

POCATELLO DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS

DECEMBER 31, 2000

**POCATELLO DEVELOPMENT AUTHORITY
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**POCATELLO DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2000 (PAGE 1 OF 6)**

This section of Pocatello Development Authorities' annual financial report presents managements discussion and analysis of Pocatello Development Authority's financial performance during the fiscal year that ended December 31, 2000.

FINANCIAL HIGHLIGHTS

Pocatello Development Authority's total net assets increased by \$1.9 million over the course of this year's operations.

During the year Pocatello Development Authority bonded \$6.5 million in new debt. \$1.3 million was used to refund Alvin Ricken bond payments for the years 2001 to 2004. The balance became available for Central Corridor Projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an other supplementary section that presents combining statements for the special revenue funds. The basic financial statements include two kinds of statements that present different views of Pocatello Development Authority.

The first two statements are government-wide financial statements that provide both long-term and short-term information about Pocatello Development Authority's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of Pocatello Development Authority's reporting operation in more detail than the government-wide statements. The governmental funds statements tell how general government services like special revenue projects were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements report information about Pocatello Development Authority as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report Pocatello Development Authority's net assets and how they have changed. Net assets, the difference between Pocatello Development Authority's assets and liabilities, is one way to measure Pocatello Development Authority's financial health, or position.

**POCATELLO DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2000 (PAGE 2 OF 6)**

Over time, increases or decreases in Pocatello Development Authority's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the Pocatello Development Authority you need to consider additional nonfinancial factors such as changes in the tax increment financing districts and tax base.

The government-wide financial statements of Pocatello Development Authority consist only of Government activities. Property taxes and interest finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about Pocatello Development Authority's most significant funds. Funds are accounting devices that Pocatello Development Authority uses to keep track of specific sources of funding and spending for particular purposes.

Some funds are required by bond covenants.

Pocatello Development Authority establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes.

Currently, Pocatello Development Authority has only governmental funds.

Governmental funds - Most of Pocatello Development Authority's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance Pocatello Development Authority's programs. Because this information does not encompass the additional long-term focus of the government-wide statements additional information is provided at the bottom of the governmental funds statement to explain the relationship (or differences) between them.

**POCATELLO DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2000 (PAGE 3 OF 6)**

FINANCIAL ANALYSIS OF POCATELLO DEVELOPMENT AUTHORITY AS A WHOLE

Net assets - Pocatello Development Authority's combined net assets increased \$1.9 million dollars during the year. Table A-1 summarizes net assets for the year.

Table A-1
Pocatello Development Authority's Net Assets
(In thousands of dollars)

	Governmental Activities
Cash	\$ 8,724
Other assets	<u>3,698</u>
Total assets	12,422
Long-term debt outstanding	8,494
Other liabilities	<u>3,123</u>
Total liabilities	<u>11,617</u>
Restricted	6,492
Unrestricted (deficit)	<u>(5,687)</u>
Total net assets	<u><u>\$ 804</u></u>

Net assets of Pocatello Development Authority's governmental activities increased \$1.9 million. Those net assets are restricted to specific purposes. Consequently, unrestricted net assets showed a \$5.6 million deficit at year end. This deficit does not mean that Pocatello Development Authority does not have resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than currently available resources. As taxes are collected in the future and used to pay debt, the net asset deficit will be eliminated.

**POCATELLO DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2000 (PAGE 4 OF 6)**

Change in net assets - Pocatello Development Authority's total revenues decreased by \$883, 996. Virtually all of Pocatello Development Authority's revenue comes from property taxes. Table A-2 summarized changes in net assets for the year.

Table A-2
Change in Net Assets
(In thousands of dollars)

Revenues	\$ 2,640
Expenses	<u>777</u>
Change in net assets	1,863
Beginning net assets (deficit)	(1,022)
Prior period adjustments	<u>(37)</u>
Ending net assets	<u>\$ 804</u>

Governmental Activities

Administrative expenses during the year totaled \$13,825 or .5% of revenues. Administrative expenses consist of the following:

Management fees	\$ 12,500
Commissioner meetings	770
Bank charges, supplies and other	<u>555</u>
	<u>\$ 13,825</u>

**POCATELLO DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2000 (PAGE 5 OF 6)**

FINANCIAL ANALYSIS OF POCATELLO DEVELOPMENT AUTHORITY'S FUNDS

Fund balances in Governmental Fund increased by \$6 million. The increase was primarily due to the Central Corridor bond.

Beginning fund balances were adjusted to reflect changes in various prior period incurred revenues and expenses as follows:

	<u>Combined Change</u>	<u>Newtown Fund</u>	<u>Oldtown Fund</u>	<u>Ricken Drive Fund</u>	<u>North Main Fund</u>
Fund balance - December 31, 1999	\$ -	\$ 139,256	\$ 479,945	\$ 2,271,257	\$ 83,395
Prior period adjustment Bond interest payable	(60,487)	(7,417)	(23,092)	(18,349)	(11,629)
Property taxes receivable	<u>23,564</u>	-	<u>23,564</u>	-	-
	<u>\$ (36,923)</u>	<u>(7,417)</u>	<u>472</u>	<u>(18,349)</u>	<u>(11,629)</u>
Adjusted beginning fund balance		<u>\$ 131,839</u>	<u>\$ 480,417</u>	<u>\$ 2,252,908</u>	<u>\$ 71,766</u>

FINANCIAL ANALYSIS OF POCATELLO DEVELOPMENT AUTHORITY'S FUNDS

The Fund Balance (after adjustments) in the Alvin Ricken Fund decreased by \$2,259,939 leaving a deficit balance of \$6,631. The decrease consisted of excess expenditures of \$119,691, transfers to the Central Corridor fund of \$2,139,868 and the prior period adjustment of \$18,349.

Budgetary Highlights

Pocatello Development Authority did not revise its budget during the year.

Pocatello Development Authority's budget is prepared using the cash receipts and disbursements method for receipts and disbursement in the general checking account.

Budget variances related to receipts were primarily related to general fund revenues for board discretionary fund and interest income. No board discretionary funds were received during the year and interest income in the general account was less than budgeted.

Budget variance related to expenditures were primarily related to overspending in the Central Corridor Project. Actual expenditures in the project exceeded budget by \$49,704.

**POCATELLO DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2000 (PAGE 6 OF 6)**

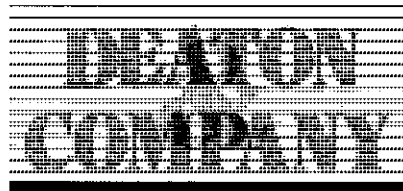
Long-term Debt

At year-end Pocatello Development Authority had \$8.5 million in bonds outstanding - an increase of \$4.5 million over last year. New debt resulted mainly from issuing revenue bonds for the Central Corridor Project.

**CONTRACTING THE POCATELLO DEVELOPMENT AUTHORITY'S FINANCIAL
MANAGEMENT**

This financial report is designed to provide users with a general overview of Pocatello Development Authority's finances and to demonstrate Pocatello Development Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Pocatello Development Authority, 1651 Alvin Ricken Drive, Pocatello, Idaho 83201.

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Members of Idaho Society of Certified Public Accountants
Members of American Institute of Certified Public Accountants



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pocatello Development Authority
Pocatello, Idaho

We have audited the accompanying basic financial statements of Pocatello Development Authority as of and for the year ended December 31, 2000, as listed in the table of contents. The basic financial statements are the responsibility of Pocatello Development Authority management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Pocatello Development Authority, as of December 31, 2000, and the results of its operation for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Pocatello, Idaho
April 30, 2001

**POCATELLO DEVELOPMENT AUTHORITY
STATEMENT OF NET ASSETS
DECEMBER 31, 2000**

	<u>Primary Government</u>
	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 371,518
Cash with fiscal agent	8,352,811
Accrued interest	34,599
Property taxes receivable	2,976,221
Notes receivable	686,379
	12,421,528
LIABILITIES	
Accrued interest payable	153,546
Deferred revenue	2,969,068
Long-term liabilities	
Due within one year	312,000
Due in more than one year	8,182,000
	11,616,614
NET ASSETS	
Restricted for:	
Debt service	1,937,294
Loan receivable	6,379
Capital projects	4,548,201
Unrestricted (deficit)	(5,686,960)
	\$ 804,914

The accompanying notes are an integral part of these financial statements

**POCATELLO DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Total</u>	<u>Administration</u>	<u>Capital Projects</u>	<u>Debt Service</u>
EXPENSES				
Administration	\$ 13,825	\$ 13,825	\$ -	\$ -
Project payments	398,415	-	398,415	-
Professional services	3,500	3,500	-	-
Interest	<u>361,079</u>	<u>-</u>	<u>-</u>	<u>361,079</u>
	776,819	17,325	398,415	361,079
GENERAL REVENUES				
Property taxes	2,352,280			
Interest	<u>288,064</u>			
	<u>2,640,344</u>			
CHANGE IN NET ASSETS	1,863,525			
BEGINNING NET ASSETS	(1,021,688)			
PRIOR PERIOD ADJUSTMENT	<u>(36,923)</u>			
ENDING NET ASSETS	<u>\$ 804,914</u>			

The accompanying notes are an integral part of these financial statements

**POCATELLO DEVELOPMENT AUTHORITY
FUND BALANCE SHEETS
GOVERNMENTAL FUNDS
DECEMBER 31, 2000**

	General Fund	Special Revenue	Construction Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 140,944	\$ 230,574	\$ -	\$ 371,518
Cash with fiscal agent	-	3,804,610	4,548,201	8,352,811
Accrued interest	657	33,942	-	34,599
Property taxes receivable	-	2,976,221	-	2,976,221
Notes receivable	6,379	680,000	-	686,379
	\$ 147,980	\$ 7,725,347	\$ 4,548,201	\$ 12,421,528
LIABILITIES				
Accrued interest payable	-	153,546	-	153,546
Deferred revenue	-	2,969,068	-	2,969,068
	-	3,122,614	-	3,122,614
FUND BALANCES				
Reserved for:				
Debt services		1,937,294	-	1,937,294
Notes receivable	6,379	-	-	6,379
Unreserved reported in:				
General fund	141,601	-	-	141,601
Special revenue	-	2,665,439	-	2,665,439
Capital projects fund	-	-	4,548,201	4,548,201
	147,980	4,602,733	4,548,201	9,298,914
	\$ 147,980	\$ 7,725,347	\$ 4,548,201	

Amounts reported for governmental activities in the statement of net assets are different because:

Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds

(8,494,000)

\$ 804,914

The accompanying notes are an integral part of these financial statements

POCATELLO DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Construction Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ -	\$ 2,352,281	\$ -	\$ 2,352,281
Interest	<u>21,028</u>	<u>267,035</u>	<u>-</u>	<u>288,063</u>
	21,028	2,619,316	-	2,640,344
EXPENDITURES				
Administration	13,825	-	-	13,825
Project payments	-	144,243	254,172	398,415
Professional services	-	3,500	-	3,500
Debt services:				
Principal retirement	-	2,021,000	-	2,021,000
Interest	<u>-</u>	<u>361,081</u>	<u>-</u>	<u>361,081</u>
	13,825	2,529,824	254,172	2,797,821
EXCESS REVENUES OR (EXPENDITURES)	7,203	89,492	(254,172)	(157,477)
OTHER FINANCING SOURCES				
Transfers in (out) from other funds	11,753	(4,786,417)	4,774,664	-
Proceeds from refunding bonds	-	1,295,000	-	1,295,000
Proceeds from long-term capital debt	<u>-</u>	<u>4,965,100</u>	<u>-</u>	<u>4,965,100</u>
	11,753	1,473,683	4,774,664	6,260,100
CHANGE IN FUND BALANCES	18,956	1,563,175	4,520,492	6,102,623
BEGINNING FUND BALANCES	129,024	3,076,481	27,709	3,233,214
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>(36,923)</u>	<u>-</u>	<u>(36,923)</u>
ENDING FUND BALANCES	<u>\$ 147,980</u>	<u>\$ 4,602,733</u>	<u>\$ 4,548,201</u>	<u>\$ 9,298,914</u>

The accompanying notes are an integral part of these financial statements

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000**

NOTE 1 - Summary of Significant Accounting Policies

The financial statements of the Pocatello Development Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles. The more significant Pocatello Development Authority accounting policies are described below.

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, provided that the Council has first passed a resolution finding that one or more such areas are necessary, and that there is a need for an urban renewal agency to function in the City.

Pocatello's urban renewal agency, Pocatello Development 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 Pocatello Development Authority is included in the Annual Financial Statements of the City of Pocatello as a component unit.

B. Basis of Presentation - Fund Accounting

The accounts of the Pocatello Development Authority are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to the funds based on the purpose of the specific fund activities in accordance with laws, regulations, or other restrictions.

GOVERNMENTAL FUNDS - these are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

General Fund - This fund accounts for resources devoted to financing the general services that the PDA performs. Revenues used to finance the fundamental operation of the PDA are included in this fund. The fund is charged with all costs of operating the PDA for which a separate fund has not been established.

Special Revenue Funds - These funds account for the proceeds of specific revenue sources other than major capital projects that are legally restricted to expenditure for specified purposes. In the PDA each special tax increment financing district is represented as a special revenue fund.

Capital project fund types - These funds account for the legally restricted and approved major capital projects. Revenue sources for these funds are generally either transfers of unrestricted funds from the special revenue funds or proceeds from bonded indebtedness.

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000**

NOTE 1 - Summary of Significant Accounting Policies (continued)

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental 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 sources) 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 related to the timing of the measurement made regardless of the measurement focus applied.

Government-wide Financial Statements

Pocatello Development Authority has elected early adoption and application of GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", and have presented government-wide financial statements consisting of a statement of net assets and a statement of activities using the economic resources measurement focus and the accrual basis of accounting.

Government Fund Financial Statements

Governmental funds are presented using 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 PDA considers property taxes available if they are collected within 60 days after year end. All material revenue sources have been accrued.

The PDA reports "deferred revenues" on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable and available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the PDA before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the general, special revenue and debt service funds on the modified accrual basis of accounting.

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000**

NOTE 1 - Summary of Significant Accounting Policies (continued)

F. Encumbrances

The PDA does not use encumbrance accounting.

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

H. Receivables

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payable are classified as "due from other funds" or "due to other funds" on the balance sheet.

K. Long-Term Debt

Long-term debt is recognized as a liability in governmental funds 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.

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 expenditures 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.

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000**

Note 2 - Legal Compliance - Budgets

During the month of December the Executive Director of the PDA and his staff prepare an annual budget for the next calendar year. The budget is prepared on a district basis by gross revenues and expenses. The prepared budget is presented to the Commission of the PDA at its January meeting for adoption.

Budgets may be amended for expenditures of unforeseen resources (other than property tax levies) by the same procedure used to adopt the original budget.

Expenditures may not exceed budgeted appropriations at the fund level.

Note 3 - Cash and Cash Deposits

The PDA's pooled and non-pooled deposits are categorized to give an indication of the level of risk assumed by PDA at year-end. The categories are described as follows:

- Category 1 Insured or collateralized with securities held by its agent in PDA's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in PDA's name.
- Category 3 Uncollateralized.

Deposits, categorized by level of risk, are:

	Bank Balance	Category			Carrying Amount
	1	2	3		
Pooled Deposits					
Pooled cash and cash equivalents	\$ 371,548	\$ 371,548	\$ -	\$ -	\$ 371,519
Non-pooled Deposits					
Non-pooled cash and cash equivalents:					
Primary Government					
Special revenue funds	8,352,811	8,352,811	-	-	8,352,811
Total deposits	\$ 8,724,359	\$ 8,724,359	\$ -	\$ -	\$ 8,724,330

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000**

Note 4 - Receivables

Property Taxes

Property tax revenues are recognized when received or, if received within the sixty day period subsequent to year end, they are accrued. The PDA'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 PDA by Bannock County.

Property tax receivable represent amounts levied in excess of collections for the year. A summary of property tax receivable by districts is as follows: (amounts expressed in thousands)

	<u>Total</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Beginning taxes receivable	\$ 2,965	\$ -	\$ 2,940	\$ 22	\$ 3
2000 tax levy	2,888	2,887	-	-	1
Less: Cancellations	(1)	-	(1)	-	-
	<u>5,852</u>	<u>2,887</u>	<u>2,939</u>	<u>22</u>	<u>4</u>
Cash received in 2000	<u>(2,876)</u>	<u>-</u>	<u>(2,874)</u>	<u>(2)</u>	<u>-</u>
Ending taxes receivable	<u>\$ 2,976</u>	<u>\$ 2,887</u>	<u>\$ 65</u>	<u>\$ 20</u>	<u>\$ 4</u>
Recap by Fund	<u>Total</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
North Main	\$ 75	\$ 72	\$ 3	\$ -	\$ -
Kress Building	6	6	-	-	-
Newtown	59	59	-	-	-
Varsity	26	26	-	-	-
Roosevelt	126	126	-	-	-
Oldtown	278	218	36	20	4
Ricken Drive	1,976	1,976	-	-	-
Central Corridor	<u>430</u>	<u>404</u>	<u>26</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,976</u>	<u>\$ 2,887</u>	<u>\$ 65</u>	<u>\$ 20</u>	<u>\$ 4</u>

Notes receivable:

The General Fund has loaned \$9,762 to a local corporation for five years at 9.5%. Balance at year end was \$6,379.

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000**

NOTE 5 - Long-Term Debt

The Pocatello Development Authority has issued bonds to provide funds for urban renewal for several Districts. Terms and maturities are as follows: (amounts expressed in thousands)

<u>Year</u>	Oldtown District 1997 5.15%		Alvin Ricken Dr. District 1996 7.25%		Newtown District Bond 1992 5.5%	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2001	\$ 55	\$ 21	\$ -	\$ 78	\$ 45	\$ 9
2002	55	18	-	78	50	7
2003	60	15	-	78	95	3
2004	60	12	-	78	-	-
2005	65	9	325	78	-	-
2006	70	5	345	55	-	-
2007	75	2	365	30	-	-
2008	-	-	45	3	-	-
	<u>\$ 440</u>	<u>\$ 82</u>	<u>\$ 1,080</u>	<u>\$ 478</u>	<u>\$ 190</u>	<u>\$ 19</u>

Notes

<u>Year</u>	North Main District 1997 5.50%		Central Corridor 2000 4.75 to 5.15%	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2001	\$ 32	\$ 15	\$ 180	\$ 345
2002	32	13	225	309
2003	34	11	420	294
2004	36	9	545	271
2005	38	7	570	244
2006	40	5	595	215
2007	72	2	595	186
2008	-	-	780	152
2009	-	-	820	111
2010	-	-	860	68
2011	-	-	910	22
	<u>\$ 284</u>	<u>\$ 62</u>	<u>\$ 6,500</u>	<u>\$ 2,217</u>

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000**

NOTE 5 - Long-Term Debt (continued)

Changes in Long-Term Liabilities

During the year, the following changes occurred related to bonds payable:

Description	<u>Balance 12/31/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/00</u>
Newtown Bond	\$ 230	\$ -	\$ 40	\$ 190
Alvin Ricken Bond	2,980	-	1,900	1,080
Oldtown Bond	490	-	50	440
North Main Bond	315	-	31	284
Central Corridor Bond	-	6,500	-	6,500
	<u>\$ 4,015</u>	<u>\$ 6,500</u>	<u>\$ 2,021</u>	<u>\$ 8,494</u>

During the year, Alvin Ricken bonds with an interest rate of 7.25%, due for the years 2001 to 2004 were currently refunded with proceeds from the Central Corridor bond issuance. The total amount refunded was \$1,295,000.

NOTE 6 - Deferred Revenues

Deferred revenues at year end consists of the following: (amounts expressed in thousands)

North Main	\$ 72
Kress Building	6
Newtown	59
Oldtown	273
Roosevelt	126
Varsity	26
Ricken Drive	1,977
Central Corridor	430
	<u>\$ 2,969</u>

NOTE 7 - Deficit Fund Balance

At year end, funds with deficit fund balances consisted of:

Alvin Ricken Drive Fund	<u>\$ 6,631</u>
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NOTE 8 - Expenditures Over Budget

Expenditures over budget were as follows:

Gateway West	\$ 13,137
North Main District	6,884
Kress Building	2
Newtown District	1,160
	<u>\$ 21,183</u>

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000**

NOTE 9 - Contingent Liabilities

The majority of the revenue collected by the PDA 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.

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.

NOTE 10 - Prior Period Adjustment - (amounts expressed in thousands)

Fund balance as previously reported on December 31, 1999	\$ 3,233
To add property tax receivable from prior years	24
To add interest payable on bonds	<u>(61)</u>
Restated fund balances at January 1, 2000	<u>\$ 3,196</u>

**POCATELLO DEVELOPMENT AUTHORITY
BUDGET TO ACTUAL COMPARISON STATEMENT
FOR YEAR ENDED DECEMBER 31, 2000**

	Budget	Actual Amounts (Budgetary Basis See Note A)	
	<u>Amounts</u>	<u>Amounts</u>	<u>Variance</u>
BEGINNING FUND BALANCE	\$ 1,047,546	\$ 1,047,546	\$ -
REVENUES			
GENERAL FUND			
General funds	15,563	13,022	(2,541)
Board discretionary fund	24,500	-	(24,500)
Interest	<u>47,000</u>	<u>18,256</u>	<u>(28,744)</u>
	87,063	31,278	(55,785)
Special Revenue			
Gateway West fund	52,300	53,434	1,134
Kress Building	6,194	6,194	-
Newtown fund	50,100	51,033	933
Oldtown fund	192,000	208,874	16,874
Ricken Drive fund	2,424,456	2,424,496	40
North Main fund	40,445	38,429	(2,016)
Roosevelt District fund	46,500	46,240	(260)
Varsity District fund	19,000	19,532	(532)
Central Corridor	<u>222,000</u>	<u>204,110</u>	<u>(17,890)</u>
	<u>\$ 3,052,995</u>	<u>\$ 3,083,620</u>	<u>\$ (56,438)</u>
EXPENDITURES			
General Fund	13,605	13,825	(220)
Special Revenue			
Gateway West fund	116,800	129,937	(13,137)
Downtown fund	6,194	6,196	(2)
Newtown fund	50,100	49,391	709
Oldtown fund	202,611	211,551	(8,940)
Ricken Drive fund	2,424,485	2,424,506	(21)
North Main fund	40,445	38,429	2,016
Roosevelt District fund	-	-	-
Varsity District fund	8,110	8,110	-
Central Corridor	<u>828,000</u>	<u>877,704</u>	<u>(49,704)</u>
	<u>\$ 3,690.35</u>	<u>\$ 3,759,649</u>	<u>\$ (69,299)</u>
ENDING FUND BALANCE	<u>\$ 497,254</u>	<u>\$ 371,519</u>	<u>\$ (125,737)</u>

**POCATELLO DEVELOPMENT AUTHORITY, INC.
 BUDGET TO ACTUAL COMPARISON STATEMENT
 BUDGET TO GAAP RECONCILIATION
 DECEMBER 31, 2000**

NOTE A - Explanation of difference between budget and GAAP

REVENUES

Amount of revenue from budget of actual comparison statement	\$ 3,083,620
Differences	
The beginning fund balance is a resource for budget but is not a revenue for financial purposes	(1,047,546)
Interest income received in accounts held with the fiscal agent not recorded as receipts in the general cash account 269,807	
Property tax accrued and/or deferred in the current and prior year recognized as revenue in the current year	<u>334,463</u>
Total revenue as reported on the statement of revenues, expenditures and change in fund balance - governmental funds	<u>\$ 2,640,344</u>

EXPENDITURES

Amount of expenditures from budget to actual comparison statement	\$ 3,759,649
Differences	
Transfers between cash accounts that are not considered expenditures for GAAP purposes	(3,343,909)
Debt principal and interest payments considered expenditures for GAAP purposes	<u>2,382,081</u>
Total expenditures as reported on the statement of revenues, expenditures and change in fund balance - governmental funds	<u>\$ 2,797,821</u>

**POCATELLO DEVELOPMENT AUTHORITY
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31 2000**

	Central Corridor	Kress Building	Newtown Fund	Oldtown Fund	Ricken Drive Fund	North Main Fund	Roosevelt District Fund	Varsity District Fund	Total
ASSETS									
Cash and cash equivalents	\$ 154,115	\$ 1,527	\$ 1,642	\$ 7,933	\$ 19	\$ -	\$ 48,230	\$ 17,108	\$ 230,574
Cash with fiscal agent	3,647,666	-	58,587	60,275	-	38,082	-	-	3,804,610
Accrued interest	33,129	-	303	313	-	197	-	-	33,942
Property tax receivable	429,987	5,711	59,367	277,539	1,976,410	74,693	126,624	25,890	2,976,221
Note receivable	680,000	-	-	-	-	-	-	-	680,000
	<u>\$ 4,944,897</u>	<u>\$ 7,238</u>	<u>\$ 119,899</u>	<u>\$ 346,060</u>	<u>\$ 1,976,429</u>	<u>\$ 112,972</u>	<u>\$ 174,854</u>	<u>\$ 42,998</u>	<u>\$ 7,725,347</u>
LIABILITIES									
Accrued interest payable	\$ 109,549	\$ -	\$ 6,127	\$ 20,735	\$ 6,650	\$ 10,485	\$ -	\$ -	\$ 153,546
Deferred revenue	429,986	5,711	59,367	273,155	1,976,410	71,925	126,624	25,890	2,969,068
	539,535	5,711	65,494	293,890	1,983,060	82,410	126,624	25,890	3,122,614
FUND BALANCES									
Reserve for:									
Debt service	1,782,711	-	58,583	58,500	-	37,500	-	-	1,937,294
Unreserved	2,622,651	1,527	(4,178)	(6,330)	(6,631)	(6,938)	48,230	17,108	2,665,439
Total fund balance	4,405,362	1,527	54,405	52,170	(6,631)	30,562	48,230	17,108	4,602,733
	<u>\$ 4,944,897</u>	<u>\$ 7,238</u>	<u>\$ 119,899</u>	<u>\$ 346,060</u>	<u>\$ 1,976,429</u>	<u>\$ 112,972</u>	<u>\$ 174,854</u>	<u>\$ 42,998</u>	<u>\$ 7,725,347</u>

**POCATELLO DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31 2000**

	Gateway West Fund	Central Corridor	Kress Building	Newtown Fund	Oldtown Fund	Ricken Drive Fund	North Main Fund	Roosevelt/Varsity District Fund	Varsity District Fund	Total
REVENUES										
Property taxes	\$ 53,434	\$ 80,511	\$ 3,592	\$ 32,016	\$ 179,709	\$ 1,902,529	\$ 37,283	\$ 46,240	\$ 16,967	\$ 2,352,281
Interest	-	158,432	-	5,659	17,610	82,151	3,183	-	-	267,035
	<u>53,434</u>	<u>238,943</u>	<u>3,592</u>	<u>37,675</u>	<u>197,319</u>	<u>1,984,680</u>	<u>40,466</u>	<u>46,240</u>	<u>16,967</u>	<u>2,619,316</u>
EXPENDITURES										
Project payments	129,937	-	6,196	-	-	-	-	-	8,110	144,243
Professional services	-	500	-	1,000	1,000	-	1,000	-	-	3,500
Debt services										
Principal retirement	-	-	-	40,000	50,000	1,900,000	31,000	-	-	2,021,000
Interest	-	109,550	-	10,260	21,591	204,351	15,329	-	-	361,081
Total expenditures	<u>129,937</u>	<u>110,050</u>	<u>6,196</u>	<u>51,260</u>	<u>72,591</u>	<u>2,104,351</u>	<u>47,329</u>	<u>-</u>	<u>8,110</u>	<u>2,529,824</u>
Excess (deficiency) of revenues over expenditures	(76,503)	128,893	(2,604)	(13,585)	124,728	(119,671)	(6,863)	46,240	8,857	89,492
OTHER FINANCING SOURCES										
Proceeds from refunding bonds	-	1,295,000	-	-	-	-	-	-	-	1,295,000
Proceeds of long-term capital debt	-	4,965,100	-	-	-	-	-	-	-	4,965,100
Transfers in (out)	(7,941)	(1,983,631)	-	(63,849)	(552,975)	(2,139,868)	(34,341)	-	(3,812)	(4,786,417)
	<u>(7,941)</u>	<u>4,276,469</u>	<u>-</u>	<u>(63,849)</u>	<u>(552,975)</u>	<u>(2,139,868)</u>	<u>(34,341)</u>	<u>-</u>	<u>(3,812)</u>	<u>1,473,683</u>
NET CHANGE IN FUND BALANCE										
	(84,444)	4,405,362	(2,604)	(77,434)	(428,247)	(2,259,539)	(41,204)	46,240	5,045	1,563,175
BEGINNING FUND BALANCE										
	84,444	-	4,131	139,256	479,945	2,271,257	83,395	1,990	12,063	3,076,481
PRIOR PERIOD ADJUSTMENT										
	-	-	-	(7,417)	472	(18,349)	(11,629)	-	-	(36,923)
FUND BALANCE										
	<u>\$ -</u>	<u>\$ 4,405,362</u>	<u>\$ 1,527</u>	<u>\$ 54,405</u>	<u>\$ 52,170</u>	<u>(6,631)</u>	<u>\$ 30,562</u>	<u>\$ 48,230</u>	<u>\$ 17,108</u>	<u>\$ 4,602,733</u>