

# **Pocatello Development Authority**

**A COMPONENT UNIT OF THE CITY OF POCATELLO, IDAHO**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

**POCATELLO DEVELOPMENT AUTHORITY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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**POCATELLO DEVELOPMENT AUTHORITY  
LIST OF OFFICIALS**

David Villareal, Board Member, Chairman

Jeff Hough, Bannock County Commissioner, Vice Chairman

Brian Blad, Mayor of Pocatello, Board member

Linda Leeuwrik, Pocatello City Council President, Board member

Fred Parrish, Board member

Ruby Walsh, Board member

Kirk Lepchenske, Board Member

Scott Turner, Board Member

Nathan Richardson, Board Member

Brent McLane, City of Pocatello, Executive Director

Aceline McCulla, City of Pocatello, Secretary

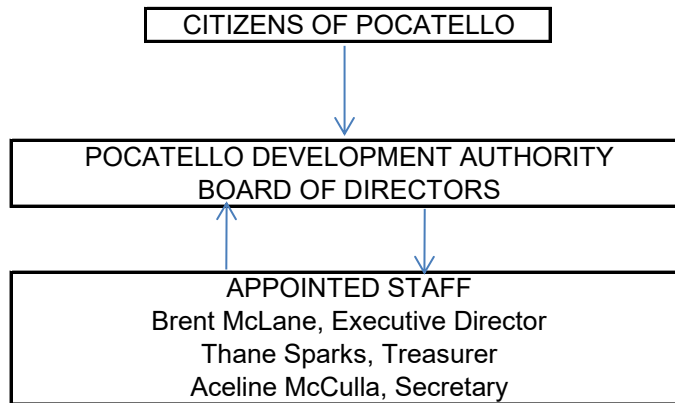
Thane Sparks, Treasurer

**LIST OF EX-OFFICIO ADVISORS**

Meghan Conrad-Sullivan, Legal Counsel

MiaCate Kennedy, Bannock Development Corporation, ex-officio member

**POCATELLO DEVELOPMENT AUTHORITY  
ORGANIZATION CHART**



**Advisory Staff:**

Meghan Conrad-Sullivan, Attorney, Legal counsel



## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
Pocatello Development Authority  
Pocatello, Idaho

### **Report on the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of the governmental activities and each major fund information of Pocatello Development Authority, (the Authority) a component unit of City of Pocatello as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund information of the Pocatello Development Authority, as of September 30, 2025, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pocatello Development Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pocatello Development Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 20-21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary Information***


We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Authority's basic financial statements for the year ended September 30, 2024, and we expressed unmodified opinions on the respective financial statements of the major funds information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements as a whole. The summarized comparative information is consistent, in all material respects, with the audited financial statements from which it has been derived.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 8, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Trust's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Deaton & Company". The signature is written in black ink and is positioned above the date and location text.

Pocatello, Idaho  
January 8, 2026



**POCATELLO DEVELOPMENT AUTHORITY**  
**STATEMENTS OF NET POSITION**  
**SEPTEMBER 30, 2025**  
**WITH COMPARATIVE TOTAL AT SEPTEMBER 30, 2024**

	<b>Governmental Activities</b>	
	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 3,305,651	\$ 3,273,483
Prepaid expense	1,415	5,950
Property tax receivable	4,686	4,373
	<u>3,311,752</u>	<u>3,283,806</u>
Capital asset		
Non-depreciable capital assets	<u>45,000</u>	<u>-</u>
Total asset and deferred outflows	<u>3,356,752</u>	<u>3,283,806</u>
<b>LIABILITIES</b>		
Accounts payable	<u>\$ 103,302</u>	<u>\$ 225,749</u>
Total liabilities	<u>103,302</u>	<u>225,749</u>
<b>NET POSITION</b>		
Net investment in capital assets	45,000	-
Unrestricted	<u>3,208,450</u>	<u>3,058,057</u>
Total net position	<u>\$ 3,253,450</u>	<u>\$ 3,058,057</u>

**POCATELLO DEVELOPMENT AUTHORITY  
STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2025  
WITH COMPARATIVE TOTAL FOR THE ENDED SEPTEMBER 30, 2024**

	<b>Governmental Activities</b>	
	2025	2024
<b>EXPENSES</b>		
General	\$ 202,563	\$ 220,328
Naval Ordinance Plant	21,380	166,066
North Portneuf	269,510	174,460
Airport	72,700	67,173
Northgate	767,177	635,612
	1,333,330	1,263,639
 <b>GENERAL REVENUES</b>		
Property taxes	1,218,141	927,688
Interest	143,982	154,224
Administrative fees	121,600	-
Capital grants	45,000	-
	1,528,723	1,081,912
 <b>NET CHANGE IN NET POSITION</b>	195,393	(181,727)
 <b>BEGINNING NET POSITION</b>	3,058,057	3,239,784
 <b>ENDING NET POSITION</b>	\$ 3,253,450	\$ 3,058,057

**POCATELLO DEVELOPMENT AUTHORITY  
BALANCE SHEETS  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2025  
WITH COMPARATIVE TOTAL AT SEPTEMBER 30, 2024**

	General Fund	Naval Ordinance Plant	North Portneuf	Airport	Northgate	2025	2024
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,087,837	\$ 210,107	\$ 1,470,520	\$ 114,985	\$ 422,202	\$ 3,305,651	\$ 3,273,483
Prepaid expense	1,415	-	-	-	-	1,415	5,950
Property tax receivable	-	-	4,686	-	-	4,686	4,373
	<u>\$ 1,089,252</u>	<u>\$ 210,107</u>	<u>\$ 1,475,206</u>	<u>\$ 114,985</u>	<u>\$ 422,202</u>	<u>\$ 3,311,752</u>	<u>\$ 3,283,806</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 15,902	\$ -	\$ 22,400	\$ 65,000	\$ -	\$ 103,302	\$ 225,749
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable tax revenues	-	-	4,686	-	-	4,686	4,373
	15,902	-	27,086	65,000	-	107,988	230,122
<b>FUND BALANCES</b>							
Nonspendable	1,415	-	-	-	-	1,415	5,950
Committed	-	210,107	1,448,120	49,985	422,202	2,130,414	2,030,353
Unassigned	1,071,935	-	-	-	-	1,071,935	1,017,381
	<u>1,073,350</u>	<u>210,107</u>	<u>1,448,120</u>	<u>49,985</u>	<u>422,202</u>	<u>3,203,764</u>	<u>3,053,684</u>
	<u>\$ 1,089,252</u>	<u>\$ 210,107</u>	<u>\$ 1,475,206</u>	<u>\$ 114,985</u>	<u>\$ 422,202</u>		

**Amounts reported for governmental activities in the statements of net position are different because:**

Governmental funds only report revenue on receivables that are available to pay current expenditures within the first 60 days of the fiscal year. All receivables are treated as revenues received in the statement of activities.

4,686      4,373

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds

Land and land improvements

45,000      -

Net Position of Governmental Activities

\$ 3,253,450      \$ 3,058,057

The accompanying notes are an integral part of these financial statements

**POCATELLO DEVELOPMENT AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**  
**WITH COMPARATIVE TOTAL FOR YEAR ENDED SEPTEMBER 30, 2024**

	General Fund	Naval Ordnance Plant	North Portneuf	Airport	Northgate	2025	2024
<b>REVENUES</b>							
General and property taxes	\$ -	\$ 171,194	\$ 122,021	\$ 76,673	\$ 847,940	\$ 1,217,828	\$ 925,774
Administrative fees	121,600	-	-	-	-	121,600	-
Interest	130,982	-	-	-	-	130,982	154,197
Other income	-	13,000	-	-	-	13,000	27
	<u>252,582</u>	<u>184,194</u>	<u>122,021</u>	<u>76,673</u>	<u>847,940</u>	<u>1,483,410</u>	<u>1,079,998</u>
<b>EXPENDITURES</b>							
Administration	15,001	17,100	13,100	7,700	83,700	136,601	24,025
Projects and grants	-	-	234,010	65,000	683,477	982,487	976,138
Professional services	173,268	4,280	22,400	-	-	199,948	263,476
Insurance	11,899	-	-	-	-	11,899	-
Other miscellaneous	2,395	-	-	-	-	2,395	-
	<u>202,563</u>	<u>21,380</u>	<u>269,510</u>	<u>72,700</u>	<u>767,177</u>	<u>1,333,330</u>	<u>1,263,639</u>
<b>EXCESS REVENUES OR (EXPENDITURES)</b>	50,019	162,814	(147,489)	3,973	80,763	150,080	(183,641)
<b>BEGINNING FUND BALANCE</b>	<u>1,023,331</u>	<u>47,293</u>	<u>1,595,609</u>	<u>46,012</u>	<u>341,439</u>		
<b>ENDING FUND BALANCE</b>	<u>\$ 1,073,350</u>	<u>\$ 210,107</u>	<u>\$ 1,448,120</u>	<u>\$ 49,985</u>	<u>\$ 422,202</u>		

**Amounts reported for governmental activities in the statements of activities are different because:**

Governmental funds only report taxes received within sixty days as current fund revenues. All taxes receivable are treated as revenues in the statement of activities.

313                      1,914

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position:

Donation of Land

45,000                      -

Change in net position of Governmental Activities

\$ 195,393                      \$ (181,727)

## POCATELLO DEVELOPMENT AUTHORITY NOTES TO FINANCIAL STATEMENTS

### **NOTE 1 - Summary of Significant Accounting Policies**

#### **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 of Pocatello, provided that the Council has first passed a resolution finding that one or more blighted areas are in existence, and that there is a need for an urban renewal agency to function in the City.

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

#### **B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements.

#### **C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the authority.

**POCATELLO DEVELOPMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - Summary of Significant Accounting Policies (Continued)**

**D. *Assets, liabilities, and net position or equity***

**1. *Deposits 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 funds based on the monthly balance of cash in each 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 Authority is authorized under State Code to invest in obligations of the U.S. Treasury, U.S. Government backed institutions, commercial paper, and repurchase agreements. the Authority's policy is to restrict investment to highly liquid money market accounts.

**2. *Receivables and payables***

Property taxes receivable are recorded when certified by the State Tax Commission in October of each year. Taxes not received within sixty days of year-end are deferred. The taxing authorities, within each tax increment financing district, levy property taxes by the third Monday of September on a market value basis. These taxes are billed to the taxpayers in November and 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 Authority by Bannock County.

**3. *Inventory***

Inventory is reported at the lower of cost or fair market value. The Authority had no inventory.

**4. *Restricted assets***

The assets of the special revenue funds are restricted as to usage by the State Code to payment of District expenses and debt service and an administrative fee to the General Fund of the Authority. Remaining net position representing property taxes collected are to be refunded to the taxing districts from which the taxes were collected.

It is the Authorities policy to first apply restricted resources when an expense is incurred for purposes in which both restricted and unrestricted net assets are available.

**5. *Capital Assets***

During the year, the Authority was given land valued at \$45,000.

**6. *Compensated Absences***

The Authority has no liability for compensated absences.

**7. *Long-term obligations***

The Authority had no long-term obligations.

**8. *Fund Equity***

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are subject to externally enforceable legal restrictions. Commitments of fund balance represent amounts whose use is constrained by limitations that the Board has imposed upon itself.

**POCATELLO DEVELOPMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - Reconciliation of Government-wide and Fund Financial Statements**

*Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.*

The governmental fund balance sheet includes the reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position.

One element of the reconciliation explains that "Certain receivables are not current resources and are reported as deferred revenues in the governmental funds".

Deferred property taxes	\$ 4,686
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Another element of the reconciliation is titled "Land and land improvements." Governmental funds do not report capital assets. Instead, capital assets are reported as government-wide as an adjustment from the balance sheet.

Land and land improvements	\$ 45,000
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**NOTE 3 - Stewardship, Compliance and Accountability**

**A. Budgetary Information**

The budget is prepared on a modified accrual basis by fund, (each tax increment financing district is represented by its own fund), and includes information about the current year.

The Board of the Pocatello Development Authority holds a public meeting in conjunction with adoption of its annual budget. The new budget is submitted to the board at its meeting in August as part of the cash report presented by the Treasurer. When the cash report is approved by the board the budget is approved as well. Budgets may be amended by the same procedure used to adopt the budget. The Budget is published as required.

**NOTE 4 - Detailed Notes on all Funds**

**A. Deposits and Investments**

Cash and cash equivalents at yearend consist of the following:

Deposits	
Cash in bank	\$ 3,296,555
Cash on books	\$ 3,305,651

The Authority has no investments

Deposits and Investment transactions are subject to a variety of risks.

*Interest Rate Risk* is the risk that changes in interest rates will adversely affect the value of an investment. This risk does not exist since the Authority has no investments.

*Credit Risk* is the risk that an issuer or a counter party to an investment will not fulfill its obligations.

**POCATELLO DEVELOPMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - Detailed Notes on all Funds - (Continued)**

**B. Property Taxes and Abatements**

Property tax revenues are recognized and accrued when billed by Bannock County. The Authority'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 Authority by Bannock County.

The Authority had no tax abatements

**C. Property Tax Receivable and Deferred Property Taxes**

At yearend, property tax receivable and deferred tax revenues were as follows:

	Receivables	Deferred Tax
North Portneuf District	\$ 4,686	\$ 4,686

**D. Capital Assets**

Capital assets activity for the year ended September 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land and land improvements	\$ -	\$ 45,000	\$ -	\$ 45,000

**E. Grants**

Pocatello Development Authority has provided grants to businesses wanting to locate in Pocatello, Idaho. These grants contain conditions requiring the grantee to perform specified conditions to receive the grant awards. The grantee is required to repay the grant if the conditions of the grant are not met.

**F. Fund Equity**

In the fund financial statements, governmental funds report the following fund balance classifications:

**Nonspendable Assets**

Nonspendable amounts that cannot be spent because they are not in spendable form or that are legally or contractually required to be maintained intact.

**Restricted Assets**

Restricted amounts are used for a particular purpose, primarily to satisfy regulatory or contractual requirements.



**POCATELLO DEVELOPMENT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - Detailed Notes on all Funds - (Continued)**

***F. Fund Equity - (Continued)***

**Committed Assets**

The tax revenues of special revenue funds are committed by state law to pay for expenditures of Tax Increment Financing Districts. The Districts are established by ordinances passed by the City. The ordinance establishing the District define types of construction, bonded debt, administrative costs, and collected taxes to be refunded to the taxing districts from which they were derived.

**Assigned Assets**

Assigned amounts are intended to be used for certain purposes as determined by the board with a majority vote pursuant to accounting rules for fund balance reporting and the definition of Governmental Fund Type.

The Pocatello Development Authority's Board of Directors has not assigned any amounts for purposes of future projects.

**Unassigned Assets**

Unassigned residual balances in the General Fund that have not been restricted, committed or assigned.

Other governmental funds may report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources for the fund.

It is the Authority's policy to first use restricted resources and then unrestricted resources as needed. When restricted resources are available for use, it is the Authority's policy to use resources in the following order; first committed, then assigned, and finally unassigned. Fund balance commitments may be established, modified or rescinded by the board.

**NOTE 5 - Other Information**

***A. 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 an urban renewal district to fund 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.

***B. Litigations, Torts, Theft or Damage, Errors and Omissions, and Natural Disasters***

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Authority may be party to various pending or threatened litigations, however, liabilities are only reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

**NOTE 6 - Subsequent Events**

Subsequent events were evaluated up to January 8, 2026, the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**POCATELLO DEVELOPMENT AUTHORITY**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Original & Final Budget Amounts	Actual Amounts	Variance
<b>REVENUES</b>			
<b>GENERAL FUND</b>			
General taxes	\$ 17,000	\$ -	\$ (17,000)
Administrative fees	-	121,600	121,600
Interest	100,000	130,982	30,982
Miscellaneous	-	-	-
	<u>117,000</u>	<u>252,582</u>	<u>135,582</u>
<b>SPECIAL REVENUE FUNDS</b>			
Naval Ordnance Plant	142,000	184,194	42,194
North Portneuf	98,000	122,021	24,021
Pocatello Regional Airport	82,000	76,673	(5,327)
Northgate	415,000	847,940	432,940
Subtotal special revenue funds	<u>737,000</u>	<u>1,230,828</u>	<u>493,828</u>
Total revenue all funds	854,000	1,483,410	629,410
<b>EXPENDITURES</b>			
<b>GENERAL FUND</b>			
Administration	20,000	15,001	4,999
Professional services/feasibility study	210,000	173,268	36,732
Insurance	11,900	11,899	1
Other miscellaneous	3,000	2,395	605
Contingency	979,100	-	979,100
	<u>1,224,000</u>	<u>202,563</u>	<u>1,021,437</u>
<b>SPECIAL REVENUE FUNDS</b>			
Naval Ordnance	172,000	21,380	150,620
North Portneuf	1,368,000	269,510	1,098,490
Pocatello Regional Airport	84,100	72,700	11,400
Northgate	685,000	767,177	(82,177)
Subtotal special revenue funds	<u>2,309,100</u>	<u>1,130,767</u>	<u>1,178,333</u>
Total expenditures all funds	<u>3,533,100</u>	<u>1,333,330</u>	<u>2,199,770</u>
<b>EXCESS REVENUES OR (EXPENDITURES)</b>	(2,679,100)	150,080	2,829,180
<b>BEGINNING NET POSITION</b>	<u>\$ 2,679,100</u>	<u>3,053,684</u>	<u>\$ 374,584</u>
<b>ENDING NET POSITION</b>		<u>\$ 3,203,764</u>	

**POCATELLO DEVELOPMENT AUTHORITY  
NOTES TO STATEMENT OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL**

**NOTE 1 - Expenditures in excess of budget**

During the year there were expenditures in excess of budget for administration expenses in the Northgate fund.

These expenditures in excess of budget were covered by increased property tax revenues within the Northgate fund.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
Pocatello Development Authority  
Pocatello, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of Pocatello Development Authority, a component unit of the City of Pocatello, Idaho, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise Pocatello Development Authority's basic financial statements, and have issued our report thereon dated January 8, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Pocatello Development Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pocatello Development Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pocatello Development Authority's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

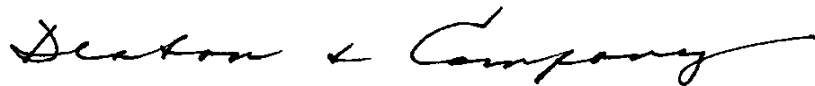
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pocatello Development Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Deaton & Company". The signature is written in black ink and is positioned below the main body of text.

Pocatello, Idaho  
January 8, 2026

**POCATELLO DEVELOPMENT AUTHORITY  
SCHEDULE OF FINDINGS AND RESPONSES  
SEPTEMBER 30, 2025**

**Findings**

No reportable issues noted.

**POCATELLO DEVELOPMENT AUTHORITY  
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES  
SEPTEMBER 30, 2024**

**Findings**

No reportable issues noted.