

CITY OF BOISE, IDAHO



Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2011

Prepared by:
Department of Finance and Administration

Cover Images - *clockwise from top right:*

- Mayor Bieter announces that the long-vacant “hole in the ground” at Eighth and Main Streets would finally be filled with a new Zions Bank building.
- Presented every two years, the **Mayor's Awards for Excellence in Arts and History** celebrates people, organizations and businesses that have contributed to Boise's artistic and cultural community. Those nominated for an award must have demonstrated distinguished service, creative accomplishment, a record of publication, presentation, or research that enhances the artistic, historic, and broader life of the City of Boise. Since its inception in 1986 over 80 people and organizations have been recognized.
- Mayor Bieter and Garden City Mayor John Evans cut the ribbon on the newly constructed 36th Street Footbridge, linking the Boise and Garden City greenbelts.
- The City of Boise launches its long-awaited voluntary curbside glass recycling program, making our community more sustainable by allowing this plentiful resource to be re-used easily and effectively.

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Department of Finance and Administration

March 19, 2012

Debbie Broughton
Director

**Division of
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**City Council
President**
Maryanne Jordan

Council Pro Tem
Alan W. Shealy

Elaine Clegg
David Eberle
Lauren McLean
TJ Thomson

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

The Department of Finance & Administration is pleased to transmit the Comprehensive Annual Financial Report (CAFR) for the City of Boise for the fiscal year ending September 30, 2011. 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). Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. 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, 2011, 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). Due to their close relationship with the City, the financial report also includes two component entities. The financial statements of Boise City's redevelopment agency, the Capital City Development Corporation (CCDC) are reported separately. Also, the Harris Ranch Community Infrastructure District No. 1, assets, liabilities, revenues and expenditures are blended in the financial statements. Additional information on both entities can be found 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. Compass of Southwest Idaho estimated the 2011 population of Boise to be 206,470.

Significant Accomplishments in Fiscal Year 2011

The City of Boise focused its 2011 efforts on maintaining vital services and doing everything possible to support economic growth. Despite this era of limited resources, the list of accomplishments over the past 12 months is truly impressive. Some of the highlights of FY 2011 include:

- The city's Citizen Survey showed the highest customer satisfaction with city services since the survey began seven years ago.
- The 36th Street Footbridge linking the Greenbelt in Boise to Garden City was constructed.
- Announced the start of construction of the River Recreation Park, adjacent to the 36th Street Bridge.
- Hundreds of people filled the Boise Depot to celebrate the 10th anniversary of the Foothills Serial Levy and the 10,300 acres of open space it has saved so far.
- Started the long-awaited curbside glass recycling program.
- The Simplot Foundation announced that it will fund construction of Esther Simplot Park, adjacent to the River Recreation Park.
- Announced that the "hole in the ground," the long-vacant parcel at Eight and Idaho Streets, would finally be filled with a new Zions Bank building.

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 showed positive signs as 2011 closed. The Boise City unemployment rate of 7.8% at September 2011 was well below the September 2010 rate of 8.8%. In comparison, the U.S. unemployment rates showed little overall improvement for the same time periods, at 9.1% and 9.2% respectively.

Construction activity in FY 2011 showed some positive signals primarily in the number of permits issued. In FY 2011, 14,164 permits were issued an increase of 3.3% from the 13,714 issued in 2010. The total valuation, however, rose dramatically from \$172.4 million to \$226.2 million during the same period.

The number of air passengers is a strong indicator of the global and local economic environment. During FY 2011, passenger numbers stabilized and were nearly identical to FY 2010.

Thanks to creativity and diligence, we come to the end of Fiscal year 2011 in sound fiscal shape, well-positioned to preserve our long-term investments and protect our livability. At the September 30, 2011, the City's General Fund has \$16.8 million in unassigned fund balance; composed of a cash flow reserve and other amounts that have not been assigned. This is equivalent to 10% of total budgeted revenues for the General Fund.

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 the ensuing fiscal year's base revenues, the reserve target was increased to a goal of 8%. As of September 30, 2011, Boise City's reserve was 7% of the ensuing year's operating revenues. 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.

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 Operational Progress Report 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 Strategic 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.

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. Information regarding the types, amounts, and risks of investments held are contained in the footnotes in Note IV.A.

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, 2010. This is the 16th 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.

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.

The preparation of this report would not have been possible without the efficient and committed services of staff in the Department of Finance and Administration. 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.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mollie Holt". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mollie Holt, CPA
Financial Services Manager
City of Boise, Idaho

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, 2010

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.



Linda C. Sandison

President

Jeffrey R. Emer

Executive Director

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ORGANIZATION

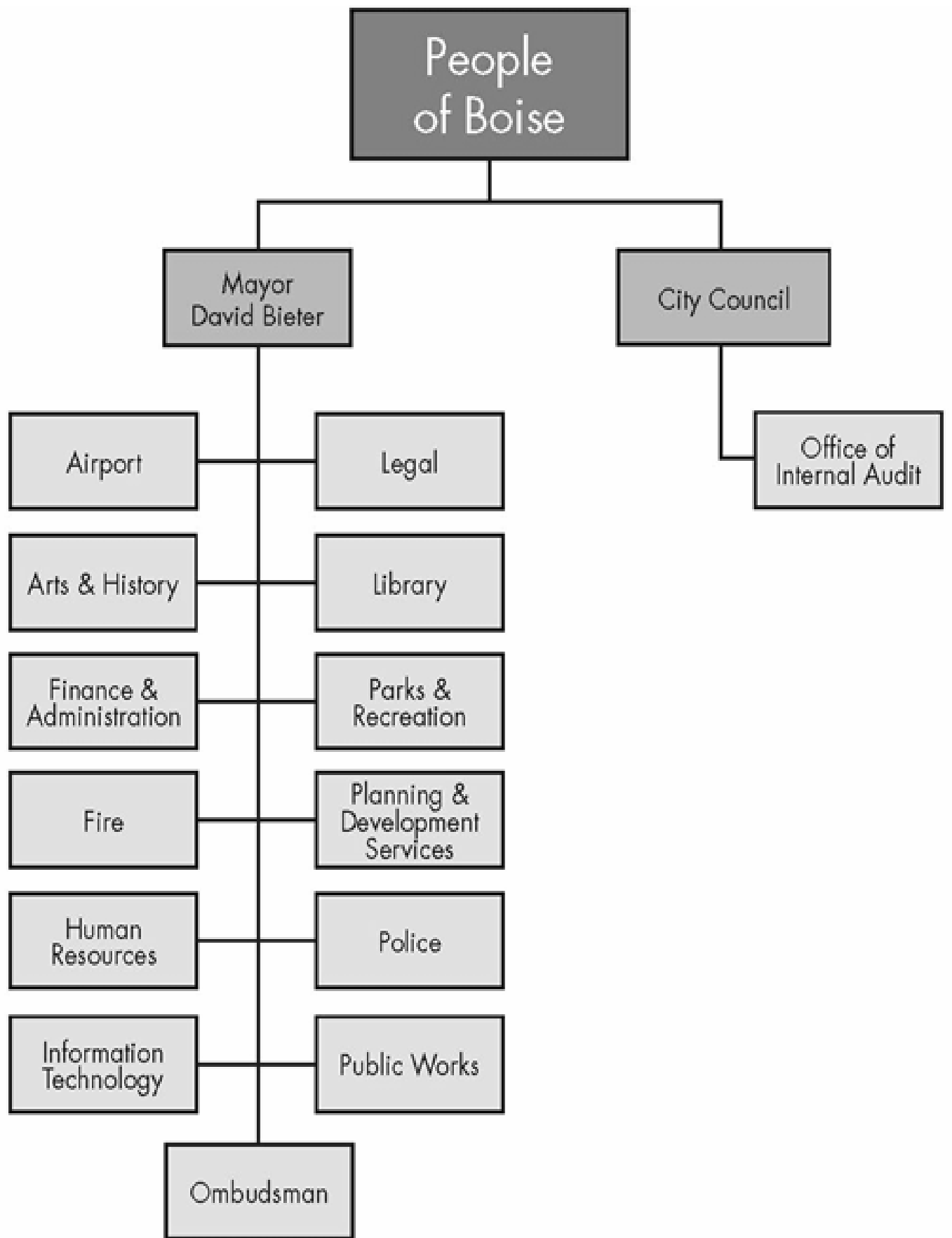
Boise City is one of 200 cities in the State of Idaho. Cities are "creatures of the state" authorized for organization by the Idaho Constitution. "The legislature shall provide by general laws for the incorporation, organization and classification of the cities and towns in proportion to the population," (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 CAFR reporting purposes, the city's General Fund is divided into eight functions/programs:

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

Additionally, the CAFR reports business-type activities of the city's Airport, Sewer and Solid Waste Funds. Smaller funds are reported in aggregate for both governmental and business-type activities.

This required reporting structure does not necessarily equate to the operational structure of the City of Boise which is shown on the following page.



City of Boise
 Names of Principal City Officials
 As of September 30, 2011

<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
Clegg, Elaine	Council member	Legislative
Eberle, David	Council member	Legislative
McLean, Lauren	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

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Independent Auditor's Report

To 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, and the aggregate remaining fund information of the City of Boise, Idaho (the City) as of and for the year ended September 30, 2011, 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'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, and the aggregate remaining fund information, and the respective budgetary comparison for the general fund of the City, as of September 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note I C10 to the financial statements, the City adopted the provisions of GASB Statement No.54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011.

As discussed in Note IV L to the financial statements, certain errors resulting in understatement of previously reported liabilities as of September 30, 2010, were discovered by management of City during the current year. Accordingly, and adjustment has been made to the proprietary fund net assets as of September 30, 2010 to correct the error.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.'



Boise, Idaho
March 16, 2012

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, 2011. 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, 2011, by \$701,431. Of this amount, unrestricted net assets of \$85,331 may be used to meet the City's on going obligations to citizens and creditors.
- The total net assets increased from FY 2010 to FY 2011 by \$10,539. Of this amount, \$1,748 was associated with governmental activities and \$8,791 with business-type activities.
- As of the close of the FY 2011, the City's governmental funds reported combined ending fund balances of \$59,158, a decrease of \$2,486 in comparison with the prior year. Of this amount, \$9,219 was in nonspendable form, \$9,840 is restricted, \$556 is committed, \$22,743 is assigned, and \$16,800 is unassigned.
- At the end of the FY 2011, unassigned fund balance for the General Fund (GF) was \$16,800 or 10.42% of total GF expenditures. Of this amount, \$11,785 is allocated to a cash flow reserve.
- The City's total debt obligations (including bonds, leases, loans, Section 108 advances, post employment benefits and compensated absences) decreased by \$11,123.

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 two component units. One component unit is Harris Ranch Community Infrastructure District No. 1. This is a separate legal infrastructure district however, due to the nature of the relationship, the assets, liabilities, revenues, and expenditures of this entity are blended into the City's government-wide financial statements. The second component unit (Capital City Development Corporation) is also legally separate from the City; being a redevelopment agency. Financial information for this component unit 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 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 seven 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. These funds are considered major funds. Data from the other five funds, which are the Community and Economic Development Special Revenue Fund, Heritage Special Revenue Fund, Dedicated Trust Permanent Fund, Impact Fee Capital Projects 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 FY2011 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 six 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 three funds, which are the Geothermal, 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, 2011, the City's assets exceeded liabilities by \$701,431. By far the largest portion of the City's net assets (84 percent) 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	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 193,079	\$ 190,596	\$ 112,719	\$ 111,675	\$ 305,798	\$ 302,271
Capital assets	190,413	183,743	438,141	442,510	628,554	626,253
Total assets	383,492	374,339	550,860	554,185	934,352	928,524
Long-term liabilities outstanding	31,908	29,400	47,818	62,151	79,726	91,551
Other liabilities	135,279	130,382	17,916	15,699	153,195	146,081
Total liabilities	167,187	159,782	65,734	77,850	232,921	237,632
Net assets:						
Invested in capital assets, net of related debt	184,211	180,664	386,676	377,079	570,887	557,743
Restricted	12,148	19,330	33,065	35,585	45,213	54,915
Unrestricted	19,946	14,563	65,385	63,671	85,331	78,234
Total net assets	\$ 216,305	\$ 214,557	\$ 485,126	\$ 476,335	\$ 701,431	\$ 690,892

A portion of the net assets (6.4 percent) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net assets (\$85,331) 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 FY2011 increase in net assets of 1.5% is slightly lower than the 2.2% increase in FY2010.

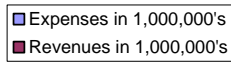
City of Boise's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 34,127	\$ 33,882	\$ 76,855	\$ 75,053	\$ 110,982	\$ 108,935
Operating grants and contributions	20,085	22,040	6,512	5,899	26,597	27,939
Capital grants and contributions	5,069	4,057	15,844	15,976	20,913	20,033
General Revenues:						
Property taxes	105,534	101,029			105,534	101,029
Other taxes	6,849	6,998			6,849	6,998
Other	854	1,085	1,367	2,170	2,221	3,255
Total revenues	<u>172,518</u>	<u>169,091</u>	<u>100,578</u>	<u>99,098</u>	<u>273,096</u>	<u>268,189</u>
Expenses:						
General government	33,915	28,881			33,915	28,881
Fire	41,485	40,486			41,485	40,486
Police	46,051	47,125			46,051	47,125
Parks and recreation	22,634	22,158			22,634	22,158
Culture	10,471	9,477			10,471	9,477
Community services	13,674	13,803			13,674	13,803
Community development	935	1,663			935	1,663
Interest and fiscal charges	1,549	1,528			1,549	1,528
Airport			31,934	30,796	31,934	30,796
Sewer			30,468	29,909	30,468	29,909
Solid waste			24,044	23,712	24,044	23,712
Other			3,977	3,518	3,977	3,518
Total expenses	<u>170,714</u>	<u>165,121</u>	<u>90,423</u>	<u>87,935</u>	<u>261,137</u>	<u>253,056</u>
Increase in net assets before transfers	1,804	3,970	10,155	11,163	11,959	15,133
Net Transfers	(56)	159	56	(159)	-	-
Increase in net assets	1,748	4,129	10,211	11,004	11,959	15,133
Net assets October 1st	<u>214,557</u>	<u>210,428</u>	<u>474,915</u>	<u>465,331</u>	<u>689,472</u>	<u>675,759</u>
Net assets September 30th	<u>\$ 216,305</u>	<u>\$ 214,557</u>	<u>\$ 485,126</u>	<u>\$ 476,335</u>	<u>\$ 701,431</u>	<u>\$ 690,892</u>

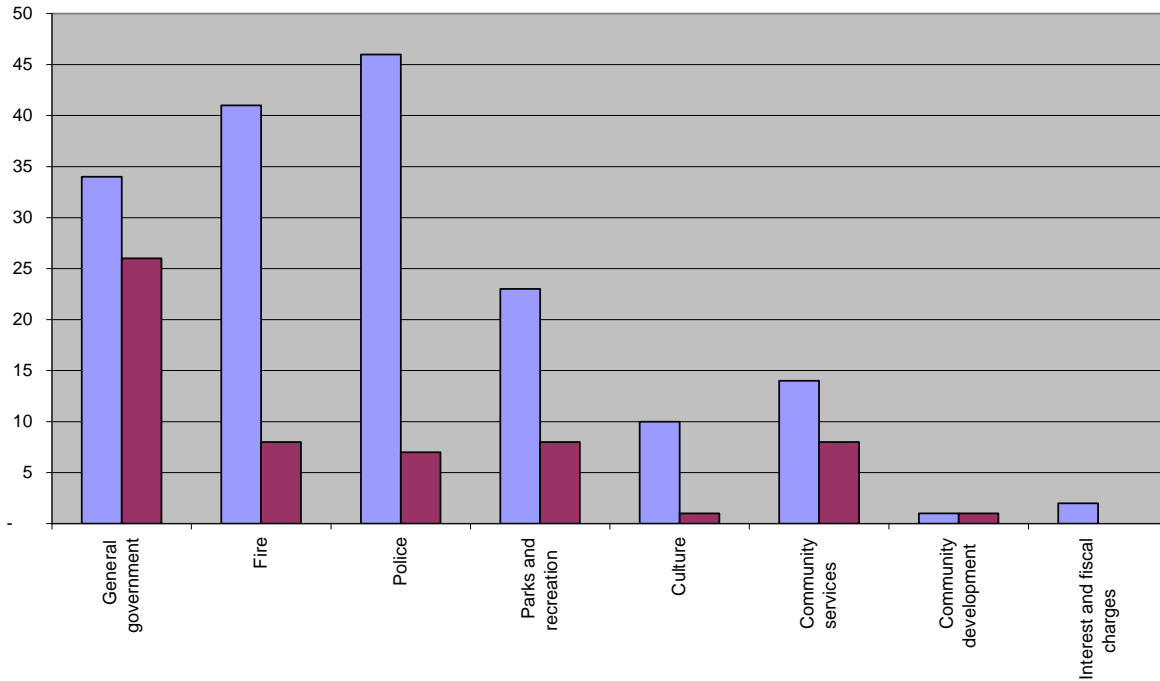
Governmental activities in FY 2011. Governmental activities in FY 2011 increased the City's net assets by \$1,748. This increase accounted for 14 percent of the total increase in net assets, after transfers were factored in. The key elements of this increase were as follows:

- Revenues exceeded expenses by \$1,804 before transfers due to cost containment efforts. Total revenues increased by \$3,427 (2.03%) compared to FY 2010 on a net basis. This net increase is primarily due to increases in general purpose property taxes of \$5,985, capital grants of \$1,012, and charges for services of \$245. Decreases in operating grants of -\$1,955, property tax collected for debt service of -\$1,480, and decreases in investment earnings and franchise fees of -\$231 and -\$149, respectively also contributed to the net increase.

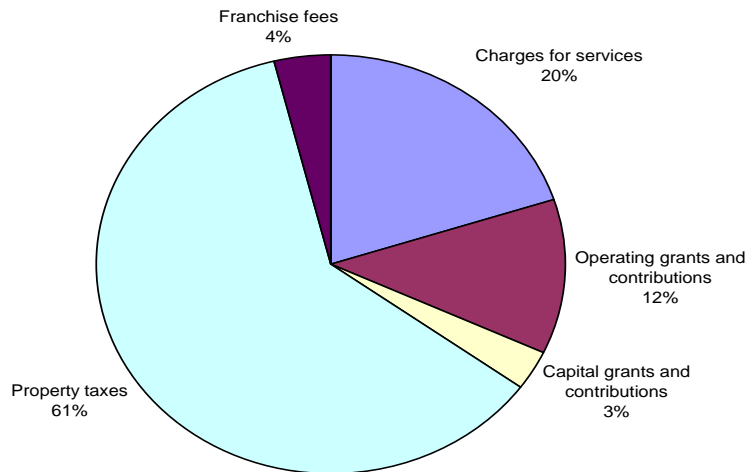
- Expenses increased by \$5,593 (3.39%) compared to FY 2010. Changes in expense primarily consisted of increases in General Government \$5,034, Fire \$999, Culture \$994, Parks \$476, and Interest/fiscal charges \$21. These increases were offset by decreases in Police -\$1,074, and Community Services and Economic Development -\$857.



2011 Expense and Program Revenues - Governmental Activities



2011 Revenues by Source - Government Activities



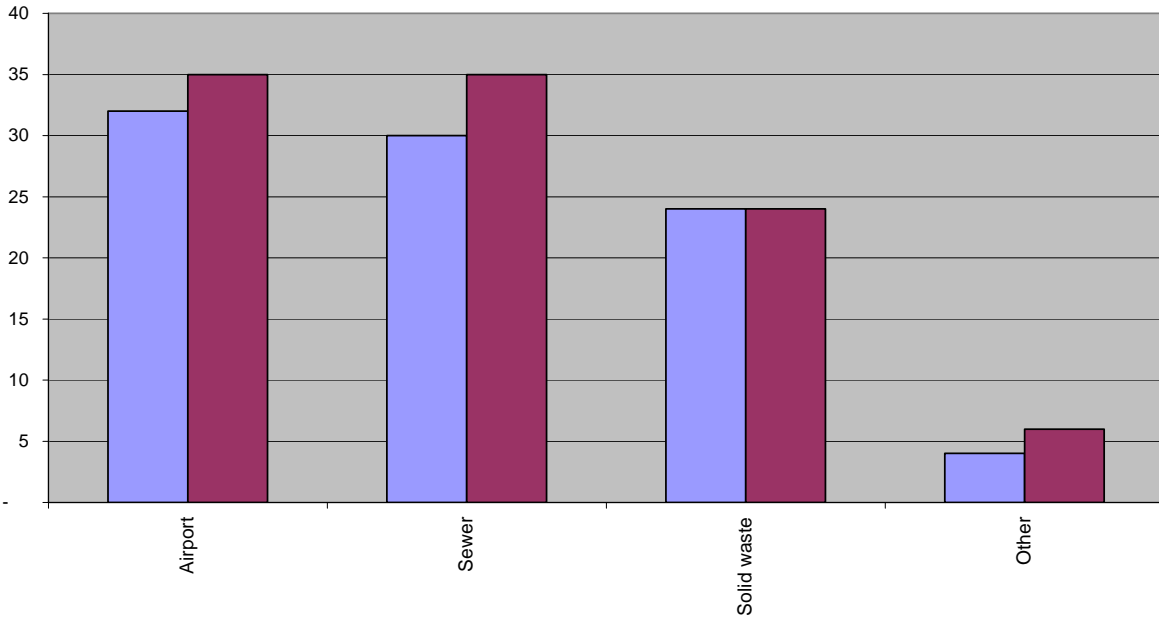
Business-type activities in FY 2011. Business-type activities in FY2011 increased the City's net assets by \$8,790, accounting for 84 percent of the total growth in the government's net assets.

Key elements of the increase are as follows:

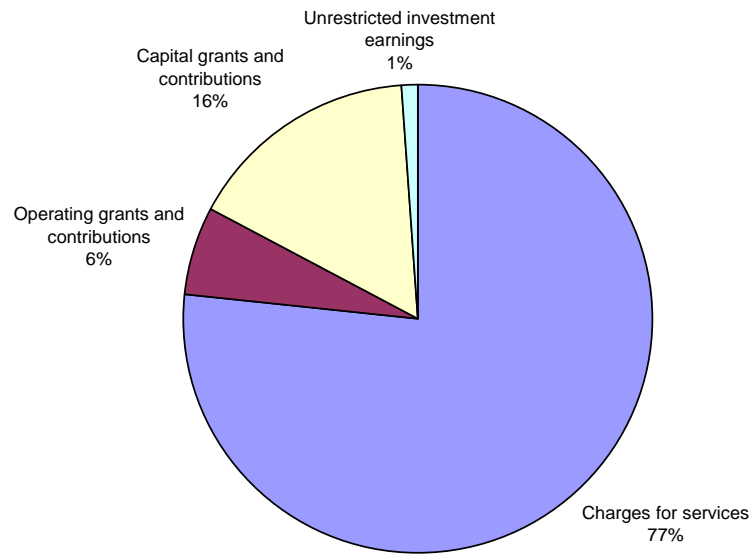
- Revenues increased by \$1,480 (1.49%) as compared to FY 2010. The difference is attributed to increases in Charges for Services \$1,802, Operating Grants and Contributions \$613 and decreases in Other Revenues and Capital Grants and Contributions of -\$803 and -\$132, respectively. With respect to Charges for Services, Sewer accounted for \$1,111, Airport accounted for \$759, Other Funds accounted for \$109, and Solid Waste accounted for a -\$177 decrease. The increase in Operating Grants and Contributions resulted from a Sewer increase of \$793, a Solid Waste increase of \$101, and Airport/Other Funds decreases of -\$78 and -\$203, respectively. The decrease in Capital Grants and Contributions resulted from decreases in Sewer -\$827, Airport -\$157, and increases in Other \$851 and Solid Waste \$1, respectfully.
- Expenses increased by \$2,488 (2.83%) as compared to FY 2010. All Funds exhibited expense increases as follows: Airport \$1,138, Sewer \$559, Solid Waste \$332 and Other Funds \$459 in comparison to the prior fiscal year. Changes in contractual services, utilities, and depreciation accounted for the expense increases.

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

2011 Expense and Program Revenues - Business-Type Activities



2011 Revenues by Source - Business-Type Activities



Financial Analysis of the Governmental 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 2011. 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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At September 30, 2011, the City's governmental funds reported combined ending fund balance of \$59,158. Reporting requirements of governmental fund balance changed for FY 2011 with the inclusion of additional categories and more defined classification requirements. Fund balance decreased by \$2,486 in comparison to the prior year. New for FY2011, governmental funds report fund balance in non-spendable and spendable classifications. Nonspendable fund balance represents resources that cannot be spent due to their form (ex: inventories). Governmental fund balance that is available for spending is disclosed into four reporting categories: Restricted, Committed, Assigned, and Unassigned. Restricted Fund Balance represents resources that can only be spent based upon externally imposed restrictions. Committed Fund Balance represents City Council mandated constraints imposed on the use of funds. Assigned Fund Balance represents management's intended use of resources. Unassigned Fund Balance represents resources that have not been classified in one of the aforementioned categories. Governmental funds reported: Nonspendable of \$9,219, Restricted of \$9,840, Committed of \$556, Assigned of \$22,743, and Unassigned of \$16,800 at the end of FY2011.

Within the Nonspendable Fund Balance category, \$4,487 was associated with property held for resale and \$2,916 is related to permanent trust fund capital that must be preserved intact. The remaining \$1,816 is composed of inventory, prepaid, and non-current receivables.

Within the Restricted Fund Balance category, \$3,967 is restricted for Impact Fee projects and \$1,178 must be spent on Heritage Fund projects. A total of \$1,483 included in this category is set aside for debt service reserves. External restrictions related to Homelessness Prevention account for \$2,000, and \$1,212 has been designated in this category for drug enforcement initiatives, Library IOIS/Gift Fund, Foothills Levy, and the Kaylynn Reward initiative.

The Committed Fund Balance category is comprised of funds committed to the Detox Center (\$556).

As stated previously, Assigned Fund Balance represents management's intended use of resources. At the end of FY2011, the City has made the following assignments: Debt Service/Postretirement Benefits of \$9,998, General Government of \$7,965, Parks and Recreation of \$1,448, Community Services of \$1,060, Fire of \$912, Community and Economic Development of \$763, and other assignments of \$597.

The remainder of fund balance \$16,800, is contained within the Unassigned category, with \$11,785 allocated for cash flow reserve.

The General Fund (GF) is the City's chief operating fund. The fund balance of the City's GF decreased by \$5,644; as compared to the prior fiscal year. In total, General Fund revenues fell short of the budget target by \$1,983. In comparison to FY2010, revenues increased \$3,350 on a net basis primarily due to a \$5,171 increase in property taxes, a \$514 increase in licenses, permits, and charges for services, a -\$1,026 decrease in intergovernmental revenues, a -\$1,025 decrease in miscellaneous revenues, and a -\$284 decrease in other revenue categories during the fiscal year.

Expenditures increased by \$6,933, in comparison to FY2010. Expenditures for General Government, Fire, and Parks and Recreation increased \$5,240, \$1,780, and \$554, respectively from FY2010 levels. Culture and Capital outlay showed a combined increase of \$635, as compared to FY2010. Police and Community Services were the only functional categories that showed decreased expenditures of -\$1,095 and -\$181, respectively in comparison to the prior fiscal year.

The Capital Projects Fund Balance decreased by \$3,537 to \$15,572 at the end of FY2011. The majority of this decrease in fund balance was the result of establishing two new other governmental funds: Impact

Fees and Heritage Funds. Capital Projects Fund Balance is composed of the following amounts: \$5,044 was in non-spendable form; being held in property held for resale (\$4,487) and prepaid items (\$557). \$107 is being held restricted for Foothills Levy, whereas \$10,421 is assigned to functional service areas. Of this later amount, \$7,273 is assigned to General Government, \$1,125 is assigned to Parks and Recreation, \$777 is assigned to Fire, \$667 is assigned to Community Services, and \$579 is assigned to other functional areas, capital projects and reserves.

Proprietary funds in FY 2011. 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 2011 were \$27,845, \$36,436, and \$1,096, respectively. The total combined increase of invested in capital assets, net of related debt, restricted, and unrestricted net assets was \$3,176 and \$5,316, for Airport and Sewer, respectively as compared to FY2010. The Solid Waste Fund had an -\$843 decrease in net assets across those fund balance categories when compared to the prior fiscal year. 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 2011

The final General Fund expenditure budget was \$6,469 more than the original budget due to rebudgeted and encumbered expenditures carried from FY2010 to FY2011. The final General Fund revenue budget was \$640 less than the original budget due to net effect of adjustments associated with grant and contract revenue.

Budgeted expenditures exceeded revenues in the final budget for GF by \$1,942. Actual revenues exceeding actual expenditures by \$5,859. The final budget to actual variances of \$1,983 in revenues and \$9,784 in expenditures can be summarized as follows:

Revenues

- Total franchise fee revenue was \$941 less than budgeted. The principal contributors to this unfavorable variance were as follows: Intermountain Gas revenues were short by \$699 primarily due to the rate reduction that occurred in FY2010 and carried into FY2011. Cable franchise fee revenue ended short of the budgeted amount by \$179 due to a slower economic environment.
- Fine and forfeiture revenue ended \$521 below the final budgeted amount. This was the result of a \$374 budgetary shortfall in traffic fines and \$183 budgetary shortfall in parking fines. Other accounts combined for a budgetary surplus of \$36. The reason behind these shortfalls is currently under investigation.
- The intergovernmental revenue shortfall of \$668 was attributable to a \$510 shortfall in liquor tax revenue coupled with a \$175 shortfall in grant revenue. Various other accounts combined for a surplus of \$17. An adjustment to the liquor tax calculation methodology and grant receipt timing accounts for the aforementioned shortfalls.
- Licenses and permits finished the fiscal year short of budget by \$700. The shortfall was attributable to a \$676 budgetary shortfall in trade permit revenue (heat, electrical, and plumbing). Miscellaneous revenue ended the fiscal year with an \$813 budgetary savings due to revenue associated with a benefit refund. Continued slack in commercial/residential building accounts for the shortfall in trade permit revenue.

Expenditures

- All GF departments personnel costs combined were under budget by \$1,076 due to vacancy savings.
- Combined maintenance and operating (M&O) expenses were short of the budget by \$7,500. The majority of the M&O budgetary shortfall occurred within contingency accounts, professional services, and accounts pertaining to dedicated funding as follows:

Contingency Accounts (\$2,400)
Professional Services (\$932)
Dedicated Funding Accounts (\$967)
System Maintenance (\$296)

Records Storage (\$278)
Auto Repair & Maintenance (\$232)
Bus Capital (\$158)
Power (\$133)
Other unused appropriation (\$2,104)

- Encumbrances for contractual obligations that could not be completed during the fiscal year were \$904 while amounts to be rebudgeted into subsequent year expenditures totaled \$1,496.

Capital Asset and Debt Administration

Capital assets in FY 2011. The City's investment in capital assets for its governmental and business-type activities at September 30, 2011, amounted to \$628,554 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, service lines, automobiles and equipment, streetlights, and public art. Sidewalks, bridges, and roads belong to the Ada County Highway District (ACHD). The total increase in the City's investment in capital assets for FY2011 was 0.01 percent (a .02 percent increase for governmental activities and a .01 percent decrease for business-type activities compared to FY2010).

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

- \$641 – Purchase of a new Pierce Arrow 95' ladder truck
- \$1,703 – Barber Station/Marianne Williams Park Development
- \$941 – Donation of 7000 MHZ Radios from Ada County
- \$559 – 36th St. Pedestrian Bridge/Greenbelt Pathway from Garden City's ARRA funded project.
- \$753 – Purchase of new Police Dodge Chargers
- \$1,479 – TSA CCTV cameras funded by ARRA funds
- \$1,643 – West Boise Treatment Plant struvite facility construction
- \$1,782 Geothermal service system extension to BSU

City of Boise's Capital Assets
Net of depreciation

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Land	\$ 74,773	\$ 74,854	\$ 34,644	\$ 34,644	\$ 109,417	\$ 109,498
Land rights	474	363	470	461	944	824
Land improvements			27,308	28,644	27,308	28,644
Buildings	46,633	47,002	168,929	173,047	215,562	220,049
Improvements other than Buildings	31,340	29,341	16,129	17,476	47,469	46,817
Service lines			142,844	141,211	142,844	141,211
Automobiles and trucks	10,592	9,623	6,324	6,364	16,916	15,987
Machinery and equipment	13,108	12,143	27,627	27,680	40,735	39,823
Leasehold Improvements	1,099	1,124			1,099	1,124
Intangible assets	1,166	579	333	206	1,499	785
Construction in progress	8,401	5,496	12,843	12,070	21,244	17,566
Other capital assets	2,827	3,218	690	707	3,517	3,925
Total	\$ 190,413	\$ 183,743	\$ 438,141	\$ 442,510	\$ 628,554	\$ 626,253

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

Long-term debt in FY 2011. At the end of the FY, the City had \$80,995 in outstanding debt consisting of revenue bonds, capital leases, special assessment bond/note, and installment loans. This amount does not include compensated absence accruals. All of the debt was secured by specific revenue sources.

	City of Boise's Outstanding Debt					
	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Revenue Bonds	\$ 23,850	\$ 24,465	\$ 43,051	\$ 13,659	\$ 66,901	\$ 38,124
Capital Leases	1,685	2,206		42,725	1,685	44,931
Other LT Debt	3,995				3,995	
Installment Loans			8,414	9,047	8,414	9,047
Total	\$ 29,530	\$ 26,671	\$ 51,465	\$ 65,431	\$ 80,995	\$ 92,102

The City's debt for bonds, capital leases, other debt, and loans decreased \$11,107 during FY2011 on a net basis. Additional information on the City's long-term debt can be found in Footnote 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 reviewing and approving the second half of the FY 2011-12 Two-Year Budget:

- As of September 2011, the total employment for the Boise MSA increased by 2,954 and the unemployment rate is at 8.5%.
- The City has no increased base compensation scheduled for general employees for FY2012.
- The City has considered the current economic trends while working with the FY 2012 interim budget. The tight revenue projections for the new fiscal year will limit the resources of the City until the economy rebounds.
- On November 29, 2011 the City completed a cash refunding of the 2001A Revenue Refunding Bonds. The City issued another series of refunding bonds to repay the 2001A bonds and take advantage of lower market interest rates. The proceeds of the 2011A Revenue Refunding Bonds were placed in an irrevocable trust account and held for the redemption of the 2001A bonds. All of the bonds were called as of December 1, 2011. The par amount of the new debt is \$24,665 and will be paid off with 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.

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City of Boise, Idaho
Statement of Net Assets
September 30, 2011
(amounts expressed in thousands)

ASSETS	Primary Government		Total
	Governmental Activities	Business-type Activities	
Current assets			
Cash (Note IV A)	\$ 4,552	\$ 1,453	\$ 6,005
Investments (Note IV A)	61,563	67,708	129,271
Receivables (net of allowance for uncollectibles) (Note IV B)			
Taxes - current	108,073		108,073
Taxes - delinquent	2,784		2,784
Accounts and interest	6,938	9,426	16,364
Grants	367	2,597	2,964
Assessments	42	2,382	2,424
Mortgage loans receivable		11,908	11,908
Mortgage loans in process		366	366
Due from primary government			
Due from other governmental units			
Interfund balances (Note IV E)	510	(510)	
Inventory	834	2,249	3,083
Other current assets	4,487	1,163	5,650
Prepaid items	721	65	786
Total current assets	<u>190,871</u>	<u>98,807</u>	<u>289,678</u>
Noncurrent assets			
Restricted cash and investments (Note IV A and C)	1,582	12,029	13,611
Long-term receivable (Note IV B)		1,859	1,859
Deferred charges	626	24	650
Capital assets not being depreciated: (Note IV D)			
Land	74,773	34,644	109,417
Intangible assets	474	470	944
Construction in progress	8,401	12,843	21,244
Capital assets net of accumulated depreciation: (Note IV D)			
Land improvements		27,308	27,308
Leasehold improvements	1,099		1,099
Buildings	46,633	168,929	215,562
Improvements other than buildings	31,340	16,129	47,469
Service lines		142,844	142,844
Automobiles and trucks	10,592	6,324	16,916
Machinery and equipment	13,108	27,627	40,735
Intangible assets	1,166	333	1,499
Other capital assets	2,827	690	3,517
Total noncurrent assets	<u>192,621</u>	<u>452,053</u>	<u>644,674</u>
Total assets	<u>\$ 383,492</u>	<u>\$ 550,860</u>	<u>\$ 934,352</u>

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

<u>Component Unit</u>		<u>Total</u>	
<u>Capital City</u>		<u>Reporting Entity</u>	
<u>Development Corporation</u>			
\$	5,946	\$	11,951
	3,613		132,884
	8,548		116,621
	475		2,784
			16,839
			2,964
			2,424
			11,908
			366
	44,370		44,370
			3,083
			5,650
	2,340		3,126
	<u>65,292</u>		<u>354,970</u>
	10,785		24,396
	1,532		1,859
			2,182
	3,944		113,361
			944
			21,244
			27,308
			1,099
	17,859		233,421
	1,260		48,729
			142,844
			16,916
	326		41,061
			1,499
			3,517
	<u>35,706</u>		<u>680,380</u>
\$	<u>100,998</u>	\$	<u>1,035,350</u>

City of Boise, Idaho
Statement of Net Assets (continued)
September 30, 2011
(amounts expressed in thousands)

	Primary Government		Total
	Governmental Activities	Business-type Activities	
LIABILITIES			
Current liabilities			
Accounts payable	\$ 13,531	\$ 9,237	\$ 22,768
Other accrued liabilities	11,143	1,215	12,358
Unearned revenue	582	2,476	3,058
Deferred revenue - property tax	108,073		108,073
Long term debt - due within one year (Note IV G)	1,950	4,988	6,938
Total current liabilities	<u>135,279</u>	<u>17,916</u>	<u>153,195</u>
Noncurrent liabilities:			
Long term debt - due in more than one year (Note IV G)	31,908	47,818	79,726
Total noncurrent liabilities	<u>31,908</u>	<u>47,818</u>	<u>79,726</u>
Total liabilities	<u>167,187</u>	<u>65,734</u>	<u>232,921</u>
NET ASSETS			
Invested in capital assets, net of related debt	184,211	386,676	570,887
Restricted for:			
Restricted for replacements:			
West Boise Sewer District		2,889	2,889
Garden City Sewer District		2,820	2,820
Restricted for debt		648	648
Restricted for loans		15,327	15,327
Restricted for permanent funds:			
Nonexpendable	4,094		4,094
Capital expansion	7,724	11,381	19,105
Foothills levy	107		107
CID	223		223
Unrestricted	19,946	65,385	85,331
Total net assets	<u>\$ 216,305</u>	<u>\$ 485,126</u>	<u>\$ 701,431</u>

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

<u>Component Unit</u> Capital City Development Corporation	<u>Total</u> Reporting Entity
\$ 825	\$ 23,593
506	12,864
9,867	12,925
	108,073
4,820	11,758
<u>16,018</u>	<u>169,213</u>
68,562	148,288
<u>68,562</u>	<u>148,288</u>
<u>84,580</u>	<u>317,501</u>
10,664	581,551
	2,889
	2,820
5,754	6,402
	15,327
	4,094
	19,105
	107
	223
	85,331
<u>\$ 16,418</u>	<u>\$ 717,849</u>

City of Boise, Idaho
Statement of Activities
For the Fiscal Year Ended September 30, 2011
(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	\$ 33,915	\$ 8,296	\$ 16,463	\$ 948
Fire	41,485	7,366	436	392
Police	46,051	4,941	1,261	879
Parks and recreation	22,634	6,129	562	1,737
Culture	10,471	509	162	69
Community services	13,674	6,661	579	959
Community and economic development	935	225	622	85
Interest and fiscal charges	1,549			
Total governmental activities	<u>170,714</u>	<u>34,127</u>	<u>20,085</u>	<u>5,069</u>
Business-type activities:				
Airport	31,934	22,980	630	11,046
Sewer	30,468	28,019	2,931	3,648
Solid waste	24,044	23,386	143	1
Other	3,977	2,470	2,808	1,149
Total business-type activities	<u>90,423</u>	<u>76,855</u>	<u>6,512</u>	<u>15,844</u>
Total primary government	<u>\$ 261,137</u>	<u>\$ 110,982</u>	<u>\$ 26,597</u>	<u>\$ 20,913</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, special items and transfers
Change in net assets
Net assets-beginning, as restated
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	
\$ (8,208)	\$	\$ (8,208)	\$	\$ (8,208)
(33,291)		(33,291)		(33,291)
(38,970)		(38,970)		(38,970)
(14,206)		(14,206)		(14,206)
(9,731)		(9,731)		(9,731)
(5,475)		(5,475)		(5,475)
(3)		(3)		(3)
(1,549)		(1,549)		(1,549)
<u>(111,433)</u>		<u>(111,433)</u>		<u>(111,433)</u>
	2,722	2,722		2,722
	4,130	4,130		4,130
	(514)	(514)		(514)
	<u>2,450</u>	<u>2,450</u>		<u>2,450</u>
	<u>8,788</u>	<u>8,788</u>		<u>8,788</u>
<u>(111,433)</u>	<u>8,788</u>	<u>(102,645)</u>		<u>(102,645)</u>
			<u>(11,783)</u>	<u>(11,783)</u>
			<u>(11,783)</u>	<u>(11,783)</u>
104,511		104,511		104,511
1,023		1,023		1,023
6,849		6,849		6,849
854	1,367	2,221	28	2,249
(56)	56			
<u>113,181</u>	<u>1,423</u>	<u>114,604</u>	<u>28</u>	<u>114,632</u>
<u>1,748</u>	<u>10,211</u>	<u>11,959</u>	<u>(11,755)</u>	<u>204</u>
<u>214,557</u>	<u>474,915</u>	<u>689,472</u>	<u>28,173</u>	<u>717,645</u>
<u>\$ 216,305</u>	<u>\$ 485,126</u>	<u>\$ 701,431</u>	<u>\$ 16,418</u>	<u>\$ 717,849</u>

City of Boise, Idaho
Balance Sheet
Governmental Funds
September 30, 2011
(amounts expressed in thousands)

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents (Note IV A)	\$ 4,361	\$ 131	\$	\$ 4,492
Investments (Note IV A)	30,563	1,407	19,852	51,822
Receivables (net of allowance for uncollectibles) (Note IV B)				
Taxes - current	108,073			108,073
Taxes - delinquent	2,784			2,784
Accounts and interest	6,391	452	55	6,898
Grants	160	49	158	367
Assessments	42			42
Interfund receivables (Note IV E)	3,587	14,807	4,760	23,154
Inventory	821			821
Prepaid items	130	557		687
Restricted assets: (Note IV C)				
Restricted cash and investments			1,582	1,582
Property held for resale		4,487		4,487
Total assets	<u>\$ 156,912</u>	<u>\$ 21,890</u>	<u>\$ 26,407</u>	<u>\$ 205,209</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and interest payable	\$ 11,590	\$ 1,068	\$ 429	\$ 13,087
Other accrued liabilities	457	725		1,182
Interfund payables (Note IV E)	10,929	4,453	5,688	21,070
Unearned revenue	357	72		429
Deferred revenue - property tax (Note IV B)	110,283			110,283
Total liabilities	<u>133,616</u>	<u>6,318</u>	<u>6,117</u>	<u>146,051</u>
Fund balances:				
Nonspendable:				
Inventory	821			821
Prepaid items	130	557		687
Employee advances - long term receivable	308			308
Property held for resale		4,487		4,487
Permanent fund principal			2,916	2,916
Restricted for:				
Homelessness prevention	2,000			2,000
Drug enforcement	491			491
IOLS consortium	404			404
Library gift funds	204			204
Impact fees projects	15		3,952	3,967
Kaylynn reward	6			6
Heritage funds			1,178	1,178
Debt service - WSGC			115	115
Debt service - CID			1,368	1,368
Foothills levy		107		107
Committed to:				
Detox center	556			556
Assigned to:				
General government	692	7,273		7,965
Fire	135	777		912
Police		72		72
Parks and recreation	323	1,125		1,448
Culture	18	354		372
Community services	393	667		1,060
Other capital projects		51		51
Warm Springs reserve		102		102
Debt service and post retirement benefits			9,998	9,998
Community and economic development			763	763
Unassigned	16,800			16,800
Total fund balances	<u>23,296</u>	<u>15,572</u>	<u>20,290</u>	<u>59,158</u>
Total liabilities and fund balances	<u>\$ 156,912</u>	<u>\$ 21,890</u>	<u>\$ 26,407</u>	<u>\$ 205,209</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, 2011
 (amounts expressed in thousands)

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

Total fund balances--total governmental funds	\$	59,158
Other postemployment benefits (OPEB) not recorded in the fund		(5,475)
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.		190,413
<p>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.</p>		
Unrestricted internal service funds	\$	3,845
Internal service due to other funds		<u>(54)</u>
		3,791
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)		2,210
Prepaid rent from Whitney Fire District		(153)
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Accrued interest	\$	(524)
Bonds payable		(23,850)
CID long term debt		(3,995)
Capital leases		(1,685)
Bond issuance costs		626
Compensated absences		<u>(4,211)</u>
		<u>(33,639)</u>
Net assets of governmental activities	\$	<u><u>216,305</u></u>

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

City of Boise, Idaho
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2011
(amounts expressed in thousands)

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 105,925	\$	\$	\$ 105,925
Franchise fees	5,270	1,579		6,849
Licenses and permits	3,862	305	761	4,928
Intergovernmental revenues	16,570	685	620	17,875
Program income			67	67
Charges for services	28,744	67	78	28,889
Fines and forfeitures	3,422			3,422
Donations	302	351	215	868
Developer reimbursements			158	158
Special assessments			85	85
Investment income	490	49	197	736
Miscellaneous revenues	2,535	138	2	2,675
Total revenues	<u>167,120</u>	<u>3,174</u>	<u>2,183</u>	<u>172,477</u>
Expenditures:				
Current:				
General government	32,058	20		32,078
Fire	40,265			40,265
Police	45,150			45,150
Parks and recreation	18,730		86	18,816
Culture	9,294			9,294
Community services	12,854			12,854
Community and economic development			925	925
Capital outlay	2,910	11,629	3,022	17,561
Debt service:				
Principal payments			1,136	1,136
Bond issuance costs			333	333
Interest and fiscal charges			1,497	1,497
Total expenditures	<u>161,261</u>	<u>11,649</u>	<u>6,999</u>	<u>179,909</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,859</u>	<u>(8,475)</u>	<u>(4,816)</u>	<u>(7,432)</u>
Other financing sources (uses):				
Interfund transfers in (Note IV E)	1,059	10,640	8,206	19,905
Interfund transfers out (Note IV E)	(12,562)	(5,702)	(690)	(18,954)
CID bond issued			3,920	3,920
CID note issued			75	75
Total other financing sources (uses):	<u>(11,503)</u>	<u>4,938</u>	<u>11,511</u>	<u>4,946</u>
Net change in fund balances	(5,644)	(3,537)	6,695	(2,486)
Fund balance at beginning of year	28,940	19,109	13,595	61,644
Fund balance at end of year	<u>\$ 23,296</u>	<u>\$ 15,572</u>	<u>\$ 20,290</u>	<u>\$ 59,158</u>

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, 2011
 (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		\$ (2,486)
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.		601
Net revenues (expenses) of certain internal service funds is included with governmental activities.		(428)
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.		(391)
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 (\$14,631) exceeded depreciation (\$9,536) in the current period.		5,095
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	\$ 2,557	
Whitney deferred rent amortization	6	
Transfer in business activities	32	
Proceeds/(Loss) sale of capital assets	<u>(948)</u>	1,647
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	\$ 95	
Refunding 2001A	615	
City Hall Lease	426	
CID long term debt	(3,995)	
Deferred issuance costs CID	327	
Deferred issuance costs 2001A	<u>(13)</u>	(2,545)
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	\$ 635	
CID long term debt interest	(30)	
County building current interest	(74)	
Refunding 2001A current interest	<u>(420)</u>	111
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.		144
Change in net assets of governmental activities		<u><u>\$ 1,748</u></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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 106,184	\$ 105,684	\$ 105,925	\$ 241
Franchise fees	6,241	6,211	5,270	(941)
Licenses and permits	4,560	4,562	3,862	(700)
Intergovernmental revenues	15,337	17,238	16,570	(668)
Charges for services	30,882	28,842	28,744	(98)
Fines and forfeitures	3,943	3,943	3,422	(521)
Donations	288	401	302	(99)
Investment income	500	500	490	(10)
Miscellaneous revenues	1,808	1,722	2,535	813
Total revenues	169,743	169,103	167,120	(1,983)
Expenditures:				
Current:				
General government	31,979	34,996	32,058	2,938
Fire	41,362	41,120	40,265	855
Police	45,880	46,583	45,150	1,433
Parks and recreation	19,532	19,733	18,730	1,003
Culture	9,493	10,478	9,294	1,184
Community services	13,640	14,733	12,854	1,879
Capital outlay	2,690	3,402	2,910	492
Total expenditures	164,576	171,045	161,261	9,784
Excess of revenues over expenditures	5,167	(1,942)	5,859	7,801
Other financing sources (uses):				
Interfund transfers in	1,205	1,120	1,059	(61)
Interfund transfers out	(6,523)	(6,066)	(12,562)	(6,496)
Total other financing sources (uses):	(5,318)	(4,946)	(11,503)	(6,557)
Net change in fund balances	(151)	(6,888)	(5,644)	1,244
Fund balance at beginning of year	28,940	28,940	28,940	
Fund balance at end of year	\$ 28,789	\$ 22,052	\$ 23,296	\$ 1,244

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, 2011
(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)	\$ 841	\$ 241	\$ 335
Investments (Note IV A)	28,592	36,061	1,453
Receivables (net of allowance for uncollectibles) (Note IV B)			
Accounts and interest	1,396	4,494	1,676
Grants	1,826		
Assessments		2,377	
Mortgage loans receivable			
Mortgage loans in process			
Interfund receivables (Note IV E)	38	849	14
Inventory	612	1,474	
Other assets	412	184	
Prepaid items	63	1	
Total current assets	<u>33,780</u>	<u>45,681</u>	<u>3,478</u>
Noncurrent assets:			
Restricted cash and investments (Note IV C)	11,381	648	
Interfund receivables (Note IV E)	71	112	612
Long-term receivables		1,859	
Deferred charges	24		
Capital assets: (Note IV D)			
Land	18,372	13,947	
Land improvements	66,611		
Buildings	121,165	125,510	
Improvements other than buildings	29,488	8,157	
Service lines		186,478	
Automobiles and trucks	6,721	8,146	85
Machinery and equipment	24,123	42,496	258
Intangible assets	368	1,238	
Construction in process	4,739	6,143	
Other capital assets	560	301	26
Less accumulated depreciation	<u>(111,204)</u>	<u>(129,939)</u>	<u>(161)</u>
Total capital assets (net of accumulated depreciation)	<u>160,943</u>	<u>262,477</u>	<u>208</u>
Total noncurrent assets	<u>172,419</u>	<u>265,096</u>	<u>820</u>
Total assets	<u>\$ 206,199</u>	<u>\$ 310,777</u>	<u>\$ 4,298</u>

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

Other Nonmajor Business-type Funds	Totals	Governmental Activities- Internal Service Funds
\$ 36	\$ 1,453	\$ 60
1,602	67,708	9,741
1,860	9,426	40
771	2,597	
5	2,382	
11,908	11,908	
366	366	
200	1,101	1,023
163	2,249	13
567	1,163	
1	65	34
<u>17,479</u>	<u>100,418</u>	<u>10,911</u>
	12,029	
	795	
	1,859	
	24	
2,325	34,644	
	66,611	
10,568	257,243	1,215
2,318	39,963	83
5,218	191,696	
110	15,062	519
748	67,625	187
37	1,643	197
1,961	12,843	
	887	
<u>(8,772)</u>	<u>(250,076)</u>	<u>(1,358)</u>
<u>14,513</u>	<u>438,141</u>	<u>843</u>
<u>14,513</u>	<u>452,848</u>	<u>843</u>
<u>\$ 31,992</u>	<u>\$ 553,266</u>	<u>\$ 11,754</u>

City of Boise, Idaho
Statement of Net Assets (continued)
Proprietary Funds
September 30, 2011
(amounts expressed in thousands)

	Business-type Activities--Enterprise Funds		
	Airport	Sewer	Solid Waste
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 3,942	\$ 2,806	\$ 1,852
Other accrued liabilities	178	476	
Compensated absences (Note IV G)	66	152	5
Interfund payables (Note IV E)	620	704	580
Unearned revenue	916	659	532
Current portion of long-term debt (Note IV G)	3,009	1,602	
Total current liabilities	8,731	6,399	2,969
Noncurrent liabilities:			
Compensated absences	308	710	25
Interfund payables			
Other long-term debt, non-current (Note IV G)	28,892	17,122	
Total noncurrent liabilities	29,200	17,832	25
Total liabilities	37,931	24,231	2,994
NET ASSETS			
Invested in capital assets, net of related debt	129,042	243,753	208
Restricted for replacements:			
West Boise Sewer District		2,889	
Garden City Sewer District		2,820	
Restricted for debt		648	
Restricted for loans			
Restricted for capital expansion	11,381		
Unrestricted (deficit)	27,845	36,436	1,096
Total net assets	\$ 168,268	\$ 286,546	\$ 1,304

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

Other Nonmajor Business-type Funds	Totals	Governmental Activities- Internal Service Funds
\$ 637	\$ 9,237	\$ 444
561	1,215	3,962
14	237	20
444	2,348	1,860
369	2,476	
140	4,751	
<u>2,165</u>	<u>20,264</u>	<u>6,286</u>
61	1,104	97
112	112	683
700	46,714	
<u>873</u>	<u>47,930</u>	<u>780</u>
<u>3,038</u>	<u>68,194</u>	<u>7,066</u>
13,673	386,676	843
	2,889	
	2,820	
	648	
15,327	15,327	
	11,381	
(46)	65,331	3,845
<u>\$ 28,954</u>	<u>\$ 485,072</u>	<u>\$ 4,688</u>

City of Boise, Idaho
Reconciliation of the Proprietary Funds Statement of Net Assets
to the Statement of Net Assets
September 30, 2011

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:	\$ 485,072
Net revenues (expenses) of certain internal service funds is reported with business-type activities for the current year.	54
Net assets of business-type activities	<u>\$ 485,126</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, 2011
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Airport	Sewer	Solid Waste
Operating revenues:			
Charges for services:			
Program income	\$	\$	\$
Interest income			
Rental income	6,231		
User fees	4,149	28,019	23,386
Parking and concessions	12,600		
Total charges for services	22,980	28,019	23,386
Miscellaneous revenues	201	2,926	143
Donations			
Total operating revenues	23,181	30,945	23,529
Operating expenses:			
Personal services	5,508	11,252	355
Contractual services and utilities	11,570	8,192	23,484
Supplies and materials	291	1,446	174
Depreciation	12,732	8,814	32
Total operating expenses	30,101	29,704	24,045
Operating income (loss)	(6,920)	1,241	(516)
Nonoperating revenues (expenses)			
Operating grants	429	5	
Developer contributed refund		(144)	
Interest revenue	474	671	148
Interest expense	(1,890)	(662)	
Total nonoperating revenues (expenses)	(987)	(130)	148
Income (loss) before interfund transfers and contributions	(7,907)	1,111	(368)
Capital contributions	4,753	3,648	1
Passenger facility charges	5,503		
Customer facility charges	790		
Interfund transfers in (Note IV E)	37	557	5
Interfund transfers out (Note IV E)			(481)
Change in net assets	3,176	5,316	(843)
Total net assets - beginning of year, as restated	165,092	281,230	2,147
Total net assets - end of year	<u>\$ 168,268</u>	<u>\$ 286,546</u>	<u>\$ 1,304</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>	
\$	1,296	\$	1,296	\$	
	551		551		
	623		6,231		
			56,177		6,266
			12,600		
	2,470		76,855		6,266
	48		3,318		1,713
					7
	2,518		80,173		7,986
	924		18,039		1,409
	2,386		45,632		3,865
	35		1,946		682
	584		22,162		108
	3,929		87,779		6,064
	(1,411)		(7,606)		1,922
	2,760		3,194		
			(144)		
	74		1,367		118
	(51)		(2,603)		(10)
	2,783		1,814		108
	1,372		(5,792)		2,030
	1,149		9,551		
			5,503		2
			790		
	38		637		48
	(100)		(581)		(1,055)
	2,459		10,108		1,025
	26,495		474,964		3,663
\$	28,954	\$	485,072	\$	4,688

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, 2011

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

Net change in net assets--total business-type funds	\$ 10,108
Net revenues (expenses) of certain internal service funds is reported with business-type activities.	<u>103</u>
Change in net assets of business-type activities	<u><u>\$ 10,211</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, 2011
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds	
	Airport	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 24,777	\$ 28,038
Receipts from interfund services provided	847	817
Receipts from interfund services used		
Payments to suppliers	(11,526)	(9,217)
Payments to employees	(5,478)	(11,157)
Payments for interfund services provided	(774)	(1,419)
Payments for interfund services used		
Other operating revenue received	1,504	3,218
Other operating payments	(76)	
Net cash provided (used) by operating activities	<u>9,274</u>	<u>10,280</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund transfers to other funds		
Receipts from advances to other funds	7	
Operating grants received	1,170	4
Interfund transfers from other funds	37	
Payments for advances from other funds		
Net cash provided (used) by noncapital financing activities	<u>1,214</u>	<u>4</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(7,131)	(7,529)
Proceeds from sale of capital assets	2	56
Proceeds from long term debt	32,480	
NSP refurbishments		
Principal paid on debt	(45,465)	(1,628)
Interest paid on financing	(1,425)	(833)
Capital contributions received		
Capital grants received	4,751	
Hook-on fees received		2,677
Developer contributed refunds paid		(144)
Passenger facility charges	5,503	
Customer facility charges	790	
Net cash used by capital and related financing activities	<u>(10,495)</u>	<u>(7,401)</u>

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

Solid Waste	Total Nonmajor Business-type Funds	Totals	Governmental Activities- Internal Service Funds
\$ 23,484	\$ 1,357	\$ 77,656	\$ 6,266
97	288	2,049	19
	29	29	1,614
(23,631)	(2,050)	(46,424)	(5,925)
(361)	(924)	(17,920)	(1,404)
	(41)	(2,234)	(652)
(735)	(163)	(898)	
143	2,212	7,077	1,686
	(1,670)	(1,746)	
<u>(1,003)</u>	<u>(962)</u>	<u>17,589</u>	<u>1,604</u>
(482)	(100)	(582)	(1,055)
57		64	
	2,760	3,934	
5	38	80	48
			(64)
<u>(420)</u>	<u>2,698</u>	<u>3,496</u>	<u>(1,071)</u>
	(2,112)	(16,772)	(43)
1		59	2
		32,480	
	(713)	(713)	
	(140)	(47,233)	
	(52)	(2,310)	(10)
	846	846	
		4,751	
		2,677	
		(144)	
		5,503	
		790	
<u>1</u>	<u>(2,171)</u>	<u>(20,066)</u>	<u>(51)</u>

City of Boise, Idaho
Statement of Cash Flows (continued)
Proprietary Funds
For the Fiscal Year Ended September 30, 2011
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds	
	Airport	Sewer
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(40,063)	(35,094)
Proceeds from sale and maturities of investment securities	36,881	31,781
Interest on investments and advances	474	671
Net cash provided (used) by investing activities	<u>(2,708)</u>	<u>(2,642)</u>
Net increase (decrease) in cash and cash equivalents	(2,715)	241
Cash and cash equivalents at beginning of year	<u>14,937</u>	<u>648</u>
Cash and cash equivalents at end of year	<u>\$ 12,222</u>	<u>\$ 889</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (6,920)</u>	<u>\$ 1,241</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	12,732	8,814
Amortization	90	25
(Gain) loss on disposal of capital assets	439	269
(Increase) decrease in accounts receivable	2,081	(51)
(Increase) decrease in assessments		
(Increase) decrease in mortgage loans receivable		
(Increase) decrease in mortgage loans in process		
(Increase) decrease in other assets	630	
(Increase) decrease in inventory	198	(146)
(Increase) decrease in interfund receivables	847	817
(Increase) decrease in prepaid items	14	(1)
Increase (decrease) in accounts payable	225	548
Increase (decrease) in compensated absences	27	64
Increase (decrease) in other accrued liabilities	(31)	47
Increase (decrease) in interfund payables	(774)	(1,419)
Increase (decrease) in unearned revenue	(284)	72
Total adjustments	<u>16,194</u>	<u>9,039</u>
Net cash provided (used) by operating activities	<u>\$ 9,274</u>	<u>\$ 10,280</u>
Noncash investing, capital and financing activities:		
Contributions of capital assets to government		(32)
Contributions of capital assets from developers		402
Increase (decrease) in fair value of investments	(114)	(105)

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

Solid Waste	Total Nonmajor Business-type Funds	Totals	Governmental Activities-Internal Service Funds
(242)	(1,895)	(77,294)	(10,519)
1,851	2,292	72,805	9,884
148	74	1,367	145
<u>1,757</u>	<u>471</u>	<u>(3,122)</u>	<u>(490)</u>
335	36	(2,103)	(8)
		15,585	68
<u>\$ 335</u>	<u>\$ 36</u>	<u>\$ 13,482</u>	<u>\$ 60</u>
<u>\$ (516)</u>	<u>\$ (1,411)</u>	<u>\$ (7,606)</u>	<u>\$ 1,922</u>
32	584	22,162	108
		115	
		708	(34)
99	(892)	1,237	
	(2)	(2)	
	(122)	(122)	
	(366)	(366)	
		630	
	6	58	
97	221	1,982	(562)
	1	14	(17)
28	385	1,186	170
(6)	5	90	
(1)	467	482	(1,526)
(735)	(108)	(3,036)	1,543
(1)	270	57	
<u>(487)</u>	<u>449</u>	<u>25,195</u>	<u>(318)</u>
<u>\$ (1,003)</u>	<u>\$ (962)</u>	<u>\$ 17,589</u>	<u>\$ 1,604</u>
		(32)	32
		402	
(10)		(229)	(24)

City of Boise, Idaho
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2011
(amounts expressed in thousands)

	Health Insurance Self Funding Trust Fund	Boise City Agency Fund
ASSETS		
Cash and cash equivalents (Note IV A)	\$ 1,039	\$ 25
Receivables: (Note IV B)		
Accounts receivable	51	
Interest and dividends	9	
Investments, at fair value: (Note IV A)		
Federal government agencies	2,701	
Other investments	755	701
Total investments	3,456	701
Total assets	4,555	726
LIABILITIES		
Accounts and interest payable	863	130
Refunds payable and other		596
Total liabilities	863	\$ 726
NET ASSETS		
Held in trust for:		
Employees' health insurance benefits	3,692	
Total net assets	\$ 3,692	

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

City of Boise, Idaho
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended September 30, 2011
(amounts expressed in thousands)

	Health Insurance Self Funding Trust Fund
Additions	
Contributions:	
Employer	\$ 66
Plan members	11,653
Total contributions	11,719
Investment earnings:	
Net increase (decrease) in fair value of investments	(1)
Interest	51
Total investment earnings	50
Pharmacy Rebate	125
Total additions	11,894
 Deductions	
Insurance claim benefits	12,437
Administrative expenses	1,285
Total deductions	13,722
Change in net assets	(1,828)
Net assets at beginning of year	5,520
Net assets at end of year	\$ 3,692

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

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CITY OF BOISE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2011
(AMOUNTS EXPRESSED IN THOUSANDS)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of Boise (the City) 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 for one of the City's component units; 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 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. New for this fiscal year, the City has another component unit, Harris Ranch Community Infrastructure District No. 1. This is a separate legal entity that is duly organized and operated under Chapter 31, Title 50 of the Idaho Code. The assets, liabilities, revenues, and expenditures of this entity are blended within the City's Government-wide financial statements.

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 discretely presented 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. Governmental activities for this fiscal year include the assets, liabilities, revenues, and expenditures of a legally separate entity (Harris Ranch Community Infrastructure District) that met the blending requirements for component unit presentation. Similar to last fiscal year, the primary government and its blended component unit are reported separately from Capital City Development Corporation (CCDC). CCDC is a 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 Harris Ranch Community Infrastructure District Fund is used to account for financial and debt issuance transactions associated with development within the District.

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.

C. 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. Restricted cash equivalents are reported in the statement of cash flows.

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 rated A or better.

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 "interfund receivables" or "interfund payables". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government wide financial statements as "interfund 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 15% of utility receivables. 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. Property, Plant, and Equipment

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. 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 \$34 for Airport projects and \$190 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	- 50
Airport terminal building		40
Improvements other than buildings	5	- 75
Leasehold improvements	10	- 45
Airport runways, taxiways and aprons	3	- 20
Airport terminal parking	7	- 15
Sewer service lines	20	- 100
Geothermal wells		40
Geothermal service lines		75
Office furniture and equipment	3	- 30
Vehicles	3	- 20
Machinery and equipment	3	- 50
Intangible assets, depreciating	3	- 10
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 an other financing source. 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 1.13% 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 – During FY2002, the City entered into a \$6,500 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.

Other Debt – A legally separate blended component unit of the City (Harris Ranch Community Infrastructure District) issued \$75 of Bond Anticipation Notes and \$3,920 of Special Assessment Bonds at September 30, 2011. The Bond Anticipation Note is a general obligation of the District whereas the Special Assessment bond is to be repaid by assessments against individual properties within the District. These debt issues are not an obligation of the City.

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 2011, \$109 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 2011, 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 2011, \$73 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 15.70% of the pledged revenues.

The pledged revenue to cover the bonds includes interest income and excludes interest expense and depreciation. In FY 2011 the net available revenue pledged to the bonds was \$10,681. The debt service was \$1,135 principal and \$542 interest giving a coverage ratio of 6.37. Note IV G contains the bond terms.

The City has the option to redeem unmatured bonds at 100% of par value after February 1, 2011.

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 three loans with the State of Idaho Department of Health and Welfare to realign trunk sewer lines and upgrade existing treatment facilities. 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 2.17% of the pledged revenues.

Airport Refunding Bonds – The City issued the Airport Revenue Refunding Bonds Series 2011 in the amount of \$32,480. The bonds were used to: a) refinance the outstanding principal amount of the Airport Revenue COPS, Series 2000 originally issued in the aggregate amount of \$52,000 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 passenger 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 2011 the net available revenue pledged to the bonds was \$12,218. The debt service was \$1,400 principal and \$815 interest giving a coverage ratio of 5.52. Note IV G contains the bond terms.

DEFERRED COMPENSATION

The City has two deferred compensation plans. The first is available to regular employees other than sworn police officers and the second for regular 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 City matches any contribution made by a sworn police officer up to a maximum of 3.5 percent of base salary each plan year. The City also matches the contribution of general employees, based on years of service, up to a maximum of 2 percent. The City matches contributions made by Department Heads at 4.5 percent of salary per plan year. Fire Fighters do not receive matching funds toward their contributions to the plan.

The City has no liability for losses under the plan but the Administrative Board does have fiduciary responsibility regarding oversight of the plan and the investment options made available to participants.

POST EMPLOYMENT HEALTH PLANS

The City has a Post Employment Health Plan for all regular full and part time employees working 20 hours or more per week. The City makes annual contributions to a medical trust established under IRS code section 501(c)(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 all employees eligible to retire under 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 for retirees under the age of 65. For post-65 retirees, the City contributes \$50 per month towards a City-offered Medicare Advantage 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, 2011 and are determined on a prospective basis. The unfunded actuarially accrued liability (UAAL) is \$11,471 – this is 12% 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 2011 is \$1,346. 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 Postemployment Benefits (OPEB) costs.

Annual required contribution (ARC)	\$ 1,346
Interest on net OPEB obligation	190
ARC Adjustment	<u>(264)</u>
Annual OPEB cost	1,272
Contributions made and Adjustments	<u>(671)</u>
Increase in net OPEB obligation	601
Net OPEB obligation - beginning of year <i>(Note 1)</i>	4,874
Net OPEB obligation - end of year	<u>\$ 5,475</u>

Note 1: Inc. FY09 & FY10 data corrections.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2011 and the two preceding fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost		Net OPEB Obligation
		Contributed		
9/30/09	3,106	49%		4,456
9/30/10	1,527	65%		4,874
9/30/11	1,272	43%		5,475

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)
9/30/2009	-	25,807	25,807	0	92,168	28%
9/30/2010	-	10,311	10,311	0	92,681	11%
9/30/2011	-	11,471	11,471	0	93,141	12%

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, 2011 was 26 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, 2011, there are 908 active plan participants, and 6 retirees receiving health and dental insurance benefits under the City's Health Trust. As of January 1, 2011 all Active Fire and Police Union members, Command Staff, and Union Retirees moved to a separate Health Trust. This Health Trust is entirely administered by Union representatives. The City has no management responsibility for the Trust. As of September 30, 2011, there were 467 retirees receiving life insurance coverage paid for by the City. Each retiree's life is insured for \$10,000.

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	
	<u>Per Incident</u>	<u>Aggregate</u>	<u>Per Incident</u>	<u>Aggregate</u>	<u>Per Incident</u>	<u>Aggregate</u>
	2011	\$400	unlimited	\$50	unlimited	\$400

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 that 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 \$200 with an aggregate limit of 120% of aggregate claims.

10. Fund Equity

Governmental funds report fund balance in two major categories: non-spendable and spendable components. Nonspendable fund balance represents resources that cannot be spent due to their form. Governmental fund balance that is available for spending is classified into four reporting categories: Restricted, Committed, Assigned, and Unassigned. Restricted fund balance represents resources that can only be spent based upon external party restrictions. Committed Fund Balance represents City Council mandated constraints imposed on the use of funds. Assigned Fund Balance represents management's intended use of resources. Unassigned Fund Balance represents resources that have not been classified in one of the aforementioned categories.

Enterprise Funds report Net Assets into three major categories: Invested in Capital Assets, Net of Related Debt, Reserved, and Unreserved.

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 2011 budget was the second year of the FY 2010 and 2011 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 for all governmental and proprietary funds is legally enacted (adoption) through passage of an ordinance and based upon extensive public budget workshops and public hearings.
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. Departmental directors cannot initiate inter-departmental transfers without City Council approval.
6. Transfer of budget appropriations between funds 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. The legal requirement of budgetary control in the State of Idaho is at the fund level. No supplemental appropriations were necessary during fiscal year 2011.

IV. DETAILED NOTES ON ALL FUNDS

A. At September 30, 2011, cash and investments, including restricted investments were invested as follows:

	<u>Carrying Amount</u>	<u>Bank Ledger Balance</u>
Cash - demand deposits:		
Collateralized	\$ 7,069	\$ 8,370
Less: Fiduciary Fund Balance	(1,064)	(75)
Total Net Cash	<u>\$ 6,005</u>	<u>\$ 8,295</u>
Investments:		
		<u>Fair Value</u>
Commercial paper		\$ 9,999
U.S. Agency Securities		101,958
Certificates of Deposit		245
Money market and mutual funds		<u>34,837</u>
Subtotal		147,039
Less: restricted and fiduciary fund investments		<u>(17,768)</u>
Total Net Investments		<u>\$ 129,271</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

As of September 30, 2011 the City had the following investments:

<u>Investments by Type</u>	<u>Fair Value</u>	<u>Effective Duration</u>
U.S. Agency Securities	\$ 101,958	1.634
Commercial Paper	9,999	0.035
Certificates of Deposit	245	0.208
Money Market and Mutual Funds	34,837	not available
Total Fair Value	<u>\$ 147,039</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 1.146% on September 30, 2011.

Credit Risk

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Portfolio Percentage</u>
U.S. Agency Securities	AA+	69.98%
Commercial Paper	A1/P1	6.89%
Money Market and Mutual Funds	AAA	22.79%
Key Bank Account (FDIC Insured)	N/A	0.17%
Certificates of Deposit (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, 2011 are rated AA+ by Standard and Poors or Aaa by Moody's. All commercial paper held in the Portfolio on September 30, 2011 is rated A1/P1 by Standard and Poors and Moody's, respectively. All money market mutual funds are rated AAA by Standard and Poor's and Aaa-mf by Moody's as of September 30, 2011. An interest bearing FDIC insured account is maintained at Key Bank with a \$250,000 balance.

Custodial Credit Risk

As of September 30, 2011, 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 Diversification 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, 2011, 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	23.48%
Federal National Mortgage Association	21.65%
Federal Home Loan Mortgage Corporation	14.20%
Federal Farm Credit Bank	10.01%

B. Receivables

September 30, 2011

	General	Capital	Airport	Sewer	Solid Waste	Nonmajor and Other Funds	Fiduciary	Total
Receivables								
Interest	\$ 16	\$ 6	\$ 126	\$ 134	\$ 4	\$ 92	\$ 9	\$ 387
Taxes	110,857							110,857
Accounts	6,375	446	841	3,403	1,767	1,823	51	14,706
Passenger Facility Charges			457					457
Sewer District				2,892				2,892
Special Assessments	42			2,377		5		2,424
Grants	160	49	1,826			929		2,964
Loans						12,274		12,274
Gross Receivables	117,450	501	3,250	8,806	1,771	15,123	60	146,961
Less: Allowance for uncollectibles			28	76	95			199
	\$ 117,450	\$ 501	\$ 3,222	\$ 8,730	\$ 1,676	\$ 15,123	\$ 60	\$ 146,762

The Sewer Receivables includes \$1,859 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	\$ 110,283
Other unearned revenue	<u>429</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 110,712</u>

C. Restricted Assets

Governmental Fund Type	Debt Reserve Fund	Bond Fund / Lease Payment Fund	Reserve Funds	PFC and Deferred Compensation	Total
Harris Ranch CID	\$ 828	\$ 580	\$ -	\$ -	\$ 1,408
Warm Springs Golf Course	115		59		174
Subtotal	943	580	59	-	1,582
Business-Fund Type					
Airport PFC Restriction				10,895	10,895
Airport DEQ Trust				475	475
Airport Terminal 2011 COI				11	11
Sewer Loan Reserve			648		648
Subtotal	-	-	648	11,381	12,029
Total All Funds	\$ 943	\$ 580	\$ 707	\$ 11,381	\$ 13,611

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 relate to Golf Course Debt Reserves, transportation Passenger Facility Charges, and Costs of Issuance.

D. Capital Assets

A Summary of the changes in capital assets for the year ending September 30, 2011, follows:

Primary Government

Governmental activities

	Balance October 1,				Balance September 30,
	2010	Additions	Transfers	Deletions	2011
Capital assets, not being depreciated:					
Land	\$ 74,854	\$ 1	\$ 18	\$ (100)	\$ 74,773
Intangible assets	363	111			474
Construction in progress	5,496	6,717	(3,808)	(4)	8,401
Total capital assets, not being depreciated	<u>80,713</u>	<u>6,829</u>	<u>(3,790)</u>	<u>(104)</u>	<u>83,648</u>
Capital assets, being depreciated:					
Buildings	79,357	1,287	796	(65)	81,375
Improvements other than buildings	61,199	1,861	2,994	(658)	65,396
Automobiles and trucks	22,461	3,031	102	(798)	24,796
Machinery and equipment	28,553	3,107		(1,128)	30,532
Leasehold improvements	1,520	120			1,640
Intangible assets	2,768	844		(4)	3,608
Other capital assets	8,303	152		(27)	8,428
Total capital assets being depreciated	<u>204,161</u>	<u>10,402</u>	<u>3,892</u>	<u>(2,680)</u>	<u>215,775</u>
Less accumulated depreciation for:					
Buildings	32,355	2,462		(75)	34,742
Improvements other than buildings	31,858	2,528		(330)	34,056
Automobiles and trucks	12,838	2,041	70	(745)	14,204
Machinery and equipment	16,410	1,670		(656)	17,424
Leasehold improvements	396	145			541
Intangible assets	2,189	258		(5)	2,442
Other capital assets	5,085	541		(25)	5,601
Total accumulated depreciation	<u>101,131</u>	<u>9,645</u>	<u>70</u>	<u>(1,836)</u>	<u>109,010</u>
Total capital assets, being depreciated, net	<u>103,030</u>	<u>757</u>	<u>3,822</u>	<u>(844)</u>	<u>106,765</u>
Governmental activities capital assets, net	<u>\$ 183,743</u>	<u>\$ 7,586</u>	<u>\$ 32</u>	<u>\$ (948)</u>	<u>\$ 190,413</u>

Business-type activities:	Balance October 1, 2010	Additions	Transfers	Deletions	Balance September 30, 2011
Capital assets, not being depreciated:					
Land	\$ 34,644	\$ -	\$ -	\$ -	\$ 34,644
Intangible assets	461	9			470
Construction-in-progress	12,070	9,426	(8,614)	(39)	12,843
Total capital assets, not being depreciated	47,175	9,435	(8,614)	(39)	47,957
Capital assets, being depreciated:					
Buildings	253,665	123	3,720	(265)	257,243
Land improvements/terminal parking	66,799	3,515	(195)	(3,508)	66,611
Improvements other than buildings	38,856	451	656		39,963
Service lines	188,208	2,275	1,213		191,696
Automobiles and trucks	14,822	1,076	(102)	(734)	15,062
Machinery and equipment	64,403	1,493	3,160	(1,431)	67,625
Intangible assets	919	194	60		1,173
Other capital assets	877	10			887
Total capital assets, being depreciated	628,549	9,137	8,512	(5,938)	640,260
Less accumulated depreciation for:					
Buildings	80,618	7,871		(175)	88,314
Land improvements/terminal parking	38,155	4,662	(6)	(3,508)	39,303
Improvements other than buildings	21,380	2,454			23,834
Service lines	46,997	1,855			48,852
Automobiles and trucks	8,458	991	(70)	(641)	8,738
Machinery and equipment	36,723	4,174	6	(905)	39,998
Intangible assets	713	127			840
Other capital assets	170	28		(1)	197
Total accumulated depreciation	233,214	22,162	(70)	(5,230)	250,076
Total capital assets, being depreciated, net	395,335	(13,025)	8,582	(708)	390,184
Business-type activities capital assets, net	\$ 442,510	\$ (3,590)	\$ (32)	\$ (747)	\$ 438,141

Depreciation Expense was charged to the government functions as follows:

General Government	\$ 1,876
Fire	1,539
Police	1,100
Parks and Recreation	3,076
Culture and Library	947
Community Service	977
Community development	21
Total government functions	<u>9,536</u>

Depreciation on transferred property
Capital assets held by the government's internal
service funds charged to the various functions
based on their usage 108

Total Depreciation Expense-Governmental Activities **\$ 9,644**

E. Interfund Receivables, Payables and Transfers

The composition of the interfund balances at September 30, 2011 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	\$ -	\$ 10,034	\$ 32	\$ 13	\$ 445	\$ 1	\$ 77	\$ 327	\$ 10,929
Capital	97		4,349	7					4,453
Non-major Governmental	843	4,767		5	12		61		5,688
Airport	499		97			1		23	620
Sewer	470		224	1			7	2	704
Solid Waste	443		10		127				580
Non-major Proprietary	304		21	1	85	2	30	1	444
Internal Service	931	6	27	11	180	10	25	670	1,860
	<u>\$ 3,587</u>	<u>\$ 14,807</u>	<u>\$ 4,760</u>	<u>\$ 38</u>	<u>\$ 849</u>	<u>\$ 14</u>	<u>\$ 200</u>	<u>\$ 1,023</u>	<u>\$ 25,278</u>

Interfund payables to General Fund were:

- Risk Management Rebate (\$822)
- Impact Fees, Housing, and Cemetery (\$670)
- Payroll Liability Transfer (\$380)
- PW Journal Correction (\$378)
- Transfer for Fire and Police service at the Airport (\$341)
- Indirect Cost (\$270)
- Utility Billing, IT, and Public Works Direct Charges (\$267)
- Other (\$459)

Interfund payables to the Capital Projects Fund were:

- Transfer of tax support for capital projects (\$9,884)
- Correcting entries associated with new funds establishment (\$4,767)
- Other (\$156)

Interfund payables to Airport Fund were:

- P-Card transactions (\$14)
- Risk Management Rebate (\$9)
- Other (\$15)

Interfund payables to the Sewer Fund were:

- UB Software implementation (\$378)
- Risk Management Rebate (\$179)
- Engineering charges and cross charges/standard entries (\$167)
- Other (\$125)

Interfund payables to the Solid Waste Fund were:

- Fleet Services Advance (\$5)
- Risk Management Rebate (\$5)
- Other (\$4)

Advances to/from other funds as of September 30, 2011:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Airport	Internal Service	\$ 71
Sewer	Non-major proprietary	112
Solid Waste	Internal Service	<u>612</u>
		<u>\$ 795</u>

The amount not expected to be repaid within one year to the Solid Waste Fund from the Fleet Services Fund was \$612. 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 2011 on a temporary basis to ensure adequate cash flow for a major pipeline extension. This temporary suspension started in FY2009.

	Transfer in:								Total
	General	Capital	Non-major Governmental	Airport	Sewer	Solid Waste	Non-major Proprietary	Internal Service	
Transfer out:									
General	\$ -	\$ 9,984	\$ 2,504	\$ 28		\$ -	\$ 15	\$ 31	\$ 12,562
Capital Projects			5,702						5,702
Non-major Governmental	34	656							690
Solid Waste	103				378				481
Non-major Proprietary	100								100
Internal Service	822			9	179	5	23	17	1,055
	<u>\$ 1,059</u>	<u>\$ 10,640</u>	<u>\$ 8,206</u>	<u>\$ 37</u>	<u>\$ 557</u>	<u>\$ 5</u>	<u>\$ 38</u>	<u>\$ 48</u>	<u>\$ 20,590</u>

Significant Transfers Out during FY2011 were as follows: a) transfer from the General Fund to the Capital Projects Fund for authorized projects (\$9,984); b) transfer of amounts for debt service payments (\$2,504); c) transfer out of Capital Projects Fund (\$5,702) to establish two new Non-major Governmental Funds (Heritage and Impact Fees) during FY2011; and d) Risk Management rebate (\$1,055) back to payor funds during the year.

F. Risk Management –Claim Liability

Liability	<u>2011</u>	<u>2010</u>
Total unpaid claims and claim adjustment expenses at September 30 of prior year	\$ 2,406	\$ 2,467
Provision for self-insured events of the current year	<u>250</u>	<u>285</u>
Total incurred claims and claims adjustment expenses	<u>2,656</u>	<u>2,752</u>
Payments:		
Claims and claim adjustment expenses attributable to self insured events of the current year	416	57
Claims and claim adjustment expenses attributed to self insured events of prior years	69	289
Plus: Close-out of prior years	<u>545</u>	<u> </u>
Total Payments	<u>1,030</u>	<u>346</u>
Total unpaid claims and claim adjustment expenses at September 30	<u>\$ 1,626</u>	<u>\$ 2,406</u>
Workers Compensation	<u>2011</u>	<u>2010</u>
Total unpaid claims and claim adjustment expenses at September 30 of prior year	\$ 3,085	\$ 2,906
Provision for self-insured events of the current year	<u>1,316</u>	<u>1,236</u>
Total incurred claims and claims adjustment expenses	<u>4,401</u>	<u>4,142</u>
Payments:		
Claims and claim adjustment expenses attributable to self insured events of the current year	391	327
Claims and claim adjustment expenses attributed to self insured events of prior years	591	730
Plus: Close-out of prior years	<u>1,082</u>	<u> </u>
Total Payments	<u>2,064</u>	<u>1,057</u>
Total unpaid claims and claim adjustment expenses at September 30	<u>\$ 2,337</u>	<u>\$ 3,085</u>
Total Risk Management Other Accrued Liabilities as of September 30	<u>\$ 3,963</u>	<u>\$ 5,491</u>

There are no judgments outstanding. FY2011 Claims expected to be paid within the next year total \$132 and \$617 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, 2011.

Governmental Activities	Long-Term Obligations at			Long-Term Obligations at	
	October 1, 2010	Additions	Deletions	September 30, 2011	Due Within One Year
Refunding Bonds 2001A	\$ 24,465	\$ -	\$ 615	\$ 23,850	\$ 645
Capital Leases:					
Golf Course Improvement					
Project	395		95	300	95
City Hall 2	1,811		426	1,385	443
Other LT Debt Obligations					
Obligations:					
Harris Ranch CID SA Bond		3,920		3,920	
Harris Ranch CID GO BA Note		75		75	
Compensated Absences	4,469	476	617	4,328	767
Total Governmental Activities	31,140	4,471	1,753	33,858	1,950
Business-Type Activities					
Revenue Bonds:					
Airport Revenue Refunding 2011		32,480	1,400	31,080	2,860
Less deferral		(1,002)	(99)	(903)	(163)
Plus premium		1,913	189	1,724	312
Airport Revenue Refunding	1,360		1,360		
Less deferral	(10)		(10)		
Plus premium	7		7		
Wastewater Facility Note	12,250		1,125	11,125	1,180
Deferred gain	42		17	25	12
Capital Leases:					
Airport Revenue COP's 2000	42,705		42,705		
Installment Loans:					
Sewer Line Loan	1,117		112	1,005	39
Sewer Line Loan	69		45	24	24
Sewer Line Loan	6,876		331	6,545	347
Other Long-Term Debt					
Obligations:					
Section 108 Advance	980		140	840	140
Compensated Absences and Other Post Employment Benefits	1,251	312	222	1,341	237
Total Business-Type Activities	66,647	33,703	47,544	52,806	4,988
Total	\$ 97,787	\$ 38,174	\$ 49,297	\$ 86,664	\$ 6,938

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 \$645 to \$1,840 through 2032, interest accrues at 5.00% to 5.375%. Callable on or after December 1, 2011.
Refunded Note Refunding Bonds Series 1996. \$23,850

Harris Ranch CID SA Bond:
\$3,920 due in annual installments of \$40 to \$360, 2014 through 2040.
interest accrues at 9.00%. 3,920

NOTES:

Harris Ranch CID GO BA Note:
\$75 due in annual installments of \$1 to \$72, 2012 through 2015.
Interest accrues at 7.00%. 75

CAPITAL LEASES

Golf Course Revenue Bonds:
\$1,185 lease due in annual installments of \$95 to \$105 through 2013; interest accrues at 5.00% to 5.20%. Callable on or after December 1, 2006. 300

City Hall 2:
\$6,500 Capital Lease due in annual installments of \$443 to \$480 through 2013. Zero interest lease. Implied rate is 4.087% 1,385

OTHER LONG-TERM LIABILITIES

Compensated absences: 4,328

Total Governmental Funds 33,858

Business-type Activities:

REVENUE BONDS:

Airport Revenue Refunding Bond – Series 2011:
\$32,480 Bonds due in annual principal installments of \$2,860 to \$4,185 and semi-annual interest installments of \$780 to \$120 through 2020; interest accrues at 4.00% to 5.75%. Not callable. 31,080
Less deferral (903)
Plus premium 1,724

Wastewater Facility Note Refunding Bonds – Series 1999:
\$22,145 Refunding bonds due in annual installments of \$1,180 to \$1,625 through 2019; interest accrues at 4.40% to 4.75%. Callable on or after February 1, 2009 11,125
Deferred gain on refunding 25

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%. 840

Sewer Line Loan: \$1,616 loan due in semi-annual payments including interest of \$59 through 2022; interest accrues at 4%.	1,005
Sewer Line Loan: \$672 sewer line loan due in semi-annual payments including interest of \$25 through 2012; interest accrues at 4%.	24
Sewer Line Loan: \$8,240 sewer line loan; to be repaid in bi-annual installments through 2026; interest accrues at 3.75%.	6,545
Compensated Absences	<u>1,341</u>
Total Business-type Activities:	<u>52,806</u>
Total long-term liabilities	<u>\$ 86,664</u>

The City completed a current refunding of the Airport Revenue COPs 2000 debt on February 28, 2011. The purpose of the refunding was to take advantage of lower interest rates, pay down \$10,000 of principal on the debt, and shorten the debt maturity by 10 years. The cashflow requirements to service the old debt were \$71,939 through September 30, 2030. The cashflow requirements to service the new debt are \$52,000 through September 30, 2020. The bond refunding transaction resulted in an economic gain of \$5,146.

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, 2011, there is one Industrial Revenue Bond outstanding, with an aggregate principal amount of \$2,050.

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

At fiscal year end, the City is obligated under two leases 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 payment as of September 30, 2011 is \$1,823 for governmental activities. The original capitalized amount of the

governmental leases was \$6,091 with total accumulated depreciation of \$1,705 as of September 30, 2011.

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, 2011.

Fiscal Year Ending September 30	Governmental Lease Payments
2012	\$ 608
2013	608
2014	607
Minimum Lease Payments for the Capital Leases	1,823
Less: Amount representing interest at the City's incremental borrowing rate of interest.	(138)
Present value of minimum lease payments on September 30, 2011	<u>\$ 1,685</u>

The annual requirements to amortize all debt outstanding as of September 30, 2011 excluding obligations associated with compensated absences, post-retirement benefits, and deferred amounts are as follows:

Year/Period	Governmental Activities		Business-type Activities		Entity Wide	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 1,184	\$ 2,411	\$ 4,590	\$ 2,361	\$ 5,774	\$ 4,772
2013	1,238	2,390	4,791	2,190	6,029	4,580
2014	1,336	2,371	4,982	1,989	6,319	4,360
2015	857	2,239	5,220	1,748	6,077	3,987
2016	835	2,237	5,463	1,494	6,298	3,731
2017-2021	4,905	11,099	23,039	3,342	27,944	14,441
2022-2026	6,450	10,935	2,534	236	8,984	11,171
2027-2031	8,540	10,693	-	-	8,540	10,693
2032-2036	2,920	2,767	-	-	2,920	2,767
2037-2041	1,265	297	-	-	1,265	297
Total	<u>\$ 29,530</u>	<u>\$ 47,439</u>	<u>\$ 50,619</u>	<u>\$ 13,360</u>	<u>\$ 80,150</u>	<u>\$ 60,799</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 2011, based on data available from Ada County, would be approximately \$277,693.

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, 2011, the required contribution rates, as determined by PERSI, are as follows:

	<u>Employee</u>	<u>Employer</u>
General Member	6.23%	10.39%
Police	7.69%	10.73%
Fire (hired after October 1, 1980)	7.69%	27.97%
Fire (hired before October 1, 1980)	11.45%	36.62%

The combined contributions from the City and employees were \$20,569, \$19,737, and \$18,623 for the three years ended September 30, 2011, 2010 and 2009, respectively.

I. Fund Balance Designations

Governmental funds report fund balance in two major components: nonspendable and spendable components. Nonspendable fund balance represents resources that cannot be spent due to their resource form. Governmental fund balance that is available for spending is classified into four reporting categories: Restricted, Committed, Assigned, and Unassigned. Restricted Fund Balance represents resources subject to externally enforceable legal restrictions. Committed Fund Balance represents City Council mandated constraints imposed on the use or release of funds from this category. Assigned Fund Balance represents management's established intended use of resources. Unassigned Fund Balance represents resources that have not been classified in one of the aforementioned categories.

The City's highest level of decision making authority is vested with City Council. A resolution approved by Council is the formal action that is required to establish, modify, or rescind a commitment of fund balance. City Council vests with the Chief Financial Officer of the Department of Finance and Administration the authorization to assign amounts to specific purposes approved by Council as described in the City's adopted Fund Balance Policy.

The City considers restricted and unrestricted amounts to have been spent when an expenditure is incurred for which the fund balance category has been made available. It is the policy of the City that expenditures, for which more than one category of fund balance could be used, will be expended in the following categorical order: Restricted, Committed, Assigned, and Unassigned.

A stabilization arrangement is incorporated into the City's adopted Fund Balance Policy. The City's Fund Balance Policy has been formally adopted by resolution. This stabilization arrangement consists of two components: a Cashflow Reserve and Service Maintenance Reserve. The Cashflow Reserve is intended to be a reserve for unexpected events that would have a significant impact on the City's ability to maintain sufficient working capital. The Service Maintenance Reserve may be used to provide funding associated with fluctuations in fiscal cycles and operating requirements that exceed \$500. For FY2011, the combined reserves are established at 8% of the subsequent annual budgeted General Fund base revenues (\$11,785). Any usage or addition to the Cash Flow Reserves must be appropriated/approved by City Council. The reserves are incorporated into the Governmental Funds Balance Sheet within the Unassigned Fund Balance category.

The following is a listing of Assigned Encumbrance and Rebudget amounts by function on September 30, 2011.

Encumbrances	General Fund	Capital Projects Fund	Total
General Gov	\$ 387	\$ 2,209	\$ 2,596
Fire	86	777	863
Police	-	12	12
Parks & Rec	218	1,094	1,312
Culture	10	40	50
Community Svcs	203	124	327
Comm Dev	-	-	-
Subtotal	904	4,256	5,160
Rebudgets	General Fund	Capital Projects Fund	Total
General Gov	305	5,064	5,369
Fire	49		49
Police	-	60	60
Parks & Rec	105	184	289
Culture	8	314	322
Community Svcs	190	543	733
Comm Dev	-	-	-
Subtotal	657	6,165	6,822
Grand Total	\$ 1,561	\$ 10,421	\$ 11,982

J. Commitments

Construction-in-progress in the governmental funds as of September 30, 2011 is \$6,187. The estimated cost to complete proprietary construction projects was approximately \$39,597. Of the estimated cost to complete proprietary construction projects, approximately \$2,556 will be funded by state and/or federal grants and passenger facility charges.

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

K. 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.

L. Prior Period Adjustments

The City determined that two financial transactions were recorded incorrectly during FY2010. It was determined that certain prior year unearned revenues totaling \$171 in a Nonmajor Proprietary Fund (Geothermal Fund) were incorrectly recorded as revenue earned instead of deferred revenue. To correct this error, the beginning FY2011 Net Asset balance of \$27,915 for Nonmajor Proprietary Funds as originally reported, was decreased by \$171. Correspondingly, deferred revenue was increased by the same amount.

During FY2011, it was again determined that Net Assets for Nonmajor Proprietary Funds were overstated by \$1,249 in the Housing Rehabilitation Fund. This was due to liabilities not being recorded that were attached to donated property recorded in FY2010, and other assets being overstated. To correct this error, the beginning FY2011 Nonmajor Proprietary Funds Net Asset balance of the \$27,915 as originally reported, was decreased by \$1,249; other assets were decreased by \$138 and liabilities were increased by \$1,111. The combined effect of correcting these two transactions decreased beginning net assets by \$1,420 to \$26,495, as restated.

M. Subsequent Event

On November 29, 2011 the City completed a cash refunding of the 2001A Revenue Refunding Bonds by issuing refunding bonds to repay the bonds. The proceeds of the 2011A Revenue Refunding Bonds were placed in an irrevocable trust account and held for the redemption of the 2001A bonds. All of the 2001A bonds were called as of December 1, 2011. The par amount of the new debt is \$24,665 and will be paid off with annual installments by September 2020.

N. Discretely Presented 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 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. The Agency has also changed accounting policies due to the implementation of GASB No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011.

Restricted Assets – The Agency has three revenue allocation funds, one for each of its three revenue allocation districts. Title 50, Chapter 20 of the Idaho code delineates the purposes for which revenue allocation funds may be spent by urban renewal agencies, along with the purposes set forth in the Agency's several urban renewal plans. Since the use of funds is proscribed in statute, the fund balance of the revenue allocation funds is considered restricted under the definitions provided in GASB Statement 54. Therefore, fund balance in its entirety is reported as restricted on the fund financial statements. Restricted fund balance as of September 30, 2011 for Central, River Myrtle and Westside is \$589, \$3,086 and \$4,443, respectively. The Debt Service fund has a restricted fund balance of \$122. The balance in this fund is limited to the uses prescribed in the agreements related to the Courthouse Corridor. The restricted balance in the Parking fund is \$2,132 and is restricted for reserves on the outstanding bonds.

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.

Due From Other Governmental Units

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

Ada County Capital Lease \$ 44,370

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

2012	\$ 4,853
2013	5,088
2014	5,234
2015	5,313
2016	5,472
Thereafter	<u>32,530</u>
	58,490
Less amount representing interest	<u>(14,120)</u>
Total	<u>\$ 44,370</u>

Long-term Debt

At September 30, 2011 long-term debt consists of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government Activities:					
2004 A & B	\$ 7,735	\$ -	\$ (7,735)	\$ -	\$ -
2002 C Series	2,050		(2,050)	-	
2005 Series	46,785		(2,415)	44,370	2,665
2010 A-1	2,810			2,810	
2010 A-2	2,690		(1,040)	1,650	1,070
2010 B-1		7,480		7,480	
2010 B-2		1,215	(430)	785	500
2010C		2,540	(110)	2,430	145
2011B		12,865		12,865	440
Total	\$ 62,070	\$ 24,100	\$ (13,780)	\$ 72,390	\$ 4,820

Parking Revenue and Revenue Allocation Bonds:

2005 Series	\$ 44,370
2010 A-1	2,810
2010 A-2	1,650
2010 B-1	7,480
2010 B-2	785
2010C	2,430
2011B	12,865
Total	\$ 72,390

At September 30, 2011, long-term debt is classified on the Statement of Net Assets as:

Long-term debt	
Current portion	\$ 4,820
Long-term portion	67,570
Total	\$ 72,390

The 2005 Series bonds bear interest at rates between 4.162% and 5.24%. The Agency does not have the option to redeem bonds maturing in years 2012 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 Series 2010 A-1 are tax exempt fixed rate bonds with a rate of 2.81% that mature on September 1, 2015. The Series 2010 A-2 are taxable fixed rate bonds with a rate of 2.80% that mature on September 1, 2013.

The Series 2004 A and B bonds were redeemed on October 15, 2010. The Series 2004 A and B bonds were refunded through Bank of America and the new bonds are the Series 2010 B-1 and 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 Series 2002 C bonds were redeemed on December 1, 2010. The Series 2002 C bonds were refunded through Bank of America with the 2010 C Revenue Refunding Note. The 2010 C Revenue Refunding Note was issued through the Boise City Housing Authority, is tax exempt and has a fixed rate of 4.29% and matures on September 1, 2024.

The 2011 B Revenue Refunding Note was issued to refund the Series 2002 B. The Series 2002 B bonds were the housing bonds issued by the developer as part of the Courthouse Corridor Project. The Agency made the debt service payments on these bonds and the debt service was properly recorded as lease expense. In 2010, certain amendments to the various agreements pertaining to

the Courthouse Corridor were agreed to between the developer, the Agency and the County. Under the terms of those amendments, the County took over operations of the parking garages in the Courthouse Corridor Project. Accordingly, the debt service is no longer a lease expense to the Agency, but became a debt obligation of the Agency when the refunding was completed. The 2011 B Revenue Refunding Note was issued through the Boise City Housing Authority. It is tax exempt debt but subject to the alternative minimum tax and has a fixed rate of 4.75% and matures on September 1, 2024.

There are certain restrictive covenants, coverage requirements and ratios associated with the Agency's bonds and notes. As of September 30, 2011 the Agency is compliance with these requirements.

The annual requirements to retire the debt for the 2005, 2010 A and 2010 B bonds and the 2010 C and 2011 B notes as of September 30, 2011 are shown below.

	<u>Governmental Activities</u>			
	<u>Principal</u>		<u>Interest</u>	
2012	\$	4,820	\$	3,322
2013		5,580		3,173
2014		5,975		2,921
2015		6,325		2,649
2016		5,585		2,359
2017-2021		33,065		7,372
2022-2025		11,040		801
Total	\$	<u>72,390</u>	\$	<u>22,597</u>

The Agency has a line of credit of \$3,000 with Bank of America. The rate on the line of credit may be either fixed or floating. The rate is the fixed LIBOR plus 2% or the floating LIBOR plus 2%. The annual fee for the line of credit is 0.5% of the unborrowed amount. The line of credit is subordinate to the Agency's bond debt and is supported by a pledge of all legally available revenues from parking and revenue allocation. The line of credit expires on December 12, 2012. As of September 30, 2011 the amount outstanding on the line of credit was \$0.

Refunded Debt

On October 15, 2010 the Series 2010 B-1 and Series 2010 B-2 Refunding Bonds were issued to refund the 2004 A and 2004 B variable rate bonds. A bond reserve in the amount of \$748 was established with Bank of America using bond proceeds. The rate on the tax-exempt Series 2010 B-1 is 4.25%. The rate on the taxable Series 2010 B-2 is 3.05%. The advanced refunding was undertaken to reduce the interest rate risk exposure related to the variable rate debt and increased the total debt service payments over the length of the debt by \$217. This resulted in an economic loss of \$260.

On December 1, 2010 the Series 2010 C Revenue Refunding Note was issued to refund the 2002 C variable rate bonds. A bond reserve in the amount of \$250 was established with Bank of America using note proceeds. The rate on the tax-exempt Series 2010 C is 4.29%. The term 2010 C Revenue Refunding Note matures in 2024 and has a shorter term than the 2002 C bonds, which were to mature in 2033. The advanced refunding was undertaken to reduce the interest rate risk exposure related to the variable rate debt and decreased the total debt service payments over the length of the debt by \$350. This resulted in an economic loss of \$366.

Leases

The Agency is a party to the following leases:

The Agency entered into the lease for its office space on July 1, 2008. The lease term expires on June 30, 2013. Monthly rent is \$15.

The Agency entered into a lease for its copier in September 2010. The lease has a term of three

years and expires on October 12, 2013. The monthly rent is \$1. The lease qualifies as a capital lease. The original amount and accumulated depreciation are as follows:

Copier lease agreement	\$ 22
Accumulated depreciation	7
The payout schedule is as follows:	
2012	8
2013	8
	<u>16</u>
Less amount representing interest	<u>(1)</u>
Principal	<u>\$ 15</u>

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 the Series 2005 bonds. 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 12 years of the bond obligation, with title reverting to Ada County at the end of that term. Upon satisfaction of the outstanding lease obligation, Ada County may purchase the facilities from the Agency for one dollar.

The Agency has recorded the transaction as a capital lease receivable for \$44,370. This receivable will be received over the remaining 12 years of the 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 60 months following the effective date. The lease became effective on June 29, 2009, 60 days after the certificate of occupancy was issued. The Agency paid a prorated lease rate of \$55 for the period June 29, 2009 to September 30, 2009. The annual lease rate is \$214 and payment is due in advance on October 1 of each fiscal year. The lease terminates June 29, 2014.

Future minimum lease payments under the leases are as follows:

Period	Master Ground Lease	Office Facility	Boise Plaza	Total
2012	\$ 4,853	\$ 180	\$ 214	\$ 5,247
2013	5,088	136	214	5,438
2014	5,234		159	5,393
2015	5,313			5,313
2016	5,472			5,472
Thereafter	32,530			32,530
Total	\$ 58,490	\$ 316	\$ 587	\$ 59,393

Commitments and Contingencies

The Agency agreed to take responsibility for the match requirement for the Federal Transportation Authority Multi-Modal Center grant that is 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 maximum match commitment of \$2,143. If the actual match is less than \$2,143, the Agency will provide 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, 2011 the balance in this account was \$2,143.

The Agency agreed to enter into an Owners Participation Agreement (OPA) with the Gardner Company, the developer of the project at 8th and Main in the Central District. The proposed project is a 15 floor office building with a value estimated by the developer at \$50 to \$60 million. The Agency's financial participation will involve an anticipated amount up to but not exceeding \$4 million of public improvements and site remediation. The OPA sets out conditions of performance that must be met to become eligible for financial participation.

Pledged Revenues

The Agency has certain long-term debt obligations for which revenues have been pledged. The Agency issued the Series 2010 A bonds to refund the 1995A, 1995 B, 1998 and 1999 bonds. Amounts in the 2010 A bond fund are pledged to support this debt. One twelfth of the annual debt service is to be deposited into the bond fund each month. The source revenues for the deposits into the bond fund are revenue allocation from the Central District and parking revenues from the parking system. The 2010 A bonds mature in 2015. The bond fund is pledged until the bonds mature. For the year ended September 30, 2011 the total debt service on these bonds was \$1,194.

The Agency issued the Series 2010 B bonds to refund the 2004 A and 2004 B bonds. Amounts in the 2010 B bond fund are pledged to support this debt. One twelfth of the annual debt service is to be deposited into the bond fund each month. The source revenues for the deposits into the bond fund are revenue allocation from the River Myrtle District and parking revenues from the parking system. The 2010 B bonds mature in 2024. The bond fund is pledged until the bonds mature. For the year ended September 30, 2011, the total debt service on these bonds was \$771.

The Agency issued the Series 2010 C Revenue Refunding Note to refund the 2002 C bonds. Amounts in the 2010 C note fund are pledged to support this debt. One twelfth of the annual debt service is to be deposited into the note fund each month. The source revenues for the deposits into the note fund are revenue allocation from the River Myrtle District and parking revenues from the parking system. The 2010 B Revenue Refunding Note matures in 2024. The bond fund is pledged until the bonds mature. For the year ended September 30, 2011, the total debt service on this note was \$206.

The Agency issued the Series 2011 B Revenue Refunding Note to refund the 2002 B bonds. Amounts in the 2011 B note fund are pledged to support this debt. One twelfth of the annual debt service is to be deposited into the note fund each month. The source revenues for the deposits into the note fund are revenue allocation from the River Myrtle District and parking revenues from the parking system. The 2011 B Revenue Refunding Note matures in 2024. The bond fund is pledged until the bonds mature. For the year ended September 30, 2011, there was no debt service on this note. Principal and interest payments begin in fiscal year 2012.

Significant Contractual Agreements

The Agency is party to numerous agreements related to the development of the parcels in the Ada County Courthouse Corridor. In 2011, the various agreements were amended to facilitate the refunding of the 2002 B bonds with the 2011 B Revenue Refunding Note. The Business Terms Sheet/Funds Flow calculation was one of the agreements amended. The parties agreed to settle all tax increment guarantee claims through September 30, 2011. Under the terms of the amended agreement, the balances in the Funds Flow trustee accounts were released, with some funds paid to the developer for its claims, some funds used for costs of issuance on the 2011 B Revenue Refunding Note and the balance of the funds released to the Agency without additional restriction on their use. The tax increment guarantee for the Idaho Place parcels was restated as \$245 for fiscal year 2011, increasing 3% each year thereafter through fiscal year 2024. The developer will receive credit against the guarantee amount for any actual increment received from the subject parcels. The tax increment guarantee due for fiscal year 2011 was paid.

Fund Conversion and Fund Balance

In fiscal year 2011, the Agency combined the Central Parking fund and the River Myrtle Parking fund into a single fund, the Parking fund. In prior years, revenues from garages in the Central District were pledged to Central District bonds and revenues from garages located in the River Myrtle District were pledged to River Myrtle District bonds, so it was necessary to track the revenues separately. When the bonds were refunded in fiscal year 2010 and fiscal year 2011, the pledge of revenues was stated as revenues from the parking system as a whole, with no distinction by geography. Thus, it was no longer necessary to track the revenues separately. The parking system is operated as a single, unified system so recording the activity of the parking system in one fund rather than two funds is a more useful reflection of the parking system results.

In addition, the fund type for parking was converted from business-type to government funds. The debt service on the bonds that funded the garage construction is supported with revenue allocation funds, so the parking system is not self-supporting. Therefore, a government fund more accurately reflects the parking system activities. A one-time adjustment of \$13,397 to beginning fund balance was made to record the net effect of the conversion from business type to government fund.

The Board of Commissioners is the Agency's highest level of decision making authority. The Board adopted the Fund Balance Policy on September 12, 2011. Per the guidance in the policy, the Board established that an emergency repair reserve in the minimum amount of \$500 shall be on hand as of September 30 of each fiscal year in the Parking fund. Funds within this reserve may be used intra-fiscal year for unforeseen, non-routine repair and maintenance expenditures in the garages when failure to do such repair and maintenance could adversely affect life safety or the ability to operate the garage(s) normally in the immediate future. The Board will evaluate the emergency repair reserve amount as part of each fiscal year's budget process and may amend the amount by resolution as it deems appropriate. The balance in the Parking Emergency Repair Reserve fund as of September 30, 2011 was \$500.

The Board further determined that it may be appropriate to set aside funds apart from working capital for a future project or initiative pursuant generally to the budget and related documents such as the capital investment plan and parking reinvestment program. The Board delegated its authority to assign funds in this manner to the Executive Director. As of September 30, 2011, \$5,111 was assigned in the Parking Fund for parking reinvestment and capital projects budgeted for fiscal year 2012. The Board recommends a spending order of restricted, committed, assigned and then unassigned unless they approve otherwise.

Reporting Change due to a Change in Accounting Principle

The Agency determined that by definition, the parking funds previously recorded as enterprise funds no longer meet the definition of an enterprise fund as the security on the bonds was changed during the refunding. As of October 1, 2010, the enterprise funds previously called Central Parking and River Myrtle have been combined and converted to a governmental fund called the Parking Fund. The following discloses the restatement of net assets and fund balance as of the beginning of the year:

	Central Parking Enterprise Fund	River Myrtle Enterprise Fund
Net assets, beginning of year, as previously stated:	\$ 16,227	\$ 2,889
Conversion to a governmental fund	(16,227)	(2,889)
Net assets, beginning of year, as restated:	\$ -	\$ -
		Governmental Parking Fund
Fund balance, beginning of year, as previously stated:		\$ -
Conversion to a governmental fund		5,719
Fund balance, beginning of year, as previously stated:		\$ 5,719

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City of Boise, Idaho
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2011
(amounts expressed in thousands)

	Special Revenue Community and Economic Development	Special Revenue Heritage Fund	Permanent Fund Dedicated Trust
ASSETS			
Cash and cash equivalents	\$	\$	\$
Investments	779	1,175	3,139
Accounts and interest receivable	2	2	12
Grants receivable	158		
Interfund receivables	379	18	7
Restricted cash and investments	1,408		
Total assets	<u>\$ 2,726</u>	<u>\$ 1,195</u>	<u>\$ 3,158</u>
LIABILITIES			
Accounts payable	\$ 147	\$ 4	\$
Other accrued liabilities			
Interfund payables	448	13	242
Total liabilities	<u>595</u>	<u>17</u>	<u>242</u>
FUND BALANCES			
Fund balances:			
Nonspendable:			
Permanent fund principal			2,916
Restricted for:			
Impact fees projects			
Heritage funds		1,178	
Debt service - CID	1,368		
Debt service - WSGC			
Assigned to:	763		
Debt service and other postemployment benefits			
Total fund balances	<u>2,131</u>	<u>1,178</u>	<u>2,916</u>
Total liabilities and fund balances	<u>\$ 2,726</u>	<u>\$ 1,195</u>	<u>\$ 3,158</u>

Capital Projects Impact Fees Fund	Debt Service Fund	Total Nonmajor Governmental Funds
\$	\$	\$
4,846	9,913	19,852
1	38	55
		158
4,348	8	4,760
	174	1,582
<u>\$ 9,195</u>	<u>\$ 10,133</u>	<u>\$ 26,407</u>
\$ 258	\$ 20	\$ 429
4,985		5,688
<u>5,243</u>	<u>20</u>	<u>6,117</u>
		2,916
3,952		3,952
		1,178
		1,368
	115	115
		763
	9,998	9,998
<u>3,952</u>	<u>10,113</u>	<u>20,290</u>
<u>\$ 9,195</u>	<u>\$ 10,133</u>	<u>\$ 26,407</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, 2011
(amounts expressed in thousands)

	Special Revenue Community and Economic Development	Special Revenue Heritage Fund	Permanent Fund Dedicated Trust
Revenues:			
Licenses and permits	\$	\$	\$
Intergovernmental revenues	620		
Program income	67		
Charges for services			78
Donations		215	
Developer reimbursements	158		
Special assessments	85		
Investment income	3	2	53
Miscellaneous revenues	2		
Total revenues	935	217	131
Expenditures:			
Current:			
Parks and recreation		86	
Community and economic development	925		
Capital outlay	2,214	335	
Debt service:			
Bond issuance costs	333		
Principal payments			
Interest and fiscal charges	128		
Total expenditures	3,600	421	
Excess (deficiency) of revenues over (under) expenditures	(2,665)	(204)	131
Other financing sources (uses):			
Interfund transfers in	1	1,382	
Interfund transfers out			(34)
CID bond issuance	3,920		
CID note issuance	75		
Total other financing sources (uses):	3,996	1,382	(34)
Net change in fund balances	1,331	1,178	97
Fund balance at beginning of year	800		2,819
Fund balance at end of year	\$ 2,131	\$ 1,178	\$ 2,916

Capital Projects Impact Fees Fund	Debt Service Fund	Total Nonmajor Governmental Funds
\$ 761	\$	761
		620
		67
		78
		215
		158
		85
	139	197
		2
<u>761</u>	<u>139</u>	<u>2,183</u>
		86
		925
473		3,022
		333
	1,136	1,136
	1,369	1,497
<u>473</u>	<u>2,505</u>	<u>6,999</u>
<u>288</u>	<u>(2,366)</u>	<u>(4,816)</u>
4,320	2,503	8,206
(656)		(690)
		3,920
		75
<u>3,664</u>	<u>2,503</u>	<u>11,511</u>
3,952	137	6,695
	9,976	13,595
<u>\$ 3,952</u>	<u>\$ 10,113</u>	<u>\$ 20,290</u>

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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, 2011
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$	\$	\$	\$
Franchise fees	1,782	1,782	1,579	(203)
Licenses and permits	1,206	1,206	305	(901)
Intergovernmental revenues	100	2,385	685	(1,700)
Charges for services		413	67	(346)
Donations	3,023	4,332	351	(3,981)
Investment income	699	699	49	(650)
Miscellaneous revenues		64	138	74
Total revenues	6,810	10,881	3,174	(7,707)
Expenditures:				
Current:				
General government	2,162	4,348	1,773	2,575
Fire	538	1,081	441	640
Parks and recreation	1,551	3,118	1,271	1,847
Culture	360	725	295	430
Community services	393	791	322	469
Capital outlay	9,184	18,465	7,527	10,938
Interest and fiscal charges			20	(20)
Total expenditures	14,188	28,528	11,649	16,879
Excess (deficiency) of revenues over expenditures	(7,378)	(17,647)	(8,475)	9,172
Other financing sources (uses):				
Capital leases				
Interfund transfers in	4,000	4,168	10,640	6,472
Interfund transfers out	(1,122)	(6,324)	(5,702)	622
Total other financing sources (uses)	2,878	(2,156)	4,938	7,094
Net change in fund balances	(4,500)	(19,803)	(3,537)	16,266
Fund balance at beginning of year	19,109	19,109	19,109	
Fund balance at end of year	\$ 14,609	\$ (694)	\$ 15,572	\$ 16,266

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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues:				
Investment income	\$ 368	\$ 368	\$ 139	\$ (229)
Total revenues	<u>368</u>	<u>368</u>	<u>139</u>	<u>(229)</u>
Expenditures:				
Current:				
Principal	710	710	1,136	(426)
Interest and other charges	1,688	1,688	1,369	319
Total expenditures	<u>2,398</u>	<u>2,398</u>	<u>2,505</u>	<u>(107)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,030)</u>	<u>(2,030)</u>	<u>(2,366)</u>	<u>(336)</u>
Other financing sources (uses):				
Interfund transfers in	2,503	2,503	2,503	
Total other financing sources (uses)	<u>2,503</u>	<u>2,503</u>	<u>2,503</u>	
Net change in fund balances	473	473	137	(336)
Fund balance at beginning of year	9,976	9,976	9,976	
Fund balance at end of year	<u>\$ 10,449</u>	<u>\$ 10,449</u>	<u>\$ 10,113</u>	<u>\$ (336)</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, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ 1,212	\$ 1,630	\$ 620	\$ (1,010)
Program income			67	67
Developer reimbursements			158	158
Special assessments			85	85
Investment income			3	3
Miscellaneous revenues			2	2
Total revenues	<u>1,212</u>	<u>1,630</u>	<u>935</u>	<u>(695)</u>
Expenditures:				
Current:				
Community and economic development	1,205	1,921	925	996
Capital outlay			2,214	(2,214)
Debt service:				
Bond issuance costs			333	(333)
Interest			128	(128)
Total expenditures	<u>1,205</u>	<u>1,921</u>	<u>3,600</u>	<u>(1,679)</u>
Excess (deficiency) of revenues over expenditures	<u>7</u>	<u>(291)</u>	<u>(2,665)</u>	<u>(2,374)</u>
Other financing sources (uses):				
Interfund transfers in		39	1	(38)
Interfund transfers out		(15)		15
CID bond proceeds		4,138	3,995	(143)
Total other financing sources (uses)		<u>4,162</u>	<u>3,996</u>	<u>(166)</u>
Net change in fund balances	7	3,871	1,331	(2,540)
Fund balance at beginning of year	800	800	800	
Fund balance at end of year	<u>\$ 807</u>	<u>\$ 4,671</u>	<u>\$ 2,131</u>	<u>\$ (2,540)</u>

City of Boise, Idaho
Special Revenue - Heritage Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended September 30, 2011
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues:				
Donations	\$	\$	\$ 215	\$ 215
Investment income			2	2
Total revenues			<u>217</u>	<u>217</u>
Expenditures:				
Current:				
Parks and recreation		1,137	421	716
Total expenditures		<u>1,137</u>	<u>421</u>	<u>716</u>
Excess (deficiency) of revenues over expenditures		<u>(1,137)</u>	<u>(204)</u>	<u>933</u>
Other financing sources:				
Interfund transfers in			1,382	1,382
Total other financing sources			<u>1,382</u>	<u>1,382</u>
Net change in fund balances		(1,137)	1,178	2,315
Fund balance at beginning of year				
Fund balance at end of year	<u>\$</u>	<u>\$ (1,137)</u>	<u>\$ 1,178</u>	<u>\$ 2,315</u>

City of Boise, Idaho
 Capital Projects - Impact Fees Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended September 30, 2011
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues:				
Licenses and permits	\$	\$	\$ 761	\$ 761
Total revenues			761	761
Expenditures:				
Current:				
Capital outlay		3,309	473	2,836
Total expenditures		3,309	473	2,836
Excess (deficiency) of revenues over expenditures		(3,309)	288	3,597
Other financing sources (uses):				
Interfund transfers in		4,320	4,320	
Interfund transfers out			(656)	(656)
Total other financing sources (uses)		4,320	3,664	(656)
Net change in fund balances		1,011	3,952	2,941
Fund balance at beginning of year				
Fund balance at end of year	\$	\$ 1,011	\$ 3,952	\$ 2,941

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, 2011
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 60	\$ 60	\$ 78	\$ 18
Investment income	80	80	53	(27)
Total revenues	<u>140</u>	<u>140</u>	<u>131</u>	<u>(9)</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 of revenues over expenditures	<u>80</u>	<u>80</u>	<u>131</u>	<u>51</u>
Other financing uses:				
Interfund transfers out	<u>(80)</u>	<u>(80)</u>	<u>(34)</u>	<u>46</u>
Total other financing uses:	<u>(80)</u>	<u>(80)</u>	<u>(34)</u>	<u>46</u>
Net change in fund balances			97	97
Fund balance at beginning of year	2,819	2,819	2,819	
Fund balance at end of year	<u>\$ 2,819</u>	<u>\$ 2,819</u>	<u>\$ 2,916</u>	<u>\$ 97</u>

City of Boise, Idaho
 Nonmajor Proprietary Funds
 Combining Statement of Net Assets
 September 30, 2011
 (amounts expressed in thousands)

ASSETS	Geothermal	Municipal Irrigation	Housing Rehabilitation	Total Nonmajor Business-type Funds
Current assets:				
Cash and cash equivalents	\$ 36	\$	\$	\$ 36
Investments	51	63	1,488	1,602
Receivables (net of allowance for uncollectibles)				
Accounts and interest	124		1,736	1,860
Grants	364		407	771
Assessments		5		5
Mortgage loans receivable			11,908	11,908
Mortgage loans in process			366	366
Interfund receivables	8	15	177	200
Inventory	163			163
Other assets			567	567
Prepaid items			1	1
Total current assets	<u>746</u>	<u>83</u>	<u>16,650</u>	<u>17,479</u>
Noncurrent assets:				
Capital assets:				
Land			2,325	2,325
Buildings	110		10,458	10,568
Improvements other than buildings	2,175		143	2,318
Service lines	5,069	149		5,218
Automobiles and trucks			110	110
Machinery and equipment	398	115	235	748
Intangible assets	9		28	37
Construction in process	1,949		12	1,961
Less accumulated depreciation	<u>(3,330)</u>	<u>(65)</u>	<u>(5,377)</u>	<u>(8,772)</u>
Total capital assets (net of accumulated depreciation)	<u>6,380</u>	<u>199</u>	<u>7,934</u>	<u>14,513</u>
Total noncurrent assets	<u>6,380</u>	<u>199</u>	<u>7,934</u>	<u>14,513</u>
Total assets	<u>\$ 7,126</u>	<u>\$ 282</u>	<u>\$ 24,584</u>	<u>\$ 31,992</u>

City of Boise, Idaho
 Nonmajor Proprietary Funds
 Combining Statement of Net Assets (continued)
 September 30, 2011
 (amounts expressed in thousands)

	<u>Geothermal</u>	<u>Municipal Irrigation</u>	<u>Housing Rehabilitation</u>	<u>Total Nonmajor Business-type Funds</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 278	\$ 1	\$ 358	\$ 637
Other accrued liabilities		10	551	561
Compensated absences	2		12	14
Interfund payables	91	5	348	444
Unearned revenue	365	4		369
Current portion of long-term debt			140	140
Total current liabilities	<u>736</u>	<u>20</u>	<u>1,409</u>	<u>2,165</u>
Noncurrent liabilities:				
Compensated absences	7		54	61
Interfund payables	112			112
Other long-term debt, non-current			700	700
Total noncurrent liabilities	<u>119</u>		<u>754</u>	<u>873</u>
Total liabilities	<u>855</u>	<u>20</u>	<u>2,163</u>	<u>3,038</u>
NET ASSETS				
Invested in capital assets, net of related debt	6,380	199	7,094	13,673
Restricted for loans			15,327	15,327
Unrestricted (deficit)	(109)	63		(46)
Total net assets	<u>\$ 6,271</u>	<u>\$ 262</u>	<u>\$ 22,421</u>	<u>\$ 28,954</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, 2011
(amounts expressed in thousands)

	<u>Geothermal</u>	<u>Municipal Irrigation</u>	<u>Housing Rehabilitation</u>	<u>Total Nonmajor Business-type Funds</u>
Operating revenues:				
Charges for services:				
Program income	\$	\$	\$ 1,296	\$ 1,296
Interest income			551	551
User fees	590	33		623
Total charges for services	590	33	1,847	2,470
Miscellaneous revenues	4		44	48
Total operating revenues	<u>594</u>	<u>33</u>	<u>1,891</u>	<u>2,518</u>
Operating expenses:				
Personal services	61		863	924
Contractual services and utilities	200	35	2,151	2,386
Supplies and materials	6		29	35
Depreciation	159	8	417	584
Total operating expenses	<u>426</u>	<u>43</u>	<u>3,460</u>	<u>3,929</u>
Operating income (loss)	<u>168</u>	<u>(10)</u>	<u>(1,569)</u>	<u>(1,411)</u>
Nonoperating revenues (expenses)				
Operating grants			2,760	2,760
Interest revenue	1		73	74
Interest expense			(51)	(51)
Total nonoperating revenues (expenses)	<u>1</u>		<u>2,782</u>	<u>2,783</u>
Income before interfund transfers and contributions	169	(10)	1,213	1,372
Interfund transfers in		15	23	38
Interfund transfers out	(100)			(100)
Capital contributions	1,149			1,149
Change in net assets	<u>1,218</u>	<u>5</u>	<u>1,236</u>	<u>2,459</u>
Total net assets - beginning of year, as restated	<u>5,053</u>	<u>257</u>	<u>21,185</u>	<u>26,495</u>
Total net assets - end of year	<u>\$ 6,271</u>	<u>\$ 262</u>	<u>\$ 22,421</u>	<u>\$ 28,954</u>

City of Boise, Idaho
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended September 30, 2011
(amounts expressed in thousands)

	<u>Geothermal</u>	<u>Municipal Irrigation</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 755	\$ 29
Receipts from interfund services provided	6	26
Receipts from interfund services used	29	
Payments to suppliers		(34)
Payments to employees	(58)	
Payments for interfund services provided		(41)
Payments for interfund services used		
Other operating revenue received	31	4
Other operating payments		(4)
Net cash provided (used) by operating activities	<u>763</u>	<u>(20)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund transfers to other funds	(100)	
Operating grants received		
Interfund transfers from other funds		15
Net cash provided (used) by noncapital financing activities	<u>(100)</u>	<u>15</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets NSP refurbishments	(1,956)	
Principal paid on debt		
Interest paid on financing		
Capital contributions	846	
Net cash used by capital and related financing activities	<u>(1,110)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(351)	(39)
Proceeds from sale and maturities of investment securities	832	44
Interest on investments and advances	2	
Net cash provided (used) by investing activities	<u>483</u>	<u>5</u>
Net increase in cash	36	
Cash and cash equivalents at beginning of year		
Cash and cash equivalents at end of year	<u>\$ 36</u>	<u>\$</u>

Housing Rehabilitation	Totals
\$ 573	\$ 1,357
256	288
	29
(2,016)	(2,050)
(866)	(924)
	(41)
(163)	(163)
2,177	2,212
<u>(1,666)</u>	<u>(1,670)</u>
<u>(1,705)</u>	<u>(962)</u>
	(100)
2,760	2,760
23	38
<u>2,783</u>	<u>2,698</u>
(156)	(2,112)
(713)	(713)
(140)	(140)
(52)	(52)
	846
<u>(1,061)</u>	<u>(2,171)</u>
(1,505)	(1,895)
1,416	2,292
72	74
<u>(17)</u>	<u>471</u>
	36
<u>\$</u>	<u>\$ 36</u>

City of Boise, Idaho
Combining Statement of Cash Flows (continued)
Nonmajor Proprietary Funds
For the Fiscal Year Ended September 30, 2011
(amounts expressed in thousands)

	Geothermal	Municipal Irrigation
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 168	\$ (10)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	159	8
(Increase) decrease in accounts receivable	(105)	(1)
(Increase) decrease in assessments		(2)
(Increase) decrease in mortgage loans receivable		
(Increase) decrease in mortgage loans in process		
(Increase) decrease in inventory	6	
(Increase) decrease in interfund receivables	6	(41)
(Increase) decrease in prepaid items		
Increase (decrease) in accounts payable	227	
Increase (decrease) in compensated absences	3	
Increase (decrease) in other accrued liabilities		
Increase (decrease) in interfund payables	29	26
Increase (decrease) in unearned revenue	270	
Total adjustments	595	(10)
Net cash provided (used) by operating activities	\$ 763	\$ (20)

<u>Housing Rehabilitation</u>	<u>Totals</u>
<u>\$ (1,569)</u>	<u>\$ (1,411)</u>
417	584
(786)	(892)
	(2)
(122)	(122)
(366)	(366)
	6
256	221
1	1
158	385
2	5
467	467
(163)	(108)
	270
<u>(136)</u>	<u>449</u>
<u>\$ (1,705)</u>	<u>\$ (962)</u>

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City of Boise, Idaho
Schedule of Revenues and Expenditures
Airport Fund
For the Fiscal Year Ended September 30, 2011
(amounts expressed in thousands)

	Annual Budget Final	2011 Actual Amounts	YTD Percent to Budget
Operating revenues:			
Airline landing fees	\$ 4,473	3,412	76%
Airline rent	4,326	3,688	85%
Parking fees	7,903	7,435	94%
Car rental	3,709	3,607	97%
Concessions	1,597	1,524	95%
Rental income	2,438	2,469	101%
Corporate sponsorship/donations	24		0%
Inflight food sales	300	327	109%
Other	708	719	102%
Total operating revenues	<u>25,478</u>	<u>23,181</u>	<u>91%</u>
Operating expenses:			
Personnel services	6,207	5,508	89%
Administration expenses	4,159	2,251	54%
Supplies and materials	3,599	2,444	68%
Professional services	6,698	5,348	80%
Purchased services	46	616	1339%
Utilities and communications	1,196	1,202	101%
Total operating expenses	<u>21,905</u>	<u>17,369</u>	<u>79%</u>
Operating income (loss)	3,573	5,812	163%
Nonoperating revenues (expenses)			
Passenger facility charges	6,279	5,503	88%
Customer facility charges	766	790	103%
Grants	501	429	86%
Transfers in	30	37	123%
Transfers out			
Interest revenue	610	474	78%
Interest expense	(2,505)	(1,890)	75%
Asset sales			
Gain (loss) on property sale/exchange			
Total nonoperating revenue (expenses)	<u>5,681</u>	<u>5,343</u>	<u>94%</u>
Net Income(Loss) before			
Depreciation and capital grant contributions	9,254	11,155	121%
Depreciation	(12,951)	(12,732)	98%
Capital contributions, grants	15,158	4,753	31%
Capital contributions, donations			
Net Income after depreciation and capital grants	<u>11,461</u>	<u>3,176</u>	<u>28%</u>

PFC Quarterly Report - Summary

City of Boise
Boise Airport

Charge Expiration Date: August 1, 2018
Quarter ending: 2011 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	67,398,965	51,593,760
08-04-C-00-BOI	5,377,736	5,377,736	-	4,910,420
Total	\$122,453,177	\$122,453,177	\$87,590,023	\$76,695,238

Collections and Interest

	Previously Reported	Current Quarter	Prior Period Adjustments	Cumulative
PFC Revenue	584,863,632	\$1,506,397	-	\$86,370,029
Interest Earned	1,192,832	27,162	-	1,219,994
Total	\$ 86,056,464	1,533,559	-	\$ 87,590,023

Remaining Authorized Collections

\$34,863,154

PFC Account Balance

\$10,894,785

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City of Boise, Idaho
Combining Statement of Net Assets
Internal Service Funds
September 30, 2011
(amounts expressed in thousands)

	Fleet Services	L. M. Cunningham	Risk Management	Total Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$	\$	\$ 60	\$ 60
Investments	470	292	8,979	9,741
Receivables:				
Accounts and interest	4	1	35	40
Interfund receivables	365		658	1,023
Inventory	13			13
Prepaid items			34	34
Total current assets	<u>852</u>	<u>293</u>	<u>9,766</u>	<u>10,911</u>
Noncurrent assets:				
Interfund receivables				
Capital assets:				
Buildings	1,215			1,215
Improvements other than buildings	83			83
Automobiles and trucks	519			519
Machinery and equipment	169		18	187
Intangible assets	117		80	197
Less accumulated depreciation	(1,309)		(49)	(1,358)
Total capital assets (net of accumulated depreciation)	<u>794</u>		<u>49</u>	<u>843</u>
Total noncurrent assets	<u>794</u>		<u>49</u>	<u>843</u>
Total assets	<u>\$ 1,646</u>	<u>\$ 293</u>	<u>\$ 9,815</u>	<u>\$ 11,754</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 368	\$	\$ 76	\$ 444
Other accrued liabilities			3,962	3,962
Compensated absences	17		3	20
Interfund payables	49		1,811	1,860
Total current liabilities	<u>434</u>		<u>5,852</u>	<u>6,286</u>
Noncurrent liabilities:				
Compensated absences	81		16	97
Interfund payables	683			683
Total noncurrent liabilities	<u>764</u>		<u>16</u>	<u>780</u>
Total liabilities	<u>1,198</u>		<u>5,868</u>	<u>7,066</u>
NET ASSETS				
Invested in capital assets, net of related debt	794		49	843
Unrestricted (deficit)	(346)	293	3,898	3,845
Total net assets	<u>\$ 448</u>	<u>\$ 293</u>	<u>\$ 3,947</u>	<u>\$ 4,688</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, 2011
(amounts expressed in thousands)

	Fleet Services	L. M. Cunningham	Risk Management	Total Internal Service Funds
Operating revenues:				
Charges for services:				
User fees	\$ 2,489	\$ 6	\$ 3,771	\$ 6,266
Total charges for services	<u>2,489</u>	<u>6</u>	<u>3,771</u>	<u>6,266</u>
Miscellaneous revenues	70		1,643	1,713
Donations		7		7
Total operating revenues	<u>2,559</u>	<u>13</u>	<u>5,414</u>	<u>7,986</u>
Operating expenses:				
Personal services	955		454	1,409
Contractual services and utilities	805	4	3,056	3,865
Supplies and materials	659	10	13	682
Depreciation	90		18	108
Total operating expenses	<u>2,509</u>	<u>14</u>	<u>3,541</u>	<u>6,064</u>
Operating income (loss)	<u>50</u>	<u>(1)</u>	<u>1,873</u>	<u>1,922</u>
Nonoperating revenues (expenses)				
Interest revenue		4	114	118
Interest expense	(10)			(10)
Total nonoperating revenues (expenses)	<u>(10)</u>	<u>4</u>	<u>114</u>	<u>108</u>
Income before interfund transfers and contributions	40	3	1,987	2,030
Capital contributions	2			2
Interfund transfers in	44		4	48
Interfund transfers out			(1,055)	(1,055)
Change in net assets	<u>86</u>	<u>3</u>	<u>936</u>	<u>1,025</u>
Total net assets - beginning of year	362	290	3,011	3,663
Total net assets - end of year	<u>\$ 448</u>	<u>\$ 293</u>	<u>\$ 3,947</u>	<u>\$ 4,688</u>

City of Boise, Idaho
Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2011
(amounts expressed in thousands)

	Fleet Services	L. M. Cunningham
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 2,488	\$ 7
Receipts from interfund services provided	19	
Receipts from interfund services used		
Other operating receipts	36	7
Payments to suppliers	(1,291)	(14)
Payments to employees	(955)	
Payments for interfund services provided	(71)	
Net cash provided by operating activities	226	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund transfers to other funds		
Interfund transfers from other funds	44	
Payments for advances from other funds	(64)	
Net cash used by noncapital financing activities	(20)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(43)	
Proceeds from sale of capital assets	2	
Interest paid on financing	(10)	
Net cash used by capital and related financing activities	(51)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(155)	(154)
Proceeds from sale and maturities of investment securities		150
Interest on investments		4
Net cash used by investing activities	(155)	4
Net decrease in cash and cash equivalents		
Cash and cash equivalents, at beginning of year		
Cash and cash equivalents, at end of year	\$	\$

Risk Management	<u>Totals</u>
\$ 3,771	\$ 6,266
	19
1,614	1,614
1,643	1,686
(4,620)	(5,925)
(449)	(1,404)
<u>(581)</u>	<u>(652)</u>
<u>1,378</u>	<u>1,604</u>
(1,055)	(1,055)
4	48
	<u>(64)</u>
<u>(1,051)</u>	<u>(1,071)</u>
	(43)
	2
	<u>(10)</u>
	<u>(51)</u>
(10,210)	(10,519)
9,734	9,884
141	145
<u>(335)</u>	<u>(490)</u>
(8)	(8)
<u>68</u>	<u>68</u>
<u>\$ 60</u>	<u>\$ 60</u>

City of Boise, Idaho
Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2011
(amounts expressed in thousands)

	Fleet Services	L. M. Cunningham
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 50	\$ (1)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	90	
(Gain) loss on disposal of capital assets	(34)	
(Increase) decrease in accounts receivable	(1)	1
(Increase) decrease in interfund receivables	19	
(Increase) decrease in prepaid items		
Increase (decrease) in accounts payable	174	
Increase (decrease) in other accrued liabilities	(1)	
Increase (decrease) in interfund payables	(71)	
Total adjustments	176	1
Net cash provided by operating activities	\$ 226	\$
 Noncash investing, capital and financing activities:		
Contributions of capital assets to government	32	
Decrease in fair value of investments		

<u>Risk Management</u>	<u>Totals</u>
<u>\$ 1,873</u>	<u>\$ 1,922</u>
18	108
	(34)
(581)	(562)
(17)	(17)
(4)	170
(1,525)	(1,526)
<u>1,614</u>	<u>1,543</u>
<u>(495)</u>	<u>(318)</u>
<u><u>\$ 1,378</u></u>	<u><u>\$ 1,604</u></u>

	32
(24)	(24)

Boise City, Idaho
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended September 30, 2011
(amounts expressed in thousands)

	Balance September 30, 2010	Additions	Deletions	Balance September 30, 2011
<u>Boise City Agency Fund</u>				
ASSETS				
Cash and cash equivalents	\$ 555	\$ 7,361	\$ 7,891	\$ 25
Investments		4,503	3,802	701
Accounts receivable	13		13	
Total assets	<u>\$ 568</u>	<u>\$ 11,864</u>	<u>\$ 11,706</u>	<u>\$ 726</u>
LIABILITIES				
Accounts and interest payable	\$ 24	\$ 745	\$ 639	\$ 130
Refunds payable and other	544	1,947	1,895	596
Total liabilities	<u>\$ 568</u>	<u>\$ 2,692</u>	<u>\$ 2,534</u>	<u>\$ 726</u>

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental Activities										
Invested in capital assets, net of related debt	\$ 184,211	\$ 180,664	\$ 172,518	\$ 162,609	\$ 158,509	\$ 143,454	\$ 120,522	\$ 120,050	\$ 112,025	\$ 102,753
Restricted	12,148	19,330	21,030	21,076	22,086	17,884	16,300	16,655	18,386	15,588
Unrestricted	19,946	15,631	16,880	25,584	28,334	28,889	11,589	3,290	(2,427)	(33)
Total governmental activities net assets	216,305	215,625	210,428	209,269	208,929	190,227	148,411	139,995	127,984	118,308
Business-type Activities										
Invested in capital assets, net of related debt	386,676	377,079	375,521	374,328	363,607	346,846	334,807	332,110	318,262	302,695
Restricted	33,065	35,585	29,931	24,060	17,873	16,699	12,177	12,150	11,464	10,848
Unrestricted	65,385	63,671	59,879	62,467	64,219	58,092	55,662	41,682	50,847	64,085
Total business-type activities net assets	485,126	476,335	465,331	460,855	445,699	421,637	402,646	385,942	380,573	377,628
Primary government										
Invested in capital assets, net of related debt	570,887	557,743	548,039	536,937	522,116	490,300	455,329	452,160	430,287	405,448
Restricted	45,213	54,915	50,961	45,136	39,959	34,583	28,477	28,805	29,850	26,436
Unrestricted	85,331	79,302	76,759	88,051	92,553	86,981	67,251	44,972	48,420	64,052
Total primary government activities net assets	\$ 701,431	\$ 691,960	\$ 675,759	\$ 670,124	\$ 654,628	\$ 611,864	\$ 551,057	\$ 525,937	\$ 508,557	\$ 495,936

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003 ⁽¹⁾	2002 ⁽¹⁾
Expenses										
Governmental activities										
General Government	\$ 33,915	\$ 28,881	\$ 28,838	\$ 27,997	\$ 22,019	\$ 16,217	\$ 17,634	\$ 14,452	\$ 13,977	\$ 15,043
Public Safety: ⁽¹⁾									58,333	52,491
Fire	41,485	40,486	35,655	35,364	31,644	31,063	30,057	26,797		
Police	46,051	47,125	47,181	45,958	40,340	36,415	34,874	32,681		
Parks and recreation	22,634	22,158	22,283	22,624	21,199	19,155	18,092	17,682	15,141	14,943
Culture	10,471	9,477	9,642	9,002	7,333	7,266	6,798	5,310	6,207	6,254
Community Services	13,674	13,803	13,849	14,437	13,758	12,066	11,401	11,545	10,845	10,282
Community Development	935	1,663	1,137	1,384	1,437	585	567	743	757	1,139
Interest and fiscal charges	1,549	1,528	1,667	1,803	1,872	1,929	1,999	2,064	2,209	1,754
Total governmental activities expenses	170,714	165,121	160,252	158,569	139,602	124,696	121,422	111,274	107,469	101,906
Business-type activities										
Airport	31,934	30,796	31,492	32,829	32,880	28,622	27,414	26,268	21,450	18,886
Sewer	30,468	29,909	30,355	30,297	27,599	27,580	26,204	25,312	25,570	25,060
Solid waste	24,044	23,712	23,763	23,728	20,203	18,971	16,207	14,534	13,918	13,667
Other	3,977	3,518	3,288	3,125	3,927	3,193	4,313	4,133	6,790	10,396
Total business-type activities expenses	90,423	87,935	88,898	89,979	84,609	78,366	74,138	70,247	67,728	68,009
Total primary government expenses	\$ 261,137	\$ 253,056	\$ 249,150	\$ 248,548	\$ 224,211	\$ 203,062	\$ 195,560	\$ 181,521	\$ 175,197	\$ 169,915
Program Revenues										
Governmental activities										
Charges for services:										
General government	\$ 8,296	\$ 6,599	\$ 6,561	\$ 6,490	\$ 5,324	\$ 4,285	\$ 3,342	\$ 1,719	\$ 2,643	\$ 2,085
Public Safety: ⁽¹⁾									5,634	4,969
Fire	7,366	7,751	4,731	3,519	3,471	3,819	3,263	3,218		
Police	4,941	5,290	5,361	5,698	3,707	3,235	2,974	2,344		
Parks and recreation	6,129	6,647	6,529	7,088	7,654	7,634	7,055	5,957	5,320	4,320
Community services	6,661	6,408	6,395	9,122	10,357	10,261	8,510	7,382	351	6,772
Other activities	734	1,187	880	520	484	485	528	486	6,339	775
Operation grants and contributions	20,085	22,040	19,715	20,916	22,459	19,507	18,350	17,808	16,802	16,278
Capital grants and contributions	5,069	4,057	2,763	2,406	5,055	23,647	2,226	6,822	3,490	6,047
Total governmental activities revenues	59,281	59,979	52,935	55,759	58,511	72,873	46,248	45,736	40,579	41,246
Business-type activities										
Charges for services: ⁽²⁾										
Airport	22,980	22,221	21,125	23,683	23,624	22,242	20,269	17,611	15,745	14,537
Sewer	28,019	26,908	25,174	25,781	25,570	24,201	23,066	22,168	20,399	19,295
Solid Waste	23,386	23,563	24,157	23,508	19,707	18,698	15,623	14,589	13,123	12,712
Other	2,470	2,361	2,717	2,712	2,604	2,275	2,523	2,450	3,259	2,903
Operation grants and contributions	6,512	5,899	4,927	5,600	4,389	2,401	2,177	1,939	1,508	3,339
Capital grants and contributions	15,844	15,976	12,228	20,571	27,845	24,336	27,757	21,860	31,192	33,393
Total business-type activities and program revenues	99,211	96,928	90,328	101,855	103,739	94,153	91,415	80,617	85,226	86,179
Total primary government program revenues	\$ 158,492	\$ 156,907	\$ 143,263	\$ 157,614	\$ 162,250	\$ 167,026	\$ 137,663	\$ 126,353	\$ 125,805	\$ 127,425

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003 ⁽¹⁾	2002 ⁽¹⁾
Net (Expense)/Revenue										
Governmental activities	\$ (111,433)	\$ (105,142)	\$ (107,317)	\$ (102,810)	\$ (81,091)	\$ (51,823)	\$ (75,174)	\$ (65,538)	\$ (66,890)	\$ (60,660)
Business-type activities	8,788	8,993	1,430	11,876	19,130	15,787	17,277	10,370	17,498	18,170
Total primary government net expense	\$ (102,645)	\$ (96,149)	\$ (105,887)	\$ (90,934)	\$ (61,961)	\$ (36,036)	\$ (57,897)	\$ (55,168)	\$ (49,392)	\$ (42,490)
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes	\$ 105,534	\$ 102,097	\$ 98,807	\$ 92,769	\$ 88,121	\$ 83,484	\$ 76,350	\$ 71,660	\$ 71,388	\$ 70,152
Franchise fees	6,849	6,998	7,527	7,343	6,940	6,937	5,992	5,253	5,031	5,600
Investment earnings	854	1,085	1,705	2,975	4,572	3,266	1,532	733	810	1,148
Special items										
Miscellaneous							(1,948)		(160)	390
Transfers	(56)	159	437	63	24	(48)	1,664	(97)	(503)	(2,915)
Total governmental activities	113,181	110,339	108,476	103,150	99,657	93,639	83,590	77,549	76,566	74,375
Business-type activities										
Investment earnings	1,367	2,170	3,483	3,343	4,380	3,153	1,581	897	1,478	2,446
Gain on sale of capital assets						3	99			
Special items							(589)	(5,996)	(16,534)	220
Transfers	56	(159)	(437)	(63)	(24)	48	(1,664)	97	503	2,915
Total business-type activities	1,423	2,011	3,046	3,280	4,356	3,204	(573)	(5,002)	(14,553)	5,581
Total primary government	\$ 114,604	\$ 112,350	\$ 111,522	\$ 106,430	\$ 104,013	\$ 96,843	\$ 83,017	\$ 72,547	\$ 62,013	\$ 79,956
Changes in Net Assets										
Governmental activities	\$ 1,748	\$ 5,197	\$ 1,159	\$ 340	\$ 18,566	\$ 41,816	\$ 8,416	\$ 12,011	\$ 9,676	\$ 13,715
Business-type activities	10,211	11,004	4,476	15,156	23,486	18,991	16,704	5,368	2,945	23,751
Total primary government	\$ 11,959	\$ 16,201	\$ 5,635	\$ 15,496	\$ 42,052	\$ 60,807	\$ 25,120	\$ 17,379	\$ 12,621	\$ 37,466

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

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

	2011(1)	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund										
Nonspendable	\$ 1,259									
Restricted	3,120									
Committed	556									
Assigned	1,561									
Unassigned	16,800									
Reserved		\$ 5,816	\$ 6,283	\$ 6,331	\$ 4,723	\$ 4,712	\$ 1,800	\$ 1,320	\$ 855	\$ 2,510
Unreserved		24,192	15,529	16,709	24,603	24,218	14,846	11,671	9,455	7,326
Total General Fund	23,296	30,008	21,812	23,040	29,326	28,930	16,646	12,991	10,310	9,836
All Other Governmental Funds										
Nonspendable	7,960									
Restricted	6,720									
Committed										
Assigned	21,182									
Unassigned										
Reserved		33,687	28,293	35,301	31,458	28,044	25,540	25,976	28,180	25,937
Unreserved										
Capital projects fund		(2,151)	9,121	10,403	12,641	12,255	8,727	4,408	1,268	3,110
Debt service fund		1,168	6,042	1,492	1,632	1,523	1,669	1,480	1,378	1,660
Total all other governmental funds	35,862	32,704	43,456	47,196	45,731	41,822	35,936	31,864	30,826	30,707
Total all governmental funds	\$ 59,158	\$ 62,712	\$ 65,268	\$ 70,236	\$ 75,057	\$ 70,752	\$ 52,582	\$ 44,855	\$ 41,136	\$ 40,543

(1) For FY 2011, Fund Balance is required to be segregated into nonspendable / spendable components per GASB 54.

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002 ⁽¹⁾
Revenues										
Property taxes	\$ 105,925	\$ 101,822	\$ 97,573	\$ 92,500	\$ 88,087	\$ 83,635	\$ 76,446	\$ 71,761	\$ 71,382	\$ 69,020
Franchise fees	6,849	6,998	7,527	7,343	6,940	6,937	5,992	5,253	5,031	5,600
Licenses and permits	4,928	4,469	4,720	6,687	8,183	8,522	7,182	5,826	6,099	5,564
Intergovernmental revenues	17,875	19,696	18,644	20,553	20,107	19,101	17,161	17,186	16,028	15,497
Program income	67	637	370	12				9		418
Charges for services	28,889	28,542	25,535	25,406	22,346	21,072	18,999	16,521	14,574	12,917
Fines and forfeitures	3,422	3,793	3,329	3,717	4,019	3,501	3,005	3,079	2,946	2,899
Donations	868	1,591	723	906	844	589	400	1,315	329	372
Investment income	736	893	1,324	2,549	4,022	2,904	1,366	649	710	974
Miscellaneous revenue	2,918	3,649	921	1,072	4,894	947	1,565	1,375	1,051	1,939
Total Revenue	172,477	172,090	160,666	160,745	159,442	147,208	132,116	122,974	118,150	115,200
Expenditures										
General government	32,078	26,838	26,737	27,919	23,108	17,935	17,275	15,960	15,644	18,447
Public safety										
Fire	40,265	38,489	34,153	32,296	29,931	29,646	27,364	25,388	23,693	22,852
Police	45,150	46,249	46,326	45,053	39,289	35,828	33,628	31,615	29,709	27,890
Parks and recreation	18,816	18,198	17,968	17,999	18,576	16,767	14,760	14,148	12,715	11,874
Culture	9,294	8,969	8,563	7,923	6,650	6,386	5,631	5,532	5,005	5,074
Community services	12,854	13,035	13,346	13,884	13,223	11,583	11,100	11,080	11,080	9,856
Community development	925	1,656	1,125	1,368	1,442	588	589	767	742	1,117
Capital outlay	17,561	18,874	19,361	14,519	20,389	7,531	10,895	9,974	15,318	21,204
Debt service										
Principle	1,136	1,084	1,033	2,968	1,038	999	950	2,877	1,208	1,475
Interest	1,497	1,418	1,465	1,568	1,645	1,714	1,751	1,847	1,925	1,030
Issuance costs	333									
Total expenditures	179,909	174,810	170,077	165,497	155,291	128,977	123,943	119,188	117,039	120,819
Excess of revenues over (under) expenditures	(7,432)	(2,720)	(9,411)	(4,752)	4,151	18,231	8,173	3,786	1,111	(5,619)
Other financing sources uses										
Capital leases										5,228
Sale of capital assets										2,231
Bonds issued	3,995									30,855
Payments to refunded bond escrow agent										(29,265)
Transfers in	19,905	2,929	9,438	15,270	20,714	11,514	9,277	8,570	5,483	9,930
Transfers out	(18,954)	(2,765)	(7,857)	(15,339)	(20,696)	(11,575)	(9,723)	(8,637)	(6,001)	(13,007)
Total other financing sources (uses)	4,946	164	1,581	(69)	18	(61)	(446)	(67)	(518)	5,972
Net change in fund balance	\$ (2,486)	\$ (2,556)	\$ (7,830)	\$ (4,821)	\$ 4,169	\$ 18,170	\$ 7,727	\$ 3,719	\$ 593	\$ 353
Debt service as a percentage of noncapital expenditures	1.51%	1.50%	1.54%	2.74%	1.73%	2.10%	2.18%	3.96%	2.68%	2.07%

1 -Property taxes increased considerably in 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
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
2011	11,251,079	4,052,540	17,974	1,377,247	895,673	295,102	22,847

Source: Ada County Auditor's Office

Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
1,999,545	12,612,783	0.058
2,069,032	12,866,754	0.056
2,153,601	13,217,608	0.058
2,323,792	14,447,882	0.570
4,340,545	15,885,603	0.055
4,693,702	18,347,452	0.050
4,761,985	19,233,556	0.051
5,042,294	18,669,254	0.059
4,118,269	15,277,928	0.070
4,058,033	13,854,429	0.078

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		Boise Independent School District		Meridian School District	Whitney Fire	Flood Control	Emergency Medical/ North Ada Search & Rescue
			Ada County	Highway District	School District	School District	Fire	Control	Rescue	
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	
2011	7.78	7.78	3.32	1.29	5.50	3.40	2.40	0.13	2.41	

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	Harris Ranch 1
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	
2011	0.05	0.01	0.03	0.19	-	0.04	0.11	0.09

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

	2011			2002		
	Market Valuation	Rank	Percentage of Total Market Valuation	Market Valuation	Rank	Percentage of Total Market Valuation
Micron Technology	\$ 358,097	1	2.34%	\$ 1,609,708	1	12.79%
Hewlett Packard	127,382	2	0.83%	233,131	2	1.85%
Boise Mall LLC	118,383	3	0.77%	85,962	5	0.68%
Idaho Power	104,470	4	0.68%	80,888	6	0.64%
United Water	74,590	5	0.49%	59,619	7	0.47%
CenturyLink	72,335	6	0.47%	128,544	3	1.02%
MP Mask Technology Center	70,580	7	0.46%			
Albertsons (Supervalu)	58,798	8	0.38%	102,687	4	0.82%
New Albertson's Inc	49,030	9	0.32%			
MK Plaza Trust (WGI)	41,663	10	0.27%	41,031	9	0.33%
Sundance Investments			0.00%	53,108	8	0.42%
Boise Cascade				35,409	10	0.28%
	<u>\$ 1,075,328</u>		<u>7.01%</u>	<u>\$ 2,430,087</u>		<u>19.30%</u>
Total Market Valuation	15,277,928			12,586,840		

Source: 2011 Ada County Report of Highest 25 Taxpayers / Idaho Department of Commerce

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
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%	1,675	97,751	100.0%
2010	101,639	99,904	98.3%	1,097	101,001	99.4%
2011	105,839	103,832	98.1%		103,832	98.1%

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 ¹	Debt per Capita	Debt to Personal Income
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	0.142	0.0034
2009	25,050	2,705	27,755	0.135	0.0032
2010	24,465	2,206	26,671	0.127	0.0030
2011	23,850	1,685	25,535	0.124	0.0036

1/ Does not include Harris Ranch CID Debt.

Ratio of Net General Bonded Debt Outstanding

The City has had no general bonded debt from fiscal years 2002 to 2011.

Business-type Activities

Fiscal Year	Revenue Bonds	Capital Leases	Installment Loans	Other Long-Term Obligations	Total Debt	Debt per Capita	Debt to Personal Income
2002	30,332	50,440	4,101		84,873	0.440	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	0.363	0.0088
2009	16,069	43,865	8,470	1,120	69,524	0.337	0.0081
2010	13,649	42,705	8,062	980	65,396	0.311	0.0075
2011	43,051	-	7,574	840	51,465	0.249	0.0073

City of Boise
 Direct and Overlapping Governmental Activities Debt
 As of September 30, 2011
 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	\$ 23,850	100%	\$ 23,850	0.1155	0.0034	206,470	7,048,060
Golf Course Improvement-COPS	300	100%	300	0.0015	0.0000		
County Building Lease	1,385	100%	1,385	0.0067	0.0002		
Total Direct Governmental Indebtedness	25,535		25,535	0.1237	0.0036		

Overlapping Bonded Indebtedness:

Ada County	44,370	57%	25,291	0.1225	0.0036
Harris Ranch Comm. Inf. District	3,995	100%	3,995	0.0193	0.0006
Capital City Development Corporation	72,390	100%	72,390	0.3506	0.0103
Meridian School District	175,158	17%	29,777	0.1442	0.0042
Boise School Dist. #1	93,393	100%	93,393	0.4523	0.0133
Total Overlapping Bonded Indebtedness	389,306		224,846	1.0889	0.0320
Total Direct and Overlapping Debt	\$ 414,841		\$ 250,381	\$ 1.2126	\$ 0.0356

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.

City of Boise
 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
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%
2011	277,693	77,000	200,693	27.73%

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
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
2011	1,317		1,317	95	18	11.65

Revenue Refunding Bonds, Series 2001A

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
2011	167,120	25,068	1,890	23,178

(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 General Fund Revenues as set forth on the City's most recent audited financial statement.

Airport Revenue Refunding Bonds, Series 2011--Air Terminal Project

Fiscal Year	Pledged Revenue (1)	Operating Expenses (1)	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage
2011	\$ 29,587	17,369	12,218	1,400	815	5.52

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

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
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
2011	31,620	20,890	49	10,681	1,135	542	6.37

(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 ^{2/3}	Personal Income (thousands of dollars)	Per Capita Personal Income ⁴	Median Age ¹	Education Level in Years of Schooling	K-12 School Enrollment ⁵	Unemployment Rate ⁴
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	205,671	8,581,269	41,723	35.1	13.8	25,251	9.0%
2011	206,470	7,048,060	34,136	34.1	13.8	25,430	8.5%

Sources

- 1 Idaho Department of Commerce and Labor
- 2 Community Planning Association of Southwest Idaho
- 3 US Census Bureau
- 4 US Bureau of Labor Statistics (Boise MSA)
- 5 Boise Independent School District

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

Employer	2011			2002		
	Employees ¹	Rank ¹	Percentage of Total City Employment ¹	Employees ²	Rank ²	Percentage of Total City Employment ²
State of Idaho (Includes BSU)	14,300	1	5.40%	12,968	1	5.70%
St Luke's Regional Medical Center	8,000	2	3.02%	4,250	3	1.87%
Wal-Mart	7,136	3	2.70%			
Micron Technology	5,000	4	1.89%	10,500	2	4.62%
JR Simplot	3,400	5	1.28%	3,800	6	1.67%
Hewlett Packard	3,000	6	1.13%	4,000	4	1.76%
St Alphonsus Regional Medical Center	2,960	7	1.12%	3,373	8	1.48%
Wells Fargo & Company	2,278	8	0.86%			
Idaho Power	2,038	9	0.77%			
Fred Meyer	1,905	10	0.72%			
Boise School District				4,000	4	1.76%
Albertsons				3,800	7	1.67%
Boise City				1,400	9	0.62%
DirecTV				1,400	9	0.62%
	<u>50,017</u>		<u>18.89%</u>	<u>48,091</u>		<u>21.77%</u>
Total Employment in Boise MSA ³			264,692			227,400
			As of January 2011			As of 2002

Source:

1 - 2011 data from Boise Valley Economic Partnership

2 - FY 2002 City of Boise Audit CAFR

3 - Idaho Dept. of Labor (2011) / Federal Bureau of Labor Statistics - US Department of Labor (2002)

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

Department/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Mayor's Office	20	18	20	19	19	19	19	22	22	22
Legal Department	48	46	46	46	46	48	48	50	50	50
Human Resources		11	12	11	11	11	11	12	13	13
Customer and Support	95	57	42	42						
Finance and Administration	22	24	25	25	58	59	59	61	60	60
Information Technology		22	24	24	30	57	57	57	53	53
Public Safety										
Fire Department	244	252	252	250	250	258	258	266	295	294
Police	326	339	350	365	367	402	402	409	396	387
Parks and Recreation										
	132	141	154	155	149	154	154	155	151	149
Culture										
Arts and History	5	5	4	4	4	4	4	5	5	5
Library	88	88	88	88	87	108	108	123	113	113
Community Services										
Planning & Development	95	96	95	95	103	100	100	102	98	98
Public Works	17	18	30	30	28	26	26	29	29	27
Airport										
	88	123	137	137	151	113	113	115	108	108
Sewer										
	177	190	191	190	195	188	188	193	180	179
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	5	4	4	4	4	4	5	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	18
Housing Rehab										
	13	16	17	19	19	19	19	19	17	17
Total	1,391	1,468	1,508	1,522	1,538	1,587	1,592	1,650	1,621	1,605

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
 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 Eight Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011
General Government								
Mayor and City Council								
Number of Neighborhood Reinvestment project grants awarded	16	12	19	29	19	10	17	18
Number of active Neighborhood Reinvestment project grants	35	35	41	58	60	59	49	24
Ordinances and resolutions adopted	400	525	568	681	560	420	526	468
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	9,255
Number of square feet of facilities maintained (Facilities Maintenance)	273,200	263,059	253,477	405,671	396,797	457,868	473,379	504,979
Legal								
Criminal matters processed (Boise only)	56,225	60,620	64,059	58,211	7,970	21,451	19,637	17,972
Criminal matters processed (other than Boise)						4,064	4,689	5,372
Human Resources								
Days from requisition to applicant referral (HR Control)	25	27	22	n/a	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	2,060
Number of help desk calls	4,750	2,143	3,537	6,483	20,532	18,824	18,968	20,436
Average number of mapping requests per month (internet)	n/a	19,132	30,300	31,400	15,150	29,379	14,631	15,037
Financial Services								
Number of purchase orders issued	1,800	1,650	2,060	1,785	1,377	1,099	1,173	1,130
Number of dollars recovered by Collections (thousands)	\$ 1,555	\$ 1,226	\$ 1,963	\$ 2,141	\$ 2,395	\$ 2,732	\$ 2,969	\$ 2,982
Ratio of interest earned vs. interest expense	0.21	0.49	1.07	1.54	1.21	0.71	0.53	0.39
Ratio of Portfolio Yield vs. Fed Funds	1.083	0.925	0.957	1.087	1.569	7.348	5.716	3.796
Number of loans internally serviced (sewer & housing)	822	763	808	726	765	806	824	849
Public Safety								
Fire								
Average response time	4.08	4.11	4.14	4.45	4.20	4.57	4.53	5.05
Number of fires investigated	101	110	100	127	114	97	108	85
Number of sprinkler plans reviewed			1,500	912	659	376	362	313
Police								
Number of police reports taken	42,151	41,403	42,156	46,634	38,603	34,992	32,790	32,435
Number of crime scenes processed	3,221	3,148	967	359	309	334	326	339
Number of citations for hazardous moving violations	26,918	21,118	22,061	23,373	n/a	n/a	n/a	n/a
Number of DUI arrests	1,701	1,865	2,240	2,031	2,098	1,824	1,537	1,395
Parks and Recreation								
Parks & Rec								
Miles of trails maintained	89	95	97	125	129	129	137	148
Number of adaptive programs offered	190	143	200	216	188	224	256	286
Number of acres maintained	14,992	15,776	14,800	15,200	1,386	1,386	1,892	1,739
Zoo attendance	229,893	259,223	270,850	295,543	279,687	362,925	332,230	323,741
Idaho Ice World attendance	398,710	203,514	232,436	550,442	629,773	574,247	525,202	365,729
Number of rounds at Warm Springs Golf course	29,920	46,590	47,959	48,745	46,685	51,353	48,344	49,242
Average youth scholarship amount	\$ 40.86	\$ 37.46	\$ 41.73	\$ 34.02	\$ 40.25	\$ 40.97	\$42.37	\$50.00
Number of youth scholarships awarded	224	277	606	771	1,051	1,668	2,344	3,006
Number of youth served	649,328	559,865	619,201	650,447	670,618	732,557	702,911	655,492

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

	2004	2005	2006	2007	2008	2009	2010	2011
Culture								
Arts								
Number of public art pieces owned by City							180	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	1,218,365
Number of print and electronic publications							10	10
Number of public program series with four or more separate projects/presentations							16	18
Number of projects completed	9	10	2	8	18	46	n/a	n/a
Number of A&H cultural/facility plans completed								5
Number of A&H studies completed								2
Number of A&H presentations, facilitations, and consultations								7
Number of citizens who received public art walking tours				1,679	2,168	5,500	n/a	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	2,340,898
Reference questions per capita	1.00	0.90	0.23	0.65	1.05	1.23	1.27	1.30
Number of special programs		1,499	1,154	1,282	1,513	1,988	2,843	2,711
Community Service								
Planning and Development Services								
Total construction permit value (millions)	\$ 369	\$ 465	\$ 654	\$ 657	\$ 369	\$ 259	\$ 160	\$ 297
Total number of permits	14,100	16,593	16,623	16,292	15,044	11,601	13,734	14,378
Percent of commercial plans reviewed <30 days	68%	63%	58%	50%	82%	85%	88%	87%
Number of affordable housing units available	273	273	273	273	274	274	274	274
Parking Control								
Parking tickets issued	59,867	72,506	63,502	63,318	67,364	69,233	74,632	68,458
Cemetery								
Number of burials	172	174	159	157	192	173	152	161
Airport								
Airline cost per enplaned passenger	\$ 3.32	\$ 3.35	\$ 3.28	\$ 3.34	\$ 3.49	\$ 3.87	\$ 4.81	\$ 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	1,393,611
Public Works								
Total number of street lights	9,231	9,757	10,011	10,193	10,762	10,853	10,933	10,693
Sewer								
Dollars per foot of constructed 8" sewer pipe	\$ 70.54	\$ 64.21	\$ 92.84	\$ 100.48	\$ 101.69	\$ 104.63	\$109.93	\$110.25
Number of sewer backups per 100 miles of pipe	2.80	3.35	3.34	3.73	4.00	4.33	2.58	4.42
Miles of sewer pipe	611	638	659	675	685	694	697	702
Gallons of sewage treated per Capita	26	27	28	27	26	25	25	27
Tons of solid waste per Capita	6,740	7,363	7,500	7,643	8,390	7,715	12,802	12,496
Percentage of solid waste recycled				8%	13%	11%	14%	14%
Number of Geothermal customers			55	55	57	58	59	66

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

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Primary Government										
Governmental activities:										
Fire										
Fire trucks	4	4	4	4	4	4	4	4	4	3
Fire engines	17	17	17	16	16	21	21	21	21	15
Rescue/utility vehicles	14	13	13	13	13	12	10	11	11	9
Fire facilities	17	17	16	16	16	15	14	14	14	14
Fire hydrants	6,491	6,987	6,747	7,209	7,183	6,913	6,791	6,674	6,583	5,585
Police										
Vehicles	278	275	279	253	242	251	232	214	213	212
Motorcycles	14	10	14	13	12	12	12	13	13	7
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	1
Parks and recreation										
Park sites	129	137	111	111	111	110	108	107	105	104
Picnic areas	67	67	66	64	62	62	58	58	58	57
Recreation/community centers	6	7	8	6	4	4	4	3	3	3
Ice skating facilities	1	1	1	1	1	1	1	1		
Playgrounds	73	73	74	73	72	71	71	71	69	66
Basketball courts	25	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	81	77	77	77	77	76	76	76	76
Youth baseball fields	35	35	35	35	35	35	35	35	34	33
Soccer fields	49	48	54	49	44	44	44	44	44	44
Skate parks	3	3	3	3	3	3	3	3	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	148	130	129	125	108	108	106	103	100
Foothills-special levy (acres)	3,428	3,428	1,529	1,519	1,199	1,199	1,199	1,079	820	42

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

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities:										
Culture										
Public art investments	172	170	147	143	116	106	60	59	51	43
Library Locations	4	4	4	3	2	2	2	2	2	2
Items in library collection (thousands)	418	413	408	372	356	361	376	361	355	358
Community Services										
Cemeteries	3	3	3	3	3	3	3	3	3	3
Streetlights	7,874	7,804	7,705	7,593	7,425	7,111	6,918	6,463	6,314	4,724
Business-type activities:										
Airport										
Runways (commercial)	2	2	2	2	2	2	2	2	2	2
Total parking spaces	3,600	3,600	3,600	2,882	2,831	2,141	2,141	2,141	2,141	1,878
Sewer										
Wastewater treatment plants	2	2	2	2	2	2	3	3	3	3
Other										
Single family home rental units	12	12	12	12	14	28	18	18	33	28
Apartment rental units	260	260	260	260	260	255	255	255	244	244

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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).

2002 (1) 2003 (1) 2004 (2) 2005 (2) 2006 (2) 2007 (2) 2008 (2) 2009 (2) 2010 (2) 2011 (2)

LIABILITY FOR KNOWN CLAIMS REESTIMATED AS OF:

END OF YEAR	95	144	32	115	32	106	81	126	95	493
ONE YEAR LATER	121	282	39	187	112	357	81	235	191	
TWO YEARS LATER	140	257	110	215	116	377	58	235		
THREE YEARS LATER	176	287	48	197	167	267	58			
FOUR YEARS LATER	265	287	38	197	65	226				
FIVE YEARS LATER	287	295	38	197	65					
SIX YEARS LATER	330	303	38	197						
SEVEN YEARS LATER	356	301	38							
EIGHT YEARS LATER	380	295								
NINE YEARS LATER	410									

(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 SELF 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.

2002 (1) 2003 (1) 2004 (2) 2005 (2) 2006 (2) 2007 (2) 2008 (2) 2009 (2) 2010 (2) 2011 (2)

LIABILITY FOR UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES:	95	144	32	115	32	106	81	126	95	493
PAID (CUMULATIVE) AS OF:										
END OF YEAR	41	89	21	36	25	101	41	34	62	449
ONE YEAR LATER	60	234	27	99	62	111	58	235	109	
TWO YEARS LATER	80	241	38	195	63	117	58	235		
THREE YEARS LATER	118	284	38	195	65	146	58			
FOUR YEARS LATER	245	284	38	197	65	226				
FIVE YEARS LATER	272	293	38	197	65					
SIX YEARS LATER	291	294	38	197						
SEVEN YEARS LATER	303	295	38							
EIGHT YEARS LATER	379	295								
NINE YEARS LATER	406									

(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

YEAR
 ESTIMATED LOSS
 PAYMENT PATTERN

FISCAL YEAR	ESTIMATED ULTIMATE LOSSES (1)	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
2001-02	440	41	19	20	38	127	27
2002-03	592		89	145	7	43	0
2003-04	583			21	6	11	0
2004-05	617				36	63	96
2005-06	473					25	37
2006-07	299						101
2007-08	308						
2008-09	260						
2009-10	281						
2010-11	250						
Losses Paid/Projected to be Paid by Year (incl. Allocated Loss Adjustment Expenses)		\$706	\$215	\$207	\$101	\$270	\$261
Cumulative Losses		5,385	5,600	5,807	5,908	6,178	6,439
Loss Funding		440	592	583	617	473	299
Cumulative Loss Funding		5,950	6,542	7,125	7,742	8,215	8,514
Estimated Cash Reserves		(\$266)	\$377	\$376	\$516	\$203	\$38
Unallocated Loss Adjustment Expense (less depreciation & dividend expense)		(\$1,055)	(\$1,408)	(\$1,386)	(\$1,790)	(\$1,325)	(\$1,514)
Net Claims Expense		(\$1,321)	(\$1,031)	(\$1,010)	(\$1,274)	(\$1,122)	(\$1,476)
Claims incurred but not reported		1,999	1,800	1,473	1,856	1,316	(843)
Other charges for services		\$1,398	\$1,077	\$1,253	\$852	\$1,432	\$1,910
Operating transfers in (out)		0	0	30	0	1	1302
Interest Earned on Contingency and Reserves		113	92	37	89	173	231
Cumulative Interest Earned on Contingency and Reserves		\$1,906	\$1,998	\$2,035	\$2,124	\$2,297	\$2,528
Total Cash Reserves & Interest		\$2,189	\$1,938	\$1,783	\$1,523	\$1,800	\$1,124

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

2007-08	2008-09	2009-10	2010-11	ANTICIPATED FUTURE LOSSES IN SUBSEQUENT YEARS	TOTAL ANTICIPATED LOSSES
19	12	76	26	4	409
9	1	1	0	0	295
0	0	0	0	0	38
0	2	0	0	0	197
1	2	0	0	0	65
10	6	151	-42	0	226
41	16	1	0	0	58
	34	201	0	0	235
		95	14	186	295
			449	44	493
\$80	\$73	\$525	\$447	\$234	\$7,861
6,519	6,592	7,117	7,564	7,798	
308	260	281	250	N/A	
8,822	9,082	9,363	9,613	9,613	
\$228	\$187	(\$244)	(\$197)	\$1,815	
(\$1,555)	(\$1,838)	(\$1,770)	(\$1,558)		
(\$1,327)	(\$1,651)	(\$2,014)	(\$1,755)		
839	560	976	1,517		
\$1,673	\$1,721	\$1,763	\$1,898		
0	0	0	\$ (393)		
166	119	72	40		
\$2,694	\$2,813	\$2,885	\$2,925		
\$1,351	\$749	\$797	\$1,307		

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

YEAR
 ESTIMATED LOSS
 PAYMENT PATTERN

FISCAL YEAR	ESTIMATED ULTIMATE LOSSES (1)	2001-02(1)	2002-03(1)	2003-04(1)	2004-05(1)	2005-06(1)	2006-07(1)
2001-02	872	293	227	33	56	26	-23
2002-03	984		305	235	42	13	28
2003-04	1,101			564	363	151	70
2004-05	1,387				344	387	55
2005-06	1,209					731	-26
2006-07	1,390						487
2007-08	1,295						
2008-09	1,179						
2009-10	1,236						
2010-11	1,316						
Losses Paid/Projected to be Paid by Year (incl. Allocated Loss Adjustment Expenses)		\$667	\$595	\$932	\$930	\$1,330	\$592
Cumulative Losses		\$1,868	\$2,463	\$3,395	\$4,325	\$5,655	\$6,247
Loss Funding		\$872	\$984	\$1,101	\$1,387	\$1,209	\$1,390
Cumulative Loss Funding		3,138	4,122	5,223	6,610	7,819	9,209
Estimated Cash Reserves		\$205	\$389	\$169	\$457	(\$121)	\$798
Unallocated Loss Adjustment Expense (less dividend expense)		(\$318)	(\$367)	(\$406)	(\$437)	(\$361)	(\$383)
Net Claims Expense		(\$113)	\$22	(\$237)	\$20	(\$482)	\$415
Claims incurred but not reported		(\$45)	(\$407)	(\$124)	(\$457)	\$121	(1,040)
Other charges for services		\$317	\$431	\$336	\$242	\$505	\$730
Operating transfers in (out)		\$0	\$0	\$0	\$0		\$0
Interest Earned on Contingency and Reserves		\$53	\$31	\$45	\$90	\$176	\$319
Cumulative Interest Earned on Contingency and Reserves		\$288	\$319	\$364	\$454	\$630	\$949
Total Cash Reserves & Interest		\$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

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).

2002⁽¹⁾ 2003⁽²⁾ 2004⁽²⁾ 2005⁽²⁾ 2006⁽²⁾ 2007⁽²⁾ 2008⁽²⁾ 2009⁽²⁾ 2010⁽²⁾ 2011⁽²⁾

LIABILITY FOR KNOWN WORKERS COMPENSATION CLAIMS REESTIMATED AS OF:

END OF YEAR	711	599	1,051	721	863	852	1,217	1,020	620	709
ONE YEAR LATER	641	605	1,283	917	782	878	1,185	1,250	738	
TWO YEARS LATER	674	601	1,142	835	889	920	1,239	1,229		
THREE YEARS LATER	609	595	1,213	866	840	916	1,259			
FOUR YEARS LATER	635	724	1,211	861	845	926				
FIVE YEARS LATER	615	708	1,201	861	842					
SIX YEARS LATER	629	708	1,223	862						
SEVEN YEARS LATER	629	708	1,448							
EIGHT YEARS LATER	629	718								
NINE YEARS LATER	638									

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.

2002⁽¹⁾ 2003⁽²⁾ 2004⁽²⁾ 2005⁽²⁾ 2006⁽²⁾ 2007⁽²⁾ 2008⁽²⁾ 2009⁽²⁾ 2010⁽²⁾ 2011⁽²⁾

LIABILITY FOR UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES:

	711	599	1051	721	863	852	1217	1,020	620	709
PAID (CUMULATIVE) AS OF:										
END OF YEAR	293	305	565	344	462	487	615	538	325	404
ONE YEAR LATER	520	510	927	731	705	895	1,084	1,080	597	
TWO YEARS LATER	553	582	1,078	786	783	908	1,199	1213		
THREE YEARS LATER	609	595	1,148	845	837	918	1257			
FOUR YEARS LATER	635	623	1,168	862	840	922				
FIVE YEARS LATER	612	708	1,201	861	842					
SIX YEARS LATER	628	708	1,210	862						
SEVEN YEARS LATER	629	708	1333							
EIGHT YEARS LATER	629	718								
NINE YEARS LATER	638									

(1) 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.

(2) 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
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011
 (Amounts expressed in thousands of dollars)

Federal Grantor/Program Title	Federal CFDA Number	Identifying Number	Current Year Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Idaho Department of Education:			
Cooperative Extension Service	10.500	USDA-NIFA-SLBCD-002652	\$ 13
Child and Adult Care Food Program	10.558	2011IN109947	9
Summer Food Service Program for Children	10.559	2011IN109947	3
			25
TOTAL U.S. DEPARTMENT OF AGRICULTURE			\$ 25
U.S. FOREST SERVICE			
Direct Programs:			
Cooperative Forestry Assistance	10.664	08-CS-11040201-003	\$ 4
Passed Through Idaho Department of Lands:			
Cooperative Forestry Assistance	10.664	09-DG-11010000-009	5
Total 10.664			9
Urban and Community Forestry Program	10.688	10-ARRA-AC-B	111
TOTAL U.S. FOREST SERVICE			\$ 120
U.S. DEPARTMENT OF HUD - NON-ARRA			
Direct Programs:			
Community Development Block Grant-Entitlement Grants	14.218	B-09-MC-16-0001	\$ 718
Community Development Block Grant-Entitlement Grants	14.218	B-10-MC-16-0001	453
Total 14.218			1,171
HOME Investment Partnerships Programs	14.239	M-06-MC-16-0200	113
HOME Investment Partnerships Programs	14.239	M-07-MC-16-0200	163
HOME Investment Partnerships Programs	14.239	M-08-MC-16-0200	194
HOME Investment Partnerships Programs	14.239	M-09-MC-16-0200	188
HOME Investment Partnerships Programs	14.239	M-10-MC-16-0200	334
Total 14.239			992
Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	14.251	B-09-SP-ID-0091	373
Passed Through Idaho Department of Commerce:			
Community Development Block Grant-Entitlement Grants	14.228	B08DC160001	2
Passed Through Idaho Housing and Finance Association:			
Neighborhood Stabilization Program	14.228	B-08-DN-16-0001	516
Total 14.228			518
TOTAL U.S. DEPARTMENT OF HUD - NON-ARRA			\$ 3,054
U.S. DEPARTMENT OF HUD - ARRA FUNDS			
Direct Programs:			
Community Development Block Grant ARRA Entitlement Grants (CDBG-R)	14.253	B-09-MY-16-0001	\$ 180
Homelessness Prevention and Rapid Re-Housing Program (HPRP)	14.257	S09-MY-16-0001	140
Passed Through Idaho Housing and Finance Association:			
Homelessness Prevention and Rapid Re-Housing Program (HPRP)	14.257	HPRP 09-10	381
Total 14.257			521
TOTAL U.S. DEPARTMENT OF HUD - ARRA FUNDS			\$ 701
U.S. DEPARTMENT OF HUD - PROGRAM INCOME			
Program Income:			
Community Development Block Grants/ Entitlement Grants	14.218		\$ 454
HOME Investment Partnerships Program	14.239		335
TOTAL U.S. DEPARTMENT OF HUD - PROGRAM INCOME			\$ 789
TOTAL U.S. DEPARTMENT OF HUD			\$ 4,544

CITY OF BOISE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011
 (Amounts expressed in thousands of dollars)

Federal Grantor/Program Title	Federal CFDA Number	Identifying Number	Current Year Disbursements
U.S. DEPARTMENT OF INTERIOR			
Direct Programs:			
Recreation Resource Management	15.225	DLAO70200	\$ 44
Historic Preservation Fund Grants-In-Aid	15.904	16-08-AP-4010	2
Passed Through Idaho State Historical Society:			
Historic Preservation Fund Grants-In-Aid	15.904	16-11-31919	20
Total 15.904			<u>22</u>
TOTAL U.S. DEPARTMENT OF INTERIOR			<u>\$ 66</u>
U.S. DEPARTMENT OF JUSTICE			
Direct Programs:			
Bulletproof Vest Partnership Program	16.607	BOBX-11056597	\$ 8
Public Safety Partnership and Community Policing Grants	16.710	2007CKWX0032	173
Direct Programs: ARRA FUNDS			
Public Safety Partnership and Community Policing Grants	16.710	2009RJWX0042	627
Total 16.710			<u>800</u>
Passed Through Ada County FACES:			
Violence Against Women Act Court Training and Improvement Grants	16.013	8344-2-11	<u>37</u>
Passed Through Idaho State Office of Attorney General:			
Missing Children's Assistance	16.543	2007-SN-B9-K030	1
Missing Children's Assistance	16.543	2010-NC-CX-K017	<u>41</u>
Total 16.543			42
Passed Through the Idaho State Police:			
Enforcing Underage Drinking Laws Program	16.727	08-LE42-02	<u>3</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0280	10
Passed Through Ada County Sheriff's Office:			
Edward Byrne Memorial Justice Assistance Grant	16.738	2009-H2763-ID-DJ	<u>221</u>
Total 16.738			231
Passed Through Ada County Sheriff's Office- ARRA FUNDS:			
Recovery Act-Edward Byrne Memorial Justice Assistance Grant (JAG)	16.804	2009-SB-B9-2259	<u>413</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>\$ 1,534</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Programs:			
Airport Improvement Program	20.106	3-16-0003-50	\$ (5)
Airport Improvement Program	20.106	3-16-0003-51	26
Airport Improvement Program	20.106	3-16-0003-52	202
Airport Improvement Program	20.106	3-16-0003-53	14
Airport Improvement Program	20.106	3-16-0003-54	1,793
Airport Improvement Program	20.106	3-16-0003-55	551
Airport Improvement Program	20.106	3-16-0003-56	<u>980</u>
Total 20.106 (Direct)			3,561
National Motor Carrier Safety	20.218	MH101610000000	<u>65</u>

CITY OF BOISE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011
 (Amounts expressed in thousands of dollars)

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	3
Highway Planning and Construction	20.205	A009(935)	96
Total 20.205			99
Passed Through Idaho Department of Transportation:			
Airport Improvement Program	20.106	LNS8BOI	20
State and Community Highway Safety	20.600	CP-2011-02-00-00	9
State and Community Highway Safety	20.600	PT-2011-21-00-00	76
Total 20.600			85
Alcohol Traffic Safety & Drunk Driving Prevention	20.601	K8-2011-01-00-00	43
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HMHMP0165100100	19
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			\$ 3,892
<u>NATIONAL ENDOWMENT FOR THE ARTS</u>			
Passed Through Idaho Commission on the Arts:			
Promotion of the Arts-Partnership Agreement	45.025	2905PPA-11	\$ 6
Promotion of the Arts-Partnership Agreement	45.025	2905PPA-12	8
Total 45.025			14
TOTAL NATIONAL ENDOWMENT FOR THE ARTS			\$ 14
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>			
Passed Through Idaho Commission on the Arts:			
Promotion of the Humanities_Federal/State Partnership	45.129	2011031	\$ 1
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			\$ 1
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>			
Passed Through the Idaho Commission for Libraries:			
State Library Program	45.310	T10357-00	\$ 7
State Library Program	45.310	T10359-00	5
State Library Program	45.310	T11352-00	21
Total 45.310			33
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			\$ 33
<u>NATIONAL SCIENCE FOUNDATION</u>			
Passed Through the Boise State University:			
Education and Human Resources	47.076	N/A	\$ 9
TOTAL NATIONAL SCIENCE FOUNDATION			\$ 9
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Programs:			
Congressionally Mandated Projects	66.202	XP-83334201	\$ (36)
TOTAL ENVIRONMENTAL PROTECTION AGENCY			\$ (36)
<u>U.S. DEPARTMENT OF ENERGY - NON-ARRA FUNDS</u>			
Direct Programs:			
Renewable Energy Research and Development	81.087	DE-EE0000318	\$ 776
TOTAL U.S. DEPARTMENT OF ENERGY - NON-ARRA FUNDS			\$ 776

CITY OF BOISE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011
 (Amounts expressed in thousands of dollars)

Federal Grantor/Program Title	Federal CFDA Number	Identifying Number	Current Year Disbursements
<u>U.S. DEPARTMENT OF ENERGY- ARRA FUNDS</u>			
Direct Programs:			
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-EE000813	\$ 969
TOTAL U.S. DEPARTMENT OF ENERGY- ARRA FUNDS			\$ 969
TOTAL U.S. DEPARTMENT OF ENERGY			<u>1,745</u>
<u>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</u>			
Passed Through Idaho State Historical Records Advisory Board: National Historical Publications and Records Grants	89.003	NAR09-RC-10074-09	\$ 3
TOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION			\$ 3
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through Drug Free Idaho: Drug-Free Communities Support Program Grants	93.276	IH79SP017028-01	\$ 13
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 13
<u>U.S. DEPARTMENT OF HOMELAND SECURITY - NON-ARRA</u>			
Direct Programs:			
Assistance to Firefighters Grant Program-FEMA	97.044	EMW-2010-FO-08129	\$ 171
National Explosives Detection Canine Team Program	97.072	HSTS0208HCAN408	251
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0208HSLR037	178
Passed Through the State of Idaho Military Division:			
Homeland Security Grant Program	97.067	2007-GE-T7-0014	40
Homeland Security Grant Program	97.067	2008-GE-T8-0044	71
Homeland Security Grant Program	97.067	2009-SS-79-0014	5
Total 97.067			116
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY - NON-ARRA			\$ 716
<u>U.S. DEPARTMENT OF HOMELAND SECURITY- ARRA FUNDS</u>			
Direct Programs:			
TSA Advanced Surveillance Program	97.118	HSTS04-09-H-REC301	\$ 1,170
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY - ARRA FUNDS			\$ 1,170
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>1,886</u>
TOTAL FEDERAL EXPENDITURES			\$ 13,849
OTHER FEDERAL ASSISTANCE			
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Passed through Airline Industry: Passenger Facility Charges			\$ 5,690
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			\$ 5,690
TOTAL FEDERAL ASSISTANCE			\$ 19,539



Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information, and the budgetary comparison of the general fund of the City of Boise, Idaho (the City), as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 16, 2012. 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 the 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 the City'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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs 2011-01 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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*.

The 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 the City'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, the 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 cursive script that reads "Eide Bailly LLP".

Boise, Idaho
March 16, 2012



**Independent Auditor's Report on Compliance with Requirements
Applicable to the Passenger Facility Charge Program and on Internal Control over Compliance**

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

Compliance

We have audited the Boise Airport's (the 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, 2011. 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 the 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 the Airport's compliance with those requirements.

In our opinion, the Boise Airport complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended September 30, 2011.

Internal Control over Compliance

Management of the 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 Airport's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on 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 the 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 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 was not designed to 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 the Mayor, City Council, audit committee, 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 cursive script that reads "Eide Sully LLP".

Boise, Idaho
March 16, 2012



**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**

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

Compliance

We have audited the City of Boise, Idaho's (the City'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 the City's major federal programs for the year ended September 30, 2011. The City'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's management. Our responsibility is to express an opinion on the City'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'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 the City's compliance with those requirements.

In our opinion, the City, 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, 2011.

Internal Control over Compliance

Management of the City, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on 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 the City'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 was not designed to 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, however we consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs 2011-2 to be a significant deficiency.

The City of Boise Idaho's responses to the findings identified in our audit are described in the accompanying schedule of findings and questions costs. We did not audit the City's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Mayor, City Council, audit committee, management, 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 cursive script that reads "Eide Bailly LLP". The signature is written in dark ink and is positioned above the typed name and date.

Boise, Idaho
March 16, 2012

City of Boise, Idaho
 Schedule of Findings and Questioned Costs
 Year Ended September 30, 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?	None Reported
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?	Yes
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)?	Yes

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
U.S. Department of Justice Cluster	
Edward Byrne Memorial Justice Assistance Grant	16.738
Edward Byrne Memorial Justice Assistance Grant – ARRA	16.804
Urban and Community Forestry Program- ARRA	10.688
Homeless Prevention and Rapid Re-housing Program	14.257
Homeless Prevention and Rapid Re-housing Program – ARRA	14.257
Neighborhood Stabilization Program – ARRA	14.228
Public Safety and Community Policing Grants	16.710
Public Safety and Community Policing Grants – ARRA	16.710
Airport Improvement Program	20.106
Renewable Energy Research and Development Grant	81.087
Energy Efficiency and Conservation Block Grant – ARRA	81.128
TSA Advanced Surveillance Program	97.118

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 415,454
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Auditee qualified as low-risk auditee?	No
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Section II - Financial Statement Findings

2011-01

Criteria

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

Condition/context

Two material errors related to the prior period financial statements was identified and a correction was made to the beginning net asset balances for the 2011 financial statements. This error was a result of grant funds booked as revenues instead of property liens and a misapplication of geothermal revenues.

Effect

The City's financial statements in the prior year were been misstated.

Cause

The City was not fully educated on the requirements of the grant and they did not have the appropriate revenue recognition controls in the geothermal fund.

Recommendation

Prior to entering into a new grant agreement and construction contract, the City should fully understand all requirements and the necessary procedures to comply with those requirements.

Management's Response

The Department of Finance and Administration concurs with this audit finding and has established additional control procedures that will be performed throughout the fiscal year and at year end in order to address this audit finding. On a monthly basis, the City Controller will review City Council Work Session Agendas and Minutes to determine whether any new grant or programs have been established or transacted upon in order to assess whether the accounting implications for such grants or programs have been analyzed or addressed. Furthermore, at fiscal year end, the Controller will confirm with departmental accounting personnel that "to the best of the department's knowledge" grant and major program revenue has been recognized correctly during the fiscal year.

Section III - Federal Award Findings and Questioned Costs

2011-02

Grant Agency

U.S. Forest Service

CFDA#

10.688

Program Name

Urban and Community Forestry Program

Grant Year

2011

Criteria

The Grantee shall comply with all Federal & State statutes relating to nondiscrimination and all applicable requirements of all other State and Federal Laws, Executive Orders, regulations, and policies. The Grantee assures that state and federal laws and certifications are in place including the following: Debarment and Suspension – no vendor or contractor debarred or suspended from being able to work under a federal grant will receive any money under this grant. (Idaho Department of Commerce maintains lists secured from the federal government.)

Condition

The Department of Parks and Recreation was unaware of the requirement to obtain evidence or confirmation that the contractor was not suspended or debarred. After inspecting the contract, EB determined that there was no evidence that the Parks & Recreation Department was aware of whether the contractor was suspended or debarred.

Questioned costs:

None

Effect

This finding is a control deficiency given that even though Done Rite Tree Company, the contractor used for the Program, was not suspended or debarred, the City of Boise did not confirm that Done Rite was not suspended or debarred before hiring and paying the contractor using Program funds.

Cause

The Department of Parks and Recreation was unaware of the requirement to confirm that contractors are not suspended or debarred before their services are funded by a federal program.

Recommendation

The City of Boise should perform a query, using the Excluded Parties List System (EPLS), to determine whether each contractor, who is hired to provide services under a federal program, is suspended or debarred. The City should maintain records displaying the performance of this procedure.

Management's response

Departments, other than Parks and Recreation, currently perform and document the procedure described above. Parks and Recreation was unaware of the requirement and will perform this procedure for future instances, where contractors are hired to perform services funded by federal programs.

The City has established additional control procedures in order to address this audit finding. When a purchase or bid involves federal funds, the responsibility for verification and documentation during the formal and semi-formal bidding process will reside with City Purchasing. The responsibility during the informal bidding process will reside at the departmental level. Under each process, the responsible party will search and retain documentation as to whether a vendor is on the EPLS before a bid is awarded.

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