

City of Boise, Idaho

Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2010

Prepared By:
Department of Finance and Administration

Cover Art

Boise Public Art work completed in FY 10

Boise's unique character and history is reflected in our buildings, historic landmarks and diverse collection of public art found downtown, in civic buildings and in our many parks and public schools.

(Top Row):

Kristin Armstrong Bikeway- Signage marking the designated Kristin Armstrong Bikeway, a part of Bogus Basin Road on which the Olympic gold medalist trained. John Yarnell and Jason Keeble.

Morley Nelson Mural- Located at Morley Nelson Elementary celebrates Morley Nelson, American falconer and educator, who was instrumental in establishing the Snake River Birds of Prey National Conservation Area in Idaho. Marcus Pierce.

(Middle Row):

Wonder Wall- Whimsical mosaic wall of colorful characters at Peppermint Park. Reham Aarti-Jacobson.

Seated Lincoln- Statue located in Julia Davis Park, is an enlarged replica of the most famous image of Lincoln seated on a bench created by Idaho born sculptor Gutzon Borglum (1867). Recast and detailed by Irene Deely.

(Bottom Row):

BigFUN- Interactive bright-colored fabricated poles with rings at Helen B. Lowder Park. Benjamin Love.

Geothermal Plaques- Plaques awarded to downtown building owners making the commitment to geothermal heat systems as an energy source. Ward Hooper.

Saving the Past, Preserving the Future and In Search of- Special commission paintings located at City Hall West representing the work that our firefighters and police do every day to keep our citizens safe. Mark Manwaring.

City of Boise
Comprehensive Annual Financial Report
for the Fiscal Year Ended
September 30, 2010

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Department of Finance and Administration

March 25, 2010

Debbie Broughton
Director

**Division of
Financial Services**

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Mayor
David H. Bieter

**City Council
President**
Maryanne Jordan

Council Pro Tem
Alan W. Shealy

Vernon L. Bisterfeldt
Elaine Clegg
David Eberle
TJ Thomson

Honorable Mayor,
Members of the City Council,
Citizens of Boise City,
and our Valued Employees

I am pleased to transmit the Comprehensive Annual Financial Report (CAFR) for the City of Boise for the fiscal year ending September 30, 2010. Under State law, copies of these audited financial statements will be submitted to the Idaho Legislative Council. The audit was performed by the independent firm EideBailly LLP in accordance with generally accepted governmental auditing standards.

Responsibility both for the accuracy of the information presented and the completeness and fairness of its presentation is vested in the City. Management believes that the data as presented are accurate in all material respects; that the report is presented in a manner designed to fairly set forth the financial activity of the City's various funds; and that all disclosures necessary have been included to enable the reader to gain the maximum understanding of the City's financial affairs.

Management of the City of Boise has established a comprehensive internal control framework designed both to protect the government's assets from loss, theft, or misuse, and to compile reliable information for preparation of financial statements in conformity with generally accepted accounting principles (GAAP). To the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Boise are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the City of Boise's financial statements for the fiscal year ended September 30, 2010, are fairly presented and in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on those involving the administration of federal awards. These reports are contained in the Single Audit section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of City Government

The City of Boise was chartered in 1866 under the laws of the Territory of Idaho. Since 1961 the City has been governed using a strong-mayor organization. Pursuant to City Code, the Mayor is the Chief Executive Officer (CEO) of the City and directs its operations, participating with a six-member City Council in developing policy. The Council is organized into several policy groups typically comprised of two Council members each. The Mayor's Assistant for Administration and all department directors comprise the Executive Management Team (EMT). This group recommends budget and operational priorities to the Mayor and City Council.

Boise City provides the following services: public safety (police and fire), parks and recreation, libraries and culture, community services (planning and development services), aviation, public works, cemetery, downtown on-street parking services, and general government. The streets and sidewalks are owned and maintained by the Ada County Highway District (ACHD). The City's financial report also includes Boise City's redevelopment agency, the Capital City Development Corporation (CCDC). While CCDC is a component entity of the City, its financial statements are reported separately. Additional information on CCDC can be found in Note IV.N in the notes to the financial statements.

The city limits enclose an area of approximately 80 square miles. The City's "area of impact" is 118 square miles. The "area of impact" is the planned potential size of the city urban service area approved by the county commissioners. Boise City's official population as reported by the 2010 U.S. Census Bureau was 205,671.

Significant Accomplishments in Fiscal Year 2010

Fiscal Year 2010 was the first year of the City's 2010/2011 Biennial Budget. Like the rest of the nation, Boise continues to struggle through one of the most serious and persistent economic downturns in decades. Unemployment is high; housing starts and construction activity remain low; and families and businesses face ongoing threats to their livelihoods. The recession has negatively impacted the City's resources, as building permit activity and sales tax revenues have fallen apace.

At the same time, however, demand for City services has largely remained constant and in some cases has grown dramatically – especially for low-cost services, such as library and recreation programs, that help provide a safety net to families struggling to make ends meet. Meeting citizens' rising expectations while facing declining revenues has compounded the challenges facing the City.

The good news is that City employees have risen to the challenge, finding efficiencies and working smarter to provide exceptional municipal services. Those efforts have been bolstered by seven years of rigorous strategic planning and conservative financial restructuring to ensure flexibility, structural balance and protection of core citizen services.

Despite the lukewarm economic environment, the City was still able to post several notable accomplishments throughout the year. Some of the highlights of FY 2010 include:

- The City, in partnership with other government and social service agencies, opened Allumbaugh House, the much-needed community sobering, detox and crisis mental health facility.
- After years of effort by the City and by Idaho's congressional delegation, the Federal Aviation Administration announced that it would keep Boise's Terminal Radar Approach Control system (TRACON) in place rather than consolidating it in Salt Lake City, a decision that will save taxpayer dollars without compromising safety.

- In partnership with the Idaho Small Business Development Center at Boise State University, the City opened the Greenhouse, a business incubator focused on supporting and advancing alternative energy and sustainable companies.
- Mayor Bieter and local residents joined Olympic gold medalist Kristin Armstrong in a community bike ride to commemorate the Kristin Armstrong Bikeway on Bogus Basin Road.
- The City launched “Our Troops, Our Families,” a program to support military families during the year-long deployment of the Idaho Army National Guard's 116th Cavalry Brigade to Iraq in 2010-11.

As a result of prudent budgeting and lots of hard work, we came to the end of Fiscal Year 2010, the first year of the two-year budget cycle, in remarkably strong fiscal shape and well positioned to move forward, despite an economy whose recovery is anticipated to be slow at best.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when considered from the broader perspective of the specific environment within which the City of Boise operates.

Local economy: Boise is the center of business and government activity within the State of Idaho, serving as its economic hub. It provides financial, medical, and commercial services for southern Idaho and part of eastern Oregon. Corporate headquarters of several major firms historically have contributed to fiscally balance Boise’s economy with a healthy mix of business, technology, education, health care, retail, manufacturing, government, military, and professional sectors, all working together to provide relative stability for most of Boise’s residents. The severity of the global and national recession has negatively impacted most of these sectors.

Boise’s economy, while still in the midst of the slowdown, has some positive signs as well. The Boise City Metropolitan unemployment rate for the fiscal year ended September 30, 2010 was 9.0%. This was almost unchanged from the rate a year earlier (9.1%), but below the U.S. unemployment rate of 9.6%.

In construction activity, the total value of permits for the year ending September 2010 decreased by 26.8% compared to the same period of the previous year, largely due to a continued overall slowdown in both commercial and residential units. However, the decline is slowing and the number of permits is increasing by 4.9% compared to last fiscal year, due to residential permit increases.

As of September 30, 2010, total annual passenger traffic at the Boise Airport increased 1.5% compared to the prior fiscal year. The volume of passengers has stabilized at a lower base level.

Despite the challenges of a worsening economic environment, the City of Boise’s fiscal year ending September 30, 2010, concluded with approximately \$2 million in one-time, unallocated end-of-year funds. This is equivalent to 1.2% of total budgeted expenditures which, in a \$156.6 million year-end actual General Fund operation, shows remarkable balance. This EOY balance is the result of continued cost-containment efforts by City departments, primarily in personnel, and not of any additional, unanticipated revenues. Revenues were nearly on target for most categories, over or short by approximately .2% to 2.5%, and only a few categories significantly underperformed. In total, General Fund revenues fell short of budget amounts by more than \$2.2

Long-term financial planning: For the past several years, by Council policy, the City of Boise has maintained an uncommitted cash-flow reserve. Initially targeted to remain at 5% of current operating revenues, the reserve target was increased five years ago to a goal of 8%. Guidelines of the Government Finance Officers Association (GFOA) formally recommend 5% of annual revenues as the minimum target level and 15% as the maximum level.

By Council policy, it was further established that the reserve requirement should be achieved using one-time monies over a five-year period at a minimum amount of \$500,000 per annum. As of September 30, 2010, Boise City's reserve was 6% of the subsequent year's operating revenues.

The City's five-year Strategic Planning process has produced an effective tool for implementing efficiencies and improving the effectiveness of daily municipal operations. The City uses the ongoing Business Planning component of the Strategic Plan to establish objectives at a department level to assure achievement of the City's strategic goals. These department objectives are supported by action steps that describe how and when the work plan will be implemented. The Business Planning process is directly tied to the formation of the City's biennial budget, providing policy makers with a highly reasoned and well-documented listing of funding priorities.

Like many other government entities across the country, the City has contended with fiscal impacts from the Government Accounting Standards Board (GASB) pronouncement (Statement 45) that sets out standards for reporting post-employment health benefits (PEHB). The City has traditionally funded most of its PEHB, such as life insurance, but it has not funded insurance "rate subsidies" provided on behalf of its retired employees. Booking the value of this benefit, referred to as the Annual Required Contribution (ARC), has become a GASB-required activity. Actuarial analysis indicates the City's Unfunded Actuarial Accrued Liability (UAAL) as of September 30, 2010 for pre-Medicare subsidies for its retirees is over \$10 million, with an associated ARC of just over \$1.3 million. These amounts could be expected to increase significantly over time, although this year saw a dramatic decrease. The decrease (the UAAL was just over \$25 million in FY 2009) was primarily due to the union members creating their own health trust as of January 1, 2011. This health trust is separate from the City and administered entirely by union members. The City makes a contribution as determined by the collective labor agreements and then has no further responsibility, thus relieving the city of the future financial liability. The additional use of "flex credits" has also made regular employees more aware of the cost of plans and has resulted a surplus over the required reserve amounts in the health trust.

Major Enterprise Funds

Airport: In FY 2010, continued declining passenger enplanements (a total of 1,394,670) were a highly visible consequence of the downturn at Boise Airport. Fewer travelers mean a decline in most airport revenues that are tied directly to the number of passengers who pass through the airport. Airline costs per enplaned passenger, a benchmark airport efficiency and performance measure, was \$4.81 for the year. However, this is significantly below the costs incurred by similar small hub airports, which are in the \$6.50 to \$7.00 range. The decline has stabilized and is matching or slightly above the numbers from the prior fiscal year for the last six months of FY 2010.

Sewer: The City's sanitary sewer system is comprised of more than 690 miles of pipeline. It provides wastewater treatment service not only to Boise but also to five sewer districts and to Garden City. In 2009, the system treated more than 25 million gallons of wastewater each day and obtained 100% National Pollution Discharge Elimination (NPDES) permit compliance at both of its wastewater treatment facilities.

Solid Waste: Allied Waste Management, Inc. (Allied) is the solid-waste service provider under contract to the City of Boise. It serves approximately 67,000 residential and 4,000 commercial customers. The recommendation in the Solid Waste Strategic Plan that the City negotiate an extension of its franchise with Allied was approved by Council in late fall 2008. An outcome of the renegotiated agreement is an enhanced level of residential service that includes co-mingled curbside recycling, which was implemented in summer 2009. As the program has caught on, usage has increased; the volume of recycled solid waste rose from 11% of the total in FY 2009 to 14% in 2010.

Foothills Levy: Included in the Capital Projects Fund are funds that have been received as a result of a special election held in 2001 creating a two-year levy for a total of \$10 million. The funds have been used to purchase land in the foothills of Boise City and other projects as allowed under the levy. As of September 30, 2010 the levy has been expended on the approved purposes.

Cash Management Policies and Practices

Cash temporarily idle during the year was invested in compliance with the City's investment policy. This policy has been adopted by resolution of the City Council and certified by the Association of Public Treasurers of the United States and Canada. It was recently updated and presented to Council for approval. Information regarding the types, amounts, and risks of investments held are contained in the footnotes in Note IV.A. The maturities range from one day to 9.2 years, with an average maturity of 796 days. The average yield on the last day of the fiscal year was 1.84%, and total return for the fiscal year was 3.08%. Total return includes the effect of increases in market value during the current year. However, increases in market value do not necessarily represent trends that will continue or cash that will be available. Increases in market value are temporary changes in the value of investments that the City intends to hold to maturity.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Boise for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2009. This is the 15th consecutive year that the City of Boise has earned this distinction. To be awarded a Certificate of Achievement, the City must publish, in a prescribed format, a thorough and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

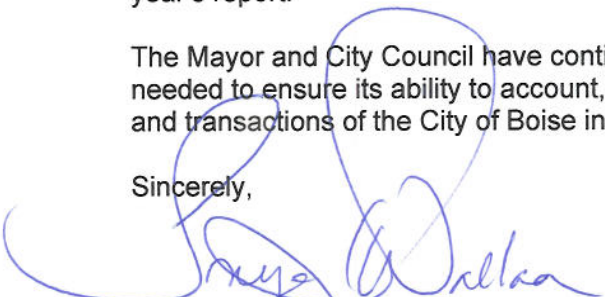
The Certificate of Achievement is valid for one year only. We believe that our most recent CAFR will continue to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

In FY 2006, the City developed and published its first Popular Annual Financial Report (PAFR). The PAFR is not meant to replace the CAFR, but is intended as an accessible, easy-to-read supplement for citizens regarding the City's services and its overall financial condition. Having now submitted three editions of the PAFR to the GFOA for review and comment, the City has received four awards for Outstanding Achievement in Popular Annual Financial Reporting.

The preparation of this report would not have been possible without the efficient and committed services of key staff in the Department of Finance and Administration under the able leadership of City Controller Mike Middleton. I would also like to express my appreciation to participating City staff in every department whose dedicated efforts resulted in a timely and successful completion of this year's report.

The Mayor and City Council have continued to demonstrate a commitment to allocate the resources needed to ensure its ability to account, audit, report, monitor, and control the financial operations and transactions of the City of Boise in a responsible and progressive manner.

Sincerely,



Tonya Wallace
City of Boise, Idaho
Financial Services Manager

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Boise
Idaho

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

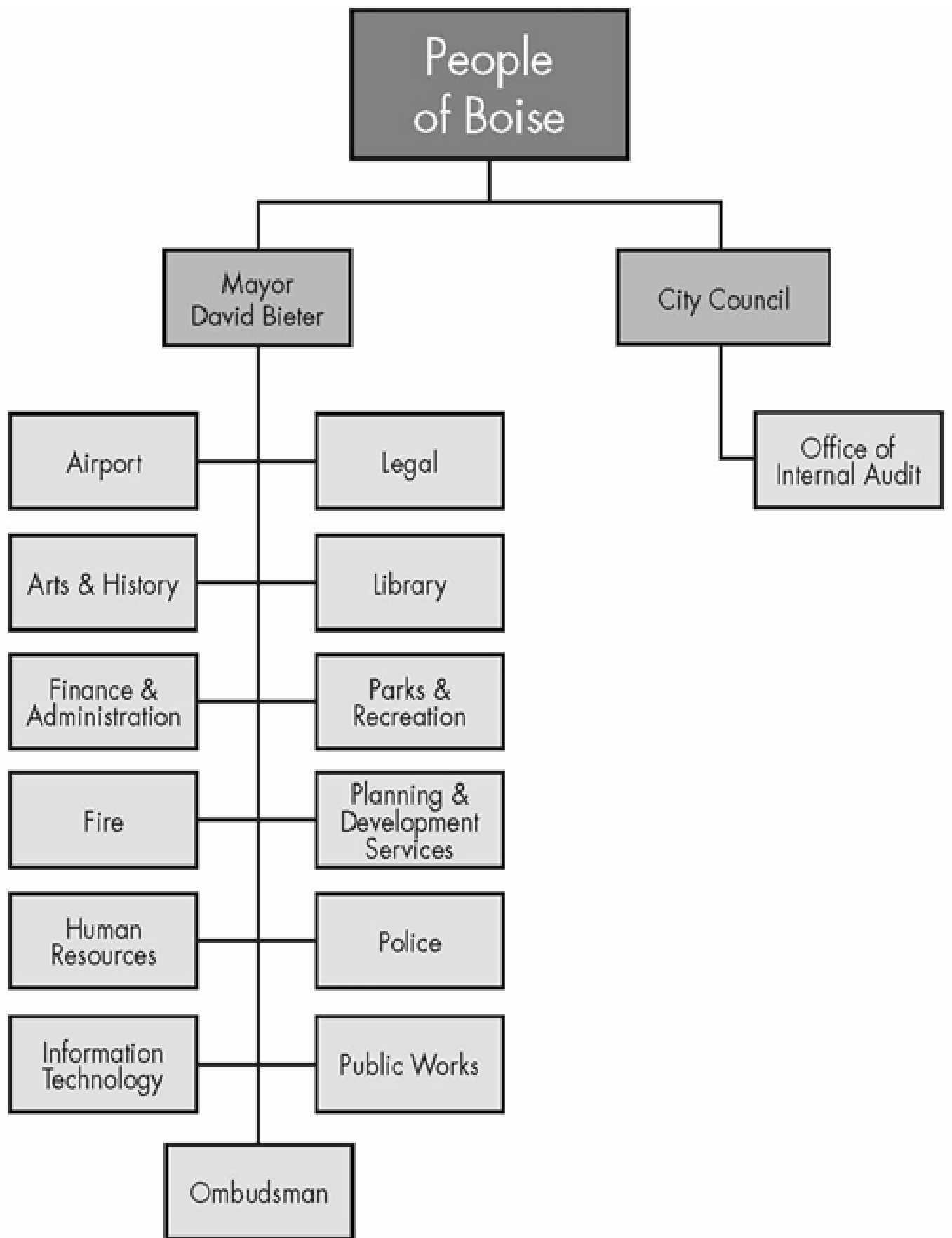
ORGANIZATION

Boise City is one of 200 cities in the State of Idaho. Cities are "creatures of the state" authorized for organization by the Idaho Constitution. "The legislature shall provide by general laws for the incorporation, organization and classification of the cities and towns in proportion to the population," (Idaho Constitution Article 12, Section 1). "The legislature by general and uniform laws shall provide for such township, precinct and municipal (city) officers as probable convenience may require," (Idaho Constitution Article 18, Section 6). Boise City operates under the mayor-council system of government as a city of the first class under the general laws of the State of Idaho with a mayor and six council members. The mayor is elected to a four-year term. Council members are also elected for four-year terms, three being elected every two years to stagger the terms for continuity. The Mayor is the chief executive officer for the City, responsible for carrying out policies set by the council and for enforcing the ordinances existing in the City Code.

The Mayor is assisted in this responsibility by Department Director's appointed by the Mayor and confirmed with the consent of the council. For reporting purposes, the City is divided into eight general classifications:

- 1) General Government
- 2) Fire
- 3) Police
- 4) Parks and Recreation
- 5) Culture
- 6) Community Service
- 7) Community Development
- 8) Interest and Fiscal Charges

The major classifications are subdivided into divisions and those units are further subdivided into service units for budgeting, accounting and reporting purposes.



City of Boise
 Names of Principal City Officials
 As of September 30, 2010

<u>Name</u>	<u>Position – Title</u>	<u>Department</u>
Bieter, David	Mayor	Executive
Jordan, Maryanne	Council member – Council President	Legislative
Shealy, Alan	Council member – Council Pro Tem	Legislative
Eberle, David	Council member	Legislative
Clegg, Elaine	Council member	Legislative
Bisterfeldt, Vernon	Council member	Legislative
Thomson, TJ	Council member	Legislative
Beaty, Garry	Director	Information and Technology
Booe, Kevin	Director	Library
Broughton, Debbie	Director	Finance and Administration
Chatterton, Bruce	Director	Planning and Development Services
Colaianni, Cary	City Attorney	Legal
Doan, Dennis	Chief	Fire
Hall, James	Director	Parks and Recreation
Masterson, Michael	Chief	Police
McConnell, Richard	Director	Aviation and Public Transportation
Miller, Shawn	Director	Human Resources
Oldemeyer, Neal	Director	Public Works
Riley, Jade	Administrative Assistant to the Mayor and Council	Mayor’s Office
Schorzman, Terri	Director	Arts and History



Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
Boise City, Idaho

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information and the budgetary comparison of the general fund of the City of Boise as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Boise's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the respective budgetary comparison for the general fund of the City of Boise, as of September 30, 2010, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2011, on our consideration of the City of Boise'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important in assessing the results of our audit.

The management's discussion and analysis information as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of

Honorable Mayor and Members of the City Council

Boise City, Idaho

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management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Boise's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, as noted in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the City of Boise. The combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Boise, Idaho

March 25, 2011

Management's Discussion and Analysis

As management of the City of Boise (the "City"), we offer readers this narrative overview and analysis of the financial activities of the City of Boise for the Fiscal Year (FY) ended September 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts in this discussion and analysis, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the City exceeded its liabilities as of September 30, 2010, by \$690,892. Of this amount, unrestricted net assets of \$78,234 may be used to meet the City's on going obligations to citizens and creditors.
- The total net assets increased by \$15,133. Of this amount, \$4,129 was associated with governmental activities and \$11,004 with business-type activities.
- As of the close of the FY, the City's governmental funds reported combined ending fund balances of \$61,644, a decrease of \$3,624 in comparison with the prior year. Of this amount, \$22,141 was unreserved and available for spending. However, the City Council has designated the entire balance for future use, leaving none undesignated.
- At the end of the FY, unreserved fund balance for the General Fund (GF) was \$23,124 or 15.0% of total GF expenditures.
- The City's total debt obligations (including bonds, leases, loans, section 108 advances, post employment benefits and compensated absences) decreased by the net of \$4,600.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent FY. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, fire, police, parks and

recreation, culture, community services, community development and other. The major business-type activities of the City include the airport, sewer and solid waste systems.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate redevelopment agency, a component unit of the City. Financial information for this component unit, Capital City Development Corporation (CCDC), is reported separately from the financial information presented for the primary government itself.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the FY. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and Capital Projects Fund, which are considered major funds. Data from the other three funds, which are the Community Development Special Revenue Fund, Dedicated Trust Permanent Fund and the Debt Service Fund are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in a section behind the basic financial statements.

The City approves a two-year budget for the GF. A budgetary comparison statement has been provided for the GF to demonstrate compliance with the FY 2010 budget.

Proprietary funds. The City maintains two different types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains seven individual enterprise funds. Information is presented separately in the proprietary statement of net assets and the proprietary statement of revenues, expense and changes in fund net assets for the Airport, Sewer and Solid Waste Funds, which are considered major enterprise funds. Data from the other four funds, which are the Geothermal, Parking Garage, Municipal Irrigation and Housing Rehabilitation Funds, are combined into a single, aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements elsewhere in this report.

Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City used internal service funds to account for its fleet maintenance, arboretum, and risk management activities. Because these services predominantly benefit governmental rather than business type functions, they have been included within governmental activities in the government-wide financial statements but are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in a section behind the basic financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. The combining statements referred to earlier in connection with non-major funds and internal service funds are presented immediately after the basic financial statements. Also included are budget comparisons for governmental funds other than the GF.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At September 30, 2010, the City's assets exceeded liabilities by \$690,892. By far the largest portion of the City's net assets (81%) reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. Capital assets are used to provide services to citizens, and they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	City of Boise's Net Assets					
	Governmental Activities		Business Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 190,596	\$ 190,514	\$ 111,675	\$ 100,628	\$ 302,271	\$ 291,142
Capital assets	183,743	176,114	442,510	445,045	626,253	621,159
Total assets	374,339	366,628	554,185	545,673	928,524	912,301
Long-term liabilities outstanding	29,400	29,682	62,151	66,437	91,551	96,119
Other liabilities	130,382	126,518	15,699	13,905	146,081	140,423
Total liabilities	159,782	156,200	77,850	80,342	237,632	236,542
Net assets:						
Invested in capital assets, net of related debt	180,664	172,518	377,079	375,521	557,743	548,039
Restricted	19,330	21,030	35,585	29,931	54,915	50,961
Unrestricted	14,563	16,880	63,671	59,879	78,234	76,759
Total net assets	\$ 214,557	\$ 210,428	\$ 476,335	\$ 465,331	\$ 690,892	\$ 675,759

A portion of the net assets (8.1%) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net assets (\$78,234) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current FY, the City is able to report positive balances in all three categories of net assets for the government as a whole. The City is in an improving financial situation as assets are growing faster than liabilities, leading to an increase in net assets. The increase in net assets in FY 2010 totaled 2.4% compared to an increase of only 0.8% in FY 2009.

City of Boise's Changes in Net Assets

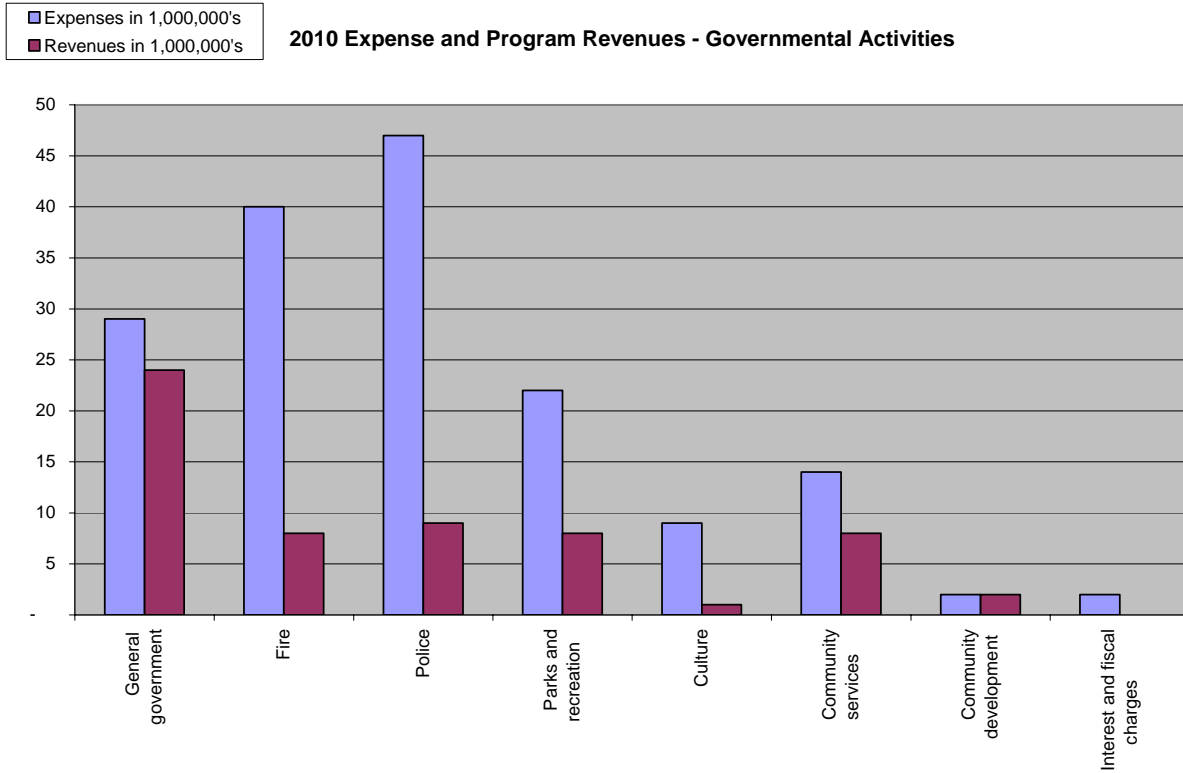
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 33,882	\$ 30,457	\$ 75,053	\$ 73,173	\$ 108,935	\$ 103,630
Operating grants and contributions	22,040	19,715	5,899	4,927	27,939	24,642
Capital grants and contributions	4,057	2,763	15,976	12,228	20,033	14,991
General Revenues:						
Property taxes	101,029	98,807			101,029	98,807
Other taxes	6,998	7,527			6,998	7,527
Other	1,085	1,705	2,170	3,483	3,255	5,188
Total revenues	169,091	160,974	99,098	93,811	268,189	254,785
Expenses:						
General government	28,881	28,838			28,881	28,838
Fire	40,486	35,655			40,486	35,655
Police	47,125	47,181			47,125	47,181
Parks and recreation	22,158	22,283			22,158	22,283
Culture	9,477	9,642			9,477	9,642
Community services	13,803	13,849			13,803	13,849
Community development	1,663	1,137			1,663	1,137
Interest and fiscal charges	1,528	1,667			1,528	1,667
Airport			30,796	31,492	30,796	31,492
Sewer			29,909	30,355	29,909	30,355
Solid waste			23,712	23,763	23,712	23,763
Other			3,518	3,288	3,518	3,288
Total expenses	165,121	160,252	87,935	88,898	253,056	249,150
Increase in net assets before transfers	3,970	722	11,163	4,913	15,133	5,635
Net Transfers	159	437	(159)	(437)	-	-
Increase in net assets	4,129	1,159	11,004	4,476	15,133	5,635
Net assets October 1, 2009	210,428	209,269	465,331	460,855	675,759	670,124
Net assets September 30, 2010	\$ 214,557	\$ 210,428	\$ 476,335	\$ 465,331	\$ 690,892	\$ 675,759

Governmental activities in FY 2010. Governmental activities in FY 2010 increased the City's net assets by \$4,129, accounting for 32.1% of the total increases in "net assets before transfers" growth were factored in. The key elements of this increase were as follows:

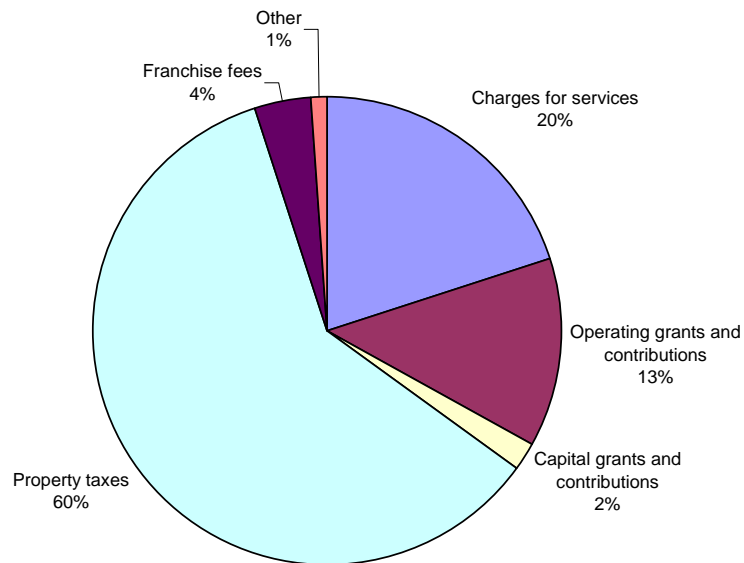
- Revenues exceeded expenses by \$4,129 due to cost-containment efforts. Total revenues increased by \$8,117 (5.7%) compared to FY 2009 primarily due to the increase of \$7,044 in program revenue (\$3,425 increase in charges for services, \$2,325 increase in operating grants

and \$1,294 increase for capital grants). The remainder was due to increased property tax revenue.

- Expenses increased by \$4,869 (3.0%) compared to FY 2009, primarily consisting of an increase in Fire (\$4,831) offset by decreases in most other areas. The increases were due to personnel costs (\$3,920).



2010 Revenues by Source - Government Activities



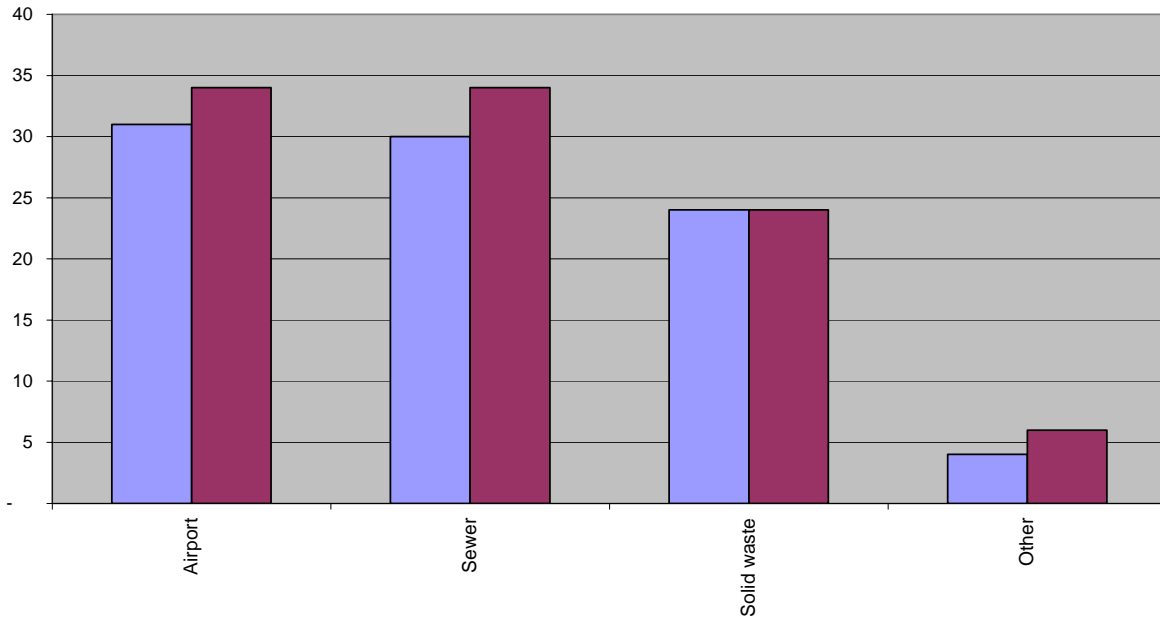
Business-type activities in FY 2010. Business-type activities in FY 2010 increased the City's net assets by \$11,004, accounting for 67.9% of the total growth in the government's net assets.

Key elements of the increase are as follows:

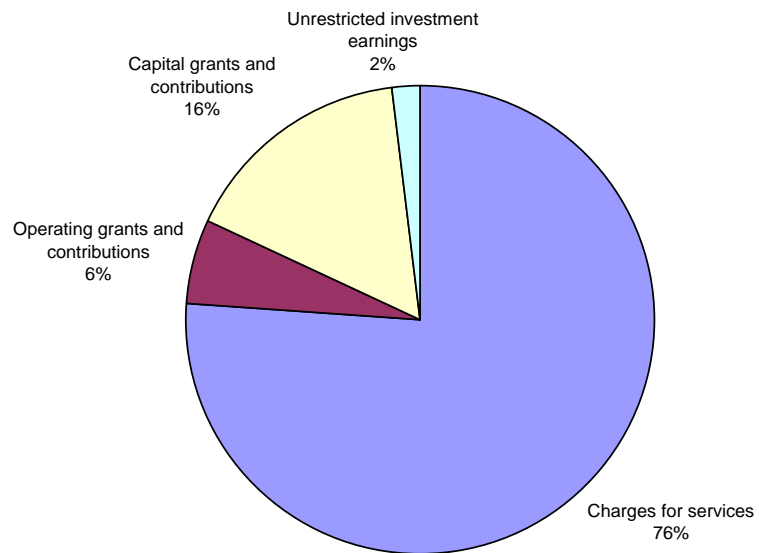
- Revenues increased by \$5,287 (6%) compared to FY 2009, the difference mostly attributed to an increase in capital grants and contributions by \$3,748 (31%) and an increase in charges for services, \$1,990 (3%). The increase in capital grants was mostly due to Airport receiving \$2,190 (81%) and Sewer receiving \$783 (34%) more in capital grant funding for new projects for Airport and continuing projects for Sewer.
- Expenses decreased by \$963 (1%) compared to FY 2009. There were increases for personnel, but the savings in maintenance and operations, equipment, and capital accounts offset the increased personnel costs. Costs were monitored very closely due to weakened economic conditions and revenue shortfalls predicted for the fiscal year.

■ Expenses in 1,000,000's
■ Revenues in 1,000,000's

2010 Expense and Program Revenues - Business Type Activities



2010 Revenues by Source - Business Type Activities



Financial Analysis of the Governments' Funds

As noted earlier, the City of Boise uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds in FY 2010. The purpose of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the FY.

At September 30, 2010, the City's governmental funds reported combined ending fund balances of \$61,644, a decrease of \$3,624 in comparison to the prior year. Of this amount, \$22,141 (37%) is unreserved fund balance, which is available for spending at the City's discretion. Of the unreserved fund balance, \$15,024 was designated by the City Council for subsequent year's expenditures and \$8,185 for post retirement benefits and for cash flow purposes. The remainder of fund balance is not available for new spending and was reserved for the following: 1) to liquidate contracts and purchase orders of the prior period (\$4,877), 2) to pay debt service and other obligations (\$8,814), 3) to pay for capital expansion, most of which is funded by park impact fees (\$11,541), 4) for foothills land acquisition funded by a special tax levy (\$5,499), and 5) for a variety of other purposes (\$8,772). Therefore, all governmental fund balances are either reserved or designated.

The General Fund (GF) is the City's chief operating fund. At the end of the FY, unreserved fund balance of the GF was \$23,124, while the total fund balance was \$28,940. As a measure of the GF's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 15% of total GF expenditures, while total fund balance represents 19% of that same amount.

The fund balance of the City's GF increased by \$7,128 during the FY compared to the prior FY. The revenues increased by 6.3% primarily due to a \$3,181 increase in property taxes, \$3,017 increase in charges for services, and \$2,698 increase in miscellaneous revenues. The miscellaneous revenues increase was primarily due to a one-time rebate of health insurance costs. Expenditures increased by 2.9%. The net effect of the actual revenues and expenses for the FY is an excess of revenues over expenditures of \$9,442. A total of \$2,641 was transferred to other funds, primarily the capital projects fund to cover approved projects.

The Capital Projects Fund balance decreased by \$11,509 to a total fund balance of \$19,109. Of that amount, \$21,497 was reserved for 1) park impact fees (\$7,704), 2) foothills land acquisition (\$5,499), 3) property held for resale not considered to be spendable (\$4,595), and 4) liquidation of contracts and purchase orders and other purposes (\$3,462). The remaining negative balance of \$2,151 cannot be designated; therefore, all available Capital Project Fund balances were reserved.

Proprietary funds in FY 2010. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Airport, Sewer, and Solid Waste Funds at the end of FY 2010 were \$27,423, \$33,700, and \$1,908, respectively. The total increase of restricted and unrestricted net assets was \$4,088, \$4,662, and \$54 for those same funds compared to the prior FY. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights in FY 2010

The final GF budget was \$9,571 more than the original budget. Additionally, numerous adjustments were made from contingent appropriation in general government redistributed to other activities. The budget changes can be briefly summarized as follows:

- \$2,700 – Fire FTE increase due to North Ada County Fire and Rescue (NACFR)
- \$6,675 – Police funding 9 FTE for COPS Hiring Recovery Grant
- \$673 – Police minor equipment and officer training E. Byrne Memorial Justice Assistance Grant

Expenditures exceed revenues in the final budget for GF by \$286, while actual results were revenues exceeding expenditures by \$10,510. The \$1,503 difference in revenues and the \$12,299 in expenditures – both less than the budgeted amounts – can be summarized as follows:

Revenues

- Intergovernmental revenues were under budget by \$1,328 primarily due to not receiving all of the grant money for the COPS grant and the ARRA Stimulus funds. The balance will be seen as revenue in FY 2011 when the remainder of the grant is earned.
- In addition, liquor tax revenues were \$412 under projections.

Expenditures

- All GF departments personnel costs combined were under budget by \$2,720 due to vacancy savings.
- Encumbrances for contracted obligations that could not be completed in the fiscal year were \$1,415, while amounts to be rebudgeted into subsequent year expenditures totaled \$5,219.
- Transfers budgeted to be done to the Capital Fund were not done, saving \$3,628, as the funds were not needed in the Capital Fund due to project progress.
- Deferral of equipment purchases resulted in budgetary savings of \$730.

Capital Asset and Debt Administration

Capital assets in FY 2010. The City's investment in capital assets for its governmental and business-type activities at September 30, 2010, amounted to \$626,253 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, service lines, automobiles and equipment, and streetlights. Sidewalks, bridges, and roads belong to the Ada County Highway District (ACHD). The total increase in the City's investment in capital assets for the current FY was 0.8% (a 4.3% increase for governmental activities and a -0.6% decrease for business-type activities compared to the prior FY).

Major capital asset events during the current FY included the following:

- \$1,118 – Final Payment for Hollandale Station #14
- \$1,000 – Stack Rock Purchase
- \$633 – LED Street light conversion
- \$569 – Warm Springs Golf Course Maintenance Facility
- \$426 – Phase 1 City Hall Renovation
- \$325 – Greenbelt Repairs

- \$298 – River Recreation Park
- \$293 – Sports Field Lighting
- \$234 – Fire Hydrant Replacement
- \$234 – IT Network Replacement

City of Boise's Capital Assets
Net of depreciation

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Land	\$ 74,854	\$ 68,184	\$ 34,644	\$ 34,308	\$ 109,498	\$ 102,492
Land rights	363	333	461	362	824	695
Land improvements			28,644	25,764	28,644	25,764
Buildings	47,002	48,025	173,047	176,125	220,049	224,150
Improvements other than Buildings	29,341	29,476	17,476	19,130	46,817	48,606
Service lines			141,211	138,906	141,211	138,906
Automobiles and trucks	9,623	8,253	6,364	5,434	15,987	13,687
Machinery and equipment	12,143	13,228	27,680	30,058	39,823	43,286
Leasehold Improvements	1,124	1,228			1,124	1,228
Intangible assets	579	392	206	300	785	692
Construction in progress	5,496	3,884	12,070	13,979	17,566	17,863
Other capital assets	3,218	3,111	707	679	3,925	3,790
Total	\$ 183,743	\$ 176,114	\$ 442,510	\$ 445,045	\$ 626,253	\$ 621,159

Additional information on the City's capital assets can be found in note IV.D.

Long-term debt in FY 2010. At the end of the FY, the City had \$92,102 in outstanding debt consisting of revenue bonds, capital leases, and an installment loan, but not compensated absences. All of the debt was secured by specific revenue sources.

City of Boise's Outstanding Debt

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Revenue Bonds	\$ 24,465	\$ 24,946	\$ 13,659	\$ 16,069	\$ 38,124	\$ 41,015
Capital Leases	2,206	2,705	42,725	43,866	44,931	46,571
Installment Loans	-	-	9,047	8,470	9,047	8,470
Total	\$ 26,671	\$ 27,651	\$ 65,431	\$ 68,405	\$ 92,102	\$ 96,056

The City's debt for bonds, capital leases and loans decreased by \$3,954 during the current FY. Additional information on the City's long-term debt for the current FY can be found in note IV. G.

Economic Factors and Next Year's Budgets and Rates

The City prepares an economic forecast analysis as a component in the process of developing the two-year operating and capital budget. The assumptions in the analysis are reviewed with the City Council as background for decisions about revenue projections and cost allocations. Periodic reports are transmitted to the City Council, providing actual information relative to the projections. The following were taken into consideration by the City Council when it adopted the forecast for use in building the interim FY 2011 portion of the FY 2010 and FY 2011 Two-Year Budget:

- As of September 2010, the total employment for the Boise MSA decreased by 3,400, and the unemployment rate is at 9.0%.
- The City has increased base compensation for general employees by 2%.
- The City has considered the current economic trends while working with the FY 2011 interim budget. The tight revenue projections for the new fiscal year will limit the resources of the City until the economy rebounds.
- The City completed an advance refunding of the Airport terminal debt as of February 28, 2011. This takes advantage of lower market interest rates, pays down the principal by \$10,000, and shortens the maturity by 10 years. The new debt outstanding is \$32,480 and will be paid off in annual installments by September 2020.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Division of Financial Services, City of Boise, Post Office Box 500, Boise, Idaho 83701.

Component Unit

The Component Unit column in the accompanying financial statements contains the financial data of the City's single component unit, the Capital City Development Corporation (CCDC). CCDC is a separate and distinct legal entity created by state statute but does not have fiscal independence from the City. The directors are appointed by the Mayor and approved by City Council; if CCDC were to be dissolved, its assets would revert to the City. CCDC is, therefore, included in the financial statement as a discretely presented component unit. CCDC provides urban renewal services and off-street parking facilities for the citizens of the City of Boise. Complete financial statements of CCDC can be obtained from its office at 800 W. Idaho Street, Boise, Idaho, c/o Todd Bunderson, Chief Financial Officer.

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City of Boise, Idaho
Statement of Net Assets
September 30, 2010
(amounts expressed in thousands)

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Current assets			
Cash (Note IV A)	\$ 5,838	\$ 169	\$ 6,007
Investments (Note IV A)	60,476	63,310	123,786
Receivables (net of allowance for uncollectibles) (Note IV B)			
Taxes - current	105,839		105,839
Taxes - delinquent	2,838		2,838
Accounts and interest	6,068	10,687	16,755
Grants	716	2,732	3,448
Assessments	47	2,403	2,450
Mortgage loans receivable		11,786	11,786
Due from component unit			
Due from other governmental units			
Interfund balances (Note IV E)	1,603	(1,603)	
Inventory	727	2,307	3,034
Other current assets	4,703	2,531	7,234
Prepaid items	1,255	79	1,334
Total current assets	190,110	94,401	284,511
Noncurrent assets			
Restricted cash and investments (Note IV A and C)	174	15,416	15,590
Long-term receivable (Note IV B)		1,834	1,834
Deferred charges	312	24	336
Capital assets not being depreciated: (Note IV D)			
Land	74,854	34,644	109,498
Intangible assets	363	461	824
Construction in progress	5,496	12,070	17,566
Capital assets net of accumulated depreciation: (Note IV D)			
Land improvements		28,644	28,644
Leasehold improvements	1,124		1,124
Buildings	47,002	173,047	220,049
Improvements other than buildings	29,341	17,476	46,817
Service lines		141,211	141,211
Automobiles and trucks	9,623	6,364	15,987
Machinery and equipment	12,143	27,680	39,823
Intangible assets	579	206	785
Other capital assets	3,218	707	3,925
Total noncurrent assets	184,229	459,784	644,013
Total assets	\$ 374,339	\$ 554,185	\$ 928,524

The notes to the financial statements are an intergral part of this statement.

Component Unit Capital City Development Corporation	Total Reporting Entity
\$ 9,110	15,117
3,638	127,424
8,975	114,814
733	2,838
	17,488
	3,448
	2,450
	11,786
1,036	1,036
46,785	46,785
	3,034
	7,234
2,743	4,077
<u>73,020</u>	<u>357,531</u>
4,853	20,443
1,168	1,834
	1,504
3,944	113,442
	824
	17,566
	28,644
	1,124
20,685	240,734
1,374	48,191
	141,211
	15,987
50	39,873
	785
	3,925
<u>32,074</u>	<u>676,087</u>
<u>\$ 105,094</u>	<u>\$ 1,033,618</u>

City of Boise, Idaho
Statement of Net Assets (continued)
September 30, 2010
(amounts expressed in thousands)

	Primary Government		Total
	Governmental Activities	Business-type Activities	
LIABILITIES			
Current liabilities			
Accounts payable	\$ 10,366	\$ 8,051	\$ 18,417
Other accrued liabilities	11,937	733	12,670
Unearned revenue	501	2,419	2,920
Deferred revenue - property tax	105,838		105,838
Long term debt - due within one year (Note IV G)	1,740	4,496	6,236
Total current liabilities	130,382	15,699	146,081
Noncurrent liabilities:			
Long term debt - due in more than one year (Note IV G)	29,400	62,151	91,551
Total noncurrent liabilities	29,400	62,151	91,551
Total liabilities	159,782	77,850	237,632
NET ASSETS			
Invested in capital assets, net of related debt	180,664	377,079	557,743
Restricted for:			
Restricted for replacements:			
West Boise Sewer District		2,525	2,525
Garden City Sewer District		2,485	2,485
Restricted for debt		648	648
Restricted for loans		15,159	15,159
Restricted for permanent funds:			
Nonexpendable	2,819		2,819
Capital expansion	11,541	14,768	26,309
Foothills levy	5,499		5,499
Unrestricted	14,034	63,671	77,705
Total net assets	\$ 214,557	\$ 476,335	\$ 690,892

The notes to the financial statements are an intergral part of this statement.

<u>Component Unit</u> Capital City Development Corporation	<u>Total</u> Reporting Entity
\$ 944	\$ 19,361
2,104	14,774
10,439	13,359
	105,838
3,995	10,231
<u>17,482</u>	<u>163,563</u>
59,439	150,990
<u>59,439</u>	<u>150,990</u>
<u>76,921</u>	<u>314,553</u>
14,375	572,118
	2,525
	2,485
1,068	1,716
	15,159
	2,819
	26,309
	5,499
12,730	90,435
<u>\$ 28,173</u>	<u>\$ 719,065</u>

City of Boise, Idaho
Statement of Activities
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 28,881	\$ 6,599	\$ 17,157	\$ 479
Fire	40,486	7,751	79	180
Police	47,125	5,290	2,576	729
Parks and recreation	22,158	6,647	294	1,395
Culture	9,477	550	100	335
Community services	13,803	6,408	381	939
Community and economic development	1,663	637	1,453	
Interest and fiscal charges	1,528			
Total governmental activities	<u>165,121</u>	<u>33,882</u>	<u>22,040</u>	<u>4,057</u>
Business-type activities:				
Airport	30,796	22,221	708	11,203
Sewer	29,909	26,908	2,138	4,475
Solid waste	23,712	23,563	42	
Other	3,518	2,361	3,011	298
Total business-type activities	<u>87,935</u>	<u>75,053</u>	<u>5,899</u>	<u>15,976</u>
Total primary government	<u>\$ 253,056</u>	<u>\$ 108,935</u>	<u>\$ 27,939</u>	<u>\$ 20,033</u>

Component unit:
Capital City Development Corporation
Total component unit

General revenues:
Taxes:
Property taxes, levied for general purposes
Property taxes, levied for debt service
Franchises, based on gross receipts
Unrestricted investment earnings
Interfund transfers, net
Total general revenues and transfers
Change in net assets
Net assets-beginning
Net assets-ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			Component Unit	
Primary Government			Capital City	Total
Governmental	Business-type	Total	Development	Reporting Entity
Activities	Activities		Corporation	
\$ (4,646)	\$	\$ (4,646)	\$	\$ (4,646)
(32,476)		(32,476)		(32,476)
(38,530)		(38,530)		(38,530)
(13,822)		(13,822)		(13,822)
(8,492)		(8,492)		(8,492)
(6,075)		(6,075)		(6,075)
427		427		427
(1,528)		(1,528)		(1,528)
<u>(105,142)</u>		<u>(105,142)</u>		<u>(105,142)</u>
	3,336	3,336		3,336
	3,612	3,612		3,612
	(107)	(107)		(107)
	<u>2,152</u>	<u>2,152</u>		<u>2,152</u>
	<u>8,993</u>	<u>8,993</u>		<u>8,993</u>
<u>(105,142)</u>	<u>8,993</u>	<u>(96,149)</u>		<u>(96,149)</u>
			<u>3,909</u>	<u>3,909</u>
			<u>3,909</u>	<u>3,909</u>
98,526		98,526		98,526
2,503		2,503		2,503
6,998		6,998		6,998
1,085	2,170	3,255	30	3,285
159	(159)			
<u>109,271</u>	<u>2,011</u>	<u>111,282</u>	<u>30</u>	<u>111,312</u>
<u>4,129</u>	<u>11,004</u>	<u>15,133</u>	<u>3,939</u>	<u>19,072</u>
<u>210,428</u>	<u>465,331</u>	<u>675,759</u>	<u>24,234</u>	<u>699,993</u>
<u>\$ 214,557</u>	<u>\$ 476,335</u>	<u>\$ 690,892</u>	<u>\$ 28,173</u>	<u>\$ 719,065</u>

City of Boise, Idaho
Balance Sheet
Governmental Funds
September 30, 2010
(amounts expressed in thousands)

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents (Note IV A)	\$ 5,754	\$ 16	\$	\$ 5,770
Investments (Note IV A)	22,938	14,975	13,426	51,339
Receivables (net of allowance for uncollectibles) (Note IV B)				
Taxes - current	105,839			105,839
Taxes - delinquent	2,838			2,838
Accounts and interest	5,490	478	65	6,033
Grants	379	241	96	716
Assessments	47			47
Due from component unit				
Interfund receivables (Note IV E)	6,394	365	19	6,778
Inventory	714			714
Prepaid items	661	577		1,238
Restricted assets: (Note IV C)				
Restricted cash and investments			174	174
Property held for resale		4,703		4,703
Total assets	<u>\$ 151,054</u>	<u>\$ 21,355</u>	<u>\$ 13,780</u>	<u>\$ 186,189</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and interest payable	\$ 8,660	\$ 1,331	\$ 101	\$ 10,092
Other accrued liabilities	324	727		1,051
Interfund payables (Note IV E)	4,349	188	84	4,621
Unearned revenue	342			342
Deferred revenue - property tax (Note IV B)	108,439			108,439
Total liabilities	<u>122,114</u>	<u>2,246</u>	<u>185</u>	<u>124,545</u>
Fund balances:				
Reserved for:				
Drug enforcement				
Capital expansion	3,837	7,704		11,541
Foothills land acquisition		5,499		5,499
Assets not available for spending	1,375	5,280		6,655
Encumbrances	1,415	3,462		4,877
Debt service and other obligations	6		8,808	8,814
Dedicated purposes			3,619	3,619
Unreserved:				
Designated for subsequent years' expenditures, reported in: (Note IV I)				
General fund	5,219			5,219
Capital projects fund				
Debt service fund			1,168	1,168
Designated for special purposes (Note IV I)	17,088			17,088
Undesignated, reported in:				
General fund				
Capital projects fund		(2,836)		(2,836)
Total fund balances	<u>28,940</u>	<u>19,109</u>	<u>13,595</u>	<u>61,644</u>
Total liabilities and fund balances	<u>\$ 151,054</u>	<u>\$ 21,355</u>	<u>\$ 13,780</u>	<u>\$ 186,189</u>

The notes to the financial statements are an integral part of this statement.

City of Boise, Idaho
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Assets
 September 30, 2010
 (amounts expressed in thousands)

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

Total fund balances--total governmental funds	\$	61,644
Other Post Retirement Benefits (OPEB) not recorded in the fund		
Current fiscal year	\$	(418)
Accumulated prior fiscal years		<u>(4,456)</u>
		(4,874)
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.		
Capital assets not reported in the funds	\$	183,743
Capital assets in internal service		<u>(875)</u>
		182,868
Internal service funds are used to charge the costs of certain activities, such as insurance, automotive equipment, and plant material and trees, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		
Unrestricted internal service funds	\$	2,788
Internal service capital assets		875
Internal service due from other funds		<u>49</u>
		3,712
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. (Note IV B)		2,601
Prepaid rent from Whitney Fire District		(159)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest	\$	(635)
Bonds payable		(24,465)
Capital leases		(2,206)
Bond issuance costs, net		312
Compensated absences		<u>(4,241)</u>
		<u>(31,235)</u>
Net assets of governmental activities	\$	<u><u>214,557</u></u>

City of Boise, Idaho
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 100,754	\$	\$	\$ 100,754
Franchise fees	5,324	1,674		6,998
Licenses and permits	3,604	865		4,469
Intergovernmental revenues	17,596	668	1,432	19,696
Program income			637	637
Charges for services	28,488	16	38	28,542
Fines and forfeitures	3,793			3,793
Donations	215	1,376		1,591
Investment income	436	127	330	893
Miscellaneous revenues	3,560	68	21	3,649
Total revenues	163,770	4,794	2,458	171,022
Expenditures:				
Current:				
General government	26,818	20		26,838
Fire	38,485	4		38,489
Police	46,245	4		46,249
Parks and recreation	18,176	22		18,198
Culture	8,969			8,969
Community services	13,035			13,035
Community and economic development			1,656	1,656
Capital outlay	2,600	16,274		18,874
Debt service:				
Principal payments			1,084	1,084
Interest and fiscal charges			1,418	1,418
Total expenditures	154,328	16,324	4,158	174,810
Excess (deficiency) of revenues over (under) expenditures	9,442	(11,530)	(1,700)	(3,788)
Other financing sources (uses):				
Interfund transfers in (Note IV E)	327	100	2,502	2,929
Interfund transfers out (Note IV E)	(2,641)	(79)	(45)	(2,765)
Total other financing sources (uses):	(2,314)	21	2,457	164
Net change in fund balances	7,128	(11,509)	757	(3,624)
Fund balance at beginning of year	21,812	30,618	12,838	65,268
Fund balance at end of year	\$ 28,940	\$ 19,109	\$ 13,595	\$ 61,644

The notes to the financial statements are an integral part of this statement.

City of Boise, Idaho
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities (continued)
 For the Fiscal Year Ended September 30, 2010
 (amounts expressed in thousands)

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

Net change in fund balances--total governmental funds		\$ (3,624)
Other Post Retirement Benefits (OPEB) are not recorded in the fund but are included in the government-wide change in net assets due to governmental activities.		(418)
Net revenues (expenses) of certain internal service funds is included with governmental activities.		7
Some of the City's taxes will be collected after year end, but, are not available soon enough for the current period's expenditure's and therefore are reported as deferred revenue in the funds. The amount represents the net change in deferred revenue.		275
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$16,953) exceeded depreciation (\$9,244) in the current period.		7,709
The net effect of various transactions involving capital assets (i.e., sales and donations) is to increase net assets. (Note II)		
Donations of capital assets	\$ 1,441	
Transfer out to business activities	(5)	
Proceeds/(Loss) sale of capital assets	<u>(1,579)</u>	(143)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount represents the net effect of these differences in the treatment of long-term debt and related items. (Note II)		
Golf lease	\$ 90	
Refunding 2001A	585	
City Hall Lease	409	
Deferred issuance costs 2001A	<u>(13)</u>	1,071
Interest expense in the Statement of Activities differ from the amount reported in governmental funds. Additional accrued interest was calculated for bonds and notes payable, and the difference arising from the advance refunding and is being amortized (added to interest expense for the year). This amount represents the net change in accrued interest.		
Prior year interest accrual	\$ 546	
County building current interest current year	(91)	
Refunding 2001A current interest current year	(430)	
Amortization of 2001A refunding current year	<u>(104)</u>	(79)
Compensated absences reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This amount represents the net change in compensated absences.		(669)
Change in net assets of governmental activities		<u>\$ 4,129</u>

The notes to the financial statements are an integral part of this statement.

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City of Boise, Idaho
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 102,219	\$ 102,153	\$ 100,754	\$ (1,399)
Franchise fees	6,147	6,147	5,324	(823)
Licenses and permits	4,265	4,264	3,604	(660)
Intergovernmental revenues	16,779	18,924	17,596	(1,328)
Charges for services	27,901	28,623	28,488	(135)
Fines and forfeitures	3,934	3,700	3,793	93
Donations	289	284	215	(69)
Investment income	605	520	436	(84)
Miscellaneous revenues	1,675	1,726	3,560	1,834
Total revenues	163,814	166,341	163,770	(2,571)
Expenditures:				
Current:				
General government	30,193	32,231	26,818	5,413
Fire	36,499	39,255	38,485	770
Police	45,039	47,769	46,245	1,524
Parks and recreation	19,473	19,455	18,176	1,279
Culture	9,567	10,052	8,969	1,083
Community services	13,488	14,535	13,035	1,500
Capital outlay	2,797	3,330	2,600	730
Total expenditures	157,056	166,627	154,328	12,299
Excess of revenues over expenditures	6,758	(286)	9,442	9,728
Other financing sources (uses):				
Interfund transfers in	783	583	327	(256)
Interfund transfers out	(8,040)	(7,670)	(2,641)	5,029
Total other financing sources (uses):	(7,257)	(7,087)	(2,314)	4,773
Net change in fund balances	(499)	(7,373)	7,128	14,501
Fund balance at beginning of year	21,812	21,812	21,812	
Fund balance at end of year	\$ 21,313	\$ 14,439	\$ 28,940	\$ 14,501

The notes to the financial statements are an integral part of this statement.

City of Boise, Idaho
Statement of Net Assets
Proprietary Funds
September 30, 2010
(amounts expressed in thousands)

	<u>Business-type Activities--Enterprise Funds</u>		
	<u>Airport</u>	<u>Sewer</u>	<u>Solid Waste</u>
ASSETS			
Current assets:			
Cash and cash equivalents (Note IV A)	\$ 169	\$	\$
Investments (Note IV A)	25,396	32,853	3,062
Receivables (net of allowance for uncollectibles) (Note IV B)			
Accounts and interest	3,477	4,468	1,775
Grants	2,332		
Assessments		2,400	
Mortgage loans receivable			
Interfund receivables (Note IV E)	885	1,699	111
Inventory	810	1,328	
Other assets	1,042	209	
Prepaid items	77		
Total current assets	<u>34,188</u>	<u>42,957</u>	<u>4,948</u>
Noncurrent assets:			
Restricted cash and investments (Note IV C)	14,768	648	
Interfund receivables (Note IV E)	78	112	669
Long-term receivables		1,834	
Deferred charges	24		
Capital assets: (Note IV D)			
Land	18,372	13,947	
Land improvements	66,799		
Buildings	119,940	123,053	
Improvements other than buildings	28,759	7,917	
Service lines		183,442	
Automobiles and trucks	6,706	7,874	121
Machinery and equipment	23,804	39,604	258
Intangible assets	218	1,125	
Construction in process	4,410	7,209	
Other capital assets	559	292	26
Less accumulated depreciation	<u>(102,584)</u>	<u>(122,222)</u>	<u>(166)</u>
Total capital assets (net of accumulated depreciation)	<u>166,983</u>	<u>262,241</u>	<u>239</u>
Total noncurrent assets	<u>181,853</u>	<u>264,835</u>	<u>908</u>
Total assets	<u>\$ 216,041</u>	<u>\$ 307,792</u>	<u>\$ 5,856</u>

The notes to the financial statements are an intergal part of this statement.

Other Nonmajor Business-type Funds	Totals	Governmental Activities- Internal Service Funds
\$ 1,999	\$ 169 63,310	\$ 68 9,137
967	10,687	35
400	2,732	
3	2,403	
11,786	11,786	
488	3,183	461
169	2,307	13
1,280	2,531	
2	79	17
<u>17,094</u>	<u>99,187</u>	<u>9,731</u>
	15,416	
	859	
	1,834	
	24	
2,325	34,644	
	66,799	
10,672	253,665	1,215
2,180	38,856	83
4,766	188,208	
121	14,822	254
737	64,403	187
37	1,380	155
451	12,070	
	877	
(8,242)	(233,214)	(1,019)
<u>13,047</u>	<u>442,510</u>	<u>875</u>
<u>13,047</u>	<u>460,643</u>	<u>875</u>
<u>\$ 30,141</u>	<u>\$ 559,830</u>	<u>\$ 10,606</u>

City of Boise, Idaho
Statement of Net Assets (continued)
Proprietary Funds
September 30, 2010
(amounts expressed in thousands)

	Business-type Activities--Enterprise Funds		
	Airport	Sewer	Solid Waste
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 3,717	\$ 2,258	\$ 1,824
Other accrued liabilities	209	429	1
Compensated absences (Note IV G)	62	141	6
Interfund payables (Note IV E)	1,394	2,156	1,315
Unearned revenue	1,200	587	533
Current portion of long-term debt (Note IV G)	2,563	1,572	
Total current liabilities	9,145	7,143	3,679
Noncurrent liabilities:			
Compensated absences	285	657	30
Interfund payables			
Other long-term debt, non-current (Note IV G)	41,519	18,762	
Total noncurrent liabilities	41,804	19,419	30
Total liabilities	50,949	26,562	3,709
NET ASSETS			
Invested in capital assets, net of related debt	122,901	241,872	239
Restricted for replacements:			
West Boise Sewer District		2,525	
Garden City Sewer District		2,485	
Restricted for debt		648	
Restricted for loans			
Restricted for capital expansion	14,768		
Unrestricted	27,423	33,700	1,908
Total net assets	\$ 165,092	\$ 281,230	\$ 2,147

The notes to the financial statements are an integral part of this statement.

Other Nonmajor Business-type Funds	Totals	Governmental Activities- Internal Service Funds
\$ 252	\$ 8,051	\$ 274
94	733	5,491
12	221	20
619	5,484	317
99	2,419	
140	4,275	
<u>1,216</u>	<u>21,183</u>	<u>6,102</u>
58	1,030	94
112	112	747
840	61,121	
<u>1,010</u>	<u>62,263</u>	<u>841</u>
<u>2,226</u>	<u>83,446</u>	<u>6,943</u>
12,067	377,079	875
	2,525	
	2,485	
	648	
15,159	15,159	
	14,768	
689	63,720	2,788
<u>\$ 27,915</u>	<u>\$ 476,384</u>	<u>\$ 3,663</u>

City of Boise, Idaho
Reconciliation of the Proprietary Funds Statement of Net Assets
to the Statement of Net Assets
September 30, 2010

Amounts reported for business-type activities in the statement of net assets are different because:

Total net assets for Proprietary Funds Statement of Net Assets:	\$ 476,384
Net revenues (expenses) of certain internal service funds is reported with business-type activities for the current year.	(49)
Net assets of business-type activities	<u>\$ 476,335</u>

The notes to the financial statements are an integral part of this statement.

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City of Boise, Idaho
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Airport	Sewer	Solid Waste
Operating revenues:			
Charges for services:			
Program income	\$	\$	\$
Interest income			
Rental income	6,147		
User fees	4,343	26,908	23,563
Parking and concessions	11,731		
Total charges for services	<u>22,221</u>	<u>26,908</u>	<u>23,563</u>
Miscellaneous revenues	283	2,133	42
Donations			
Total operating revenues	<u>22,504</u>	<u>29,041</u>	<u>23,605</u>
Operating expenses:			
Personal services	5,655	11,279	394
Contractual services and utilities	11,547	7,673	23,231
Supplies and materials	232	1,509	56
Depreciation	11,720	8,553	31
Total operating expenses	<u>29,154</u>	<u>29,014</u>	<u>23,712</u>
Operating income (loss)	<u>(6,650)</u>	<u>27</u>	<u>(107)</u>
Nonoperating revenues (expenses)			
Operating grants	425	5	
Developer contributed refund		(229)	
Interest revenue	762	1,049	264
Interest expense	(2,529)	(665)	
Total nonoperating revenues (expenses)	<u>(1,342)</u>	<u>160</u>	<u>264</u>
Income (loss) before interfund transfers and contributions	<u>(7,992)</u>	<u>187</u>	<u>157</u>
Capital contributions	5,754	4,475	
Passenger facility charges	5,598		
Customer facility charges	703		
Interfund transfers in (Note IV E)	25		
Interfund transfers out (Note IV E)			(103)
Change in net assets	<u>4,088</u>	<u>4,662</u>	<u>54</u>
Total net assets - beginning	161,004	276,568	2,093
Total net assets - ending	<u>\$ 165,092</u>	<u>\$ 281,230</u>	<u>\$ 2,147</u>

The notes to the financial statements are an integral part of this statement.

<u>Total Nonmajor Business-type Funds</u>		<u>Totals</u>		<u>Governmental Activities- Internal Service Funds</u>	
\$	1,238	\$	1,238	\$	
	482		482		
	641		6,147		
			55,455		6,253
			11,731		
	2,361		75,053		6,253
	55		2,513		54
					7
	2,416		77,566		6,314
	1,041		18,369		1,672
	1,824		44,275		4,049
	18		1,815		630
	577		20,881		96
	3,460		85,340		6,447
	(1,044)		(7,774)		(133)
	2,956		3,386		
			(229)		
	95		2,170		192
	(58)		(3,252)		(18)
	2,993		2,075		174
	1,949		(5,699)		41
	303		10,532		
			5,598		
			703		
	14		39		
	(100)		(203)		
	2,166		10,970		41
	25,749		465,414		3,622
\$	27,915	\$	476,384	\$	3,663

City of Boise, Idaho
Reconciliation of the Statement of Revenues, Expenses,
and Changes in Fund Net Assets of Proprietary Funds
to the Statement of Activities
For the Fiscal Year Ended September 30, 2010

Amounts reported for business-type activities in the
statement of activities are different because:

Net change in net assets--total business-type funds	\$ 10,970
Net revenues (expenses) of certain internal service funds is reported with business-type activities.	<u>34</u>
Change in net assets of business-type activities	<u><u>\$ 11,004</u></u>

The notes to the financial statements are an integral part of this statement.

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City of Boise, Idaho
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds	
	Airport	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 21,626	\$ 27,004
Receipts from interfund services provided		
Receipts from interfund services used	814	328
Payments to suppliers	(11,390)	(9,293)
Payments to employees	(5,657)	(11,261)
Payments for interfund services provided	(827)	(1,116)
Payments for interfund services used		
Other operating revenue received	1,493	2,183
Other operating payments	(28)	
Net cash provided (used) by operating activities	<u>6,031</u>	<u>7,845</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund transfers to other funds		
Receipts from advances to other funds	7	
Operating grants received	425	5
Interfund transfers from other funds	25	
Payments for advances from other funds		
Net cash provided (used) by noncapital financing activities	<u>457</u>	<u>5</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(7,896)	(9,756)
Proceeds from sale of capital assets	852	64
Purchase of loan foreclosures		
Principal paid on debt	(2,445)	(1,530)
Interest paid on financing	(2,529)	(640)
Capital contributions received		330
Capital grants received	2,792	
Hook-on fees received		2,742
Developer contributed refunds paid		(229)
Passenger facility charges	5,576	
Customer facility charges	688	
Net cash used by capital and related financing activities	<u>(2,962)</u>	<u>(9,019)</u>

The notes to the financial statements are an intergral part of this statement.

Solid Waste	Total Nonmajor Business-type Funds	Totals	Governmental Activities-Internal Service Funds
\$ 23,486	\$ 1,691	\$ 73,807	\$ 6,251
	8	8	16
1,015	241	2,398	129
(23,365)	(1,822)	(45,870)	(4,671)
(378)	(1,025)	(18,321)	(1,650)
(19)	(233)	(2,195)	(177)
	(33)	(33)	
42	108	3,826	62
	(56)	(84)	
<u>781</u>	<u>(1,121)</u>	<u>13,536</u>	<u>(40)</u>
(103)	(100)	(203)	
49		56	
	2,793	3,223	
	14	39	
			(56)
<u>(54)</u>	<u>2,707</u>	<u>3,115</u>	<u>(56)</u>
(21)	(405)	(18,078)	
	25	941	
	(1,277)	(1,277)	
	(140)	(4,115)	
	(58)	(3,227)	(18)
	386	716	
		2,792	
		2,742	
		(229)	
		5,576	
		688	
<u>(21)</u>	<u>(1,469)</u>	<u>(13,471)</u>	<u>(18)</u>

City of Boise, Idaho
Statement of Cash Flows (continued)
Proprietary Funds
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds	
	Airport	Sewer
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(31,670)	(27,543)
Proceeds from sale and maturities of investment securities	25,850	27,663
Interest on investments and advances	770	1,049
Net cash provided (used) by investing activities	<u>(5,050)</u>	<u>1,169</u>
Net increase (decrease) in cash and cash equivalents	(1,524)	
Cash and cash equivalents at beginning of year (excluding \$11,660 for the Airport and \$648 for Sewer reported in restricted accounts)	<u>1,693</u>	
Cash and cash equivalents at end of year (excluding \$14,768 for the Airport and \$648 for Sewer reported in restricted accounts)	<u>\$ 169</u>	<u>\$</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (6,650)</u>	<u>\$ 27</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	11,720	8,553
Amortization	76	50
(Gain) loss on disposal of capital assets	1,002	
(Increase) decrease in accounts receivable	(1,765)	77
(Increase) decrease in assessments		
(Increase) decrease in mortgage loans receivable		
(Increase) decrease in other assets	76	
(Increase) decrease in inventory	(71)	(94)
(Increase) decrease in interfund receivables	(827)	(1,116)
(Increase) decrease in prepaid items	(13)	
Increase (decrease) in accounts payable	487	(41)
Increase (decrease) in compensated absences	(16)	13
Increase (decrease) in other accrued liabilities	28	27
Increase (decrease) in interfund payables	814	328
Increase (decrease) in unearned revenue	1,170	21
Total adjustments	<u>12,681</u>	<u>7,818</u>
Net cash provided (used) by operating activities	<u>\$ 6,031</u>	<u>\$ 7,845</u>
Noncash investing, capital and financing activities:		
Contributions of capital assets to government		21
Contributions of capital assets from developers		1,338
Increase (decrease) in fair value of investments	(35)	(72)

The notes to the financial statements are an intergral part of this statement.

Solid Waste	Total Nonmajor Business-type Funds	Totals	Governmental Activities- Internal Service Funds
(1,904)	(1,592)	(62,709)	(12,081)
942	1,381	55,836	11,983
256	92	2,167	143
<u>(706)</u>	<u>(119)</u>	<u>(4,706)</u>	<u>45</u>
	(2)	(1,526)	(69)
	2	1,695	137
<u>\$</u>	<u>\$</u>	<u>\$ 169</u>	<u>\$ 68</u>
<u>\$ (107)</u>	<u>\$ (1,044)</u>	<u>\$ (7,774)</u>	<u>\$ (133)</u>
31	577	20,881	96
		126	
		1,002	
(72)	(268)	(2,028)	(2)
	(1)	(1)	
	(373)	(373)	
		76	
	(12)	(177)	77
(19)	(243)	(2,205)	(161)
	1	(12)	(16)
(79)	29	396	(161)
16	18	31	
1	(3)	53	131
1,015	226	2,383	129
(5)	(28)	1,158	-
<u>888</u>	<u>(77)</u>	<u>21,310</u>	<u>93</u>
<u>\$ 781</u>	<u>\$ (1,121)</u>	<u>\$ 13,536</u>	<u>\$ (40)</u>
		21	
		1,338	
9	3	(95)	(7)

City of Boise, Idaho
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2010
(amounts expressed in thousands)

	Health Insurance Self Funding Trust Fund	Boise City Trust Fund Agency Fund
ASSETS		
Cash and cash equivalents (Note IV A)	\$ 969	\$ 555
Receivables: (Note IV B)		
Accounts receivable	33	13
Interest and dividends	28	
Investments, at fair value: (Note IV A)		
U.S. Treasuries		
Federal government agencies	5,300	
Other investments	1,214	
Total investments	<u>6,514</u>	<u>-</u>
Total assets	<u>7,544</u>	<u>568</u>
LIABILITIES		
Accounts and interest payable	2,024	24
Refunds payable and other		544
Total liabilities	<u>2,024</u>	<u>\$ 568</u>
NET ASSETS		
Held in trust for:		
Employees' health insurance benefits	<u>5,520</u>	
Total net assets	<u>\$ 5,520</u>	

The notes to the financial statements are an intergral part of this statement.

City of Boise, Idaho
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

		Health Insurance Self Funding Trust Fund
Additions		
Contributions:		
Employer	\$	6,991
Plan members		10,836
Total contributions		17,827
Investment earnings:		
Net increase (decrease) in fair value of investments		(36)
Interest		139
Total investment earnings		103
Wellness Reimbursements		4
Pharmacy Rebate		244
Total additions		18,178
Deductions		
Insurance claim benefits		17,284
Administrative expenses		1,855
Total deductions		19,139
Change in net assets		(961)
Net assets - beginning of the year		6,481
Net assets - end of the year	\$	5,520

The notes to the financial statements are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2010
(AMOUNTS EXPRESSED IN THOUSANDS)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of Boise conform to U.S. generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles (GAAP) for local governments include those principles prescribed by the Government Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA) in the publication entitled "Audits of State and Local Governmental Units", and by the Financial Accounting Standards Board (FASB) when applicable. As allowed in Section P80 of GASB's "Codification of Governmental Accounting and Financial Reporting Standards", the City has elected not to apply to its enterprise and government-wide financial statements private-sector guidance issued after November 30, 1989.

A. Financial Reporting Entity

As required by GAAP, these basic financial statements present the City and its component unit in conformance with the GASB Statement No. 14, "The Financial Reporting Entity" and GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units." Under these statements, component units are organizations that are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

The Component Unit column in the accompanying financial statements contains the financial data of the City's single component unit, the Capital City Development Corporation (CCDC). CCDC is a separate and distinct legal entity created by state statute but does not have fiscal independence from the City. The directors are appointed by the Mayor and approved by City Council and if the CCDC should go out of business, the assets would revert to the City. CCDC is therefore included in the financial statements as a discretely presented component unit. CCDC provides urban renewal services and parking facilities for the citizens of the City. Complete financial statements of CCDC can be obtained from their office at 800 W. Idaho Street, Boise, Idaho.

Organizations for which the City is accountable because it appoints a voting majority of the board but is not financially accountable are referred to as related organizations. Financial information of related organizations is not included in the City's financial statements. The only related organization of the City is the Boise City/Ada County Housing Authority.

B. Government Wide and Fund Financial Statements

The government wide financial statements, which are the statement of net assets and the statement of activities, report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its legally separated component unit (CCDC) for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and

other items not included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government wide financial statements.

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, as are the proprietary fund and fiduciary fund financial statements. Agency funds use the accrual basis of accounting, but have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the 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 City considers property tax revenues to be available if they are collected within 60 days of the end of the current period. 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, claims and judgments, are recorded only when payment is due.

Property taxes, sales and liquor taxes, franchise fees 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 period.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund is used to account for financial resources used for the acquisition, construction and improvement of major capital assets other than those financed by proprietary and fiduciary funds.

The government reports the following major proprietary funds:

The Airport Fund accounts for the operation of the municipal airport. All operations, debt service and capital additions are accounted for in the fund.

The Sewer Fund accounts for the operation of the portion of the sewer system owned by the City. Three sewer districts collect sewage within the City and contract with the City to process it in one of the three City operated plants. Debt service and capital improvements are also accounted for in this fund.

The Solid Waste Fund accounts for the City solid waste service. The collection service is contracted with an independent firm and Ada County landfill service.

Additionally, the government reports the following fund types:

Internal Service Funds account for vehicle maintenance, risk management and arboretum services provided to other departments of the government or other government entities, on a cost reimbursement basis.

The Health Insurance Trust is used to account for the City's self insured health insurance trust. Plan assets are dedicated to providing health benefits to current and retired employees.

The Agency Fund accounts for items that must be held in trust for any reason. The major item accounted for in this fund is the Boise Improvement District payments.

As a general rule the effect of inter-fund activity has been eliminated from the government wide financial statements. Exceptions to this general rule are charges between the government's sewer and solid waste functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Indirect charges have been eliminated in the entity wide statements.

Proprietary funds distinguish operation revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principal operating revenues of the proprietary and internal service funds are charges to customers for sales and services. Operating expenses for proprietary funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Liabilities and Net Assets or Equity

1. Cash and Investments

Cash represents cash on hand and in banks. Some of the cash resources of the individual funds are combined to form a pool of cash for cash management purposes. Investments made from pooled cash consist primarily of short-term investments. Interest income earned as a result of pooling is distributed to the appropriate funds based on the average daily balance of pooled cash of each fund. Investments are reported at fair value except for money market investments with a remaining life to maturity at time of purchase of less than one year as required by GASB Statement No. 31. Fair value is estimated for investments without quoted market prices by using on line or other sources to identify market prices of similar investments.

Restricted cash equivalents are defined differently than unrestricted cash equivalents because they are restricted by an outside source. They are, therefore, not included in the cash equivalents reported in the statement of cash flows.

The City has entered into a master repurchase agreement with several financial institutions. The agreements require short-term repurchase agreements (less than 5 days) be evidenced by a safekeeping certificate segregated in the City's name.

The City has entered into a custodial agreement with a financial institution for the purpose of providing safekeeping and custody of certain investments owned by the City. Idaho Code provides authorization for the investment of funds as well as specific guidelines as to what constitutes and allowable investment. City policy is consistent with these guidelines.

The City, except as indicated below, is limited to the following general types of investments:

- Certain revenue bonds, general obligation bonds, local improvement district bonds, tax and revenue anticipation notes and registered warrants of state and local government entities.
- Time deposit accounts.
- Bonds, treasury bills, interest-bearing notes, debentures or other similar obligations of the United States Government and the Farm Credit System and its agencies and

instrumentalities. U.S. Government Securities include U.S. Treasury receipts and U.S. Treasury Stripped Interest Payment series (STRIPS).

- Repurchase agreements.
- Banker's acceptance and prime commercial paper.
- Mutual or Money Market Funds.
- Corporate notes.

Investments associated with the City's deferred compensation plans are subject to the investment guidelines of state laws governing such plans, which allow for investment in equity securities in addition to the investment alternatives indicated above. Investments associated with the Health Insurance Trust fund must be allowable under both Idaho code 50-1013 and 68:401 et. Seq.

2. Receivables and Payables

Outstanding balances between funds at the end of the fiscal year are referred to as either "due to/from other funds" for the current portion of inter-fund loans or "advances to/from other funds" for the noncurrent portion. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government wide financial statements as "internal balances".

Idaho Code provides taxing entities the ability to levy property taxes for the current or ensuing year. The City levies property taxes, as most entities do, for the ensuing year. This results in the tax collections being received in the fiscal year they are budgeted for and used to pay expenditures of that period.

In the General Fund there is an allowance for uncollectibles for any specific items in dispute.

In the proprietary funds, receivables are shown net of an allowance for uncollectibles. In the Sewer and Solid Waste Funds, the allowance consists of amounts equal to utility receivables older than 180 days. The Airport Allowance is made up of specific receivables turned over to collections.

The property tax calendar is as follows:

- Property taxes attach as an enforceable lien on property as of January 1st.
- Taxes are levied on the third Monday in September for the subsequent year.
- Ada County bills and collects property taxes for the City.
- The first half of the taxes is payable to Ada County by December 20th and the second by June 20th of the following year.

Taxes are remitted to the City in the month following collection.

3. Inventories

Inventories are stated at cost (first in, first out method). The cost of inventory items are recognized as expenditures in governmental financial statements and as expenses in government wide and proprietary fund financial statements when used (consumption method).

4. Restricted Assets

Funds to meet bond reserve and debt service requirements for the debt service and enterprise funds, deferred compensation amounts held for the benefit of employees and cash from Passenger Facility Charges are classified as restricted assets since applicable bond indenture provisions, trust agreements and federal regulations limit their use. While there is no written policy, the practice is to use restricted assets first when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

5. Capital Assets

Capital Assets, including property, plant, equipment and infrastructure assets (e.g., sewer lines, runways and similar items), are reported in the applicable governmental or business-type activities columns in the government wide financial statements. The government defines capital assets as assets with an initial individual cost of more than \$5 and an estimated useful life in excess of three years. All material capital assets are valued at historical cost. Donated capital assets are valued at their estimated fair value on the date donated. When an asset is disposed of, cost and related accumulated depreciation is removed and any gain or loss arising from the disposal is credited or charged back to operations. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total capitalized interest during the current fiscal year was \$69 for Airport projects and \$251 for Sewer projects.

Depreciation is recorded by use of the straight-line method. The book value of each asset is reduced by equal amounts over its estimated useful life as follows:

	Estimated Useful Life (Years)	
Buildings	7	- 60
Airport terminal building		40
Improvements other than buildings	10	- 50
Leasehold improvements	10	- 45
Airport runways, taxiways and apron	3	- 20
Airport terminal parking	7	- 15
Sewer service lines	20	- 100
Geothermal wells		40
Geothermal service lines		50
Office furniture and equipment	3	- 30
Vehicles	3	- 20
Machinery and equipment	3	- 50
Intangible assets, depreciating	3	- 7
Public art/library collection	10	- 30

6. Long-Term Liabilities

Long-term liabilities consist of bonds, notes and other indebtedness including liabilities associated with compensated absences.

In the government wide financial statements and proprietary fund type statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize as expenditures bond premiums and discounts as well as bond issuance cost during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The City complies with applicable arbitrage regulations.

Governmental Funds:

Revenue Refunding Bonds, Series-2001A - \$28,445 of Refunding Bonds were issued to refinance the outstanding principal amounts of the Court Facilities Refunding Bonds Series 1993 originally issued in the amount of \$2,075 and used for the construction of a court building and the Note Refunding Bonds, Series 1996 originally issued in the amount of \$34,900 and used to refinance short term Revenue Anticipation Notes. The City has pledged its General Fund revenues as security on the Bonds. The debt service for each year is currently 1.3% of the pledged revenues.

Certificates of Participation (COP's)– The City issued \$1,185 in COP's for a golf course improvement project. The obligation of the City to make payments is subject to annual renewal by appropriation of sufficient funds to make the payments. If the City fails to appropriate funds to make payments under the certificates, the certificate holders are entitled to be paid solely to the extent of monies previously appropriated for certificate payments, amounts held in trust accounts under the agreement, and the monies which become available from foreclosure. The City is not liable to pay any deficiency in the event such sums are not adequate to pay the unpaid amount due.

Capital Lease – The City entered into a \$5,228 lease with Ada County to utilize the building adjacent to City Hall. At the end of the lease, the City will have the option to purchase the building.

Compensated Absences Payable – Boise City provides vacation and sick leave to its full-time employees. Earned vacation is paid to employees when taken or paid to employees or their beneficiaries upon the employee's termination, retirement or death. Certain employees can elect to be paid each year for a portion of their accrued unused vacation. The amount of unused vacation accumulated by City employees is accrued as expense when incurred in Proprietary funds and the entity-wide financial statements, which both use the accrual basis of accounting. In the Governmental Fund statements only the amount that normally would be liquidated with expendable available financial resources is accrued as current year expenditures and therefore compensated absences are recognized only when they mature. Unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued. Sick leave is paid to employees when taken and the cost is recognized when payment is made. There are some employee groups accounted for in the General Fund that receive a portion of their earned sick leave when they retire due to the provisions of related employee group contracts. During 2010, \$97 was paid to these eligible employees. These employee group contracts also provide for some of the sick leave payoff funds to be transferred annually to a Post Employment Health Plan (PEHP). In 2010, the City contributed on behalf of employees not belonging to the contract groups mentioned above, a percentage of sick leave accumulated over 600 hours to the PEHP. During 2010, \$69 was transferred to the PEHP for this group. See the separate discussion of the PEHP.

Enterprise Funds:

Wastewater Facility – The City previously entered into three loans with the State of Idaho Department of Health and Welfare to expand and modernize the West Boise and Lander Street wastewater treatment plants. The three loans were then consolidated into one Wastewater Facility Note, which in turn was refinanced during 1999 with the issuance of refunding bonds. The bonds are secured by system revenues and are not a general obligation to the City. The debt service for each year is currently 5.7% of the pledged revenues.

The pledged revenue to cover the bonds includes interest income and excludes interest expense and depreciation. In FY 2010 the net available revenue pledged to the bonds was \$7,505. The

debt service was \$1,090 principal and \$590 interest giving a coverage ratio of 4.47. Note IV G contains the bond terms.

The City has the option to redeem bonds maturing on or after February 1, 2009 to August 1, 2009 at 101.0% of par value, from February 1, 2010 to August 1, 2010 at 100.5% of par value and 100% of par value after February 1, 2011.

Airport Certificates of Participation (COP's)– The COP's were issued to fund the expansion and remodel of the Airport terminal area. The City's obligation to make lease payments is limited and is not a general obligation of the City. The City's payment obligations under the agreement are secured by a security interest in the net revenue derived by the City from its airport facilities and properties and by the funds and accounts created by the COP agreement. The debt service for each year is currently 3.7% of the pledged revenues.

The City has the option to redeem certificates maturing on or after September 1, 2010 on September 1, 2009 or any interest payment date thereafter at par plus accrued interest. Certificates maturing on September 1, 2030 are subject to redemption at the City's option as of September 1, 2005 or any interest payment date thereafter at the price of par plus accrued interest.

Section 108 Advance – The City has entered into an advance with the United States Department of Housing and Urban Development to convert facilities for use as affordable housing units. Optional redemption is available for principal amounts due on or after August 1, 2013.

Installment Loans – The City has entered into two loans with the State of Idaho Department of Health and Welfare to realign trunk sewer lines. The loans are secured by a pledge of revenue and income of the Boise Wastewater Treatment Facilities. The loans require that within five years of project completion, loan reserves be established equal to one year's principal and interest paid on each of the loans in semi-annual installments over a 20-year period. The debt service for each year is currently 3.3% of the pledged revenues.

The City has also entered into a line of credit with the State of Idaho Department of Health and Welfare to modify and upgrade existing wastewater treatment facilities. When this project is completed, this obligation will become a loan with similar conditions as the loans described above.

Airport Refunding Bonds – The City issued the Airport Revenue Refunding Bonds Series 2004-1 in the amount of \$9,515. The bonds were used to (a) refinance the outstanding principal amount of the Airport Parking Facility Revenue Bonds, Series 1997A originally issued in the aggregate amount of \$14,200 and (b) to pay the costs of issuing the bonds.

The pledged revenue to cover the bonds includes all Airport operating revenue, interest income, operating grants and customer facility charges. It excludes interest expense, gain on property sale/exchange, depreciation, expenditures and debt service on senior and parity debt related to passenger facility charges. In FY 2010 the net available revenue pledged to the bonds was \$5,014. The debt service was \$1,357 principal and \$93 interest giving a coverage ratio of 3.71. Note IV G contains the bond terms.

DEFERRED COMPENSATION

The City has two deferred compensation plans. The first is available to employees other than sworn police officers and the second for sworn police officers only. Employees may make voluntary contributions to the plans within the dollar limits allowed by the Internal Revenue Service Code Section 457. The first 5 percent of base salary per year contribution made by a sworn police officer is matched by the City up to a maximum of 3.5 percent of salary. The remaining 1.5 percent match is contributed to the Post Employment Health Plan. The City also

matches the contribution of certain other employees up to a maximum of 2 percent and 4.5 percent of salary per year.

The City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City provides oversight of the plans, selecting the investment options made available and overseeing all training.

POST EMPLOYMENT HEALTH PLANS

The City has a Post Employment Health Plan for all full time employees. The City makes annual contributions to a medical trust established under IRS code section 501c(9) on behalf of the participants utilizing existing funding sources. Individual accounts are established for the benefit of and are the property of each participant. Each participant is responsible for selecting the investment vehicle for his/her account. Upon separation from service the employee may use the accumulated balance for IRS allowable medical expenses for themselves and qualified dependents. The City has no ongoing responsibility for the trust and has not recorded it in the financial statements.

7. Postretirement Benefits

By City Council authorization, the City provides at retirement to all employees eligible for the Public Employee Retirement System of Idaho a \$10,000 life insurance policy, the premium of which is paid for by the City. Additionally, the City contributes \$100 per month toward a retiree health insurance plan. Funds for the estimated liability associated with the governmental fund types are set-aside in the Debt Service Fund. Amounts related to the proprietary fund types are provided for separately in those funds. This is a single employer plan and all changes and/or amendments to the plan require City Council approval. The decision on funding methodology resides with the Mayor and the City Council. The Health Trust issues its own separate report. A copy can be obtained by contacting the Boise City Controller or by going to the City website at cityofboise.org.

The postretirement benefits are determined on an actuarial basis. Actuarial valuations of the postretirement benefits were done as of September 30, 2010 and are determined on a prospective basis. The unfunded actuarially accrued liability (UAAL) is \$12,597 – this is 11% of the covered payroll. The liability is considered unfunded due to the decision of the City to not place the funds in a trust. The annual required contribution (ARC) for fiscal year 2010 is \$1,349. The ARC is made up of the benefits earned in the current period and an amount of the unfunded AAL on a straight line amortization method. Since these funds were not placed in a trust, the expense and offsetting liability are reflected in the financial statements. The actuarial cost method used is the Projected Unit Credit Actuarial Cost method. The table below summarizes the Other than Pension Employee Benefits (OPEB) costs.

Annual required contribution (ARC)	\$ 1,349
Interest on net OPEB obligation	178
Annual OPEB cost	<u>1,527</u>
Contributions made and Adjustments	<u>(1,109)</u>
Increase in net OPEB obligation	418
Net OPEB obligation - beginning of year	4,456
Net OPEB obligation - end of year	<u><u>\$ 4,874</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 and the two preceding fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost		Net OPEB Obligation
		Contributed		
9/30/2008	\$ 2,862	23%		\$ 2,186
9/30/2009	3,106	49%		4,456
9/30/2010	1,527	65%		4,874

Schedule of Funding Progress for the City of Boise

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a percentage of Covered Payroll ((b-a)/c)
9/30/2008	-	22,873	22,873	0	87,973	26%
9/30/2009	-	25,807	25,807	0	92,168	28%
9/30/2010	-	10,311	10,311	0	92,681	11%

The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period as of September 30, 2010 was 27 years.

The significant actuarial assumptions used to determine funding requirements are: a) a discount rate of 4.00%, b) an expected Asset Return rate of 4.00%, c) the percentage of eligible retirees electing health coverage is 40% for general employees and 70% for Fire and Police, d) the termination rates for general employees are based on the July 1, 2007 Public Employees Retirement System of Idaho assumptions. Termination rates for Fire and Police are based on Boise City historical data, e) Employees are assumed to retire at 62 or the first subsequent year in which the employee qualifies for benefits, f) Medical cost trend rate is 6.9% grading down to 5%, g) the salary scale was assumed to grow at 3.50%, inflation rate used is 1.6%. As of September 30, 2010, there are 1,530 active plan participants, 220 retirees on medical plans and 419 retirees receiving life insurance. However, as of January 1, 2011 all Active Fire and Police Union members and Command staff will be moving it a Union ran Health Trust. This Health Trust is entirely union ran and the City will have no management responsibility for the trust. Current Union and Command Staff retirees will be staying on the City plan.

8. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors or omissions, or employee injuries. The City has a Risk Management Fund (an internal service fund to account for and finance these risks of loss.) The self-insured retention is summarized as follows:

Fiscal Year	Liability Coverage		Property Coverage		Workers Compensation Coverage	
	Per Incident	Aggregate	Per Incident	Aggregate	Per Incident	Aggregate
2010	\$400	unlimited	\$100	unlimited	\$400	unlimited

The City has purchased commercial insurance for claims in excess of these amounts.

All funds of the City participate in the program except for liability coverage for the Airport fund, which is insured under a separate policy purchased from an outside insurance carrier. Amounts to be provided for funding of the self insured retention are based on actuarial estimates of the amounts necessary to pay and current year claims and to establish a reserve for catastrophic losses.

A liability for claims is established if information indicates that it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

9. Self Insurance Health Trust Fund

In 2005, the City created a trust fund for its health insurance costs. Plan assets are dedicated to provide benefits to City employees and retirees. The assets are legally protected from creditors and employer contributions to the plan are irrevocable. The trust is basically self insured but has reinsurance for claims over \$100 with an aggregate limit of 120% of aggregate claims.

10. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Reconciliations of government-wide and fund statements are used to Explain certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities. The reconciliations are contained in the Basic Financial Statements.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The basis of budgeting refers to the conventions for recognition of costs and revenues in budget development and in establishing and reporting appropriations, which are the legal authority to spend or to collect revenues.

The City used a modified accrual basis for budgeting in governmental funds. Under Idaho State Law, unspent appropriations from prior years must be specifically "re-budgeted," via resolution of the City Council, or "encumbered," in order to be carried forward into the next fiscal year. A valid, legal commitment such as a contract or purchase order is required for encumbrances.

Proprietary funds are budgeted using accrual concepts. However, all operating and capital expenses that will be incurred during the year and income to be received and credited to the year are identified in the budgeting process because of the need for appropriation authority.

The budget is fully reconciled to the accounting system at the beginning of the year, and in preparing the Comprehensive Annual Financial Report (CAFR) at year-end. A number of adjustments are made to reflect balance sheet needs and their effect on the budget. These include changes in designations and reserves and recognition, via studies and analysis of various sorts, of accrued liabilities. Amounts needed for such long-term liabilities as future payoffs of accumulated employee vacation and sick leave, are budgeted as they are recognized via actuarial projections and subsequently adjusted to actual amounts. The budget does not recognize capital construction expense in enterprise funds in the same manner as in the

Comprehensive Annual Financial Report. Reconciliation is completed in quarterly and “year end” budget to actual reports.

The City uses a two-year budget format to facilitate a strategic approach to financial planning and to reduce the time spent in budget preparation. The FY 2009 budget was the second year of the FY 2008 and 2009 Two Year Budget.

Idaho State Code does not recognize the concept of a two-year budget and requires the City to adopt an annual budget each year through formal publishing and hearing requirements and by adopting an annual appropriation ordinance. Therefore, each year of the two-year budget is separately adopted consistent with State Code requirements. However, administratively, the two-year budget incorporates both annual budgets and the second year adoption entails a streamlined mid-biennium review and revision process to address changes that occurred since the two-year budget was developed. The Mayor and City Council also review the results of operation and financial position of funds triannually for each of the fiscal years within the two-year budget period. The City of Boise has established a Six Year Financial Plan that includes financial and human resource policies that provide direction for accounting, budgeting, cash management, and other financial management for the City. The policies provide broad direction for financial planning, control and reporting.

The following procedures are used to establish budgetary control:

1. Prior to October 1, the budget is legally enacted through passage of an ordinance and based upon extensive public budget workshops and public hearings. All funds are recognized in the budget including the General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service and certain Trust Funds.
2. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Total appropriations represent budget amounts as originally adopted plus current year adjustments for council approved prior year encumbrances, uncompleted items (primarily capital and equipment) carried forward to the following year and new projects or expenditures approved by council from prior year turn back dollars and appropriation changes approved during the year.
3. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Capital Projects, Enterprise, Internal Service and certain Trust Funds. To provide oversight and control, the Mayor’s Executive Management Team reviews all proposed changes to the budget that are exceptions to department director authority.
4. During the fiscal year, all expenditures are authorized by Payment Voucher, Purchase Order, or Journal Entry which are reviewed, according to procedures in the City Code, for budget authority, available funds and adherence to the City’s purchasing procedures and good business practices.
5. Department directors have defined discretionary authority to transfer budget appropriation amounts within approved budget totals, between line items within funds and consistent with the Mayor’s Budget Flexibility Guidelines.
6. Transfer of budget appropriations is not allowed under department director discretion, but may be recommended by the Mayor’s Executive Management Team and approved by the City Council. Revisions increasing total expenditure appropriation of any fund or adding permanent employee positions must be approved by the City Council. Any transfers of contingent funds require Mayor and City Council approval. State law does not allow fund expenditures to exceed fund appropriation. Appropriations lapse at year-end.

7. Idaho State Code allows the City to reopen the annual budget if a need for increased appropriations beyond the budgeted total is experienced. The reopened budget must be adopted by following a process similar to that, which was used to adopt the original budget, including public hearings and adoption of a revised annual appropriations ordinance. No supplemental appropriations were necessary during fiscal year 2009.

IV. DETAILED NOTES ON ALL FUNDS

A. At September 30, 2010, cash and investments, including restricted investments were invested as follows:

Cash: demand deposits	<u>Carrying Amount</u>	<u>Bank Ledger Balance</u>
Insured and Collateralized in the City's name	\$ 6,976	\$ 9,604
Less Fiduciary fund	(969)	(20)
Total Net Cash	<u>\$ 6,007</u>	<u>\$ 9,584</u>
Investments		<u>Fair Value</u>
Commercial Paper		\$ 4,998
U.S. Agency Securities		100,153
U.S. Treasury Securities		7,011
Money market and mutual funds		<u>33,728</u>
Subtotal		\$ 145,890
Less: restricted and fiduciary fund investments		(22,104)
Total Net Investments		<u>\$ 123,786</u>

Deposit and Investment Policies

Idaho Code 50-1013 limits the City's legal investments to savings accounts, prime commercial paper, general obligations of the State of Idaho and United States Treasury, notes, bonds and obligations of Government Sponsored Enterprises (FNMA, FHLMC, FFCB, FHLB), A-rated corporate bonds, and money market and mutual funds whose portfolios consist of the aforementioned underlying instruments.

The City's Investment Policy requires that investments within the portfolio are to be diversified as to security type, duration, and issuer in order to maintain a balanced portfolio. The policy does not place specific restrictions with regard to credit, concentration, and interest rate risks. The City only conducts investment purchases on a delivery versus payment basis with all securities held by a safe keeper, in the City's name, to eliminate custodial credit risk.

Interest Rate Risk

<u>Investments by Type</u>	<u>Fair Value</u>	<u>Effective Duration</u>
U.S. Agency Securities	\$ 100,153	1.621
Commercial Paper	4,998	0.095
U.S. Treasury Securities	7,011	0.33
Money market and mutual funds	<u>33,728</u>	<u>not available</u>
Total Fair Value	<u>\$ 145,890</u>	

In accordance with the City's Investment Policy of diversifying its investments as to type, issuer, and maturity, the City chooses to monitor its interest rate risk exposure utilizing effective duration. Effective duration is the preferred method for callable securities, and measures the price sensitivity of an investment or portfolio, taking into account that expected cash flows will change

as interest rates change. The effective duration of the City's Investment Portfolio was 1.127% on September 30, 2010.

Credit Risk

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Portfolio Percentage</u>
U.S. Agency Securities	AAA	68.60%
Commercial Paper	A1/P1	3.44%
Money market and mutual funds	AAA	22.27%
Washington Trust Account (FDIC covered)	N/A	0.69%
U.S. Treasury Securities	AAA	4.83%
Key Bank Account (FDIC Insured)	N/A	0.17%
Total		<u>100.00%</u>

In order to maintain a balanced portfolio, the City's adopted Investment Policy requires that investments within the portfolio be diversified as to type of security, duration, and issuer. Agency securities within the portfolio at September 30, 2010 are rated AAA by Standard and Poors or Aaa by Moody's. All commercial paper held in the Portfolio on September 30, 2010 is rated A1/P1 by Standard and Poors and Moody's, respectively. All money market mutual funds are rated AAA by Standard and Poors as of September 30, 2010. An interest bearing FDIC insured account is maintained at Key Bank with a \$250,000 balance. An interest bearing account is maintained at Washington Trust Bank in the amount of \$1,000,000. Washington Trust participates in the FDIC Transaction Account Guarantee program which provides full FDIC coverage.

Custodial Credit Risk

As of September 30, 2010, the City's Investment Portfolio was held in the City's name by a third-party custodian. Consequently, the City is not exposed to custodial credit risk.

Concentration of Credit Risk

In order to maintain a balanced portfolio, the City's adopted Investment Policy requires that investments within the portfolio be diversified as to type of security, duration, and issuer. Consequently, to the extent allowed by State Code, the Investment Policy does not specifically place limits on amounts invested in any one issuer. On September 30, 2010, the City's investment portfolio exceeded 5% of total Portfolio value in the following issuers:

<u>Issuer</u>	<u>Portfolio Percentage</u>
Federal Home Loan Bank	18.73%
Federal Home Loan Mortgage Corporation	16.25%
Federal National Mortgage Association	25.22%
Federal Farm Credit Bank	8.58%

B. Receivables

September 30, 2010

	General	Capital	Airport	Sewer	Solid Waste	Nonmajor and Other Funds	Fiduciary	Total
Receivables								
Interest	\$ 21	\$ 24	\$ 181	\$ 172	\$ 6	\$ 100	\$ 28	\$ 532
Taxes	108,677							108,677
Accounts	5,469	454	2,680	3,144	1,914	893	46	14,600
Passenger Facility Charges			644					644
Sewer District				3,151				3,151
Special Assessments	47			2,400		3		2,450
Grants	379	241	2,332			496		3,448
Loans						11,786		11,786
Gross Receivables	114,593	719	5,837	8,867	1,920	13,278	74	145,288
Less: Allowance for uncollectibles			28	165	145			338
	<u>\$ 114,593</u>	<u>\$ 719</u>	<u>\$ 5,809</u>	<u>\$ 8,702</u>	<u>\$ 1,775</u>	<u>\$ 13,278</u>	<u>\$ 74</u>	<u>\$ 144,950</u>

The Sewer Receivables includes \$1,834 in long-term. This is included in the Statement of Net Assets under Noncurrent assets.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental fund financials were as follows:

Property taxes deferred	\$ 108,439
Other unearned revenue	<u>342</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 108,781</u>

C. Restricted Assets

Governmental Fund Type	Debt Reserve Fund	Bond Fund / Lease Payment Fund	Reserve Funds	PFC and Deferred Compensation	Total
Warm Springs Golf Course	\$ 115	\$	\$ 59		\$ 174
Total	115		59		174
Business-Type					
Airport PFC Restriction				14,295	14,295
Airport DEQ Trust				473	473
Sewer Loan Reserve			648		648
Total			648	14,768	15,416
Total All Funds	\$ 115	\$	\$ 707	\$ 14,768	\$ 15,590

Funds set aside for payment of governmental and proprietary fund debt are classified as restricted assets, since their use is limited by applicable debt agreements. Amounts restricted for specific purposes are for transportation Passenger Facility Charge (PFC) funds.

D. Capital Assets

A Summary of the changes in capital assets for the year ending September 30, 2010, follows:

Primary Government Governmental activities:	Balance September 30, 2009	Additions	Transfers	Deletions	Balance September 30, 2010
Capital assets, not being depreciated:					
Land	\$ 68,184	\$ 6,790	\$ -	\$ (120)	\$ 74,854
Intangible assets	333	30	-	-	363
Construction in progress	3,884	2,108	(482)	(14)	5,496
Total capital assets, not being depreciated	72,401	8,928	(482)	(134)	80,713
Capital assets, being depreciated:					
Buildings	77,938	1,585	-	(166)	79,357
Improvements other than buildings	58,915	2,431	-	(147)	61,199
Automobiles and trucks	21,286	2,993	319	(2,137)	22,461
Machinery and equipment	29,027	1,092	-	(1,566)	28,553
Leasehold improvements	1,486	34	-	-	1,520
Intangible assets	2,672	394	43	(341)	2,768
Other capital assets	7,681	1,096	44	(518)	8,303
Total capital assets being depreciated	199,005	9,625	406	(4,875)	204,161
Less accumulated depreciation for:					
Buildings	29,913	2,507	-	(65)	32,355
Improvements other than buildings	29,439	2,515	-	(96)	31,858
Automobiles and trucks	13,033	1,852	(71)	(1,976)	12,838
Machinery and equipment	15,799	1,562	-	(951)	16,410
Leasehold improvements	258	138	-	-	396
Intangible assets	2,280	250	-	(341)	2,189
Other capital assets	4,570	516	-	(1)	5,085
Total accumulated depreciation	95,292	9,340	(71)	(3,430)	101,131
Total capital assets, being depreciated, net	103,713	285	477	(1,445)	103,030
Governmental activities capital assets, net	\$ 176,114	\$ 9,213	\$ (5)	\$ (1,579)	\$ 183,743

Business-type activities:	Balance September 30, 2009	Additions	Transfers	Deletions	Balance September 30, 2010
Capital assets, not being depreciated:					
Land	\$ 34,308	\$ 474	\$ -	\$ (138)	\$ 34,644
Intangible assets	362	99	-	-	461
Construction-in-progress	13,979	11,200	(12,949)	(160)	12,070
Total capital assets, not being depreciated	<u>48,649</u>	<u>11,773</u>	<u>(12,949)</u>	<u>(298)</u>	<u>47,175</u>
Capital assets, being depreciated:					
Buildings	249,213	1,334	3,550	(432)	253,665
Land improvements/terminal parking	61,544	728	5,780	(1,253)	66,799
Improvements other than buildings	38,165	64	702	(75)	38,856
Service lines	184,004	2,296	1,908	-	188,208
Automobiles and trucks	13,556	1,842	76	(652)	14,822
Machinery and equipment	63,792	1,260	1,009	(1,658)	64,403
Intangible assets	885	34	-	-	919
Other capital assets	822	55	-	-	877
Total capital assets, being depreciated	<u>611,981</u>	<u>7,613</u>	<u>13,025</u>	<u>(4,070)</u>	<u>628,549</u>
Less accumulated depreciation for:					
Buildings	73,088	7,795	-	(265)	80,618
Land improvements/terminal parking	35,780	3,570	-	(1,195)	38,155
Improvements other than buildings	19,035	2,420	-	(75)	21,380
Service lines	45,098	1,899	-	-	46,997
Automobiles and trucks	8,122	882	71	(617)	8,458
Machinery and equipment	33,734	4,161	-	(1,172)	36,723
Intangible assets	585	128	-	-	713
Other capital assets	143	27	-	-	170
Total accumulated depreciation	<u>215,585</u>	<u>20,882</u>	<u>71</u>	<u>(3,324)</u>	<u>233,214</u>
Total capital assets, being depreciated, net	<u>396,396</u>	<u>(13,269)</u>	<u>12,954</u>	<u>(746)</u>	<u>395,335</u>
Business-type activities capital assets, net	<u>\$ 445,045</u>	<u>\$ (1,496)</u>	<u>\$ 5</u>	<u>\$ (1,044)</u>	<u>\$ 442,510</u>

Depreciation Expense was charged to the government functions as follows:

General Government	\$ 1,843
Fire	1,466
Police	1,014
Parks and Recreation	2,911
Culture and Library	950
Community Service	1,031
Community development	29
Total government functions	<u>9,244</u>

Depreciation on transferred property
Capital assets held by the government's internal
service funds charged to the various functions
based on their usage

96

Total Depreciation Expense-Governmental Activities \$ 9,340

E. Interfund Receivables, Payables and Transfers

The composition of the interfund balances as of September 30, 2010 is as follows:

	Receivable (Due to) Fund								
	General	Capital	Non-major Governmental	Airport	Sewer	Solid Waste	Non-major Proprietary	Internal Service	Total
Payable (Due from) Fund									
General	\$ 554	\$ 229	\$ 10	\$ 883	\$ 1,692	\$ 111	\$ 432	\$ 438	\$ 4,349
Capital	188								188
Non-major Governmental	84								84
Airport	1,275	46			7		50	16	1,394
Sewer	2,091	60					4	1	2,156
Solid Waste	1,276	28	9				2		1,315
Non-major Proprietary	617	1						1	619
Internal Service	309	1		2				5	317
	<u>\$ 6,394</u>	<u>\$ 365</u>	<u>\$ 19</u>	<u>\$ 885</u>	<u>\$ 1,699</u>	<u>\$ 111</u>	<u>\$ 488</u>	<u>\$ 461</u>	<u>\$ 10,422</u>

Interfund payables to General Fund were:

- Transfer between General Fund funded departments (\$554)
- Indirect cost allocation adjustment (\$1,909)
- Transfer for payroll liability (\$524)
- Transfer for Fire and Police service at the Airport (\$339)
- City Sewer, Trash & Geothermal charges (\$1,395)
- Other (\$1,673)

Interfund payables to the Capital Projects Fund were:

- Transfer of tax support for capital projects (\$229)
- Cash reclassifications with other funds (\$136)

Interfund payables to Airport Fund were:

- Cash reclassifications with other funds (\$10)
- Other (\$9)

Interfund payables to the Sewer Fund were:

- Indirect Cost allocation adjustment (\$672)
- Transfer for payroll liability (\$608)
- Monthly cross charges (\$69)
- Cash reclassifications with other funds (\$350)

Interfund payables to the Solid Waste Fund were:

- Indirect cost allocation adjustment (\$65)
- Transfer for payroll liability (\$13)
- Cash reclassifications with other funds (\$38)

Advances to/from other funds as of September 30, 2010:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Airport	Internal Service	\$ 78
Sewer	Non-major proprietary	112
Solid Waste	Internal Service	<u>669</u>
		<u>\$ 859</u>

The amount not expected to be repaid within one year to the Solid Waste Fund from the Fleet Services Fund was \$669. The \$112 balance of the loan from the Sewer Fund to the Geothermal Fund is the result of stopping the planned payments for fiscal year 2010 on a temporary basis to ensure adequate cash flow for the major pipeline extension planned for fiscal year 2010. This temporary suspension started in fiscal year 2009.

	Transfer in:								
	General	Capital	Non-major Governmental	Airport	Sewer	Solid Waste	Non-major Proprietary	Internal Service	Total
Transfer out:									
General	\$ -	\$ 100	\$ 2,502	\$ 25	\$ -	\$ -	\$ 14	\$ -	\$ 2,641
Capital Projects		79							79
Non-major Governmental		45							45
Airport									-
Sewer									-
Solid Waste		103							103
Non-major Proprietary		100							100
Internal Service									-
	<u>\$ 327</u>	<u>\$ 100</u>	<u>\$ 2,502</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 2,968</u>

Transfers are used to a) move revenues from the General Fund to the Capital Projects Fund to fund authorized projects (\$100) and b) transfer support from one fund to another consisting mainly in 2010 of transfers from the general fund for debt payments (\$2,492).

F. Risk Management –Claim Liability

Liability	<u>2010</u>	<u>2009</u>
Other accrued liabilities, at September 30, of prior year	\$ 2,467	\$ 2,295
Less: Other than claim related liabilities in Other accrued liabilities		
Total unpaid claims and claim adjustment expenses at September 30 of prior year	<u>2,467</u>	<u>2,295</u>
Provision for self-insured events of the current year	<u>285</u>	<u>260</u>
 Total incurred claims and claims adjustment expenses	 2,752	 2,555
Payments:		
Claims and claim adjustment expenses attributable to self insured events of the current year	57	30
Claims and claim adjustment expenses attributed to self insured events of prior years	<u>289</u>	<u>58</u>
 Total Payments	 <u>346</u>	 <u>88</u>
Total unpaid claims and claim adjustment expenses at September 30	2,406	2,467
Add: Other than claim related liabilities in Other accrued liabilities Other accrued liabilities at September 30	<u>\$ 2,406</u>	<u>\$ 2,467</u>
 Workers Compensation	 <u>2010</u>	 <u>2009</u>
Other accrued liabilities, at September 30, of prior year	\$ 2,906	\$ 2,813
Less: Other than claim related liabilities in Other accrued liabilities		
Total unpaid claims and claim adjustment expenses at September 30 of prior year	<u>2,906</u>	<u>2,813</u>
Provision for self-insured events of the current year	<u>1,236</u>	<u>1,194</u>
 Total incurred claims and claims adjustment expenses	 4,142	 4,007
Payments:		
Claims and claim adjustment expenses attributable to self insured events of the current year	327	458
Claims and claim adjustment expenses attributed to self insured events of prior years	<u>730</u>	<u>643</u>
 Total Payments	 <u>1,057</u>	 <u>1,101</u>
Total unpaid claims and claim adjustment expenses at September 30	3,085	2,906
Add: Other than claim related liabilities in Other accrued liabilities Other accrued liabilities at September 30	<u>\$ 3,085</u>	<u>\$ 2,906</u>
 Total Risk Management Other Accrued Liabilities as of September 30	 <u>\$ 5,491</u>	 <u>\$ 5,373</u>

There are no judgments outstanding. Claims expected to be paid within the next year are \$198 and \$609 for liability and workers compensation, respectively.

G. Long Term Debt

The following is a summary of changes in long-term obligations of the City a September 30, 2010.

Governmental Activities	Long-Term		Long-Term		
	Obligations at	Additions	Deletions	Obligations at	
	October 1, 2009			September 30, 2010	
				Due Within	
				One Year	
Revenue Bonds:					
Refunding Bonds 2001A	\$ 25,050		\$ 585	\$ 24,465	\$ 615
Refunding Bonds 2002A					
Less: Def. Amt On Refunding	(104)		(104)	0	
Capital Leases:					
Golf Course Improvement					
Project	485		90	395	95
City Hall 2	2,220		409	1,811	426
Other Long-Term Debt					
Obligations:					
Compensated Absences	3,787	1,062	380	4,469	604
Total Governmental					
Activities	31,438	1,062	1,360	31,140	1,740
Business-Type Activities					
Revenue Bonds:					
Airport Revenue Refunding	2,665		1,305	1,360	1,363
Less deferral	(30)		(20)	(10)	
Plus premium	17		10	7	
Wastewater Facility Note	13,350		1,100	12,250	1,149
Deferred gain	67		25	42	
Capital Leases:					
Airport Revenue					
COP's 2000	43,865		1,160	42,705	1,200
Installment Loans:					
Sewer Line Loan	1,154		37	1,117	38
Sewer Line Loan	115		46	69	48
Sewer Line Loan	7,201		325	6,876	337
Other Long-Term Debt					
Obligations:					
Airport Line Of Credit	0				
Section 108 Advance	1,120		140	980	140
Compensated Absences					
and Other Post					
Employment Benefits	1,222	241	212	1,251	221
Total Business-Type					
Activities	70,746	241	4,340	66,647	4,496
Total	\$ 102,184	\$ 1,303	\$ 5,700	\$ 97,787	\$ 6,236

For Governmental Activities, the General Fund generally liquidates compensated absences.

Governmental Activities:

BONDS:

Refunding Bonds 2001A

\$28,445 Revenue Refunding Bonds due in annual

installments of \$485 to \$1,840 through 2032, interest accrues at 4.75% to 5.375%. Callable on or after December 1, 2011.	\$24,465
CAPITAL LEASES	
Golf Course Improvement Project \$1,185 lease due in annual installments of \$75 to \$105 through 2014; interest accrues at 3.25% to 5.20%. Callable on or after December 1, 2006.	395
City Hall 2 \$6,500 Capital Lease due in annual installments of \$363 to \$480 through 2015. Zero interest lease. Implied rate is 4.087%	1,811
OTHER LONG-TERM LIABILITIES	
Compensated absences	<u>4,469</u>
Total Governmental Funds	<u>31,140</u>
<u>Business-type Activities:</u>	
REVENUE BONDS:	
Airport Revenue Refunding Bond – Series 2004-1: \$9,515 Bonds due in annual principal installments of \$1,110 to \$1,360 and semi-annual interest installments of \$24 to \$122 through 2011; interest accrues at 1.35% to 3.67%. Not callable. Less deferral Plus premium	1,360 (10) 7
Wastewater Facility Note Refunding Bonds – Series 1999: \$22,145 Refunding bonds due in annual installments of \$930 to \$1,625 through 2019; interest accrues at 3.10% to 4.75%. Callable on or after February 1, 2009 Deferred gain on refunding	12,250 42
CAPITAL LEASES:	
Airport Revenue COP's – 2000: \$52,000 lease due in annual principal installment of \$935 to \$3,405 through 2030; interest accrues at 4.60% to 5.875%. Callable on or after September 1, 2010	42,725
LOANS:	
Section 108 Loan: \$2,100 Section 108 loan due in annual installments of \$140 through 2017; interest accrues at 3.45% to 5.77%.	980
Sewer Line Loan: \$1,616 loan due in semi-annual payments including interest of \$59 through 2022; interest accrues at 4%.	1,117
Sewer Line Loan: \$672 sewer line loan due in semi-annual payments including interest of \$25 through	

2012; interest accrues at 4%.	69
Sewer Line Loan: \$8,240 sewer line loan; to be repaid in bi-annual installments over 20 years; interest accrues at 3.75%.	6,876
Compensated Absences	<u>1,251</u>
Total Business-type Activities:	<u>66,647</u>
Total long-term liabilities	<u>\$ 97,787</u>

Conduit Bonds

The City is authorized under Title 50 Chapter 27 of the *Idaho Code* to create an industrial development corporation for the purpose of issuing Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of manufacturing, processing, production, assembly, warehousing, solid waste disposal, ski area and energy facilities (excluding facilities to transmit, distribute or produce electrical energy). Ordinance No. 4700 of the City created the Industrial Development Corporation of the City of Boise, Idaho.

From time to time the City, through the Industrial Development Corporation, has issued Industrial Revenue Bonds. The bonds are payable solely from payments received from the private-sector entity served by the issuance. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity. Pursuant to Title 50 Chapter 2706 of the *Idaho Code*, neither the City, the State nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of September 30, 2010, there is one Industrial Revenue Bond outstanding, with an aggregate principal amount of \$2,635.

Claims and Judgments

There are currently no outstanding claims or judgments against the City that would constitute long-term debt. Reserves for open, unsettled claims are disclosed in Footnote F and in the statistical section of the CAFR.

Capital Leases

The City is obligated under a lease accounted for as a capital lease. The leased asset and related obligation are accounted for in the Statement of Net Assets in the Governmental-Wide Financial Statements. The future minimum lease payments as of September 30, 2010 are \$2,436 for governmental and \$71,939 for business-type. The original capitalized amount of the governmental leases was \$6,091 with total accumulated depreciation of \$1,526 as of September 30, 2010. The business-type capital lease has an original capitalize amount of \$59,079 and accumulated depreciation of \$10,545 as of September 30, 2010.

The following is a schedule of future minimum lease payments under the capital leases, together with the net present value of the minimum lease payments as of September 30, 2010.

Fiscal Year Ending September 30	Governmental Lease	Business-type Lease
	Payments	Payments
2011	\$ 613	\$ 3,596
2012	608	3,595
2013	608	3,596
2014	607	3,596
2015		3,598
2016-2020		17,988
2021-2025		17,983
2026-2030		17,987
2031		-
Minimum Lease Payments for the Capital Leases	2,436	71,939
Less: Amount representing interest at the City's incremental borrowing rate of interest.	(230)	(29,214)
Present value of minimum lease payments on September 30, 2010	<u>\$ 2,206</u>	<u>\$ 42,725</u>

The annual requirements to amortize all debt outstanding as of September 30, 2010 excluding obligations associated with compensated absences, post-retirement benefits, and deferred amounts are as follows:

	Governmental Activities		Business-type activities		Entity Wide	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 1,246	\$ 1,443	\$ 4,290	\$ 3,372	\$ 5,536	\$ 4,815
2012	1,293	1,385	3,038	3,182	4,331	4,567
2013	1,317	1,324	3,160	3,033	4,477	4,357
2014	1,375	1,260	3,312	2,875	4,687	4,135
2015	835	1,195	3,475	2,708	4,310	3,903
2016-2020	5,115	5,248	17,789	10,733	22,904	15,981
2021-2025	6,035	3,772	14,215	6,778	20,250	10,550
2026-2030	7,435	2,004	15,883	2,706	23,318	4,710
2031-2035	3,580	195	200	-	3,780	195
Total	<u>\$ 28,231</u>	<u>\$ 17,826</u>	<u>\$ 65,362</u>	<u>\$ 35,387</u>	<u>\$ 93,593</u>	<u>\$ 53,213</u>

In Idaho, a municipality is allowed a debt limit of two percent of the market valuation of the real and personal property in its taxing area. The City's legal debt limit for 2010, based on data available from Ada County, would be approximately \$373,358.

H. Pension Plan

Substantially all full-time employees of the City participate in the Public Employees Retirement System of Idaho (PERSI), a cost-sharing multiple-employer public employee retirement system, created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute.

Designed as a mandatory system for eligible state and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. Financial reports for the plan are available from PERSI upon request.

After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each year of credited service, the annual service retirement

allowance is 2.0 percent or 2.3 percent (depending upon employee classification) of the average monthly salary for the highest consecutive forty-two months.

For the year ended September 30, 2010, the required contribution rates, as determined by PERSI, are as follows:

	<u>Employee</u>	<u>Employer</u>
General Member	6.23%	10.39%
Police	7.65%	10.73%
Fire (hired after October 1, 1980)	7.65%	27.97%
Fire (hired before October 1, 1980)	11.45%	36.62%

The combined contributions from the City and employees were \$19,737, \$18,623 and \$17,133 for the three years ended September 30, 2010, 2009 and 2008 respectively.

I. Fund Balance Designations

The amounts designated for the subsequent year and special purpose expenditures consist of the following:

<u>General Fund</u>	
Home Energy Audit	\$ 325
Urban Forestry	111
General Fund Cash Flow Reserve	800
All other subsequent year expenditures- each under \$100,000	3,983
Designated for following year special purposes	<u>17,905</u>
	<u>\$ 23,124</u>

Capital Projects

The Capital Projects Fund does not have any amounts designated due to having a negative undesignated fund balance remaining. There must be remaining fund balance to designate, and with a balance of \$(2,836) this requirement is not met.

The designation for special purposes is a set aside for cash flow purposes. It does not specifically identify a transaction, but rather is determined by the amount under budgeted expense in the first year of the two (2) year budget cycle. At the end of the first year, the entire amount of budgetary expenditure savings for all areas except personnel are rebudgeted to the the second year of the budget cycle after deductions for overages in personnel and revenue shortages.

J. Net Assets

The government-wide statement of net assets reports \$55,444 of restricted net assets, of which \$13,437 is restricted by enabling legislation.

K. Commitments

Construction to complete in governmental construction funds as of September 30, 2010, was \$5,056. The estimated cost to complete proprietary construction projects was approximately \$25,377. Of the estimated cost to complete proprietary constructions projects, approximately \$4,636 will be funded by state and federal grants, and passenger facility charges.

See Note I for City commitments that are included in fund balance designations.

L. Contingent Liabilities

The City is involved in several claims and is a defendant in pending and threatened litigation. While it is not feasible to predict or determine the ultimate outcome of all these matters, in management's opinion, they will not have a material adverse effect upon accompanying financial statements.

M. Defeasance of Debt

On October 15, 2007 the City defeased 2002A Revenue refunding bonds by placing the investments to repay the bonds in an irrevocable trust to pay off the bonds when allowed to be called. All the bonds are planned to be called by December 2011. Accordingly, the trust account assets and the liability for the bonds are not included in the financial statements for the City. As of September 30, 2010 the bonds valued at \$1,980 are considered defeased. The amount paid into the trust was \$2,016; \$31 of this amount was in addition to the current value of the assets held to payoff the bonds.

N. Subsequent Event

The City completed an advance refunding of the Airport terminal debt on 2/28/11. The purpose of the refunding was to take advantage of lower interest rates, pay down \$10,000 of principal and shorten the maturity by 10 years. The new debt amount is \$32,480 and will be paid off with annual installments by September 2020.

M. Component Unit

Capital City Development Corporation is an urban renewal agency created by and existing under the Idaho Urban Renewal Law of 1965, as amended, and is an independent public body.

The following is a summary of the disclosures required for a fair presentation of the component unit in the City's financial statements:

The accounting and reporting policies of the Agency relating to the funds included in the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. As allowed in Section P80 of GASB's "Codification of Governmental Accounting and Financial Reporting Standards", the Corporation has elected not to apply to its proprietary fund and government-wide financial statements Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989.

Restricted Assets –Restricted assets are held by the Agency's agent in the Agency's name. Investments are generally held until maturity. The bond resolutions limit investments to certain types of securities, which meet defined standards. At September 30, 2010, \$2,211 is restricted for debt service reserves and for expenditure on certain capital asset acquisitions.

Due From Other Governmental Units

Amounts due from other agencies and units of government are as follows:

Ada County Capital Lease \$ 48,785

The following represents the minimum future payments on the capital lease from Ada County.

2011	\$ 4,715
2012	2,853
2013	5,088
2014	5,234
2015	5,313
Thereafter	<u>38,002</u>
	61,205
Less amount representing interest	<u>(14,420)</u>
	<u>\$ 46,785</u>

Long-term Debt

The following is long-term debt for the agency for the year ended September 30,2010

Parking and Revenue and Revenue Allocation Bonds

Series 2002 C	\$ 2,050
Series 2004 A	6,555
Series 2004 B	1,180
Series 2005 County Complex	46,785
Series 2010 A-1	2,810
Series 2010 A-2	<u>2,690</u>
	<u>62,070</u>

At September 30, 2010, long term debt is classified on the Statement of Net Assets as:

Current portion	\$ 3,995
Long-term debt	<u>59,439</u>
	<u>\$ 63,434</u>

The 2002 Series C bonds for the Civic Plaza Parking Garage bear a variable interest rate determined weekly by the remarketing agent. At September 30, 2010, the interest rate was 0.95%. There is a letter of credit issued by Key Bank that backs the 2002 C bonds. The 2002 Series C bonds were refunded through Bank of America and the new bonds are the 2010 C Series. The 2010 C Series are tax exempt fixed rate bonds with a rate of 4.29%. The bonds mature on September 1, 2024.

The 2004 Series A and B bonds for the Boise Downtown (BoDo) Project bear a variable interest rate determined annually by the remarketing agent. At September 30, 2010, the interest rate on the 2004 Series A bonds was 0.95% and the rate on the 2004 Series B bonds was 1.50%. There are letters of credit issued by Key Bank that back the 2004 A and B bonds. The Series 2004 A

and B bonds were redeemed on October 15, 2010. The Series A and B bonds were refunded through the Bank of America and the new bonds are the Series 2010 B-1 and Series 2010 B-2. The Series 2010 B-1 are tax exempt fixed rate bonds with a rate of 4.25% that mature on September 1, 2024. The Series 2010 B-2 are taxable fixed rate bonds with a rate of 3.05% that mature on September 1, 2013.

The 2005 Series bonds bear interest at rates between 3.5% and 5.24%. The Agency does not have the option to redeem bonds maturing in years 2006 through 2015 prior to the maturity date, unless extraordinary events happen as prescribed in the debt agreement. Series that mature on or after August 15, 2016 are subject to redemption at the option of the Agency, which option shall be exercised upon the written direction of the County, in whole or in part at any time at a price equal to 100% plus accrued interest. The bonds mature on August 15, 2022.

The annual requirements to retire the debt as of September 30, 2010 are as follows:

	GOVERNMENTAL ACTIVITIES		BUSINESS TYPE ACTIVITIES	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2011	\$ 2,617	\$ 2,447	\$ 1,378	\$ 410
2012	2,900	2,348	1,480	411
2013	3,267	2,216	1,523	366
2014	3,579	2,049	1,566	319
2015	3,841	1,867	1,614	269
2016-2020	23,866	6,117	2,589	873
2021-2025	10,802	765	2,498	271
	<u>50,872</u>	<u>17,809</u>	<u>12,648</u>	<u>2,919</u>
Deferred Charges	-	-	(205)	-
Total	<u>\$ 50,872</u>	<u>\$ 17,809</u>	<u>\$ 12,443</u>	<u>\$ 2,919</u>

In prior years, the Agency had a line of credit of \$3,000 for the River Street/Myrtle Street project, with an annual limit based on projected revenue. The line of credit was closed on August 20, 2010.

Long-term liability activity for the year ended September 30, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government					
Activities:					
Line of Credit	\$ 400	\$ -	\$ (400)	\$ -	\$ -
2004A&B Series	3,831		(223)	3,608	202
2005 Series	48,635		(1,850)	46,785	2,415
	<u>\$ 52,866</u>	<u>\$ -</u>	<u>\$ (2,473)</u>	<u>\$ 50,393</u>	<u>\$ 2,617</u>
Business- Type					
Activities:					
1995 Series A	\$ 2,380	\$ -	\$ (2,380)	\$ -	\$ 340
1995 Series B	1,970		(1,970)	-	274
1998 Series	2,340		(2,340)	-	345
1999 Series	1,335		(1,335)	-	241
2010 Series A-1	-	2,810		2,810	1,040
2010 Series A-2	-	2,690		2,690	-
2002C Series	2,065		(15)	2,050	15
2004A&B Series	4,379		(251)	4,128	228
	<u>\$ 14,469</u>	<u>\$ 5,500</u>	<u>\$ (8,291)</u>	<u>\$ 11,678</u>	<u>\$ 2,483</u>

Notes Receivable

The Agency earned a developer fee in the amount of \$1,760 for services rendered to the development of the Civic Plaza project in 2003. The Agency was compensated in the form of cash paid during the year in the amount of \$1,030 and a note receivable from Civic Plaza, LP for the remaining balance of \$730. The terms of the note are 5.25% interest compounded annually through 2042. No principal or interest payments are due until 2042, at which time the note may be exchanged for 83% ownership in the project, at which point the Agency will own 100% of the project. The note principal and interest balance was \$1,036 at September 30, 2010.

Commitment and Contingencies

The Agency agreed to take responsibility for the match requirement for the Federal Transportation Authority Multi Modal Center grant administered through Valley Regional Transit. The match responsibility was previously the obligation of Boise City. The total match requirement may be up to \$2,393. Of this total requirement, \$250 has already been met, leaving a remaining match commitment of \$2,143. If the actual match is less than \$2,143, the Agency will provide the funding up to a total of \$2,143 inclusive of the grant match to other projects identified in the Downtown Mobility Study.

The Agency established a separate bank account in which to deposit funds for the match. As of September 30, 2010 the balance in this account was \$2,143.

Leases

The Agency entered into leases for the following:

The Agency entered into a new lease on July 1, 2008. The lease term expires on June 30, 2013. Monthly rent is \$15.

The Agency entered into a lease for a copier in September 2010. The lease has a term of three years and expires on October 2013. The annual rent is \$7. The lease qualifies as a capital lease. The original amount and accumulated depreciation are as follows:

Copier lease agreement	\$ 22
Accumulated depreciation	-

The payout schedule is as follows:

2011	7
2012	7
2013	8
	22

Less amount representing interest	(1)
Principal	\$ 21

Lease Other

The Agency has entered into an agreement with Ada County on the County Courthouse Project. The Agency has leased approximately 10.3 acres of land owned by Ada County under a master ground lease obligation that expires in 2098. The Agency issued bonds, Series 1999 for the County Courthouse Project in the amount of \$62,620 to finance the acquisition, construction and improvement of the courthouse and administration building for use by Ada County, and related parking facilities, integrated retail space and other public improvements. The Agency refunded the Series 1999 bonds and issued bonds, Series 2005, during the year. The bonds are the obligation of the Agency, payable from and secured solely by lease payments made by Ada County under the agreement. The agreement provides for lease payments equal to the amount necessary for the payment of annual debt service requirements for the Series 2005 bonds. The Agency plans to lease the Courthouse to Ada County for the remaining twelve years of the thirty year term, with title reverting to Ada County at the end of the lease term. Upon satisfaction of the outstanding lease obligation, Ada County may purchase the facilities from the Agency for \$1. (This \$1 is not rounded to the nearest thousand)

The Agency has recorded the transaction as a capital lease receivable for \$46,785. This receivable will be received over the remaining twelve years of the thirty year term.

The Agency entered into an agreement with Eleven Eleven West Jefferson LLC to lease 200 parking permits in the Boise Plaza Parking garage for a period of five years. The Agency has the right to sell the parking permits to the public in compliance with the rates in its parking management plan. The lease term is for sixty months following the effective date. The lease became effective on June 29, 2009, sixty days after the certificate of occupancy was issued. The annual lease rate is \$214 and payment is due in advance on October 1st of each fiscal year.

Future minimum lease payments under the leases are as follows:

	Master Ground Lease	Civic Plaza Garage	Parking Office Facility	Boise Plaza	Total
2011	\$ 4,715	\$ 1,044	\$ 179	\$ 214	\$ 6,152
2012	4,853	1,237	180	214	6,484
2013	5,088	1,269	135	213	6,705
2014	5,234	1,292		158	6,684
2015	5,313	1,320			6,633
Thereafter	62,659	13,031			75,690
Total minimum lease Payments	\$ 87,862	\$ 19,193	\$ 494	\$ 799	\$ 108,348

Total lease expense for the year ended September 30, 2010, was \$5,493.

Significant Contractual Agreements

The Agency is party to numerous agreements related to the development of the parcels in the Ada County Courthouse Corridor. Under the provisions of these agreements, the developer has provided a guarantee of tax increment revenue from certain parcels in the project. Per the agreement, if the actual annual tax increment revenue received from the County on these parcels is less than the annual amount of tax increment revenue anticipated per the schedules in the agreements, the developer is responsible for payment of the difference, or some portion thereof, to the Agency. Once the Agency receives the tax increment guarantee revenue, the Funds Flow calculation specified in the agreements is prepared. If sufficient funding is available, the Agency may be required to make certain payments to the developer as specified in the Funds Flow. Accordingly, the Agency has recorded a receivable for the amount due to it for the annual tax increment guarantee. The Agency has recorded a contingent liability for the amount it estimates will be due to the developer upon receipt of the tax increment guarantee funds. The Agency and the developer have not reached final agreement on the interpretation of the provisions of the various agreements. On November 26, 2008 the Agency filed a complaint in Ada County District Court to enforce its rights to certain tax increment guarantees under one of the agreements with one of the involved parties. The parties reached an out of court settlement relative to this complaint in December, 2010. As part of the settlement, the tax guarantees were restated and the Agency's receivable was reduced accordingly.

Subsequent Events

The Agency entered into a memorandum of understanding with an effective date of October 1, 2010 with Ada County to realign the rights and obligations related to parking operations and lease agreements for the County Courthouse Corridor project. The original agreements governing parking and lease obligations were entered into in 2002. Since that time, actual development in the Project area has not occurred as anticipated in the original agreements. Several of the parcels in the Project area reverted to the County through a condemnation action and were no longer available for development. Tax increment financing guarantees contemplated in the original agreements were not paid and became the subject of ongoing litigation. Given these circumstances, the Agency and Ada County undertook a comprehensive review of the agreements governing the Project. The results of the review indicated a restatement of the agreements that would be of joint benefit to the Agency and Ada County. The memorandum of understanding captured the Agency's and Ada County's concurrence for a restatement of the agreements with certain provisions in mind. The portion of the ground rent due from the Agency to Ada County for the Agency's share of the Master Ground Lease shall be converted to a fixed amount of \$15 for the same fifteen year period commencing October 1, 2010. Under the previous agreements, the total ground rent for that same fifteen year period would have been \$15,172. The Avenue A East and Avenue A West garages, common area grounds and surface parking in the Project area shall be transferred to Ada County with no additional payment from Ada County. Ada County shall retain all the parking income from these facilities effective October 1, 2010. The restatement of the parking and lease obligations is expected to provide the Agency with greater financial predictability and stability in the River Myrtle District.

In 2010, the Agency undertook an effort to refinance and restructure its outstanding debt. The refunding project has four phases. The first phase was the refunding of the Central District debt and it was completed on August 26, 2010. The new Central District debt, the Series 2010 A-1 and 2010 A-2 is described in the notes above. The second phase was the refunding of the Series 2004 A and 2004 B variable bonds into fixed rate bond issues. The rate on the tax-exempt 2010 B-1 bonds is 4.24%, the outstanding principal on October 14, 2010 was \$7,480 and the bonds mature in 2024. The rate on the taxable 2010 B-2 bonds is 2.99%, the outstanding principal on October 14, 2010 was \$1,215 and the bonds mature in 2013. The third phase was the refunding of the Series 2002 C bonds. The 2010 C Notes close on November 12, 2010 and refunded the 2002 C variable rate bonds into a fixed rate instrument, placed privately with Bank of America. The rate on the 2010 C notes is 4.34%, the outstanding principal on November 12, 2010 was \$2,545 and the maturity date is September 1, 2024.

City of Boise, Idaho
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2010
(amounts expressed in thousands)

	Special Revenue Community and Economic Development	Permanent Fund Dedicated Trust	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$	\$	\$	\$ -
Investments	813	2,839	9,774	13,426
Accounts and interest receivable		17	48	65
Grants receivable	96			96
Interfund receivables	10	9		19
Restricted cash and investments			174	174
Total assets	<u>\$ 919</u>	<u>\$ 2,865</u>	<u>\$ 9,996</u>	<u>\$ 13,780</u>
LIABILITIES				
Accounts payable	\$ 81	\$	\$ 20	\$ 101
Other accrued liabilities				-
Interfund payables	38	46		84
Unearned revenue				
Total liabilities	<u>119</u>	<u>46</u>	<u>20</u>	<u>185</u>
FUND BALANCES				
Fund balances:				
Reserved for debt service and other obligations			8,808	8,808
Reserved for dedicated purposes	800	2,819		3,619
Unreserved, designated for subsequent years' expenditures			1,168	1,168
Total fund balances	<u>800</u>	<u>2,819</u>	<u>9,976</u>	<u>13,595</u>
Total liabilities and fund balances	<u>\$ 919</u>	<u>\$ 2,865</u>	<u>\$ 9,996</u>	<u>\$ 13,780</u>

City of Boise, Idaho
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

	Special Revenue Community and Economic Development	Permanent Fund Dedicated Trust	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Intergovernmental revenues	\$ 1,432	\$	\$	\$ 1,432
Program income	637			637
Charges for services		38		38
Investment income		80	250	330
Miscellaneous revenues	21			21
Total revenues	<u>2,090</u>	<u>118</u>	<u>250</u>	<u>2,458</u>
Expenditures:				
Current:				
General Government			-	
Community and economic development	1,656			1,656
Community services				
Debt service:				
Principal payments			1,084	1,084
Interest and fiscal charges			1,418	1,418
Total expenditures	<u>1,656</u>		<u>2,502</u>	<u>4,158</u>
Excess (deficiency) of revenues over (under) expenditures	<u>434</u>	<u>118</u>	<u>(2,252)</u>	<u>(1,700)</u>
Other financing sources (uses):				
Interfund transfers in			2,502	2,502
Interfund transfers out	-	(45)		(45)
Total other financing sources (uses):		<u>(45)</u>	<u>2,502</u>	<u>2,457</u>
Net change in fund balances	434	73	250	757
Fund balance at beginning of year	<u>366</u>	<u>2,746</u>	<u>9,726</u>	<u>12,838</u>
Fund balance at end of year	<u>\$ 800</u>	<u>\$ 2,819</u>	<u>\$ 9,976</u>	<u>\$ 13,595</u>

City of Boise, Idaho
 Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended September 30, 2010
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$	\$	\$	\$
Franchise fees	1,730	1,730	1,674	(56)
Licenses and permits	1,050	1,050	865	(185)
Intergovernmental revenues	150	3,057	668	(2,389)
Charges for services		608	16	(592)
Donations	4,410	5,531	1,376	(4,155)
Investment income	510	510	127	(383)
Miscellaneous revenues		125	68	(57)
Total revenues	7,850	12,611	4,794	(7,817)
Expenditures:				
Current:				
General Government	603	1,931	824	1,107
Police	35	121	51	70
Fire	132	421	180	241
Parks and recreation	1,041	3,303	1,410	1,893
Culture	150	468	200	268
Community services	223	697	298	399
Capital outlay	10,024	31,250	13,361	17,889
Interest and fiscal charges	899	899		899
Total expenditures	13,107	39,090	16,324	22,766
Excess (deficiency) of revenues over expenditures	(5,257)	(26,479)	(11,530)	14,949
Other financing sources (uses):				
Capital leases				
Interfund transfers in	5,419	5,127	100	(5,027)
Interfund transfers out	(500)	(500)	(79)	421
Total other financing sources (uses)	4,919	4,627	21	(4,606)
Net change in fund balances	(338)	(21,852)	(11,509)	10,343
Fund balance at beginning of year	30,618	30,618	30,618	
Fund balance at end of year	\$ 30,280	\$ 8,767	\$ 19,109	\$ 10,343

City of Boise, Idaho
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 278	\$ 278	\$ 250	\$ (28)
Total revenues	<u>278</u>	<u>278</u>	<u>250</u>	<u>(28)</u>
Expenditures:				
Current:				
Principal	675	675	1,084	(409)
Interest and other charges	<u>1,692</u>	<u>1,692</u>	<u>1,418</u>	<u>274</u>
Total expenditures	<u>2,367</u>	<u>2,367</u>	<u>2,502</u>	<u>(135)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,089)</u>	<u>(2,089)</u>	<u>(2,252)</u>	<u>(163)</u>
Other financing sources (uses):				
Interfund transfers in	2,502	2,502	2,502	
Interfund transfers out				
Total other financing sources (uses)	<u>2,502</u>	<u>2,502</u>	<u>2,502</u>	
Net change in fund balances	413	413	250	(163)
Fund balance at beginning of year	9,746	9,746	9,726	(20)
Fund balance at end of year	<u>\$ 10,159</u>	<u>\$ 10,159</u>	<u>\$ 9,976</u>	<u>\$ (183)</u>

City of Boise, Idaho
Special Revenue - Community and Economic Development
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 1,199	\$ 2,327	\$ 1,432	\$ (895)
Program income		915	637	(278)
Investment income				
Miscellaneous revenues			21	21
Total revenues	<u>1,199</u>	<u>3,242</u>	<u>2,090</u>	<u>(1,152)</u>
Expenditures:				
Current:				
Community development	1,200	3,232	1,656	1,576
Total expenditures	<u>1,200</u>	<u>3,232</u>	<u>1,656</u>	<u>1,576</u>
Excess (deficiency) of revenues over expenditures	<u>(1)</u>	<u>10</u>	<u>434</u>	<u>424</u>
Other financing sources (uses):				
Interfund transfers in		39		(39)
Interfund transfers out				
Total other financing sources (uses)		<u>39</u>		<u>(39)</u>
Net change in fund balances	<u>(1)</u>	<u>49</u>	<u>434</u>	<u>385</u>
Fund balance at beginning of year	366	366	366	
Fund balance at end of year	<u>\$ 365</u>	<u>\$ 415</u>	<u>\$ 800</u>	<u>\$ 385</u>

City of Boise, Idaho
 Permanent Fund - Dedicated Trust
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended September 30, 2010
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 60	\$ 60	\$ 38	\$ (22)
Investment income	80	80	80	
Total revenues	<u>140</u>	<u>140</u>	<u>118</u>	<u>(22)</u>
Expenditures:				
Current:				
Community services	<u>60</u>	<u>60</u>		<u>60</u>
Total expenditures	<u>60</u>	<u>60</u>		<u>60</u>
Excess (deficiency) of revenues over (under) expenditures	<u>80</u>	<u>80</u>	<u>118</u>	<u>38</u>
Other financing sources (uses):				
Interfund transfers out	<u>(80)</u>	<u>(80)</u>	<u>(45)</u>	<u>35</u>
Total other financing sources (uses):	<u>(80)</u>	<u>(80)</u>	<u>(45)</u>	<u>35</u>
Net change in fund balances			73	73
Fund balance at beginning of year	2,746	2,746	2,746	
Fund balance at end of year	<u>\$ 2,746</u>	<u>\$ 2,746</u>	<u>\$ 2,819</u>	<u>\$ 73</u>

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City of Boise, Idaho
 Nonmajor Proprietary Funds
 Combining Statement of Net Assets
 September 30, 2010
 (amounts expressed in thousands)

	<u>Geothermal</u>	<u>Municipal Irrigation</u>	<u>Housing Rehabilitation</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$	\$	\$
Investments	532	68	1,399
Receivables (net of allowance for uncollectibles)			
Accounts and interest	19	(2)	950
Grants	232		168
Assessments		3	
Mortgage loans receivable			11,786
Mortgage loans in process			
Interfund receivables	14	41	433
Inventory	169		
Other assets			1,280
Prepaid items			2
Total current assets	<u>966</u>	<u>110</u>	<u>16,018</u>
Noncurrent assets:			
Capital assets:			
Land			2,325
Buildings	110		10,562
Improvements other than buildings	2,175		5
Service lines	4,617	149	
Automobiles and trucks			121
Machinery and equipment	393	115	229
Intangible assets	9		28
Construction in process	450		1
Less accumulated depreciation	<u>(3,170)</u>	<u>(56)</u>	<u>(5,016)</u>
Total capital assets (net of accumulated depreciation)	<u>4,584</u>	<u>208</u>	<u>8,255</u>
Total noncurrent assets	<u>4,584</u>	<u>208</u>	<u>8,255</u>
Total assets	<u>\$ 5,550</u>	<u>\$ 318</u>	<u>\$ 24,273</u>

Total Nonmajor
Business-type Funds

\$	1,999
	967
	400
	3
	11,786
	488
	169
	1,280
	<u>2</u>
	17,094
	2,325
	10,672
	2,180
	4,766
	121
	737
	37
	451
	<u>(8,242)</u>
	13,047
	<u>13,047</u>
\$	<u>30,141</u>

City of Boise, Idaho
 Nonmajor Proprietary Funds
 Combining Statement of Net Assets (continued)
 September 30, 2010
 (amounts expressed in thousands)

	<u>Geothermal</u>	<u>Municipal Irrigation</u>	<u>Housing Rehabilitation</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 51	\$ 1	\$ 200
Other accrued liabilities		10	84
Compensated absences	1		11
Interfund payables	62	46	511
Unearned revenue	95	4	
Current portion of long-term debt			140
Total current liabilities	<u>209</u>	<u>61</u>	<u>946</u>
Noncurrent liabilities:			
Compensated absences	5		53
Interfund payables	112		
Other long-term debt, non-current			840
Total noncurrent liabilities	<u>117</u>	<u></u>	<u>893</u>
Total liabilities	<u>326</u>	<u>61</u>	<u>1,839</u>
NET ASSETS			
Invested in capital assets, net of related debt	4,584	208	7,275
Restricted for loans			15,159
Restricted for repairs			
Unrestricted (deficit)	640	49	
Total net assets	<u>\$ 5,224</u>	<u>\$ 257</u>	<u>\$ 22,434</u>

Total Nonmajor
Business-type Funds

\$	252
	94
	12
	619
	99
	140
	<u>1,216</u>

	58
	112
	840
	<u>1,010</u>
	<u>2,226</u>

	12,067
	15,159
	689
\$	<u>27,915</u>

City of Boise, Idaho
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Nonmajor Proprietary Funds
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

	<u>Geothermal</u>	<u>Municipal Irrigation</u>	<u>Housing Rehabilitation</u>
Operating revenues:			
Charges for services:			
Program income	\$	\$	\$ 1,238
Interest income			482
User fees	609	32	
Parking and concessions			
Total charges for services	<u>609</u>	<u>32</u>	<u>1,720</u>
Miscellaneous revenues	<u>7</u>		<u>48</u>
Total operating revenues	<u>616</u>	<u>32</u>	<u>1,768</u>
Operating expenses:			
Personal services	97		944
Contractual services and utilities	277	40	1,507
Supplies and materials	(11)		29
Depreciation	<u>155</u>	<u>9</u>	<u>413</u>
Total operating expenses	<u>518</u>	<u>49</u>	<u>2,893</u>
Operating income (loss)	<u>98</u>	<u>(17)</u>	<u>(1,125)</u>
Nonoperating revenues (expenses)			
Operating grants			2,956
Gain (loss) on property sale/exchange			
Interest revenue	1		94
Interest expense			(58)
Total nonoperating revenues (expenses)	<u>1</u>		<u>2,992</u>
Income before interfund transfers and contributions	99	(17)	1,867
Interfund transfers in		14	
Interfund transfers out	(100)		
Capital contributions	<u>298</u>		<u>5</u>
Change in net assets	<u>297</u>	<u>(3)</u>	<u>1,872</u>
Total net assets - beginning of year	4,927	260	20,562
Total net assets - end of year	<u>\$ 5,224</u>	<u>\$ 257</u>	<u>\$ 22,434</u>

Total Nonmajor
Business-type Funds

\$ 1,238
482
641

2,361
55

2,416

1,041
1,824
18
577

3,460

(1,044)

2,956
95
(58)

2,993

1,949
14
(100)
303

2,166

25,749

\$ 27,915

City of Boise, Idaho
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

	<u>Geothermal</u>	<u>Municipal Irrigation</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 577	\$ 33
Receipts from interfund services provided		8
Receipts from interfund services used		
Payments to suppliers	(325)	(40)
Payments to employees	(88)	
Payments for interfund services provided	(12)	
Payments for interfund services used	(23)	(10)
Other operating revenue received	7	
Other operating payments		(1)
Net cash provided (used) by operating activities	<u>136</u>	<u>(10)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund transfers to other funds	(100)	
Operating grants received		
Interfund transfers from other funds		14
Payments for interfund receivables		
Interest paid		
Net cash provided (used) by noncapital financing activities	<u>(100)</u>	<u>14</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(241)	
Proceeds from sale of capital assets		
Proceeds from sale of land		
Mobile home lot sales		
Loan foreclosures		
Principal paid on debt		
Interest paid on financing		
Payments of interfund payables		
Capital contributions	381	
Net cash provided (used) by capital and related financing activities	<u>140</u>	
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(500)	(58)
Proceeds from sale and maturities of investment securities	324	52
Interest on investments and advances		
Net cash provided (used) by investing activities	<u>(176)</u>	<u>(6)</u>
Net increase (decrease) in cash		(2)
Cash beginning of year		2
Cash end of year	<u>\$</u>	<u>\$</u>

Housing Rehabilitation	Totals
\$ 1,081	\$ 1,691
	8
241	241
(1,457)	(1,822)
(937)	(1,025)
(221)	(233)
	(33)
101	108
(55)	(56)
<u>(1,247)</u>	<u>(1,121)</u>
	(100)
2,793	2,793
	14
<u>2,793</u>	<u>2,707</u>
(164)	(405)
25	25
(1,277)	(1,277)
(140)	(140)
(58)	(58)
<u>5</u>	<u>386</u>
<u>(1,609)</u>	<u>(1,469)</u>
(1,034)	(1,592)
1,005	1,381
92	92
<u>63</u>	<u>(119)</u>
	(2)
	2
<u>\$</u>	<u>\$</u>

City of Boise, Idaho
Combining Statement of Cash Flows (continued)
Nonmajor Proprietary Funds
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

	Geothermal	Municipal Irrigation
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 98	\$ (17)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	155	9
(Gain) loss on disposal of capital assets		
(Increase) decrease in accounts receivable	(4)	1
(Increase) decrease in assessments		(1)
(Increase) decrease in mortgage loans receivable		
(Increase) decrease in mortgage loans in process		
(Increase) decrease in inventory	(12)	
(Increase) decrease in interfund receivables	(12)	(10)
(Increase) decrease in prepaid items		
Increase (decrease) in accounts payable	(44)	
Increase (decrease) in compensated absences	6	
Increase (decrease) in other accrued liabilities		
Increase (decrease) in interfund payables	(23)	8
Increase (decrease) in unearned revenue	(28)	
Total adjustments	38	7
Net cash provided by operating activities	\$ 136	\$ (10)
Noncash investing, capital and financing activities:		
Increase (decrease) in fair value of investments		

<u>Housing Rehabilitation</u>	<u>Totals</u>
<u>\$ (1,125)</u>	<u>\$ (1,044)</u>
413	577
(265)	(268)
(373)	(1)
	(373)
	(12)
(221)	(243)
1	1
73	29
12	18
(3)	(3)
241	226
	<u>(28)</u>
<u>(122)</u>	<u>(77)</u>
<u>\$ (1,247)</u>	<u>\$ (1,121)</u>

3

3

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City of Boise, Idaho
Schedule of Revenues and Expenditures
Airport Fund
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

	Annual Budget Final	2010 Actual Amounts	YTD Percent to Budget
Operating revenues:			
Airline landing fees	\$ 4,343	3,607	83%
Airline rent	4,132	3,911	95%
Parking fees	7,680	7,007	91%
Car rental	3,610	3,137	87%
Concessions	1,556	1,468	94%
Rental income	2,373	2,184	92%
Corporate sponsorship/donations	24	22	92%
Inflight food sales	300	350	117%
Other	691	818	118%
Total operating revenues	<u>24,709</u>	<u>22,504</u>	<u>91%</u>
Operating expenses:			
Personnel services	6,114	5,655	92%
Administration expenses	4,061	2,889	71%
Supplies and materials	3,453	1,996	58%
Professional services	6,491	4,978	77%
Purchased services	45	618	1373%
Utilities and communications	1,161	1,298	112%
Total operating expenses	<u>21,325</u>	<u>17,434</u>	<u>82%</u>
Operating income (loss)	3,384	5,070	150%
Nonoperating revenues (expenses)			
Passenger facility charges	6,096	5,598	92%
Customer facility charges	743	703	95%
Grants	501	425	85%
Transfers in	21	25	119%
Transfers out			
Interest revenue	650	762	117%
Interest expense	(2,609)	(2,529)	97%
Asset sales			
Gain (loss) on property sale/exchange			
Total nonoperating revenue (expenses)	<u>5,402</u>	<u>4,984</u>	<u>92%</u>
Net Income(Loss) before			
Depreciation and capital grant contributions	8,786	10,054	114%
Depreciation	(11,990)	(11,720)	98%
Capital contributions, grants	17,696	5,754	33%
Capital contributions, donations			
Net Income after depreciation and capital grants	<u>14,492</u>	<u>4,088</u>	<u>28%</u>

PFC Quarterly Report - Summary

City of Boise

Boise Airport

Charge Expiration Date: August 1, 2018

Quarter ending: 2010 Q4

Authority and Cumulative Expenditures

Authorizing Document	Authority		Cumulative	
	Impose	Use	Collections + Int	Expenditures
94-01-C-02-BOI	\$9,650,423	\$9,650,423	9,650,453	9,650,453
96-02-C-02-BOI	10,540,607	10,540,607	10,540,605	10,540,605
99-03-C-02-BOI	96,884,411	96,884,411	61,560,833	42,355,682
06-04-C-00-BOI	5,377,736	5,377,736	-	4,910,420
Total	\$122,453,177	\$122,453,177	\$81,751,891	\$67,457,160

Collections and Interest

	Previously Reported	Current Quarter	Prior Period Adjustments	Cumulative
PFC Revenue	\$79,221,622	\$1,457,974	\$ -	\$80,679,596
Interest Earned	1,013,026	59,270	-	1,072,295
Total	\$ 80,234,648	1,517,243	\$ -	\$ 81,751,891

Remaining Authorized Collections

\$40,701,286

PFC Account Balance

\$14,294,731

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City of Boise, Idaho
Combining Statement of Net Assets
Internal Service Funds
September 30, 2010
(amounts expressed in thousands)

	Shop	L. M. Cunningham	Risk Management	Total Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$	\$	\$ 68	\$ 68
Investments	315	288	8,534	9,137
Receivables:				
Accounts and interest	3	2	30	35
Interfund receivables	384		77	461
Inventory	13			13
Prepaid items			17	17
Total current assets	<u>715</u>	<u>290</u>	<u>8,726</u>	<u>9,731</u>
Noncurrent assets:				
Interfund receivables				
Capital assets:				
Buildings	1,215			1,215
Improvements other than buildings	83			83
Automobiles and trucks	214		40	254
Machinery and equipment	169		18	187
Intangible assets	74		81	155
Construction in progress				
Less accumulated depreciation	(948)		(71)	(1,019)
Total capital assets (net of accumulated depreciation)	<u>807</u>		<u>68</u>	<u>875</u>
Total noncurrent assets	<u>807</u>		<u>68</u>	<u>875</u>
Total assets	<u>\$ 1,522</u>	<u>\$ 290</u>	<u>\$ 8,794</u>	<u>\$ 10,606</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 194	\$	\$ 80	\$ 274
Other accrued liabilities			5,491	5,491
Compensated absences	17		3	20
Interfund payables	120		197	317
Unearned revenue				
Total current liabilities	<u>331</u>		<u>5,771</u>	<u>6,102</u>
Noncurrent liabilities:				
Compensated absences	82		12	94
Interfund payables	747			747
Total noncurrent liabilities	<u>829</u>		<u>12</u>	<u>841</u>
Total liabilities	<u>1,160</u>		<u>5,783</u>	<u>6,943</u>
NET ASSETS				
Invested in capital assets, net of related debt	807		68	875
Unrestricted (deficit)	(445)	290	2,943	2,788
Total net assets	<u>\$ 362</u>	<u>\$ 290</u>	<u>\$ 3,011</u>	<u>\$ 3,663</u>

City of Boise, Idaho
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

	Shop	L. M. Cunningham	Risk Management	Total Internal Service Funds
Operating revenues:				
Charges for services:				
User fees	\$ 2,623	\$ 5	\$ 3,625	\$ 6,253
Total charges for services	<u>2,623</u>	<u>5</u>	<u>3,625</u>	<u>6,253</u>
Miscellaneous revenues	32		22	54
Donations		7		7
Total operating revenues	<u>2,655</u>	<u>12</u>	<u>3,647</u>	<u>6,314</u>
Operating expenses:				
Personal services	1,158		514	1,672
Contractual services and utilities	924	3	3,122	4,049
Supplies and materials	601	5	24	630
Depreciation	78		18	96
Total operating expenses	<u>2,761</u>	<u>8</u>	<u>3,678</u>	<u>6,447</u>
Operating income (loss)	<u>(106)</u>	<u>4</u>	<u>(31)</u>	<u>(133)</u>
Nonoperating revenues (expenses)				
Grant revenue		-		-
Interest revenue		6	186	192
Interest expense	(18)			(18)
Total nonoperating revenues (expenses)	<u>(18)</u>	<u>6</u>	<u>186</u>	<u>174</u>
Income before interfund transfers and contributions	<u>(124)</u>	<u>10</u>	<u>155</u>	<u>41</u>
Interfund transfers in				
Interfund transfers out				
Change in net assets	<u>(124)</u>	<u>10</u>	<u>155</u>	<u>41</u>
Total net assets - beginning of year	486	280	2,856	3,622
Total net assets - end of year	<u>\$ 362</u>	<u>\$ 290</u>	<u>\$ 3,011</u>	<u>\$ 3,663</u>

City of Boise, Idaho
Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

	Shop	L. M. Cunningham
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 2,623	\$ 3
Receipts from interfund services provided		16
Receipts from interfund services used	70	
Other operating receipts	33	7
Payments to suppliers	(1,576)	(11)
Payments to employees	(1,150)	
Payments for interfund services provided	(104)	
Payments for interfund services used		
Net cash provided (used) by operating activities	(104)	15
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund transfers to other funds		
Interfund transfers from other funds		
Operating grants received		
Receipts for advances from other funds		
Payments for advances from other funds	(56)	
Net cash provided (used) by noncapital financing activities	(56)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets		
Proceeds from sale of capital assets		
Interest paid on financing	(18)	
Net cash provided (used) by capital and related financing activities	(18)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(3,246)	(202)
Proceeds from sale and maturities of investment securities	3,424	159
Interest on investments		6
Net cash provided (used) by investing activities	178	(37)
Net increase (decrease) in cash and cash equivalents		(22)
Cash and cash equivalents at beginning of year		22
Cash and cash equivalents at end of year	\$	\$

Risk Management	<u>Totals</u>
\$ 3,625	\$ 6,251
	16
59	129
22	62
(3,084)	(4,671)
(500)	(1,650)
(73)	(177)
<u>49</u>	<u>(40)</u>
	<u>(56)</u>
	<u>(56)</u>
	<u>(18)</u>
	<u>(18)</u>
(8,633)	(12,081)
8,400	11,983
137	143
<u>(96)</u>	<u>45</u>
<u>(47)</u>	<u>(69)</u>
<u>115</u>	<u>137</u>
<u>\$ 68</u>	<u>\$ 68</u>

City of Boise, Idaho
Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

	Shop	L. M. Cunningham
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (106)	\$ 4
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	78	
(Increase) decrease in accounts receivable		(2)
(Increase) decrease in interfund receivables	(104)	16
(Increase) decrease in inventory	77	
(Increase) decrease in prepaid items	1	
Increase (decrease) in accounts payable	(136)	(3)
Increase (decrease) in other accrued liabilities	16	
Increase (decrease) in interfund payables	70	
Increase (decrease) in unearned revenue	-	
Total adjustments	2	11
Net cash provided by (used for) operating activities	\$ (104)	\$ 15

Noncash investing, capital and financing activities:

Increase (decrease) in fair value of investments

Risk Management	<u>Totals</u>
<u>\$ (31)</u>	<u>\$ (133)</u>
18	96
(73)	(2)
(17)	(161)
(22)	77
115	(16)
59	(161)
<u>80</u>	<u>131</u>
<u>\$ 49</u>	<u>\$ (40)</u>

(7)	(7)
-----	-----

Boise City, Idaho
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended September 30, 2010
(amounts expressed in thousands)

	Balance September 30, 2009	Additions	Deletions	Balance September 30, 2010
<u>Boise City Trust Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 54	\$ 5,579	\$ 5,078	\$ 555
Investments	400	813	1,213	
Accounts receivable	41	13	41	13
Interest and dividends receivable				
Total assets	<u>\$ 495</u>	<u>\$ 6,405</u>	<u>\$ 6,332</u>	<u>\$ 568</u>
LIABILITIES				
Accounts and interest payable	\$ 43	\$ 3,088	\$ 3,107	\$ 24
Refunds payable and other	452	1,423	1,331	544
Total liabilities	<u>\$ 495</u>	<u>\$ 4,511</u>	<u>\$ 4,438</u>	<u>\$ 568</u>

Statistical Section

This part of the City of Boise's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present the information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the services it performs.

Insurance Information

These schedules contain information pertaining to insurance, liability and workers compensation self insurance plans.

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City of Boise
 Net Assets by Component
 Last Ten Fiscal Years
 Amounts Expressed in Thousands

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Governmental Activities										
Invested in capital assets, net of related debt	\$ 180,664	\$ 172,518	\$ 162,609	\$ 158,509	\$ 143,454	\$ 120,522	\$ 120,050	\$ 112,025	\$ 102,753	\$ 90,649
Restricted	19,330	21,030	21,076	22,086	17,884	16,300	16,655	18,386	15,588	11,034
Unrestricted	15,631	16,880	25,584	28,334	28,889	11,589	3,290	(2,427)	(33)	2,910
Total governmental activities net assets	215,625	210,428	209,269	208,929	190,227	148,411	139,995	127,984	118,308	104,593
Business-type Activities										
Invested in capital assets, net of related debt	377,079	375,521	374,328	363,607	346,846	334,807	332,110	318,262	302,695	248,075
Restricted	35,585	29,931	24,060	17,873	16,699	12,177	12,150	11,464	10,848	11,025
Unrestricted	63,671	59,879	62,467	64,219	58,092	55,662	41,682	50,847	64,085	94,777
Total business-type activities net assets	476,335	465,331	460,855	445,699	421,637	402,646	385,942	380,573	377,628	353,877
Primary government										
Invested in capital assets, net of related debt	557,743	548,039	536,937	522,116	490,300	455,329	452,160	430,287	405,448	338,724
Restricted	54,915	50,961	45,136	39,959	34,583	28,477	28,805	29,850	26,436	22,059
Unrestricted	79,302	76,759	88,051	92,553	86,981	67,251	44,972	48,420	64,052	97,687
Total primary government activities net assets	\$ 691,960	\$ 675,759	\$ 670,124	\$ 654,628	\$ 611,864	\$ 551,057	\$ 525,937	\$ 508,557	\$ 495,936	\$ 458,470

City of Boise
 Changes in Net Assets
 Last Ten Fiscal Years
 Amounts Expressed in Thousands

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003 ⁽¹⁾	2002 ⁽¹⁾	2001 ^(1,2)
Expenses										
Governmental activities										
General Government	\$ 28,881	\$ 28,838	\$ 27,997	\$ 22,019	\$ 16,217	\$ 17,634	\$ 14,452	\$ 13,977	\$ 15,043	\$ 13,299
Public Safety: ⁽¹⁾								58,333	52,491	46,868
Fire	40,486	35,655	35,364	31,644	31,063	30,057	26,797			
Police	47,125	47,181	45,958	40,340	36,415	34,874	32,681			
Parks and recreation	22,158	22,283	22,624	21,199	19,155	18,092	17,682	15,141	14,943	13,676
Culture	9,477	9,642	9,002	7,333	7,266	6,798	5,310	6,207	6,254	5,740
Community Services	13,803	13,849	14,437	13,758	12,066	11,401	11,545	10,845	10,282	9,921
Community Development	1,663	1,137	1,384	1,437	585	567	743	757	1,139	994
Interest and fiscal charges	1,528	1,667	1,803	1,872	1,929	1,999	2,064	2,209	1,754	1,776
Total governmental activities expenses	165,121	160,252	158,569	139,602	124,696	121,422	111,274	107,469	101,906	92,274
Business-type activities										
Airport	30,796	31,492	32,829	32,880	28,622	27,414	26,268	21,450	18,886	16,805
Sewer	29,909	30,355	30,297	27,599	27,580	26,204	25,312	25,570	25,060	22,260
Solid waste	23,712	23,763	23,728	20,203	18,971	16,207	14,534	13,918	13,667	13,485
Other	3,518	3,288	3,125	3,927	3,193	4,313	4,133	6,790	10,396	8,699
Total business-type activities expenses	87,935	88,898	89,979	84,609	78,366	74,138	70,247	67,728	68,009	61,249
Total primary government expenses	\$ 253,056	\$ 249,150	\$ 248,548	\$ 224,211	\$ 203,062	\$ 195,560	\$ 181,521	\$ 175,197	\$ 169,915	\$ 153,523
Program Revenues										
Governmental activities										
Charges for services:										
General government	\$ 6,599	\$ 6,561	\$ 6,490	\$ 5,324	\$ 4,285	\$ 3,342	\$ 1,719	\$ 2,643	\$ 2,085	\$ 3,139
Public Safety:(1)								5,634	4,969	4,375
Fire	7,751	4,731	3,519	3,471	3,819	3,263	3,218			
Police	5,290	5,361	5,698	3,707	3,235	2,974	2,344			
Parks and recreation	6,647	6,529	7,088	7,654	7,634	7,055	5,957	5,320	4,320	5,692
Community services	6,408	6,395	9,122	10,357	10,261	8,510	7,382	351	6,772	9,516
Other activities	1,187	880	520	484	485	528	486	6,339	775	167
Operation grants and contributions	22,040	19,715	20,916	22,459	19,507	18,350	17,808	16,802	16,278	14,512
Capital grants and contributions	4,057	2,763	2,406	5,055	23,647	2,226	6,822	3,490	6,047	7,541
Total governmental activities revenues	59,979	52,935	55,759	58,511	72,873	46,248	45,736	40,579	41,246	44,942
Business-type activities										
Charges for services: ⁽²⁾										
Airport	22,221	21,125	23,683	23,624	22,242	20,269	17,611	15,745	14,537	49,672
Sewer	26,908	25,174	25,781	25,570	24,201	23,066	22,168	20,399	19,295	
Solid waste	23,563	24,157	23,508	19,707	18,698	15,623	14,589	13,123	12,712	
Other	2,361	2,717	2,712	2,604	2,275	2,523	2,450	3,259	2,903	
Operation grants and contributions	5,899	4,927	5,600	4,389	2,401	2,177	1,939	1,508	3,339	2,999
Capital grants and contributions	15,976	12,228	20,571	27,845	24,336	27,757	21,860	31,192	33,393	29,807
Total business-type activities and program revenues	96,928	90,328	101,855	103,739	94,153	91,415	80,617	85,226	86,179	82,478
Total primary government program revenues	\$ 156,907	\$ 143,263	\$ 157,614	\$ 162,250	\$ 167,026	\$ 137,663	\$ 126,353	\$ 125,805	\$ 127,425	\$ 127,420
Net (Expense)/Revenue										
Governmental activities	\$ (105,142)	\$ (107,317)	\$ (102,810)	\$ (81,091)	\$ (51,823)	\$ (75,174)	\$ (65,538)	\$ (66,890)	\$ (60,660)	\$ (47,332)
Business-type activities	8,993	1,430	11,876	19,130	15,787	17,277	10,370	17,498	18,170	21,229
Total primary government net expense	\$ (96,149)	\$ (105,887)	\$ (90,934)	\$ (61,961)	\$ (36,036)	\$ (57,897)	\$ (55,168)	\$ (49,392)	\$ (42,490)	\$ (26,103)
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes	\$ 102,097	\$ 98,807	\$ 92,769	\$ 88,121	\$ 83,484	\$ 76,350	\$ 71,660	\$ 71,388	\$ 70,152	\$ 61,462
Franchise fees	6,998	7,527	7,343	6,940	6,937	5,992	5,253	5,031	5,600	
Investment earnings	1,085	1,705	2,975	4,572	3,266	1,532	733	810	1,148	
Special items										
Miscellaneous						(1,948)		(160)	390	
Transfers	159	437	63	24	(48)	1,664	(97)	(503)	(2,915)	
Total governmental activities	110,339	108,476	103,150	99,657	93,639	83,590	77,549	76,566	74,375	61,462
Business-type activities										
Investment earnings	2,170	3,483	3,343	4,380	3,153	1,581	897	1,478	2,446	

City of Boise
 Changes in Net Assets
 Last Ten Fiscal Years
 Amounts Expressed in Thousands

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003 ⁽¹⁾	2002 ⁽¹⁾	2001 ^(1,2)
Gain on sale of capital assets			-	-	3	99				
Special items						(589)	(5,996)	(16,534)	220	
Transfers	(159)	(437)	(63)	(24)	48	(1,664)	97	503	2,915	
Total business-type activities	2,011	3,046	3,280	4,356	3,204	(573)	(5,002)	(14,553)	5,581	-
Total primary government	\$ 112,350	\$ 111,522	\$ 106,430	\$ 104,013	\$ 96,843	\$ 83,017	\$ 72,547	\$ 62,013	\$ 79,956	\$ 61,462
Changes in Net Assets										
Governmental activities	\$ 5,197	\$ 1,159	\$ 340	\$ 18,566	\$ 41,816	\$ 8,416	\$ 12,011	\$ 9,676	\$ 13,715	\$ 14,130
Business-type activities	11,004	4,476	15,156	23,486	18,991	16,704	5,368	2,945	23,751	21,229
Total primary government	\$ 16,201	\$ 5,635	\$ 15,496	\$ 42,052	\$ 60,807	\$ 25,120	\$ 17,379	\$ 12,621	\$ 37,466	\$ 35,359

(1) For FY 2001, 2002 and 2003 the breakdown between Police and Fire was not available in the CAFR statements

(2) For FY 2001 the breakdown for business-type activities under Charges for services was not available.

City of Boise
Fund Balances, Governmental Funds
Last Ten Fiscal Years
Amounts Expressed in Thousands

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund										
Reserved	\$ 5,816	\$ 6,283	\$ 6,331	\$ 4,723	\$ 4,712	\$ 1,800	\$ 1,320	\$ 855	\$ 2,510	\$ 4,620
Unreserved	24,192	15,529	16,709	24,603	24,218	14,846	11,671	9,455	7,326	8,813
Total general fund	30,008	21,812	23,040	29,326	28,930	16,646	12,991	10,310	9,836	13,433
All Other Governmental Funds										
Reserved	33,687	28,293	35,301	31,458	28,044	25,540	25,976	28,180	25,937	16,990
Unreserved										
Capital projects fund	(2,151)	9,121	10,403	12,641	12,255	8,727	4,408	1,268	3,110	5,576
Debt service fund	1,168	6,042	1,492	1,632	1,523	1,669	1,480	1,378	1,660	4,191
Total all other governmental funds	32,704	43,456	47,196	45,731	41,822	35,936	31,864	30,826	30,707	26,757
Total all governmental funds	\$ 62,712	\$ 65,268	\$ 70,236	\$ 75,057	\$ 70,752	\$ 52,582	\$ 44,855	\$ 41,136	\$ 40,543	\$ 40,190

A FY 2002 restatement not reflected in 2001

City of Boise
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 Amounts Expressed in Thousands

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
									(1)	(1)
Revenues										
Property taxes	\$ 101,822	\$ 97,573	\$ 92,500	\$ 88,087	\$ 83,635	\$ 76,446	\$ 71,761	\$ 71,382	\$ 69,020	\$ 61,461
Franchise fees	6,998	7,527	7,343	6,940	6,937	5,992	5,253	5,031	5,600	5,167
Licenses and permits	4,469	4,720	6,687	8,183	8,522	7,182	5,826	6,099	5,564	8,053
Intergovernmental revenues	19,696	18,644	20,553	20,107	19,101	17,161	17,186	16,028	15,497	14,362
Program income	637	370	12				9		418	59
Charges for services	28,542	25,535	25,406	22,346	21,072	18,999	16,521	14,574	12,917	14,230
Fines and forfeitures	3,793	3,329	3,717	4,019	3,501	3,005	3,079	2,946	2,899	3,272
Donations	1,591	723	906	844	589	400	1,315	329	372	427
Investment income	893	1,324	2,549	4,022	2,904	1,366	649	710	974	2,039
Miscellaneous revenue	3,649	921	1,072	4,894	947	1,565	1,375	1,051	1,939	2,558
Total Revenue	172,090	160,666	160,745	159,442	147,208	132,116	122,974	118,150	115,200	111,628
Expenditures										
General government	26,838	26,737	27,919	23,108	17,935	17,275	15,960	15,644	18,447	14,626
Public safety										
Fire	38,489	34,153	32,296	29,931	29,646	27,364	25,388	23,693	22,852	20,722
Police	46,249	46,326	45,053	39,289	35,828	33,628	31,615	29,709	27,890	26,241
Parks and recreation	18,198	17,968	17,999	18,576	16,767	14,760	14,148	12,715	11,874	11,215
Culture	8,969	8,563	7,923	6,650	6,386	5,631	5,532	5,005	5,074	4,948
Community services	13,035	13,346	13,884	13,223	11,583	11,100	11,080	11,080	9,856	9,468
Community development	1,656	1,125	1,368	1,442	588	589	767	742	1,117	1,030
Capital outlay	18,874	19,361	14,519	20,389	7,531	10,895	9,974	15,318	21,204	9,493
Debt service										
Principle	1,084	1,033	2,968	1,038	999	950	2,877	1,208	1,475	2,920
Interest	1,418	1,465	1,568	1,645	1,714	1,751	1,847	1,925	1,030	1,715
Total expenditures	174,810	170,077	165,497	155,291	128,977	123,943	119,188	117,039	120,819	102,378
Excess of revenues over (under) expenditures	(2,720)	(9,411)	(4,752)	4,151	18,231	8,173	3,786	1,111	(5,619)	9,250
Other financing sources uses										
Capital leases									5,228	
Sale of capital assets									2,231	346
Bonds issued									30,855	
Payments to refunded bond escrow agent									(29,265)	
Transfers in	2,929	9,438	15,270	20,714	11,514	9,277	8,570	5,483	9,930	14,041
Transfers out	(2,765)	(7,857)	(15,339)	(20,696)	(11,575)	(9,723)	(8,637)	(6,001)	(13,007)	(16,724)
Total other financing sources (uses)	164	1,581	(69)	18	(61)	(446)	(67)	(518)	5,972	(2,337)
Net change in fund balance	\$ (2,556)	\$ (7,830)	\$ (4,821)	\$ 4,169	\$ 18,170	\$ 7,727	\$ 3,719	\$ 593	\$ 353	\$ 6,913
Debt service as a percentage of noncapital expenditures	1.50%	1.54%	2.74%	1.73%	2.10%	2.18%	3.96%	2.68%	2.07%	4.53%

1 -Property taxes increased considerably in 2001 and 2002 as a result of a special election creating a two year \$10 million dollar levy to purchase land in the foothills.

City of Boise
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years
 Amounts Expressed in Thousands

Fiscal Year Ended 9/30	Residential Property	Commercial Property	Farm Property	Personal Property	Manufacturing Property	Operating Property	Other Property
2001	7,433,343	5,256,200	4,063	608,185	61,392	272,268	29,382
2002	8,030,509	5,528,723	8,854	661,998	60,981	298,135	23,128
2003	8,646,557	5,096,432	9,088	813,673	61,042	282,356	26,638
2004	9,378,241	4,999,759	10,549	650,849	55,208	251,675	24,928
2005	10,632,595	5,092,541	12,768	691,260	53,312	262,437	26,761
2006	12,863,844	5,753,673	18,957	643,990	664,797	252,489	28,398
2007	15,432,901	6,341,805	15,593	692,252	248,836	274,627	35,140
2008	16,020,033	6,051,550	16,367	678,936	900,041	285,427	43,187
2009	16,019,195	4,989,741	15,843	673,147	900,041	1,048,484	65,097
2010	12,559,179	4,278,179	16,222	635,060	976,569	905,890	25,098

Source: Ada County Auditor's Office
 All years that data was available

Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
1,927,993	11,736,840	0.59
1,999,545	12,612,783	0.58
2,069,032	12,866,754	0.56
2,153,601	13,217,608	0.58
2,323,792	14,447,882	0.57
4,340,545	15,885,603	0.55
4,693,702	18,347,452	0.50
4,761,985	19,233,556	0.51
5,042,294	18,669,254	0.59
4,118,269	15,277,928	0.70

City of Boise
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$1,000 of assessed value)

City Direct Rates			Overlapping Rates ¹						
Fiscal Year	Basic Rate	Total Direct	Ada County	Ada County Highway District	Boise Independent School District	Meridian School District	Whitney Fire	Flood Control	Emergency Medical/ North Ada Search & Rescue
2001	5.87	5.87	2.77	1.01	7.81	6.57	1.75	0.11	0.12
2002	5.81	5.81	2.74	1.00	8.14	6.54	1.75	0.11	0.12
2003	5.56	5.56	2.80	1.01	8.44	6.31	1.83	0.10	0.12
2004	5.79	5.79	2.86	1.03	7.94	6.69	1.50	0.10	0.12
2005	5.73	5.73	2.83	1.01	7.92	6.55	1.94	0.10	0.12
2006	5.49	5.49	2.56	1.01	4.73	3.89	1.58	0.09	0.11
2007	5.03	5.03	2.28	0.87	4.43	3.66	1.69	0.08	0.10
2008	5.14	5.14	2.30	0.91	4.56	3.58	1.91	0.09	0.11
2009	5.87	5.87	2.63	1.02	4.92	3.51	2.10	0.10	0.13
2010	6.98	6.98	3.06	1.19	5.58	3.49	2.40	0.12	2.29

Source: Certification of Ada County Tax Levies provided by Ada County - Form L1.

Note: ¹ Overlapping rates are those of local and county governments that apply to property owners within the City of Boise. Not all overlapping rates apply to all Boise Property owners; for example, although the county property tax rate apply to all the city property owners, the Joplin Cemetery rate applies only to the city property owners whose property is located within the district's geographical boundaries.

City of Boise
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$1,000 of assessed value)

Overlapping Rates ¹

Fiscal Year	Dry Creek Cemetery	Joplin Cemetery	Meridian Cemetery	NW Sewer	West Sewer	Mosquito Abatement	West Ada Recreation
2001	0.01	0.01	0.06	0.17	0.30	0.02	0.08
2002	0.01	0.01	0.06	0.16	0.57	0.02	0.08
2003	0.01	0.01	0.08	0.16	-	0.03	0.08
2004	0.01	0.01		0.15	-	0.03	0.08
2005	0.01	0.01		0.14	-	0.03	0.07
2006	0.01	0.01	0.05	0.14	-	0.03	0.07
2007	0.01	0.01	0.04	0.12	-	0.03	0.06
2008	0.01	0.01	0.04	0.12	-	0.03	0.07
2009	0.03	0.01	0.04	0.14	-	0.01	0.08
2010	0.04	0.01	0.03	0.17	-	0.03	0.10

City of Boise
Principal Property Tax Payers
Current Year and Nine Years Ago
Amount Expressed in Thousands

	2010			2001		
	Market Valuation	Rank	Percentage of Total Market Valuation	Market Valuation	Rank	Percentage of Total Market Valuation
Micron Technology	\$ 512,810	1	2.75%	\$ 1,585,846	1	13.51%
Hewlett Packard	144,113	2	0.77%	228,358	2	1.95%
Boise Mall LLC	119,561	3	0.64%	61,776	6	0.53%
Idaho Power	91,690	4	0.49%	76,070	5	0.65%
Albertsons (Supervalu)	77,036	5	0.41%	85,314	4	0.73%
Qwest (US West)	69,808	6	0.37%	108,546	3	0.92%
United Water (Boise Water Corp)	67,913	7	0.36%	56,438	7	0.48%
Winco Foods LLC	60,506	8	0.32%			
New Albertson's Inc	62,075	9	0.33%			
MK Plaza Trust (WGI)	44,740	10	0.24%	39,434	9	0.34%
Sundance Investments			0.00%	49,946	8	0.43%
S-16 Limited Partnership				36,647	10	0.31%
	<u>\$ 1,250,252</u>		<u>6.68%</u>	<u>\$ 2,328,374</u>		<u>19.85%</u>
Total Market Valuation	18,669,254			11,736,840		

Note: In 2003, due to a court decision, the market valuation for Micron Technology was reduced by \$393,734.

Source: Idaho Department of Commerce
Sundance Investments

City of Boise
 Property Tax Levies and Collections,
 Last Ten Fiscal Years
 Amount Expressed in Thousands

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001 ⁽¹⁾	60,813	60,770	99.9%	43	60,813	100.0%
2002 ⁽¹⁾	69,167	68,186	98.6%	750	68,936	99.7%
2003	73,162	70,373	96.2%	711	71,084	97.2%
2004 ⁽²⁾	72,458	70,828	97.8%	672	71,500	98.7%
2005	76,583	75,921	99.1%	662	76,583	100.0%
2006	82,905	82,516	99.5%	389	82,905	100.0%
2007	87,442	87,269	99.8%	173	87,442	100.0%
2008	92,364	91,523	99.1%	841	92,364	100.0%
2009	97,703	96,076	98.3%	1,092	97,168	99.5%
2010	101,639	99,904	98.3%		99,904	98.3%

Sources: Ada County Tax Auditor's Office and Boise City Treasury and Accounting Departments

(1) Includes Foothills Levy

(2) Ada County miscalculated the rate for the tax levy, therefore a special remittance was made to correct this error. This amount was added to the levy and to the amount collected for the year. The amount of the correction was \$767,146.

City of Boise
 Ratio of Outstanding Debt By Type
 Last Ten Fiscal Years
 Amounts Expressed in Thousands

Governmental Activities

Fiscal Year	Revenue Bonds	Capital Leases	Total Debt	Debt per Capita	Debt to Personal Income
2001	30,740	2,745	33,485	0.174	0.0052
2002	33,090	5,738	38,828	0.201	0.0059
2003	32,315	5,305	37,620	0.192	0.0054
2004	29,830	4,913	34,743	0.174	0.0046
2005	29,285	4,508	33,793	0.162	0.0041
2006	28,710	4,084	32,794	0.155	0.0038
2007	28,115	3,641	31,756	0.150	0.0036
2008	25,605	3,183	28,788	0.140	0.0034
2009	25,050	2,705	27,755	0.132	0.0032
2010	24,465	2,206	26,671	0.125	0.0030

Ratio of Net General Bonded Debt Outstanding

The City has had no general bonded debt from fiscal years 1999 to 2008.

Business-type Activities

Fiscal Year	Revenue Bonds	Capital Leases	Installment Loans	Other Long-Term Obligations	Total Debt	Debt per Capita	Debt to Personal Income
2001	32,102	51,215	418		83,735	0.435	0.0129
2002	30,332	50,440	4,101		84,873	0.44	0.0129
2003	11,414	49,630	3,845		64,889	0.331	0.0094
2004	26,679	48,780	7,898		83,357	0.417	0.0111
2005	24,699	47,890	9,143	5,080	86,812	0.417	0.0105
2006	22,650	46,955	9,727	1,540	80,872	0.382	0.0094
2007	20,534	45,975	9,302	1,400	77,211	0.364	0.0088
2008	18,341	44,950	8,894	1,260	73,445	0.356	0.0086
2009	16,069	43,865	8,470	1,120	69,524	0.331	0.0079
2010	13,649	42,705	8,062	980	65,396	0.305	0.0073

City of Boise
 Direct and Overlapping Governmental Activities Debt
 As of September 30, 2010
 Amounts Expressed in Thousands

Direct Governmental Indebtedness:

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>	<u>Debt per Capita</u>	<u>Debt to Personal Income</u>	Population	Personal Income
Revenue Refunding Bonds 2001A	\$ 24,465	100%	\$ 24,465	0.1142	0.0027	214,170	8,935,875
Golf Course Improvement-COPS	395	100%	395	0.0018	0.0000		
County Building Lease	1,811	100%	1,811	0.0085	0.0002		
Total Direct Governmental Indebtedness:	26,671		26,671	0.1245	0.0029		

Overlapping Bonded Indebtedness:

Ada County	46,785	57%	26,667	0.1245	0.0030
Capital City Development Corporation	50,392	100%	50,392	0.2353	0.0056
Meridian School District	187,187	17%	31,822	0.1486	0.0036
Boise School Dist. #1	99,622	100%	99,622	0.4652	0.0111
Total Overlapping Bonded Indebtedness	383,986		208,503	0.9736	
Total Direct and Overlapping Debt	\$ 410,657		\$ 235,174	\$ 1.0981	\$ 0.0029

Sources: Net taxable value of real and personal property (provided by Ada County) was used to determine the percentage applicable for the Ada County overlapping debt.

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of Boise City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of the overlapping government.

Boise City
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Amounts Expressed in Thousands

Fiscal Year	Debt Limit	Total Net Debt Applicable to the limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of the debt limit
2001	235,785	73,972	161,813	31.37%
2002	252,000	112,842	139,158	44.78%
2003	257,915	118,289	139,626	45.86%
2004	264,660	117,548	147,112	44.41%
2005	289,120	120,043	169,077	41.52%
2006	318,412	116,426	201,986	36.56%
2007	367,050	107,890	259,160	29.39%
2008	379,619	101,372	278,247	26.70%
2009	346,403	96,437	249,966	27.84%
2010	303,232	91,238	211,994	30.09%

Note: A municipality in Idaho is allowed a debt limit of two percent of the market valuation of real and personal property.

City of Boise
Pledged Revenue Coverage
Last Ten Fiscal Years
Amounts Expressed in Thousands

Golf Course Certificates of Participation

Fiscal Year	Pledged Revenue	Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage
2001	1,414		1,414	60	51	12.74
2002	1,463		1,463	65	49	12.83
2003	1,461		1,461	65	46	13.16
2004	1,431		1,431	70	43	12.66
2005	1,456		1,456	70	40	13.24
2006	1,441		1,441	75	37	12.84
2007	1,550		1,550	80	34	13.63
2008	1,499		1,499	80	30	13.61
2009	1,399		1,399	85	26	12.60
2010	1,341		1,341	90	22	11.97

Revenue Refunding Bonds, Series 2001A & 2002A

Fiscal Year	Operating Revenue	15% of General Fund Revenue	Debt Service for All Outstanding General Fund Obligations (1)	Available for Future Debt Service
2002	104,165	15,625	2,616	13,009
2003	108,041	16,206	2,593	13,613
2004	117,149	17,572	2,185	15,387
2005	126,468	18,970	2,179	16,791
2006	140,957	21,144	2,187	18,957
2007	152,429	22,864	2,183	20,681
2008	153,986	23,098	1,997	21,101
2009	154,724	23,211	1,998	21,213
2010	164,838	24,726	2,001	22,725

(1) Parity debt is allowed so long as the maximum annual principal and interest requirements on all outstanding obligations constituting a lien upon General Fund Revenues, and on the obligations proposed to be issued (excluding reserves) does not exceed 15% of the neral Fund Revenues as set forth on the City's most recent audited financial statement.

Airport Revenue Certificates of Participation--Air Terminal Project

Fiscal Year	Pledged Revenue (1)	Operating Expenses (1)	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage
2001	20,616	9,802	10,814	785	2,272	3.54
2002	21,729	11,628	10,101	775	2,824	2.81
2003	22,502	11,761	10,741	810	2,787	2.99
2004	24,066	13,097	10,969	850	2,749	3.05
2005	27,563	13,629	13,934	890	2,708	3.87
2006	30,252	14,659	15,593	935	2,665	4.33
2007	32,260	18,858	13,402	980	2,619	3.72
2008	32,072	18,762	13,310	1,025	2,570	3.70
2009	28,471	17,516	10,955	1,085	2,515	3.04
2010	29,289	17,434	11,855	1,140	2,457	3.30

(1) Includes Operating Revenue, Interest Income, Operating Grants, and Passenger Facilities Charges. Excludes Interest Expense, Depreciation, Gain or Loss on Property Sale/Exchange/Disposal.

Airport Revenue Refunding Bonds, Series 2004-1--Parking Facilities Project

Fiscal Year	Pledged Revenue (1)	Operating Expenses (1)	Senior/Parity Debt Pledges (2)	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
2004	18,979	13,097	1,319	4,563	1,135	28	3.92
2005	21,899	13,629	1,085	7,185	1,075	277	5.32
2006	24,361	14,659	1,086	8,616	1,110	244	6.36
2007	26,063	18,858	1,085	6,120	1,140	211	4.53
2008	26,124	18,762	1,084	6,278	1,175	177	4.64
2009	23,616	17,516	1,086	5,014	1,215	136	3.71
2010	24,394	17,434	1,085	5,875	1,305	93	4.20

(1) Includes Operating Revenue, Interest Income, Operating Grants, Customer Facility Charges; Excludes Interest Expense, Gain on Property Sale/Exchange, Depreciation and income, expenditures and debt service on senior and parity debt related to Passenger Facilities Charges.

(2) Does not include portion of debt service covered by Passenger Facility Charges.

Sewer Wastewater Facility Refunding Bonds

Fiscal Year	Pledged Revenue (1)	Operating Expenses (1)	Senior/Parity Debt Pledges (2)	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
2001	22,692	15,118	49	7,525	775	912	4.46
2002	20,912	16,488	49	4,375	800	884	2.60
2003	21,682	16,703	49	4,930	830	855	2.92
2004	23,857	17,085	49	6,723	860	822	4.00
2005	25,354	17,665	49	7,640	895	787	4.54
2006	27,693	18,263	49	9,381	930	752	5.58
2007	30,324	17,951	49	12,324	965	715	7.34
2008	30,310	20,651	49	9,610	1,005	675	5.72
2009	28,935	21,381	49	7,505	1,045	634	4.47
2010	30,090	20,461	49	9,580	1,090	590	5.70

(1) Includes Interest Income; Excludes Interest Expense, Depreciation.

(2) Annual payment on loan from State Department of Environmental Quality.

City of Boise
 Demographic and Economic Statistics
 Last Ten Calendar Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age ¹	Education Level in Years of Schooling ¹	K-12 School Enrollment	Unemployment Rate
2001	192,290	6,487,672	33,739	33.5	13.8	26,368	4.9%
2002	193,085	6,578,792	34,072	33.9	13.8	25,883	5.6%
2003	195,931	6,921,067	35,324	34.3	13.8	25,634	4.5%
2004	200,062	7,481,118	37,394	34.5	13.8	25,572	4.6%
2005	194,934	7,718,032	39,593	34.7	13.8	25,680	3.2%
2006	198,638	8,083,077	40,693	35.1	13.8	25,287	2.9%
2007	202,412	8,347,926	41,242	35.1	13.8	25,000	2.0%
2008	206,258	8,563,239	41,517	35.1	13.8	24,800	6.8%
2009	210,177	8,754,831	41,655	35.1	13.8	25,000	6.8%
2010	214,170	8,935,875	41,723	35.1	13.8	25,251	9.0%

¹ Information provided by Idaho Department of Commerce and Labor using Census information from 1990, 2000 and estimates for 2004 and 2005. The intervening years (96-99 and 01-03) are estimates based on the total change between the years identified by the Census Bureau. The actual estimates made in these years is not available any longer. From 04 forward the amounts will be based on the actual Census Bureau issued estimates.

Sources Idaho Department of Commerce and Labor
 US Census Bureau
 US Bureau of Economic Analysis
 Boise Independent School District
 Community Planning Association of Southwest Idaho

City of Boise
Principal Employers,
Current Year and 9 Years ago

Employer	2010			2001		
	Employees	Rank	Percentage of Total City Employment	Employees ¹	Rank ¹	Percentage of Total City Employment ¹
State of Idaho (Includes BSU)	14,300	1	5.48%	10,205	2	4.49%
Micron Technology	7,000	2	2.68%	12,000	1	5.28%
US Federal Government	5,250	3	2.01%			
St Luke's Regional Medical Center	4,544	4	1.74%	3,300	5	1.45%
Boise School District	4,000	5	1.53%	3,000	6	1.32%
Hewlett Packard	3,980	6	1.53%	3,800	4	1.67%
JR Simplot	3,500	7	1.34%	3,800	4	1.67%
St Alphonsus Regional Medical Center	3,143	8	1.20%	2,209	7	0.97%
Meridian School District	2,900	9	1.11%			
Albertsons	2,730	10	1.05%	4,137	3	1.82%
Ada County						0.00%
Sears Regional Credit Card Center						0.00%
Boise City				1,388	8	0.61%
Directv				1,300	9	0.57%
	<u>51,347</u>		<u>19.67%</u>	<u>43,839</u>		<u>19.85%</u>
Total Employment in Boise MSA ²			260,900			227,400
			as of December 2009			as of Dec 2000

Source:

1 - FY 1998 City of Boise Audit CAFR

2 - Federal Bureau of Labor Statistics - US Department of Labor

City of Boise
 Full-time Equivalent City Government Employees by Function/Program
 Last Ten Fiscal Years

Department/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Mayor's Office	17	20	18	20	19	19	19	19	22	22
Legal Department	45	48	46	46	46	46	48	48	50	50
Human Resources			11	12	11	11	11	11	12	13
Customer and Support	95	95	57	42	42					
Finance and Administration	20	22	24	25	25	58	59	59	61	60
Information Technology			22	24	24	30	57	57	57	53
Public Safety										
Fire Department	211	244	252	252	250	250	258	258	266	295
Police	311	326	339	350	365	367	402	402	409	396
Parks and Recreation										
	117	132	141	154	155	149	154	154	155	151
Culture										
Arts and History	3	5	5	4	4	4	4	4	5	5
Library	85	88	88	88	88	87	108	108	123	113
Community Services										
Planning & Development	91	95	96	95	95	103	100	100	102	98
Public Works	15	17	18	30	30	28	26	26	29	29
Airport										
	93	88	123	137	137	151	113	113	115	108
Sewer	161	177	190	191	190	195	188	188	193	180
Geothermal	1	1	1	1	1	1	1	1	1	1
Solid Waste	5	5	5	5	5	5	5	5	5	5
Risk Management	3	3	5	4	4	4	4	4	5	5
Workers Comp	1	1	1	1	1	1	1	1	1	1
Fleet Services		13	11	10	10	10	10	17	20	19
Housing Rehab	10	13	16	17	19	19	19	19	19	17
Total	1,283	1,391	1,468	1,508	1,522	1,538	1,587	1,592	1,650	1,621

In FY 2006 Customer and Support Services was reorganized and put under the Department of Finance and Administration except for Communications (5 FTE) which was moved to IT.
 Human Resources and Information Technology were a part of Customer and Support Services until 2003.
 Parks and Recreation acquired Idaho Ice World in 2004
 In CY 2003 and 2004 the City completed large annexations

Source: Boise City Budget Office

City of Boise
 Operating Indicators by Function/Program
 Last Seven Fiscal Years

	2004	2005	2006	2007	2008	2009	2010
General Government							
Mayor and City Council							
Number of Neighborhood Reinvestment project grants awarded	16	12	19	29	19	10	17
Number of active Neighborhood Reinvestment project grants	35	35	41	58	60	59	49
Ordinances and resolutions adopted	400	525	568	681	560	420	526
General Government Administration							
Number of children in licensed daycare facilities (City Clerk)	19,988	32,900	19,000	19,500	9,500	9,728	9,234
Number of square feet of facilities maintained (Facilities Maintenance)	273,200	263,059	253,477	405,671	396,797	457,868	473,379
Legal							
Criminal matters processed (Boise only)	56,225	60,620	64,059	58,211	7,970	21,451	19,637
Criminal matters processed (other than Boise)						4,064	4,689
Human Resources							
Days from requisition to applicant referral (HR Control)	25	27	22	n/a	n/a	n/a	n/a
Information and Technology							
Number of supported PCs and printers	n/a	n/a	1,150	1,843	1,900	1,915	1,942
Number of help desk calls	4,750	2,143	3,537	6,483	20,532	18,824	18,968
Average number of mapping requests per month (internet)	n/a	19,132	30,300	31,400	15,150	29,379	14,631
Financial Services							
Number of purchase orders issued	1,800	1,650	2,060	1,785	1,377	1,099	1,173
Number of dollars recovered by Collections (thousands)	\$ 1,555	\$ 1,226	\$ 1,963	\$ 2,141	\$ 2,395	\$ 2,732	\$ 2,969
Ratio of interest earned vs. interest expense	0.21	0.49	1.07	1.54	1.21	0.71	0.53
Ratio of Portfolio Yield vs. Fed Funds	1.083	0.925	0.957	1.087	1.569	7.348	5.716
Number of loans internally serviced (sewer & housing)	822	763	808	726	765	806	824
Public Safety							
Fire							
Average response time	4.08	4.11	4.14	4.45	4.20	4.57	4.53
Number of fires investigated	101	110	100	127	114	97	108
Number of sprinkler plans reviewed			1,500	912	659	376	362
Police							
Number of police reports taken	42,151	41,403	42,156	46,634	38,603	34,992	32,790
Number of crime scenes processed	3,221	3,148	967	359	309	334	326
Number of citations for hazardous moving violations	26,918	21,118	22,061	23,373	n/a	n/a	n/a
Number of DUI arrests	1,701	1,865	2,240	2,031	2,098	1,824	1,537
Parks and Recreation							
Parks & Rec							
Miles of trails maintained	89	95	97	125	129	129	137
Number of adaptive programs offered	190	143	200	216	188	224	256
Number of acres maintained	14,992	15,776	14,800	15,200	1,386	1,386	1,892
Zoo attendance	229,893	259,223	270,850	295,543	279,687	362,925	332,230
Idaho Ice World attendance	398,710	203,514	232,436	550,442	629,773	574,247	525,202
Number of rounds at Warm Springs Golf course	29,920	46,590	47,959	48,745	46,685	51,353	48,344
Average youth scholarship amount	\$ 40.86	\$ 37.46	\$ 41.73	\$ 34.02	\$ 40.25	\$ 40.97	\$42.37
Number of youth scholarships awarded	224	277	606	771	1,051	1,668	2,344
Number of youth served	649,328	559,865	619,201	650,447	670,618	732,557	702,911

City of Boise
 Operating Indicators by Function/Program
 Last Seven Fiscal Years

	2004	2005	2006	2007	2008	2009	2010
Culture							
Arts							
Number of public art pieces owned by City							180
Estimated number of citizens participating or exposed to programs and publications	17,610	25,448	58,333	60,000	55,000	49,700	487,700
Number of print and electronic publications							10
Number of public program series with four or more separate projects/presentations							16
Number of projects completed	9	10	2	8	18	46	n/a
Number of citizens who received public art walking tours				1,679	2,168	5,500	n/a
Library							
Annual circulation	1,474,816	1,510,530	1,448,423	1,571,639	1,694,089	1,998,057	2,313,307
Reference questions per capita	1.00	0.90	0.23	0.65	1.05	1.23	1.27
Number of special programs		1,499	1,154	1,282	1,513	1,988	2,843
Community Service							
Planning and Development Services							
Total construction permit value (millions)	\$ 369	\$ 465	\$ 654	\$ 657	\$ 369	\$ 259	\$ 160
Total number of permits	14,100	16,593	16,623	16,292	15,044	11,601	13,734
Percent of commercial plans reviewed <30 days	68%	63%	58%	50%	82%	85%	88%
Number of affordable housing units available	273	273	273	273	274	274	274
Parking Control							
Parking tickets issued	59,867	72,506	63,502	63,318	67,364	69,233	74,632
Cemetery							
Number of burials	172	174	159	157	192	173	152
Airport							
Airline cost per enplaned passenger	\$ 3.32	\$ 3.35	\$ 3.28	\$ 3.34	\$ 3.49	\$ 3.87	\$ 4.81
Number of enplanements	1,405,423	1,545,268	1,623,438	1,668,834	1,649,491	1,404,321	1,394,670
Public Works							
Total number of street lights	9,231	9,757	10,011	10,193	10,762	10,853	10,933
Sewer							
Dollars per foot of constructed 8" sewer pipe	\$ 70.54	\$ 64.21	\$ 92.84	\$ 100.48	\$ 101.69	\$ 104.63	\$ 109.93
Number of sewer backups per 100 miles of pipe	2.80	3.35	3.34	3.73	4.00	4.33	2.58
Miles of sewer pipe	611	638	659	675	685	694	697
Gallons of sewage treated per Capita	26	27	28	27	26	25	25
Tons of solid waste per Capita	6,740	7,363	7,500	7,643	8,390	7,715	12,802
Percentage of solid waste recycled				8%	13%	11%	14%
Number of Geothermal customers			55	55	57	58	59

City of Boise
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Primary Government										
Governmental activities:										
Fire										
Fire trucks	4	4	4	4	4	4	4	4	3	3
Fire engines	17	17	16	16	21	21	21	21	15	15
Rescue/utility vehicles	13	13	13	13	12	10	11	11	9	9
Fire facilities	17	16	16	16	15	14	14	14	14	14
Fire hydrants	6,987	6,747	7,209	7,183	6,913	6,791	6,674	6,583	5,585	5,437
Police										
Vehicles	275	279	253	242	251	232	214	213	212	209
Motorcycles	10	14	13	12	12	12	13	13	7	9
Police station (non city owned)	1	1	1	1	1	1	1	1	1	1
Police mobile substation	1	1	1	1	1	1	1	1	1	
Parks and recreation										
Park sites	137	111	111	111	110	108	107	105	104	103
Picnic areas	67	66	64	62	62	58	58	58	57	56
Recreation/community centers	7	8	6	4	4	4	3	3	3	3
Ice skating facilities	1	1	1	1	1	1	1			
Playgrounds	73	74	73	72	71	71	71	69	66	63
Basketball courts	25	26	26	26	26	26	26			
Cultural/historical sites	4	4	4	4	4	4	4	4	4	4
Golf courses	1	1	1	1	1	1	1	1	1	1
Tennis courts	81	77	77	77	77	76	76	76	76	76
Youth baseball fields	35	35	35	35	35	35	35	34	33	32
Soccer fields	48	54	49	44	44	44	44	44	44	44
Skate parks	3	3	3	3	3	3	3	2	2	2
Pools	7	7	7	7	7	7	7	7	7	7
Zoo	1	1	1	1	1	1	1	1	1	1
Bike, walking or hiking trails	148	130	129	125	108	108	106	103	100	98
Foothills-special levy (acres)	4,381	1,529	1,519	1,199	1,199	1,199	1,079	820	42	
Governmental activities:										
Culture										
Public art investments	170	147	143	116	106	60	59	51	43	35
Library Locations	4	4	3	2	2	2	2	2	2	2
Items in library collection (thousands)	413	408	372	356	361	376	361	355	358	362
Community Services										
Cemeteries	3	3	3	3	3	3	3	3	3	3
Streetlights	7,804	7,705	7,593	7,425	7,111	6,918	6,463	6,314	4,724	5,461

City of Boise
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Business-type activities:										
Airport										
Runways (commercial)	2	2	2	2	2	2	2	2	2	2
Total parking spaces	3,600	3,600	2,882	2,831	2,141	2,141	2,141	2,141	1,878	1,878
Sewer										
Wastewater treatment plants	2	2	2	2	2	3	3	3	3	3
Other										
Single family home rental units	12	12	12	14	28	18	18	33	28	28
Apartment rental units	260	260	260	260	255	255	255	244	244	164

CITY OF BOISE
 SCHEDULE OF CHANGES IN LIABILITY ESTIMATES
 FOR THE CITY OF BOISE SELF INSURANCE PLAN

The following schedule shows the development of estimated aggregate liability for known claims since the inception of the City's self-insurance program. Liabilities are periodically reestimated based on changes in factors used to make the original estimates. Estimates do not include claims that are incurred but not reported (IBNR).

2001 ⁽¹⁾ 2002 ⁽¹⁾ 2003 ⁽²⁾ 2004 ⁽²⁾ 2005 ⁽²⁾ 2006 ⁽²⁾ 2007 ⁽²⁾ 2008 ⁽²⁾ 2009 ⁽²⁾ 2010 ⁽²⁾

LIABILITY FOR KNOWN CLAIMS REESTIMATED AS OF:

END OF YEAR	98	95	144	32	115	32	106	81	126	95
ONE YEAR LATER	137	121	282	39	187	112	357	81	235	
TWO YEARS LATER	189	140	257	110	215	116	377	58		
THREE YEARS LATER	192	176	287	48	197	167	267			
FOUR YEARS LATER	187	265	287	38	197	65				
FIVE YEARS LATER	184	287	295	38	197					
SIX YEARS LATER	320	330	303	38						
SEVEN YEARS LATER	320	356	301							
EIGHT YEARS LATER	320	380								
NINE YEARS LATER	320									

(1) Insurance policies purchased by the City effective October 1, 1992 required the City to carry a self-insured retention of \$250,000 per incident with no maximum annual aggregate loss provisions.

(2) Insurance policies purchased by the City effective October 1, 2003 required the City to carry a self-insured retention of \$400,000 per incident with no maximum annual aggregate loss provisions.

CITY OF BOISE
 SCHEDULE OF CLAIMS PAID FROM THE
 CITY OF BOISE INSURANCE PLAN

The following schedule shows the development of claims losses since the inception of the City's self-insurance program. Paid amounts are based on actual settlements. Liability amount shown is the original estimate for each policy year and prior to any reestimates.

	2001 ⁽¹⁾	2002 ⁽¹⁾	2003 ⁽²⁾	2004 ⁽²⁾	2005 ⁽²⁾	2006 ⁽²⁾	2007 ⁽²⁾	2008 ⁽²⁾	2009 ⁽²⁾	2010 ⁽²⁾
LIABILITY FOR UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES:	98	95	144	32	115	32	106	81	126	95
PAID (CUMULATIVE) AS OF:										
END OF YEAR	28	41	89	21	36	25	101	41	34	62
ONE YEAR LATER	97	60	234	27	99	62	111	58	235	
TWO YEARS LATER	179	80	241	38	195	63	117	58		
THREE YEARS LATER	182	118	284	38	195	65	146			
FOUR YEARS LATER	183	245	284	38	197	65				
FIVE YEARS LATER	184	272	293	38	197					
SIX YEARS LATER	184	291	294	38						
SEVEN YEARS LATER	184	303	295							
EIGHT YEARS LATER	184	379								
NINE YEARS LATER	184									

(1) Insurance policies purchased by the City effective October 1, 1992 required the City to carry a self-insured retention of \$250,000 per incident with no maximum annual aggregate loss provisions.

(2) Insurance policies purchased by the City effective October 1, 2003 required the City to carry a self-insured retention of \$400,000 per incident with no maximum annual aggregate loss provisions.

CITY OF BOISE
 SELF-INSURED RETENTION
 LOSSES VS RESERVES

Fiscal Year	Estimated Ultimate Losses ⁽¹⁾	00-01 ^(1,2)	01-02 ⁽¹⁾	02-03 ^(1,2,3)	03-04 ⁽¹⁾	04-05 ⁽¹⁾	05-06 ⁽¹⁾	06-07 ⁽¹⁾	07-08 ⁽¹⁾
2000-2001 ⁽²⁾	426	28	69	82	3	1	1	-	-
2001-2002 ⁽²⁾	440		41	19	20	38	127	27	19
2002-2003 ⁽²⁾	592			89	145	7	43	-	9
2003-2004 ⁽²⁾	583				21	6	11	-	-
2004-2005 ⁽²⁾	617					36	63	96	-
2005-2006 ⁽²⁾	473						25	37	1
2006-2007 ⁽²⁾	299							101	10
2007-2008 ⁽²⁾	308								41
2008-2009 ⁽²⁾	260								
2009-2010									
Losses Paid/Projected to be									
Paid by Year (incl. Allocated									
Loss Adjustment Expenses)		28	110	190	189	88	270	261	80
Cumulative Losses		4,679	4,789	4,979	5,168	5,256	5,526	5,787	5,867
Loss Funding		426	440	592	583	617	473	299	308
Cumulative Loss Funding		5,510	5,950	6,542	7,125	7,742	8,215	8,514	8,822
Estimated Cash Reserves		(140)	(266)	377	376	516	203	38	228
Unallocated Loss									
Adjustment Expense									
(less depreciation &									
dividend expense)									
Net Claims Expense		(949)	(1,055)	(1,408)	(1,386)	(1,790)	(1,325)	(1,514)	(1,555)
Claims incurred but not reported		(1,089)	(1,321)	(1,031)	(1,010)	(1,274)	(1,122)	(1,476)	(1,327)
Other charges for services		1,489	1,999	1,800	1,473	1,856	1,316	(843)	839
Operating transfers in (out)		1,412	1,398	1,077	1,253	852	1,432	1,910	1,673
Interest Earned on		-	-	-	30	-	1	1,302	-
Contingency and Reserves									
Cumulative Interest Earned on		126	113	92	37	89	173	231	166
Contingency and Reserves									
Total Cash Reserves & Interest		1,793	1,906	1,998	2,035	2,124	2,297	2,528	2,694
		1,938	2,189	1,938	1,783	1,523	1,800	1,124	1,351

(1) FY 1986 Estimated Ultimate Losses includes
 losses paid and expected to be paid by
 insurance coverages

(2) Actual funding and paid losses figures

(3) Negative numbers in an annual Losses Paid column denote net recoveries during the loss year.

08-09 ⁽¹⁾	01-10 ⁽¹⁾	Anticipated Future Losses in Subsequent Years	Total Anticipated Losses
-	-	-	184
12	76	1	380
1	1	-	295
-	-	545	583
2	-	-	197
2	-	408	473
6	151	31	299
16	1	250	308
34	201	25	260
	95	186	281

73	525	1,446
5,940	6,465	7,566
260	281	N/A
9,082	9,363	9,363
187	(244)	1,398

(1,838)	(1,770)
(1,651)	(2,014)
560	976
1,721	1,763
-	-
119	72
2,813	2,885
749	797

CITY OF BOISE
 WORKERS COMPENSATION SELF-INSURED RETENTION
 LOSSES VS RESERVES

Fiscal Year	Estimated Ultimate Losses ⁽¹⁾	2001 ⁽¹⁾	2002 ⁽¹⁾	2003 ⁽¹⁾	2004 ^(1,3)	2005 ⁽¹⁾	2006 ⁽¹⁾	2007 ⁽²⁾
2000	721	328	125	37	67	26	1	-
2001	847	238	239	2	35	99	21	1
2002	872		293	227	33	56	26	(23)
2003	984			305	235	42	13	28
2004	1101				564	363	151	70
2005	1387					344	387	55
2006	1209						731	(26)
2007	1390							487
2008	1295							
2009	1179							
2010	1236							
Losses Paid/Projected to be Paid by Year (incl. Allocated Loss Adjustment Expenses)								
Cumulative Losses		\$591	\$667	\$595	\$932	\$930	\$1,330	\$592
Loss Funding		\$847	\$872	\$984	\$1,101	\$1,387	\$1,209	\$1,390
Cumulative Loss Funding		2,266	3,138	4,122	5,223	6,610	7,819	9,209
Estimated Cash Reserves		\$256	\$205	\$389	\$169	\$457	(\$121)	\$798
Unallocated Loss Adjustment Expense (less dividend expense)								
Net Claims Expense		(\$214)	(\$318)	(\$367)	(\$406)	(\$437)	(\$361)	(\$383)
Claims incurred but not reported		(\$28)	(\$45)	(\$407)	(\$124)	(\$457)	\$121	(1,040)
Other charges for services		\$225	\$317	\$431	\$336	\$242	\$505	\$730
Operating transfers in (out)		\$0	\$0	\$0	\$0	\$0		\$0
Interest Earned on								
Contingency and Reserves		\$137	\$53	\$31	\$45	\$90	\$176	\$319
Cumulative Interest Earned on								
Contingency and Reserves		\$235	\$288	\$319	\$364	\$454	\$630	\$949
Total Cash Reserves & Interest		\$646	\$858	\$935	\$955	\$850	\$1,170	\$1,594

(1) Actual funding and paid losses figures

(2) Projected paid losses

(3) Negative numbers in an annual Losses Paid column denote net recoveries during the loss year.

(4) Interest projected at 5% APR

ANTICIPATED FUTURE LOSSES

2008 ⁽²⁾	2009 ⁽²⁾	2010 ⁽²⁾	Anticipated Future Losses in Subsequent Years	Total Anticipated Losses
-	-	-	-	822
-	-	-	-	635
16	(53)	-	-	872
85	(46)	10	312	984
20	13	22	-	1,101
59	17	(52)	577	1,387
78	41	5	380	1,209
408	13	(35)	517	1,390
615	554	52	74	1,295
	540	695	(56)	1,179
		619	617	1,236
\$1,281	\$1,079	\$1,316	\$2,421	12,110
\$7,528	\$8,607	\$9,923	\$9,949	
\$1,295	\$1,179	\$1,236	N/A	
10,504	11,683	12,919	12,919	
\$14	\$100	(\$80)	\$2,970	
(\$390)	(\$455)	(\$374)		
(\$376)	(\$355)	(\$454)		
74	(1,280)	80		
\$609	\$824	\$361		
\$0	\$590	\$0		
\$244	\$184	\$120		
\$1,193	\$1,377	\$1,497		
\$2,145	\$2,108	\$2,215		

CITY OF BOISE
 SCHEDULE OF ESTIMATED WORKERS COMPENSATION CLAIMS

The following schedule shows the development of estimated aggregate liability for known claims since the inception of the City's self-insured Workers Compensation program. Liabilities are periodically reestimated based on changes in factors used to make the original estimates. Estimates do not include claims that are incurred but not reported (IBNR).

2001 ⁽²⁾ 2002 ⁽³⁾ 2003 ⁽³⁾ 2004 ⁽³⁾ 2005 ⁽³⁾ 2006 ⁽³⁾ 2007 ⁽³⁾ 2008 ⁽³⁾ 2009 ⁽³⁾ 2010 ⁽³⁾

LIABILITY FOR KNOWN WORKERS COMPENSATION CLAIMS REESTMATED AS OF:

	2001 ⁽²⁾	2002 ⁽³⁾	2003 ⁽³⁾	2004 ⁽³⁾	2005 ⁽³⁾	2006 ⁽³⁾	2007 ⁽³⁾	2008 ⁽³⁾	2009 ⁽³⁾	2010 ⁽³⁾
END OF YEAR	620	711	599	1,051	721	863	852	1,217	1,020	620
ONE YEAR LATER	640	641	605	1,283	917	782	878	1,185	1,250	
TWO YEARS LATER	686	674	601	1,142	835	889	920	1,239		
THREE YEARS LATER	612	609	595	1,213	866	840	916			
FOUR YEARS LATER	658	635	724	1,211	861	845				
FIVE YEARS LATER	634	615	708	1,201	861					
SIX YEARS LATER	634	629	708	1,223						
SEVEN YEARS LATER	634	629	708							
EIGHT YEARS LATER	634	629								
NINE YEARS LATER	634									

SCHEDULE OF PAID CLAIMS PAID FROM THE BOISE CITY SELF-INSURED
 WORKERS COMPENSATION PLAN

The following schedule shows the development of claims losses since the inception of the City's self-insured Workers Compensation program. Paid amounts are based on actual settlements. Liability amount shown is the original estimate for each policy year and prior to any reestimates.

2001 ⁽²⁾ 2002 ⁽³⁾ 2003 ⁽³⁾ 2004 ⁽³⁾ 2005 ⁽³⁾ 2006 ⁽³⁾ 2007 ⁽³⁾ 2008 ⁽³⁾ 2009 ⁽³⁾ 2010 ⁽³⁾

LIABILITY FOR UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES:

	2001 ⁽²⁾	2002 ⁽³⁾	2003 ⁽³⁾	2004 ⁽³⁾	2005 ⁽³⁾	2006 ⁽³⁾	2007 ⁽³⁾	2008 ⁽³⁾	2009 ⁽³⁾	2010 ⁽³⁾
PAID (CUMULATIVE) AS OF:	620	711	599	1051	721	863	852	1217	1,020	260
END OF YEAR	238	293	305	565	344	462	487	615	538	325
ONE YEAR LATER	477	520	510	927	731	705	895	1,084	1,080	
TWO YEARS LATER	479	553	582	1,078	786	783	908	1,199		
THREE YEARS LATER	514	609	595	1,148	845	837	918			
FOUR YEARS LATER	613	635	623	1,168	862	840				
FIVE YEARS LATER	634	612	708	1,201	861					
SIX YEARS LATER	635	628	708	1,210						
SEVEN YEARS LATER	635	629	708							
EIGHT YEARS LATER	635	629								
NINE YEARS LATER	635									

(1) Insurance policies purchased by the City effective October 1, 1998 are subject to a self-insured retention of \$250,000 per incident with no maximum annual aggregate loss provisions.

(2) Re-insurance policies purchased by the City effective October 1, 2001 are subject to a self-insured retention of \$300,000 per incident with no maximum annual aggregate loss provisions.

(3) Re-insurance policies purchased by the City effective October 1, 2002 are subject to a self-insured retention of \$400,000 per incident with no maximum annual aggregate loss provisions.

CITY OF BOISE, IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

Federal Grantor/Program Title	Federal CFDA Number	Identifying Number	Current Year Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through Idaho Department of Education:			
Food Assistance and Nutrition Research Programs (PANRP)	10.253	4026	1
Summer Food Service Program for Children	10.559	2010IN109947	1
Cooperative Extension Service	10.500	USDA-NIFA-SLBCD-002652	13
TOTAL DEPARTMENT OF AGRICULTURE			<u>15</u>
<u>U.S. FOREST SERVICE</u>			
Direct Programs:			
Cooperative Forestry Assistance	10.664	08-CS-11040201-003	4
			4
Passed Through Idaho Department of Lands:			
Urban and Community Forestry Program	10.675	10-ARRA-AC-B	52
TOTAL U.S. FOREST SERVICE			<u>56</u>
<u>U.S. DEPARTMENT OF HUD</u>			
Direct Programs:			
Community Development Block Grant-Entitlement Grants	14.218	B-08-MC-16-0001	1,163
Community Development Block Grant-Entitlement Grants	14.218	B-09-MC-16-0001	587
HOME Investment Partnerships Programs	14.239	M-06-MC-16-0200	1
HOME Investment Partnerships Programs	14.239	M-07-MC-16-0200	21
HOME Investment Partnerships Programs	14.239	M-08-MC-16-0200	409
HOME Investment Partnerships Programs	14.239	M-09-MC-16-0200	98
Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	14.251	B-08-SP-ID-0511	66
Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	14.251	B-09-SP-ID-0091	25
TOTAL U.S. DEPARTMENT OF HUD			<u>2,370</u>
<u>U.S. DEPARTMENT OF HUD-ARRA FUNDS</u>			
Direct Programs:			
Community Development Block Grant ARRA Entitlement Grants (CDBG-R)	14.253	B-09-MY-16-0001	114
Homelessness Prevention and Rapid Re-Housing Program (HPRP)	14.257	S09-MY-16-0001	345
			459
Passed Through Idaho Housing and Finance Association:			
Neighborhood Stabilization Program	14.228	B-08-DN-16-0001	1,391
Homelessness Prevention and Rapid Re-Housing Program (HPRP)	14.257	HPRP 09-10	255
			1,646
TOTAL U.S. DEPARTMENT OF HUD-ARRA FUNDS			<u>2,105</u>
<u>U.S. DEPARTMENT OF INTERIOR</u>			
Direct Programs:			
Recreation Resource Management	15.225	DLA070200	44
Historic Preservation Fund Grants-In-Aid	15.904	16-08-AP-4010	12
			56

CITY OF BOISE, IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

Federal Grantor/Program Title	Federal CFDA Number	Identifying Number	Current Year Disbursements
Passed Through Idaho State Historical Society:			
Historic Preservation Fund Grants-In-Aid	15.904	16-10-21918	1
Historic Preservation Fund Grants-In-Aid	15.904	16-10-21919	10
			<u>11</u>
TOTAL U.S. DEPARTMENT OF INTERIOR			<u>67</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Programs:			
Bulletproof Vest Partnership Program	16.607	2009BOBX09049765	17
Public Safety Partnership and Community Policing Grants	16.710	2007CKWX0032	1,548
			<u>1,565</u>
Direct Programs: ARRA FUNDS			
Public Safety Partnership and Community Policing Grants	16.710	2009RJWX0042	526
Total Direct Programs- ARRA FUNDS			526
Passed Through Ada County FACES:			
Violence Against Women Act Court Training and Improvement Grants	16.013	8344-1-10	38
			<u>38</u>
Passed Through Idaho State Office of Attorney General:			
Missing Children's Assistance	16.543	2007-DD-BX-K255	12
Missing Children's Assistance	16.543	2007-SN-B9-K030	6
Missing Children's Assistance	16.543	2010-NC-CX-K017	2
Missing Children's Assistance	16.543	N/A	16
			<u>36</u>
Passed Through the Idaho State Police:			
Enforcing Underage Drinking Laws Program	16.727	2007AHFX0047	5
Enforcing Underage Drinking Laws Program	16.727	08-LE42-02	4
Enforcing Underage Drinking Laws Program	16.727	07UD44-01	2
Enforcing Underage Drinking Laws Program	16.727	08-LE94-04	2
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0280	29
			<u>42</u>
Passed Through Ada County Sheriff's Office- ARRA FUNDS:			
Recovery Act-Edward Byrne Memorial Justice Assistance Grant	16.804	2009-SB-B9-2259	504
Total Passed Through U.S. Deptment of Justice-ARRA Funds			504
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>2,711</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct Programs:			
Airport Improvement Program	20.106	3-16-0003-47	(153)
Airport Improvement Program	20.106	3-16-0003-51	981
Airport Improvement Program	20.106	3-16-0003-52	567
Airport Improvement Program	20.106	3-16-0003-53	557
Airport Improvement Program	20.106	3-16-0003-54	2,903
National Motor Carrier Safety	20.218	MH101610000000	18
			<u>4,873</u>

CITY OF BOISE, IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

Federal Grantor/Program Title	Federal CFDA Number	Identifying Number	Current Year Disbursements
Passed Through Idaho Department of Lands: Highway Planning and Construction	20.205	KEY 10497	5
			5
Passed Through Idaho Department of Transportation:			
Airport Improvement Program	20.106	LNS8BOI	45
Highway Planning and Construction	20.205	A010(745)	13
Highway Planning and Construction	20.205	A009(935)	44
Highway Planning and Construction	20.205	V099470	2
Highway Planning and Construction	20.205	STP-0100 (176)	(6)
Highway Planning and Construction	20.205	STP-0100 (183)	4
Highway Planning and Construction	20.205	STP-0100 (182)	6
Highway Planning and Construction	20.205	A010(748)	5
State and Community Highway Safety	20.600	CP-2010-02-00-00	3
State and Community Highway Safety	20.600	PT-2010-21-00-00	4
State and Community Highway Safety	20.600	PT-2010-01-00-00	88
Alcohol traffic Safety & Drunk Driving Prevention	20.601	K8-2009-01-00-00	1
Alcohol traffic Safety & Drunk Driving Prevention	20.601	K8-2010-01-00-00	56
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HMEID8028160	1
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HMHMP0016090100	20
			286
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>5,164</u>
<u>NATIONAL ENDOWMENT FOR THE ARTS-ARRA FUNDS</u>			
Passed Through Idaho Commission on the Arts: Promotion of the Arts_Grants to Organizations and Individuals	45.024	ARRA-100023	5
TOTAL NATIONAL ENDOWMENT FOR THE ARTS-ARRA FUNDS			<u>5</u>
<u>NATIONAL ENDOWMENT FOR THE ARTS</u>			
Passed Through Idaho Commission on the Arts: Promotion of the Arts-Partnership Agreement	45.025	08-6100-2036	1
Promotion of the Arts-Partnership Agreement	45.025	0961002060	1
Promotion of the Arts-Partnership Agreement	45.025	2905PPA-11	5
TOTAL NATIONAL ENDOWMENT FOR THE ARTS			<u>7</u>
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>			
Passed Through Idaho Commission on the Arts: Promotion of the Humanities_Federal/State Partnership	45.129	2010019	3
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			<u>3</u>
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>			
Passed Through the Idaho Commission for Libraries: State Library Program	45.310	T09220-13	1
State Library Program	45.310	T09220-18	1
State Library Program	45.310	T09220-20	1
State Library Program	45.310	T09220-32	1
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			<u>4</u>

CITY OF BOISE, IDAHO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

Federal Grantor/Program Title	Federal CFDA Number	Identifying Number	Current Year Disbursements
<u>NATIONAL SCIENCE FOUNDATION</u>			
Passed Through the Boise State University:			
Education and Human Resources	47.076	N/A	5
Education and Human Resources	47.076	N/A	9
TOTAL NATIONAL SCIENCE FOUNDATION			<u>14</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Programs:			
Congressionally Mandated Projects	66.202	XP-83334201	31
TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u>31</u>
<u>DEPARTMENT OF ENERGY-ARRA FUNDS</u>			
Direct Programs:			
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-EE000813	754
TOTAL DEPARTMENT OF ENERGY-ARRA FUNDS			<u>754</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Programs:			
National Explosives Detection Canine Team Program	97.072	HSTS0208HCAN408	250
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0208HSLR037	175
			425
Passed Through the State of Idaho Military Division:			
Homeland Security Grant Program	97.067	2007-GE-T7-0014	28
Homeland Security Grant Program	97.067	2008-GE-T8-0044	226
			254
TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>679</u>
OTHER FEDERAL ASSISTANCE (Continued)			
<u>U.S. DEPARTMENT OF HUD</u>			
Program Income:			
Community Development Block Grants/ Entitlement Grants	14.218		403
HOME Investment Partnerships Program	14.239		221
TOTAL U.S. DEPARTMENT OF HUD			<u>624</u>
TOTAL OTHER FEDERAL ASSISTANCE			<u>6,200</u>
TOTAL FEDERAL ASSISTANCE			<u>20,185</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Passed through Airline Industry:			
Passenger Facility Charges			5,576
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>5,576</u>



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*

The Honorable Mayor and
Members of the City Council
Boise City, Idaho

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison of the general fund of City of Boise, Idaho, as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 25, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City'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 City of Boise, Idaho's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City'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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We consider the deficiencies described in the accompanying schedule of findings and questioned costs 10-01 and 10-02 to be a material weakness and a significant deficiency, respectively, in internal control over financial reporting, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.

City of Boise, Idaho's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit City of Boise, Idaho's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Mayor, City Council, audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Erik Sully LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
March 25, 2011



Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control over Compliance

The Honorable Mayor,
Members of the City Council, and
Federal Aviation Administration
Boise City, Idaho

Compliance

We have audited the Boise Airport's compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), for its passenger facility charge program for the quarters and year ended September 30, 2010. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of the Airport's management. Our responsibility is to express an opinion on Boise Airport's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about Boise Airport's compliance with those requirements, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Boise Airport's compliance with those requirements.

In our opinion, Boise Airport complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended September 30, 2010.

Internal Control Over Compliance

The management of Boise Airport is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the Boise Airport's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Boise Airport's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a the passenger facility charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charge program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and the use of the Mayor, City Council, management and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Erik Sully LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
March 25, 2011



Independent Auditor's Report on Compliance with Requirements
That Could Have A Direct and Material Effect on Each Major Program and on Internal Control over
Compliance in Accordance with OMB Circular A-133

The Honorable Mayor and
Members of the City Council
City of Boise, Idaho

Compliance

We have audited the City of Boise, Idaho's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010. The City of Boise's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Boise's management. Our responsibility is to express an opinion on the City of Boise's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Boise's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Boise's compliance with those requirements.

In our opinion, City of Boise, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

Internal Control Over Compliance

The management of City of Boise is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Boise's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Boise, Idaho's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
March 25, 2011

SECTION I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? Yes

Significant deficiencies identified not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified not considered to be material weaknesses? None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.218, 14.253	Community Block Development Grants Cluster
14.253	Community Block Development Grants – ARRA
14.239	HOME Investment Partnerships Program
14.257	Homeless Prevention and Rapid Re-housing Program
14.257	Homeless Prevention and Rapid Re-housing Program – ARRA
14.228	Neighborhood Stabilization Program – ARRA
16.710	Public Safety and Community Policing Grants
16.710	Public Safety and Community Policing Grants – ARRA
16.804	Edward Byrnes Memorial Justice Assistance - ARRA
20.106	Airport Development Aid Program
81.128	Energy Efficiency and Conservation Block Grant - ARRA

Dollar threshold used to distinguish between Type A and Type B programs: \$ 419,554

Auditee qualified as low-risk auditee? Yes

SECTION II - Financial Statement Findings

10-01 Criteria

The City should design and implement internal controls to prevent and detect material misstatements in a timely manner.

Condition/context

During the course of our engagement, we detected a material misstatement that required an adjustment to deferred property taxes.

Effect

The City's financial statements could have been misstated.

Cause

The City's internal controls were not designed to detect misstatements in deferred property taxes.

Recommendation:

Management should develop a review process to ensure that deferred property taxes reconcile to underlying supporting records.

Management's Response:

This resulted due to utilizing a template to determine the adjustments to property taxes receivable, deferred property taxes and subsequently received property taxes. The template did not take into account the subsequently received property taxes from the prior fiscal year. This resulted in a growing difference between deferred and receivable property taxes. This is now incorporated into the template and is listed as a specific item to be verified in the closing process.

10-02 Criteria

The City should design and implement internal controls to prevent and detect material misstatements in a timely manner.

Condition/context

During the course of our engagement, we detected several errors within the report.

Effect

The City's financial statements could have been misstated.

Cause

The City's internal controls were not designed to detect errors within the report.

Recommendation:

Management should develop a review process to ensure that the financial statements reflect accurate figures and that all supporting schedules agree to the amounts reported within the face of the financials.

Management's Response:

This issue is due to the disjointed and manual nature of the annual financial statement process. Information is reported from the source system and then transformed from that report to another system to create the reports conforming to GASB 34. This requires several manual conversion entries that are not entered into PeopleSoft. The rounding is used at this point along with extensive use of formulas. However, if a formula is altered this causes an imbalance in the schedules. The source information is also used to create additional reports and schedules for the notes to the financial statements and supplemental

BOISE CITY, IDAHO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2010

schedules. When changes are made, it is very easy to not flow through to related schedules built by another staff member.

To address this, management is adding additional check figures to the reports. These formulas will not be visible in the final report, but will make the review more effective. Additionally, each check point will be identified by the staff member and date verified.

Section III - Federal Award Findings and Questioned Costs

None