City of Boise, Idaho







Comprehensive Annual Financial Report For Fiscal Year Ended September 30, 2012

Prepared by:

Department of Finance and Administration

Cover Images– clockwise from top right:

- Kayaking enthusiasts are among the first to enjoy the City's new River Recreation Park, which officially opened in June 2012.
- Mayor Bieter joins Zions Bank and Gardner Co. representatives for the official groundbreaking of the 8th and Main Building in July. The 8th & Main Building will be the Idaho headquarters for Zions Bank and will finally put an end to Boise's infamous "Hole in the Ground."
- The City's new Fire Station 15 in east Boise opened its doors to the public in July 2012.

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Mayor
David H. Bieter

City Council
President
Maryanne Jordan

Council Pro Tem
David Eberle

Elaine Clegg
Lauren McLean
TJ Thomson
Ben Quintana

Department of Finance and Administration

March 11, 2013

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, 2012. 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 Eide Bailly 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 is accurate in all material respects; that the report is presented in a manner designed to fairly set forth the financial activity of the City's various funds; and that all disclosures necessary have been included to enable the reader to gain the maximum understanding of the City's financial affairs.

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

The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Boise are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the City of Boise's financial statements for the fiscal year ended September 30, 2012 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 the 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.

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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 2012 population of Boise to be 207,730.

Significant Accomplishments in Fiscal Year 2012

- Opening of the Boise River Park, a premier whitewater facility and the first phase of a major recreation complex in a key disinvestment area.
- Groundbreaking of the 8th and Main building, an 18-story mixed-use tower at the epicenter of downtown, marking the end of the "hole in the ground".
- Launch of Concordia University School of Law, creating a vital new education resource for the valley and bringing new jobs and activity along Front Street downtown.
- Opening of Fire Station 15, the long-awaited facility to serve Harris Ranch, Warm Springs Mesa and Southeast Boise.
- Continued decline in major crime rates: down almost 27 percent since 2005.

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.

Figures provided by the Idaho Department of Labor indicate that the labor market has improved dramatically. At the beginning of FY2012, the Boise Metropolitan Statistical Area ("MSA") had a preliminary, unadjusted unemployment rate of 8.4% and a labor force of approximately 296,326 willing workers. In the following twelve months, the labor force increased 7,332 willing workers to approximately 303,658. During the same time, the preliminary, unadjusted unemployment rate declined to 6.5%. The increase in labor force coupled with fewer unemployed workers resulted in approximately 12,500 new employees in the labor market.

Construction activity in FY2012 showed positive economic growth indications, both in the number of permits issued and in total valuation. In FY2012, 15,202 permits were issued, or 7.7% more than issued

in 2011. The total valuation, however, rose dramatically from $241 million to $321 million during the same period.

Airport passenger traffic at the Boise Airport is a leading economic indicator; during FY2012 passenger volumes declined by 5.1% when compared to FY2011. A significant reduction in seating capacity occurred in FY2012 when airlines reduced both flight volumes and airliner capacity at the Boise Airport. Additional flights are scheduled to return in FY2013 with carriers such as Allegiant Airlines.

Long-term financial planning: The City of Boise maintains an uncommitted General Fund cash-flow reserve. As of September 30, 2012, the reserve was 5.7% of the ensuing year's budgeted expenditures of $174.6 million. 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, 2011. This is the 17th 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,

Mollie Holt
Financial Services Manager
City of Boise, Idaho

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Boise

Idaho

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

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.



Christopher P Morrill
President

Jeffrey R. Esser
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

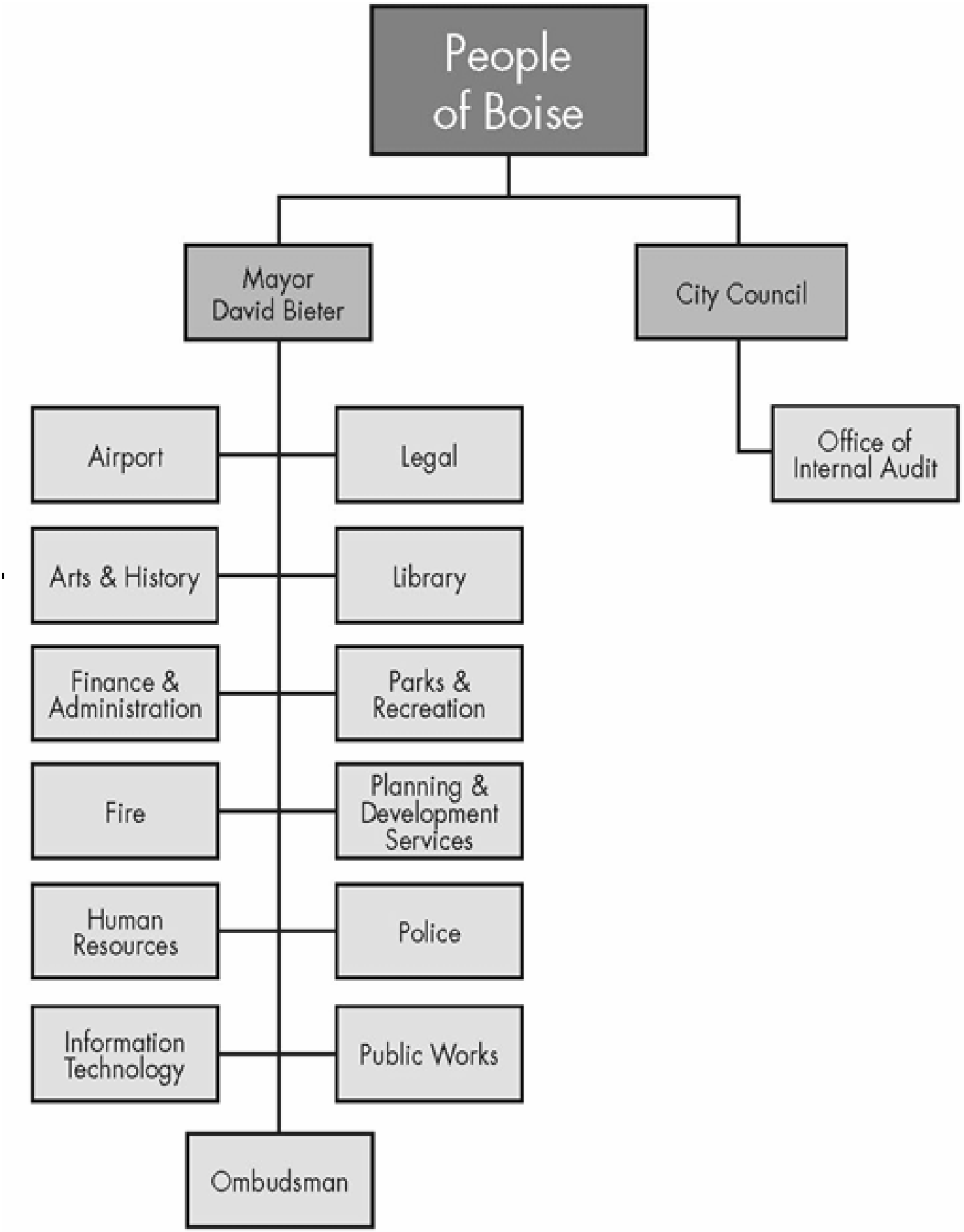
7) Community and Economic Development

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.

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People of Boise
Mayor David Bieter
City Council
Airport
Legal
Office of Internal Audit
Arts & History
Library
Finance & Administration
Parks & Recreation
Fire
Planning & Development Services
Human Resources
Police
Information Technology
Public Works
Ombudsman

City of Boise
Names of Principal City Officials
As of September 30, 2012

Name	Position – Title	Department
David Bieter	Mayor	Executive
Maryanne Jordan	Council member – Council President	Legislative
David Eberle	Council member – Council Pro Tem	Legislative
Elaine Clegg	Council member	Legislative
Lauren McLean	Council member	Legislative
Ben Quintana	Council member	Legislative
TJ Thomson	Council member	Legislative
Garry Beaty	Director	Information and Technology
Kevin Booe	Director	Library
Deborah Broughton	Director	Finance and Administration
Hal Simmons	Director (Interim)	Planning and Development Services
Cary Colaianni	City Attorney	Legal
Dennis Doan	Chief	Fire
Doug Holloway	Director (Interim)	Parks and Recreation
Michael Masterson	Chief	Police
Rebecca Hupp	Director	Aviation and Public Transportation
Shawn Miller	Director	Human Resources
Neal Oldemeyer	Director	Public Works
Jade Riley	Administrative Assistant to the Mayor and Council	Mayor's Office
Terri Schorzman	Director	Arts and History

EideBailly

CPAs & BUSINESS ADVISORS

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, 2012, 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, 2012, 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 discussed in Note IV L to the financial statements, an error resulting in understatement of previously reported liabilities as of September 30, 2011, were discovered by management of the City during the current year. Accordingly, an adjustment has been made to the beginning net assets and fund balance as of September 30, 2011 to correct the error.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2013, 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.

Eide Bailly LLP

Boise, Idaho
March 11, 2013

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, 2012. 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, 2012, by $719,575. Of this amount, unrestricted net assets of $82,687 may be used to meet the City's on going obligations to citizens and creditors.

- Total net assets increased by $18,433 by the end of the FY. Of this amount, $7,101 was associated with governmental activities and $11,332 with business-type activities.

- As of the close of the FY, the City's governmental funds reported combined ending fund balance of $63,888; an increase of $5,019 in comparison with the prior year. Of the former amount, $9,479 was in nonspendable form, $11,446 is restricted, $2,323 is committed, $24,323 is assigned, and $16,317 is unassigned.

- At the end of the FY, unassigned fund balance for the General Fund (GF) was $16,317 or 10.33% of total GF expenditures which were $157,900.

- The City's total debt obligations (including bonds, leases, loans, Section 108 advances, post-employment benefits and compensated absences) were $87,918 at the end of the FY.

Overview of the Financial Statements

This discussion and analysis is 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 summarized information on 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 certain 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 between this District and the City; 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 utilized 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 forms of measurement focus.

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, Capital Projects, and Debt Service funds. These funds are considered major funds. Data from the other four funds, which are the Community and Economic Development Special Revenue Fund, Heritage Special Revenue Fund, Dedicated Trust Permanent Fund, and Impact Fee Capital Projects Fund are combined into a single, aggregate for presentation purposes. 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 General Fund (GF). A budgetary comparison statement has been provided for the GF to demonstrate compliance with the FY2012 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. These funds 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 aggregate for presentation purposes. 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 uses 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. However, the City's internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements due to having an economic resources based transaction measurement focus similar to enterprise funds. 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 basis of

accounting and transaction measurement focus 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, 2012, the City's assets exceeded liabilities by $719,575. By far the largest portion of the City's net assets (81%) reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. Capital assets are used to provide services to citizens and they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Boise's Net Assets

	Governmental Activities		Business Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	$ 205,752	$ 193,079	$ 113,657	$ 112,719	$ 319,409	$ 305,798
Capital assets	192,405	190,413	443,997	438,141	636,402	628,554
Total assets	398,157	383,492	557,654	550,860	955,811	934,352
Long-term liabilities outstanding	37,502	31,908	42,867	47,818	80,369	79,726
Other liabilities	137,538	135,279	18,329	17,916	155,867	153,195
Total liabilities	175,040	167,187	61,196	65,734	236,236	232,921
Net assets:						
Invested in capital assets, net of related debt	186,760	184,211	398,046	386,676	584,806	570,887
Restricted	18,072	12,148	34,010	33,065	52,082	45,213
Unrestricted	18,285	19,657	64,402	65,385	82,687	85,042
Total net assets, as restated	$ 223,117	$ 216,016	$ 496,458	$ 485,126	$ 719,575	$ 701,142

A portion of the net assets (7.24%), represent resources that are subject to external restrictions on how the funds may be utilized. The $82,687 balance of unrestricted net assets 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 FY2012 increase in net assets of 2.63% is greater than the 1.5% increase experienced in FY2011.

City of Boise's Changes in Net Assets

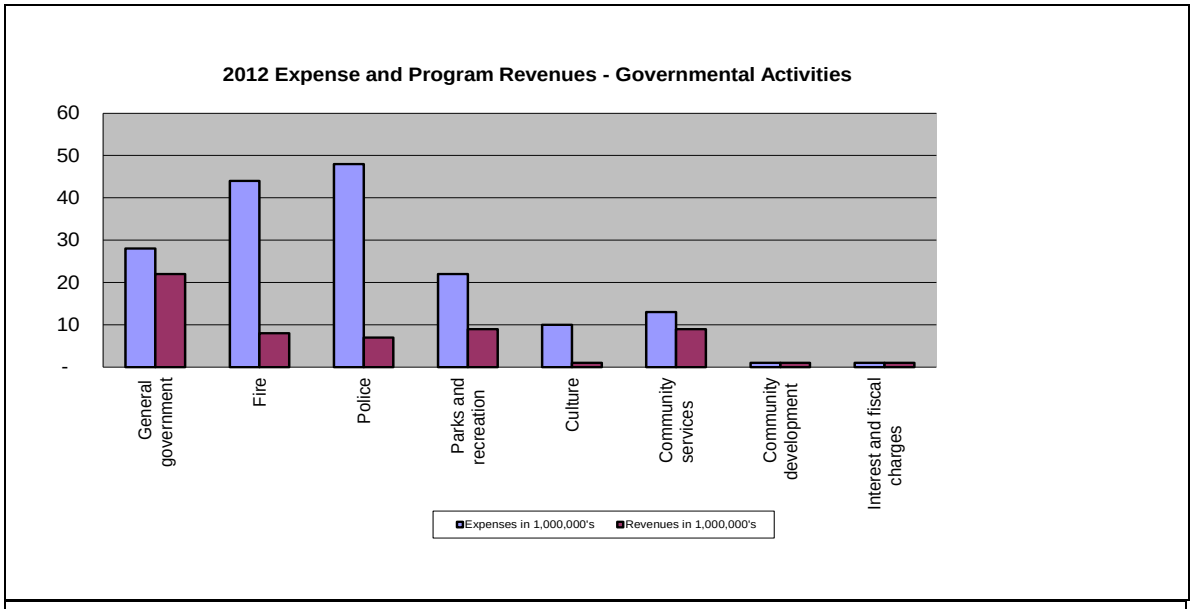
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	$ 33,962	$ 34,127	$ 77,898	$ 76,855	$ 111,860	$ 110,982
Operating grants and contributions	19,221	20,085	5,610	6,512	24,831	26,597
Capital grants and contributions	4,027	5,069	18,715	15,844	22,742	20,913
General Revenues:						
Property taxes	109,314	105,534			109,314	105,534
Other taxes	7,189	6,849			7,189	6,849
Other	941	854	1,334	1,367	2,275	2,221
Total revenues	174,654	172,518	103,557	100,578	278,211	273,096
Expenses:						
General government	28,255	33,915			28,255	33,915
Fire	43,876	41,485			43,876	41,485
Police	47,591	46,051			47,591	46,051
Parks and recreation	22,362	22,634			22,362	22,634
Culture	10,253	10,471			10,253	10,471
Community services	13,287	13,674			13,287	13,674
Community development	842	935			842	935
Interest and fiscal charges	1,195	1,549			1,195	1,549
Airport			30,983	31,934	30,983	31,934
Sewer			31,853	30,468	31,853	30,468
Solid waste			24,406	24,044	24,406	24,044
Other			4,875	3,977	4,875	3,977
Total expenses	167,661	170,714	92,117	90,423	259,778	261,137
Increase in net assets before transfers	6,993	1,804	11,440	10,155	18,433	11,959
Net Transfers	108	(56)	(108)	56	-	-
Increase in net assets	7,101	1,748	11,332	10,211	18,433	11,959
Net assets October 1st	216,016	214,557	485,126	474,915	701,142	689,472
Restatement		(289)				(289)
Net assets September 30th , as restated (*Note 1*)	$ 223,117	$ 216,016	$ 496,458	$ 485,126	$ 719,575	$ 701,142

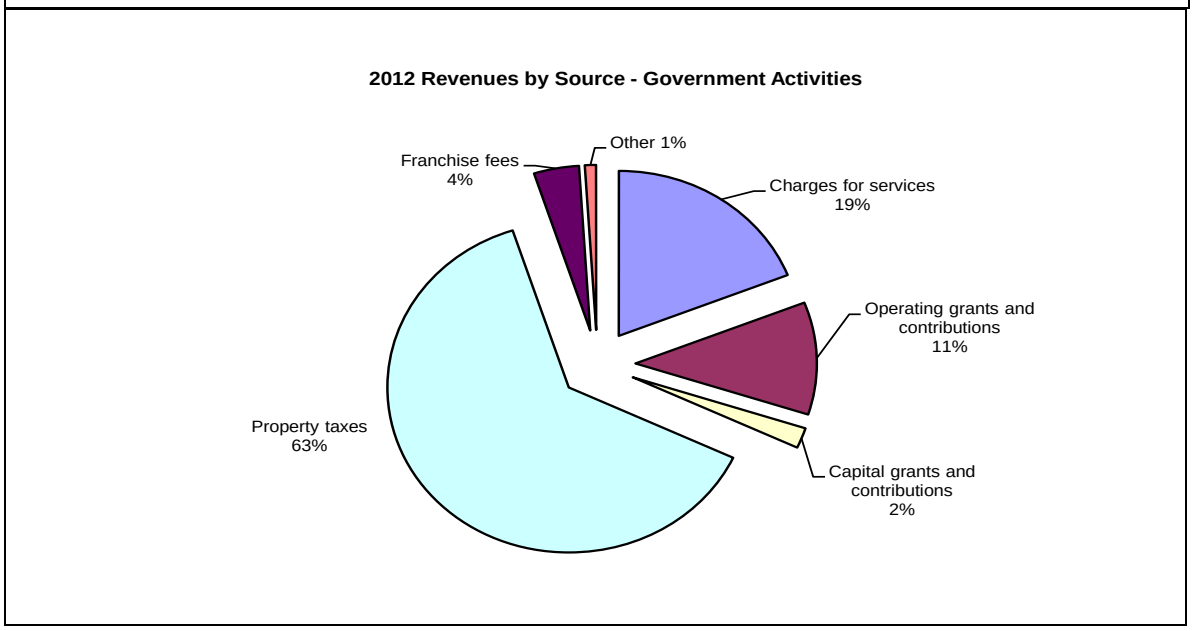
Note 1: Beginning Governmental fund balance was restated by $289 for FY2012.

Refer to Foonote Section IV - L.

Governmental activities in FY2012. Governmental activities in FY2012 increased the City's net assets by $7,101. This increase accounted for 39% of the total increase in net assets, after transfers were taken into account. The key elements of this increase were as follows:

- Revenues exceeded expenses by $6,993 before transfers due to cost containment efforts and isolated increases in certain revenue sources. Total revenues increased by $2,136 (1.24%) compared to FY2011 on a net basis. This net increase is primarily due to increases in general revenues (property taxes, other taxes, and other category) of $4,207, and decreases in capital/operating grants and contributions of -$1,906, and charges for services of -$165.
- Expenses during the fiscal year decreased on a net basis by -$3,053 (-1.79%) in comparison to FY2011. Decreases occurred in the following functional areas: General Government (-$5,660), Community Services and Development (-$480), Interest/fiscal charges (-$354), Parks (-$272), and Culture (-$218). These decreases were offset by increased expense in Fire ($2,391) and Police (1,540). Decreases in General Government were due principally to lower M&O, equipment replacement, and cost containment efforts. The Community Services and Development decrease was due to lower utility and repair and maintenance expense. Decreases in Interest/Fiscal charges were due primarily to a bond refunding transaction. The Parks decrease was associated with the timing of equipment purchases. Decreases in Culture were due to lower personnel and utility costs. Increases in Fire and Police were associated with higher personnel costs and equipment purchases for those two departments.





Business-type activities in FY2012. Business-type activities in FY2012 increased the City's net assets by $11,332; accounting for 61% of the total net asset growth.

Key elements of the increase are as follows:

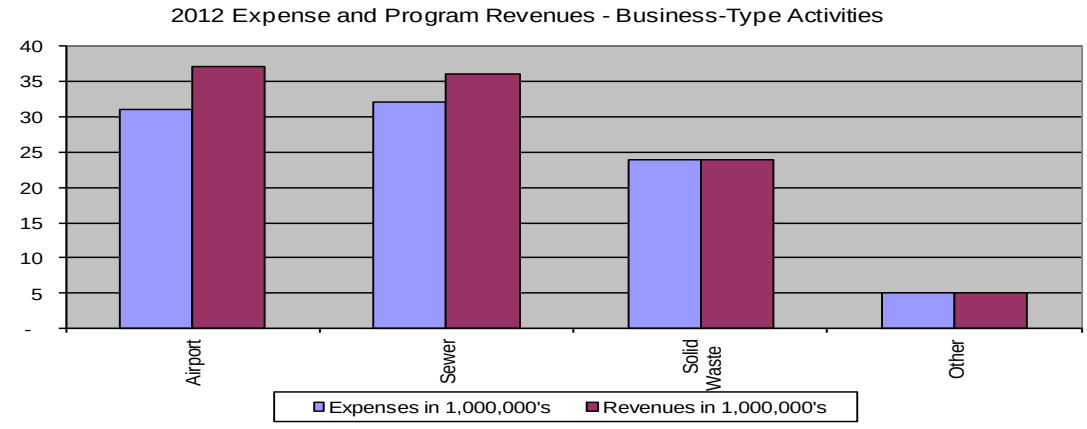
- Revenues increased on a net basis by $2,979 (2.96%) as compared to FY 2011. Increases were exhibited in Capital Grants and Contributions ($2,871) and Charges for Services ($1,043). Operating Grants and Contributions and Investment/Interest Earnings decreased by -$902 and -$33, respectively.

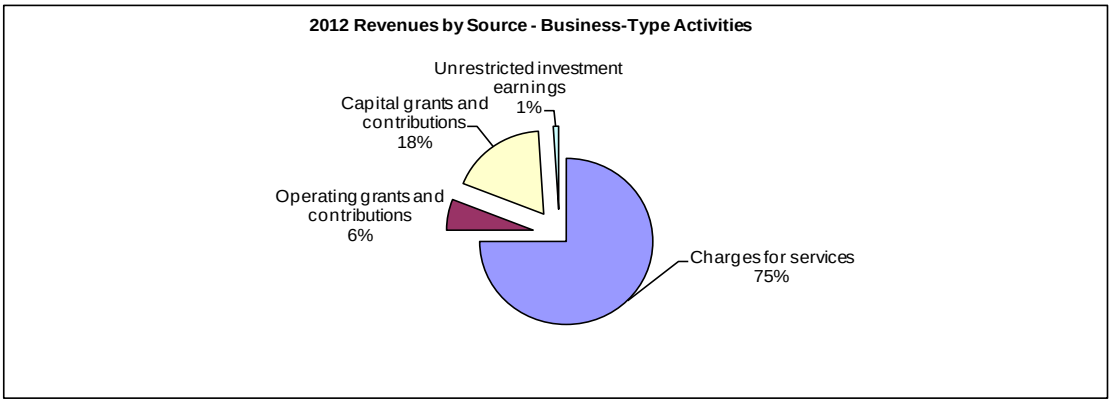
  Net increases in Capital Grants and Contributions resulted from the following fund increases/ decreases, respectively: Airport ($2,481), Sewer ($844), Solid Waste ($4) and Other Funds (-$458). During FY2012, Airport received additional discretionary capital grant revenue to rehabilitate runways. Sewer revenues increased due to greater residential trunk and treatment connection fees, as well as greater developer contributions. Other Funds revenue decreased due to lower Neighborhood Stabilization Program and Housing Rehabilitation drawdown activities.

  Net increases in Charges for Services resulted from the following fund increases/decreases respectively: Sewer ($606), Solid Waste ($590), Other Funds ($3) and Airport (-$156). Changes in this revenue category were due to principally to increases in the residential and commercial customer base for Sewer and Solid Waste funds. During FY2012, increased capital replacement revenues were earned by the Sewer Fund from the Northwest Sewer District due to NPDES Permit modifications at the Lander Street sewage processing facility. Airport's decrease was not a material variance for that fund in total.

  The net decrease in Operating Grants and Contributions resulted from the following fund decreases/increases, respectively: Other Funds (-$1,277), Airport (-$67), Sewer ($251), and Solid Waste ($191). Investment and Interest Earnings decreased across all business-type funds by -$33 in comparison to FY2011. Other Funds operating grant drawdown activity was lower in FY2012, in comparison to FY2011. The Sewer and Solid Waste Funds experienced greater crop and recycling rebates, respectively in comparison to the prior year.

- Expenses increased net by $1,694 (1.87%), as compared to FY2011. The net increase resulted from the following fund increases/decreases, respectively: Sewer ($1,385), Other Funds ($898), Solid Waste ($362), and Airport (-$951). Changes in contractual services, utilities, depreciation, and bad debt write offs accounted for the net expense increase.





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 FY2012. 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, 2012, the City's governmental funds reported combined ending fund balance of $63,888. Fund balance increased by $5,019 in comparison to the prior year. Starting in FY2011, governmental funds report fund balance in non-spendable and spendable classifications. Nonspendable fund balance represents resources that cannot be spent due to their existing 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 $9,479, Restricted of $11,446, Committed of $2,323, Assigned of $24,323, and Unassigned of $16,317 at the end of FY2012.

Within the Nonspendable Fund Balance category, $4,487 was associated with property held for resale whereas $3,057 is related to permanent trust fund capital that must be preserved intact. The remaining $1,935 is composed of inventory, prepaid items, and non-current receivables.

Within the Restricted Fund Balance category, $4,337 is restricted for Foothills conservation. Restrictions for Impact Fees and Heritage Trust projects account for $3,861 and $1,280, respectively of this category balance. A total of $1,342 has been restricted for drug enforcement initiatives and the Library IOLS/Gift Fund. Finally, $626 has been restricted for debt service reserves.

The Committed Fund Balance category is comprised of funds committed to: Homelessness Prevention ($2,000), Detox Center ($316), and Kaylynn Jackson Reward ($7).

As stated previously, Assigned Fund Balance represents management's intended use of resources. At the end of FY2012, the City has made the following assignments: debt service/postretirement benefits ($10,145), community services ($6,481), general government ($2,416), parks and recreation ($1,452), fire ($1,283), culture ($1,224), and police ($672), community and economic development ($588), and warm springs reserve ($62).

The remainder of fund balance ($16,317) is contained within the Unassigned Fund Balance category. Changes in fund balance between fiscal years have been explained in the prior governmental revenue and expense discussion.

The General Fund (GF) is the City's chief operating fund. The fund balance of the City's GF increased by $5,176; as compared to FY2011. In total, General Fund revenues exceeded the budgetary target by $1,654. In comparison to FY2011, net revenues increased $3,402 primarily due to a $2,808 increase in

property taxes, and a $2,208 increase in licenses, permits, intergovernmental, donations and investment income revenue categories. Miscellaneous revenues, franchise fees, and fines & forfeitures, lowered net revenues due to decreases of -$1,397, -$143, and -$74, respectively in comparison to FY2011.

Expenditures decreased by $3,361 on a net basis, in comparison to FY2011. Decreases were exhibited in the following functional areas: general government (-$4,631), capital outlay (-$457), parks and recreation (-$304), and culture (-$143). The following functional areas exhibited expenditure increases in comparison to FY2011: fire ($1,082), police ($932) and community services ($160).

The Capital Projects fund balance experienced a net increase of $595 in fund balance to $15,878 at the end of FY2012. The majority of this increase in fund balance was due to adjusting the beginning fund balance at the start of the fiscal year by $289 (prior period adjustment), isolated asset sales, and normal capital-related transfers in from the General Fund. These transactions assisted in offsetting the decreased revenues and increased capital expenditures that occurred during the fiscal year.

At the end of the fiscal year, the Capital Projects fund balance was composed of the following amounts: $4,487 was in non-spendable form as in property held for resale; $4,337 was being held in the restricted category for the Foothills Levy; $7,054 is assigned by management to the following functional areas or initiatives: community services ($4,820), parks ($593), fire ($591), culture ($580), general government ($408), and warm springs reserve ($62).

Proprietary funds in FY2012. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net asset balances of the Airport, Sewer, and Solid Waste Funds at the end of FY2012 were $29,068, $34,604, and $875, respectively. Airport and Sewer funds demonstrated a total combined increase of all reported capital areas (invested in capital assets-net of related debt, restricted, and unrestricted net assets) of $6,363 and $5,180, when compared to FY2011. The Solid Waste Fund had a -$105 decrease in net assets across these capital categories, when compared to FY2011. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund (GF) Budgetary Highlights in FY2012

The final General Fund revenue budget was $246 more than the originally adopted budget due to the net effect of adjustments associated with grant and contract revenues. The final General Fund expenditure budget was $5,310 more than the originally adopted budget due to rebudgeted and encumbered expenditures carried forward from FY2011 to FY2012.

Budgeted revenues exceeded budgeted expenditures in the final budget for GF by $161. Actual revenues exceeding actual expenditures by $12,622. The final net budget to actual variances of $1,654 in revenues and $10,807 in expenditures (both favorable) can be summarized as follows:

General Fund Favorable Revenue variances

- Property tax revenue exceeded budgetary estimates by $404 due to greater delinquent property tax collections.

- Intergovernmental revenues and licenses and permits exceeded budgetary estimates by $1,115 and $941, respectively. Actual sales tax collections exceeded estimates by $605. Grant revenues exceeded estimates by $336. Licenses and permits increased due to improvement in local economic conditions.

- Charges for Services and Investment income exceeded budgetary estimates by $590 and $149, respectively. Increases in Charges for Services revenue was due to user fee programs performing better than expected. The City's Investment income revenue category also includes interest and penalty amounts. The favorable budget to actual variance associated with this category is due primarily to increased investment principal balances and amounts received for interest and penalties related to delinquent property taxes.

General Fund Unfavorable Revenue variances

- The Franchise Fees budget to actual variance was unfavorable by $361. This was predominately due to the recent gas franchise rate reductions.
- The Fines and forfeitures budget to actual variance was unfavorable by $509. Parking fine revenue fell short of budget by $172 and traffic fines fell short of budget by $369. Other revenues in this category accounted for the remaining differential.
- The Donations budget to actual variance was unfavorable by $85. Typically, revenues in this category are difficult to budget; with matched expense only occurring after a donation is received.
- Miscellaneous revenues fell short of final budgetary estimates by $590. Unused revenue neutral contingency appropriation ($431) accounts for the majority of this shortfall.

General Fund Favorable Expenditure variances

During the fiscal year, all functional categories experienced favorable budgetary variances on a net basis. Total actual expenditures were $10,807 less than the final budgetary amount. Savings across the organization were spread throughout both maintenance and operations (M&O) and equipment expenditure accounts. A large part of the savings is associated with unused contingency accounts and cost containment measures by all city departments.

- General government expenditures were under budgetary estimates by $5,545 for the fiscal year. This variance is explained by lower expenditures in various M&O and unused contingency expenditure accounts.

- Culture and community services expenditures were under budgetary estimates by $1,363 and $1,299, respectively. Culture budgetary savings occurred in Library. This was predominately due to lower M&O expenditures by this department. The Library Department executed cost containment measures earlier than other departments during the fiscal year. That department had $457 in unused appropriation associated with the future replacement of the IOLS on-line system.

- Parks and recreation, police, and fire expenditures were under their budgetary estimates by $700, $689, and $666, respectively. These savings were principally due to the timing of equipment purchases and ongoing programs that were rebudgeted into FY2013.

- Capital outlay expenditures were under budgetary estimates by $545. These savings were principally due to the timing of expenditures on multi-year projects.

Encumbrances for contractual obligations that could not be completed during the fiscal year were $1,024 while amounts to be rebudgeted into subsequent year expenditures totaled $5,512.

Capital Asset and Debt Administration

Capital assets in FY2012. The City's investment in capital assets for its governmental and business-type activities at September 30, 2012, amounted to $636,402 (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 FY2012 was 1.25% in comparison to the prior year. Of this percent, governmental activities accounted one fourth of the increase whereas business-type activities accounted for the remaining three quarters of the increase.

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

Governmental Activities

- $3,941 – City Hall Remodel
- $1,898 – Harris Ranch Fire Station #15
- $1,873 – City Financial System Implementation
- $868 – Marianne Williams Park
- $811 – Boise River White Water Recreation Facility

Business-Type Activities

- $5,825 – Airport Runway and Taxiway Rehabilitations
- $5,314 – West Boise Treatment Plant Phosphorus Removal Facility
- $3,389 – Airport Rental Car Canopies and Parking Garage Expansion
- $3,113 – Lander Street Treatment Plant upgrades
- $1,372 – Geothermal service system extension to BSU
- $1,255 – Hyatt Wetlands

Long-term debt in FY2012. At FY end, the City had $75,425 in outstanding debt consisting of revenue bonds, capital leases, special assessment bond/note, and installment loans. This amount does not include compensated absence accruals, bond premium, discount, or deferred amounts. All of the debt was secured by specific revenue or property sources.

City of Boise's Outstanding Debt

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Revenue Bonds	$ 24,665	$ 23,850	$ 44,919	$ 43,051	$ 69,584	$ 66,901
Capital Leases	1,147	1,685			1,147	1,685
Other LT Debt	3,994	3,995			3,994	3,995
Installment Loans			700	8,414	700	8,414
Total	$ 29,806	$ 29,530	$ 45,619	$ 51,465	$ 75,425	$ 80,995

The City's debt for bonds, capital leases, other debt, and loans decreased $5,570 by the end of FY2012 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 FY2011-12 Two-Year Budget:

- As of September 2012, total employment for the Boise MSA was 303,658, whereas the unemployment rate stood at 6.5%.
- The City provided a 2.5% base compensation increase scheduled for general employees for FY2013. The budgeted amount of this increase was $800. An additional 1.25% ($400) has been budgeted for discretionary goal achievement purposes. Increases can range from 0% to 3% for each employee depending upon performance achievements during the prior fiscal year.
- The City has considered the current economic trends while working with the FY2012 interim budget. The tight revenue projections for the new FY2013-14 budgetary cycle will limit the resources of the City until the local economy strengthens.
- On December 6, 2012, the City issued Airport Revenue Bonds, Series 2012. The proceeds of the bonds will be used to construct an additional parking garage facility. The par amount of the new debt is $11,760 and will be paid off with annual installments by September 2032.

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, 2012
(amounts expressed in thousands)

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Current assets			
Cash (Note IV A)	$ 11,330	$ 990	$ 12,320
Investments (Note IV A)	59,129	69,900	129,029
Receivables (net of allowance for uncollectibles) (Note IV B)			
Taxes - current	113,645		113,645
Taxes - delinquent	3,347		3,347
Accounts and interest	6,781	8,732	15,513
Grants	376	3,628	4,004
Assessments	21	2,170	2,191
Due from other governmental units			
Interfund balances (Note IV E)	3,056	(3,056)	
Inventory	814	2,184	2,998
Other current assets	4,487	463	4,950
Prepaid items	1,364	61	1,425
Total current assets	204,350	85,072	289,422
Noncurrent assets			
Restricted cash and investments (Note IV A and C)	710	13,584	14,294
Long-term receivable (Note IV B)		2,712	2,712
Mortgage loans receivable		12,265	12,265
Deferred charges	692	24	716
Capital assets not being depreciated: (Note IV D)			
Land	70,527	35,161	105,688
Intangible assets	474	470	944
Construction in progress	14,947	28,468	43,415
Capital assets net of accumulated depreciation: (Note IV D)			
Land improvements		24,310	24,310
Leasehold improvements	969		969
Buildings	47,043	161,860	208,903
Improvements other than buildings	32,123	14,945	47,068
Service lines		143,175	143,175
Automobiles and trucks	9,864	8,052	17,916
Machinery and equipment	12,958	26,676	39,634
Intangible assets	1,048	218	1,266
Other capital assets	2,452	662	3,114
Total noncurrent assets	193,807	472,582	666,389
Total assets	$ 398,157	$ 557,654	$ 955,811

Component Unit Capital City Development Corporation	Total Reporting Entity
$ 5,948	18,268
3,520	132,549
8,472	122,117
	3,347
669	16,182
	4,004
	2,191
41,705	41,705
	2,998
	4,950
1,858	3,283
62,172	351,594
13,512	27,806
	2,712
	12,265
1,282	1,998
3,944	109,632
	944
	43,415
	24,310
	969
17,293	226,196
1,134	48,202
	143,175
	17,916
322	39,956
	1,266
	3,114
37,487	703,876
$ 99,659	$ 1,055,470

City of Boise, Idaho
Statement of Net Assets (continued)
September 30, 2012
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities			
Accounts payable	$ 10,324	$ 10,797	$ 21,121
Other accrued liabilities	10,696	898	11,594
Unearned revenue	478	1,480	1,958
Deferred revenue - property tax	113,645		113,645
Long term debt - due within one year (Note IV G)	2,395	5,154	7,549
Total current liabilities	137,538	18,329	155,867
Noncurrent liabilities:			
Long term debt - due in more than one year (Note IV G)	37,502	42,867	80,369
Total noncurrent liabilities	37,502	42,867	80,369
Total liabilities	175,040	61,196	236,236
NET ASSETS			
Invested in capital assets, net of related debt	186,760	398,046	584,806
Restricted for:			
Restricted for replacements:			
West Boise Sewer District		3,061	3,061
Garden City Sewer District		2,957	2,957
Restricted for debt			
Restricted for loans		14,408	14,408
Restricted for permanent funds:			
Nonexpendable	4,845		4,845
Capital expansion	7,581	13,584	21,165
Foothills levy	4,337		4,337
Post-retirement benefits and other restricted debt service	1,309		1,309
Unrestricted	18,285	64,402	82,687
Total net assets	$ 223,117	$ 496,458	$ 719,575

Component Unit Capital City Development Corporation	Total Reporting Entity
$ 1,691	$ 22,812
461	12,055
9,648	11,606
	113,645
6,734	14,283
18,534	174,401
61,695	142,064
61,695	142,064
80,229	316,465
11,538	596,344
	3,061
	2,957
7,841	7,841
	14,408
	4,845
	21,165
	4,337
	1,309
51	82,738
$ 19,430	$ 739,005

City of Boise, Idaho
Statement of Activities
For the Fiscal Year Ended September 30, 2012
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 28,255	$ 6,697	$ 16,102	$
Fire	43,876	7,149	304	605
Police	47,591	5,171	1,307	354
Parks and recreation	22,362	6,203	495	2,050
Culture	10,253	495	220	2
Community services	13,287	8,103	315	971
Community and economic development	842	144	478	45
Interest and fiscal charges	1,195			
Total governmental activities	167,661	33,962	19,221	4,027
Business-type activities:				
Airport	30,983	22,824	563	13,527
Sewer	31,853	28,625	3,182	4,492
Solid waste	24,406	23,976	334	5
Other	4,875	2,473	1,531	691
Total business-type activities	92,117	77,898	5,610	18,715
Total primary government	$ 259,778	$ 111,860	$ 24,831	$ 22,742
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				

Net (Expense) Revenue and Changes in Net Assets Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	Capital City Development Corporation	Total Reporting Entity
$ (5,456)	$	$ (5,456)	$	$ (5,456)
(35,818)		(35,818)		(35,818)
(40,759)		(40,759)		(40,759)
(13,614)		(13,614)		(13,614)
(9,536)		(9,536)		(9,536)
(3,898)		(3,898)		(3,898)
(175)		(175)		(175)
(1,195)		(1,195)		(1,195)
(110,451)		(110,451)		(110,451)
	5,931	5,931		5,931
	4,446	4,446		4,446
	(91)	(91)		(91)
	(180)	(180)		(180)
	10,106	10,106		10,106
(110,451)	10,106	(100,345)		(100,345)
			(6,254)	(6,254)
			(6,254)	(6,254)
106,994		106,994	9,243	116,237
2,320		2,320		2,320
7,189		7,189		7,189
941	1,334	2,275	23	2,298
108	(108)			
117,552	1,226	118,778	9,266	128,044
7,101	11,332	18,433	3,012	21,445
216,016	485,126	701,142	16,418	717,560
$ 223,117	$ 496,458	$ 719,575	$ 19,430	$ 739,005

City of Boise, Idaho
Balance Sheet
Governmental Funds
September 30, 2012
(amounts expressed in thousands)

	General	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents (Note IV A)	$ 11,043	$ 132	$ 3	$ 61	$ 11,239
Investments (Note IV A)	24,913	5,486	10,072	9,173	49,644
Receivables (net of allowance for uncollectibles) (Note IV B)					
Taxes - current	113,608				113,608
Taxes - delinquent	3,347				3,347
Accounts and interest	6,004	695	31	24	6,754
Special assessments				37	37
Grants	334			42	376
Assessments	21				21
Due from component unit					
Interfund receivables (Note IV E)	5,990	8,064		404	14,458
Inventory	802				802
Prepaid items	827				827
Restricted assets: (Note IV C)					
Restricted cash and investments			174	536	710
Property held for resale		4,487			4,487
Total assets	$ 166,889	$ 18,864	$ 10,280	$ 10,277	$ 206,310
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and interest payable	$ 7,583	$ 1,979	$ 20	$ 320	$ 9,902
Other accrued liabilities	5,039	705			5,744
Due to component unit					
Interfund payables (Note IV E)	9,065	302		642	10,009
Unearned revenue	331			37	368
Deferred revenue - property tax (Note IV B)	116,399				116,399
Total liabilities	138,417	2,986	20	999	142,422
Fund balances:					
Nonspendable:					
Inventory	802				802
Prepaid items	827				827
Employee advances - long term receivable	306				306
Property held for resale		4,487			4,487
Permanent fund principal				3,057	3,057
Restricted for:					
Drug enforcement	616				616
IOLS consortium	469				469
Library gift funds	257				257
Impact fees projects	19			3,842	3,861
Heritage funds				1,280	1,280
Debt service - WSGC			115		115
Debt service - CID				511	511
Foothills levy		4,337			4,337
Committed to:					
Homelessness prevention	2,000				2,000
Kaylynn reward	7				7
Detox center	316				316

City of Boise, Idaho
Balance Sheet
Governmental Funds (continued)
September 30, 2012
(amounts expressed in thousands)

	General	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES					
Fund balances:					
Assigned to:					
General government	2,008	408			2,416
Fire	692	591			1,283
Police	672				672
Parks and recreation	859	593			1,452
Culture	644	580			1,224
Community services	1,661	4,820			6,481
Warm Springs reserve		62			62
Debt service and post employment benefits			10,145		10,145
Community and economic development				588	588
Unassigned	16,317				16,317
Total fund balances	28,472	15,878	10,260	9,278	63,888
Total liabilities and fund balances	$ 166,889	$ 18,864	$ 10,280	$ 10,277	$ 206,310

City of Boise, Idaho
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
September 30, 2012
(amounts expressed in thousands)

Amounts reported for governmental activities in the statement of net assets are different because:			
Total fund balances--total governmental funds			$ 63,888
Other Post Employment Benefits (OPEB) not recorded in the fund			(4,885)
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.			192,405
Internal service funds are used to charge the costs of certain activities, such as insurance, automotive equipment, and plant material and trees, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.			
Unrestricted internal service funds	$ 3,160		
Internal service due to other funds	(189)		
			2,971
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)			2,791
Prepaid rent from Whitney Fire District	(147)		
Prepaid fiber optic lease	508		361
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
Accrued interest	$ (210)		
Bonds payable	(24,665)		
Special assessments	(3,994)		
Capital leases	(1,147)		
Bond premium	(527)		
Deferred amount of refunding	594		
Bond issuance costs	692		
Compensated absences	(5,157)		
			(34,414)
Net assets of governmental activities			$ 223,117

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City of Boise, Idaho
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2012
(amounts expressed in thousands)

	General	Capital Projects	Debt Service
Revenues:			
Property taxes	$ 108,733	$	
Franchise fees	5,127	2,062	
Licenses and permits	4,822		
Intergovernmental revenues	17,351	612	
Program income			
Charges for services	29,084	20	
Fines and forfeitures	3,348		
Donations	308	11	
Special assessments			
Investment income	611	(6)	148
Miscellaneous revenues	1,138		
Total revenues	170,522	2,699	148
Expenditures:			
Current:			
General government	27,427	1,601	11
Fire	41,347	408	
Police	46,082	339	
Parks and recreation	18,426	214	
Culture	9,151	83	
Community services	13,014	314	
Community and economic development			
Capital outlay	2,453	10,918	
Debt service:			
Principal payments			538
Bond issuance costs			732
Interest and fiscal charges			1,104
Total expenditures	157,900	13,877	2,385
Excess (deficiency) of revenues over (under) expenditures	12,622	(11,178)	(2,237)
Other financing sources (uses):			
Interfund transfers in (Note IV E)	1,491	7,993	1,011
Interfund transfers out (Note IV E)	(9,047)	(557)	
Proceeds from sale of capital assets	110	4,337	
Refunding bonds issued			24,665
Bond premium			558
Payment to refunded bond escrow agent			(23,850)
Total other financing sources (uses):	(7,446)	11,773	2,384
Net change in fund balances	5,176	595	147
Fund balance at beginning of year, as restated	23,296	15,283	10,113
Fund balance at end of year	$ 28,472	$ 15,878	$ 10,260

Other Governmental Funds	Total Governmental Funds
$	$ 108,733
	7,189
1,726	6,548
478	18,441
144	144
528	29,632
	3,348
220	539
45	45
105	858
	1,138
3,246	176,615
	29,039
	41,755
	46,421
91	18,731
	9,234
2	13,330
811	811
2,834	16,205
1	539
	732
358	1,462
4,097	178,259
(851)	(1,644)
10	10,505
(58)	(9,662)
	4,447
	24,665
	558
	(23,850)
(48)	6,663
(899)	5,019
10,177	58,869
$ 9,278	$ 63,888

City of Boise, Idaho
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended September 30, 2012
(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		$ 5,019
Other Post Employment Benefits (OPEB) are not recorded in the fund but are included in the government-wide change in net assets due to governmental activities.		590
Net revenues (expenses) of certain internal service funds is included with governmental activities.		(947)
Some of the City's taxes will be collected after year end, but, are not available soon enough for the current period's expenditures and therefore are reported as deferred revenue in the funds. The amount represents the net change in deferred revenue.		581
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay ($16,205) exceeded depreciation ($9,903) in the current period.		6,302
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	$ 875	
Whitney deferred rent amortization	6	
Prepaid fiber optic lease	535	
Fiber optic lease amortization	(27)	
Proceeds from sale of capital assets	(4,447)	
Loss on sale of capital assets	(611)	(3,669)
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 payments	$ 95	
City Hall Lease payments	443	
CID long term debt payments	1	
Revenue refunding bonds	(24,665)	
Bond premium	(558)	
Deferred issuance costs CID	(16)	
Deferred issuance costs 2011A	732	
Payment to escrow agent for refunding	23,850	(118)

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, 2012
(amounts expressed in thousands)

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	$ 524	
CID long term debt interest	(35)	
County building current interest	(38)	
Amortization of bond premium	31	
Amortization of issuance costs	(40)	
Amortization of deferred charge on refunding	(16)	
Refunding 2011A current interest	(137)	289
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.		(946)
Change in net assets of governmental activities		$ 7,101

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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, 2012
(amounts expressed in thousands)

	Budgeted Amounts			Variances with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
Property taxes	$ 108,329	$ 108,329	$ 108,733	$ 404
Franchise fees	5,488	5,488	5,127	(361)
Licenses and permits	3,880	3,881	4,822	941
Intergovernmental revenues	15,636	16,236	17,351	1,115
Charges for services	28,980	28,494	29,084	590
Fines and forfeitures	3,857	3,857	3,348	(509)
Donations	263	393	308	(85)
Investment income	462	462	611	149
Miscellaneous revenues	1,727	1,728	1,138	(590)
Total revenues	168,622	168,868	170,522	1,654
Expenditures:				
Current:				
General government	31,237	32,972	27,427	5,545
Fire	41,488	42,013	41,347	666
Police	46,126	46,771	46,082	689
Parks and recreation	18,645	19,126	18,426	700
Culture	9,435	10,514	9,151	1,363
Community services	13,364	14,313	13,014	1,299
Capital outlay	3,102	2,998	2,453	545
Total expenditures	163,397	168,707	157,900	10,807
Excess of revenues over expenditures	5,225	161	12,622	12,461
Other financing sources (uses):				
Interfund transfers in	253	253	1,491	1,238
Interfund transfers out	(5,476)	(4,008)	(9,047)	(5,039)
Proceeds from capital assets			110	110
Total other financing sources (uses):	(5,223)	(3,755)	(7,446)	(3,691)
Net change in fund balances	2	(3,594)	5,176	8,770
Fund balance at beginning of year	23,296	23,296	23,296	
Fund balance at end of year	$ 23,298	$ 19,702	$ 28,472	$ 8,770

City of Boise, Idaho
Statement of Net Assets
Proprietary Funds
September 30, 2012
(amounts expressed in thousands)

	Business-type Activities--Enterprise Funds		
	Airport	Sewer	Solid Waste
ASSETS			
Current assets:			
Cash and cash equivalents (Note IV A)	$ 885	$	$ 105
Investments (Note IV A)	30,513	36,496	1,128
Receivables (net of allowance for uncollectibles) (Note IV B)			
Accounts and interest	1,551	5,165	1,650
Grants	3,310		
Assessments		2,163	
Interfund receivables (Note IV E)	58	464	166
Inventory	490	1,521	
Other assets	338	66	
Prepaid items	55	1	
Total current assets	37,200	45,876	3,049
Noncurrent assets:			
Restricted cash and investments (Note IV C)	13,584		
Interfund receivables (Note IV E)	63	112	555
Long-term receivables		2,145	
Mortgage loans receivable			
Deferred charges	24		
Capital assets: (Note IV D)			
Land	18,372	14,318	
Land improvements	67,177		
Buildings	121,393	126,043	
Improvements other than buildings	30,685	8,255	
Service lines		188,590	
Automobiles and trucks	8,684	8,702	241
Machinery and equipment	25,042	43,873	258
Intangible assets	368	1,180	
Construction in process	10,650	14,786	
Other capital assets	560	302	25
Less accumulated depreciation	(122,059)	(138,587)	(200)
Total capital assets (net of accumulated depreciation)	160,872	267,462	324
Total noncurrent assets	174,543	269,719	879
Total assets	$ 211,743	$ 315,595	$ 3,928

Other Nonmajor Business-type Funds	Totals	Governmental Activities- Internal Service Funds
$	$ 990	$ 91
1,763	69,900	9,485
366	8,732	27
318	3,628	
7	2,170	
183	871	1,102
173	2,184	12
59	463	
5	61	29
2,874	88,999	10,746
	13,584	
	730	
567	2,712	
12,265	12,265	
	24	
2,471	35,161	
	67,177	
10,632	258,068	1,215
2,330	41,270	84
5,326	193,916	
142	17,769	587
755	69,928	187
37	1,585	197
3,032	28,468	
	887	
(9,386)	(270,232)	(1,528)
15,339	443,997	742
28,171	473,312	742
$ 31,045	$ 562,311	$ 11,488

City of Boise, Idaho
Statement of Net Assets (continued)
Proprietary Funds
September 30, 2012
(amounts expressed in thousands)

	Business-type Activities--Enterprise Funds		
	Airport	Sewer	Solid Waste
LIABILITIES			
Current liabilities:			
Accounts payable	$ 6,435	$ 2,199	$ 1,888
Other accrued liabilities	181	528	
Compensated absences (Note IV G)	35	99	4
Interfund payables (Note IV E)	1,067	2,725	295
Unearned revenue		664	508
Current portion of long-term debt (Note IV G)	2,975	1,895	
Total current liabilities	10,693	8,110	2,695
Noncurrent liabilities:			
Compensated absences and other post employment benefits (Note IV G)	501	1,296	34
Interfund payables			
Other long-term debt, non-current (Note IV G)	25,918	14,463	
Total noncurrent liabilities	26,419	15,759	34
Total liabilities	37,112	23,869	2,729
NET ASSETS			
Invested in capital assets, net of related debt	131,979	251,104	324
Restricted for replacements:			
West Boise Sewer District		3,061	
Garden City Sewer District		2,957	
Restricted for loans			
Restricted for capital expansion	13,584		
Unrestricted (deficit)	29,068	34,604	875
Total net assets	$ 174,631	$ 291,726	$ 1,199

Other Nonmajor Business-type Funds	Totals	Governmental Activities- Internal Service Funds
$ 275	$ 10,797	$ 422
189	898	4,740
6	144	12
647	4,734	1,688
308	1,480	
140	5,010	
1,565	23,063	6,862
95	1,926	106
112	112	618
560	40,941	
767	42,979	724
2,332	66,042	7,586
14,639	398,046	742
	3,061	
	2,957	
14,408	14,408	
	13,584	
(334)	64,213	3,160
$ 28,713	$ 496,269	$ 3,902

City of Boise, Idaho
Reconciliation of the Proprietary Funds Statement of Net Assets
to the Statement of Net Assets
September 30, 2012

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:	$	496,269
Net revenues (expenses) of certain internal service funds is reported with business-type activities for the current year.		189
Net assets of business-type activities	$	496,458

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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, 2012
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds		
	Airport	Sewer	Solid Waste
Operating revenues:			
Charges for services:			
Program income	$	$	$
Interest income			
Rental income	6,065		
User fees	3,924	28,625	23,976
Parking and concessions	12,835		
Total charges for services	22,824	28,625	23,976
Miscellaneous revenues	108	3,182	334
Donations			
Total operating revenues	22,932	31,807	24,310
Operating expenses:			
Personal services	5,992	12,384	387
Contractual services and utilities	11,317	8,263	23,781
Supplies and materials	422	1,732	202
Depreciation	12,044	8,983	38
Total operating expenses	29,775	31,362	24,408
Operating income (loss)	(6,843)	445	(98)
Nonoperating revenues (expenses)			
Grants	455		
Developer contributed refund		(200)	
Interest revenue	429	648	202
Interest expense	(1,261)	(369)	
Total nonoperating revenues (expenses)	(377)	79	202
Income (loss) before interfund transfers and contributions	(7,220)	524	104
Capital contributions	7,267	4,478	5
Passenger facility charges	5,429		
Customer facility charges	831		
Interfund transfers in (Note IV E)	56	178	1
Interfund transfers out (Note IV E)			(215)
Change in net assets	6,363	5,180	(105)
Total net assets - beginning	168,268	286,546	1,304
Total net assets - ending	$ 174,631	$ 291,726	$ 1,199

Total Nonmajor Business-type Funds	Totals	Governmental Activities- Internal Service Funds
$ 1,346	$ 1,346	$
508	508	
	6,065	
619	57,144	6,614
	12,835	
2,473	77,898	6,614
14	3,638	20
		6
2,487	81,536	6,640
998	19,761	1,417
3,227	46,588	4,432
17	2,373	753
590	21,655	117
4,832	90,377	6,719
(2,345)	(8,841)	(79)
1,517	1,972	
	(200)	
55	1,334	83
(45)	(1,675)	(9)
1,527	1,431	74
(818)	(7,410)	(5)
659	12,409	
	5,429	
	831	
48	283	9
(130)	(345)	(790)
(241)	11,197	(786)
28,954	485,072	4,688
$ 28,713	$ 496,269	$ 3,902

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, 2012

Amounts reported for business-type activities in the statement of activities are different because:		
Net change in net assets--total business-type funds	$	11,197
Net revenues (expenses) of certain internal service funds is reported with business-type activities.		135
Change in net assets of business-type activities	$	11,332

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City of Boise, Idaho
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2012
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds	
	Airport	Sewer
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 21,753	$ 27,673
Receipts from interfund services provided		418
Receipts from interfund services used	447	1,988
Other operating revenue received	500	3,262
Payments to suppliers	(8,848)	(9,993)
Payments to employees	(6,096)	(12,455)
Payments for interfund services provided	(20)	
Payments for interfund services used		
Other operating payments	(51)	
Net cash provided (used) by operating activities	7,685	10,893
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund transfers to other funds		
Receipts from advances to other funds	8	
Operating grants received		
Interfund transfers from other funds	56	178
Payments for advances from other funds		
Net cash provided (used) by noncapital financing activities	64	178
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(12,159)	(12,586)
Proceeds from sale of capital assets	30	60
Proceeds from long term debt		16,345
NSP refurbishments		
Principal paid on debt	(2,860)	(18,699)
Interest paid on financing	(1,560)	(579)
Capital contributions received		
Capital grants received	6,326	
Hook-on fees received		3,727
Developer contributed refunds paid		(200)
Passenger facility charges	5,429	
Customer facility charges	831	
Net cash used by capital and related financing activities	(3,963)	(11,932)

Solid Waste	Total Nonmajor Business-type Funds	Totals	Governmental Activities-Internal Service Funds
$ 23,978	$ 3,346	$ 76,750	$ 6,614
	18	436	
	205	2,640	116
339	243	4,344	17
(23,930)	(3,581)	(46,352)	(4,355)
(396)	(1,010)	(19,957)	(1,483)
(152)	(1)	(173)	(117)
(285)	(2)	(287)	(250)
	(602)	(653)	(5)
(446)	(1,384)	16,748	537
(215)	(130)	(345)	(790)
57		65	
	1,774	1,774	
1	48	283	9
			(65)
(157)	1,692	1,777	(846)
(155)	(1,375)	(26,275)	
5	145	240	
		16,345	
	508	508	
	(140)	(21,699)	
	(51)	(2,190)	(10)
	675	675	
		6,326	
		3,727	
		(200)	
		5,429	
		831	
(150)	(238)	(16,283)	(10)

City of Boise, Idaho
Statement of Cash Flows (continued)
Proprietary Funds
For the Fiscal Year Ended September 30, 2012
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds	
	Airport	Sewer
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(30,029)	(26,312)
Proceeds from sale and maturities of investment securities	28,097	25,636
Interest on investments and advances	393	648
Net cash provided (used) by investing activities	(1,539)	(28)
Net increase (decrease) in cash and cash equivalents	2,247	(889)
Cash and cash equivalents at beginning of year		
Cash and cash equivalents at beginning of year	12,222	889
Cash and cash equivalents at end of year	$ 14,469	$
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ (6,843)	$ 445
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	12,044	8,983
Amortization	148	32
(Gain) loss on disposal of capital assets	118	48
(Increase) decrease in accounts receivable	(155)	(957)
(Increase) decrease in assessments		
(Increase) decrease in mortgage loans receivable		
(Increase) decrease in mortgage loans in process		
(Increase) decrease in other assets	74	
(Increase) decrease in inventory	122	(47)
(Increase) decrease in interfund receivables	(20)	418
(Increase) decrease in prepaid items	8	
Increase (decrease) in accounts payable	2,493	(607)
Increase (decrease) in compensated absences	162	533
Increase (decrease) in other accrued liabilities	3	52
Increase (decrease) in interfund payables	447	1,988
Increase (decrease) in unearned revenue	(916)	5
Total adjustments	14,528	10,448
Net cash provided (used) by operating activities	$ 7,685	$ 10,893
Noncash investing, capital and financing activities:		
Contributions of capital assets from government		14
Contributions of capital assets from developers		613
Increase (decrease) in fair value of investments	36	

Solid Waste	Total Nonmajor Business-type Funds	Totals	Governmental Activities-Internal Service Funds
(225)	(1,249)	(57,815)	(8,129)
550	1,090	55,373	8,369
198	53	1,292	110
523	(106)	(1,150)	350
(230)	(36)	1,092	31
335	36	13,482	60
$ 105	$	$ 14,574	$ 91
$ (98)	$ (2,345)	$ (8,841)	$ (79)
38	590	21,655	117
		180	
5		171	(14)
26	927	(159)	1
	(2)	(2)	
	(357)	(357)	
	366	366	
		74	
	(10)	65	1
(152)	17	263	(79)
	(4)	4	5
36	(362)	1,560	(22)
8	26	729	
	(372)	(317)	779
(285)	203	2,353	(172)
(24)	(61)	(996)	
(348)	961	25,589	616
$ (446)	$ (1,384)	$ 16,748	$ 537
	32	46	
		613	
1	2	39	(16)

City of Boise, Idaho
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2012
(amounts expressed in thousands)

	Health Insurance Self Funding Trust Fund	Boise City Agency Fund
ASSETS		
Cash and cash equivalents (Note IV A)	$ 239	$ 10
Receivables: (Note IV B)		
Accounts receivable	56	
Interest and dividends	11	
Investments, at fair value: (Note IV A)		
U.S. Treasuries	200	
Federal government agencies	3,063	
Other investments	711	1,093
Total investments	3,974	1,093
Total assets	4,280	1,103
LIABILITIES		
Accounts and interest payable	1,412	339
Refunds payable and other		764
Total liabilities	1,412	$ 1,103
NET ASSETS		
Held in trust for:		
Employees' health insurance benefits	2,868	
Total net assets	$ 2,868	

City of Boise, Idaho
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended September 30, 2012
(amounts expressed in thousands)

	Health Insurance Self Funding Trust Fund
Additions	
Contributions:	
Employer	$ 345
Plan members	11,200
Total contributions	11,545
Investment earnings:	
Net increase (decrease) in fair value of investments	3
Interest	36
Total investment earnings	39
Pharmacy Rebate	117
Total additions	11,701
Deductions	
Insurance claim benefits	11,167
Administrative expenses	1,358
Total deductions	12,525
Change in net assets	(824)
Net assets - beginning of the year	3,692
Net assets - end of the year	$ 2,868

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CITY OF BOISE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012
(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. 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 it's discretely presented component units. 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 operational and/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 Debt Service Fund is used to account for governmental principal and interest debt service in addition to amounts accumulated for debt reserves, compensated absences, and post-retirement benefits.

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 two City operated plants. Debt service and capital improvements are also accounted for in this fund.

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

Additionally, the government reports the following fund types:

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

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

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

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

Proprietary funds distinguish operation revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, producing and delivering goods in connection with a proprietary fund's principal 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. Typically, these funds are invested in money market mutual funds and the State of Idaho Local Government Investment Pool. 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 independent 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 equal to $5 or more and an estimated useful life of at least 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 $142 for Airport projects and $372 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 or proportional 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 2011A - $24,665 of Refunding Bonds were issued to: a) refinance $23,850 of outstanding principal amounts of the Revenue Refunding Bonds Series 2001A that were originally issued in the amount of $28,445, and b) to pay for the costs of issuing the bonds.

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 2012, $118 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 2012, 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 2012, $76 was transferred to the PEHP for this group. See the separate discussion of the PEHP.

Enterprise Funds:

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 2012 the net available revenue pledged to the bonds was $11,059. The debt service was $2,860 principal and $1,560 interest giving a coverage ratio of 2.50. Note IV G contains the bond terms.

Wastewater Facility Refunding Bonds – Series 2012 The City issued the Wastewater Facility Refunding Bonds, Series 2012 in the amount of $16,699. The proceeds from the refunding bonds were used to extinguish two forms of debt: a) refinance $9,945 of outstanding principal of the 1999 Refunding Bonds originally issued in the aggregate amount of $22,145; (b) to refund $7,339 of outstanding DEQ Loans originally issued in the aggregate amount of $8,912; and (c) to pay the costs of issuing the bonds.

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.

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. The assets held in the City's Deferred Compensation Accounts are not presented in the City's Comprehensive Annual Financial Report.

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 Boise City Controller Jim McMahon at (208) 384-3798.

The postretirement benefits are determined on an actuarial basis. Actuarial valuations of the postretirement benefits were done as of September 30, 2012 and are determined on a prospective basis. The unfunded actuarially accrued liability (UAAL) is $11,549 – 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 2012 is $1,291. 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)	$	1,291
Interest on net OPEB obligation		200
ARC Adjustment		(293)
Annual OPEB cost		1,198
Contributions made and Adjustments		(479)
Increase in net OPEB obligation		719
Net OPEB obligation - beginning of year		5,475
Net OPEB obligation - end of year	$	6,194

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2012 and the two preceding fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/10	1,527	65%	4,874
9/30/11	1,272	43%	5,475
9/30/12	1,198	40%	6,194

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)
9/30/2010	-	10,311	10,311	0%	92,681	11%
9/30/2011	-	11,471	11,471	0%	93,141	12%
9/30/2012	-	11,549	11,549	0%	94,509	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, 2012 was 26 years.

The significant actuarial assumptions used to determine funding requirements are: a) a discount rate of 3.65%, b) an expected Asset Return rate of 3.65%, c) the percentage of eligible retirees electing spousal health coverage is 10% for general employees and 40% for Fire and Police, d) the termination rates for general employees are based on the July 1, 2012 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 based upon the July 1, 2012 Public Employees Retirement System of Idaho assumptions, f) the salary scale was assumed to grow at 3.75%, and g) the inflation rate utilized is 3.25%.

As of September 30, 2012, there are 883 active plan participants. On that date, the City had 6 retirees and 1 dependent receiving health 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, 2012, there were 498 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	
	Per Incident	Aggregate	Per Incident	Aggregate	Per Incident	Aggregate
2012	$500	unlimited	$50	unlimited	$400	unlimited

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

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

A liability for claims is established if information indicates that it is probable 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. Reconciliations are completed in quarterly and annual 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 2012 budget was the first year of the FY 2012 and 2013 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 from the time that the two-year budget was developed. 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 which includes public process 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 City Council approved prior year encumbrances, uncompleted items (primarily capital and equipment) carried forward to the following year and new projects or expenditures approved by City 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. These expenditures are reviewed according to procedures outlined in the City Code related to budget authority, funds availability, adherence to City purchasing procedures, and sound business practice.

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. Department directors cannot initiate inter-departmental transfers without City Council approval.

6. Transfer of budget appropriations between funds are 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 2012.

IV. DETAILED NOTES ON ALL FUNDS

A. At September 30, 2012, cash and investments, including restricted investments were invested as follows:

	Carrying Amount	Bank Ledger Balance
Cash - demand deposits:		
Insured and Collateralized	$ 12,569	$ 13,473
Less: Fiduciary Fund Balance	(249)	(238)
Total Net Cash	$ 12,320	$ 13,235

Investments:	Fair Value
Commercial paper	$ 6,997
U.S. Agency Securities	94,744
U.S. Treasury Securities	2,475
Certificates of Deposit	245
Money market and mutual funds	33,921
Local Government Investment Pool	10,008
Subtotal	148,390
Less: restricted and fiduciary fund investments	(19,361)
Total Net Investments	$ 129,029

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 safekeeper, in the City's name, to eliminate custodial credit risk.

Interest Rate Risk

As of September 30, 2012 the City had the following investments:

Investments by Type	Fair Value	Effective Duration
U.S. Agency Securities	$ 94,744	1.371
Commercial Paper	6,997	0.018
U.S. Treasury Securities	2,475	1.61
Certificates of Deposit	245	0.208
Money Market and Mutual Funds	33,921	Not Available
Local Government Investment Pool	10,008	Not Available
Total Fair Value	$ 148,390	

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 .907% on September 30, 2012.

Credit Risk – Credit Quality Distribution

Investment Type	Credit Rating	Portfolio Percentage
U.S. Agency Securities	AA+	64.33%
U.S. Treasury Securities	AA+	1.36%
Commercial Paper	A1/P1	4.75%
Money Market and Mutual Funds	AAA	22.42%
Local Government Investment Pool	Not Rated	6.80%
Key Bank Account (FDIC Insured)	N/A	0.17%
Certificates of Deposit (FDIC Insured)	N/A	0.17%
Total		100.00%

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, 2012 are rated AA+ by Standard and Poors or Aaa by Moody's. All commercial paper held in the Portfolio on September 30, 2012 is rated A1/P1 by Standard and Poors and Moody's, respectively. All money market mutual funds are rated AAAm by Standard and Poor's and Aaa-mf by Moody's as of September 30, 2012. An interest bearing FDIC insured account is maintained at Key Bank with a $250,000 balance. The State of Idaho Local Government Investment Pool is unrated.

Custodial Credit Risk

As of September 30, 2012, 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, 2012, the City's investment portfolio exceeded 5% of total Portfolio value in the following issuers:

Issuer	Portfolio Percentage
Federal National Mortgage Association	23.28%
Federal Home Loan Mortgage Corporation	20.77%
Federal Home Loan Bank	12.51%
Federal Farm Credit Bank	7.95%

B. Receivables

September 30, 2012

Receivables	General	Capital	Debt	Airport	Sewer	Solid Waste	Nonmajor and Other Funds	Fiduciary	Total
Interest	$ 12	$ 1	$ -	$ 102	$ 98	$ 1	$ 82	$ 11	$ 307
Taxes	116,955								116,955
Accounts	5,992	694	31	1,011	4,065	1,769	902	56	14,520
Passenger Facility Charges				475					475
Sewer District					3,263				3,263
Special Assessments	21				2,163		44		2,228
Grants	334			3,310			360		4,004
Loans							13,165		13,165
Gross Receivables	123,314	695	31	4,898	9,589	1,770	14,553	67	154,917
Less: Allowance for uncollectibles				37	116	120	900		1,173
	$ 123,314	$ 695	$ 31	$ 4,861	$ 9,473	$ 1,650	$ 13,653	$ 67	$ 153,744

Sewer and Other Funds includes $2,145 and $567 of long-term receivables, respectively. 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	$ 116,399
Other unearned revenue	368
Total deferred/unearned revenue for governmental funds	$ 116,767

C. Restricted Assets

	Debt Reserve Funds	Bond / Interest / Lease Payment Fund	Proceeds / Construction Fund	City Held Funds	Total
Governmental Fund Type					
Community Infrastructure Dist. #1	$ 392	$ 84	$ 35	$ 25	$ 536
Warm Springs Golf Course	115			59	174
Subtotal	507	84	35	84	710
Business-Fund Type					
Airport PFC Restriction				13,109	13,109
Airport DEQ Trust				475	475
Subtotal				13,584	13,584
Total All Funds	$ 507	$ 84	$ 35	$ 13,668	$ 14,294

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, Airport transportation Passenger Facility Charges and a DEQ Trust.

D. Capital Assets

A Summary of the changes in capital assets for the year ending September 30, 2012, follows:

Primary Government
Governmental activities

	Balance October 1, 2011	Additions	Transfers	Deletions	Balance September 30, 2012
Capital assets, not being depreciated:					
Land	$ 74,773	$ -	$ -	$ (4,246)	$ 70,527
Intangible assets	474				474
Construction-in-progress	8,401	11,257	(4,511)	(200)	14,947
Total capital assets, not being depreciated	83,648	11,257	(4,511)	(4,446)	85,948
Capital assets, being depreciated:					
Buildings	81,375	2,041	814	(59)	84,171
Improvements other than buildings	65,396	1,387	2,540	(950)	68,373
Automobiles and trucks	24,796	1,428	(29)	(1,223)	24,972
Machinery and equipment	30,532	673	1,030	(989)	31,246
Leasehold improvements	1,640	19	3		1,662
Intangible assets	3,608	105	80	(108)	3,685
Other capital assets	8,428	170	27		8,625
Total capital assets being depreciated	215,775	5,823	4,465	(3,329)	222,734
Less accumulated depreciation for:					
Buildings	34,742	2,431		(45)	37,128
Improvements other than buildings	34,056	2,682		(488)	36,250
Automobiles and trucks	14,204	2,110	(46)	(1,160)	15,108
Machinery and equipment	17,424	1,771		(907)	18,288
Leasehold improvements	541	152			693
Intangible assets	2,442	302		(107)	2,637
Other capital assets	5,601	572			6,173
Total accumulated depreciation	109,010	10,020	(46)	(2,707)	116,277
Total capital assets, being depreciated, net	106,765	(4,197)	4,511	(622)	106,457
Governmental activities capital assets, net	$ 190,413	$ 7,060	$ -	$ (5,068)	$ 192,405

Business-type activities:	Balance October 1, 2011	Additions	Transfers	Deletions	Balance September 30, 2012
Capital assets, not being depreciated:					
Land	$ 34,644	$ 517	$ -	$ -	$ 35,161
Intangible assets	470				470
Construction-in-progress	12,843	20,304	(4,679)		28,468
Total capital assets, not being depreciated	47,957	20,821	(4,679)	-	64,099
Capital assets, being depreciated:					
Buildings	257,243	442	383		258,068
Land improvements/terminal parking	66,611	510	152	(96)	67,177
Improvements other than buildings	39,963	536	771		41,270
Service lines	191,696	1,871	349		193,916
Automobiles and trucks	15,062	1,670	1,211	(174)	17,769
Machinery and equipment	67,625	1,887	1,791	(1,375)	69,928
Intangible assets	1,173			(58)	1,115
Other capital assets	887				887
Total capital assets, being depreciated	640,260	6,916	4,657	(1,703)	650,130
Less accumulated depreciation for:					
Buildings	88,314	7,894			96,208
Land improvements/terminal parking	39,303	3,660		(96)	42,867
Improvements other than buildings	23,834	2,491			26,325
Service lines	48,852	1,889			50,741
Automobiles and trucks	8,738	1,106	46	(173)	9,717
Machinery and equipment	39,998	4,464		(1,210)	43,252
Intangible assets	840	115		(58)	897
Other capital assets	197	28		-	225
Total accumulated depreciation	250,076	21,647	46	(1,537)	270,232
Total capital assets, being depreciated, net	390,184	(14,731)	4,611	(166)	379,898
Business-type activities capital assets, net	$ 438,141	$ 6,090	$ (68)	$ (166)	$ 443,997

Depreciation Expense was charged to the government functions as follows:

General Government	$ 1,700
Fire	1,666
Police	1,192
Parks and Recreation	3,739
Culture and Library	977
Community Service	616
Community development	13
Total government functions	9,903
Depreciation on transferred property	
Capital assets held by the government's internal service funds charged to the various functions based on their usage	117
Total Depreciation Expense-Governmental Activities	$ 10,020

E. Interfund Receivables, Payables and Transfers

The composition of the interfund balances at September 30, 2012 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	$ -	$ 7,952	$ 402	$ 16	$ 182	$ 1	$ 60	$ 452	$ 9,065
Capital	238			2	56		6		302
Non-major Governmental	597	33					11	1	642
Airport	1,044				2			21	1,067
Sewer	2,653	59		2			9	2	2,725
Solid Waste	166	15			114				295
Non-major Proprietary	368	5	2		31	153	87	1	647
Internal Service	924			38	79	12	10	625	1,688
	$ 5,990	$ 8,064	$ 404	$ 58	$ 464	$ 166	$ 183	$ 1,102	$ 16,431

Interfund payables to General Fund were:

- Year End Due-To Reclass Entry ($1,900)
- Payroll Liability Transfer s($1,784)
- Inter-Departmental Billings / Cross-charges ($749)
- Risk Management Rebate / Loss Reimb. ($718)
- Airport Police / ARFF / Plan Services ($429)
- FY2012 Journal Entry Corrections ($187)
- Other ($223)

Interfund payables to the Capital Projects Fund were:

- Transfer of tax support for capital projects ($7,943)
- Other ($121)

Interfund payables to the Airport Fund were:

- Risk Management Rebate ($36)
- FY2012 Journal Entry Corrections ($6)
- Other ($16)

Interfund payables to the Sewer Fund were:

- Monthly Billings / Year End Due-To Reclass Entry ($188)
- Risk Management Rebate / Loss Reimb. ($70)
- Standard Monthly / FY2012 Journal Entry Corrections ($180)
- Other ($26)

Interfund payables to the Solid Waste Fund were:

- Year End Due-To Reclass / Adjustment Entries ($149)
- Other ($16)

Advances to/from other funds as of September 30, 2012:

Receivable Fund	Payable Fund	Amount
Airport	Internal Service	$ 63
Sewer	Non-major proprietary	112
Solid Waste	Internal Service	555
		$ 730

The amount not expected to be repaid within one year to the Solid Waste and Airport Funds from the Fleet Services Fund was $555 and $63, respectfully. 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:									
	General	Capital	Debt	Non-major Governmental	Airport	Sewer	Solid Waste	Non-major Proprietary	Internal Service	Total
Transfer out:										
General	$ -	$ 7,993	$ 1,011	$ 10	$ 20	$ -	$ -	$ 13	$ -	$ 9,047
Capital Projects	557									557
Non-major Governmental	58									58
Solid Waste	104					111				215
Non-major Proprietary	100							30		130
Internal Service	672				36	67	1	5	9	790
	$ 1,491	$ 7,993	$ 1,011	$ 10	$ 56	$ 178	$ 1	$ 48	$ 9	$ 10,797

Significant Transfers Out during FY2012 were as follows: a) transfer from the General Fund to the Capital Projects Fund for authorized projects ($7,993); b) transfer from General Fund to the Debt Service Fund of amounts for debt service payments ($1,011); and c) Risk Management rebate ($1,055) back to payor funds during the year.

F. Risk Management –Claim Liability

Liability	2012	2011
Total unpaid claims and claim adjustment expenses at September 30th of prior year	$ 1,626	$ 2,406
Provision for self-insured events of the current year	380	250
Total incurred claims and claims adjustment expenses	2,006	2,656
Payments:		
Claims and claim adjustment expenses attributable to self insured events of the current year	24	416
Claims and claim adjustment expenses attributed to self insured events of prior years	34	69
Plus: Close-out of prior years	-	545
Total Payments	58	1,030
Total unpaid claims and claim adjustment expenses at September 30th	$ 1,948	$ 1,626

Workers Compensation	2012	2011
Total unpaid claims and claim adjustment expenses at September 30th of prior year	$ 2,337	$ 3,085
Provision for self-insured events of the current year	1,410	1,316
Total incurred claims and claims adjustment expenses	3,747	4,401
Payments:		
Claims and claim adjustment expenses attributable to self insured events of the current year	327	391
Claims and claim adjustment expenses attributed to self insured events of prior years	613	591
Plus: Close-out of prior years	-	1,082
Total Payments	940	2,064
Total unpaid claims and claim adjustment expenses at September 30th	$ 2,807	$ 2,337
Total Risk Management Other Accrued Liabilities as of September 30th	$ 4,755	$ 3,963

G. Long-Term Debt

The following is a summary of changes in long-term obligations of the City a September 30, 2012.

Governmental Activities	Long-Term Obligations at October 1, 2011	Additions	Deletions	Long-Term Obligations at September 30, 2012	Due Within One Year
Refunding Bonds 2001A	$ 23,850	$ -	$ 23,850	$ -	$ -
Refunding Bonds 2011A	-	24,665	-	24,665	905
Plus premium		558	31	527	
Less deferral		(297)	(16)	(281)	
Capital Leases:					
Golf Course Improvement Project	300		95	205	100
City Hall 2	1,385		443	942	462
Other LT Debt Obligations:					
Harris Ranch CID SA Bond	3,920			3,920	
Less deferral	(318)		(11)	(307)	
Harris Ranch CID GO BA Note	75		1	74	1
Less deferral	(8)		(2)	(6)	
Compensated Absences / OPEB	9,803	1,122	767	10,158	927
Total Governmental Activities	39,007	26,048	25,158	39,897	2,395
Business-Type Activities					
Revenue Bonds:					
Airport Revenue Refunding 2011	31,080		2,860	28,220	2,975
Less deferral	(903)		(163)	(740)	
Plus premium	1,724		311	1,413	
Wastewater Facility Note	11,125		11,125	-	
WW Facility Refunding 2012		16,699		16,699	1,895
Less deferral	25	(361)	5	(341)	
Installment Loans:					
Sewer Line Loan	1,005		1,005	-	
Sewer Line Loan	24		24	-	
Sewer Line Loan	6,545		6,545	-	
Other Long-Term Debt Obligations:					
Section 108 Advance	840		140	700	140
Compensated Absences / OPEB	1,341	966	237	2,070	144
Total Business-Type Activities	52,806	17,304	22,089	48,021	5,154
Total	$ 91,813	$ 43,352	$ 47,247	$ 87,918	$ 7,549

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

Governmental Activities:

BONDS:

Refunding Bonds 2011A:

$24,665 Revenue Refunding Bonds due in annual installments of $905 to $1,680 through 2032, interest accrues at 3.00% to 4.00%.	$24,665
Less deferral	(281)
Plus premium	527

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
Less deferral	(307)

NOTES:	
Harris Ranch CID GO BA Note:	
$75 due in annual installments of $1 to $72, 2012 through 2015.	
Interest accrues at 7.00%.	74
Less deferral	(6)
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.	205
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%	942
OTHER LONG-TERM LIABILITIES	
Compensated absences / OPEB:	10,158
Total Governmental Funds	39,897
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.	28,220
Less deferral	(740)
Plus premium	1,413
Wastewater Facility Note Refunding Bonds – Series 2011:	
$16,699 Refunding bonds due in annual installments of $1,895 to $192 through 2026; interest accrues at 1.735%.	16,699
Deferred gain on refunding	(341)
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%.	700
Compensated Absences / OPEB	2,070
Total Business-type Activities:	48,021
Total long-term liabilities	$ 87,918

The City completed a refunding of the 2001A Refunding Bonds on December 1, 2011. The purpose of the refunding was to take advantage of lower interest rates. The new debt amount is $24,665 and will be paid off with annual installments by September 30, 2032. The transaction resulted in an economic gain of $3,980 and a cash flow savings of $4,986. Principal amount outstanding at September 30, 2012 was $24,665.

The City completed a refunding of the 1999 Wastewater Refunding Bonds and two loans from the Idaho DEQ on 8/23/12. The purpose of the refunding was to take advantage of lower interest rates. The new debt amount is $16,699 and will be paid off with semi-annual installments by March 1, 2026. The transaction resulted in an economic gain of $1,729 and a cash flow savings of $2,666. Principal amount outstanding at September 30, 2012 was $16,699.

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, 2012, there were no Industrial Revenue Bonds outstanding.

Capital Leases

At fiscal year end, the City is obligated under two leases that are accounted capital leases. 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, 2012 is $1,215 for governmental activities. The original capitalized amount of the governmental leases was $6,091 with total accumulated depreciation of $1,885 as of September 30, 2012.

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, 2012.

Fiscal Year Ending September 30th	Governmental Lease Payments
2013	$ 608
2014	607
Minimum Lease Payments for the Capital Leases	1,215
Less: Amount representing interest at the City's incremental borrowing rate of interest.	(68)
Present value of minimum lease payments on September 30, 2012	$ 1,147

The annual requirements to amortize all debt outstanding as of September 30, 2012 excluding obligations associated with compensated absences, post-retirement benefits, and deferred amounts are as follows:

	Governmental Activities		Business-type Activities		Entity Wide	
Year/Period	Principal	Interest	Principal	Interest	Principal	Interest
2013	$ 1,468	$ 1,311	$ 5,010	$ 1,768	$ 6,478	$ 3,079
2014	1,561	1,265	5,167	1,601	6,728	2,866
2015	1,072	1,105	5,360	1,405	6,432	2,510
2016	1,035	1,067	5,555	1,200	6,590	2,267
2017	1,070	1,033	5,756	986	6,826	2,019
2018-2022	5,910	4,604	17,464	1,665	23,374	6,269
2023-2027	7,000	3,513	1,307	46	8,307	3,559
2028-2032	8,525	1,989	-	-	8,525	1,989
2033-2037	1,175	781	-	-	1,175	781
2038-2042	990	184	-	-	990	184
Total	$ 29,806	$ 16,852	$ 45,619	$ 8,671	$ 75,425	$ 25,523

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 2012, based on data available from Ada County, would be approximately $282,423.

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, 2012, the required contribution rates, as determined by PERSI, are as follows:

	Employee	Employer
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 $20,973, $20,569, and $19,737 for the three years ended September 30, 2012, 2011 and 2010, 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 FY2012, the combined reserves are established at 6.77% of the subsequent annual budgeted General Fund base revenues ($9,974). 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, 2012.

Encumbrances	General Fund	Capital Projects Fund	Total
General Gov	$ 247	$ 644	$ 891
Fire	58	303	361
Police	-		-
Parks & Rec	223	392	615
Culture	79	209	288
Community Svcs	417	3,109	3,526
Comm Dev	-	-	-
Subtotal	1,024	4,657	5,681

Rebudgets	General Fund	Capital Projects Fund	Total
General Gov	1,761	(236)	1,525
Fire	634	288	922
Police	672		672
Parks & Rec	636	200	836
Culture	565	372	937
Community Svcs	1,244	1,711	2,955
Comm Dev	-	-	-
Subtotal	5,512	2,335	7,847
Grand Total	$ 6,536	$ 6,992	$ 13,528

J. Commitments

Construction-in-progress in the governmental funds as of September 30, 2012 was $14,947; whereas capital related commitments were $7,484. Of the later amount, $7,449 is attributable to Capital Projects Fund encumbrance and rebudget amounts and $35 is associated with Harris Ranch CID No.1 Fund unspent construction bond proceeds. See Note I for City commitments that are included in fund balance designations.

Construction-in-progress in the proprietary funds as of September 30, 2012 was $28,468. The estimated cost to complete proprietary construction projects was approximately $38,733. Of the estimated cost to complete proprietary construction projects, approximately $4,281 will be funded by state and/or federal grants and passenger facility charges.

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 the accompanying financial statements. One of these potential legal matters is disclosed below.

Community House Inc. v. City of Boise, United States District Court for the District of Idaho

A jury verdict of $1 million was entered against the City of Boise in this matter on September 12, 2012. In addition, Plaintiffs seek $1.8 million in attorney fees and costs. The City has filed a motion to set aside the verdict and has objected to Plaintiff's request for fees and cost. It is not anticipated that the Court will rule on the pending motions regarding the judgment or request for attorney fees and costs until early 2013. In any event, the City intends to vigorously defend and appeal any judgment. The City is self-insured up to $400,000, with excess insurance over that threshold. The City has not recognized a liability for this matter at the end of FY2012.

L. Prior Period Adjustments

The City has determined that $289 of Capital Fund liabilities were incorrectly reduced during FY2008. A manual accounts payable adjustment entry was posted that duplicated a system generated entry during that fiscal year. To correct this error, the beginning FY2012 Capital Projects Fund Balance of $15,572, as originally reported, was decreased by $289 whereas the ending accounts payable liability balance was increased by the same amount. The table below displays the adjustment:

	Capital Projects Fund Balance	Statement of Net Assets - Governmental Activities
Ending Balance, September 30, 2011	$ 15,572	$ 216,305
Restatement	(289)	(289)
Beginning Balance, October 1, 2012, As Restated	$ 15,283	$ 216,016

M. Subsequent Event

On December 6, 2012, the City issued Airport Revenue Bonds, Series 2012. The proceeds of the bonds will be used to construct an additional parking garage facility. The par amount of the new debt is $11,760 and will be paid off with annual installments by September 2032.

N. Discretely Presented Component Unit

Capital City Development Corporation (the Agency) 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, corporate and politic.

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.

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, 2012 for Central, River Myrtle and Westside is $1,597, $3,936 and $4,584, respectively. The restricted balance in the Parking Fund is $2,257 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	$ 41,705

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

2013	$ 5,088
2014	5,234
2015	5,313
2016	5,472
2017	5,636
Thereafter	26,894
Subtotal	53,637
Less amount representing interest	(11,932)
Total	$ 41,705

Long-term Debt

At September 30, 2012 long-term debt consists of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government Activities:					
2005 Series	$ 44,370	$ -	$ (2,665)	$ 41,705	$ 3,025
2010 A-1	2,810		-	2,810	520
2010 A-2	1,650		(1,070)	580	580
2010 B-1	7,480		-	7,480	230
2010 B-2	785		(500)	285	285
2010C	2,430		(145)	2,285	150
2011B	12,865		(440)	12,425	790
Total	$ 72,390	$ -	$ (4,820)	$ 67,570	$ 5,580

Parking Revenue and Revenue Allocation Bonds:	
2005 Series	$ 41,705
2010 A-1	2,810
2010 A-2	580
2010 B-1	7,480
2010 B-2	285
2010C	2,285
2011B	12,425
Total	$ 67,570

At September 30, 2012, long-term debt is classified on the Statement of Net Assets as:

Long-term debt	
Current portion	$ 5,580
Long-term portion	61,990
Total	$ 67,570

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 Ada 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 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 2010 C Revenue Refunding Note was issued through the Boise City Housing Authority, is tax exempt, has a fixed rate of 4.29% and matures on September 1, 2024.

The 2011 B Revenue Refunding Note was issued through the Boise City Housing Authority, is tax exempt 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, 2012 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, 2012 are shown below.

	Governmental Activities	
	Principal	Interest
2013	$ 5,580	$ 3,173
2014	5,975	2,921
2015	6,325	2,649
2016	5,585	2,359
2017	6,015	2,088
2018-2022	33,470	5,768
2023-2025	4,620	317
Total	$ 67,570	$ 19,275

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. A request to renew the line of credit with the same terms and an expiration date of December 12, 2014 is under consideration with Bank of America as of the financial statement date. As of September 30, 2012 the amount outstanding on the line of credit was $0.

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 capital lease agreement	$ 22
Accumulated depreciation	$ 14
The payout schedule is as follows:	
2013	$ 8
Less amount representing interest	(1)
Principal	$ 7

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 $1.

The Agency has recorded the transaction as a capital lease receivable for $41,705. 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 1st 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
2013	$ 5,088	$ 135	$ 214	$ 5,437
2014	5,234		159	5,393
2015	5,313			5,313
2016	5,472			5,472
2017	5,637			5,637
Thereafter	51,550			51,550
Total	$ 78,294	$ 135	$ 373	$ 78,802

Total lease expense for the year ended September 30, 2012 was $5,292.

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. As the payout amount is uncertain, no amount has been recorded.

The Agency established a separate bank account in which to deposit funds for the match. As of September 30, 2012 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, 2012 the total debt service on these bonds was $1,185.

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, 2012, the total debt service on these bonds was $814.

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, 2012, the total debt service on this note was $241.

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, 2012, the total debt service on this note was $1,004.

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. Under the terms of the amended agreement, 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 supplemental rent obligation on the apartment parcels.

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 2011B Revenue Refunding Note. The Business Terms Sheet/Funds Flow calculation was one of the agreements amended. Under the terms of the amended agreement, 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 supplemental rent obligation on the apartment parcels in the Courthouse Corridor is stated in the Business Terms Sheet as $289 for fiscal year 2011, increasing 3% each year thereafter through fiscal year 2024. The developer will receive credit against the supplemental rent amount for any actual increment received from the apartment parcels. As of September 30, 2012, the tax increment guarantee and supplemental rent obligations that were due for fiscal year 2012 were unpaid. The unpaid tax increment guarantee for fiscal year 2012 due to the Agency is $238 and the unpaid supplemental rent for fiscal year 2012 due to the Agency is $64.

Fund Conversion and Fund Balance

Fund balance is reported in compliance with the agency's fund balance policy and the guidance of GASB No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement redefines the elements of fund balance in governmental funds and more clearly describes the different types of governmental funds to make the nature and extent of the constraints placed on a government's fund balance more transparent. The governmental fund types classify fund balances as follows:

Fund balance is reported as nonspendable when the resources cannot be spent because they are either legally or contractually required to be maintained intact, or are in a nonspendable form such as inventories, prepaid accounts, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments: or (b) imposed by law through constitutional provisions or enabling legislation.

Fund Balance is reported as committed when the Board of Commissioners passes a resolution that places specific constraints on how the resources may be used. The Board can modify or rescind the resolution at any time through passage of an additional resolution.

Fund Balance is reported as assigned when it is intended for a specific purpose and the authority to "assign" is delegated to the Executive Director.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

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 30th 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, 2012 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, 2012, $5,218 and $63 was assigned in the Parking and General funds respectively for parking reinvestment and capital projects budgeted in fiscal year 2013. The Board recommends a spending order of restricted, committed, assigned and then unassigned unless they approve otherwise.

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City of Boise, Idaho
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2012
(amounts expressed in thousands)

	Special Revenue Community and Economic Development	Special Revenue Heritage Fund	Permanent Fund Dedicated Trust
ASSETS			
Cash and cash equivalents	$ 61	$	$
Investments	568	1,270	3,107
Accounts and interest receivable	2	2	12
Special assessments receivable	37		
Grants receivable	42		
Interfund receivables	4	14	12
Restricted cash and investments	536		
Total assets	$ 1,250	$ 1,286	$ 3,131
LIABILITIES			
Accounts payable	$ 82	$ 3	$
Interfund payables	32	3	74
Unearned revenue	37		
Total liabilities	151	6	74
FUND BALANCES			
Fund balances:			
Nonspendable:			
Permanent fund principal			3,057
Restricted for:			
Impact fees projects			
Heritage funds		1,280	
Debt service - CID	511		
Assigned to:			
Community and economic development	588		
Total fund balances	1,099	1,280	3,057
Total liabilities and fund balances	$ 1,250	$ 1,286	$ 3,131

Capital Projects Impact Fees Fund	Total Nonmajor Governmental Funds
	$ 61
4,228	9,173
8	24
	37
	42
374	404
	536
$ 4,610	$ 10,277
$ 235	$ 320
533	642
	37
768	999
	3,057
3,842	3,842
	1,280
	511
	588
3,842	9,278
$ 4,610	$ 10,277

City of Boise, Idaho
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2012
(amounts expressed in thousands)

	Special Revenue Community and Economic Development	Special Revenue Heritage Fund	Permanent Fund Dedicated Trust
Revenues:			
Licenses and permits	$	$	$
Intergovernmental revenues	478		
Program income	144		
Charges for services			154
Donations		220	
Special assessments	45		
Investment income	4	9	47
Total revenues	671	229	201
Expenditures:			
Current:			
Parks and recreation		86	
Community and economic development	811		
Community services			2
Capital outlay	543	41	
Debt service:			
Principal payments	1		
Interest and fiscal charges	358		
Total expenditures	1,713	127	2
Excess (deficiency) of revenues over (under) expenditures	(1,042)	102	199
Other financing sources (uses):			
Interfund transfers in	10		
Interfund transfers out			(58)
Total other financing sources (uses):	10		(58)
Net change in fund balances	(1,032)	102	141
Fund balance at beginning of year	2,131	1,178	2,916
Fund balance at end of year	$ 1,099	$ 1,280	$ 3,057

Capital Projects Impact Fees Fund	Total Nonmajor Governmental Funds
$ 1,726	1,726
	478
	144
374	528
	220
	45
45	105
2,145	3,246
5	91
	811
	2
2,250	2,834
	1
	358
2,255	4,097
(110)	(851)
	10
	(58)
	(48)
(110)	(899)
3,952	10,177
$ 3,842	$ 9,278

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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, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variances with
	Original	Final	Amounts	Final Budget
Revenues:				
Property taxes	$	$	$	$
Franchise fees	2,090	2,090	2,062	(28)
Intergovernmental revenues		1,326	612	(714)
Charges for services		358	20	(338)
Donations	1,280	1,472	11	(1,461)
Investment income	175	175	(6)	(181)
Miscellaneous revenues		175		(175)
Total revenues	3,545	5,596	2,699	(2,897)
Expenditures:				
Current:				
General Government	1,099	2,388	1,601	787
Police	349	759	339	420
Fire	422	917	408	509
Parks and recreation	215	467	214	253
Culture	85	185	83	102
Community services	323	702	314	388
Capital outlay	9,195	19,982	10,918	9,064
Total expenditures	11,688	25,400	13,877	11,523
Excess (deficiency) of revenues over expenditures	(8,143)	(19,804)	(11,178)	8,626
Other financing sources (uses):				
Capital leases				
Interfund transfers in	3,440	3,368	7,993	4,625
Interfund transfers out			(557)	(557)
Proceeds from capital assets			4,337	4,337
Total other financing sources (uses)	3,440	3,368	11,773	8,405
Net change in fund balances	(4,703)	(16,436)	595	17,031
Fund balance at beginning of year, as restated	15,283	15,283	15,283	
Fund balance at end of year	$ 10,580	$ (1,153)	$ 15,878	$ 17,031

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, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variances with
	Original	Final	Amounts	Final Budget
Revenues:				
Investment income	$ 379	$ 379	$ 148	$ (231)
Total revenues	379	379	148	(231)
Expenditures:				
Current:				
General government			11	(11)
Debt service:				
Principal	1,240	595	538	57
Bond issuance costs		116	732	(616)
Interest and other charges	1,683	932	1,104	(172)
Total expenditures	2,923	1,643	2,385	(742)
Excess (deficiency) of revenues over expenditures	(2,544)	(1,264)	(2,237)	(973)
Other financing sources (uses):				
Interfund transfers in	2,497	1,101	1,011	(90)
Refunding bonds issued		24,665	24,665	
Bond premium		558	558	
Payment to refunded bond escrow agent		(25,096)	(23,850)	1,246
Total other financing sources (uses)	2,497	1,228	2,384	1,156
Net change in fund balances	(47)	(36)	147	183
Fund balance at beginning of year	10,113	10,113	10,113	
Fund balance at end of year	$ 10,066	$ 10,077	$ 10,260	$ 183

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, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variances with
	Original	Final	Amounts	Final Budget
Revenues:				
Intergovernmental revenues	$ 812	$ 1,226	$ 478	$ (748)
Program income	74	74	144	70
Special assessments			45	45
Investment income			4	4
Total revenues	886	1,300	671	(629)
Expenditures:				
Current:				
Community and economic development	1,201	1,625	811	814
Capital outlay		388	543	(155)
Debt service:				
Principal payments			1	(1)
Interest and other charges			358	(358)
Total expenditures	1,201	2,013	1,713	300
Excess (deficiency) of revenues over expenditures	(315)	(713)	(1,042)	(329)
Other financing sources (uses):				
Interfund transfers in			10	10
Total other financing sources (uses)			10	10
Net change in fund balances	(315)	(713)	(1,032)	(319)
Fund balance at beginning of year	2,131	2,131	2,131	
Fund balance at end of year	$ 1,816	$ 1,418	$ 1,099	$ (319)

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, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variances with
	Original	Final	Amounts	Final Budget
Revenues:				
Donations	$ 1,000	$ 1,000	$ 220	$ (780)
Investment income			9	9
Total revenues	1,000	1,000	229	(771)
Expenditures:				
Current:				
Parks and recreation	1,000	500	86	414
Capital outlay		500	41	459
Total expenditures	1,000	1,000	127	873
Excess (deficiency) of revenues over expenditures			102	102
Net change in fund balances			102	102
Fund balance at beginning of year	1,178	1,178	1,178	
Fund balance at end of year	$ 1,178	$ 1,178	$ 1,280	$ 102

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, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variances with
	Original	Final	Amounts	Final Budget
Revenues:				
Charges for services	$ 40	$ 40	$ 154	$ 114
Investment income	80	80	47	(33)
Total revenues	120	120	201	81
Expenditures:				
Current:				
Community services	63	63	2	61
Total expenditures	63	63	2	61
Excess (deficiency) of revenues over (under) expenditures	57	57	199	142
Other financing sources (uses):				
Interfund transfers out	(50)	(50)	(58)	(8)
Total other financing sources (uses):	(50)	(50)	(58)	(8)
Net change in fund balances	7	7	141	134
Fund balance at beginning of year	2,916	2,916	2,916	
Fund balance at end of year	$ 2,923	$ 2,923	$ 3,057	$ 134

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, 2012
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variances with
	Original	Final	Amounts	Final Budget
Revenues:				
Licenses and permits	$ 958	$ 958	$ 1,726	$ 768
Charges for services			374	374
Investment income			45	45
Total revenues	958	958	2,145	1,187
Expenditures:				
Current:				
Parks and recreation			5	(5)
Capital outlay		6,068	2,250	3,818
Total expenditures		6,068	2,255	3,813
Excess (deficiency) of revenues over expenditures	958	(5,110)	(110)	5,000
Net change in fund balances	958	(5,110)	(110)	5,000
Fund balance at beginning of year	3,952	3,952	3,952	
Fund balance at end of year	$ 4,910	$ (1,158)	$ 3,842	$ 5,000

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City of Boise, Idaho
Nonmajor Proprietary Funds
Combining Statement of Net Assets
September 30, 2012
(amounts expressed in thousands)

	Geothermal	Municipal Irrigation	Housing Rehabilitation	Total Nonmajor Business-type Funds
ASSETS				
Current assets:				
Cash and cash equivalents	$	$	$	$
Investments	51	80	1,632	1,763
Receivables (net of allowance for uncollectibles)				
Accounts and interest	15		351	366
Grants	168		150	318
Assessments		7		7
Interfund receivables	9	13	161	183
Inventory	173			173
Other assets			59	59
Prepaid items	4		1	5
Total current assets	420	100	2,354	2,874
Noncurrent assets:				
Long-term receivables			567	567
Mortgage loans receivable			12,265	12,265
Capital assets:				
Land			2,471	2,471
Buildings	110		10,522	10,632
Improvements other than buildings	2,175		155	2,330
Service lines	5,177	149		5,326
Automobiles and trucks			142	142
Machinery and equipment	405	115	235	755
Intangible assets	9		28	37
Construction in process	2,771		261	3,032
Less accumulated depreciation	(3,493)	(73)	(5,820)	(9,386)
Total capital assets (net of accumulated depreciation)	7,154	191	7,994	15,339
Total noncurrent assets	7,154	191	20,826	28,171
Total assets	$ 7,574	$ 291	$ 23,180	$ 31,045

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

	Geothermal	Municipal Irrigation	Housing Rehabilitation	Total Nonmajor Business-type Funds
LIABILITIES				
Current liabilities:				
Accounts payable	$ 199	$ 2	$ 74	$ 275
Other accrued liabilities		10	179	189
Compensated absences	1		5	6
Interfund payables	207	3	437	647
Unearned revenue	300	8		308
Current portion of long-term debt			140	140
Total current liabilities	707	23	835	1,565
Noncurrent liabilities:				
Compensated absences and and OPEB	12		83	95
Interfund payables	112			112
Other long-term debt, non-current			560	560
Total noncurrent liabilities	124		643	767
Total liabilities	831	23	1,478	2,332
NET ASSETS				
Invested in capital assets, net of related debt	7,154	191	7,294	14,639
Restricted for loans			14,408	14,408
Unrestricted (deficit)	(411)	77		(334)
Total net assets	$ 6,743	$ 268	$ 21,702	$ 28,713

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, 2012
(amounts expressed in thousands)

	Geothermal	Municipal Irrigation	Housing Rehabilitation	Total Nonmajor Business-type Funds
Operating revenues:				
Charges for services:				
Program income	$	$	$ 1,346	$ 1,346
Interest income			508	508
User fees	590	29		619
Total charges for services	590	29	1,854	2,473
Miscellaneous revenues			14	14
Total operating revenues	590	29	1,868	2,487
Operating expenses:				
Personal services	78		920	998
Contractual services and utilities	265	28	2,934	3,227
Supplies and materials	(9)		26	17
Depreciation	163	8	419	590
Total operating expenses	497	36	4,299	4,832
Operating income (loss)	93	(7)	(2,431)	(2,345)
Nonoperating revenues (expenses)				
Operating grants			1,517	1,517
Interest revenue			55	55
Interest expense			(45)	(45)
Total nonoperating revenues (expenses)			1,527	1,527
Income before interfund transfers and contributions	93	(7)	(904)	(818)
Interfund transfers in		13	35	48
Interfund transfers out	(100)		(30)	(130)
Capital contributions	479		180	659
Change in net assets	472	6	(719)	(241)
Total net assets - beginning of year	6,271	262	22,421	28,954
Total net assets - end of year	$ 6,743	$ 268	$ 21,702	$ 28,713

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City of Boise, Idaho
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended September 30, 2012
(amounts expressed in thousands)

	Geothermal	Municipal Irrigation
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 634	$ 31
Receipts from interfund services provided		2
Receipts from interfund services used	116	
Payments to suppliers	(344)	(27)
Payments to employees	(79)	
Payments for interfund services provided	(1)	
Payments for interfund services used		(2)
Other operating revenue received		
Other operating payments		
Net cash provided (used) by operating activities	326	4
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund transfers to other funds	(100)	
Operating grants received		
Interfund transfers from other funds		13
Net cash provided (used) by noncapital financing activities	(100)	13
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(937)	
Proceeds from property sales		
NSP refurbishments		
Principal paid on debt		
Interest paid on financing		
Capital contributions	675	
Net cash provided (used) by capital and related financing activities	(262)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities		(167)
Proceeds from sale and maturities of investment securities		150
Interest on investments and advances		
Net cash provided (used) by investing activities		(17)
Net increase (decrease) in cash	(36)	
Cash beginning of year	36	
Cash end of year	$	$

Housing Rehabilitation	Totals
$ 2,681	$ 3,346
16	18
89	205
(3,210)	(3,581)
(931)	(1,010)
	(1)
	(2)
243	243
(602)	(602)
(1,714)	(1,384)
(30)	(130)
1,774	1,774
35	48
1,779	1,692
(438)	(1,375)
145	145
508	508
(140)	(140)
(51)	(51)
	675
24	(238)
(1,082)	(1,249)
940	1,090
53	53
(89)	(106)
	(36)
	36
$	$

City of Boise, Idaho
Combining Statement of Cash Flows (continued)
Nonmajor Proprietary Funds
For the Fiscal Year Ended September 30, 2012
(amounts expressed in thousands)

	Geothermal	Municipal Irrigation
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 93	$ (7)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	163	8
(Increase) decrease in accounts receivable	109	
(Increase) decrease in assessments		(2)
(Increase) decrease in mortgage loans receivable		
(Increase) decrease in mortgage loans in process		
(Increase) decrease in inventory	(10)	
(Increase) decrease in interfund receivables	(1)	2
(Increase) decrease in prepaid items	(4)	
Increase (decrease) in accounts payable	(79)	1
Increase (decrease) in compensated absences	4	
Increase (decrease) in other accrued liabilities		
Increase (decrease) in interfund payables	116	(2)
Increase (decrease) in unearned revenue	(65)	4
Total adjustments	233	11
Net cash provided by operating activities	$ 326	$ 4
Noncash investing, capital and financing activities:		
Contributions of capital assets from government		
Increase (decrease) in fair value of investments	(1)	

Housing Rehabilitation	Totals
$ (2,431)	$ (2,345)
419	590
818	927
	(2)
(357)	(357)
366	366
	(10)
16	17
	(4)
(284)	(362)
22	26
(372)	(372)
89	203
	(61)
717	961
$ (1,714)	$ (1,384)
32	32
3	2

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City of Boise, Idaho
Schedule of Revenues and Expenditures
Airport Fund
For the Fiscal Year Ended September 30, 2012
(amounts expressed in thousands)

	Annual Budget Final	2012 Actual Amounts	YTD Percent to Budget
Operating revenues:			
Airline landing fees	$ 3,488	3,108	89%
Airline rent	3,689	3,513	95%
Parking fees	7,494	7,341	98%
Car rental	3,313	3,913	118%
Concessions	1,540	1,524	99%
Rental income	2,385	2,439	102%
Corporate sponsorship/donations	24		0%
Inflight food sales	348	390	112%
Other	644	704	109%
Total operating revenues	22,925	22,932	100%
Operating expenses:			
Personnel services	6,520	5,992	92%
Administration expenses	3,466	1,340	39%
Supplies and materials	3,299	3,080	93%
Professional services	5,310	5,601	105%
Purchased services	571	565	99%
Utilities and communications	1,382	1,153	83%
Total operating expenses	20,548	17,731	86%
Operating income (loss)	2,377	5,201	219%
Nonoperating revenues (expenses)			
Passenger facility charges	5,801	5,429	94%
Customer facility charges	722	831	115%
Grants	433	455	105%
Transfers in	34	56	165%
Transfers out	(88)		
Interest revenue	485	429	88%
Interest expense	(1,560)	(1,261)	81%
Total nonoperating revenue (expenses)	5,827	5,939	102%
Net Income (Loss) before Depreciation and capital grant contributions	8,204	11,140	136%
Depreciation	(12,318)	(12,044)	98%
Capital contributions, grants	10,590	7,267	69%
Net Income after depreciation and capital grants	6,476	6,363	98%

PFC Quarterly Report - Summary

City of Boise

Boise Airport

Charge Expiration Date: August 1, 2018

Quarter ending: 2012 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	72,956,725	54,937,038
06-04-C-00-BOI	5,377,736	5,377,736	-	4,910,420
Total	**$122,453,177**	**$122,453,177**	**$93,147,783**	**$80,038,516**

Collections and Interest

	Previously Reported	Current Quarter	Prior Period Adjustments	Cumulative
PFC Revenue	$90,341,305	$1,483,460	$ -	$91,824,766
Interest Earned	1,298,856	24,162	-	1,323,017
Total	**$ 91,640,161**	**1,507,622**	**$ -**	**$ 93,147,783**

Remaining Authorized Collections $29,305,394

PFC Account Balance $13,109,267

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City of Boise, Idaho
Combining Statement of Net Assets
Internal Service Funds
September 30, 2012
(amounts expressed in thousands)

	Fleet Services	L. M. Cunningham	Risk Management	Total Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	$	$	$ 91	$ 91
Investments	403	290	8,792	9,485
Receivables:				
Accounts and interest	2	1	24	27
Interfund receivables	480	2	620	1,102
Inventory	12			12
Prepaid items	10		19	29
Total current assets	907	293	9,546	10,746
Noncurrent assets:				
Interfund receivables				
Capital assets:				
Buildings	1,215			1,215
Improvements other than buildings	84			84
Automobiles and trucks	587			587
Machinery and equipment	169		18	187
Intangible assets	117		80	197
Less accumulated depreciation	(1,461)		(67)	(1,528)
Total capital assets (net of accumulated depreciation)	711		31	742
Total noncurrent assets	711		31	742
Total assets	$ 1,618	$ 293	$ 9,577	$ 11,488
LIABILITIES				
Current liabilities:				
Accounts payable	$ 373	$	$ 49	$ 422
Other accrued liabilities			4,740	4,740
Compensated absences	9		3	12
Interfund payables	127		1,561	1,688
Total current liabilities	509		6,353	6,862
Noncurrent liabilities:				
Compensated absences and other post employment benefits	89		17	106
Interfund payables	618			618
Total noncurrent liabilities	707		17	724
Total liabilities	1,216		6,370	7,586
NET ASSETS				
Invested in capital assets, net of related debt	711		31	742
Unrestricted (deficit)	(309)	293	3,176	3,160
Total net assets	$ 402	$ 293	$ 3,207	$ 3,902

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, 2012
(amounts expressed in thousands)

	Fleet Services	L. M. Cunningham	Risk Management	Total Internal Service Funds
Operating revenues:				
Charges for services:				
User fees	$ 2,777	$ 7	$ 3,830	$ 6,614
Total charges for services	2,777	7	3,830	6,614
Miscellaneous revenues	9	1	10	20
Donations		6		6
Total operating revenues	2,786	14	3,840	6,640
Operating expenses:				
Personal services	954		463	1,417
Contractual services and utilities	1,052	6	3,374	4,432
Supplies and materials	726	12	15	753
Depreciation	99		18	117
Total operating expenses	2,831	18	3,870	6,719
Operating income (loss)	(45)	(4)	(30)	(79)
Nonoperating revenues (expenses)				
Interest revenue		4	79	83
Interest expense	(9)			(9)
Total nonoperating revenues (expenses)	(9)	4	79	74
Income before interfund transfers and contributions	(54)		49	(5)
Interfund transfers in	8		1	9
Interfund transfers out			(790)	(790)
Change in net assets	(46)		(740)	(786)
Total net assets - beginning of year	448	293	3,947	4,688
Total net assets - end of year	$ 402	$ 293	$ 3,207	$ 3,902

City of Boise, Idaho
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2012
(amounts expressed in thousands)

	Shop	L. M. Cunningham
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 2,777	$ 7
Receipts from interfund services used	78	
Other operating receipts		7
Other operating payments	(5)	
Payments to suppliers	(1,733)	(18)
Payments to employees	(1,002)	
Payments for interfund services provided	(115)	(2)
Payments for interfund services used		
Net cash provided (used) by operating activities		(6)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund transfers to other funds		
Interfund transfers from other funds	8	
Payments for advances from other funds	(65)	
Net cash provided (used) by noncapital financing activities	(57)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest paid on financing	(10)	
Net cash provided (used) by capital and related financing activities	(10)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(100)	(250)
Proceeds from sale and maturities of investment securities	167	252
Interest on investments		4
Net cash provided (used) by investing activities	67	6
Net increase (decrease) in cash and cash equivalents		
Cash and cash equivalents at beginning of year		
Cash and cash equivalents at end of year	$	$

Risk Management	Totals
$ 3,830	$ 6,614
38	116
10	17
	(5)
(2,604)	(4,355)
(481)	(1,483)
	(117)
(250)	(250)
543	537
(790)	(790)
1	9
	(65)
(789)	(846)
	(10)
	(10)
(7,779)	(8,129)
7,950	8,369
106	110
277	350
31	31
60	60
$ 91	$ 91

City of Boise, Idaho
Combining Statement of Cash Flows (continued)
Internal Service Funds
For the Fiscal Year Ended September 30, 2012
(amounts expressed in thousands)

	Shop	L. M. Cunningham
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (45)	$ (4)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	99	
(Gain) loss on disposal of capital assets	(14)	
(Increase) decrease in accounts receivable	1	
(Increase) decrease in interfund receivables	(115)	(2)
(Increase) decrease in inventory	1	
(Increase) decrease in prepaid items	(10)	
Increase (decrease) in accounts payable	5	
Increase (decrease) in other accrued liabilities		
Increase (decrease) in interfund payables	78	
Total adjustments	45	(2)
Net cash provided by (used for) operating activities	$	$ (6)
Noncash investing, capital and financing activities:		
Increase (decrease) in fair value of investments		

Risk Management	Totals
$ (30)	$ (79)
18	117
	(14)
	1
38	(79)
	1
15	5
(27)	(22)
779	779
(250)	(172)
573	616
$ 543	$ 537
(16)	(16)

Boise City, Idaho
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended September 30, 2012
(amounts expressed in thousands)

	Balance September 30, 2011	Additions	Deletions	Balance September 30, 2012
Boise City Agency Fund				
ASSETS				
Cash and cash equivalents	$ 25	$ 7,296	$ 7,311	$ 10
Investments	701	4,443	4,051	1,093
Total assets	$ 726	$ 11,739	$ 11,362	$ 1,103
LIABILITIES				
Accounts and interest payable	$ 130	$ 3,239	$ 3,030	$ 339
Refunds payable and other	596	2,566	2,398	764
Total liabilities	$ 726	$ 5,805	$ 5,428	$ 1,103

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities										
Invested in capital assets, net of related debt	$ 186,760	$ 184,211	$ 180,664	$ 172,518	$ 162,609	$ 158,509	$ 143,454	$ 120,522	$ 120,050	$ 112,025
Restricted	18,072	12,148	19,330	21,030	21,076	22,086	17,884	16,300	16,655	18,386
Unrestricted	18,285	19,946	15,631	16,880	25,584	28,334	28,889	11,589	3,290	(2,427)
Total governmental activities net assets	223,117	216,305	215,625	210,428	209,269	208,929	190,227	148,411	139,995	127,984
Business-type Activities										
Invested in capital assets, net of related debt	398,046	386,676	377,079	375,521	374,328	363,607	346,846	334,807	332,110	318,262
Restricted	34,010	33,065	35,585	29,931	24,060	17,873	16,699	12,177	12,150	11,464
Unrestricted	64,402	65,385	63,671	59,879	62,467	64,219	58,092	55,662	41,682	50,847
Total business-type activities net assets	496,458	485,126	476,335	465,331	460,855	445,699	421,637	402,646	385,942	380,573
Primary government										
Invested in capital assets, net of related debt	584,806	570,887	557,743	548,039	536,937	522,116	490,300	455,329	452,160	430,287
Restricted	52,082	45,213	54,915	50,961	45,136	39,959	34,583	28,477	28,805	29,850
Unrestricted	82,687	85,331	79,302	76,759	88,051	92,553	86,981	67,251	44,972	48,420
Total primary government activities net assets	$ 719,575	$ 701,431	$ 691,960	$ 675,759	$ 670,124	$ 654,628	$ 611,864	$ 551,057	$ 525,937	$ 508,557

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003[1]
Expenses										
Governmental activities										
General Government	$ 28,255	$ 33,915	$ 28,881	$ 28,838	$ 27,997	$ 22,019	$ 16,217	$ 17,634	$ 14,452	$ 13,977
Public Safety: [1]										58,333
Fire	43,876	41,485	40,486	35,655	35,364	31,644	31,063	30,057	26,797	
Police	47,591	46,051	47,125	47,181	45,958	40,340	36,415	34,874	32,681	
Parks and recreation	22,362	22,634	22,158	22,283	22,624	21,199	19,155	18,092	17,682	15,141
Culture	10,253	10,471	9,477	9,642	9,002	7,333	7,266	6,798	5,310	6,207
Community Services	13,287	13,674	13,803	13,849	14,437	13,758	12,066	11,401	11,545	10,845
Community Development	842	935	1,663	1,137	1,384	1,437	585	567	743	757
Interest and fiscal charges	1,195	1,549	1,528	1,667	1,803	1,872	1,929	1,999	2,064	2,209
Total governmental activities expenses	167,661	170,714	165,121	160,252	158,569	139,602	124,696	121,422	111,274	107,469
Business-type activities										
Airport	30,983	31,934	30,796	31,492	32,829	32,880	28,622	27,414	26,268	21,450
Sewer	31,853	30,468	29,909	30,355	30,297	27,599	27,580	26,204	25,312	25,570
Solid waste	24,406	24,044	23,712	23,763	23,728	20,203	18,971	16,207	14,534	13,918
Other	4,875	3,977	3,518	3,288	3,125	3,927	3,193	4,313	4,133	6,790
Total business-type activies expenses	92,117	90,423	87,935	88,898	89,979	84,609	78,366	74,138	70,247	67,728
Total primary government expenses	$ 259,778	$ 261,137	$ 253,056	$ 249,150	$ 248,548	$ 224,211	$ 203,062	$ 195,560	$ 181,521	$ 175,197
Program Revenues										
Governmental activities										
Charges for services:										
General government	$ 6,697	$ 8,296	$ 6,599	$ 6,561	$ 6,490	$ 5,324	$ 4,285	$ 3,342	$ 1,719	$ 2,643
Public Safety:(1)										5,634
Fire	7,149	7,366	7,751	4,731	3,519	3,471	3,819	3,263	3,218	
Police	5,171	4,941	5,290	5,361	5,698	3,707	3,235	2,974	2,344	
Parks and recreation	6,203	6,129	6,647	6,529	7,088	7,654	7,634	7,055	5,957	5,320
Community services	8,103	6,661	6,408	6,395	9,122	10,357	10,261	8,510	7,382	351
Other activities	639	734	1,187	880	520	484	485	528	486	6,339
Operation grants and contributions	19,221	20,085	22,040	19,715	20,916	22,459	19,507	18,350	17,808	16,802
Capital grants and contributions	4,027	5,069	4,057	2,763	2,406	5,055	23,647	2,226	6,822	3,490
Total governmental activities revenues	57,210	59,281	59,979	52,935	55,759	58,511	72,873	46,248	45,736	40,579
Business-type activities										
Charges for services:										
Airport	22,824	22,980	22,221	21,125	23,683	23,624	22,242	20,269	17,611	15,745
Sewer	28,625	28,019	26,908	25,174	25,781	25,570	24,201	23,066	22,168	20,399
Solid Waste	23,976	23,386	23,563	24,157	23,508	19,707	18,698	15,623	14,589	13,123
Other	2,473	2,470	2,361	2,717	2,712	2,604	2,275	2,523	2,450	3,259
Operation grants and contributions	5,610	6,512	5,899	4,927	5,600	4,389	2,401	2,177	1,939	1,508
Capital grants and contributions	18,715	15,844	15,976	12,228	20,571	27,845	24,336	27,757	21,860	31,192
Total business-type activities and program revenues	102,223	99,211	96,928	90,328	101,855	103,739	94,153	91,415	80,617	85,226
Total primary governement program revenues	$ 159,433	$ 158,492	$ 156,907	$ 143,263	$ 157,614	$ 162,250	$ 167,026	$ 137,663	$ 126,353	$ 125,805
Net (Expense)/Revenue										
Governmental activities	$ (110,451)	$ (111,433)	$ (105,142)	$ (107,317)	$ (102,810)	$ (81,091)	$ (51,823)	$ (75,174)	$ (65,538)	$ (66,890)
Business-type activities	10,106	8,788	8,993	1,430	11,876	19,130	15,787	17,277	10,370	17,498
Total primary government net expense	$ (100,345)	$ (102,645)	$ (96,149)	$ (105,887)	$ (90,934)	$ (61,961)	$ (36,036)	$ (57,897)	$ (55,168)	$ (49,392)
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes	$ 109,314	$ 105,534	$ 102,097	$ 98,807	$ 92,769	$ 88,121	$ 83,484	$ 76,350	$ 71,660	$ 71,388
Franchise fees	7,189	6,849	6,998	7,527	7,343	6,940	6,937	5,992	5,253	5,031
Investment earnings	941	854	1,085	1,705	2,975	4,572	3,266	1,532	733	810
Special items										
Miscellaneous								(1,948)		(160)
Transfers	108	(56)	159	437	63	24	(48)	1,664	(97)	(503)
Total governmental activities	117,552	113,181	110,339	108,476	103,150	99,657	93,639	83,590	77,549	76,566
Business-type activities										
Investment earnings	1,334	1,367	2,170	3,483	3,343	4,380	3,153	1,581	897	1,478
Gain on sale of capital assets				-	-	-	3	99		
Special items								(589)	(5,996)	(16,534)
Transfers	(108)	56	(159)	(437)	(63)	(24)	48	(1,664)	97	503
Total business-type activities	1,226	1,423	2,011	3,046	3,280	4,356	3,204	(573)	(5,002)	(14,553)
Total primary government	$ 118,778	$ 114,604	$ 112,350	$ 111,522	$ 106,430	$ 104,013	$ 96,843	$ 83,017	$ 72,547	$ 62,013
Changes in Net Assets										
Governmental activities	$ 7,101	$ 1,748	$ 5,197	$ 1,159	$ 340	$ 18,566	$ 41,816	$ 8,416	$ 12,011	$ 9,676
Business-type activities	11,332	10,211	11,004	4,476	15,156	23,486	18,991	16,704	5,368	2,945
Total primary government	$ 18,433	$ 11,959	$ 16,201	$ 5,635	$ 15,496	$ 42,052	$ 60,807	$ 25,120	$ 17,379	$ 12,621

(1) For FY 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

	2012	2011(1)	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Nonspendable	1,935	1,259								
Restricted	1,361	3,120								
Committed	2,323	556								
Assigned	6,536	1,561								
Unassigned	16,317	16,800								
Reserved			$ 5,816	$ 6,283	$ 6,331	$ 4,723	$ 4,712	$ 1,800	$ 1,320	$ 855
Unreserved			24,192	15,529	16,709	24,603	24,218	14,846	11,671	9,455
Total general fund	28,472	23,296	30,008	21,812	23,040	29,326	28,930	16,646	12,991	10,310
All Other Governmental Funds										
Nonspendable	7,544	7,544								
Restricted	10,085	6,720								
Committed										
Assigned	17,787	21,182								
Unassigned										
Reserved			33,687	28,293	35,301	31,458	28,044	25,540	25,976	28,180
Unreserved										
Capital projects fund			(2,151)	9,121	10,403	12,641	12,255	8,727	4,408	1,268
Debt service fund			1,168	6,042	1,492	1,632	1,523	1,669	1,480	1,378
Total all other governmental funds	35,416	35,446	32,704	43,456	47,196	45,731	41,822	35,936	31,864	30,826
Total all governmental funds	$ 63,888	$ 58,742	$ 62,712	$ 65,268	$ 70,236	$ 75,057	$ 70,752	$ 52,582	$ 44,855	$ 41,136

(1) For FY 2011 forward, 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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Property taxes	$ 108,733	$ 105,925	$ 101,822	$ 97,573	$ 92,500	$ 88,087	$ 83,635	$ 76,446	$ 71,761	$ 71,382
Franchise fees	7,189	6,849	6,998	7,527	7,343	6,940	6,937	5,992	5,253	5,031
Licenses and permits	6,548	4,928	4,469	4,720	6,687	8,183	8,522	7,182	5,826	6,099
Intergovernmental revenues	18,441	17,875	19,696	18,644	20,553	20,107	19,101	17,161	17,186	16,028
Program income	144	67	637	370	12				9	
Charges for services	29,632	28,889	28,542	25,535	25,406	22,346	21,072	18,999	16,521	14,574
Fines and forfeitures	3,348	3,422	3,793	3,329	3,717	4,019	3,501	3,005	3,079	2,946
Donations	539	868	1,591	723	906	844	589	400	1,315	329
Investment income	858	736	893	1,324	2,549	4,022	2,904	1,366	649	710
Miscellaneous revenue	1,183	2,918	3,649	921	1,072	4,894	947	1,565	1,375	1,051
Total Revenue	176,615	172,477	172,090	160,666	160,745	159,442	147,208	132,116	122,974	118,150
Expenditures										
General government	29,039	32,078	26,838	26,737	27,919	23,108	17,935	17,275	15,960	15,644
Public safety										
Fire	41,755	40,265	38,489	34,153	32,296	29,931	29,646	27,364	25,388	23,693
Police	46,421	45,150	46,249	46,326	45,053	39,289	35,828	33,628	31,615	29,709
Parks and recreation	18,731	18,816	18,198	17,968	17,999	18,576	16,767	14,760	14,148	12,715
Culture	9,234	9,294	8,969	8,563	7,923	6,650	6,386	5,631	5,532	5,005
Community services	13,330	12,854	13,035	13,346	13,884	13,223	11,583	11,100	11,080	11,080
Community development	811	925	1,656	1,125	1,368	1,442	588	589	767	742
Capital outlay	16,205	17,561	18,874	19,361	14,519	20,389	7,531	10,895	9,974	15,318
Debt sevice										
Principal	539	1,136	1,084	1,033	2,968	1,038	999	950	2,877	1,208
Interest	1,462	1,497	1,418	1,465	1,568	1,645	1,714	1,751	1,847	1,925
Issuance costs	732	333								
Total expenditures	178,259	179,909	174,810	170,077	165,497	155,291	128,977	123,943	119,188	117,039
Excess of revenues over (under) expenditures	(1,644)	(7,432)	(2,720)	(9,411)	(4,752)	4,151	18,231	8,173	3,786	1,111
Other financing sources uses										
Bonds issued	25,223	3,995								
Payments to refunded bond escrow agent	(23,850)									
Capital asset sale proceeds	4,447									
Transfers in	10,505	19,905	2,929	9,438	15,270	20,714	11,514	9,277	8,570	5,483
Transfers out	(9,662)	(18,954)	(2,765)	(7,857)	(15,339)	(20,696)	(11,575)	(9,723)	(8,637)	(6,001)
Total other financing sources (uses)	6,663	4,946	164	1,581	(69)	18	(61)	(446)	(67)	(518)
Net change in fund balance	$ 5,019	$ (2,486)	$ (2,556)	$ (7,830)	$ (4,821)	$ 4,169	$ 18,170	$ 7,727	$ 3,719	$ 593
Debt service as a percentage of noncapital expenditures	1.12%	1.51%	1.50%	1.54%	2.74%	1.73%	2.10%	2.18%	3.96%	2.68%

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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
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
2012	10,936,859	3,932,257	16,430	1,525,207	886,238	298,951	21,726

Source: Ada County Auditor's Office

Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
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
3,985,975	13,631,693	0.083

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

	City Direct Rates		Overlapping Rates [1]					
Fiscal Year	Basic Rate	Total Direct	Ada County	Ada County Highway District	Boise Independent School District	Meridian School District	Whitney Fire	Flood Control
2003	5.56	5.56	2.80	1.01	8.44	6.31	1.83	0.10
2004	5.79	5.79	2.86	1.03	7.94	6.69	1.50	0.10
2005	5.73	5.73	2.83	1.01	7.92	6.55	1.94	0.10
2006	5.49	5.49	2.56	1.01	4.73	3.89	1.58	0.09
2007	5.03	5.03	2.28	0.87	4.43	3.66	1.69	0.08
2008	5.14	5.14	2.30	0.91	4.56	3.58	1.91	0.09
2009	5.87	5.87	2.63	1.02	4.92	3.51	2.10	0.10
2010	6.98	6.98	3.06	1.19	5.58	3.49	2.40	0.12
2011	7.78	7.78	3.32	1.29	5.50	3.40	2.40	0.13
2012	8.32	8.32	3.36	1.29	6.11	4.60	2.40	0.14

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 (Continued)
(rate per $1,000 of assessed value)

	Overlapping Rates [1]							
Emergency Medical/ North Ada Search & Rescue	Dry Creek Cemetery	Joplin Cemetery	Meridian Cemetery	NW Sewer	West Sewer	Mosquito Abatement	West Ada Recreation	Harris Ranch 1
0.12	0.01	0.01	0.08	0.16	-	0.03	0.08	
0.12	0.01	0.01		0.15	-	0.03	0.08	
0.12	0.01	0.01		0.14	-	0.03	0.07	
0.11	0.01	0.01	0.05	0.14	-	0.03	0.07	
0.10	0.01	0.01	0.04	0.12	-	0.03	0.06	
0.11	0.01	0.01	0.04	0.12	-	0.03	0.07	
0.13	0.03	0.01	0.04	0.14	-	0.01	0.08	
2.29	0.04	0.01	0.03	0.17	-	0.03	0.10	
2.41	0.05	0.01	0.03	0.19	-	0.04	0.11	0.09
2.41	0.05	0.01	0.05	0.19	-	0.04	0.11	3.08

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

	2012			2003		
	Market Valuation	Rank	Percentage of Total Market Valuation	Market Valuation	Rank	Percentage of Total Market Valuation
Micron Technology	$ 299,756	1	2.20%	$ 1,065,786	1	8.28%
Boise Mall LLC	127,010	2	0.93%	103,486	4	0.80%
Hewlett Packard	116,014	3	0.85%	220,906	2	1.72%
Idaho Power	111,725	4	0.82%	80,172	6	0.62%
MP Mask Technology Center	97,774	5	0.72%			0.00%
United Water	75,184	6	0.55%	61,849	7	0.48%
CenturyLink (Qwest)	64,128	7	0.47%	110,908	3	0.86%
Albertsons (Supervalu)	55,618	8	0.41%	103,046	5	0.80%
New Albertson's Inc	44,635	9	0.33%			
Winco Foods LLC	39,784	10	0.29%			
Sundance Investments				46,757	8	0.36%
MK Plaza Trust				41,794	9	0.32%
S-16 Limited Partnership				40,529	10	0.31%
	$ 1,031,628		7.57%	$ 1,875,233		14.55%
Total Market Valuation	13,631,693			12,866,754		

Source: 2012 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

		Collected within the Fiscal Year of the Levy			Total Collection to Date	
Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2003	73,162	70,373	96.2%	711	71,084	97.2%
2004 (1)	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%	1,785	101,689	100.0%
2011	105,839	103,832	98.1%	979	104,811	99.0%
2012	108,073	107,027	99.0%		107,027	99.0%

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

(1) 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	Population	Personal Income
2003	32,315	5,305	37,620	0.192	0.0054	195,931	6,921,067
2004	29,830	4,913	34,743	0.174	0.0046	200,062	7,481,118
2005	29,285	4,508	33,793	0.162	0.0041	208,219	8,244,015
2006	28,710	4,084	32,794	0.155	0.0038	211,473	8,605,365
2007	28,115	3,641	31,756	0.150	0.0036	212,188	8,751,111
2008	25,605	3,183	28,788	0.142	0.0034	202,412	8,347,926
2009	25,050	2,705	27,755	0.135	0.0032	206,258	8,563,239
2010	24,465	2,206	26,671	0.127	0.0030	210,177	8,754,831
2011	23,850	1,685	25,535	0.124	0.0036	206,470	7,048,060
2012	24,665	1,147	25,812	0.124	0.0036	207,730	7,119,738

(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 2003 to 2012.

Business-type Activities

Fiscal Year	Revenue Bonds	Capital Leases	Installment Loans	Other Long-Term Obligations	Total Debt	Debt per Capita	Debt to Personal Income	Population	Personal Income
2003	11,414	49,630	3,845		64,889	0.331	0.0094	195,931	6,921,067
2004	26,679	48,780	7,898		83,357	0.417	0.0111	200,062	7,481,118
2005	24,699	47,890	9,143	5,080	86,812	0.417	0.0105	208,219	8,244,015
2006	22,650	46,955	9,727	1,540	80,872	0.382	0.0094	211,473	8,605,365
2007	20,534	45,975	9,302	1,400	77,211	0.364	0.0088	212,188	8,751,111
2008	18,341	44,950	8,894	1,260	73,445	0.363	0.0088	202,412	8,347,926
2009	16,069	43,865	8,470	1,120	69,524	0.337	0.0081	206,258	8,563,239
2010	13,649	42,705	8,062	980	65,396	0.311	0.0075	210,177	8,754,831
2011	43,051	-	7,574	840	51,465	0.249	0.0073	206,470	7,048,060
2012	44,919	-	700		45,619	0.220	0.0064	207,730	7,119,738

City of Boise
Direct and Overlapping Governmental Activities Debt
As of September 30, 2012
Amounts Expressed in Thousands

Direct Governmental Indebtedness:

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt	Debt per Capita	Debt to Personal Income	Population	Personal Income
Revenue Refunding Bonds 2011	$ 24,665	100%	$ 24,665	0.1187	0.0035	207,730	7,119,738
Golf Course Improvement-COPS	205	100%	205	0.0010	0.0000		
County Building Lease	942	100%	942	0.0045	0.0001		
Total Direct Governmental Indebtedness	25,812		25,812	0.1242	0.0036		
Overlapping Bonded Indebtedness:							
Ada County	41,705	55%	22,938	0.1104	0.0032		
Harris Ranch Comm. Inf. District	3,994	100%	3,994	0.0192	0.0006		
Capital City Development Corporation	67,570	100%	67,570	0.3253	0.0095		
Meridian School District	160,561	25%	40,140	0.1932	0.0056		
Boise School Dist. #1	85,520	100%	85,520	0.4117	0.0120		
Total Overlapping Bonded Indebtedness	359,350		220,162	1.0598	0.0309		
Total Direct and Overlapping Debt	$ 385,162		$ 245,974	$ 1.1840	$ 0.0345		

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

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

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

Fiscal Year	Debt Limit	Total Net Debt Applicable to the limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of the debt limit
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%
2012	273,229	71,256	201,973	26.08%

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	Debt Service Interest	Coverage
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
2012	1,418		1,418	95	13	13.13

Revenue Refunding Bonds, Series 2011

Fiscal Year	Operating Revenue	15% of General Fund Revenue	Debt Service for All Outstanding General Fund Obligations (1)	Available for Future Debt Service
2012	170,632	25,595	523	25,072

(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 does not exceed 15% of the General Fund Revenues and any other revenues available to pay such obligations as set forth on the most recent audited financial statement. (Trust indenture section 2.11)

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

Fiscal Year	Pledged Revenue (1)	Operating Expenses (2)	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2011	$ 29,158	17,369	11,789	1,400	815	5.32
2012 (With PFC)	$ 28,790	17,731	11,059	2,860	1560	2.50

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

Wastewater Facility Refunding Bonds, Series 2012

Fiscal Year	Pledged Revenue (1)	Operating Expenses (2)	Net Available Revenue	Debt Service Principal *	Debt Service Interest *	Coverage
2012	32,455	22,379	10,076	-	-	N/A

(1) Includes Operating Revenue, and Interest Income.
(2) Excludes Interest Expense, Depreciation, Gain or Loss on Property Sale/Exchange/Disposal.
* The initial debt service payments are not due until fiscal year 2013.

City of Boise
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population [2/3]	Personal Income (in thousands) [1]	Per Capita Personal Income[4]	Median Age[2]	Education Level in Years of Schooling	K-12 School Enrollment[5]	Unemployment Rate[4]
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%
2012	207,730	7,119,738	34,274	34.1	13.8	25,565	6.5%

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

	2012			2003		
Employer	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)	18,750	1	7.07%	14,100	1	5.94%
St Luke's Regional Medical Center	6,250	2	2.36%	4,300	3	1.81%
Micron Technology	5,250	3	1.98%	10,000	2	4.22%
Meridian School District #2	4,251	4	1.60%			
St Alphonsus Regional Medical Center	4,250	5	1.60%	3,500	7	1.48%
Boise School District #1	3,750	6	1.41%	3,300	8	1.39%
Albertsons	2,750	7	1.04%	3,801	4	1.60%
Walmart	2,251	8	0.85%			
Hewlett Packard	2,250	9	0.85%	3,700	6	1.56%
Boise City	1,605	10	0.61%	1,400	10	0.59%
JR Simplot				3,800	5	1.60%
Directv				1,700	9	0.72%
	51,357		19.37%	47,901		20.91%
Total Employment in Boise MSA [3]			265,200			237,200

Source:
1 - 2012 Boise Valley Economic Partnership-Avg./ State of Idaho 2012 CAFR.
2 - FY2003 City of Boise Audit CAFR
3 - Idaho Dept. of Labor Boise MSA (September)

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

Department/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Mayor's Office	18	20	19	19	19	19	22	22	22	22
Legal Department	46	46	46	46	48	48	50	50	50	50
Human Resources	11	12	11	11	11	11	12	13	13	13
Customer and Support	57	42	42							
Finance and Administration	24	25	25	58	59	59	61	60	60	61
Information Technology	22	24	24	30	57	57	57	53	53	53
Public Safety										
Fire Department	252	252	250	250	258	258	266	295	294	282
Police	339	350	365	367	402	402	409	396	387	405
Parks and Recreation	141	154	155	149	154	154	155	151	149	146
Culture										
Arts and History	5	4	4	4	4	4	5	5	5	5
Library	88	88	88	87	108	108	123	113	113	113
Community Services										
Planning & Development	96	95	95	103	100	100	102	98	98	93
Public Works	18	30	30	28	26	26	29	29	27	26
Airport	123	137	137	151	113	113	115	108	108	109
Sewer	190	191	190	195	188	188	193	180	179	180
Geothermal	1	1	1	1	1	1	1	1	1	1
Solid Waste	5	5	5	5	5	5	5	5	5	5
Risk Management	5	4	4	4	4	4	5	5	5	5
Workers Comp	1	1	1	1	1	1	1	1	1	1
Fleet Services	11	10	10	10	10	17	20	19	18	18
Housing Rehab	16	17	19	19	19	19	19	17	17	17
Total	1,468	1,508	1,522	1,538	1,587	1,592	1,650	1,621	1,605	1,605

In CY 2003 and 2004, the City completed large annexations.

Human Resources and Information Technology were a part of Customer and Support Services until 2003.

Parks and Recreation acquired Idaho Ice World in 2004.

In 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.

Source: Boise City Budget Office

City of Boise
Operating Indicators by Function/Program
Last Eight Fiscal Years (Note 1)

	2005	2006	2007	2008	2009	2010	2011	2012
General Government								
Mayor and City Council								
Number of Neighborhood Reinvestment project grants awarded	12	19	29	19	10	17	18	28
Number of active Neighborhood Reinvestment project grants	35	41	58	60	59	49	24	27
Ordinances and resolutions adopted	525	568	681	560	420	526	468	482
General Government Administration								
Number of children in licensed daycare facilities (City Clerk)	32,900	19,000	19,500	9,500	9,728	9,234	9,255	9,400
Number of square feet of facilities maintained (Facilities Maintenance)	263,059	253,477	405,671	396,797	457,868	473,379	504,979	537,317
Legal								
Criminal matters processed (Boise only)	60,620	64,059	58,211	7,970	21,451	19,637	17,972	17,296
Criminal matters processed (other than Boise)					4,064	4,689	5,372	6,655
Human Resources								
Days from requisition to applicant referral (HR Control)	27	22	n/a	n/a	n/a	n/a	n/a	
Information and Technology								
Number of supported PCs and printers	n/a	1,150	1,843	1,900	1,915	1,942	2,060	2,100
Number of help desk calls	2,143	3,537	6,483	20,532	18,824	18,968	20,436	25,410
Average number of mapping requests per month (internet)	19,132	30,300	31,400	15,150	29,379	14,631	15,037	n/a
Monthly avg. # of GIS Map Image, ArcGIS Server and Geocode requests								181,297
Financial Services								
Number of purchase orders issued	1,650	2,060	1,785	1,377	1,099	1,173	1,130	1,123
Number of dollars recovered by Collections (thousands)	$ 1,226	$ 1,963	$ 2,141	$ 2,395	$ 2,732	$ 2,969	$ 2,982	$ 3,166
Ratio of interest earned vs. interest expense	0.49	1.07	1.54	1.21	0.71	0.53	0.39	0.36
Ratio of Portfolio Yield vs. Fed Funds	0.925	0.957	1.087	1.569	7.348	5.716	3.796	2.860
Number of loans internally serviced (sewer & housing)	763	808	726	765	806	824	849	803
Public Safety								
Fire								
90th Percentile Response Time (Note 2)	6:06	6:09	6:14	6:01	6:09	6:12	6:10	6:18
Number of fires investigated	110	100	127	114	97	108	85	119
Number of plans reviewed		1,500	912	659	376	362	313	276
Police								
Number of police reports taken	41,403	42,156	46,634	38,603	34,992	32,790	32,435	29,409
Number of crime scenes processed	3,148	967	359	309	334	326	339	316
Number of citations for hazardous moving violations	21,118	22,061	23,373	n/a	n/a	n/a	n/a	n/a
Number of DUI arrests	1,865	2,240	2,031	2,098	1,824	1,537	1,395	1,251
Parks and Recreation								
Miles of trails maintained	95	97	125	129	129	137	148	148
Number of adaptive programs offered	143	200	216	188	224	256	286	282
Number of acres maintained	15,776	14,800	15,200	1,386	1,386	1,892	1,739	1,739
Zoo attendance	259,223	270,850	295,543	279,687	362,925	332,230	323,741	322,771
Idaho Ice World attendance	203,514	232,436	550,442	629,773	574,247	525,202	365,729	373,541
Number of rounds at Warm Springs Golf course	46,590	47,959	48,745	46,685	51,353	48,344	49,242	46,828
Average youth scholarship amount	$ 37.46	$ 41.73	$ 34.02	$ 40.25	$ 40.97	$42.37	$50.00	$40.72
Number of youth scholarships awarded	277	606	771	1,051	1,668	2,344	3,006	3,302
Number of youth served	559,865	619,201	650,447	670,618	732,557	702,911	655,492	511,724

City of Boise
Operating Indicators by Function/Program
Last Eight Fiscal Years (Note 1)

	2005	2006	2007	2008	2009	2010	2011	2012
Culture								
Arts								
Number of public art pieces owned by City						180	180	225
Estimated # of citizens participating/exposed to programs and publications	25,448	58,333	60,000	55,000	49,700	487,700	1,218,365	1,310,000
Number of print and electronic publications						10	10	325
Number of public program series (Note 3)						16	18	25
Number of projects completed	10	2	8	18	46	n/a	n/a	52
Number of A&H cultural/facility plans completed							5	n/a
Number of A&H studies completed							2	n/a
Number of A&H presentations, facilitations, and consultations							7	11
Number of citizens who received public art walking tours			1,679	2,168	5,500	n/a	n/a	850
Library								
Annual circulation	1,510,530	1,448,423	1,571,639	1,694,089	1,998,057	2,313,307	2,340,898	2,297,905
Reference questions per capita	0.90	0.23	0.65	1.05	1.23	1.27	1.30	1.31
Number of special programs	1,499	1,154	1,282	1,513	1,988	2,843	2,711	2,719
Community Service								
Planning and Development Services								
Total construction permit value (millions)	$ 465	$ 654	$ 657	$ 369	$ 259	$ 160	$ 297	$ 399
Total number of permits	16,593	16,623	16,292	15,044	11,601	13,734	14,378	15,328
Percent of commercial plans reviewed <30 days	63%	58%	50%	82%	85%	88%	87%	83%
Number of affordable housing units available	273	273	273	274	274	274	274	281
Parking Control								
Parking tickets issued	72,506	63,502	63,318	67,364	69,233	74,632	68,458	62,474
Cemetery								
Number of burials	174	159	157	192	173	152	161	159
Airport								
Airline cost per enplaned passenger	$ 3.35	$ 3.28	$ 3.34	$ 3.49	$ 3.87	$ 4.81	$ 4.81	4.36
Number of enplanements	1,545,268	1,623,438	1,668,834	1,649,491	1,404,321	1,394,670	1,393,611	1,328,767
Public Works								
Total number of street lights	9,757	10,011	10,193	10,762	10,853	10,933	10,693	10,885
Number of Geothermal customers	n/a	55	55	57	58	59	66	73
Sewer								
Dollars per foot of constructed 8" sewer pipe	$ 64.21	$ 92.84	$ 100.48	$ 101.69	$ 104.63	$109.93	$110.25	$111.88
Number of sewer backups per 100 miles of pipe	3.35	3.34	3.73	4.00	4.33	2.58	4.42	4.71
Miles of sewer pipe	638	659	675	685	694	697	702	704
Gallons of sewage treated per Capita	27	28	27	26	25	25	27	27
Tons of solid waste per Capita	7,363	7,500	7,643	8,390	7,715	12,802	12,496	12,602
Percentage of solid waste recycled			8%	13%	11%	14%	14%	15%

Note 1: Operating indicator data was not available in all cases prior to 2005.
Note 2: 90th percentile of 3 fire and 3 EMS codes reported for FY2012.
Note 3: # of public program series with four or more separate projects/presentations.

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

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Primary Government										
Governmental activities:										
Fire										
Fire trucks	4	4	4	4	4	4	4	4	4	4
Fire engines	19	17	17	17	16	16	21	21	21	21
Rescue/utility vehicles	14	14	13	13	13	13	12	10	11	11
Fire facilities	19	17	17	16	16	16	15	14	14	14
Fire hydrants	6,490	6,491	6,987	6,747	7,209	7,183	6,913	6,791	6,674	6,583
Police										
Vehicles	268	278	275	279	253	242	251	232	214	213
Motorcycles	14	14	10	14	13	12	12	12	13	13
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	129	137	111	111	111	110	108	107	105
Picnic areas	67	67	67	66	64	62	62	58	58	58
Recreation/community centers	6	6	7	8	6	4	4	4	3	3
Ice skating facilities	1	1	1	1	1	1	1	1	1	
Playgrounds	77	73	73	74	73	72	71	71	71	69
Basketball courts	25	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	85	81	81	77	77	77	77	76	76	76
Youth baseball fields	35	35	35	35	35	35	35	35	35	34
Soccer fields	48	49	48	54	49	44	44	44	44	44
Skate parks	3	3	3	3	3	3	3	3	3	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	148	130	129	125	108	108	106	103
Foothills-special levy (acres)	3,582	3,428	3,428	1,529	1,519	1,199	1,199	1,199	1,079	820
Governmental activities:										
Culture										
Public art investments	200	172	170	147	143	116	106	60	59	51
Library Locations	4	4	4	4	3	2	2	2	2	2
Items in library collection (thousands)	424	418	413	408	372	356	361	376	361	355
Community Services										
Cemeteries	3	3	3	3	3	3	3	3	3	3
Streetlights	7,754	7,874	7,804	7,705	7,593	7,425	7,111	6,918	6,463	6,314
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	3,600	2,882	2,831	2,141	2,141	2,141	2,141
Sewer										
Wastewater treatment plants	2	2	2	2	2	2	2	3	3	3
Other										
Single family home rental units	14	12	12	12	12	14	28	18	18	33
Apartment rental units	267	260	260	260	260	260	255	255	255	244

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CITY OF BOISE, IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND PFC FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

Federal Grantor / Program Title	Federal CFDA Number	Identifying Number	Current Year Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Idaho Department of Education:			
Child and Adult Care Food Program	10.558	2012IN109947	$ 9
Summer Food Service Program for Children	10.559	2012IN109947	12
Cooperative Extension Service	10.500	USDA-NIFA-SLBCD-002652	13
TOTAL DEPARTMENT OF AGRICULTURE			$ 34
U.S. FOREST SERVICE			
Direct Programs:			
Cooperative Forestry Assistance	10.664	08-CS-11040201-003	$ 4
TOTAL U.S. FOREST SERVICE			$ 4
U.S. DEPARTMENT OF HUD - NON ARRA			
Direct Programs:			
Community Development Block Grant-Entitlement Grants	14.218 *(Note 1)*	B-10-MC-16-0001	$ 869
HOME Investment Partnerships Programs	14.239	M-06-MC-16-0200	2
HOME Investment Partnerships Programs	14.239	M-09-MC-16-0200	362
HOME Investment Partnerships Programs	14.239	M-10-MC-16-0200	198
HOME Investment Partnerships Programs	14.239	M-11-MC-16-0200	99
Neighborhood Initiative and Miscellaneous Grants	14.251	B-09-SP-ID-0091	268
TOTAL U.S. DEPARTMENT OF HUD - NON ARRA			1,798
U.S. DEPARTMENT OF HUD - ARRA FUNDS			
Direct Programs:			
Community Development Block Grant ARRA Entitlement Grants (CDBG-R)	14.253 *(Note 1)*	B-09-MY-16-0001	$ 47
Homelessness Prevention and Rapid Re-Housing Program (HPRP)	14.257	S09-MY-16-0001	48
Total Direct Programs			95
Passed-Through Idaho Housing and Finance Association:			
Neighborhood Stabilization Program	14.228	B-08-DN-16-0001	328
Homelessness Prevention and Rapid Re-Housing Program (HPRP)	14.257	HPRP 09-10	41
Total Passed-Through Programs			369
TOTAL U.S. DEPARTMENT OF HUD - ARRA FUNDS			464
TOTAL U.S. DEPARTMENT OF HUD			$ 2,262
U.S. DEPARTMENT OF INTERIOR			
Direct Programs:			
Recreation Resource Management	15.225	L12AC20398	$ 46
Passed-Through Idaho State Historical Society:			
Historic Preservation Fund Grants-In-Aid	15.904	16-12-31919	7
TOTAL U.S. DEPARTMENT OF INTERIOR			$ 53

CITY OF BOISE, IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND PFC FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

Federal Grantor / Program Title	Federal CFDA Number	Identifying Number	Current Year Disbursements
U.S. DEPARTMENT OF JUSTICE			
Direct Programs - Non ARRA Funds:			
Bulletproff Vest Partnership Program	16.607	BOBX-11056597	$ 4
Public Safety Partnership and Community Policing Grants	16.710	2007CKWX0032	128
Public Safety Partnership and Community Policing Grants	16.710	2010CSWX0012	10
Total Direct Programs - Non ARRA Funds:			142
Direct Programs - ARRA Funds:			
Public Safety Partnership and Community Policing Grants	16.710	2009RJWX0042	767
Total Direct Programs			909
Passed Through Ada County FACES:			
Violence Against Women Act Court Training and Improvement Grants	16.013	8344-2-11	35
Passed Through Idaho State Office of Attorney General:			
Missing Children's Assistance	16.543	2010-MC-CX-K017	30
Passed Through the Idaho State Police:			
Enforcing Underage Drinking Laws Program	16.727	(2012)-10-LE42-02	4
Total Passed Through Programs			69
TOTAL U.S. DEPARTMENT OF JUSTICE			$ 978
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Programs:			
Airport Improvement Program	20.106	3-16-0003-55	$ 1,099
Airport Improvement Program	20.106	3-16-0003-56	2,160
Airport Improvement Program	20.106	3-16-0003-57	2,914
Total Direct Programs			6,173
Passed Through Idaho Department of Transportation:			
Highway Planning and Construction	20.205	A009(935)	8
Highway Planning and Construction	20.205	A010(660)	88
State and Community Highway Safety	20.600	CP-2012-02-00-00	10
State and Community Highway Safety	20.600	OP-2012-01-00-00	25
State and Community Highway Safety	20.600	AL2012-01-00-00	5
State and Community Highway Safety	20.600	PT2012-21-00-00	55
Alcohol traffic Safety & Drunk Driving Prevention	20.601	K8-2012-01-00-00	21
Training and Planning Grants	20.703	HMHMP0165100100	(7)
Training and Planning Grants	20.703	HMHMP0245110100	8
Total Passed Through Programs			213
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			$ 6,386

CITY OF BOISE, IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
PFC FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

Federal Grantor / Program Title	Federal CFDA Number	Identifying Number	Current Year Disbursements
NATIONAL ENDOWMENT FOR THE ARTS			
Passed Through Idaho Commission on the Arts:			
Promotion of the Arts-Partnership Agreement	45.025	1161002042	$ 1
TOTAL NATIONAL ENDOWMENT FOR THE ARTS			$ 1
NATIONAL ENDOWMENT FOR THE HUMANITIES			
Passed Through Idaho Commission on the Arts:			
Promotion of the Humanities_Federal/State Partnership	45.129	2011031	$ 2
Promotion of the Humanities_Federal/State Partnership	45.129	2012028	3
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			$ 5
INSTITUTE OF MUSEUM AND LIBRARY SERVICES			
Passed Through the Idaho Commission for Libraries:			
State Library Program	45.310	LS-0010001310	$ 11
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			$ 11
NATIONAL SCIENCE FOUNDATION			
Passed Through the Boise State University:			
Education and Human Resources	47.076	N/A	$ 5
TOTAL NATIONAL SCIENCE FOUNDATION			$ 5
DEPARTMENT OF VETERANS AFFAIRS			
Passed Through United States Olympic committee	64.034		$ 23
TOTAL DEPARTMENT OF VETERANS AFFAIRS			$ 23
ENVIRONMENTAL PROTECTION AGENCY			
Direct Programs:			
Congressionally Mandated Projects	66.202	XP-83334201	$ 612
TOTAL ENVIRONMENTAL PROTECTION AGENCY			$ 612
U.S. DEPARTMENT OF ENERGY - NON ARRA FUNDS			
Direct Programs:			
Renewable Energy Research and Development	81.087	DE-EE0000318	$ 212
TOTAL DEPARTMENT OF ENERGY - NON ARRA FUNDS			212
U.S. DEPARTMENT OF ENERGY - ARRA FUNDS			
Direct Programs:			
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-EE000813	90
TOTAL DEPARTMENT OF ENERGY - ARRA FUNDS			90
TOTAL DEPARTMENT OF ENERGY			$ 302

CITY OF BOISE, IDAHO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND PFC FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

Federal Grantor / Program Title	Federal CFDA Number	Identifying Number	Current Year Disbursements
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Drug Free Idaho:			
Drug-Free Communities Support Program Grants	93.276	1H79SP017020-01	$ 10
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			$ 10
U.S. DEPARTMENT OF HOMELAND SECURITY - NON ARRA FUNDS			
Direct Programs:			
Assistance to Firefighters Grant Program-FEMA	97.044	EMW-2011-FR-00447	$ 137
National Explosives Detection Canine Team Program	97.072	HSTS02O8HCAN408	303
Law Enforcement Officer Reimbursement Agreement Program	97.090	HSTS0208HSLR037	152
Total Direct Programs			592
Passed Through the State of Idaho Military Division:			
Homeland Security Grant Program	97.067	2008-GE-T8-0044	111
Homeland Security Grant Program	97.067	2009-SS-79-0014	144
Homeland Security Grant Program	97.067	2010-SS-TO-0088	39
Total Passed-Through Programs			294
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY - NON ARRA FUNDS			886
U.S. DEPARTMENT OF HOMELAND SECURITY - ARRA FUNDS			
Direct Programs:			
TSA Advanced Surveillance Program	97.118	HSTS04-09-H-REC301	83
TOTAL DEPARTMENT OF HOMELAND SECURITY- ARRA FUNDS			83
TOTAL DEPARTMENT OF HOMELAND SECURITY			$ 969
TOTAL FEDERAL AWARDS BEFORE PFC'S			$ 11,655
OTHER FEDERAL ASSISTANCE			
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Airline Industry:			
Passenger Facility Charges			$ 5,455
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			$ 5,455
TOTAL FEDERAL ASSISTANCE			$ 17,110

Note 1: Major Program Cluster.

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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, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 11, 2013. Our report was modified noting that management noted an error in reporting payables in the prior year for which the beginning net assets and fund balance as of September 30, 2011 were adjusted. 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 City'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 2012-01 to be a material weakness.

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'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.

Eide Bailly LLP

Boise, Idaho
March 11, 2013

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program an 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, 2012. 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 quarters and year ended September 30, 2012.

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.

Eide Bailly LLP

Boise, Idaho
March 11, 2013

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CPAs & BUSINESS ADVISORS

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, 2012. 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, 2012.

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 2012-02 to be a significant deficiency. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City'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.

Eide Bailly LLP

Boise, Idaho
March 11, 2013

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:

Name of Federal Program	CFDA Number
U.S. Department of Housing and Urban Development	
Community Service Block Grant	14.218
Community Service Block Grant – ARRA	14.253
HOME Investment Partnership Program	14.239
Public Safety and Community Policing Grants – ARRA	16.710
Airport Improvement Program	20.106
Congressionally Mandated Projects	66.202

Dollar threshold used to distinguish between Type A and Type B programs:	$ 349,751
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

2012-01

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

Condition/context
There were two material adjustments during the audit process related to year end accruals for revenues and expenses in the Solid Waste Fund. The City also identified a prior period adjustment to correct accounts payable balance in the Capital Projects Fund relating to the prior period financial statements.

Effect
Revenue and expenses in the Solid Waste Fund were reported incorrectly and the City's equity balance in the Capital Projects Fund in the prior year had been misstated.

Cause
The process established to include all year end accrual entries was not followed for the Solid Waste Fund and the prior period adjustment was due to an improper accrual reversal in 2005.

Recommendation
The City needs to follow its current closing procedures to insure all year end accrual entries have been entered and all subsidiary ledgers properly agree to the general ledger.

Management's Response
The Department of Finance and Administration concurs with this audit finding and has established additional control procedures and that will be performed throughout the fiscal year and at year end in order to address this audit finding. Additionally, at fiscal year end the Controller will confirm with departmental accounting personnel that to the best of their knowledge, all revenues and expenditures have been recognized correctly during the fiscal year.

Section III - Federal Award Findings and Questioned Costs

2012-02

Grant Agency
U.S. Department of Justice

CFDA#
16.710

Program Name
Public Safety Partnership and Community Policing Grants

Grant Year
2012

Criteria

A requirement of the grant is to have a control system in place to ensure all draw submissions are reviewed prior to submittal.

Condition
Several grant draw submissions were not reviewed timely as well as several grant draw submissions which were not reviewed prior to submission.

Questioned costs
None

Effect
Although none of the draw requests tested contained errors, there is potential for request of funds that are not allowable or not expended prior to requesting the funds which could result in a material questioned cost.

Cause
The City has a control established for the review of all the draw submissions; however this control process was not being followed.

Recommendation
The City should follow the control structure for reviews of all future draw requests. Management should also perform periodic monitoring of the review process to determine if the control is working properly.

Management's response
The Boise Police Department has a new structure in place to follow the review process and will perform periodic monitoring of the grants and draw requests.

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