

POCATELLO DEVELOPMENT AUTHORITY

FINANCIAL STATEMENTS

DECEMBER 31, 2001

**POCATELLO DEVELOPMENT AUTHORITY
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**POCATELLO DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2001 (PAGE 1 OF 5)**

This section of Pocatello Development Authority's annual financial report presents managements discussion and analysis of Pocatello Development Authority's financial performance during the fiscal year that ended December 31, 2001.

FINANCIAL HIGHLIGHTS

Over the course of the year's operations, Pocatello Development Authority's total net assets decreased by \$.5 million.

During the year, Pocatello Development Authority did not bond any new debt.

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 other supplementary information 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 financial 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, 2001 (PAGE 2 OF 5)**

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, 2001 (PAGE 3 OF 5)**

FINANCIAL ANALYSIS OF POCATELLO DEVELOPMENT AUTHORITY AS A WHOLE

Net assets - Pocatello Development Authority's combined net assets decreased \$.5 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)

	<u>Governmental Activities</u>
Cash	\$ 7,450
Other assets	<u>4,012</u>
Total assets	11,462
Long-term debt outstanding	7,942
Other liabilities	<u>3,240</u>
Total liabilities	<u>11,182</u>
Restricted	3,096
Unrestricted (deficit)	<u>(2,816)</u>
Total net assets	<u>\$ 280</u>

Net assets of Pocatello Development Authority's governmental activities decreased \$.5 million. Those net assets are restricted to specific purposes. Consequently, unrestricted net assets showed a \$2.8 million deficit at yearend. 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, 2001 (PAGE 4 OF 5)**

Change in net assets - Pocatello Development Authority's total revenues increased by \$1.2 million and expenses increased by \$3.6. The majority of Pocatello Development Authority's revenue comes from property taxes. The majority of expenses were for projects. Table A-2 summarizes changes in net assets for the year.

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

Revenues	\$ 3,859
Expenses	<u>4,384</u>
Change in net assets	(525)
Beginning net assets	<u>805</u>
Ending net assets	<u>\$ 280</u>

Governmental Activities

Administrative expenses during the year totaled \$17,782 or .5% of revenues. Administrative expenses consist of the following:

Management fees	\$ 12,500
Audit	3,400
Commissioner meetings	1,144
Bank charges, supplies and other	<u>738</u>
Total Administrative	<u>\$ 17,782</u>

**POCATELLO DEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2001 (PAGE 5 OF 5)**

FINANCIAL ANALYSIS OF POCATELLO DEVELOPMENT AUTHORITY'S FUNDS

Fund balances in Governmental Fund decreased by \$1.1 million. The decrease was primarily due to project expenses.

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 taxes received in excess of budgeted amounts and receipt of tax anticipation notes. Budget variances related to disbursements were primarily due to project expenses in excess of anticipated amounts. No board discretionary funds were received during the year.

Long-term Debt

At year-end, Pocatello Development Authority had \$7.9 million in bonds outstanding, a decrease of \$.6 million for the year. There was no new debt from issuing revenue bonds. New debt consisted of a short-term tax anticipation note for \$.4 million.

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

To the Board of Commissioners
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, 2001, 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, 2001, and the results of its operation for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Deaton & Company

Pocatello, Idaho
June 5, 2002

**POCATELLO DEVELOPMENT AUTHORITY
STATEMENT OF NET ASSETS
DECEMBER 31, 2001**

	<u>Primary Government</u>
	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 437,259
Cash with fiscal agent	7,012,474
Accrued interest	12,227
Property taxes receivable	3,357,964
Notes receivable	<u>642,322</u>
	11,462,246
LIABILITIES	
Accrued interest payable	120,949
Deferred revenue	2,697,572
Tax anticipation note payable	421,500
Long-term liabilities	
Due within one year	622,000
Due in more than one year	<u>7,320,000</u>
	<u>11,182,021</u>
NET ASSETS	
Restricted for:	
Debt service	1,668,886
Capital projects	1,426,983
Unrestricted (deficit)	<u>(2,815,644)</u>
	<u>\$ 280,225</u>

The accompanying notes are an integral part of these financial statements

**POCATELLO DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Total</u>	<u>Administration</u>	<u>Capital Projects</u>	<u>Debt Service</u>
EXPENSES				
Administration	\$ 27,782	\$ 17,782	\$ 10,000	\$ -
Project payments	3,888,166	-	3,888,166	-
Professional services	9,908	9,908	-	-
Interest	435,958	-	-	435,958
Tax proceeds paid to County	<u>21,594</u>	<u>21,594</u>	<u>-</u>	<u>-</u>
	4,383,408	49,284	3,898,166	435,958
GENERAL REVENUES				
Property taxes	3,498,701			
Interest	355,860			
Professional fees	<u>4,158</u>			
	<u>3,858,719</u>			
CHANGE IN NET ASSETS	(524,689)			
BEGINNING NET ASSETS	<u>804,914</u>			
ENDING NET ASSETS	<u>\$ 280,225</u>			

The accompanying notes are an integral part of these financial statements

**POCATELLO DEVELOPMENT AUTHORITY
FUND BALANCE SHEETS
GOVERNMENTAL FUNDS
DECEMBER 31, 2001**

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Construction Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 68,310	\$ 368,949	\$ -	\$ 437,259
Cash with fiscal agent	-	5,589,097	1,423,377	7,012,474
Accrued interest	-	8,621	3,606	12,227
Property taxes receivable	-	3,357,964	-	3,357,964
Notes receivable	<u>82,322</u>	<u>560,000</u>	<u>-</u>	<u>642,322</u>
	<u>\$ 150,632</u>	<u>\$ 9,884,631</u>	<u>\$ 1,426,983</u>	<u>\$ 11,462,246</u>
LIABILITIES				
Accrued interest payable	-	120,949	-	120,949
Deferred revenue	-	2,697,572	-	2,697,572
Tax anticipation note payable	<u>-</u>	<u>421,500</u>	<u>-</u>	<u>421,500</u>
	-	3,240,021	-	3,240,021
FUND BALANCES				
Reserved for:				
Debt services	-	1,668,886	-	1,668,886
Unreserved reported in:				
General fund	150,632	-	-	150,632
Special revenue	-	4,975,724	-	4,975,724
Capital projects fund	<u>-</u>	<u>-</u>	<u>1,426,983</u>	<u>1,426,983</u>
	<u>150,632</u>	<u>6,644,610</u>	<u>1,426,983</u>	<u>8,222,225</u>
	<u>\$ 150,632</u>	<u>\$ 9,884,631</u>	<u>\$ 1,426,983</u>	

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

(7,942,000)

\$ 280,225

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, 2001**

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Construction Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ -	\$ 3,498,701	\$ -	\$ 3,498,701
Interest	26,275	149,611	179,974	355,860
Professional fees	<u>4,158</u>	<u>-</u>	<u>-</u>	<u>4,158</u>
	30,433	3,648,312	179,974	3,858,719
EXPENDITURES				
Administration	17,782	-	-	17,782
Project payments	10,000	586,974	3,301,192	3,898,166
Professional services	-	9,908	-	9,908
Debt services:				
Principal retirement	-	552,000	-	552,000
Interest	<u>-</u>	<u>435,958</u>	<u>-</u>	<u>435,958</u>
	27,782	1,584,840	3,301,192	4,913,814
EXCESS REVENUES OR (EXPENDITURES)	2,651	2,063,472	(3,121,218)	(1,055,095)
OTHER FINANCING SOURCES				
Tax proceeds paid to county	<u>-</u>	<u>(21,597)</u>	<u>-</u>	<u>(21,597)</u>
	-	(21,597)	-	(21,597)
CHANGE IN FUND BALANCES	2,651	2,041,875	(3,121,218)	(1,076,692)
BEGINNING FUND BALANCES	<u>147,981</u>	<u>4,602,735</u>	<u>4,548,201</u>	<u>9,298,917</u>
ENDING FUND BALANCES	<u>\$ 150,632</u>	<u>\$ 6,644,610</u>	<u>\$ 1,426,983</u>	<u>\$ 8,222,225</u>

The accompanying notes are an integral part of these financial statements

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001**

NOTE 1 - Summary of Significant Accounting Policies

The financial statements of the Pocatello Development Authority (PDA) 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, 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 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 PDA performs. Revenues used to finance the fundamental operation of PDA are included in this fund. The fund is charged with all costs of operating 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 PDA each special tax increment financing district is represented as a special revenue fund.

Capital Project Funds - 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, 2001**

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.

PDA considers property taxes available for revenue recognition if they are collected within 60 days after yearend. All material revenue sources have been accrued.

PDA reports "deferred revenues" on its combined balance sheet. Deferred revenues arise when 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 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, 2001**

NOTE 1 - Summary of Significant Accounting Policies (continued)

F. Encumbrances

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.

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, 2001**

Note 2 - Legal Compliance - Budgets

During the month of December, the Executive Director of PDA prepares 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 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 yearend. 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:

	<u>Balance</u>	<u>Category</u>			<u>Carrying Amount</u>
		<u>1</u>	<u>2</u>	<u>3</u>	
Pooled Deposits					
Pooled cash and cash equivalents	\$ 437,259	\$ 437,259	\$ -	\$ -	\$ 437,259
Non-pooled Deposits					
Non-pooled cash and cash equivalents:					
Primary Government					
Special revenue funds	<u>7,012,474</u>	<u>7,012,474</u>	<u>-</u>	<u>-</u>	<u>7,012,474</u>
Total deposits	<u>\$ 7,449,733</u>	<u>\$ 7,449,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,449,733</u>

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001**

Note 4 - Receivables

Property Taxes

Property tax revenues are recognized when received or, if received within a sixty-day period subsequent to yearend, they are accrued. 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 PDA by Bannock County.

Property taxes 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>2002</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Beginning taxes receivable	\$ 2,976	\$ -	\$ 2,887	\$ 65	\$ 24
2001 tax levy	<u>3,220</u>	<u>3,220</u>	<u>-</u>	<u>-</u>	<u>-</u>
	6,196	3,220	2,887	65	24
Cash received in 2001	<u>(2,838)</u>	<u>-</u>	<u>(2,806)</u>	<u>(17)</u>	<u>(15)</u>
Ending taxes receivable	<u>\$ 3,358</u>	<u>\$ 3,220</u>	<u>\$ 81</u>	<u>\$ 48</u>	<u>\$ 9</u>
Recap by Fund	<u>Total</u>	<u>2002</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
North Main	\$ 134	\$ 134	\$ -	\$ -	\$ -
Kress Building	5	5	-	-	-
Newtown	60	59	1	-	-
Roosevelt	381	375	6	-	-
Oldtown	301	211	51	30	9
Ricken Drive	2,071	2,071	-	-	-
Central Corridor	<u>406</u>	<u>365</u>	<u>23</u>	<u>18</u>	<u>-</u>
	<u>\$ 3,358</u>	<u>\$ 3,220</u>	<u>\$ 81</u>	<u>\$ 48</u>	<u>\$ 9</u>

Notes receivable:

The General Fund has loaned \$9,762 to a local corporation for five years at 9.5%. The balance at yearend was \$2,322.

The General Fund has loaned the City of Pocatello \$80,000 for one year at zero percent interest.

The Central Corridor Fund has loaned the City of Pocatello \$680,000, at zero percent interest. The balance at yearend was \$560,000.

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001**

NOTE 5 - Long-Term Debt

PDA has issued bonds to provide funds for urban renewal for several Districts. Terms and maturities or notes are as follows: (amounts expressed in thousands)

<u>Year</u>	Oldtown 1997 - 5.15%		Alvin Ricken Dr 1996 - 7.25%		Newtown 1993 - 5.5%	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2002	\$ 55	\$ 18	\$ 260	\$ 61	\$ 50	\$ 7
2003	60	15	280	42	95	3
2004	60	12	300	22	-	-
2005	65	9	-	-	-	-
2006	70	5	-	-	-	-
2007	75	2	-	-	-	-
	<u>\$ 385</u>	<u>\$ 61</u>	<u>\$ 840</u>	<u>\$ 125</u>	<u>\$ 145</u>	<u>\$ 10</u>

<u>Year</u>	North Main District 1997 5.50%		Central Corridor 2001 4.75 to 5.15%	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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>\$ 252</u>	<u>\$ 47</u>	<u>\$ 6,320</u>	<u>\$ 1,872</u>

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001**

NOTE 5 - Long-Term Debt (continued)

Changes in Long-Term Liabilities

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

Description	Balance <u>12/31/99</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/00</u>
Newtown Bond	\$ 190	\$ -	\$ 45	\$ 145
Alvin Ricken Bond	1,080	-	240	840
Oldtown Bond	440	-	55	385
North Main Bond	284	-	32	252
Central Corridor Bond	6,500	-	180	6,320
	<u>\$ 8,494</u>	<u>\$ -</u>	<u>\$ 552</u>	<u>\$ 7,942</u>

NOTE 6 - Deferred Revenues

At yearend, deferred revenues consisted of the following: (amounts expressed in thousands)

North Main	\$ 100
Kress Building	3
Newtown	37
Oldtown	286
Roosevelt	207
Ricken Drive	1,681
Central Corridor	384
	<u>\$ 2,698</u>

NOTE 7 - Expenditures Over Budget

Expenditures in excess of budget were as follows:

General Fund	\$ 93,518
Newtown District	7,099
Ricken Drive District	422,708
North Main District	4,369
Roosevelt District	101,190
Varsity District	21,597
	<u>\$ 650,481</u>

**POCATELLO DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001**

NOTE 8 - Contingent Liabilities

The majority of the revenue collected by 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.

**POCATELLO DEVELOPMENT AUTHORITY
BUDGET TO ACTUAL COMPARISON STATEMENT
FOR YEAR ENDED DECEMBER 31, 2001**

	Budget	Actual Amounts (Budgetary Basis See Note A)	
	<u>Amounts</u>	<u>Amounts</u>	<u>Variance</u>
BEGINNING FUND BALANCE	\$ 371,519	\$ 371,519	\$ -
REVENUES			
GENERAL FUND			
General funds	2,542	5,085	2,543
Interest	<u>28,000</u>	<u>25,905</u>	(2,095)
	30,542	30,990	
SPECIAL REVENUES			
Kress Building	5,684	5,711	27
Newtown fund	53,000	58,579	5,579
Oldtown fund	205,000	197,836	(7,164)
Ricken Drive fund	1,976,416	2,399,104	422,688
North Main fund	71,000	75,369	4,369
Roosevelt District fund	48,500	120,091	71,591
Varsity District fund	7,078	7,078	-
Central Corridor	<u>524,194</u>	<u>538,395</u>	14,201
	2,921,414	3,433,153	
EXPENDITURES			
GENERAL FUND	14,264	107,782	(93,518)
SPECIAL REVENUES			
Kress Building	5,684	5,189	495
Newtown fund	53,000	60,099	(7,099)
Oldtown fund	205,000	197,576	7,424
Ricken Drive fund	1,976,416	2,399,124	(422,708)
North Main fund	71,000	75,369	(4,369)
Roosevelt District fund	-	101,190	(101,190)
Varsity District fund	-	21,597	(21,597)
Central Corridor	<u>404,194</u>	<u>399,486</u>	4,708
	<u>2,729,558</u>	<u>3,367,412</u>	
ENDING FUND BALANCE	<u>\$ 563,375</u>	<u>\$ 437,260</u>	

**POCATELLO DEVELOPMENT AUTHORITY, INC.
BUDGET TO ACTUAL COMPARISON STATEMENT
BUDGET TO GAAP RECONCILIATION
DECEMBER 31, 2001**

NOTE A - Explanation of difference between budget and GAAP

REVENUES

Amount of revenue from budget of actual comparison statement	\$ 3,433,153
Differences	
Tax anticipation notes not considered income for GAAP purposes	(421,500)
Interest income received in accounts held with the fiscal agent not recorded as receipts in the general cash account and accrued interest income not accounted for in accrued interest receivable	329,028
Property tax accrued and/or deferred in the current and prior year recognized as revenue in the current year	<u>518,038</u>
Total revenue as reported on the statement of revenues, expenditures and change in fund balance - governmental funds	<u>\$ 3,858,719</u>

EXPENDITURES

Amount of expenditures from budget to actual comparison statement	\$ 3,367,412
Differences	
Project expenses paid directly by fiscal agent not included in general fund cash account	650,133
Professional fees charged to special revenue fund cash with fiscal agent not recorded as disbursements in the general cash account	9,908
Note receivable not considered expenses for GAAP purposes	(80,000)
Debt principal and interest payments considered expenditures for GAAP purposes	<u>987,958</u>
Total expenditures as reported on the statement of revenues, expenditures and change in fund balance - governmental funds	<u>\$ 4,935,411</u>

**POCATELLO DEVELOPMENT AUTHORITY
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
DECEMBER 31 2001**

	<u>Central Corridor</u>	<u>Kress Building</u>	<u>Newtown Fund</u>	<u>Oldtown Fund</u>	<u>North Main Fund</u>	<u>Roosevelt District Fund</u>	<u>Varsity District Fund</u>	<u>Total</u>
ASSETS								
Cash and cash equivalents	\$ 293,024	\$ 479	\$ 122	\$ 8,194	\$ -	\$ 67,130	\$ -	\$ 368,949
Cash with fiscal agent	5,432,872	-	59,128	59,441	37,656	-	-	5,589,097
Accrued interest	8,426	-	74	74	47	-	-	8,621
Property tax receivable	2,477,151	5,473	60,414	300,402	133,738	380,786	-	3,357,964
Note receivable	<u>560,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>560,000</u>
	<u>\$ 8,771,473</u>	<u>\$ 5,952</u>	<u>\$ 119,738</u>	<u>\$ 368,111</u>	<u>\$ 171,441</u>	<u>\$ 447,916</u>	<u>\$ -</u>	<u>\$ 9,884,631</u>
LIABILITIES								
Accrued interest payable	\$ 109,712	\$ -	\$ 665	\$ 8,262	\$ 2,310	\$ -	\$ -	\$ 120,949
Deferred revenue	2,064,650	3,192	36,638	286,321	99,656	207,115	-	2,697,572
Tax anticipation note payable	<u>421,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>421,500</u>
	2,595,862	3,192	37,303	294,583	101,966	207,115	-	3,240,021
FUND BALANCES								
Reserve for:								
Debt service	1,514,000	-	58,886	58,500	37,500	-	-	1,668,886
Unreserved	<u>4,661,611</u>	<u>2,760</u>	<u>23,549</u>	<u>15,028</u>	<u>31,975</u>	<u>240,801</u>	<u>-</u>	<u>4,975,724</u>
Total fund balance	<u>6,175,611</u>	<u>2,760</u>	<u>82,435</u>	<u>73,528</u>	<u>69,475</u>	<u>240,801</u>	<u>-</u>	<u>6,644,610</u>
	<u>\$ 8,771,473</u>	<u>\$ 5,952</u>	<u>\$ 119,738</u>	<u>\$ 368,111</u>	<u>\$ 171,441</u>	<u>\$ 447,916</u>	<u>\$ -</u>	<u>\$ 9,884,631</u>

**POCATELLO DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31 2001**

	<u>Central Corridor</u>	<u>Kress Building</u>	<u>Newtown Fund</u>	<u>Oldtown Fund</u>	<u>North Main Fund</u>	<u>Roosevelt District Fund</u>	<u>Varsity District Fund</u>	<u>Total</u>
REVENUES								
Property taxes	\$ 2,793,300	\$ 7,992	\$ 82,354	\$ 207,532	\$ 106,683	\$ 293,762	\$ 7,078	\$ 3,498,701
Interest	<u>143,522</u>	<u>-</u>	<u>2,286</u>	<u>2,334</u>	<u>1,469</u>	<u>-</u>	<u>-</u>	<u>149,611</u>
	2,936,822	7,992	84,640	209,866	108,152	293,762	7,078	3,648,312
EXPENDITURES								
Project payments	480,594	5,189	-	-	-	101,191	-	586,974
Professional services	4,750	1,569	-	-	1,000	-	2,589	9,908
Debt services								
Principal retirement	420,000	-	45,000	55,000	32,000	-	-	552,000
Interest	<u>416,873</u>	<u>-</u>	<u>3,750</u>	<u>8,770</u>	<u>6,565</u>	<u>-</u>	<u>-</u>	<u>435,958</u>
Total expenditures	<u>1,322,217</u>	<u>6,758</u>	<u>48,750</u>	<u>63,770</u>	<u>39,565</u>	<u>101,191</u>	<u>2,589</u>	<u>1,584,840</u>
Excess (deficiency) of revenues over expenditures	1,614,605	1,234	35,890	146,096	68,587	192,571	4,489	2,063,472
OTHER FINANCING SOURCES								
Tax proceeds paid to County							(21,597)	(21,597)
Transfers in (out)	<u>162,275</u>	<u>-</u>	<u>(7,861)</u>	<u>(124,739)</u>	<u>(29,675)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	162,275	-	(7,861)	(124,739)	(29,675)	-	(21,597)	(21,597)
NET CHANGE IN FUND BALANCE	1,776,880	1,234	28,029	21,357	38,912	192,571	(17,108)	2,041,875
BEGINNING FUND BALANCE	<u>4,398,731</u>	<u>1,526</u>	<u>54,406</u>	<u>52,171</u>	<u>30,563</u>	<u>48,230</u>	<u>17,108</u>	<u>4,602,735</u>
FUND BALANCE	<u>\$ 6,175,611</u>	<u>\$ 2,760</u>	<u>\$ 82,435</u>	<u>\$ 73,528</u>	<u>\$ 69,475</u>	<u>\$ 240,801</u>	<u>\$ -</u>	<u>\$ 6,644,610</u>