

POCATELLO DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE CITY OF POCATELLO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
GENERAL PURPOSE FINANCIAL STATEMENTS

UNAUDITED

DECEMBER 31, 1998

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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DECEMBER 31, 1998

Prepared By:
Finance Department City of Pocatello

Jerry Higgins
Treasurer

Brent Owens
Senior Accountant

POCATELLO DEVELOPMENT AUTHORITY

BOARD OF DIRECTORS

Rion Groves	Board member
Stephen Hotchkiss	Secretary/Treasurer
Greg Anderson	Board member
Karen A. McGee	Chair
Tom Bernasek	Board member
Mary Lee Shannon	Board member
Darsi Foster	Board member
Joe Willis	Board member

FINANCIAL SECTION

- **General Purpose Financial Statements**
- **Combining, Individual Fund and Account Group
Financial Statements and Schedules**

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

POCATELLO DEVELOPMENT AUTHORITY
A COMPONENT UNIT OF THE CITY OF POCATELLO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1998

	Governmental Fund Types		Account Group	Totals	Totals
	General Fund	Special Revenue Funds	General Long-term Debt	Memorandum Only Reporting Entity 1998	Memorandum Only Reporting Entity 1997
ASSETS:					
Cash - note 1G, 3	\$ 74,378.97	72,804.06	\$ ---	\$ 147,183.03	\$ 188,054.27
Cash with fiscal agent	---	1,441,574.54	---	1,441,574.54	1,023,050.73
Receivables: - note 1H					
Property taxes - note 4	---	3,033,341.01	---	3,033,341.01	869,644.72
Due from other funds	20,874.59	---	---	20,874.59	318.69
Note Receivable	30,901.61	---	---	30,901.61	32,653.44
Balance in debt service funds	---	---	512,567.97	512,567.97	615,221.32
Amount to be provided for payment of:					
Long-term debt:					
Notes	---	---	---	0.00	0.00
Bonds	---	---	3,812,432.03	3,812,432.03	3,829,778.68
Total Assets	<u>\$ 126,155.17</u>	<u>4,547,719.61</u>	<u>\$ 4,325,000.00</u>	<u>\$ 8,998,874.78</u>	<u>\$ 6,558,721.84</u>
LIABILITIES					
Accounts Payable	---	---	---	0.00	0.00
Due to other funds	---	20,874.59	---	20,874.59	318.68
Bonds payable - current - note 5	---	---	120,000.00	120,000.00	115,000.00
Deferred revenue - note 6	---	3,006,869.99	---	3,006,869.99	843,173.70
Notes payable - note 5	---	---	---	0.00	0.00
Bonds payable - note 5	---	---	4,205,000.00	4,205,000.00	4,330,000.00
Total liabilities	<u>0.00</u>	<u>3,027,744.58</u>	<u>4,325,000.00</u>	<u>7,352,744.58</u>	<u>5,288,492.38</u>
FUND EQUITY:					
Reserves:					
Debt service	---	512,567.97	---	512,567.97	764,694.42
Loan receivable	51,776.20	---	---	51,776.20	32,653.44
Fund balance - undesignated	74,378.97	1,007,407.06	---	1,081,786.03	472,881.60
Total fund equity	<u>126,155.17</u>	<u>1,519,975.03</u>	<u>0.00</u>	<u>1,646,130.20</u>	<u>1,270,229.46</u>
Total liabilities and fund equity	<u>\$ 126,155.17</u>	<u>4,547,719.61</u>	<u>\$ 4,325,000.00</u>	<u>\$ 8,998,874.78</u>	<u>\$ 6,558,721.84</u>

POCATELLO DEVELOPMENT AUTHORITY

A COMPONENT UNIT OF THE CITY OF POCATELLO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED DECEMBER 31, 1998**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals 1998</u>
REVENUES - ACTUAL:			
Taxes	\$ ----	806,253.34	806,253.34
Interest	20,212.72	61,934.66	82,147.38
Total revenues	\$ <u>20,212.72</u>	<u>868,188.00</u>	<u>888,400.72</u>
REVENUES - BUDGETED	<u>37,500.00</u>	<u>655,700.00</u>	<u>693,200.00</u>
Variance	<u>(17,287.28)</u>	<u>212,488.00</u>	<u>195,200.72</u>
EXPENDITURES - ACTUAL			
Administration	1,049.62	----	1,049.62
Collections remitted	----	----	0.00
Professional services	17.00	4,868.13	4,885.13
Capital outlay	----	118,888.42	118,888.42
Debt service:		0.00	
Principal retirement	0.00	115,000.00	115,000.00
Interest and commissions	----	294,906.25	294,906.25
Total expenditures	<u>1,066.62</u>	<u>533,662.80</u>	<u>534,729.42</u>
EXPENDITURES - BUDGETED	<u>925.00</u>	<u>647,700.00</u>	<u>648,625.00</u>
Variance	<u>(141.62)</u>	<u>114,037.20</u>	<u>113,895.58</u>
EXCESS REVENUES OR EXPENDITURES	19,146.10	334,525.20	353,671.30
OTHER FINANCING SOURCES/(USES) - ACTUAL:			
Proceeds from Note	23,905.38	----	23,905.38
Transfers in (out) from other funds	(20,798.70)	----	(20,798.70)
Proceeds from bonds	----	0.00	0.00
Total other financing sources/(uses)	<u>3,106.68</u>	<u>0.00</u>	<u>3,106.68</u>
OTHER FINANCING SOURCES/(USES) - BUDGETED	----	----	----
Variance	<u>3,106.68</u>	<u>0.00</u>	<u>3,106.68</u>
EXCESS REVENUES/SOURCES OR (EXPENDITURES/USES) - BUDGETED	36,575.00	8,000.00	44,575.00
EXCESS REVENUES/SOURCES OR (EXPENDITURES/USES) - ACTUAL	22,252.78	334,525.20	356,777.98
Variance	(14,322.22)	326,525.20	312,202.98
FUND BALANCE - Beginning	52,126.19	420,755.41	472,881.60
(increase) decrease in reserves	----	252,126.45	252,126.45
FUND BALANCE - Ending	\$ <u>74,378.97</u>	<u>1,007,407.06</u>	<u>1,081,786.03</u>

POCATELLO DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998
(amounts expressed in thousands)

Note 1. Summary of Significant Accounting Policies - continued

B. Basis of Presentation - Fund Accounting - continued

Special Revenue Funds These funds account for the proceeds of specific revenue sources other than expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes. In the Authority each special taxing district is represented as a special revenue fund.

GENERAL LONG-TERM DEBT ACCOUNT GROUP This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds and other long-term debt.

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for on a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Their reported fund balance is considered a measure of "available spendable resources". Operating statements of these funds present increases (revenues and other financing resources) and decreases (expenditures and other financing uses) in net current assets.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

All governmental fund types use the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough after to be used to pay liabilities of the current period.

The Authority considers property taxes available if they are collected within 60 days after year end. All material revenue sources have been accrued.

Under the modified accrual basis of accounting expenditures are recorded when the related fund liability is incurred, except expenditures for debt service, prepaid expenses, and other long-term obligations which are recognized when paid.

POCATELLO DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998
(amounts expressed in thousands)

Note 1. Summary of Significant Accounting Policies - continued

I. Inventories

The Authority was no inventories.

J. Prepaid Items

The Authority has no prepaid items.

K. Long-Term Debt

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as an expenditure in the reimbursing fund and as reductions of expenditure in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with GAAP. Neither are such data comparable to a consolidation. Interfund elimination's have not been made in the aggregation of this data.

S. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998
(amounts expressed in thousands)**

Note 4. Receivables - continued

Recap by Fund:	Total	1998	1997	1996	1995
Gateway West	15	15	\$		
North Main	44	40	4		
Downtown	6	6			
Newtown	53	53			
Roosevelt	2	2			
Varsity	19	19			
Oldtown	289	228	61		
Ricken Drive	2,606	2,606			
Totals	<u>3,034</u>	<u>2,969</u>	<u>65</u>	<u>0</u>	<u>0</u>

Interfund Balances:

Individual fund interfund (in hundreds) receivable and payable balances at year end were zero.

Notes receivable:

The General Fund loaned \$50 to help the restoration of the Pioneer Building in the Downtown District. Repayment is at five annual installments of \$13 at 9.5 % interest beginning 12/01/97. Balance at year end, \$22.

The General Fund also loaned \$9 to Outlet Inc for five years at 9.5%.

Note 5. Long-Term Debt

Bonds

The Authority has issued debt to provide funds urban renewal for several Districts.

Year	Oldtown District 1997 5.15%		Alvin Ricken Dr. District 1996 7.25%		Newtown District Bond 1992 5.5%	
	Principal	Interest	Principal	Interest	Principal	Interest
1999	50	26	195	230	40	13
2000	50	23	215	216	40	11
2001	55	21	240	200	45	9
2002	55	18	260	183	50	7
2003	60	15	280	164	95	3
2004	60	12	300	144		
2005	65	9	325	122		
2006	70	5	345	98		
2007	75	2	365	73		
2008			650	47		
	<u>540</u>	<u>131</u>	<u>3,175</u>	<u>1,477</u>	<u>270</u>	<u>43</u>

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998
(amounts expressed in thousands)**

Note 7. Expenditures Over Budget

Expenditures over budget were as follows, in no case were excess expenditures not covered by excess revenues.

Newtown District	5
Gateway West	0
Alvin Ricken Dr. District	234
Oldtown District	0
North Main District	49
	<u>288</u>

Note 8. 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 the urban renewal district to fund the improvements for which the district was formed. This is accomplished by freezing the market value of property within the district when the district is formed. Other taxing authorities

may collect their levies only on the frozen market value. The remaining taxes levied on the market value of the property in the district is distributed to the district. Thus the district receives funding by the taxes collected on the added market value of the 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.

**COMBINING, INDIVIDUAL FUND,
AND ACCOUNT GROUPS
FINANCIAL STATEMENTS
AND SCHEDULES**

SPECIAL REVENUE FUNDS

To account for the source and utilization of specific resources for which, because of state or local mandates, General fund accounting does not provide adequate disclosure. These funds are subdivided by funding sources; Each urban renewal area involved in tax increment financing is reported as a distinct special revenue fund.

**Gateway West Fund
Varsity District
Downtown Fund - (Kress Building)
Newtown Fund
Oldtown Fund
Ricken Drive Fund
North Main Fund
Roosevelt District**

POCATELLO DEVELOPMENT AUTHORITY

COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31, 1998

	Gateway West Fund	Old Kraft Road Fund	Downtown Fund	Newtown Fund	Oldtown Fund	Ricken Drive Fund	North Main Fund	Roosevelt District Fund	Varsity District Fund	Central Corridor Fund	Totals 1998	Totals 1997
ASSETS:												
Cash	\$ 49,781.60	\$ ---	\$ 3,501.12	\$ 14.64	\$ 19,506.70	\$ 0.00	\$ ---	\$ ---	\$ ---	\$ ---	\$ 72,804.06	\$ 135,928.08
Cash with fiscal agent	---	---	---	116,189.24	315,187.17	971,858.11	38,340.02	---	---	---	1,441,574.54	1,023,050.73
Due from other funds	---	---	---	---	---	---	---	---	---	---	0.00	318.68
Receivables:	---	---	---	---	---	---	---	---	---	---	0.00	0.00
Property taxes	14,680.02	---	6,366.32	53,271.91	289,192.86	2,605,964.35	43,277.34	2,050.94	18,537.27	0.00	3,033,341.01	869,644.72
Total Assets	\$ 64,461.62	\$ 0.00	\$ 9,867.44	\$ 169,475.79	\$ 623,886.73	\$ 3,577,822.46	\$ 81,617.36	\$ 2,050.94	\$ 18,537.27	\$ 0.00	\$ 4,547,719.61	\$ 2,028,942.21
LIABILITIES												
Accounts payable	---	---	---	---	---	---	---	---	---	---	0.00	0.00
Note Payable	---	---	---	---	---	---	---	---	---	---	0.00	0.00
Due to other funds	---	---	---	---	---	9,947.24	10,605.94	80.64	80.64	160.13	20,874.59	318.68
Deferred revenue	\$ 14,680.02	\$ ---	\$ 3,440.11	\$ 33,190.44	\$ 285,744.16	\$ 2,605,949.71	\$ 43,277.34	\$ 2,050.94	\$ 18,537.27	\$ 0.00	\$ 3,006,869.99	\$ 843,173.70
Total liabilities	\$ 14,680.02	\$ 0.00	\$ 3,440.11	\$ 33,190.44	\$ 285,744.16	\$ 2,615,896.95	\$ 53,883.28	\$ 2,131.58	\$ 18,617.91	\$ 160.13	\$ 3,027,744.58	\$ 843,492.38
FUND EQUITY:												
Reserve for debt service	---	---	---	53,156.98	64,203.81	357,107.65	38,099.53	---	---	---	512,567.97	764,694.42
Fund balance - undesignated	49,781.60	0.00	6,427.33	83,128.37	273,938.76	604,817.86	(10,365.45)	(80.64)	(80.64)	(160.13)	1,007,407.06	420,755.41
Total fund equity	\$ 49,781.60	\$ 0.00	\$ 6,427.33	\$ 136,285.35	\$ 338,142.57	\$ 961,925.51	\$ 27,734.08	\$ (80.64)	\$ (80.64)	\$ (160.13)	\$ 1,519,975.03	\$ 1,185,449.83
Total liabilities and fund equity	\$ 64,461.62	\$ 0.00	\$ 9,867.44	\$ 169,475.79	\$ 623,886.73	\$ 3,577,822.46	\$ 81,617.36	\$ 2,050.94	\$ 18,537.27	\$ 0.00	\$ 4,547,719.61	\$ 2,028,942.21

POCATELLO DEVELOPMENT AUTHORITY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SPECIAL REVENUE FUNDS
BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 1998

	Gateway West Fund	Old Kraft Road Fund	Downtown Fund	Newtown Fund	Oldtown Fund	Ricken Drive Fund	North Main Fund	Roosevelt District Fund	Varsity District Fund	Central Corridor Fund	Totals 1998
REVENUES - ACTUAL											
Taxes	\$ 16,528.54	\$ ----	\$ 6,585.19	\$ 53,064.60	\$ 207,956.81	\$ 496,405.38	\$ 25,712.82	\$ ----	\$ ----	\$ ----	\$ 806,253.34
Interest	4.15	----	1,974.50	6,245.33	10,371.39	40,979.16	2,360.13	----	----	----	61,934.66
Total revenues	16,532.69	0.00	8,559.69	59,309.93	218,328.20	537,384.54	28,072.95	0.00	0.00	0.00	868,188.00
REVENUES - BUDGETED	67,000.00	0.00	6,700.00	50,500.00	206,500.00	300,000.00	25,000.00	0.00	0.00	0.00	655,700.00
Variance	(50,467.31)	0.00	1,859.69	8,809.93	11,828.20	237,384.54	3,072.95	0.00	0.00	0.00	212,488.00
EXPENDITURES - ACTUAL:											
Collections remitted	----	----	----	----	----	----	----	----	----	----	0.00
Construction	45,654.83	----	6,585.19	----	55,816.40	10,832.00	----	----	----	----	118,888.42
Professional services	----	----	----	1,000.00	1,000.00	1,700.00	1,008.00	----	----	160.13	4,868.13
Debt Service	----	----	----	----	----	----	----	----	----	----	0.00
Interest on notes	----	----	----	----	----	----	----	----	----	----	0.00
Interest on bonds	----	----	----	15,950.00	28,968.75	230,187.50	19,800.00	----	----	----	294,906.25
Principal on notes	----	----	----	----	----	----	----	----	----	----	0.00
Principal on bonds	----	----	----	40,000.00	45,000.00	----	30,000.00	----	----	----	115,000.00
Total expenditures	45,654.83	0.00	6,585.19	56,950.00	130,785.15	242,719.50	50,808.00	0.00	0.00	160.13	533,502.67
EXPENDITURES - BUDGETED	46,000.00	0.00	8,177.00	51,480.00	137,500.00	8,661.00	1,365.00	0.00	0.00	0.00	253,183.00
Variance	345.17	0.00	1,591.81	(5,470.00)	6,714.85	(234,058.50)	(49,443.00)	0.00	0.00	(160.13)	(280,319.67)
EXCESS REVENUES OR EXPENDITURES	(29,122.14)	0.00	1,974.50	2,359.93	87,543.05	294,665.04	(22,735.05)	0.00	0.00	(160.13)	334,685.33
OTHER FINANCING (USES) - ACTUAL:											
Proceeds from Bond	----	----	----	----	----	----	----	----	----	----	0.00
Proceeds from Note	----	----	----	----	----	----	----	----	----	----	0.00
Transfers from other Funds	----	----	----	----	----	----	0.00	----	----	----	0.00
Total other financing uses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER FINANCING (USES) - BUDGETED	----	----	----	----	----	----	----	----	----	----	0.00
Variance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EXCESS REVENUES/SOURCES OR (EXPENDITURES/USES) - BUDGETED	46,000.00	0.00	6,700.00	49,500.00	206,500.00	300,000.00	39,000.00	0.00	0.00	0.00	647,700.00
EXCESS REVENUES/SOURCES OR (EXPENDITURES/USES) - ACTUAL	(29,122.14)	0.00	1,974.50	2,359.93	87,543.05	294,665.04	(22,735.05)	0.00	0.00	(160.13)	334,685.33
Variance	(75,122.14)	0.00	(4,725.50)	(47,140.07)	(118,956.95)	(5,334.96)	(61,735.05)	0.00	0.00	(160.13)	(313,014.67)
FUND BALANCE - Beginning	78,903.74	\$ 0.00	\$ 4,452.83	\$ 19,924.07	\$ 59,519.14	\$ 207,647.78	\$ 50,469.13	\$ (80.64)	\$ (80.64)	\$ 0.00	\$ 420,755.41
(Increase)/decrease in reserves	----	----	----	60,844.37	126,876.57	102,505.04	----	----	----	----	290,225.98
FUND BALANCE - Ending	\$ 49,781.60	\$ 0.00	\$ 6,427.33	\$ 83,128.37	\$ 273,938.76	\$ 604,817.86	\$ 27,734.08	\$ (80.64)	\$ (80.64)	\$ (160.13)	\$ 1,045,666.72
	49,781.60	0.00	6,427.33	83,128.37	273,938.76	604,817.86	(10,365.45)	(80.64)	(80.64)	(160.13)	1,007,407.06

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