, 2001.

9% Note due to City of Pocatello. In January 1989, Pocatello Development Authority secured a loan from the City of Pocatello for the Domsea Project in the amount of \$81,000. Interim interest of \$6,187 was accrued from the date of disbursement to December 31, 1989 and added to the principle amount of the loan. The modified principle of \$87,187 was to accrue interest at 9% commencing January 1, 1990, with monthly installment payments of \$992 due February 1, 1990 and each month thereafter until December 31, 2001.

**Pocatello Development Authority
Notes to Financial Statements**

3. **Leases.** On March 1, 1990, Pocatello Development Authority entered into a lease agreement with Gateway West Industrial Center for a portion of Building 38. The initial lease period is five years but includes an option for up to three renewal periods of five years each. Concurrently, Pocatello Development Authority assigned its lease to Ceratile, Inc. The terms of the original lease and sublease require Ceratile to make monthly payments in 1990 of \$8,160; in 1991, \$8,925; in 1992, \$9,690; in 1993, \$10,455; in 1994, \$10,455. The base rental amount for any renewal of the lease after March 1, 1995 will be the prior period amount increase by 5%. Pocatello Development authority has agreed to pay toward the rent under the lease up to \$61,428 per year for a period not to exceed 7 years, or a total of \$429,996, commencing July 1, 1991, but limited to the extent of the Revenue Allocation created from the project.