

COMPREHENSIVE ANNUAL FINANCIAL REPORT 2015

CITY OF BOISE, IDAHO
FISCAL YEAR ENDED SEPTEMBER 30TH, 2015



Baybrook Court Foot Bridge over the Boise River

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Lynda Lowry
CFO & Director
Ex Officio City Clerk
Ex Officio Treasurer

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President
Eloine Clegg

Council Pro Tem
Lauren McLeon

Maryanne Jordan
Scot Ludwig
Ben Quintana
TJ Thomson

Finance & Administration

March 03, 2016

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

Ladies and Gentlemen:

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, 2015. The audit was performed by the independent firm Eide Bailly LLP in accordance with generally accepted governmental auditing standards. Under State law, copies of these audited financial statements will be submitted to the Idaho Legislative Council.

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).

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 for 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, 2015 are fairly presented and in conformity with GAAP. The independent auditor's report is presented as the first component in the financial section of this report.

The independent audit of the financial statements also included 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.

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 through a Mayor-Council form of government. 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 Mayor and six members of the City Council are elected at large by popular vote. They serve part-time, holding budget and policy-setting authority for the City. The Chief of Staff to the Mayor and all department directors comprise the Executive Management Team (EMT). This group recommends budget and operational priorities to the Mayor and City Council.

The city limits enclose an area of approximately 85 square miles. The City's Area of Impact is approximately 118 square miles. The Area of Impact is the planned potential size of the city urban service area approved by the Ada County commissioners. The Community Planning Association of Southwest Idaho (COMPASS) estimates the 2015 population of Boise to be 223,670.

The City of Boise provides the following services: public safety (police and fire), parks and recreation, libraries and culture (arts and history), community services (planning and development services), aviation, public works, cemetery, downtown on-street parking services, and general government. Boise's streets and sidewalks are owned and maintained by the Ada County Highway District. The City provides transportation services through a contract with Valley Regional Transit and animal control services through a contract with the Idaho Humane Society.

The financial report also includes two component entities due to their close relationship with the City. The financial statements of the City of Boise's redevelopment agency, the Capital City Development Corporation (CCDC), are reported separately. The Harris Ranch Community Infrastructure District No. 1 assets, liabilities, fund balance, revenues, and expenditures are blended into the City's financial statements. Additional information on both entities can be found in the notes to the financial statements.

Factors Affecting the City's Economic Condition

The information presented in the financial statements is 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 and state capital. 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.

Figures provided by the Idaho Department of Labor indicate the labor market has continued to improve. At the beginning of FY 2015, the Boise Metropolitan Statistical Area had an unadjusted unemployment rate of 4.0% and total employment of 299,300. In the following twelve months, the unadjusted unemployment rate decreased to 3.5% with total employment increasing to 309,200.

Construction activity in FY 2015 showed positive economic growth indications; both in the number of permits issued and in total valuation. During FY 2015, 20,283 permits were issued – 11.3% more than the 18,230 issued in FY 2014. Total permit valuation increased from \$544 million to \$725 million during the same period – a 33.3% increase. Further analysis concerning construction activity is addressed later in the General Fund revenues section of the Management Discussion & Analysis.

Air passenger traffic at the Boise Airport is an important economic indicator. During FY 2015, passenger volumes increased by 8.1% compared to FY 2014. This increase in passenger traffic marks the second fiscal year in a row of solid passenger growth. The passenger traffic growth was due to several factors including the addition of flights to four major metropolitan areas: Los Angeles, Seattle, Spokane, and Reno.

Long-term financial planning: Guidelines of the Government Finance Officers Association formally recommend that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular operating expenditures. As of September 30, 2015, the City's General Fund exceeded the minimum recommended standard with an unrestricted fund balance of \$33 million.

The City's Financial Planning process includes a five year financial forecast, which forecasts revenues and expenses according to current and future trends and economic data. Stress tests are performed on the revenue and expense assumptions to ensure growth in fixed costs are sustainable in the event of worse than expected economic outcomes. The City's five year financial forecast, along with the annual Strategic Planning process and bi-annual Citizen Survey are directly tied to the formation of the City's annual budget.

Relevant Financial Policies

The City has adopted a broad set of financial policies and procedures that are contained within a Business Operations Manual. Major categories within the Manual include: financial reporting, budget, purchasing, cash and investment management, credit and debt, and reserve and revenue policies. These policies have been reviewed by the City's Executive Management Team and approved by City Council.

Major Initiatives and Accomplishments

A number of significant initiatives and achievements, outlined below, are underway in Boise that will have a positive effect on the City's economic health, vibrancy, and livability as well as its ability to provide services to residents and businesses.

- The City launched Energize our Neighborhoods, a collaboration between Boise's residents, public and private partners, and the City to keep our neighborhoods unique and desirable. It focuses on aligning community resources to improve livability and make measurable change in eight focus areas: children and youth; economic development; health and community services; housing; place making, arts and history; public safety; sustainability; and transportation. The first target area is the Vista Neighborhood, an area found to be rich in opportunity after reviewing citywide livability factors. One major initiative started last fall by the city, the Boise School District and community partners is a free high-quality preschool.
- In August, SkyWest Airlines and the City celebrated the grand opening of the 135,000 square foot maintenance hangar at the Boise Airport. When the facility is fully staffed, the economic impact to the state of Idaho will include new total wages in excess of \$5.4 million a year and new sales and income tax revenues for the state of approximately \$350,000 a year. The projected average annual wage is \$52,000, well above the average in Ada County.
- To jump-start entrepreneurial investment in Boise, the City took a leading role in the creation of Trailhead, a new non-profit where early-stage entrepreneurs are mentored by successful, experienced entrepreneurs in how to start and scale their businesses and high-impact projects.
- A successful \$17 million bond issuance in March will enable the City to replace, renovate and expand aging Boise Fire Department infrastructure as well as build a state-of-the-art fire training facility.

- The City with the Boise Metro Chamber of Commerce created Gowen Strong, an effort preserve Idaho National Guard jobs at Gowen Field, which employs thousands of guardsman and supports a wide range of Boise Valley businesses with an economic impact of over \$200 million.
- The City launched Boise Competes, a comprehensive qualitative economic analysis defining Boise's unique draw as a great place to do business and build a career. Boise's booming downtown speaks to the optimism for the City's future with \$1 billion invested in recent years.
- In 2015, Boise joined the more than 700 cities in 50 countries with bike share programs. A partnership with Valley Regional Transit, Boise GreenBike provides residents, commuters and visitors a convenient and healthy way to get from one place to another while keeping a light footprint on the environment. Boise GreenBike and the accommodation of bicycles on city roadways is a small part of a much larger focus on city-wide transportation issues and needs that include everything from more strategic, data-based downtown parking rates to stronger region public transit.
- In addition to all the accomplishments listed above, the City has also made significant progress to improve sustainability and enhance citizen services by breaking ground on several important projects:
 - Boise Watershed's River Campus
 - Dixie Drain Phosphorus Offset Project
 - Bown Crossing Library
 - Esther Simplot Park
 - Garden City to Americana Greenbelt connection
 - James Castle home site
 - Boise Hills Greenup
 - Parking Meter Upgrade

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, 2014. This is the 20th 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 Department of Finance and Administration would like to express appreciation to participating City staff in every department whose dedicated efforts resulted in a timely and successful completion of this year's report.

Sincerely,



Lynda Lowry
CFO & Director of Finance and Administration
City of Boise, Idaho



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

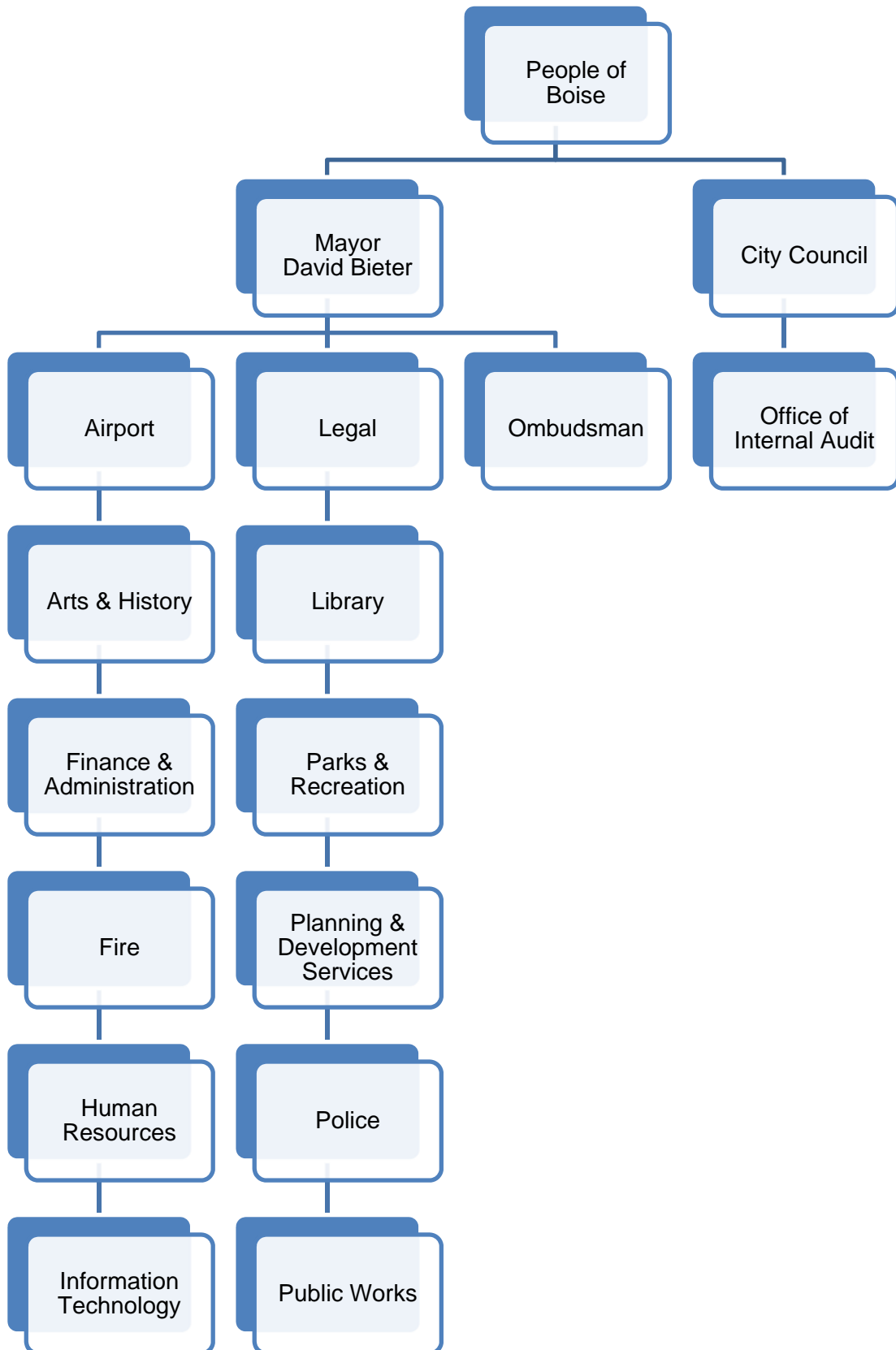
City of Boise
Idaho

For its Comprehensive Annual Financial
Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

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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 town 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 preceding page.

City of Boise
 Names of Principal City Officials as of
 September 30, 2015

<u>Name</u>	<u>Position – Title</u>	<u>Department</u>
David Bieter	Mayor	Executive
Maryanne Jordan	Council member – Council President	Legislative
Elaine Clegg	Council member – Council Pro Tem	Legislative
Scot Ludwig	Council member	Legislative
Lauren McLean	Council member	Legislative
Ben Quintana	Council member	Legislative
TJ Thomson	Council member	Legislative
Jade Riley	Chief of Staff to the Mayor and Council Mayor’s Office	
Garry Beaty	Director	Information and Technology
Kevin Booe	Director	Library
Derick O’Neill	Director	Planning and Development Services
Rob Luce	City Attorney	Legal
Dennis Doan	Chief	Fire
Doug Holloway	Director	Parks and Recreation
William Bones	Chief	Police
Rebecca Hupp	Director	Airport
Shawn Miller	Director	Human Resources
Neal Oldemeyer	Director	Public Works
Lynda Lowry	Director	Finance & Administration
Terri Schorzman	Director	Arts and History

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Independent Auditor's Report

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

Report on the Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 of the City, as of September 30, 2015, and the respective changes in financial position and, where, applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Change in Accounting Principle

As described in Note 1 and Note III M to the financial statements, the City adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of October 1, 2014.

As described in Note 1 and Note III M to the financial statements, during the year ended September 30, 2015, the Boise Bench Sewer District was merged into the City, which resulted in a restatement of net position as of October 1, 2014. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, statement of revenues, expenditures, and changes in fund balances – budget to actual – general fund, statement of revenues, expenditures, and changes in fund balances – budget to actual – special revenue – community and economic development, statement of revenues, expenditures, and changes in fund balances – budget to actual – special revenue – heritage fund, the schedule of employer's share of net pension liability and the schedule of employer contributions, as stated 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 inquiry of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiry, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, schedule of revenues, expenses – airport fund and schedule of passenger facility charges 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 Organization*, and is also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules, schedule of revenues, expenses – airport fund and schedule of passenger facility charges 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budget to actual statements, schedule of revenues, expenses – airport fund and schedule of passenger facility charges and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 03, 2016 on our consideration of City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City’s internal control over financial reporting and compliance

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

Boise, Idaho
March 03, 2016

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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, 2015. 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 and deferred outflow of resources of the City exceeded its liabilities and deferred inflow of resources as of September 30, 2015, by \$769,424. Of this amount, an unrestricted net position of \$126,993 may be used to meet the City's on-going obligations to citizens and creditors.

- Total net position decreased by \$1,314 by the end of the FY. Of this amount, a decrease of \$10,084 was associated with governmental activities and an increase of \$8,770 with business-type activities.
- As of the close of the FY, the City's governmental funds reported combined ending fund balance of \$107,964; an increase of \$28,413 in comparison with the prior year. Of the former amount, \$8,935 was in nonspendable form, \$16,744 is restricted, \$2,018 is committed, \$52,693 is assigned and \$27,574 is unassigned.
- At the end of the FY, unassigned fund balance for the General Fund (GF) was \$25,977 or 15.00% of total GF expenditures which were \$173,209.
- The City's total debt obligations (including bonds, notes, Section 108 loan, post-employment benefits and compensated absences, net pension liability and premiums) was \$177,534 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 required supplementary information and 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 Position presents information on all of the City's assets, liabilities, deferred inflows and outflows of resources; with the net difference across the four categories being reported as total net position. Over time, increases or decreases in net position 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 position changed during the most recent FY. All changes in net position 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 business-type activities of the City include the airport, sewer, solid waste and housing activities.

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, deferred inflows and outflows, 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 is 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 Fund and the Foothills Levy Fund. These funds are considered major funds. Data from the other six funds, which are the Capital Projects Fund, Community and Economic Development Special Revenue Fund, Heritage Special Revenue Fund, Dedicated Permanent Fund, Impact Fee Capital Projects Fund, and the Debt Service 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 an annual budget for the General Fund (GF). A budgetary comparison statement has been provided for the GF to demonstrate compliance with the FY 2015 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 position and the proprietary statement of revenues, expense and changes in fund net position 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 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 statements 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 required supplementary information and other supplementary information. The required supplementary information presents The City's schedules required by GASB 68. 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 position may serve over time as a useful indicator of a government's financial position. At September 30, 2015, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$769,424. By far, the largest portion of the City's net position (77.83%) reflects its net investment in capital 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.

Change in accounting principles

In fiscal year 2015, the City adopted the provisions of GASB Statement No. 68: *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71: *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* (GASB 68 and 71). The following tables presented below have not been restated for FY 2014 for the implementation of GASB 68 and 71.

	City of Boise's Net Position					
	Governmental Activities		Business - type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 301,820	\$ 239,043	\$120,512	\$ 120,967	\$ 422,332	\$ 360,010
Capital assets	204,870	197,179	494,914	460,924	699,784	658,103
Total assets	506,690	436,222	615,426	581,891	1,122,116	1,018,113
Deferred Outflow of Resources	23,229	234	4,953	668	28,182	902
Long-term liabilities	95,385	38,845	62,332	49,997	157,717	88,842
Other liabilities	35,912	28,236	19,008	7,922	54,920	36,158
Total liabilities	131,297	67,081	81,340	57,919	212,637	125,000
Deferred Inflow of Resources	162,608	123,277	5,629	-	168,237	123,277
Net position:						
Net investment in capital assets	157,103	169,659	441,429	413,179	598,532	582,838
Restricted, nonexpendable	3,449	3,287	-	-	3,449	3,287
Restricted, expendable	16,318	13,434	24,132	21,185	40,450	34,619
Unrestricted	59,144	59,718	67,849	90,276	126,993	149,994
Total net position	\$ 236,014	\$ 246,098	\$533,410	\$ 524,640	\$ 769,424	\$ 770,738

A portion of the net position (5.26%) represents resources that are subject to external restrictions on how the funds may be utilized. The \$126,993 balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current FY, the City's net position decreased (\$1,314) or (.17%) compared to the prior FY. The implementation of GASB 68 and the merger of Boise Bench Sewer District resulted in a decrease of net position of (\$43,497) or (5.64%). The remaining increase of \$42,183 or 5.47% is a result of positive increases in all three categories of net position for the government as a whole. The City is in an improving financial situation, as assets and deferred outflows of resources are growing faster than liabilities and deferred inflow of resources; leading to an increase in net position excluding GASB 68 and 69 prior period adjustments.

	City of Boise's Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 47,234	\$ 45,733	\$ 95,215	\$ 89,019	\$ 142,449	\$ 134,752
Operating grants and contributions	2,892	1,830	7,685	711	10,577	2,541
Capital grants and contributions	5,700	6,581	11,593	20,562	17,293	27,143
General Revenues:						
Property taxes	125,024	119,740	-	-	125,024	119,740
Other taxes	26,701	25,736	-	-	26,701	25,736
Other	853	514	991	1,392	1,844	1,906
Total revenues	<u>208,404</u>	<u>200,134</u>	<u>115,484</u>	<u>111,684</u>	<u>323,888</u>	<u>311,818</u>
Expenses:						
General Government	29,662	27,964	-	-	29,662	27,964
Fire	39,322	46,418	-	-	39,322	46,418
Police	47,108	48,666	-	-	47,108	48,666
Parks and Recreation	26,292	25,600	-	-	26,292	25,600
Culture	10,053	10,092	-	-	10,053	10,092
Community Services	21,076	21,124	-	-	21,076	21,124
Community Development	3,353	228	-	-	3,353	228
Interest and fiscal charges	1,283	1,273	-	-	1,283	1,273
Airport	-	-	34,369	31,597	34,369	31,597
Sewer	-	-	34,796	33,872	34,796	33,872
Solid Waste	-	-	30,852	25,085	30,852	25,085
Other	-	-	3,539	4,376	3,539	4,376
Total expenses	<u>178,149</u>	<u>181,365</u>	<u>103,556</u>	<u>94,930</u>	<u>281,705</u>	<u>276,295</u>
Increase in net position before transfers	30,255	18,769	11,928	16,754	42,183	35,523
Net Transfers	(124)	(110)	124	110	-	-
Increase in net position	<u>30,131</u>	<u>18,659</u>	<u>12,052</u>	<u>16,864</u>	<u>42,183</u>	<u>35,523</u>
Net Position - beginning, previously stated	246,098	227,439	524,640	507,776	770,738	735,215
Plus prior period adjustment at September 30, 2014 - GASB 68 & 71	(40,215)	-	(3,282)	-	(43,497)	-
Net Position - Beginning, as restated	<u>205,883</u>	<u>227,439</u>	<u>521,358</u>	<u>507,776</u>	<u>727,241</u>	<u>735,215</u>
Net Position - Ending	<u>\$ 236,014</u>	<u>\$ 246,098</u>	<u>\$ 533,410</u>	<u>\$ 524,640</u>	<u>\$ 769,424</u>	<u>\$ 770,738</u>

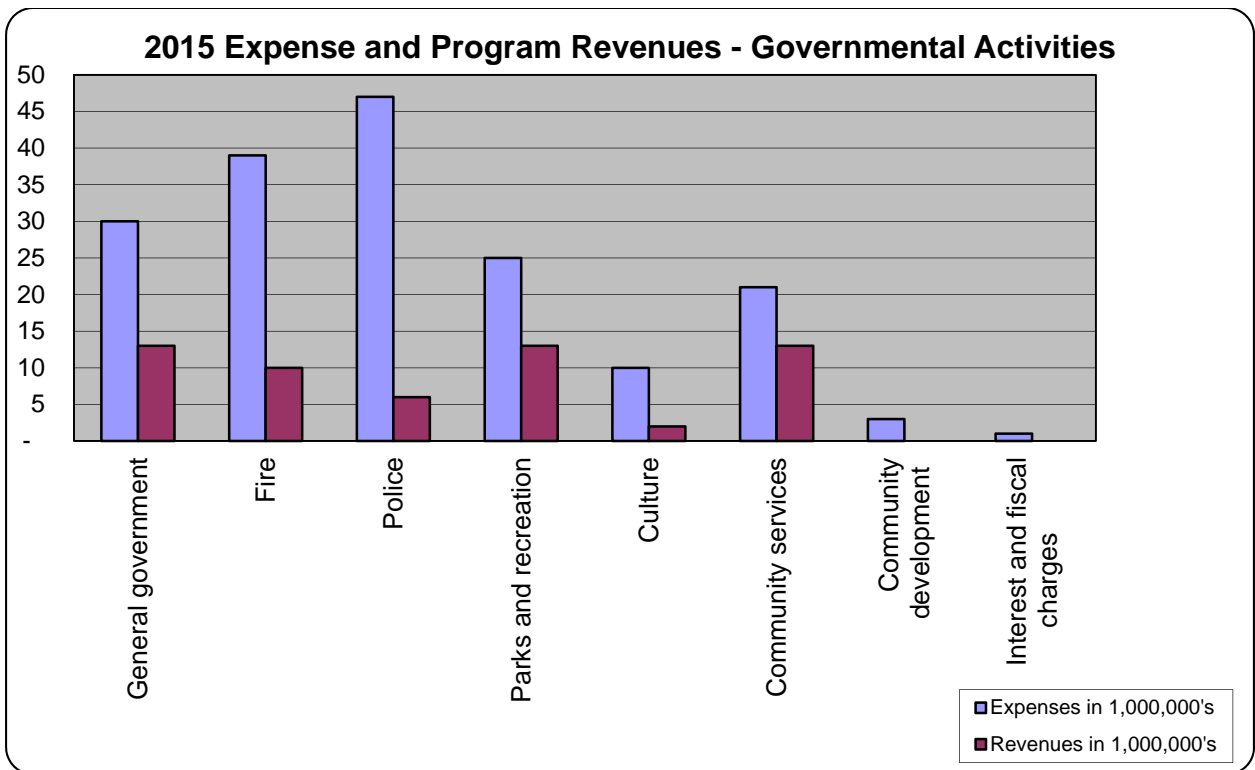
Governmental activities in FY 2015 Governmental activities in FY 2015 increased the City's net position by \$30,131. This increase accounted for 71.4% of the total increase in net position, after transfers were taken into account. The key elements of this increase were as follows:

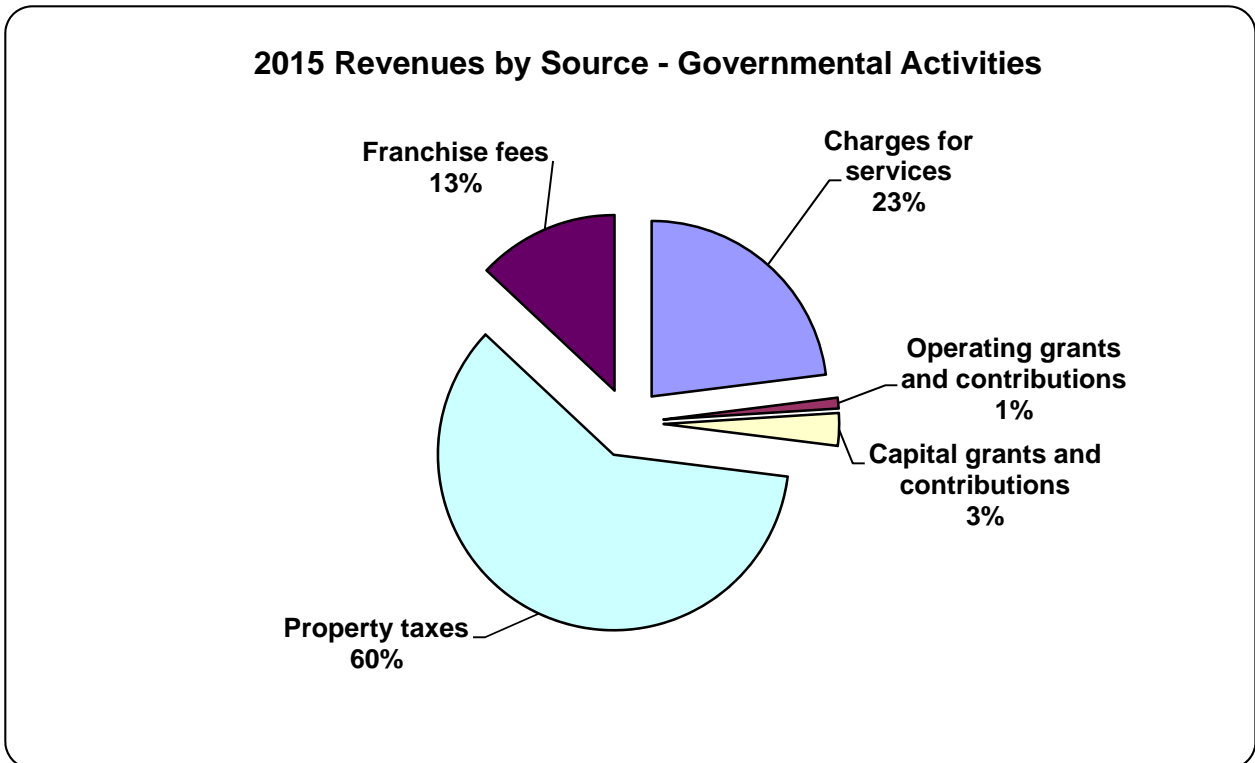
Total revenues increased by \$8,270 or 4.13% compared to FY 2014 on a gross basis. This increase is primarily due to the following increases: General Revenues (property and other taxes) of \$6,249, Charges for Services of \$1,501, Operating Grants and Contributions of \$1,062 and Other of \$339. A decrease was exhibited in the following category: Capital Grants and Contributions of \$881 in comparison to the prior year.

Consistent with prior years, the City took the 3% statutorily allowed property tax increase during the FY and experienced an increase in net construction which both contributed to increased general revenues.

Community services exhibited increases in charges for services compared to the prior FY. The increases are primarily a result in permit fees.

Expenses during the fiscal year decreased on a net basis by \$3,216 or (1.77%) in comparison to the prior fiscal year. Decreases of expenses in fire (\$7,096) of which approximately \$3,650 is due to a decrease in contributions to the fire retirement fund, and police (\$1,558) were offset with increases in community development \$3,125, general government \$1,698, and parks and recreation \$692.





Business-type activities in FY 2015 Business-type activities in FY 2015 increased the City's net position by \$12,052; accounting for 28.6% of the total net position growth. Key elements of the increase are as follows:

- Program revenues increased on a net basis by \$4,201 (3.81%) as compared to FY 2014. Increases in program revenues were exhibited in the following categories: \$6,196 in Charges for Services and \$6,974 in Operating Grants and Contributions. Capital Grants and contributions decreased by (\$8,969).

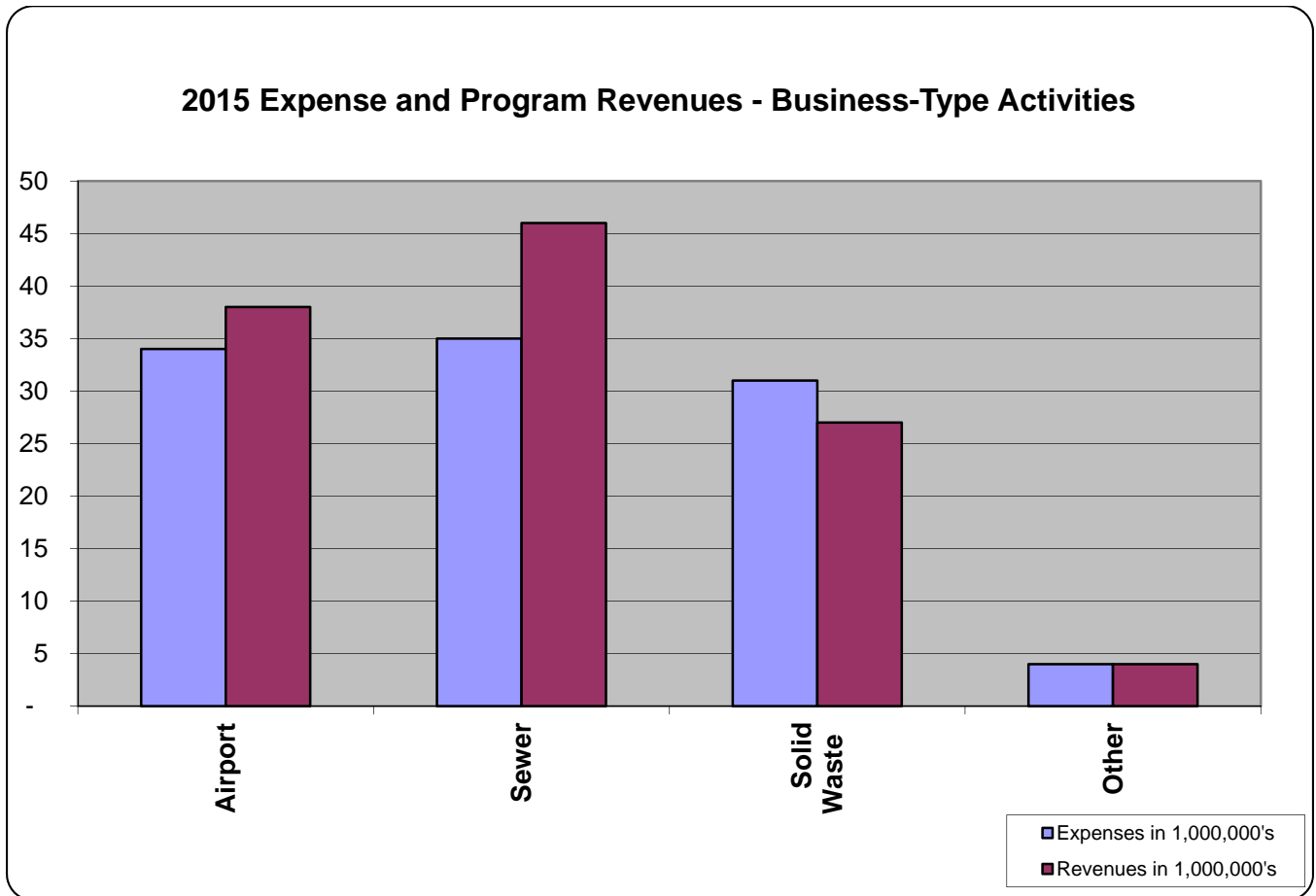
Charges for Services Breakdown: Charges for Services increased \$1,009 for the Sewer Fund, \$742 for the Solid Waste Fund, \$2,729 for the Airport Fund and decreased (\$366) for Other funds. The increases in Sewer and Solid Waste Funds were due principally to planned and approved rate increases and increased customer activity. The increase in Airport revenue is primarily due to increase in passenger activity which resulted in higher parking revenue, car rental concessions fees and retail/food concessions fees.

Capital Grants and Contributions Breakdown: Capital Grants and Contributions increased for the Sewer Fund by \$1,821 and decreased by (\$2,027) for Airport and (\$104) for Other funds. Changes in this revenue category for Sewer were principally due to an improved economic environment resulting in greater commercial and residential construction activity and increased connection fees. Capital grant revenues for Airport are based on reimbursable expenses and grants carryover from one year to the next if not spent. A higher amount of costs were incurred in FY 2014 compared to FY 2015. In FY 2015, the Airport grants were dedicated to the upgrade of the security system and purchase of new snow removal equipment. Most of the eligible reimbursable costs for these two projects will be incurred in FY 2016.

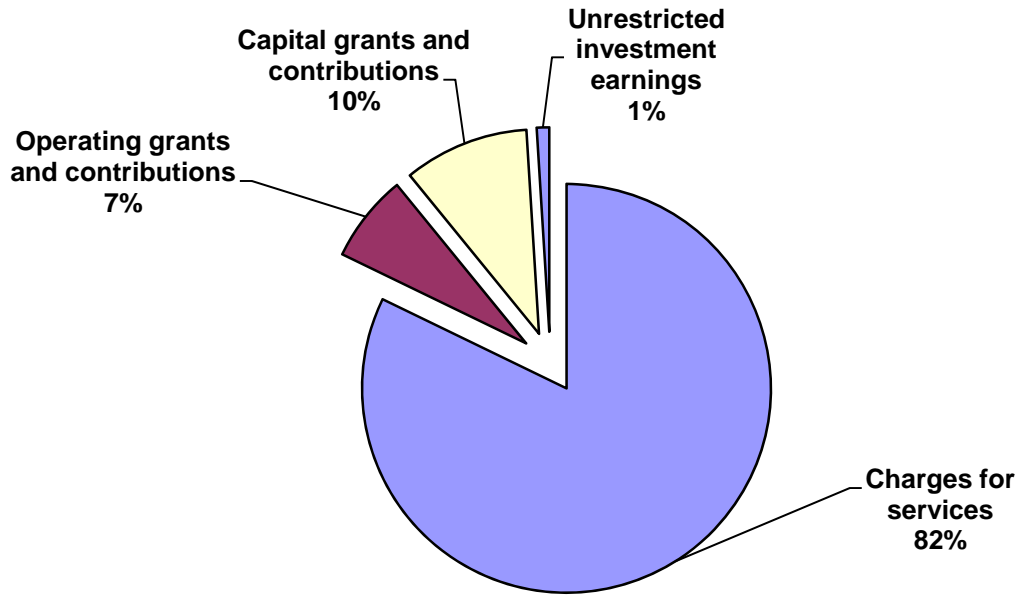
Operating Grants and Contributions Breakdown: Operating Grants and Contributions increased \$473 for the Airport Fund, \$15 for the Solid Waste Fund and decreased (\$105) for the Sewer Fund.

Total expenses for business-type activities increased by \$8,626 (9.1%), as compared to the prior year. The following funds had increases in expenses: \$577 for Sewer and \$5,767 for Solid Waste and \$2,207 for Airport. Other funds had a decrease of (\$743).

The Sewer fund experienced increased expenses in chemical costs for treatment plants, NPDES permit compliance and repairs and maintenance associated with phosphorus removal projects. The Solid Waste fund experienced increased landfill and transfer station costs during the FY and completed environmental remediation at a City construction site. The Airport Fund operating expenses increase was due to higher asset write-offs and depreciation expenses charges in addition to higher personnel and chemical expenses (for maintaining runways and taxiways during inclement weather).



2015 Revenues by Source - Business-Type Activities



Governmental Fund Balance Comparison

	2015	2014
Nonspendable		
Inventory	\$ 607	\$ 697
Prepaid items	1,126	885
Advances - long term	2,715	242
Property held for resale	4,487	4,487
Restricted, nonexpendable, for		
Permanent fund principal	3,449	3,287
Restricted, expendable, for		
Drug enforcement	885	802
IOLS consortium	653	592
Library gift funds	288	346
Impact fees project	8,963	6,721
Heritage funds	1,914	1,173
Debt service - CID	592	451
Foothills levy	1,597	1,800
Committed to		
Homelessness prevention	2,018	2,000
Assigned to		
General government	4,713	8,101
Fire	695	912
Police	2,231	1,923
Parks and recreation	2,707	3,227
Culture	8,710	3,354
Community projects	4,708	10,023
Debt service and post retirement benefits	28,433	10,257
Community and economic development	496	523
Unassigned	25,977	17,748
 Total fund balance	 \$ 107,964	 \$ 79,551

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

Governmental Funds in FY 2015 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, 2015, the City's governmental funds reported a combined ending fund balance of \$107,964, which is a \$28,413 increase over the prior year. Governmental funds report fund balance in non-spendable and spendable classifications. Nonspendable and Restricted Nonexpendable fund balances represent resources that cannot be spent due to their existing nature or restrictions imposed by external third parties. Governmental fund balance that is available for spending is disclosed in four reporting categories: Restricted Expendable, Committed, Assigned, and Unassigned. Restricted Expendable 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 resources with an intended use and Unassigned Fund Balance represents resources that have not been classified in one of the aforementioned. Balances in these categories at the end of FY: Nonspendable of \$8,935, Restricted Nonexpendable of \$3,449, Restricted Expendable of \$14,892, Committed of \$2,018, Assigned of \$52,693, and Unassigned of \$25,977.

- Within the Nonspendable Fund Balance category, \$4,487 is associated with property held for resale. The remaining \$4,448 is composed of inventory, prepaid items, and non-current receivables.
- The Nonexpendable Fund Balance category is composed of \$3,449 of permanent capital that must be preserved for perpetual care (cemetery) purposes.
- Within the Restricted Fund Balance category, \$8,963 is restricted for Impact Fees. Heritage projects and Foothills Conservation account for \$1,914 and \$1,597, respectively; \$941 is related to Library IOLS/Gift restrictions. Finally, \$885 and \$592 are restricted for drug enforcement initiatives and debt service reserves, respectively. Net Restricted balances increased by \$3,007 in comparison to FY 2014 principally due to revenues exceeding expenditures for Impact Fees and Heritage projects.
- The entirety of the Committed Fund Balance of \$2,018 is dedicated to homelessness prevention. The Neighbors In Need initiative was established in 2008 by Mayor Bieter and City Council members as an ongoing revenue source to support solutions to homelessness.
- As stated previously, Assigned Fund Balance represents funds with an intended use. At the end of FY, the City has made the following assignments: \$28,433 in debt service/postretirement benefits, \$8,710 for culture, \$4,708 for community services, \$4,713 for general government, \$2,707 for parks and recreation, \$2,231 for police, \$695 for fire and \$496 for community and economic development.
- The remaining \$27,574 of fund balance 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 – Revenue & Expenditure Analysis (YOY)

General Fund Revenues: The General Fund (GF) is the City's primary operating fund. Fund balance in the City's GF increased by \$3,871; as compared to the prior fiscal year.

- Revenues increased by \$7,407 due to greater growth, annexation, developmental activity, fines, fees and sales tax receipts. Specific increases were evident in the following categories: \$4,634 increase in property taxes, a \$1,180 increase in licenses and permits, and a \$1,047 increase in charges for services.

General Fund Expenditures: Expenditures increased by \$4,405; as compared to the prior fiscal year. Expenditure increases were exhibited in the following functional areas: \$2,169 for general government, \$1,932 for police, \$1,090 for parks and recreation, \$729 for community services, and \$471 for capital outlay. In comparison to the prior fiscal year, decreases of (\$1,895) and (\$91) were exhibited in fire and culture, respectively.

General Fund (GF) Budgetary Highlights in FY 2015

GF Revenues: The final General Fund revenue budget was increased by \$1,288 versus the originally adopted budget principally due to an upward revenue revision of \$1,161 for intergovernmental, primarily due to grants received during the fiscal year.

GF Expenditures: The final General Fund expenditure budget was \$8,383 more than the originally adopted budget. This difference was principally due to rebudgeted and encumbered expenditures carried forward from FY 2014 into the current FY based on planned use of unassigned fund balance.

Final budgeted revenues fell short of final budgeted expenditures in the GF by (\$916) due to planned use of unassigned fund balance. During the FY, actual revenues exceeded actual expenditures by \$22,921. The final net budget to actual variances of \$6,762 (favorable) in revenues and \$17,075 (favorable) in expenditures can be summarized as follows:

Analysis of GF Favorable Revenue variances – Budget to Actual

- Licenses and permits, charges for services, intergovernmental revenues exceeded budgetary estimates by \$2,654, \$2,148 and \$1,724, respectively.
- Each of the mentioned categories is a result of the continued improvement in the economic environment. Licenses and permits revenues exceeded budget due to a continued improvement in the construction environment coupled with a conservative budget estimate to minimize offsetting increases to base expenditures. Revenue from charges for services exceeded the budgetary estimate due to rate increases and increased participation in parks and recreation programs (\$539), public safety contracts (\$397), and development fees (\$1,100). The budgetary differences in intergovernmental revenue are the actuals exceeding budget in sales tax revenue (\$2,147), and liquor tax (\$358), offset by the budgetary short fall in grants (\$781).
- Property tax revenue exceeded budgetary estimates by \$221 due to the collection of delinquent property tax collections. This is consistent with prior years.

Analysis of GF Favorable Expenditure variances – Budget to Actual

During the fiscal year, all functional categories experienced favorable budgetary variances. Total General Fund actual expenditures were \$17,075 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 lower than budgetary estimates by \$7,497 for the fiscal year. This variance is explained by a combination of multi-year professional services contracts, various M&O account savings and unused contingency accounts.
- Community services and culture expenditures were lower than budgetary estimates by \$2,443 and \$1,331, respectively. Community services expenditures were lower due to the timing of expenses related to multiyear programs, where the savings were re-budgeted to FY16. Culture budgetary savings occurred in Library, predominately due to lower M&O expenditures. The Library Department continues to build base operating savings in preparation for the addition of a new library in Bown Crossing.
- Fire, Police and parks and recreation were under their budgetary estimates by \$3,431, \$1,779, and \$474, respectively. Similar to the prior FY, Fire incurred savings that were principally due to ongoing programs that were budgeted into FY 2016 and personnel savings resulting from vacant positions. Police experienced budgetary savings due to planned program savings along with budgetary savings among various M&O accounts. Parks experienced budgetary savings in M&O predominately due to timing of expenditures which were partially offset by a budgetary shortfall in personnel due to the increased need for temporary employees.

Encumbrances for contractual obligations that could not be completed during the fiscal year were \$774; whereas expenditures amounts to be rebudgeted (net of revenues and existing revenues) into the subsequent year totaled \$3,458.

Capital Asset and Debt Administration

Capital assets in FY 2015 The City's investment in capital assets for its governmental and business-type activities at September 30, 2015, amounted to \$699,784 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, service lines, automobiles and equipment, streetlights and public art. City sidewalks, bridges, and roads belong to the Ada County Highway District. For FY 2015, the City's investment in capital assets increased 6.33% in comparison to the prior year. Of this percentage, business-type activities accounted for most of the increase. Additional information on the City's capital assets can be found in Footnote IV. D.

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

Governmental Activities

- \$3,944 – Vehicle Purchases
- \$3,407 – Park Improvements
- \$2,353 – City Hall Remodel
- \$1,205 – Land Acquisitions

Business-Type Activities

- \$9,508 – Public Works EPA NPDES Compliance
- \$5,490 – Public Works Dixie Drain Phosphorus Offset Project
- \$5,393 – Airport Runway and Taxiway Rehabilitations
- \$3,279 – Public Works Sewer Line Replacement
- \$18,500 – Airport SkyWest Hanger

Long-term debt in FY 2015 At FY end, the City had \$102,009 in outstanding debt consisting of revenue bonds, capital leases, special assessment bonds/notes, and installment loans. This amount does not include compensated absence accruals, or bond premiums. All of the debt was secured by specific revenue or property tax sources.

City of Boise's Outstanding Debt

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenue Bonds	\$ 22,262	\$ 23,264	\$ 54,039	\$ 47,325	\$ 76,301	\$ 70,589
Capital Leases	888	-	-	-	888	-
Other LT Debt	24,540	4,205	-	-	24,540	4,205
Installment Loans	-	-	280	420	280	420
Total	\$47,690	\$27,469	\$54,319	\$47,745	\$102,009	\$75,214

The City's debt in bonds, capital leases, other debt, and loans increased \$26,795 by the end of FY 2015 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 as a component in the process of developing the annual operating and capital budget. The assumptions in the analysis are reviewed with the City Council as background for decisions on revenue projections and cost allocations. Periodic reports are transmitted to the City Council providing actual information relative to these projections. The following were taken into consideration by the City Council when it adopted the forecast for use in reviewing and approving the first half of the FY 2016 Budget:

- As of September 2015, total employment for Boise was 114,000 resulting in an unadjusted unemployment rate of 2.6%.
- The City provided for a 3.0% average base compensation increase for general employees for FY 2015 in addition to 1.25% that has been budgeted for discretionary goal achievement purposes.
- The City has considered the current economic trends while working with the FY 2016 budget. Presently, the City is determining whether the increased revenue trends exhibited during the fiscal year can be incorporated as base amounts for the new FY 2017 budgetary cycle.

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.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 13,231	\$ 6,448	\$ 19,679
Investments	84,559	65,909	150,468
Restricted cash and investments	18,696	20,455	39,151
Receivables, net of allowance for uncollectibles			
Taxes receivable	134,307	-	134,307
Accounts and interest	7,772	8,717	16,489
Grants	434	1,914	2,348
Assessments	16	1,902	1,918
Intergovernmental receivable	15,819	430	16,249
Interfund balances	(1,241)	1,241	-
Inventory	607	2,539	3,146
Prepaid items	3,190	143	3,333
Other investments	-	-	-
Long-term accounts receivable	-	2,663	2,663
Mortgage loans receivable	-	8,047	8,047
Property held for resale	4,487	104	4,591
Net pension asset	19,943	-	19,943
Capital assets, not being depreciated			
Land	74,943	36,559	111,502
Intangible assets	661	478	1,139
Construction in progress	3,726	33,675	37,401
Capital assets, net of accumulated depreciation			
Land and improvements	-	35,258	35,258
Leasehold improvements	517	-	517
Buildings	55,944	185,656	241,600
Improvements other than buildings	36,276	9,972	46,248
Service lines	-	163,350	163,350
Automobiles and trucks	12,534	8,019	20,553
Machinery and equipment	12,420	20,565	32,985
Intangible assets	3,653	727	4,380
Other capital assets	4,196	655	4,851
Total assets	506,690	615,426	1,122,116
Deferred Outflows of Resources			
Pension obligation	23,017	4,399	27,416
Deferred charge on debt refunding	212	554	766
Total deferred outflows of resources	23,229	4,953	28,182

See Notes to Financial Statements

City of Boise, Idaho
Statement of Net Position
September 30, 2015
(In Thousands)

<u>Component Unit</u>	<u>Total Reporting Entity</u>
Capital City Development Corporation	
\$ 19,096	\$ 38,775
-	150,468
3,003	42,154
13,458	147,765
315	16,804
-	2,348
-	1,918
-	16,249
-	-
-	3,146
217	3,550
130	130
-	2,663
-	8,047
4,021	8,612
-	19,943
3,944	115,446
-	1,139
35	37,436
-	35,258
-	517
15,596	257,196
2,600	48,848
-	163,350
-	20,553
47	33,032
-	4,380
-	4,851
62,462	1,184,578
331	27,747
113	879
444	28,626

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	22,872	2,955	25,827
Accrued liabilities	2,318	1,150	3,468
Interest payable	289	-	289
Capital lease payable	-	-	-
Refundable deposits	8	-	8
Interfund payable	7,255	5,929	13,184
Advanced revenue	126	2,611	2,737
Advanced lease payments	-	-	-
Noncurrent liabilities			
Net pension liability	38,161	9,197	47,358
Due within one year	3,044	6,363	9,407
Due in more than one year	57,224	53,135	110,359
Total liabilities	131,297	81,340	212,637
Deferred Inflows of Resources			
Pension obligation	31,383	5,629	37,012
Unavailable property tax	131,225	-	131,225
Total deferred inflows of resources	162,608	5,629	168,237
Net Position			
Net investment in capital assets	157,103	441,429	598,532
Restricted, nonexpendable, for			
Permanent fund principal	3,449	-	3,449
Restricted, expendable, for			
Replacements			
West Boise Sewer District	-	1,542	1,542
Garden City Sewer District	-	1,855	1,855
Debt service	-	1,624	1,624
Loans	-	280	280
Heritage funds	1,914	-	1,914
Capital expansion	12,807	18,831	31,638
Foothills levy	1,597	-	1,597
Unrestricted	59,144	67,849	126,993
Total net position	\$ 236,014	\$ 533,410	\$ 769,424

See Notes to Financial Statements

City of Boise, Idaho
Statement of Net Position
September 30, 2015
(In Thousands)

<u>Component Unit</u>	<u>Total Reporting Entity</u>
Capital City Development Corporation	
602	26,429
88	3,556
68	357
5	5
30	38
-	13,184
15	2,752
738	738
476	47,834
1,660	11,067
<u>16,260</u>	<u>126,619</u>
<u>19,942</u>	<u>232,579</u>
307	37,319
<u>13,458</u>	<u>144,683</u>
<u>13,765</u>	<u>182,002</u>
16,052	614,584
-	3,449
-	1,542
-	1,855
12,059	13,683
-	280
-	1,914
-	31,638
-	1,597
<u>1,088</u>	<u>128,081</u>
<u>\$ 29,199</u>	<u>\$ 798,623</u>

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 29,662	\$ 11,616	\$ -	\$ 1,026
Fire	39,322	8,280	284	993
Police	47,108	5,666	489	297
Parks and recreation	26,292	8,422	1,218	2,949
Culture	10,053	569	785	151
Community services	21,076	12,507	116	284
Community and economic development	3,353	174	-	-
Interest and fiscal charges	1,283	-	-	-
Total governmental activities	<u>178,149</u>	<u>47,234</u>	<u>2,892</u>	<u>5,700</u>
Business-type activities				
Airport	34,369	27,092	994	9,656
Sewer	34,796	37,281	50	8,508
Solid Waste	30,852	26,675	50	-
Other	3,539	4,167	-	20
Total business-type activities	<u>103,556</u>	<u>95,215</u>	<u>1,094</u>	<u>18,184</u>
Total primary government	<u>\$ 281,705</u>	<u>\$ 142,449</u>	<u>\$ 3,986</u>	<u>\$ 23,884</u>

Component unit:
 Capital City Development Corporation
 Total component unit

General revenues

Taxes

 Property taxes, levied for general purposes
 Property taxes, levied for debt service
 Franchises, based on gross receipts
 Liquor, based on gross receipts
 Sales tax, based on gross receipts

Gain on disposal of assets

Unrestricted investment earnings

Interfund transfers, net

 Total general revenues and transfers

Change in Net Position

Net Position - Beginning of Year, As Restated

Net Position - End of Year

City of Boise, Idaho
Statement of Activities
Year Ended September 30, 2015
(In Thousands)

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	Capital City Development Corporation	Total Reporting Entity
\$ (17,020)	\$ -	\$ (17,020)	\$ -	\$ (17,020)
(29,765)	-	(29,765)	-	(29,765)
(40,656)	-	(40,656)	-	(40,656)
(13,703)	-	(13,703)	-	(13,703)
(8,548)	-	(8,548)	-	(8,548)
(8,169)	-	(8,169)	-	(8,169)
(3,179)	-	(3,179)	-	(3,179)
(1,283)	-	(1,283)	-	(1,283)
(122,323)	-	(122,323)	-	(122,323)
-	3,373	3,373	-	3,373
-	11,043	11,043	-	11,043
-	(4,127)	(4,127)	-	(4,127)
-	648	648	-	648
-	10,937	10,937	-	10,937
(122,323)	10,937	(111,386)	-	(111,386)
			(7,713)	(7,713)
			(7,713)	(7,713)
124,632	-	124,632	11,827	136,459
392	-	392	-	392
8,107	-	8,107	-	8,107
3,447	-	3,447	-	3,447
15,147	-	15,147	-	15,147
13	(698)	(685)	-	(685)
840	1,689	2,529	11	2,540
(124)	124	-	-	-
152,454	1,115	153,569	11,838	165,407
30,131	12,052	42,183	4,125	46,308
205,883	521,358	727,241	25,074	752,315
\$ 236,014	\$ 533,410	\$ 769,424	\$ 29,199	\$ 798,623

City of Boise, Idaho
Balance Sheet – Governmental Funds
September 30, 2015
(In Thousands)

	General	Foothills Levy	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 13,132	\$ 13,132
Investments	56,428	1,597	16,027	74,052
Receivables, net				
Taxes receivable	133,705	-	602	134,307
Accounts and interest	6,725	-	1,027	7,752
Grants	241	-	193	434
Assessments	16	-	-	16
Due from other governmental units	3,089	-	12,730	15,819
Inventory	607	-	-	607
Prepaid items	1,126	-	1,603	2,729
Restricted cash and investments	-	-	18,696	18,696
Property held for resale	-	-	4,487	4,487
Total assets	\$ 201,937	\$ 1,597	\$ 68,497	\$ 272,031
Liabilities				
Accounts payable	\$ 22,698	\$ -	\$ 164	\$ 22,862
Due to other funds	6,225	-	422	6,647
Unavailable revenue	397	-	173	570
Deposits	8	-	-	8
Total liabilities	29,328	-	759	30,087
Deferred Inflows of Resources				
Unavailable property taxes	133,378	-	602	133,980
Fund Balances				
Nonspendable				
Inventory	607	-	-	607
Prepaid items	1,126	-	-	1,126
Advances - long term	2,715	-	-	2,715
Property held for resale	-	-	4,487	4,487
Permanent fund principal	-	-	3,449	3,449
Restricted, expendable, for				
Drug enforcement	885	-	-	885
IOLS consortium	653	-	-	653
Library gift funds	288	-	-	288
Impact fees project	41	-	8,922	8,963
Heritage funds	-	-	1,914	1,914
Debt service - CID	-	-	592	592
Foothills levy	-	1,597	-	1,597
Committed to				
Homelessness prevention	2,018	-	-	2,018
Assigned to				
General government	2,209	-	2,504	4,713
Fire	273	-	422	695
Police	87	-	2,144	2,231
Parks and recreation	596	-	2,111	2,707
Culture	-	-	8,710	8,710
Community services	1,756	-	2,952	4,708
Debt service and post retirement benefits	-	-	28,433	28,433
Community and economic development	-	-	496	496
Unassigned	25,977	-	-	25,977
Total fund balances	39,231	1,597	67,136	107,964
Total liabilities, deferred inflow of resources and fund balances	\$ 201,937	\$ 1,597	\$ 68,497	\$ 272,031

See Notes to Financial Statements

City of Boise, Idaho
 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
 September 30, 2015
 (In Thousands)

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

Total fund balances - total governmental funds	\$	107,964
Other Post Employment Benefits (OPEB) not recorded in the fund		(6,593)
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.		204,383
<p>Internal service funds are used to charge the costs of certain activities, such as insurance, automotive equipment, and plant material and trees, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.</p>		
Unrestricted internal service funds		6,915
Net investment in capital assets		487
Internal service due from other funds		<u>(1,241)</u>
		6,161
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 unavailable revenue in the funds.		3,325
Prepaid rent from Whitney Fire District		(126)
Prepaid fiber optic lease		<u>348</u>
		222
<p>Other long-term assets or liabilities are not available to pay for current period expenditures and therefore are deferred in the funds:</p>		
Deferred outflow of resources		22,706
Deferred inflow of resources		(31,009)
Net pension asset, fire plan		19,943
Net pension liability, base plan		<u>(37,526)</u>
		(25,886)
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Accrued interest		(289)
Bonds payable		(42,610)
Special assessments		(3,795)
Deferred amount of refunding		212
Bond premium		(397)
Capital lease		(888)
Compensated absences		<u>(5,795)</u>
		<u>(53,562)</u>
Net position of governmental activities	\$	<u><u>236,014</u></u>

City of Boise, Idaho
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended September 30, 2015
(In Thousands)

	General	Foothills Levy	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property taxes, levied for general purposes	\$ 123,954	\$ -	\$ 174	\$ 124,128
Property taxes, levied for debt service	-	-	392	392
Franchise fees	5,019	-	3,088	8,107
Licenses and permits	7,434	-	-	7,434
Impact fees	-	-	3,332	3,332
Intergovernmental revenues	19,416	-	1,067	20,483
Charges for services	34,820	-	138	34,958
Developer reimbursements	-	-	486	486
Fines and forfeitures	2,921	-	-	2,921
Donations	413	-	1,652	2,065
Investment income	379	4	373	756
Miscellaneous revenues	1,774	-	45	1,819
Total revenues	<u>196,130</u>	<u>4</u>	<u>10,747</u>	<u>206,881</u>
Expenditures				
General government	26,912	-	2,236	29,148
Fire	42,480	-	-	42,480
Police	49,232	-	89	49,321
Parks and recreation	22,801	-	604	23,405
Culture	9,722	-	69	9,791
Community services	21,092	-	132	21,224
Community and economic development	-	-	3,554	3,554
Capital outlay	970	309	17,402	18,681
Debt service				
Bond issuance costs	-	-	206	206
Principal payments	-	-	1,318	1,318
Interest and fiscal charges	-	-	1,173	1,173
Total expenditures	<u>173,209</u>	<u>309</u>	<u>26,783</u>	<u>200,301</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>22,921</u>	<u>(305)</u>	<u>(16,036)</u>	<u>6,580</u>
Other Financing Sources (Uses)				
Interfund transfers in	1,895	-	22,234	24,129
Interfund transfers out	(21,122)	-	(3,131)	(24,253)
Proceeds from sale of fixed assets	177	-	-	177
Bond proceeds	-	-	21,780	21,780
Total other financing sources (uses)	<u>(19,050)</u>	<u>-</u>	<u>40,883</u>	<u>21,833</u>
Net Change in Fund Balances	3,871	(305)	24,847	28,413
Fund Balance - Beginning of Year	<u>35,360</u>	<u>1,902</u>	<u>42,289</u>	<u>79,551</u>
Fund Balance - End of Year	<u>\$ 39,231</u>	<u>\$ 1,597</u>	<u>\$ 67,136</u>	<u>\$ 107,964</u>

City of Boise, Idaho
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
 Funds to the Statement of Activities
 Year Ended September 30, 2015
 (In Thousands)

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

Net change in fund balances - total governmental funds	\$	28,413
Other Post Employment Benefits (OPEB) are not recorded in the fund balance but are included in the government-wide change in net position due to governmental activities.		(624)
Net revenues of certain internal service funds is included within governmental activities.		953
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 unavailable revenue in the funds. The amount represents the net change in unavailable revenue.		504
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 amount is the amount by which capital outlay (\$18,448) exceeded depreciation (\$11,434) in the current period.		7,014
The net effect of various transactions involving capital assets (i.e., sales and donations) is to increase net position.		
Donation of capital assets	559	
Proceeds from sale of capital assets	177	
Gain on sale of capital assets	<u>13</u>	749
The net effect of various transactions involving long-term leases is to decrease net position.		
Whitney unavailable rent	8	
Fiber optic lease	<u>(54)</u>	(46)
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	545	
CID long term debt interest	(43)	
Amortization of bond premium	42	
Amortization of deferred charge on refunding	(22)	
Refunding 2011A current interest	<u>(246)</u>	276
Net pension expense		13,596

City of Boise, Idaho
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
 Funds to the Statement of Activities
 Year Ended September 30, 2015
 (In Thousands)

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 position. Also, governmental funds report the effect of 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.

CID long term debt payments	410	
Revenue refunding 2011 debt payment	960	
Fire Truck Lease	(888)	
GO Bond series 2015	(17,000)	
Series 2015a bond	(158)	
Series 2015b bond	(3,587)	(20,263)
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.		(441)
Change in net position of governmental activities		\$ 30,131

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	Enterprise Funds		
	Airport	Sewer	Solid Waste
Assets			
Current assets			
Cash and cash equivalents	\$ 5,862	\$ -	\$ -
Investments	24,156	36,100	2,203
Receivables, net			
Accounts and interest	1,601	5,004	1,783
Grants	1,709	-	-
Assessments	-	1,897	-
Inventory	571	1,696	-
Prepaid items	18	125	-
Total current assets	<u>33,917</u>	<u>44,822</u>	<u>3,986</u>
Noncurrent assets			
Restricted cash and investments	20,455	-	-
Interfund receivables	40	-	390
Long-term accounts receivable	2,049	-	-
Mortgage loans receivable	-	-	-
Property held for resale	-	-	-
Capital assets, not being depreciated			
Land	18,879	14,331	-
Intangible assets	-	469	-
Construction in progress	1,506	31,450	-
Capital assets, being depreciated			
Land improvements	81,844	-	-
Buildings	156,036	136,799	-
Improvements other than buildings	32,468	8,859	-
Service lines	-	211,949	-
Automobiles and trucks	8,986	11,489	241
Machinery and equipment	24,057	48,387	259
Intangible assets	396	1,892	-
Other capital assets	599	302	26
Less accumulated depreciation	<u>(149,476)</u>	<u>(164,542)</u>	<u>(333)</u>
Capital assets, net	<u>175,295</u>	<u>301,385</u>	<u>193</u>
Total noncurrent assets	<u>197,839</u>	<u>301,385</u>	<u>583</u>
Total assets	<u>231,756</u>	<u>346,207</u>	<u>4,569</u>
Deferred Outflows of Resources			
Deferred charge on debt refunding	390	164	-
Pension obligation	1,346	2,767	68

See Notes to Financial Statements

City of Boise, Idaho
Statement of Net Position – Proprietary Funds
September 30, 2015
(In Thousands)

Enterprise Funds		Governmental Activities	
Other Nonmajor Business - type Funds	Totals	Internal Service Funds	
\$ 586	\$ 6,448	\$ 99	
3,450	65,909	10,507	
329	8,717	20	
205	1,914	-	
5	1,902	-	
272	2,539	-	
-	143	113	
4,847	87,572	10,739	
-	20,455	-	
-	430	-	
614	2,663	-	
8,047	8,047	-	
104	104	-	
3,349	36,559	-	
9	478	-	
719	33,675	-	
-	81,844	-	
13,771	306,606	1,215	
2,343	43,670	84	
8,595	220,544	-	
118	20,834	653	
785	73,488	175	
28	2,316	117	
-	927	-	
(11,676)	(326,027)	(1,757)	
18,041	494,914	487	
26,806	526,613	487	
31,653	614,185	11,226	
-	554	-	
218	4,399	311	

	Enterprise Funds		
	Airport	Sewer	Solid Waste
Liabilities			
Current liabilities			
Accounts payable	706	901	1,260
Other accrued liabilities	158	244	643
Compensated absences	12	33	1
Unearned revenue	245	996	605
Interfund payables	2,518	2,066	1,050
Current portion of long-term debt	4,175	2,000	-
Total current liabilities	<u>7,814</u>	<u>6,240</u>	<u>3,559</u>
Noncurrent liabilities			
Compensated absences and other post employment benefits	651	1,812	48
Net pension liability	2,831	5,757	149
Interfund payables	-	-	2,500
Bonds payable	38,956	8,908	-
Total noncurrent liabilities	<u>42,438</u>	<u>16,477</u>	<u>2,697</u>
Total liabilities	<u>50,252</u>	<u>22,717</u>	<u>6,256</u>
Deferred Inflows of Resources			
Pension obligation	1,749	3,499	96
Net Position			
Net investment in capital assets	132,554	290,641	193
Restricted for replacements			
West Boise Sewer District	-	1,542	-
Garden City Sewer District	-	1,855	-
Restricted for debt	1,624	-	-
Restricted for loans	-	-	-
Restricted for capital expansion	18,831	-	-
Unrestricted	28,482	28,884	(1,908)
Total net position	<u>\$ 181,491</u>	<u>\$ 322,922</u>	<u>\$ (1,715)</u>

See Notes to Financial Statements

City of Boise, Idaho
Statement of Net Position – Proprietary Funds
September 30, 2015
(In Thousands)

Enterprise Funds		Governmental
Other Nonmajor Business - type Funds	Totals	Activities Internal Service Funds
88	2,955	10
105	1,150	2,386
2	48	2
765	2,611	-
295	5,929	606
140	6,315	-
<u>1,395</u>	<u>19,008</u>	<u>3,004</u>
120	2,631	122
460	9,197	635
-	2,500	-
140	48,004	-
<u>720</u>	<u>62,332</u>	<u>757</u>
<u>2,115</u>	<u>81,340</u>	<u>3,761</u>
285	5,629	374
18,041	441,429	487
-	1,542	-
-	1,855	-
-	1,624	-
280	280	-
-	18,831	-
<u>11,150</u>	<u>66,608</u>	<u>6,915</u>
<u>\$ 29,471</u>	<u>\$ 532,169</u>	<u>\$ 7,402</u>

City of Boise, Idaho
Reconciliation of the Proprietary Funds Statement of Net Position to the Statement of Net Position
September 30, 2015
(In Thousands)

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

Total net position for proprietary fund statement of net position:	\$ 532,169
The assets and liabilities of certain internal service funds is reported with business-type activities for the current year.	<u>1,241</u>
Net position of business-type activities	<u><u>\$ 533,410</u></u>

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	Enterprise Funds		
	Airport	Sewer	Solid Waste
Operating Revenues			
Charges for services			
Program income	\$ -	\$ -	\$ -
Interest income	-	-	-
Rental income	6,870	51	-
Intergovernmental revenue	-	9	-
User fees	4,636	37,221	26,675
Parking and concessions	15,586	-	-
Miscellaneous	256	50	50
Donations	4	25	-
Total operating revenues	<u>27,352</u>	<u>37,356</u>	<u>26,725</u>
Operating Expenses			
Personnel services	6,382	13,449	371
Contractual services and utilities	5,238	8,048	25,834
Supplies and materials	7,458	3,607	4,603
Depreciation	13,670	9,480	44
Total operating expenses	<u>32,748</u>	<u>34,584</u>	<u>30,852</u>
Operating Income (Loss)	<u>(5,396)</u>	<u>2,772</u>	<u>(4,127)</u>
Nonoperating Revenues (Expenses)			
Grants	738	-	-
Gain (loss) on property	(713)	15	-
Developer contributed refund	-	(365)	-
Interest revenue	679	757	242
Interest expense	(1,692)	(2)	-
Total nonoperating revenues (expenses)	<u>(988)</u>	<u>405</u>	<u>242</u>
Income (Loss) Before Interfund			
Transfers and contributions	<u>(6,384)</u>	<u>3,177</u>	<u>(3,885)</u>
Capital contributions	3,061	8,483	-
Passenger facility charges	5,596	-	-
Customer facility charges	995	-	-
Interfund transfers in	-	-	-
Interfund transfers out	-	(28)	(103)
Change in Net Position	<u>3,268</u>	<u>11,632</u>	<u>(3,988)</u>
Net Position - Beginning of Year, As Restated	<u>178,223</u>	<u>311,290</u>	<u>2,273</u>
Net Position - End of Year	<u>\$ 181,491</u>	<u>\$ 322,922</u>	<u>\$ (1,715)</u>

See Notes to Financial Statements

City of Boise, Idaho
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
September 30, 2015
(In Thousands)

Enterprise Funds		Governmental	
Other Nonmajor Business - type Funds	Totals	Activities Internal Service Funds	
\$ 5	\$ 5	\$ -	
410	410	-	
1,755	8,676	-	
1,319	1,328	-	
678	69,210	7,529	
-	15,586	-	
195	551	20	
-	29	13	
<u>4,362</u>	<u>95,795</u>	<u>7,562</u>	
1,061	21,263	1,732	
1,545	40,665	4,562	
25	15,693	844	
636	23,830	68	
<u>3,267</u>	<u>101,451</u>	<u>7,206</u>	
<u>1,095</u>	<u>(5,656)</u>	<u>356</u>	
(455)	283	-	
-	(698)	835	
-	(365)	-	
11	1,689	120	
(24)	(1,718)	(13)	
<u>(468)</u>	<u>(809)</u>	<u>942</u>	
627	(6,465)	1,298	
20	11,564	-	
-	5,596	-	
-	995	-	
452	452	-	
(197)	(328)	-	
<u>902</u>	<u>11,814</u>	<u>1,298</u>	
<u>28,569</u>	<u>520,355</u>	<u>6,104</u>	
<u>\$ 29,471</u>	<u>\$ 532,169</u>	<u>\$ 7,402</u>	

City of Boise, Idaho
Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Net Position of Proprietary Funds
to the Statement of Activities
September 30, 2015
(In Thousands)

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

Net change in net position - total business-type funds	\$ 11,814
Net revenues (expenses) of certain internal service funds is reported with business-type activities.	<u>238</u>
Change in net position of business-type activities	<u><u>\$ 12,052</u></u>

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	Enterprise Funds		
	Airport	Sewer	Solid Waste
Operating Activities			
Receipts from customers and users	\$ 26,964	\$ 37,938	\$ 26,975
Receipts from interfund services provided	-	9	-
Receipts from interfund services used	2,518	-	-
Other operating revenue received	260	75	50
Payments to suppliers	(13,209)	(13,265)	(30,209)
Payments to employees	(6,394)	(13,389)	(372)
Payments for interfund services provided	-	-	-
Payments for interfund services used	-	2,066	3,550
Net Cash from (used for) Operating Activities	10,139	13,434	(6)
Noncapital Financing Activities			
Interfund transfers to other funds	-	(28)	(103)
Receipts from advances to other funds	8	65	53
Grants received	738	-	-
Interfund transfers from other funds	-	-	-
Payments for advances from other funds	-	-	-
Net Cash from (used for) Noncapital Financing Activities	746	37	(50)
Capital and Related Financing Activities			
Acquisition and construction of capital assets	(26,540)	(23,826)	-
Proceeds from sale of capital assets	713	450	-
Proceeds from debt	12,665	-	-
Principal paid on debt	(3,987)	(1,964)	-
Interest paid on financing	(2,558)	47	-
Capital contributions received	-	-	-
Long-term advances	34	-	-
Capital grants received	2,999	-	-
Hook-on fees received	-	8,666	-
Developer contributed refunds paid	-	(365)	-
Passenger facility charges	5,596	-	-
Customer facility charges	995	-	-
Net Cash used for Capital and Related Financing Activities	(10,083)	(16,992)	-
Investing Activities			
Purchase of investment securities	(4,018)	(15,769)	(186)
Proceeds from sale and maturities of investment securities	8,112	18,532	-
Interest on investments and advances	675	758	242
Net Cash from (used for) Investing Activities	4,769	3,521	56
Net Change in Cash and Cash Equivalents	5,571	-	-
Cash and Cash Equivalents, Beginning of Year (included \$1,308 for Airport restricted)	1,599	-	-
Cash and Cash Equivalents, End of Year (included \$1,308 for Airport Restricted)	\$ 7,170	\$ -	\$ -

See Notes to Financial Statements

City of Boise, Idaho
Statement of Cash Flows – Proprietary Funds
Year Ended September 30, 2015
(In Thousands)

Enterprise Funds		Governmental Activities	
Other Nonmajor Business - type Funds	Totals	Internal Service Funds	
\$ 3,766	\$ 95,643	\$ 7,529	
1,319	1,328	-	
-	2,518	-	
(1,655)	(1,270)	33	
(1,055)	(57,738)	(6,404)	
-	(20,155)	(1,726)	
-	-	115	
195	5,811	-	
<u>2,570</u>	<u>26,137</u>	<u>(453)</u>	
(197)	(328)	-	
-	126	-	
(485)	253	-	
452	452	-	
231	231	-	
<u>1</u>	<u>734</u>	<u>-</u>	
(1,046)	(51,412)	-	
-	1,163	831	
-	12,665	-	
(140)	(6,091)	-	
(24)	(2,535)	(13)	
20	20	-	
-	34	-	
-	2,999	-	
-	8,666	-	
-	(365)	-	
-	5,596	-	
-	995	-	
<u>(1,190)</u>	<u>(28,265)</u>	<u>818</u>	
(1,689)	(21,662)	(6,291)	
408	27,052	5,850	
11	1,686	114	
<u>(1,270)</u>	<u>7,076</u>	<u>(327)</u>	
111	5,682	38	
<u>475</u>	<u>2,074</u>	<u>61</u>	
<u>\$ 586</u>	<u>\$ 7,756</u>	<u>\$ 99</u>	

	Enterprise Funds		
	Airport	Sewer	Solid Waste
Reconciliation of Operating Income to Net Cash from (used for) operating activities			
Operating income (loss)	\$ (5,396)	\$ 2,772	\$ (4,127)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities			
Depreciation	13,670	9,480	44
Gain on disposal of capital assets	-	(15)	-
GASB 68	(120)	(248)	(6)
Changes in			
Accounts receivable	(160)	357	(10)
Assessments	-	183	-
Long-term accounts receivable	-	-	-
Mortgage loans receivable	-	-	-
Inventory	(95)	157	-
Prepaid items	83	(125)	-
Accounts payable	(473)	(1,775)	391
Compensated absences	108	308	5
Other accrued liabilities	4	5	99
Interfund payables	2,518	2,066	3,550
Unearned revenue	-	269	48
Net Cash from (used for) Operating Activities	<u>\$ 10,139</u>	<u>\$ 13,434</u>	<u>\$ (6)</u>
Noncash investing activities			
Increase (decrease) in fair value of investments	\$ 195	\$ 155	\$ 25

See Notes to Financial Statements

City of Boise, Idaho
Statement of Cash Flows – Proprietary Funds
Year Ended September 30, 2015
(In Thousands)

Enterprise Funds		Governmental Activities Internal Service Funds	
Other Nonmajor Business - type Funds	Totals		
\$ 1,095	\$ (5,656)	\$ 356	
636	23,830	68	
(1,629)	(1,644)	-	
-	(374)	-	
-	187	1	
246	429	-	
(24)	(24)	-	
2,479	2,479	-	
(40)	22	-	
3	(39)	(99)	
(192)	(2,049)	(108)	
6	427	6	
6	114	(792)	
-	8,134	115	
(16)	301	-	
<u>\$ 2,570</u>	<u>\$ 26,137</u>	<u>\$ (453)</u>	
\$ 3	\$ 378	\$ -	

City of Boise, Idaho
Statement of Fiduciary Net Position – Proprietary Funds
September 30, 2015
(In Thousands)

	Health Insurance Self Funding Trust Fund	Boise City Agency Fund
Assets		
Cash and cash equivalents	\$ 418	\$ 1
Receivables		
Accounts and interest	939	-
Prepaid items	248	-
Investments		
Federal governmental agencies	3,726	-
Other investments	1,382	8
Total assets	6,713	9
Liabilities		
Accounts payable	9	9
Other accrued liabilities	922	-
Intergovernmental payable	566	-
Total liabilities	1,497	\$ 9
Net Position		
Held in trust for		
Employees' health insurance benefits	5,216	
Total net position	\$ 5,216	

City of Boise, Idaho
Statement of Changes in Fiduciary Net Position – Proprietary Funds
Year Ended September 30, 2015
(In Thousands)

	Health Insurance Self Funding Trust Fund
Additions	
Contributions	
Employer	\$ 366
Plan members	14,604
Investment earnings	
Net increase in fair value of investments	19
Interest	37
Pharmacy Rebate	281
Total additions	15,307
Deductions	
Insurance claim benefits	12,672
Administrative expenses	1,730
Total deductions	14,402
Change in Net Position	905
Net Position - Beginning of the Year	4,311
Net Position - End of the Year	\$ 5,216

Note 1 - 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.”

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. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. Under this statement, 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 unit; the Capital City Development Corporation (CCDC). CCDC is a separate and distinct legal entity created by state statute but does not have fiscal independence from the City. The directors are appointed by the Mayor and approved by City Council. If CCDC 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. No financial benefit or burden exists between the City and CCDC. The economic resources held by CCDC are significant to the City. 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 121 N. 9th Street, Suite 501 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, deferred outflows, liabilities, deferred inflows, revenues, and expenditures of this entity are blended within the City’s 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.

Government Wide and Fund Financial Statements

The government wide financial statements, which are the statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government and its discretely presented component unit. For the most part, the effect of interfund 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, deferred outflows, liabilities, deferred inflows, revenues, and expenditures of a legally separate entity (Harris Ranch Community Infrastructure District) that have 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 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. These items 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 Foothills Levy Fund is used to further preserve and protect the Foothills and Boise River. This fund is used account for financial resources used for the acquisition, construction, and improvement of major capital assets other than those financed by Foothills Open Space and Boise River Levy.

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. Two 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:

Special Revenue Funds are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are committed or legally restricted to finance particular functions or activities.

The Debt Service fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term debt of governmental funds.

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 Permanent Fund accounts for and reports resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's perpetual care of the City's cemetery.

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 interfund 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.

Assets, Liabilities and Net Position or Equity

Cash, Cash Equivalents 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 an allowable investment. The City's 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 bonds rated A or better at the time of purchase.

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.

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 uncollectible amounts for any specific items in dispute.

In the proprietary funds, receivables are shown net of an allowance for uncollectible amounts. 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 are 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.

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).

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.

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 \$10 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 \$27 for Airport projects and \$260 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

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualifies for reporting in this category. They are the deferred charges on refunding reported and pension obligation in the government-wide statement of net position and the proprietary funds' statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Pension obligation results from differences between expected and actual experience, changes in assumptions or other inputs, changes in employer's proportion and differences between the employer's contributions and the employer's proportionate contributions and City's contributions subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources revenue until that time. The City's unavailable revenues from property taxes and pension obligations are reported as deferred inflows of resources on the governmental funds balance sheet and government-wide statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Pension obligation results from differences between expected and actual experience, net difference between projected and actual earnings on pension plan investments.

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 position.

Bond premiums and discounts 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.

In the fund financial statements, governmental fund types recognize as expenditures bond discounts as well as bond issuance cost during the current period. The face amount of debt issued is reported as another financing source. Premiums received on debt issuances are reported as other financing sources.

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.

Capital Lease – During FY 2015, the City entered into a \$973 lease with Houston-Galveston Area Council to utilize fire trucks. At the end of the lease, the City will have the option to purchase the fire trucks.

Other Debt – legally separate blended component unit of the City (Harris Ranch Community Infrastructure District) issued debt to fund regional community infrastructure. The District issued the Series 2011 Special Assessment Bonds in the amount of \$3,920. The Special Assessment bonds are to be repaid by assessments against individual properties within the District. During the year ended September 30, 2015, the District issued the Series 2015 A General Obligation Bonds in the amount of \$158 to refund the Series 2013 General Obligation Bonds and issued the Series 2015 B General Obligation Bonds in the amount of \$3,587 to facilitate the cost of additional public infrastructure. These debt issues are direct obligations of the district and are not obligations of the City.

Compensated Absences Payable – Boise City provides vacation and sick leave to its non-temporary full-time and part-time employees who regularly work 19 hours/week or more. Accrued vacation is paid to employees when taken or upon separation of employment, other than retirement. Accrued vacation is paid to the employee's beneficiary(s) upon death. Retiring employees' working 20 hours/week or more have accrued vacation paid into their Voluntary Employees' Beneficiary Association (VEBA) account. Police Lieutenants may elect to be paid each year for one-half of their accrued unused vacation balance at the end of each calendar year. The value of unused vacation accumulated by City employees is accrued as expense when incurred in Proprietary funds and the entity-wide financial statements; 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. Retiring employees working 20 hours/week or more have accrued sick leave paid into their VEBA account. Employees that have reached the specified Minimum Funding Standard may not have funds paid to VEBA above that dollar amount. Rather, they receive cash payment for remaining sick leave balances in their final pay. Employees who separate for reasons other than retirement receive no cash payment for accrued, unused sick leave. See the separate discussion of the VEBA on page 52.

Enterprise Funds:

Airport Revenue Bonds – The City issued Airport Revenue Bonds, Series 2012 in the amount of \$11,760. The bonds were issued to construct an expansion to the existing parking structure at the Airport. The pledged revenue to cover the bonds includes all Airport operating revenue, interest income, operating grants and excludes revenue from capital grants, customer facility charges and passenger facility charges. Operating and maintenance expenditures excludes interest expense, gain on property sale/exchange, depreciation, expenditures and debt service on any obligations payable from airport revenues. In FY 2015, the net available revenue pledged to the bonds was \$9,691. The debt service was \$440 principal and \$386 interest giving a coverage ratio of 11.73. Note IV G contains the bond terms.

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 2015 the net available revenue pledged to the bonds was \$13,173. The debt service was \$3,255 principal and \$1,172 interest giving a coverage ratio of 2.98. Note IV G contains the bond terms.

Airport Revenue Bonds – The City issued Airport Revenue Bonds, Subordinate Series 2015 in the amount of \$12,665. The bonds were issued to acquire aircraft maintenance facilities at the Boise Airport. Subordinate net revenues are pledged to the payment of the bonds which means revenues of the system less operation and maintenance expenses after payment of the senior bonds and any additional senior lien obligations issued hereafter. The pledged revenue to cover the bonds includes all Airport operating revenue, interest income, operating grants and excludes revenue from capital grants, customer facility charges and passenger facility charges. Operating and maintenance expenditures excludes interest expense, gain on property sale/exchange, depreciation, expenditures and debt service on any obligations payable from airport revenues. The debt service coverage requirement in the rate covenant stipulates that Net Revenues and Pledged Excluded Revenues (which includes passenger facility charges) will at least equal 115% of Aggregate Debt Service on all Senior or Subordinate issues combined. In FY 2015, the net available revenue pledged to the bonds was \$13,173. The aggregate debt service was \$3,695 principal and \$1,558 interest giving a coverage ratio of 2.51. Note IV G contains the bond terms.

Wastewater Facility Refunding Bonds – 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. In FY 2015, the net available revenue pledged to bonds was \$13,009. The debt service was \$1,964 principal and \$209 interest giving a coverage ratio of 5.98. Note IV G contains the bond terms.

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 including Lieutenants, Commanders and the Chief. 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 6.2 percent of base salary each plan year; Lieutenants are matched at 3.5 percent; Commanders are matched at 7.5 percent and the Chief is matched at 8 percent. The City also matches the contribution of general employees other than Senior Managers, based on years of service, up to a maximum of 2 percent. Senior Managers are matched at 4 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.

Voluntary Employees' Beneficiary Association

The City has a Voluntary Employees' Beneficiary Association 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 options 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.

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.

The postretirement benefits are determined on an actuarial basis. Actuarial valuations of the postretirement benefits were done as of September 30, 2015 and are determined on a prospective basis. The unfunded actuarially accrued liability (UAAL) is \$12,814 – this is 14% 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 2015 is \$1,352. 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)	\$ 1,352
Interest on net OPEB obligation	277
ARC Adjustment	<u>(413)</u>
Annual OPEB cost	1,216
Contributions made and adjustments	<u>(926)</u>
Increase in net OPEB obligation	290
Net OPEB obligation - beginning of year	<u>7,853</u>
Net OPEB obligation - end of year	<u><u>\$ 8,143</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 and the two preceding fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2013	\$ 1,296	26%	\$ 7,150
9/30/2014	1,188	41%	7,853
9/30/2015	1,216	76%	8,143

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)
9/30/2013	\$ -	\$ 12,411	\$ 12,411	0%	\$ 95,642	13%
9/30/2014	-	12,179	12,179	0%	98,743	12%
9/30/2015	-	12,814	12,814	0%	101,646	13%

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, 2015 was 30 years.

The significant actuarial assumptions used to determine funding requirements are: a) a discount rate of 3.50% to 3.25%, b) an expected Asset Return rate of 3.25%, c) the percentage of eligible retirees electing spousal health coverage is 30% for general employees and 64% for Fire and Police, d) the termination rates for general employees are based on the July 1, 2013 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, 2013 Public Employees Retirement System of Idaho assumptions, f) a general wage increase assumption of 3.75% plus promotions and longevity, and g) an inflation rate of 3.25% was utilized.

As of September 30, 2015, there are 1,624 active plan participants. On that date, the City had 64 retirees and 19 dependent receiving health insurance benefits under the City’s Health Trust. The Health Trust is entirely administered by Union representatives. The City has no management responsibility for the Trust. As of September 30, 2015, there were 628 retirees receiving life insurance coverage paid for by the City. Each retiree’s life is insured for \$10,000.

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
2015	\$500	unlimited	\$50	unlimited	\$500	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.

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 stop-loss for claims over \$200 with an aggregate limit of 120% of aggregate claims.

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and the Public Employee Retirement System of Idaho Firefighter's Retirement Fund (FRF) and additions to/deductions from Base Plan's and FRF's fiduciary net position have been determined on the same basis as they were reported by the Base Plan and FRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Equity

Governmental funds report fund balance in two major categories: non-spendable and spendable components. Non-spendable 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. The General Fund is the only fund that reports a positive Unassigned Fund Balance.

Enterprise Funds report net position into three major categories: Net Investment in Capital Assets, Restricted, and Unrestricted.

Recently Issued Accounting Principles

As of October 1, 2014, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments to calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, net pension asset, deferred outflows of resources, deferred inflows of resources and pension expense. The effect of the implementation of these standards on beginning net position is disclosed in Note M and the additional disclosures required by these standards are included in Note H.

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. Detailed Notes on All Funds

A. At September 30, 2015, cash and investments, including restricted investments were invested as follows:

	Carrying Amount	Bank Ledger Balance
Cash - demand deposits		
Insured and Collateralized	\$ 21,813	\$ 22,446
Less: Fiduciary Fund Balance	(2,134)	(2,134)
Total Net Cash	\$ 19,679	\$ 20,312
		Fair Value
Investments		
Commercial Paper		\$ 19,993
U.S. Agency Securities		92,142
U.S. Treasury Securities		31,134
Certificates of Deposit		497
Money Market and Mutual Funds		11,299
Local Government Investment Pool		39,670
Subtotal		194,735
Less: restricted. fiduciary fund and Boise City Agency investments		(44,267)
Total net investments		\$ 150,468

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-vs-payment basis with all securities held by a safe keeper, in the City's name, to eliminate custodial credit risk.

Interest Rate Risk

As of September 30, 2015 the City had the following investments:

Investments by Type	Fair Value	Effective Duration
Commercial Paper	\$ 19,993	0.148
U.S. Agency Securities	92,142	1.639
U.S. Treasury Securities	31,134	1.505
Certificates of Deposit	497	0.487
Money Market and Mutual Funds	11,299	Not available
Local Government Investment Pool	39,670	Not available
Total	<u>\$ 194,735</u>	

Portfolio Effective Duration 1.058

In accordance with the City's Investment Policy of diversifying its investments as to type, issuer, and maturity; the City chooses to monitor its interest rate risk exposure utilizing effective duration. Effective duration is the preferred method for callable securities, and measures the price sensitivity of an investment or portfolio, taking into account that expected cash flows will change as interest rates change. The effective duration of the City's Investment Portfolio was 1.058 on September 30, 2015.

Credit Risk – Credit Quality Distribution

Investments by Type	Credit Rating	Portfolio Percentage
Commercial Paper	A1/P1	10.27%
U.S. Agency Securities	AA+	47.32%
U.S. Treasury Securities	AA+	15.99%
Certificates of Deposit	N/A	0.26%
Money Market and Mutual Funds	AAAm	5.80%
Local Government Investment Pool	Not Rated	20.37%
Total		<u>100.00%</u>

All agency securities within the portfolio at September 30, 2015 are rated AA+ by Standard and Poor's or Aaa by Moody's. All commercial paper held in the Portfolio on September 30, 2015 is rated A1/P1 by Standard and Poor's 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, 2015. The State of Idaho Local Government Investment Pool is unrated.

Custodial Credit Risk

As of September 30, 2015, 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, 2015, the City's investment portfolio exceeded 5% of total Portfolio value in the following issuers:

Issuer	Portfolio Percentage
Federal Home Loan Mortgage Corporation	21.60%
US Treasury	17.51%
Federal National Mortgage Association	14.77%
Federal Home Loan Bank	6.56%
Abbey National	5.71%
Metlife, Inc.	5.20%

B. Receivables

	General	Airport	Sewer	Solid Waste	Nonmajor and Other Funds	Fiduciary	Total
Receivables							
Interest	\$ 11	99	\$ 68	\$ -	\$ 339	\$ 13	\$ 530
Taxes	133,705	-	-	-	602	-	134,307
Accounts	6,714	1,287	5,261	2,103	3,532	926	19,823
Passenger Facility Charges	-	218	-	-	-	-	218
Special Assessments	16	-	1,897	-	5	-	1,918
Grants	241	1,709	-	-	398	-	2,348
Loans	-	-	-	-	8,047	-	8,047
Gross Receivables	140,687	3,313	7,226	2,103	12,923	939	167,191
Less: Allowance for uncollectibles	-	3	325	320	1,901	-	2,549
	<u>\$ 140,687</u>	<u>\$ 3,310</u>	<u>\$ 6,901</u>	<u>\$ 1,783</u>	<u>\$ 11,022</u>	<u>\$ 939</u>	<u>\$ 164,642</u>

Airport, and Other Funds includes \$2,049, and \$614 of long-term receivables, respectively. This is included in the Statement of Net Position under Noncurrent Assets.

C. Restricted Assets

	<u>Debt Reserve Funds</u>	<u>Bond/Interest Lease Pmt Fund</u>	<u>Construction Funds</u>	<u>Specific Purposes</u>	<u>Total</u>
<u>Government Fund Type</u>					
Community Infrastructure					
District #1	\$ 590	\$ 1	\$ 1	\$ -	\$ 592
<u>Enterprise Fund Type</u>					
Airport Terminal 2015	794	-	82	-	876
Airport Garage 2012	830	-	-	-	830
Subtotal	1,624	-	82	-	1,706
<u>Specific Purpose</u>					
GO Bond 2015	-	1,980	16,124	-	18,104
Airport PFC Restriction	-	-	-	18,271	18,271
Airport DEQ Trust	-	-	-	478	478
Subtotal	-	1,980	16,124	18,749	36,853
Total All Funds	<u>\$ 2,214</u>	<u>\$ 1,981</u>	<u>\$ 16,207</u>	<u>\$ 18,749</u>	<u>\$ 39,151</u>

Funds set aside for payment of Governmental and Enterprise Fund debt are classified as restricted assets, since their use is limited by applicable debt agreements. Amounts restricted for specific purposes are presented above.

City of Boise, Idaho
Notes to Financial Statements
September 30, 2015
(In Thousands)

D. Capital Assets

A Summary of the changes in capital assets for the year ending September 30, 2015, follows:

Governmental activities

	Balance October 1, 2014	Additions	Transfers	Deletions	Balance September 30, 2015
Capital assets, not being depreciated					
Land	\$ 73,739	\$ 2,365	\$ 23	\$ (1,184)	\$ 74,943
Intangible assets	614	47	-	-	661
Construction in progress	3,446	3,334	(3,054)	-	3,726
Total capital assets, not being depreciated	77,799	5,746	(3,031)	(1,184)	79,330
Capital assets, being depreciated					
Buildings	87,186	5,175	2,269	(127)	94,503
Improvements other than buildings	77,600	1,971	687	(52)	80,206
Automobiles and trucks	27,840	3,944	78	(869)	30,993
Machinery and equipment	33,459	1,908	17	(1,132)	34,252
Leasehold improvements	1,662	-	-	-	1,662
Intangible assets	7,055	479	-	(161)	7,373
Other capital assets	10,356	1,226	101	(1,038)	10,645
Total capital assets being depreciated	245,158	14,703	3,152	(3,379)	259,634
Less accumulated depreciation for					
Buildings	35,786	2,893	-	(120)	38,559
Improvements other than buildings	41,050	2,932	-	(52)	43,930
Automobiles and trucks	16,650	2,601	77	(869)	18,459
Machinery and equipment	20,825	1,977	16	(986)	21,832
Leasehold improvements	996	149	-	-	1,145
Intangible assets	3,294	587	-	(161)	3,720
Other capital assets	7,177	295	-	(1,023)	6,449
Total accumulated depreciation	125,778	11,434	93	(3,211)	134,094
Total capital assets, being depreciated, net	119,380	3,269	3,059	(168)	125,540
Governmental activities capital assets, net	<u>\$ 197,179</u>	<u>\$ 9,015</u>	<u>\$ 28</u>	<u>\$ (1,352)</u>	<u>\$ 204,870</u>

City of Boise, Idaho
Notes to Financial Statements
September 30, 2015
(In Thousands)

Business-type Activities

	Restated Balance				Balance
	October 1, 2014	Additions	Transfers	Deletions	September 30, 2015
Capital assets, not being depreciated					
Land	\$ 35,809	\$ 765	\$ -	\$ (15)	\$ 36,559
Intangible assets	478	-	-	-	478
Construction in progress	27,625	20,067	(13,663)	(354)	33,675
	<u>63,912</u>	<u>20,832</u>	<u>(13,663)</u>	<u>(369)</u>	<u>70,712</u>
Total capital assets being depreciated					
Capital assets, being depreciated					
Buildings	284,456	20,613	1,799	(262)	306,606
Land improvements/terminal parking	70,939	3,783	7,122	-	81,844
Improvements other than buildings	42,193	315	1,162	-	43,670
Service lines	216,656	3,278	610	-	220,544
Automobiles and trucks	20,020	1,126	(78)	(234)	20,834
Machinery and equipment	71,919	1,294	2,905	(2,630)	73,488
Intangible assets	2,210	106	-	-	2,316
Other capital assets	869	38	20	-	927
	<u>709,262</u>	<u>30,553</u>	<u>13,540</u>	<u>(3,126)</u>	<u>750,229</u>
Total capital assets being depreciated					
Less accumulated depreciation for					
Buildings	112,597	8,565	-	(212)	120,950
Land improvements/terminal parking	41,840	4,746	-	-	46,586
Improvements other than buildings	31,105	2,580	13	-	33,698
Service lines	54,894	2,313	(13)	-	57,194
Automobiles and trucks	11,673	1,450	(79)	(229)	12,815
Machinery and equipment	50,897	3,955	(16)	(1,913)	52,923
Intangible assets	1,397	192	-	-	1,589
Other capital assets	243	29	-	-	272
	<u>304,646</u>	<u>23,830</u>	<u>(95)</u>	<u>(2,354)</u>	<u>326,027</u>
Total accumulated depreciation					
Total capital assets, being depreciated, net	<u>404,616</u>	<u>6,723</u>	<u>13,635</u>	<u>(772)</u>	<u>424,202</u>
Business-type activities capital assets, net	<u>\$ 468,528</u>	<u>\$ 27,555</u>	<u>\$ (28)</u>	<u>\$ (1,141)</u>	<u>\$ 494,914</u>

Depreciation expense was charged to the government functions as follows:

General Government	\$ 2,586
Fire	2,098
Police	1,326
Parks and Recreation	3,949
Culture and Library	723
Community Service	685
	<u>11,367</u>
Total governmental functions	<u>11,367</u>
Depreciation on transferred property	
Capital assets held by the government's internal service funds charged to various functions based on their usage	67
	<u>67</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 11,434</u>

Depreciation expense was charged to business-type activities as follows:

Airport	\$ 13,670
Sewer	9,480
Solid Waste	44
Geothermal	202
Municipal Irrigation	7
Housing Rehabilitation	427
	<u>23,830</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 23,830</u>

E. Interfund Receivables, Payables and Transfers

The composition of the interfund balances at September 30, 2015 is as follows:

	Receivable (Due to) Fund		Total
	General	Non-major	
Payable (Due from) Fund			
General	\$ -	\$ 6,225	\$ 6,225
Airport	-	2,066	2,066
Sewer	-	2,518	2,518
Solid Waste	-	1,050	1,050
Non-major Proprietary	-	76	76
Internal Service Funds	-	175	175
Non-major Governmental	589	399	988
	<u>\$ 589</u>	<u>\$ 12,509</u>	<u>\$ 13,098</u>

Advances to/from other funds as of September 30, 2015:

	<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Solid Waste		General	\$ 2,500
Internal Service		Airport	40
Internal Service		Solid Waste	390
			\$ 2,930
			\$ 2,930

The \$2,500 advance from General to Solid Waste was established to fund environmental remediation at the Esther Simplot Park site. The balance will be repaid at \$500 per year beginning fiscal year 2016. The amount not expected to be repaid within one year from the Airport and Solid Waste Funds to the Fleet Services Fund was \$40 and \$390, respectively.

	Transfers in			Total
	General	Non-major Governmental	Non-major Proprietary	
Transfers out				
General	\$ -	\$ 20,895	\$ 227	\$ 21,122
Solid Waste	103	-	-	103
Non-major				
Proprietary	-	-	197	197
Non-major				
Governmental	1,792	1,339	-	3,131
Transfers out of government-wide capital assets	-	-	-	-
	\$ 1,895	\$ 22,234	\$ 424	\$ 24,553

Significant Transfers Out during FY 2015 were as follows: a) net transfer from the General Fund to the Capital Projects Fund for authorized projects (\$17,205) b) transfers from the General Fund to the Debt Service Fund for debt service payments (\$3,689).

F. Risk Management – Claim Liability

	2015	2014
General Liability		
Total unpaid claims and claim adjustment expenses at September 30 of prior year	\$ 1,221	\$ 2,312
Provision for self-insured events of the current year	389	437
Total incurred claims and claims adjustment expenses	1,610	2,749
Payments		
Claims and claim adjustment expenses attributable to self insured events of the current year	413	44
Claims and claim adjustment expenses attributed to self insured events of prior years	-	121
Plus close-out of prior years' reserves	620	1,363
Total payments	1,033	1,528
Total unpaid claims and claim adjustment expenses at September 30	\$ 577	\$ 1,221
Workers Compensation		
Total unpaid claims and claim adjustment expenses at September 30 of prior year	\$ 1,957	\$ 3,054
Provision for self-insured events of the current year	1,129	1,191
Total incurred claims and claims adjustment expenses	3,086	4,245
Payments		
Claims and claim adjustment expenses attributable to self insured events of the current year	1,065	545
Claims and claim adjustment expenses attributed to self insured events of prior years	-	866
Plus close-out of prior years' reserves	213	877
Total payments	1,278	2,288
Total unpaid claims and claim adjustment expenses at September 30	\$ 1,808	\$ 1,957
Total Risk Management Other Accrued Liabilities as of September 30	\$ 2,385	\$ 3,178

*Property self insurance liability amounts introduced in 2014.

G. Long-Term Debt

The following is a summary of changes in long-term obligations of the City at September 30, 2015.

	Long-Term Obligations at October 1, 2014	Additons	Deletions	Long-Term Obligations at September 30, 2015	Due Within One Year
Governmental Activities					
Refunding Bonds 2011a	\$ 22,825	\$ -	\$ (960)	\$ 21,865	\$ 990
Plus premium	439	-	(42)	397	-
GO Bonds 2015	-	17,000	-	17,000	1,590
Capital leases					
Firetrucks	-	973	(85)	888	117
Other long-term debt obligations					
Harris Ranch CID BA Bond	3,835	-	(40)	3,795	45
Harris Ranch CID GO BA Note	37	-	(37)	-	-
Harris Ranch CID GO Bond 2013	256	-	(256)	-	-
Harris Ranch CID GO Bond 2014	77	-	(77)	-	-
Harris Ranch CID GO Bond 2015a	-	158	-	158	52
Harris Ranch CID GO Bond 2015b	-	3,587	-	3,587	26
Compensated Absences	5,544	645	(204)	5,985	224
OPEB	5,969	624	-	6,593	-
Total Governmental Activities	38,982	22,987	(1,701)	60,268	3,044
Business-Type Activities					
Revenue bonds					
Airport Revenue Refunding 2012	10,805	-	(440)	10,365	445
Plus premium	635	-	(60)	575	-
Airport Revenue Refunding 2011	22,150	-	(3,255)	18,895	3,415
Plus premium	863	-	(232)	631	-
Airport Maintenance Fac, 2015	-	12,665	-	12,665	315
WW Facility Refunding 2012	12,872	-	(1,964)	10,908	2,000
Other long-term debt obligations					
Section 108 Advance	420	-	(140)	280	140
Compensated Absences	850	151	(40)	961	48
OPEB	1,402	316	-	1,718	-
Total Business-Type Activities	49,997	13,132	(6,131)	56,998	6,363
	\$ 88,979	\$ 36,119	\$ (7,832)	\$ 117,266	\$ 9,407

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%.	\$ 21,865
Plus premium	397

Harris Ranch CID SA Bond

\$3,920 due in annual installments of \$40 to \$330, 2014 through 2040, interest accrues at 9.00%.	3,795
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Harris Ranch CID GO Bond 2015a:

\$158 due in annual installments of \$52 to \$53, 2015 through 2018, interest accrues at .92%	158
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Harris Ranch CID GO Bond 2015b:

\$3,587 due in annual installments of \$26 to \$195, 2015 through 2045, interest accrues at 3.44%	3,587
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2015 GO Bonds

\$17,000 due in semi-annual installments of \$740 to 980, 2015 through 2025; interest accrues 0.62% to 2.44%	17,000
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Capital Lease

Fire truck lease	888
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Other long-term liabilities

Compensated absences/OPEB	<u>12,578</u>
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Total governmental activities	<u>60,268</u>
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Business-type Activities:

Revenue Bonds

Airport Revenue Bonds - Series 2012:

\$11,760 Bonds due in annual principal installments of \$430 to \$795 and semi-annual interest installments of \$19 to \$199 through 2032 interest accrues at 2.00% to 4.00%. Callable on or after September 1, 2012	10,365
Plus premium	575

Airport Revenue Refunding Bond - Series 2011:

\$32,480 Bonds due in annual principal installments of \$2,860 to \$4185 and semi-annual interest installments of \$120 to \$780 through 2020; interest accrues at 4.00% to 5.75%. Not callable.	18,895
Plus premium	631

Airport 2015

\$12,665 Bonds due in annual principal installments of \$305 to \$760 and semi-annual interest installments of \$15 to 257 through 2040; interest accrues at 3.00% to 4.00%. Callable on or after September 1, 2016.	12,665
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Wastewater Facility Note Refunding Bonds - Series 2012:

\$16,699 Refunding bonds due in annual installments of \$192 to \$1,895 through 2026; interest accrues at 1.735%.	10,908
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Loans Payable

Section 108 Loan:

\$2,100 Section 108 loan due in annual installments of \$140 through 2017; interest accrues at 3.45% to 5.77%.	280
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Other long-term liabilities

Compensated Absences/OPEB	2,679
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Total Business-type Activities

56,998

Total Long-Term Liabilities

\$ 117,266

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, 2015, there were no Industrial Revenue Bonds outstanding.

The annual requirements to amortize all debt outstanding as of September 30, 2015 excluding obligations associated with compensated absences, and post-retirement benefits are as follows:

Fiscal Year	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,790	\$ 1,605	\$ 6,315	\$ 2,060	\$ 9,105	\$ 3,665
2017	2,954	1,445	6,566	1,798	9,520	3,243
2018	3,013	1,388	6,655	1,558	9,668	2,946
2019	3,077	1,325	6,931	1,284	10,008	2,609
2020	3,138	1,256	5,545	1,002	8,683	2,258
2021-2025	15,850	4,520	7,064	3,204	22,914	7,724
2026-2030	8,384	3,113	6,057	2,225	14,441	5,338
2031-2035	4,930	1,438	4,460	582	9,390	2,020
2036-2040	2,245	652	3,520	-	5,765	652
2041-2045	912	96	-	-	912	96
Total	<u>\$ 47,293</u>	<u>\$ 16,838</u>	<u>\$ 53,113</u>	<u>\$ 13,713</u>	<u>\$ 100,406</u>	<u>\$ 30,551</u>

In Idaho, a municipality is allowed a debt limit of two percent of the market valuation of the real and personal property in its taxing area. The City's legal debt limit for 2015, based on data available from Ada County, would be approximately \$351,147.

H. Pension Plan

Plan Description

The City contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employee Retirement System of Idaho (PERSI of the System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

The City also contributes to the FRF which is a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employee Retirement System of Idaho (PERSI or the System) that covers a closed group of firefighters who were hired before October 1, 1980, and who received benefits in addition to those provided under the PERSI Base Plan. The cost to administer the plan is financed through the contributions and investment earnings of the FRF. Additional FRF funding is obtained from receipts from a state fire insurance premium tax. PERSI issues a publicly available financial report that included financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan and FRF is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three member who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on member's years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 15 minimum is subject to review by the Idaho Legislature.

The FRF provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service as well as the final average salary. A firefighter must have five years of service to be eligible for a lifetime retirement allowance at age 60. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance is based on Idaho Code Title 72 Chapter 14.

The benefit payments for the FRF are calculated using a benefit formula adopted by the Idaho Legislature. The FRF cost of living increase is based on the increase in the statewide average firefighter's wage.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan and FRF are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulated sufficient assets to pay benefits when due. For Governmental Activities, the General Fund generally liquidates employer contributions and pension obligations.

The contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. As of June 30, 2015 it was 6.79% for general employees and 8.36% for police and firefighters. The employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.32% for general employees and 11.66% for police and firefighters. The City contributions was \$2,567 for the year ended September 30, 2015.

The total FRF employer contribution rate through December 31, 2014 was 37.55%. This includes the employer excess rate of 25.89% plus the PERSI class 2 firefighters rate of 11.66%. As of January 1, 2015 the total employer rate was reduced to 25.31% which includes the lower employer excess rate of 13.65% plus the PERSI class 2 firefighters' rate of 11.66%. The FRF member rate for the year for class B is 11.45% which is 3.09% above the class 2 rate of 8.36%. The City's contributions were \$949 for the year ended September 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2015, the City reported a liability for its proportionate share of the net pension liability of the Base Plan. The net pension liability was measured as of July 1, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan related to the total contributions of all participating PERSI Base Plan employers. At July 1, 2015, the City's proportionate share was 0.036032998.

For the year ended September 30, 2015, the City recognized pension expense related to the Base Plan of \$8,834,771. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 17,463	\$ 5,688
Changes in assumptions or other inputs	1,915	-
Net difference between projected and actual earnings on pension plan investments	-	24,789
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	803	-
City's contributions subsequent to the measurement date	<u>2,386</u>	<u>-</u>
 Total	 <u>\$ 22,567</u>	 <u>\$ 30,477</u>

\$333 reported as deferred outflows of resources related to pensions resulting from Employer contributions to the Base Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2015.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2014 the beginning of the measurement period ended June 30, 2015 is 5.5 years.

At September 30, 2015, the City reported a liability for its proportionate share of the net pension asset of the FRF. The net pension asset was measured as of July 1, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City's share of contributions in the FRF pension plan relative to the total contributions of all participating FRF employers. At July 1, 2015, the City's proportionate share was 0.3692506550.

For the year ended September 30, 2015, the City recognized pension expense related to the FRF of \$1,848. At September 30, 2015, the City reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,532	\$ -
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	6,508
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	27
City's contributions subsequent to the measurement date	317	-
Total	\$ 4,849	\$ 6,535

\$50 reported as deferred outflows of resources related to pensions resulting from City contribution subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ending September 30, 2015

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2014, the beginning of the measurement period ended June 30, 2015, is 1.0 years.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year ended September 30	Base Plan	FRF
2016	\$ (4,643)	\$ (1,036)
2017	(4,643)	(1,036)
2018	(4,643)	(1,036)
2019	3,757	1,105
2020	(124)	N/A

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The unfunded actuarial accrued liability for FRF is the difference between the actuarial present value of the FRF benefits not provided by the Base Plan and the FRF assets. Currently FRF assets exceed this actuarial present value; therefore there is not an unfunded liability to amortize at this time. The maximum amortization period for the FRF permitted under Section 59-1394, Idaho Code, is 50 years.

The total pension liability of the Base Plan and total pension asset of the FRF in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Base Plan	FRF
(4) Inflation	3.25%	3.25%
Salary increases	4.25% - 10.00%	3.75%
Salary inflation	3.75%	3.75%
Investment rate of return*	7.10%	7.10%
Cost-of-living adjustments	1.00%	1.00%
*Net of pension plan investment expenses		

Mortality rates were based on the RP – 2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

An experience study was performed in 2012 for the period July 1, 2007 through June 30, 2011 which reviewed all economic and demographic assumptions other than mortality. Mortality and all economic assumptions were studied in 2014 for the period from July 1, 2009 through June 30, 2013. The Total Pension Liability (Base Plan) and Asset (FRF) as of June 30, 2015 is based on the results of an actuarial valuation date of July 1, 2015.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are show below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions as of January 1, 2014 are as follows:

(5) Asset Class	Index	Target	Long-Term
Core Fixed Income	Barclays Aggregate	30.00%	0.08%
Broad US Equities	Russell 3000	55.00%	6.90%
Developed Foreign Equities *Arithmetic return	MSCI ACWI ex USA	15.00%	7.55%

Actuarial Assumptions

Assumed Inflation - Mean	3.25%
Assumed Inflation - Standard Deviation	2.00%
Portfolio Arithmetic Mean Return	8.42%
Portfolio Long-Term Expected Geometric Rate of Return	7.50%
Assumed Investment Expenses	0.40%
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

(6)	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Employers's porportionate share of the net pension liability (asset)			
Base Plan	\$ 115,570	\$ 47,358	\$ (9,183)
FRF	(7,714)	(19,943)	(30,252)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at the www.persi.idaho.gov.

Payable to the pension plan

At September 30, 2015, the City did not report any payables to the defined benefit pension plan for legally required employer contributions, as there were no contributions which had been withheld from employee wages but not yet remitted to PERSI.

I. Fund Balance Classifications

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 FY2015, the combined reserves are established at 5.00% of the subsequent annual budgeted General Fund base revenues. Any usage or addition to the Cashflow 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 and purpose on September 30, 2015:

Encumbrances	General	Capital Projects Fund	Total
General Gov	\$ 204	\$ 186	\$ 390
Fire	23	514	537
Police	27	342	369
Parks & Rec	87	1,742	1,829
Culture	-	1,571	1,571
Community Svcs	406	1,625	2,031
Subtotal	747	5,980	6,727
Rebudgets	General	Capital Projects Fund	Total
General Gov	2,443	2,385	4,828
Fire	274	422	696
Police	88	2,144	2,232
Parks & Rec	46	1,939	1,985
Culture	288	9,316	9,604
Community Svcs	1,354	2,394	3,748
Subtotal	4,493	18,600	23,093
Grand Total	\$ 5,240	\$ 24,580	\$ 29,820

General Government assignments within the General Fund have been made primarily to the following: ongoing professional service contracts, fire recruiting academy contingency, and various ongoing operational projects, such as finance optimization, workforce planning and employee engagement. Within the Capital Fund assignments include projects that are multi-year in nature including, but not limited to, constitute relationship management, ERP system improvements, and capital contingency appropriation.

Fire assignments within the General Fund have been made primarily for the following: dedicated funding for ongoing agreements and grants, communications plan, and the fire recruit academy. Within the Capital Fund assignments include a remodel to station 10 and major equipment purchases that were in progress at year end.

Police assignments within the General Fund have been made for dedicated funding related to various grants and the purchase of minor equipment that was deferred or in process at year end. Within the Capital Fund assignments include major equipment purchases that were in progress at year end, appropriation needed for the addition of a micro district, and shooting range improvements.

Parks and Recreation assignments within the General Fund have been made for dedicating funding related to various grants and the purchase of minor equipment that was deferred or in process at year end. Within the Capital Fund assignments include projects that are multi-year in nature including, but not limited to, various major equipment purchases, major repair and maintenance projects, and a large amount associated with the River Recreation Park.

Culture assignments within the General Fund have been made for dedicated funding related to one arts grant. Within the Capital Fund assignments include projects that are multi-year in nature including, but not limited to, various percent for art projects, major equipment purchases, major repair and maintenance projects, and a large amount associated with the addition of Bown Crossing Library.

Community Services assignments within the General Fund have been made for dedicated funding related grants, ongoing housing projects, various professional service contracts, citywide initiatives, and funding for Valley Regional Transit operations. Within the Capital Fund assignments include projects that are multi-year in nature including, but not limited to, numerous ongoing neighborhood reinvestment projects, major repair and maintenance projects, and funding for the fire bond projects.

J. Commitments

Construction-in-progress in the governmental funds as of September 30, 2015 was \$3,727. Capital related commitments of \$24,580 were assigned in the Capital projects Fund at fiscal year-end. Of this latter amount, \$12,012 is attributable to budgeting capital projects whereas \$5,981 is associated with encumbrances. See Note I for City commitments that are included in fund balance designations.

Construction-in-progress in the proprietary funds as of September 30, 2015 was \$33,675. The estimated cost to complete proprietary construction projects was approximately \$85,568. Of the estimated cost to complete proprietary construction projects, approximately \$11,223 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.

L. Government Consolidation

Under Resolution No. RES-594-14 the Boise Bench Sewer District was approved to be consolidated in with the City. The City of Boise recognized capital assets and net position of \$3,603 as of October 1, 2014.

M. Restatement

As of October 1, 2014 the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their financial statements, including additional note disclosures and supplementary information. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date. The Boise Bench Sewer District merged into the City during fiscal year ended September 30, 2015. Beginning net position was restated to retroactively report capital assets that were acquired through the merger.

City of Boise, Idaho
Notes to Financial Statements
September 30, 2015
(In Thousands)

	Net Position, Beginning of Year, As Previously Reported	Less Adjustment related to implementation of GASB 68/71	Plus Adjustment to Incorporate Boise Bench Sewer District	Net Position, Beginning of Year, As Restated
Governmental Activities	\$ 246,098	\$ (40,215)	\$ -	\$ 205,883
Business-type Activities				
Airport	181,595	(3,372)	-	178,223
Sewer	310,467	(6,780)	7,603	311,290
Solid Waste	2,456	(183)	-	2,273
Other nonmajor enterprise funds	29,119	(550)	-	28,569
Allocated internal service funds	1,003	-	-	1,003
Total business-type activities	524,640	(10,885)	7,603	521,358
Total Reporting Entity	\$ 770,738	\$ (51,100)	\$ 7,603	\$ 727,241

	2014
Airport Fund	
Net Position, End of Year, as Previously Stated	\$ 181,595
Net pension liability	(1,536)
Deferred outflows of resources - Contributions	151
Deferred outflows of resources - Changes in assumptions	128
Deferred inflow of resources - Difference between projected and actual	(1,924)
Deferred inflow of resources - Difference between expected and actual experience	(191)
Net Position, End of Year, As Restated	\$ 178,223

	2014
Sewer Fund	
Net Position, End of Year, as Previously Stated	\$ 310,467
Plus adjustment to incorporate the Boise Bench Sewer District as of September 30, 2014	7,603
Net pension liability	(3,089)
Deferred outflows of resources - Contributions	304
Deferred outflows of resources - Changes in assumptions	257
Deferred inflow of resources - Difference between projected and actual	(3,869)
Deferred inflow of resources - Difference between expected and actual experience	(383)
Net Position, End of Year, As Restated	\$ 311,290

City of Boise, Idaho
Notes to Financial Statements
September 30, 2015
(In Thousands)

	2014
Solid Waste	
Net Position, End of Year, as Previously Stated	\$ 2,456
Net pension liability	(83)
Deferred outflows of resources - Contributions	8
Deferred outflows of resources - Changes in assumptions	7
Deferred inflow of resources - Difference between projected and actual	(105)
Deferred inflow of resources - Difference between expected and actual experience	(10)
	\$ 2,273
Net Position, End of Year, As Restated	
Non-major business type	
	2014
Net Position, End of Year, as Previously Stated	\$ 29,119
Net pension liability	(250)
Deferred outflows of resources - Contributions	24
Deferred outflows of resources - Changes in assumptions	21
Deferred inflow of resources - Difference between projected and actual	(314)
Deferred inflow of resources - Difference between expected and actual experience	(31)
	\$ 28,569
Net Position, End of Year- As Restated	
Internal Service Funds	
	2014
Net Position, End of Year as Previously Stated	\$ 6,837
Net pension liability	(334)
Deferred outflows of resources - Contributions	33
Deferred outflows of resources - Changes in assumptions	28
Deferred inflow of resources - Difference between projected and actual	(418)
Deferred inflow of resources - Difference between expected and actual experience	(41)
	\$ 6,105
Net Position, End of Year- As Restated	
Governmental Activities	
	2014
Net Position, End of Year as Previously Stated	\$ 246,098
Net pension liability	(21,139)
Net pension asset	13,854
Deferred outflows of resources - Contributions	3,029
Deferred outflows of resources - Changes in assumptions	1,760
Deferred inflow of resources - Difference between projected and actual	(35,095)
Deferred inflow of resources - Difference between expected and actual experience	(2,624)
	\$ 205,883
Net Position, End of Year- As Restated	

N. Discretely Presented Component Unit

Capital City Development Corporation (CCDC) 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 CCDC 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", CCDC has elected not to apply to its government-wide financial statements Financial Accounting Standards Board Statements and Interpretations and Accounting Principles Board Opinions.

Restricted Assets

CCDC has four revenue allocation funds, one for each of its four 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, 2015 for Central, River Myrtle, Westside and 30th Street is \$2,202, \$6,743, \$5,021, and \$92 respectively. The restricted balance in the Parking fund is \$2,151 and is restricted for reserves on the outstanding bonds. The restricted balance in the General Fund is \$4 and is restricted for a grant designated for a specific purpose.

Restricted assets consist of cash and investments held by CCDC and in CCDC's name. Investments are generally held until maturity. The bond resolutions limit investments to certain types of securities which meet defined standards.

Long-term Debt

At September 30, 2015 long-term debt consists of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
2005 Series	\$ 35,350	\$ -	\$ (35,350)	\$ -	\$ -
2010 A-1	1,160	-	(1,160)	-	-
2010 B-1	6,720	-	(555)	6,165	580
2010 C	1,980	-	(160)	1,820	170
2011 B	10,805	-	(870)	9,935	910
	<u>\$ 56,015</u>	<u>\$ -</u>	<u>\$ (38,095)</u>	<u>\$ 17,920</u>	<u>\$ 1,660</u>

The 2005 Series bonds bear interest at rates between 4.162% and 5.24%. CCDC does not have the option to redeem bonds maturing in years 2014 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 CCDC, 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 matured on September 1, 2015.

The Series 2010 B-1 are tax exempt fixed rate bonds with a rate of 4.25% that mature on September 1, 2024.

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 CCDC's bonds and notes. As of September 30, 2015 CCDC is compliance with these requirements.

The annual requirements to retire the debt for the 2010 B bonds and the 2010 C and 2011 B notes as of September 30, 2015 are shown below.

	Governmental Activities	
	Principal	Interest
2016	\$ 1,660	\$ 812
2017	1,730	737
2018	1,810	658
2019	1,895	576
2020	1,975	491
2021-2025	8,850	1,025
Total	\$ 17,920	\$ 4,299

Leases

CCDC is a party to the following operating leases:

CCDC entered into the lease for its office space on October 1, 2015. The lease term expires on September 30, 2018. Monthly rent is \$10.

CCDC entered into the lease for Trailhead office space on February 1, 2014. The lease term expires on January 31, 2020. Monthly rent is \$12 for the first two years and \$13 for the last three years.

CCDC entered into the lease for the 30th Street District office space on October 15, 2015. The lease term expires on April 15, 2016. Monthly rent is \$1.

CCDC is a related party to the following capital lease:

CCDC entered into a lease for its copier in September 2013. The lease has a term of thirty nine months and expires on November 30, 2016. The monthly rent is \$.4. The lease qualifies as a capital lease. The original amount and accumulated depreciation is as follows:

Copier capital lease agreement	\$	13
Accumulated depreciation		(8)
		5
	\$	5
2016		5
2017		1
Less amount representing interest		(1)
		5
	\$	5

Lease Other

CCDC has entered into an agreement with Ada County on the County Courthouse Project. CCDC has leased approximately 10.3 acres of land owned by Ada County under a master ground lease obligation that expires in 2098. CCDC 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. CCDC refunded the Series 1999 bonds and issued the Series 2005 bonds. The bonds are the obligation of CCDC, 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. CCDC plans to lease the Courthouse to Ada County for the remaining eleven 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 CCDC for \$1.

Future minimum lease payments under the leases are as follows:

	<u>Master Ground</u>	<u>Office Facility</u>	<u>Total</u>
2016	\$ 200	\$ 270	\$ 470
2017	233	274	507
2018	237	281	518
2019	245	159	404
2020	273	53	326
2021-2025	1,598	-	1,598
2026-2030	1,709	-	1,709
2031-2035	549	-	549
2036-2040	637	-	637
2041-2045	738	-	738
2046-2050	855	-	855
2051-2055	992	-	992
2056-2060	1,150	-	1,150
2061-2065	1,333	-	1,333
2066-2070	1,545	-	1,545
2071-2075	1,791	-	1,791
2076-2080	2,076	-	2,076
2081-2085	2,407	-	2,407
2086-2090	2,791	-	2,791
2091-2095	3,235	-	3,235
2096-2098	1,810	-	1,810
	<u>1,810</u>	<u>-</u>	<u>1,810</u>
Total	<u>\$ 26,404</u>	<u>\$ 1,037</u>	<u>\$ 27,441</u>

Commitments and Contingencies

CCDC 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, \$1,821 has already been met, leaving a remaining maximum match commitment of \$572. If the actual match is less than \$572, CCDC will provide funding up to a total of \$572, inclusive of the grant match to other projects identified in the Downtown Mobility Study.

CCDC 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 an 18 floor office building with a value estimated by the developer at \$50 to \$60+ million. CCDC'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. During fiscal year ended September 30, 2015, the first payment of \$1 million has been made.

CCDC entered into an OPA and related agreements with Owyhee Place, LLC. The project is the renovation of two existing historical structures in the Westside District with a completion value estimated by the developer at \$12 million. CCDC's financial participation is an anticipated amount not to exceed \$700 for public improvements and site remediation. The OPA sets out conditions the developer must meet to become eligible for CCDC financial participation. During the fiscal year ended September 30, 2015 no payments have been made.

CCDC entered into a sponsorship agreement with Valley Regional Transit (VRT) for Boise Bike Share. VRT owns and operates Boise Bike Share, which includes fee-operated bike share stations forming an urban alternative transportation network in the greater downtown Boise area. The total sponsorship fee is \$30 with \$10 payable each year from 2015 to 2017. During fiscal year ended September 30, 2015, the first payment of \$10 has been made.

CCDC entered into an OPA and related agreements with the City. The project is the extension and improvement of the geothermal system in the River Myrtle District. CCDC's financial participation is an anticipated amount not to exceed \$500 for public infrastructure improvements. The OPA sets out conditions the City must meet to become eligible for CCDC financial participation. During fiscal year ended September 30, 2015, a total of \$20 has been made.

CCDC entered into an OPA and related agreements with Gardner Company, the developer of the City Center Plaza – a multi-building development currently under construction between the existing Gardner-owned, 19-store US Bank Plaza and the CCDC-owned Grove Plaza with a developer-estimated value of \$74 million – in the Central District. CCDC's financial participation is an anticipated amount not to exceed \$770 of public improvements, site remediation and tree replacements. The OPA sets out conditions the developer must meet to become eligible for CCDC financial participation. During fiscal year ended September 30, 2015, a total of \$506 has been made.

CCDC entered into an OPA and related agreements with Inn at 500 Capitol, LLC, the developer of the Inn at 500 Capitol Hotel – currently under construction a 6-story boutique hotel of approximately 110 hotel rooms, conference and meeting rooms, wellness center, 2 space first floor parking garage and a 100 seat restaurant in the River Myrtle District. The project is estimated by the developer to have a total value of \$24 million upon completion. The CCDC's financial participation is an anticipated amount not to exceed \$467 for public improvements. The OPA sets out conditions the developer must meet to become eligible for CCDC financial participation. During fiscal year ended September 30, 2015, no payments have been made.

CCDC entered into a Memorandum of Understanding (MOU) and related agreements with the City for the Trailhead Business Accelerator project. CCDC and the City have been working together to encourage private installment within the city by facilitating business education, connecting entrepreneurs to resources, and working to increase the interaction between entrepreneurs and local businesses located in downtown Boise. Trailhead Business Accelerator was established in February 2015 by CCDC and the City to accomplish this goal. CCDC agreed to take responsibility for the rent and maintenance of the office space occupied by Trailhead at 500 South 8th Street. During the fiscal year ended September 30, 2015, a total of \$89 has been made for rent and maintenance.

Pledged Revenues

CCDC has certain long-term debt obligations for which revenues have been pledged. CCDC 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, 2015 the total debt service on these bonds was \$1,191.

CCDC 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, 2015, the total debt service on these bonds was \$840.

CCDC 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, 2015, the total debt service on this note was \$245.

CCDC 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, 2015, the total debt service on this note was \$1,383.

Significant Contractual Agreements

CCDC 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 supplemental rent obligation on the apartment parcels in the Courthouse Corridor is stated in the Business Terms Sheet as \$290 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. During fiscal year 2014, the tax increment guarantee and supplemental rent obligation of \$24 and \$168 were received in full.

As part of the Ada County Courthouse Corridor project (Courthouse Project) and under the terms of the associated Second Amended and Restated Master Sublease, CCDC subleased two parcels (parcel 4 and 5) to Civic Partners Idaho, LLC (Civic). Similarly, under the terms of the Amended and Restated Parcel 1 Sublease, the Agency subleased two Courthouse Project condominium units (units 401 and 102) to Civic. Civic failed to make the April 1, 2015 and July 1, 2015 quarterly lease payments as required by the agreements and failed to timely cure the defaults. CCDC declared the leases terminated on October 2, 2015 and initiated action to take possession of the properties as permitted under the leases.

Fund Conversion and Fund Balance

Fund balance is reported in compliance with CCDC'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 CCDC's highest level of decision making authority. The Board adopted a Fund Balance Policy that recommends a spending order of restricted, committed, assigned, and then unassigned unless the Board approves otherwise.

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, 2015 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, 2015, \$3,744 and \$262 was assigned in the Parking fund and 30th Street District Fund, respectively, for parking reinvestment and commitments budgeted in fiscal 2015. Assigned funds in the 30th Street District were a result of cash transfer from parking revenue to help stimulate the new district.

P. Pollution Remediation Obligation

The City has recorded in its financial statements a cost estimate for pollution remediation for the Ester Simplot Park (the Park). This site has been identified by the City's engineers as a location where historical uses contributed to various forms of environmental pollution to the Park. During the year ended September 30, 2015, the City had expenses of \$3,773 and as of September 30, 2015 has recorded a liability of \$227, to address required environmental cleanup costs associated with the Park. The estimated costs used to establish the liability were developed through extensive site analysis by the City's engineers and other parties. The liability was measured by estimating a reasonable range of potential outlays and multiplying those outlays by their probability of occurrence. The liability could change due to price increases, changes in technology and other factors. The liability is reported net of \$227 in expected recoveries from other responsible parties.

Q. Subsequent Events

Governmental Funds:

On May 22, 2015, the City entered into a future capital lease transaction to obtain two Pierce Fire Engines in FY 2016. The anticipated outside delivery date of the equipment is 07/22/2016. The lease term is seven (7) years. The total amount financed under the lease is \$963,519 with annual lease payments of \$114,366.95 (years 1-7) and \$316,113.88 (year 7) at the end of the lease term. At the end of the lease term, the City may turn in the equipment, refinance or exercise the option to purchase the equipment.

On November 20, 2015, the City entered into a future capital lease transaction to obtain one Pierce Arrow aerial platform truck in FY 2017. The anticipated outside delivery date of the equipment is 12/20/2016. The lease term is seven (7) years. The total amount financed under the lease is \$1,145,522 with annual lease payments of \$152,397.58 (years 1-7) and \$250,863.76 (year 7) at the end of the lease term. At the end of the lease term, the City may turn in the equipment, refinance or exercise the option to purchase the equipment.

During November 2015 the voters approved a \$10 million property tax levy to be collected over two years to preserve and protect water quality, wildlife and native plant habitat, and open space for recreation in the City's foothills and along the Boise River corridor. The levy will be assessed in FY 2016 with collection beginning in FY 2017.



Required Supplementary Information
September 30, 2015

City of Boise, Idaho

City of Boise, Idaho
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
Year Ended September 30, 2015
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 123,733	\$ 123,733	\$ 123,954	\$ 221
Franchise fees	5,300	5,300	5,019	(281)
License and permits	4,780	4,780	7,434	2,654
Intergovernmental revenue	16,531	17,692	19,416	1,724
Charges for services	32,630	32,672	34,820	2,148
Rental and lease revenue	406	408	477	69
Self insurance	4	4	4	-
Fines and forfeitures	3,268	3,268	2,921	(347)
Donations	89	134	413	279
Investment income	474	474	379	(95)
Miscellaneous revenue	865	903	1,293	390
Total revenues	188,080	189,368	196,130	6,762
Expenditures				
General Government	33,617	34,409	26,912	(7,497)
Fire	44,771	45,911	42,480	(3,431)
Police	49,326	51,011	49,232	(1,779)
Parks and recreation	22,773	23,275	22,801	(474)
Culture	10,335	11,053	9,722	(1,331)
Community services	21,079	23,535	21,092	(2,443)
Capital outlay	-	1,090	970	(120)
Total expenditures	181,901	190,284	173,209	(17,075)
Excess of (Deficiency) Revenues over (under) expenditures	6,179	(916)	22,921	23,837
Other Financing Sources (Uses)				
Interfund transfer in	279	422	1,895	1,473
Interfund transfer out	(8,851)	(10,459)	(21,122)	(10,663)
Proceeds from sale	67	67	177	110
Total other financing sources (uses)	(8,505)	(9,970)	(19,050)	(9,080)
Net Change in Fund Balance	(2,326)	(10,886)	3,871	14,757
Fund Balance, Beginning of Year	35,360	35,360	35,360	-
Fund Balance, End of Year	\$ 33,034	\$ 24,474	\$ 39,231	\$ 14,757

City of Boise, Idaho
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Special Revenue –
Community and Economic Development
Year Ended September 30, 2015
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues				
Property taxes, levied for general purposes	\$ 166	\$ 166	\$ 174	\$ 8
Property taxes, levied for debt service	391	391	392	1
Intergovernmental revenues	104	104	166	62
Investment income	-	-	1	1
Miscellaneous income	5	5	8	3
Total revenues	666	666	741	75
Expenditures				
Community and economic development	120	3,545	3,554	9
Debt Service				
Principal payments	156	421	261	(160)
Bond issuance costs	49	49	206	157
Interest and fiscal charges	392	392	350	(42)
Total expenditures	717	4,407	4,371	(36)
Excess (Deficiency) of Revenues Over (under) Expenditures	(51)	(3,741)	(3,630)	111
Other Financing Sources (Uses)				
Bond proceeds	-	4,200	3,744	(456)
Total other financing sources (uses)	-	4,200	3,744	(456)
Net Change in Fund Balance	(51)	459	114	(345)
Fund Balance, Beginning of Year	974	974	974	-
Fund Balance, End of Year	\$ 923	\$ 1,433	\$ 1,088	\$ (345)

City of Boise, Idaho
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Special Revenue –
Heritage Fund
Year Ended September 30, 2015
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues				
Donations	\$ 1,000	\$ 1,000	\$ 961	\$ (39)
Investment income	-	-	25	25
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>986</u>	<u>(14)</u>
Expenditures				
Parks and recreation	1,000	485	161	(324)
Major equipment	-	544	72	(472)
Total expenditures	<u>1,000</u>	<u>1,029</u>	<u>233</u>	<u>(796)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(29)</u>	<u>753</u>	<u>782</u>
Other Financing Sources (Uses)				
Interfund transfer in	-	-	1	1
Interfund transfer out	-	(20)	(13)	7
Total other financing sources (uses)	<u>-</u>	<u>(20)</u>	<u>(12)</u>	<u>8</u>
Net Change in Fund Balance	-	(49)	741	790
Fund Balance, Beginning of Year	<u>1,173</u>	<u>1,173</u>	<u>1,173</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,173</u>	<u>\$ 1,124</u>	<u>\$ 1,914</u>	<u>\$ 790</u>

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years*

Employer's portion of net the pension liability		3.6033%
Employer's porportionate share of the net pension liability	\$	47,358
Employer's covered-employee payroll	\$	94,509
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll		50.11%
Plan fiduciary net position as a percentage of the total pension liability		91.38%

Schedule of Employer's Share of Net Pension Liability
FRF
Last 10 - Fiscal Years*

Employer's portion of net the pension liability		36.9251%
Employer's porportionate share of the net pension asset	\$	19,943
Employer's covered-employee payroll	\$	23,477
Employer's proportional share of the net pension liability as a percentage of its covered-employee payroll		84.95%
Plan fiduciary net position as a percentage of the total pension liability		118.08%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Data reported is measured as of July 1, 2015 (measurement date).

**Schedule of Employer Contributions
 Base Plan
 Last 10 - Fiscal Years***

Statorily required contribution	\$	11,558
Contributions in relation to the statutoriy required contribution	\$	11,558
Contributions (deficiency) excess	\$	-
Employer's covered-employee payroll	\$	100,646
Contributions as a percentage of covered-employee payroll		11.48%

**Schedule of Employer Contributions
 FRF
 Last 10 - Fiscal Years***

Statorily required contribution	\$	2,129
Contributions in relation to the statutoriy required contribution	\$	2,129
Contributions (deficiency) excess	\$	-
Employer's covered-employee payroll	\$	24,095
Contributions as a percentage of covered-employee payroll		8.84%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Data reported is measured as of September 30, 2015

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 “rebudgeted,” 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.

Idaho State Code requires the City to adopt an annual budget each year through formal publishing and hearing requirements and by adopting an annual appropriation ordinance.

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 Invoice, 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 unless they are carried forward through the City's budgetary process.

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 2015.



Other Supplementary Information
September 30, 2015

City of Boise, Idaho

	Special Revenue Community and Economic Development	Special Revenue Heritage Fund	Permanent Fund Dedicated	Capital Projects Fund
Assets				
Cash and cash equivalents	\$ 16	\$ 11	\$ -	\$ 2,802
Investments	592	1,899	3,477	2,443
Receivables, net				
Taxes receivable	602	-	-	-
Accounts and interest	8	4	8	967
Grants	-	-	-	193
Prepaid items	-	-	-	1
Restricted cash and investments	592	-	-	-
Due from other funds	-	-	-	12,730
Property held for resale	-	-	-	4,487
Total assets	1,810	1,914	3,485	23,623
Liabilities				
Accounts payable	44	-	-	120
Due to other funds	76	-	36	-
Unavailable revenue	-	-	-	173
Total liabilities	120	-	36	293
Deferred Inflows of Resources				
Unavailable property taxes	602	-	-	-
Fund Balances				
Nonspendable				
Property held for resale	-	-	-	4,487
Restricted, nonexpendable, for				
Permanent fund principal	-	-	3,449	-
Restricted, expendable, for				
Impact fees project	-	-	-	-
Heritage funds	-	1,914	-	-
Debt service - CID	592	-	-	-
Assigned to				
General government	-	-	-	2,504
Fire	-	-	-	422
Police	-	-	-	2,144
Parks and recreation	-	-	-	2,111
Culture	-	-	-	8,710
Community services	-	-	-	2,952
Debt service and post retirement benefits	-	-	-	-
Community and economic development	496	-	-	-
Total fund balances	1,088	1,914	3,449	23,330
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,810	\$ 1,914	\$ 3,485	\$ 23,623

City of Boise, Idaho
Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2015
(In Thousands)

Capital Projects Impact Fees Fund	Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ 10,303	\$ 13,132
7,616	-	16,027
-	-	602
14	26	1,027
-	-	193
1,602	-	1,603
-	18,104	18,696
-	-	12,730
-	-	4,487
<u>9,232</u>	<u>28,433</u>	<u>68,497</u>
-	-	164
310	-	422
-	-	173
<u>310</u>	<u>-</u>	<u>759</u>
<u>-</u>	<u>-</u>	<u>602</u>
-	-	4,487
-	-	3,449
8,922	-	8,922
-	-	1,914
-	-	592
-	-	2,504
-	-	422
-	-	2,144
-	-	2,111
-	-	8,710
-	-	2,952
-	28,433	28,433
-	-	496
<u>8,922</u>	<u>28,433</u>	<u>67,136</u>
<u>\$ 9,232</u>	<u>\$ 28,433</u>	<u>\$ 68,497</u>

	Special Revenue Community and Economic Development	Special Revenue Heritage Fund	Permanent Fund Dedicated
Revenues			
Property taxes, levied for general purposes	\$ 174	\$ -	\$ -
Property taxes, levied for debt service	392	-	-
Impact fees	-	-	-
Franchise fees	-	-	-
Intergovernmental revenues	166	-	-
Charges for services	-	-	138
Developer reimbursements	-	-	-
Donations	-	961	-
Investment income	1	25	70
Miscellaneous revenues	8	-	-
	<u>741</u>	<u>986</u>	<u>208</u>
Expenditures			
General	-	-	-
Police	-	-	-
Parks and recreation	-	161	-
Community and economic development	3,554	-	-
Culture	-	-	-
Community services	-	-	1
Major equipment	-	72	-
Debt Service			
Principal payments	261	-	-
Bond issuance costs	206	-	-
Interest and fiscal charges	350	-	-
	<u>4,371</u>	<u>233</u>	<u>1</u>
Excess (Deficiency) of Revenues Over expenditures	<u>(3,630)</u>	<u>753</u>	<u>207</u>
Other Financing Sources (Uses)			
Interfund transfer in	-	1	-
Interfund transfer out	-	(13)	(45)
Bond proceeds	3,744	-	-
Total other financing sources (uses)	<u>3,744</u>	<u>(12)</u>	<u>(45)</u>
Net Change in Fund Balance	114	741	162
Fund Balance, Beginning of Year	<u>974</u>	<u>1,173</u>	<u>3,287</u>
Fund Balance, End of Year	<u>\$ 1,088</u>	<u>\$ 1,914</u>	<u>\$ 3,449</u>

City of Boise, Idaho

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental
Funds

Year Ended September 30, 2015
(In Thousands)

Capital Projects Impact Fees Fund	Capital Projects Fund	Debt Service Fund	Total Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ 174
-	-	-	392
3,332	-	-	3,332
-	3,088	-	3,088
-	901	-	1,067
-	-	-	138
-	486	-	486
-	691	-	1,652
74	8	195	373
-	37	-	45
<u>3,406</u>	<u>5,211</u>	<u>195</u>	<u>10,747</u>
-	2,236	-	2,236
-	89	-	89
-	443	-	604
-	-	-	3,554
-	69	-	69
-	131	-	132
657	15,637	1,036	17,402
-	-	1,057	1,318
-	-	-	206
-	-	823	1,173
<u>657</u>	<u>18,605</u>	<u>2,916</u>	<u>26,783</u>
<u>2,749</u>	<u>(13,394)</u>	<u>(2,721)</u>	<u>(16,036)</u>
-	18,544	3,689	22,234
(511)	(1,734)	(828)	(3,131)
-	-	18,036	21,780
<u>(511)</u>	<u>16,810</u>	<u>20,897</u>	<u>40,883</u>
2,238	3,416	18,176	24,847
<u>6,684</u>	<u>19,914</u>	<u>10,257</u>	<u>42,289</u>
<u>\$ 8,922</u>	<u>\$ 23,330</u>	<u>\$ 28,433</u>	<u>\$ 67,136</u>

City of Boise, Idaho
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Capital Projects Fund
Year Ended September 30, 2015
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues				
Franchise fees	\$ 2,692	\$ 2,692	\$ 3,088	\$ 396
Intergovernmental revenues	-	3,361	901	(2,460)
Donations	520	2,454	691	(1,763)
Developer reimbursement	-	19	486	467
Investment income	20	20	8	(12)
Miscellaneous revenues	-	50	37	(13)
Total revenues	3,232	8,596	5,211	(3,385)
Expenditures				
General Government	-	2,608	2,236	(372)
Police	-	298	89	(209)
Parks and recreation	-	559	443	(116)
Culture	-	69	69	-
Community Services	-	856	131	(725)
Capital outlay	15,206	40,639	15,637	(25,002)
Total expenditures	15,206	45,029	18,605	(26,424)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,974)	(36,433)	(13,394)	23,039
Other Financing Sources (Uses)				
Interfund transfer in	7,032	26,363	18,544	(7,819)
Interfund transfer out	-	(128)	(1,734)	(1,606)
Total other financing sources (uses)	7,032	26,235	16,810	(9,425)
Net Change in Fund Balance	(4,942)	(10,198)	3,416	13,614
Fund Balance, Beginning of Year	19,914	19,914	19,914	-
Fund Balance, End of Year	\$ 14,972	\$ 9,716	\$ 23,330	\$ 13,614

City of Boise, Idaho
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Foothills Levy
 Year Ended September 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues				
Investment income	\$ -	\$ -	\$ 4	\$ 4
Total revenues	-	-	4	4
Expenditures				
Community services	50	50	-	(50)
Major equipment	-	1,800	309	(1,491)
Total expenditures	50	1,850	309	(1,541)
Net change in Fund Balance	(50)	(1,850)	(305)	1,545
Fund Balance - Beginning of Year	1,902	1,902	1,902	-
Fund Balance - End of Year	\$ 1,852	\$ 52	\$ 1,597	\$ 1,545

City of Boise, Idaho

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Debt Services Fund
Year Ended September 30, 2015
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues				
Investment income	\$ 390	\$ 390	\$ 195	\$ (195)
Expenditures				
Major equipment	-	1,036	1,036	-
Principal	1,505	1,505	1,057	(448)
Interest and fiscal charges	815	815	823	8
Total expenditures	2,320	3,356	2,916	(440)
Deficiency of Revenues Under Expenditures	(1,930)	(2,966)	(2,721)	245
Other Financing Sources (Uses)				
Interfund transfer in	1,711	1,711	3,689	1,978
Interfund transfer out	-	(15,907)	(828)	15,079
Bond proceeds	-	17,000	18,036	1,036
Total other financing sources	1,711	2,804	20,897	18,093
Net Change in Fund Balance	(219)	(162)	18,176	18,338
Fund Balance, Beginning of Year	10,257	10,257	10,257	-
Fund Balance, End of Year	\$ 10,038	\$ 10,095	\$ 28,433	\$ 18,338

City of Boise, Idaho

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Permanent Fund –
Dedicated
Year Ended September 30, 2015
(In Thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 115	\$ 115	\$ 138	\$ 23
Investment income	80	80	70	(10)
Total revenues	<u>195</u>	<u>195</u>	<u>208</u>	<u>13</u>
Expenditures				
Community services	<u>119</u>	<u>119</u>	<u>1</u>	<u>(118)</u>
Excess of Revenues Over Expenditures	<u>76</u>	<u>76</u>	<u>207</u>	<u>131</u>
Other Financing Sources (Uses)				
Interfund transfer out	<u>(76)</u>	<u>(76)</u>	<u>(45)</u>	<u>31</u>
Net Change in Fund Balance	-	-	162	162
Fund Balance, Beginning of Year	<u>3,287</u>	<u>3,287</u>	<u>3,287</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 3,287</u></u>	<u><u>\$ 3,287</u></u>	<u><u>\$ 3,449</u></u>	<u><u>\$ 162</u></u>

City of Boise, Idaho
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund
 Impact Fees
 Year Ended September 30, 2015
 (In Thousands)

	Budgeted Amounts		Actual Amounts	Variances with Final Budget
	Original	Final		
Revenues				
Impact fees	\$ 2,172	\$ 2,172	\$ 3,013	\$ 841
Investment income	-	-	32	32
Total revenues	<u>2,172</u>	<u>2,172</u>	<u>3,045</u>	<u>873</u>
Expenditures				
Major equipment	<u>180</u>	<u>431</u>	<u>258</u>	<u>(173)</u>
Net Change in Fund Balance	1,992	1,741	2,787	1,046
Fund Balance, Beginning of Year	<u>4,834</u>	<u>1,224</u>	<u>3,897</u>	<u>2,674</u>
Fund Balance, End of Year	<u>\$ 6,826</u>	<u>\$ 2,965</u>	<u>\$ 6,684</u>	<u>\$ 3,720</u>

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City of Boise, Idaho
Combining Statement of Net Position – Nonmajor Proprietary Funds
September 30, 2015
(In Thousands)

	<u>Geothermal</u>	<u>Municipal Irrigation</u>	<u>Housing Rehabilitation</u>	<u>Total Nonmajor Business - type Funds</u>
Assets				
Current assets				
Cash and cash equivalents	\$ -	\$ 3	\$ 583	\$ 586
Investments	367	111	2,972	3,450
Receivables, net				
Accounts and interest	5	-	324	329
Grants	40	-	165	205
Assessments	-	5	-	5
Inventory	272	-	-	272
Prepaid items	-	-	-	-
	<u>684</u>	<u>119</u>	<u>4,044</u>	<u>4,847</u>
Noncurrent assets				
Long-term accounts receivable	-	-	614	614
Mortgage loans receivable, net	-	-	8,047	8,047
Property held for resale	-	-	104	104
Capital assets, not being depreciated				
Land	-	-	3,349	3,349
Intangible assets	9	-	-	9
Construction in progress	491	-	228	719
Capital assets, being depreciated				
Buildings	110	-	13,661	13,771
Improvements other than buildings	2,175	-	168	2,343
Service lines	8,446	149	-	8,595
Automobiles and trucks	-	-	118	118
Machinery and equipment	362	121	302	785
Intangible assets	-	-	28	28
Less accumulated depreciation	<u>(4,026)</u>	<u>(96)</u>	<u>(7,554)</u>	<u>(11,676)</u>
	<u>7,567</u>	<u>174</u>	<u>10,300</u>	<u>18,041</u>
	<u>7,567</u>	<u>174</u>	<u>19,065</u>	<u>26,806</u>
	<u>8,251</u>	<u>293</u>	<u>23,109</u>	<u>31,653</u>
Deferred Outflows of Resources				
Pension obligation	<u>14</u>	<u>-</u>	<u>204</u>	<u>218</u>

City of Boise, Idaho
Combining Statement of Net Position – Nonmajor Proprietary Funds
September 30, 2015
(In Thousands)

	Geothermal	Municipal Irrigation	Housing Rehabilitation	Total Nonmajor Business - type Funds
Liabilities				
Current liabilities				
Accounts payable	2	-	86	88
Other accrued liabilities	2	10	93	105
Compensated absences	-	-	2	2
Unearned revenue	759	6	-	765
Interfund payable	76	-	219	295
Current portion of long-term debt	-	-	140	140
Total current liabilities	839	16	540	1,395
Noncurrent liabilities				
Compensated absences and other post employment benefits	3	-	117	120
Net pension liability	30	-	430	460
Other long-term debt, non-current	-	-	140	140
Total noncurrent liabilities	33	-	687	720
Total liabilities	872	16	1,227	2,115
Deferred Inflows of Resources				
Pension obligation	19	-	266	285
Net Position				
Net investment in capital assets	7,567	174	10,300	18,041
Restricted for debt	-	-	280	280
Unrestricted	(193)	103	11,240	11,150
Total Net Position	\$ 7,374	\$ 277	\$ 21,820	\$ 29,471

City of Boise, Idaho
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Proprietary Funds
Year Ended September 30, 2015
(In Thousands)

	Geothermal	Municipal Irrigation	Housing Rehabilitation	Total Non-major Business-type Funds
Operating Revenues				
Charges for services				
Program income	\$ -	\$ 1	\$ 4	\$ 5
Interest income	-	-	410	410
Intergovernmental	-	-	1,319	1,319
Rental income	-	-	1,755	1,755
User fees	643	35	-	678
Miscellaneous revenue	16	-	179	195
Total operating revenues	<u>659</u>	<u>36</u>	<u>3,667</u>	<u>4,362</u>
Operating Expenses				
Personnel services	102	-	959	1,061
Contractual services and utilities	175	68	1,302	1,545
Supplies and materials	7	-	18	25
Depreciation	202	7	427	636
Total expenditures	<u>486</u>	<u>75</u>	<u>2,706</u>	<u>3,267</u>
Operating Income	<u>173</u>	<u>(39)</u>	<u>961</u>	<u>1,095</u>
Nonoperating Revenues (Expenses)				
Grants	20	-	(475)	(455)
Interest revenue	1	-	10	11
Interest expense	-	-	(24)	(24)
Total nonoperating revenues (expenses)	<u>21</u>	<u>-</u>	<u>(489)</u>	<u>(468)</u>
Income Before Interfund Transfers and contributions	<u>194</u>	<u>(39)</u>	<u>472</u>	<u>627</u>
Interfund transfers in	-	39	413	452
Interfund transfers out	-	-	(197)	(197)
Capital contribution	20	-	-	20
Change in Net Position	214	-	688	902
Net Position, Beginning of Year, as restated	<u>7,160</u>	<u>277</u>	<u>21,132</u>	<u>28,569</u>
Net Position, End of Year	<u>\$ 7,374</u>	<u>\$ 277</u>	<u>\$ 21,820</u>	<u>\$ 29,471</u>

City of Boise, Idaho
Combining Statement Cash Flows – Nonmajor Proprietary Funds
Year Ended September 30, 2015
(In Thousands)

	Geothermal	Municipal Irrigation	Housing Rehabilitation	Totals
Operating Activities				
Receipts from customers and users	\$ 642	\$ (94)	\$ 3,218	\$ 3,766
Receipts from interfund services provided	-	-	1,319	1,319
Payments to suppliers	(322)	-	(1,333)	(1,655)
Payments to employees	(103)	-	(952)	(1,055)
Payments for interfund services used	-	-	-	-
Other operating revenue received	16	-	179	195
Net Cash from (used for) Operating Activities	233	(94)	2,431	2,570
Noncapital Financing Activities				
Interfund transfers to other funds	-	-	(197)	(197)
Grants received	(10)	-	(475)	(485)
Interfund transfers from other funds	-	39	413	452
Payments for interfund receivables	12	-	219	231
Net Cash from (used for) Noncapital Financing Activities	2	39	(40)	1
Capital and Related Financing Activities				
Acquisition and construction of capital assets	(58)	-	(988)	(1,046)
Principal paid on debt	-	-	(140)	(140)
Interest paid on financing	-	-	(24)	(24)
Capital contributions	20	-	-	20
Net Cash used for Capital and Related Financing Activities	(38)	-	(1,152)	(1,190)
Investing Activities				
Purchase of investment securities	(198)	-	(1,491)	(1,689)
Proceeds from sale and maturities of investment securities	-	58	350	408
Interest on investments and advances	1	-	10	11
Net Cash from (used for) Investing Activities	(197)	58	(1,131)	(1,270)
Net Change in Cash	-	3	108	111
Cash and Cash Equivalents, Beginning of Year	-	-	475	475
Cash and Cash Equivalents, End of Year	\$ -	\$ 3	\$ 583	\$ 586

City of Boise, Idaho
Combining Statement Cash Flows – Nonmajor Proprietary Funds (continued)
Year Ended September 30, 2015
(In Thousands)

	<u>Geothermal</u>	<u>Municipal Irrigation</u>	<u>Housing Rehabilitation</u>	<u>Totals</u>
Reconciliation of operating income to net cash from (used for) operating activities				
Operating income	\$ 173	\$ (39)	\$ 961	\$ 1,095
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	202	7	427	636
Provision for bad debts	-	-	(1,629)	(1,629)
Change in				
Accounts receivable	21	-	225	246
Long-term accounts receivable	-	-	(24)	(24)
Mortgage loans receivable	-	-	2,479	2,479
Inventory	(40)	-	-	(40)
Prepaid items	-	-	3	3
Accounts payable	(100)	(68)	(24)	(192)
Compensated absences	(1)	-	7	6
Other accrued liabilities	-	-	6	6
Interfund payables	-	-	-	-
Unearned revenues	(22)	6	-	(16)
Net Cash from (used for) Operating Activities	<u>\$ 233</u>	<u>\$ (94)</u>	<u>\$ 2,431</u>	<u>\$ 2,570</u>
Noncash investment, capital and financing activities:				
Increase (decrease) in fair value of investments	\$ -	\$ -	\$ 3	\$ 3

City of Boise, Idaho
Schedule of Revenues and Expenditures – Airport Fund
Year Ended September 30, 2015
(In Thousands)

	Annual Budget Final	2015 Actual Amounts
Operating Revenues		
Airport landing fees	\$ 3,155	\$ 3,822
Airline rent	3,673	3,786
Parking fees	8,220	9,189
Car rental	3,849	4,412
Concessions	1,214	1,631
Rental income	2,581	3,103
Inflight food sales	364	331
Other	775	1,078
Total operating revenues	<u>23,831</u>	<u>27,352</u>
Operating Expenses		
Personnel services	6,960	6,382
Administration expenses	1,538	1,252
Supplies and materials	3,027	2,990
Professional services	6,388	6,289
Purchased services	684	811
Utilities and communications	990	1,354
Total operating expenses	<u>19,587</u>	<u>19,078</u>
Operating Income	<u>4,244</u>	<u>8,274</u>
Nonoperating Revenues (Expenses)		
Passenger facility charges	5,320	5,596
Customer facility charges	814	995
Grants	10,395	738
Transfers in	13	-
Interest revenue	400	679
Interest expense	(1,247)	(1,692)
Asset sales	-	21
Asset write-offs	-	(734)
Total nonoperating revenues, net	<u>15,695</u>	<u>5,603</u>
Net Income Before Depreciation and Capital Contributions	<u>19,939</u>	<u>13,877</u>
Depreciation	(13,382)	(13,670)
Capital Contributions	-	3,061
Net Income After Depreciation and Capital Grants	<u>\$ 6,557</u>	<u>\$ 3,268</u>

City of Boise, Idaho
 Schedule of Passenger Facility Charges Collected, Held and Used – Airport Fund
 Year Ended September 30, 2015

PFC Quarterly Report - Summary

City of Boise
 Boise Airport

Charge Expiration Date: November 1, 2015
 Quarter ending: 2015 Q4

Authority and Cumulative Expenditures

Authorizing Document	Authority	
	Impose	Use
94-01-C-02-BOI	\$ 9,650,423	\$ 9,650,423
96-02-C-02-BOI	10,540,607	10,540,607
99-03-C-02-BOI	84,362,062	84,362,062
06-04-C-00-BOI	5,377,736	5,377,736
Total	\$ 109,930,828	\$ 109,930,828

Cumulative	
Collections + Int	Expenditures
\$ 9,650,453	\$ 9,650,453
10,540,605	10,540,605
89,712,245	66,536,437
-	4,910,420
\$ 109,903,303	\$ 91,637,915

Collections and Interest

	Previously Reported	Current Quarter
PFC Revenue	\$ 106,759,721	\$ 1,472,403
Interest Earned	1,642,636	28,542
Total	\$ 108,402,357	\$ 1,500,945

Prior Period Adjustments	Cumulative
\$ -	\$ 108,232,124
-	1,671,178
\$ -	\$ 109,903,302

Remaining Authorized Collections	\$ 27,525
PFC Account Balance	\$ 18,265,388

City of Boise, Idaho
Combining Statement of Net Position – Internal Service Fund
September 30, 2015
(In Thousands)

	Fleet Services	L.M. Cunningham	Risk Management	Total Internal Service Funds
Assets				
Current Assets				
Cash and cash equivalents	\$ 94	\$ 5	\$ -	\$ 99
Investments	461	298	9,748	10,507
Receivables, net				
Accounts and interest	2	-	18	20
Prepaid items	23	-	90	113
Total current assets	580	303	9,856	10,739
Noncurrent Assets				
Capital assets, being depreciated				
Buildings	1,215	-	-	1,215
Improvements other than buildings	84	-	-	84
Automobiles and trucks	653	-	-	653
Machinery and equipment	175	-	-	175
Intangible assets	117	-	-	117
Less accumulated depreciation	(1,757)	-	-	(1,757)
Total capital assets, net	487	-	-	487
Total assets	1,067	303	9,856	11,226
Deferred Outflows of Resources				
Pension obligation	204	-	107	311
Liabilities				
Current Liabilities				
Accounts payable	9	-	1	10
Other accrued liabilities	-	-	2,386	2,386
Interfund payable	431	-	175	606
Compensated absences	2	-	-	2
Total current liabilities	442	-	2,562	3,004
Noncurrent Liabilities				
Compensated absences and other post employment benefits	91	-	31	122
Net pension liability	430	-	205	635
Total noncurrent liabilities	521	-	236	757
Total liabilities	963	-	2,798	3,761
Deferred Inflows of Resources				
Pension obligation	266	-	108	374
Net Position				
Net investment in capital assets	487	-	-	487
Unrestricted	(445)	303	7,057	6,915
Total Net Position	\$ 42	\$ 303	\$ 7,057	\$ 7,402

City of Boise, Idaho
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Fund
Year Ended September 30, 2015
(In Thousands)

	Fleet Services	L.M. Cunningham	Risk Management	Total Internal Service Funds
Operating Revenues				
Charges for services				
User fees	\$ 3,206	\$ 8	\$ 4,315	\$ 7,529
Miscellaneous revenues	-	13	7	20
Donations	-	13	-	13
Total operating revenues	<u>3,206</u>	<u>34</u>	<u>4,322</u>	<u>7,562</u>
Operating Expenses				
Personnel services	1,045	-	687	1,732
Contractual services and utilities	1,395	19	3,148	4,562
Supplies and materials	689	2	153	844
Depreciation	67	-	1	68
Total expenses	<u>3,196</u>	<u>21</u>	<u>3,989</u>	<u>7,206</u>
Operating Income	<u>10</u>	<u>13</u>	<u>333</u>	<u>356</u>
Nonoperating Revenues (Expenses)				
Interest revenue	1	5	114	120
Asset sales and other gains	2	-	833	835
Interest expense	(13)	-	-	(13)
Total nonoperating revenues (expenses)	<u>(10)</u>	<u>5</u>	<u>947</u>	<u>942</u>
Change in Net Position	-	18	1,280	1,298
Net Position, Beginning of Year, as restated	<u>42</u>	<u>285</u>	<u>5,777</u>	<u>6,104</u>
Net Position, End of Year	<u>\$ 42</u>	<u>\$ 303</u>	<u>\$ 7,057</u>	<u>\$ 7,402</u>

City of Boise, Idaho
Combining Statement of Cash Flows – Internal Service Fund
Year Ended September 30, 2015
(In Thousands)

	Fleet Services	L.M. Cunningham	Risk Management	Totals
Operating Activities				
Receipts from customers and users	\$ 3,206	\$ 8	\$ 4,315	\$ 7,529
Payments to suppliers	(2,087)	(21)	(4,296)	(6,404)
Payments to employees	(1,046)	-	(680)	(1,726)
Payments for interfund services provided	(60)	-	175	115
Other operating revenue received	-	26	7	33
Net Cash from (used for) Operating Activities	13	13	(479)	(453)
Capital and Related Financing Activities				
Acquisition and construction of capital assets	-	-	-	-
Asset sales and other gains	2	-	829	831
Interest paid on financing	(13)	-	-	(13)
Net Cash from (used for) Capital and Related Financing Activities	(11)	-	829	818
Investing Activities				
Purchase of investment securities	-	(63)	(6,228)	(6,291)
Proceeds from sale and maturities of investment securities	30	50	5,770	5,850
Interest on investments and advances	1	5	108	114
Net Cash from (used for) Investing Activities	31	(8)	(350)	(327)
Net Change in Cash	33	5	-	38
Cash and Cash Equivalents, Beginning of Year	61	-	-	61
Cash and Cash Equivalents, End of Year	\$ 94	\$ 5	\$ -	\$ 99

City of Boise, Idaho
Combining Statement of Cash Flows – Internal Service Fund (continued)
Year Ended September 30, 2015
(In Thousands)

	Fleet Services	L.M. Cunningham	Risk Management	Totals
Reconciliation of Operating Income to Net cash from (used for) operating activities				
Operating income (loss)	\$ 10	\$ 13	\$ 333	\$ 356
Adjustments to reconcile operating income to net cash from (used for) operating activities				
Depreciation	67	-	1	68
Change in				
Accounts receivable	-	-	1	1
Inventory	-	-	-	-
Interfund receivables	-	-	-	-
Prepaid items	(9)	-	(90)	(99)
Accounts payable	6	-	(114)	(108)
Compensated absences	(1)	-	7	6
Accrued liabilities	-	-	(792)	(792)
Interfund payables	(60)	-	175	115
Net Cash from (used for) Operating Activities	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ (479)</u>	<u>\$ (453)</u>
Noncash investment, capital and financing activities				
Increase (decrease) in fair value of investments	\$ -	\$ 2	\$ 39	\$ 41

City of Boise, Idaho
Statement of Changes in Assets and Liabilities – Agency Fund
Year Ended September 30, 2015
(In Thousands)

	Balance September 30, 2014	Additions	Deletions	Balance September 30, 2015
<u>Boise City Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 1,064	\$ 1,063	\$ 1
Investments	12	145	149	8
Due from other governmental unit	-	595	595	-
	<u>\$ 12</u>	<u>\$ 1,804</u>	<u>\$ 1,807</u>	<u>\$ 9</u>
Liabilities				
Accounts and interest payable	\$ 12	\$ 430	\$ 433	\$ 9
Due to other governmental unit	-	373	373	-
	<u>\$ 12</u>	<u>\$ 803</u>	<u>\$ 806</u>	<u>\$ 9</u>

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Statistical Section
City of Boise, Idaho

City of Boise, Idaho
Net Position by Component
Last Ten Fiscal Years
(In thousands)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Activities										
Net Investment in capital assets	\$ 157,991	\$ 169,659	\$ 164,746	\$ 186,760	\$ 184,211	\$ 180,664	\$ 172,518	\$ 162,609	\$ 158,509	\$ 143,454
Restricted	19,767	16,721	14,314	18,072	12,148	19,330	21,030	21,076	22,086	17,884
Unrestricted	58,256	59,718	48,379	18,285	19,946	15,631	16,880	25,584	28,334	28,889
Total governmental activities net assets	236,014	246,098	227,439	223,117	216,305	215,625	210,428	209,269	208,929	190,227
Activities										
Net Investment in capital assets	440,875	413,847	399,960	398,046	386,676	377,079	375,521	374,328	363,607	346,846
Restricted	24,132	21,185	28,675	34,010	33,065	35,585	29,931	24,060	17,873	16,699
Unrestricted	68,403	89,608	79,141	64,402	65,385	63,671	59,879	62,467	64,219	58,092
Total business-type activities net assets	533,410	524,640	507,776	496,458	485,126	476,335	465,331	460,855	445,699	421,637
Primary government										
Net Investment in capital assets	598,866	583,506	564,706	584,806	570,887	557,743	548,039	536,937	522,116	490,300
Restricted	43,899	37,906	42,989	52,082	45,213	54,915	50,961	45,136	39,959	34,583
Unrestricted	126,659	149,326	127,520	82,687	85,331	79,302	76,759	88,051	92,553	86,981
Total primary government activities net position	\$ 769,424	\$ 770,738	\$ 735,215	\$ 719,575	\$ 701,431	\$ 691,960	\$ 675,759	\$ 670,124	\$ 654,628	\$ 611,864

City of Boise, Idaho
Changes in Net Position
Last Ten Fiscal Years
(In thousands)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities										
General Government	\$ 29,662	\$ 27,964	\$ 29,842	\$ 28,255	\$ 33,915	\$ 28,881	\$ 28,838	\$ 27,997	\$ 22,019	\$ 16,217
Public Safety:										
Fire	39,322	46,418	43,900	43,876	41,485	40,486	35,655	35,364	31,644	31,063
Police	47,108	48,666	47,160	47,591	46,051	47,125	47,181	45,958	40,340	36,415
Parks and recreation	26,292	25,600	24,197	22,362	22,634	22,158	22,283	22,624	21,199	19,155
Culture	10,053	10,092	10,537	10,253	10,471	9,477	9,642	9,002	7,333	7,266
Community Services	21,076	21,124	18,607	13,287	13,674	13,803	13,849	14,437	13,758	12,066
Community Development	3,353	228	1,761	842	935	1,663	1,137	1,384	1,437	585
Interest and fiscal charges	1,283	1,273	1,245	1,195	1,549	1,528	1,667	1,803	1,872	1,929
Total governmental activities expenses	178,149	181,365	177,249	167,661	170,714	165,121	160,252	158,569	139,602	124,696
Business-type activities										
Airport	34,369	31,597	32,699	30,983	31,934	30,796	31,492	32,829	32,880	28,622
Sewer	34,796	33,872	32,191	31,853	30,468	29,909	30,355	30,297	27,599	27,580
Solid Waste	30,852	25,085	24,501	24,406	24,044	23,712	23,763	23,728	20,203	18,971
Other	3,279	4,015	5,108	4,875	3,977	3,518	3,288	3,125	3,927	3,193
Total business-type activities expenses	103,296	94,569	94,499	92,117	90,423	87,935	88,898	89,979	84,609	78,366
Total primary government expenses	\$ 281,445	\$ 275,934	\$ 271,748	\$ 259,778	\$ 261,137	\$ 253,056	\$ 249,150	\$ 248,548	\$ 224,211	\$ 203,062
Program Revenues										
Governmental activities										
Charges for services:										
General government	\$ 11,616	\$ 11,130	\$ 6,571	\$ 6,697	\$ 8,296	\$ 6,599	\$ 6,561	\$ 6,490	\$ 5,324	\$ 4,285
Public Safety:										
Fire	8,280	8,143	7,401	7,149	7,366	7,751	4,731	3,519	3,471	3,819
Police	5,666	5,882	4,984	5,171	4,941	5,290	5,361	5,698	3,707	3,235
Parks and recreation	8,422	7,926	6,252	6,203	6,129	6,647	6,529	7,088	7,654	7,634
Community services	12,507	11,134	9,188	8,103	6,661	6,408	6,395	9,122	10,357	10,261
Other activities	743	1,518	511	639	734	1,187	880	520	484	485
Operation grants and contributions	2,892	1,830	22,343	19,221	20,085	22,040	19,715	20,916	22,459	19,507
Capital grants and contributions	5,897	6,581	2,924	4,027	5,069	4,057	2,763	2,406	5,055	23,647
Total governmental activities revenues	56,023	54,144	60,174	57,210	59,281	59,979	52,935	55,759	58,511	72,873

City of Boise, Idaho
Changes in Net Position
Last Ten Fiscal Years
(In thousands)

Business-type activities											
Charges for services:											
Airport	27,092	24,363	23,380	22,824	22,980	22,221	21,125	23,683	23,624	22,242	
Sewer	37,281	36,258	32,291	28,625	28,019	26,908	25,174	25,781	25,570	24,201	
Solid Waste	26,675	25,933	24,430	23,976	23,386	23,563	24,157	23,508	19,707	18,698	
Other	4,167	2,465	2,418	2,473	2,470	2,361	2,717	2,712	2,604	2,275	
Operation grants and contributions	7,425	350	1,037	5,610	6,512	5,899	4,927	5,600	4,389	2,401	
Capital grants and contributions	11,593	20,562	18,939	18,715	15,844	15,976	12,228	20,571	27,845	24,336	
Total business-type activities and program revenues	114,233	109,931	102,495	102,223	99,211	96,928	90,328	101,855	103,739	94,153	
Total primary government program revenues	\$ 170,256	\$ 164,075	\$ 162,669	\$ 159,433	\$ 158,492	\$ 156,907	\$ 143,263	\$ 157,614	\$ 162,250	\$ 167,026	
Net (Expense)/Revenue											
Governmental activities	\$ (122,126)	\$ (127,221)	\$ (117,075)	\$ (110,451)	\$ (111,433)	\$ (105,142)	\$ (107,317)	\$ (102,810)	\$ (81,091)	\$ (51,823)	
Business-type activities	10,937	15,362	7,996	10,106	8,788	8,993	1,430	11,876	19,130	15,787	
Total primary government net expense	\$ (111,189)	\$ (111,859)	\$ (109,079)	\$ (100,345)	\$ (102,645)	\$ (96,149)	\$ (105,887)	\$ (90,934)	\$ (61,961)	\$ (36,036)	
General Revenues and Other Changes in Net Position											
Governmental activities											
Taxes	\$ 125,024	\$ 119,740	\$ 114,201	\$ 109,314	\$ 105,534	\$ 102,097	\$ 98,807	\$ 92,769	\$ 88,121	\$ 83,484	
Franchise fees	8,107	8,476	8,047	7,189	6,849	6,998	7,527	7,343	6,940	6,937	
Liquor & Sales tax (Note 1)	18,594	17,260									
Investment earnings	643	385	356	941	854	1,085	1,705	2,975	4,572	3,266	
Special items	13	129									
Miscellaneous											
Transfers	(124)	(110)	(27)	108	(56)	159	437	63	24	(48)	
Total governmental activities	152,257	145,880	122,577	117,552	113,181	110,339	108,476	103,150	99,657	93,639	
Business-type activities											
Investment earnings	1,689	1,386	456	1,334	1,367	2,170	3,483	3,343	4,380	3,153	
Gain on sale of capital assets							-	-	-	3	
Special items	(698)	6									
Transfers	124	110	27	(108)	56	(159)	(437)	(63)	(24)	48	
Total business-type activities	1,115	1,502	483	1,226	1,423	2,011	3,046	3,280	4,356	3,204	
Total primary government	\$ 153,372	\$ 147,382	\$ 123,060	\$ 118,778	\$ 114,604	\$ 112,350	\$ 111,522	\$ 106,430	\$ 104,013	\$ 96,843	
Changes in Net Position											
Governmental activities	\$ 30,131	\$ 18,659	\$ 5,502	\$ 7,101	\$ 1,748	\$ 5,197	\$ 1,159	\$ 340	\$ 18,566	\$ 41,816	
Business-type activities	12,052	16,864	8,479	11,332	10,211	11,004	4,476	15,156	23,486	18,991	
Total primary government	\$ 42,183	\$ 35,523	\$ 13,981	\$ 18,433	\$ 11,959	\$ 16,201	\$ 5,635	\$ 15,496	\$ 42,052	\$ 60,807	

Note 1: Reported within Operating Grants & Contributions prior to FY 2014.

City of Boise, Idaho
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(In thousands)

	2015	2014	2013	2012	2011(1)	2010	2009	2008	2007	2006
General Fund										
Nonspendable	\$ 4,447	\$ 1,824	\$ 2,559	\$ 1,935	\$ 1,259	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,867	1,777	1,608	1,361	3,120	-	-	-	-	-
Committed	2,018	2,000	2,082	2,323	556	-	-	-	-	-
Assigned	4,924	8,485	4,692	6,536	1,561	-	-	-	-	-
Unassigned	25,976	21,274	20,856	16,317	16,800	-	-	-	-	-
Reserved	-	-	-	-	-	5,816	6,283	6,331	4,723	4,712
Unreserved	-	-	-	-	-	24,192	15,529	16,709	24,603	24,218
Total general fund	39,232	35,360	31,797	28,472	23,296	30,008	21,812	23,040	29,326	28,930
All Other Governmental Funds										
Nonspendable	7,936	7,774	7,666	7,544	7,544	-	-	-	-	-
Restricted	13,026	10,108	7,912	10,085	6,720	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	47,771	29,835	20,543	17,787	21,182	-	-	-	-	-
Unassigned	-	(3,526)	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	33,687	28,293	35,301	31,458	28,044
Unreserved	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	(2,151)	9,121	10,403	12,641	12,255
Debt service fund	-	-	-	-	-	1,168	6,042	1,492	1,632	1,523
Total all other governmental funds	68,733	44,191	36,121	35,416	35,446	32,704	43,456	47,196	45,731	41,822
Total all governmental funds	\$ 107,965	\$ 79,551	\$ 67,918	\$ 63,888	\$ 58,742	\$ 62,712	\$ 65,268	\$ 70,236	\$ 75,057	\$ 70,752

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

City of Boise, Idaho
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(In thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Property taxes	\$ 124,521	\$ 119,818	\$ 114,095	\$ 108,733	\$ 105,925	\$ 101,822	\$ 97,573	\$ 92,500	\$ 88,087	\$ 83,635
Franchise fees	8,107	8,476	8,047	7,189	6,849	6,998	7,527	7,343	6,940	6,937
Licenses and permits	10,766	9,267	7,276	6,548	4,928	4,469	4,720	6,687	8,183	8,522
Intergovernmental revenues	20,483	19,207	19,626	18,441	17,875	19,696	18,644	20,553	20,107	19,101
Program income	-	59	-	144	67	637	370	12		
Charges for services	34,958	33,903	30,563	29,632	28,889	28,542	25,535	25,406	22,346	21,072
Fines and forfeitures	2,921	437	3,041	3,348	3,422	3,793	3,329	3,717	4,019	3,501
Donations	2,065	390	875	539	868	1,591	723	906	844	589
Dev. Reimb. & Sp. Asses.	486	3,216								
Investment income	756	541	358	858	736	893	1,324	2,549	4,022	2,904
Miscellaneous revenue	1,819	2,906	1,991	1,183	2,918	3,649	921	1,072	4,894	947
Total Revenue	206,882	198,220	185,872	176,615	172,477	172,090	160,666	160,745	159,442	147,208
Expenditures										
General government	29,148	28,137	26,256	29,039	32,078	26,838	26,737	27,919	23,108	17,935
Public safety										
Fire	42,480	44,784	42,856	41,755	40,265	38,489	34,153	32,296	29,931	29,646
Police	49,321	47,305	46,485	46,421	45,150	46,249	46,326	45,053	39,289	35,828
Parks and recreation	23,405	25,558	20,595	18,731	18,816	18,198	17,968	17,999	18,576	16,767
Culture	9,791	10,691	9,530	9,234	9,294	8,969	8,563	7,923	6,650	6,386
Community services	21,224	20,641	19,499	13,330	12,854	13,035	13,346	13,884	13,223	11,583
Community development	3,787	966	368	811	925	1,656	1,125	1,368	1,442	588
Capital outlay & Minor Eq.	18,448	6,321	14,960	16,205	17,561	18,874	19,361	14,519	20,389	7,531
Debt service										
Principal	1,318	1,624	1,548	539	1,136	1,084	1,033	2,968	1,038	999
Interest	1,173	1,165	1,253	1,462	1,497	1,418	1,465	1,568	1,645	1,714
Issuance costs	206	-	-	732	333					
Total expenditures	200,301	187,192	183,350	178,259	179,909	174,810	170,077	165,497	155,291	128,977
Excess of revenues over (under) expenditures	6,581	11,028	2,522	(1,644)	(7,432)	(2,720)	(9,411)	(4,752)	4,151	18,231
Other financing sources uses										
Bonds issuance & costs	21,780	52	319	25,223	3,995					
Payments to refunded bond escrow agent				(23,850)						
Capital asset sale proceeds	177	650	1,277	4,447						
Transfers in	24,129	17,088	16,888	10,505	19,905	2,929	9,438	15,270	20,714	11,514
Transfers out	(24,253)	(17,185)	(16,976)	(9,662)	(18,954)	(2,765)	(7,857)	(15,339)	(20,696)	(11,575)
Total other financing sources (uses)	21,833	605	1,508	6,663	4,946	164	1,581	(69)	18	(61)
Net change in fund balance	\$ 28,414	\$ 11,633	\$ 4,030	\$ 5,019	\$ (2,486)	\$ (2,556)	\$ (7,830)	\$ (4,821)	\$ 4,169	\$ 18,170
Debt service as a percentage of noncapital expenditures	1.26%	1.51%	1.57%	1.16%	1.51%	1.50%	1.54%	2.74%	1.73%	2.10%

City of Boise, Idaho
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(In thousands)

Fiscal Year Ended 9/30	Residential Property	Commercial Property	Farm Property	Personal Property	Manufacturing Property	Operating Property	Other Property	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2006	\$ 12,863,844	\$ 5,753,673	\$ 18,957	\$ 643,990	\$ 664,797	\$ 252,489	\$ 28,398	\$ 4,340,545	\$ 15,885,603	0.055
2007	15,432,901	6,341,805	15,593	692,252	248,836	274,627	35,140	4,693,702	18,347,452	0.050
2008	16,020,033	6,051,550	16,367	678,936	900,041	285,427	43,187	4,761,985	19,233,556	0.051
2009	16,019,195	4,989,741	15,843	673,147	900,041	1,048,484	65,097	5,042,294	18,669,254	0.059
2010	12,559,179	4,278,179	16,222	635,060	976,569	905,890	25,098	4,118,269	15,277,928	0.070
2011	11,251,079	4,052,540	17,974	1,377,247	895,673	295,102	22,847	4,058,033	13,854,429	0.078
2012	10,936,859	3,932,257	16,430	1,525,207	886,238	298,951	21,726	3,985,975	13,631,693	0.083
2013	12,105,733	4,011,930	16,684	1,079,019	931,802	295,138	21,090	3,910,996	14,550,400	0.080
2014	13,869,969	4,268,104	10,483	1,179,510	969,759	303,642	32,357	4,308,829	16,324,994	0.075
2015	15,077,728	4,627,336	11,151	1,093,458	1,026,033	299,570	36,163	4,634,294	17,537,145	0.073

Source: Ada County Auditor's Office

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

City Direct Rates			Overlapping Rates ¹										Overlapping Rates ¹					
Fiscal Year	Basic Rate	Total Direct	Ada County	Ada County Highway District	Boise Independent School District	Meridian School District	Whitney Fire	Flood Control	Emergency Medical/ North Ada Search & Rescue	Dry Creek Cemetery	Joplin Cemetery	Meridian Cemetery	Water & Sewer	NW Sewer	Ada Cty. Ambulance	Mosquito Abatement	West Ada Recreation	Harris Ranch 1
2006	5.49	5.50	2.56	1.01	4.73	3.89	1.58	0.09	0.11	0.01	0.01	0.05	-	0.14	-	0.03	0.07	-
2007	5.03	5.00	2.28	0.87	4.43	3.66	1.69	0.08	0.10	0.01	0.01	0.04	-	0.12	-	0.03	0.06	-
2008	5.14	5.10	2.30	0.91	4.56	3.58	1.91	0.09	0.11	0.01	0.01	0.04	-	0.12	-	0.03	0.07	-
2009	5.87	5.90	2.63	1.02	4.92	3.51	2.10	0.10	0.13	0.03	0.01	0.04	-	0.14	-	0.01	0.08	-
2010	6.98	7.00	3.06	1.19	5.58	3.49	2.40	0.12	2.29	0.04	0.01	0.03	-	0.17	-	0.03	0.10	-
2011	7.78	7.80	3.32	1.29	5.50	3.40	2.40	0.13	2.41	0.05	0.01	0.03	-	0.19	-	0.04	0.11	0.09
2012	8.32	8.30	3.36	1.29	6.11	4.60	2.40	0.14	2.41	0.05	0.01	0.05	-	0.19	0.18	0.04	0.11	3.08
2013	8.04	8.00	3.20	1.19	5.71	4.64	2.40	0.15	2.40	0.04	0.01	0.04	-	0.18	0.17	0.03	0.10	2.93
2014	7.48	7.50	3.02	1.08	5.23	4.09	2.08	0.13	2.40	0.04	0.01	0.14	-	-	0.16	0.03	0.09	3.01
2015	7.35	7.30	3.11	1.01	5.05	4.22	2.09	0.13	2.41	0.04	0.01	0.06	-	-	0.15	0.03	0.09	2.93

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, Idaho
Principal Property Tax Payers
Last Ten Fiscal Years
(In thousands)

	2015			2006		
	Market Valuation	Rank	Percentage of Total Market Valuation	Market Valuation	Rank	Percentage of Total Market Valuation
Micron Technology	\$ 342,385	1	1.95%	\$ 781,782	1	4.91%
Boise Mall LLC	130,748	2	0.75%	118,237	3	0.74%
Idaho Power	114,767	3	0.65%	82,571	5	0.52%
MP Mask Technology Center	101,275	4	0.58%			
Hewlett Packard	96,803	5	0.55%	197,911	2	1.24%
United Water	89,784	6	0.51%	58,742	7	0.37%
CenturyLink (Qwest)	53,351	7	0.30%	79,443	6	0.50%
New Albertson's Inc	47,280	8	0.27%	50,498	9	0.32%
Winco Foods LLC	40,188	9	0.23%			
SCCP Boise LP	39,871	10	0.23%			
Albertsons (Supervalu)	-		0.00%	86,922	4	0.55%
Sundance Investments	-		0.00%	51,052	8	0.32%
MK Plaza Trust	-		0.00%	43,224	10	0.27%
	<u>\$ 1,056,452</u>		<u>6.02%</u>	<u>\$ 1,550,382</u>		<u>9.74%</u>
Total Market Valuation	\$ 17,537,145			\$ 15,920,620		

Source: 2015 Ada County Report of Highest 25 Taxpayers / Idaho Department of Commerce

City of Boise, Idaho
Property Tax Levies and Collections
Last Ten Fiscal Years
(In thousands)

Fiscal Year Ended September 30	Collected within the Fiscal Year of the Levy			Total Collection to Date		
	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years (<i>Note 1</i>)	Amount	Percentage of Levy
2006	\$ 82,905	\$ 82,516	99.5%	389	\$ 82,905	100.00%
2007	87,442	87,269	99.8%	173	87,442	100.00%
2008	92,364	91,523	99.1%	841	92,364	100.00%
2009	97,703	96,076	98.3%	1,675	97,751	100.00%
2010	101,639	99,904	98.3%	1,785	101,689	100.00%
2011	105,839	103,832	98.1%	2,147	105,979	100.00%
2012	108,073	107,027	99.0%	1,448	108,475	100.00%
2013	113,608	112,852	99.3%	1,498	114,350	100.00%
2014	118,699	118,432	99.8%	802	119,234	100.00%
2015	124,052	123,329	99.4%		123,329	99.40%

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

Note 1: Collections in subsequent years includes interest and penalties.

City of Boise, Idaho
Ratio of Outstanding Debt By Type
Last Ten Fiscal Years
(In thousands)

Fiscal Year	Governmental Activities					Total Debt ¹	Debt per Capita	Debt to		Personal Income
	Revenue Bonds	General Obligation Bonds	Capital Leases	Special Assessment Bonds	Population					
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	
2013	23,760	-	585	-	24,345	0.116	0.0033	209,700	7,413,734	
2014	22,825	370		3,835	27,030	0.124	0.0034	217,730	8,008,109	
2015	21,865	20,744	1,023	3,795	47,427	0.219	0.0058	216,282	8,216,769	

(1) Includes Harris Ranch CID Debt for FY 2014.

Fiscal Year	Business-type Activities					Total Debt	Debt per Capita	Debt to		Personal Income
	Revenue Bonds	Certificates of Participation	Installment Loans	Other Long-Term Obligations	Population					
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	
2013	51,284	-	560	-	51,844	0.247	0.0070	209,700	7,413,734	
2014	45,827	-	420	-	46,247	0.212	0.0058	217,730	8,008,109	
2015	52,832	-	280	-	53,112	0.246	0.0065	216,282	8,216,769	

City of Boise, Idaho
 Direct and Overlapping Governmental Activities Debt
 Last Ten Fiscal Years
 (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	\$ 21,865	100%	\$ 21,865	0.1011	0.0027	216,282	8,216,769
General Obligation Bonds 2015	17,000	100%	17,000	0.0786	0.0021		
Total Direct Governmental Indebtedness	38,865		38,865	0.1797	0.0047		

Overlapping Bonded Indebtedness:

Harris Ranch Comm. Inf. District	7,462	100%	7,462	0.0345	0.0009		
Capital City Development Corporation	17,920	100%	17,920	0.0829	0.0022		
Meridian School District	201,135	23%	46,557	0.2153	0.0057		
Boise School Dist. #1	63,325	100%	63,325	0.2928	0.0077		
Total Overlapping Bonded Indebtedness	289,842		135,264	0.6255	0.0165		
Total Direct and Overlapping Debt	\$ 328,707		\$ 174,129	0.8052	0.0212		

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

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

City of Boise, Idaho
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (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
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%
2013	294,200	69,786	224,414	23.72%
2014	327,112	68,243	258,869	20.86%
2015	351,147	73,190	277,957	20.84%

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, Idaho
Pledged Revenue Coverage
Last Ten Fiscal Years
(In thousands)

Revenue Refunding Bonds, Series 2011A					
Fiscal Year	Operating Revenue	Fund Revenue	Outstanding General Fund	Debt Service	
2012	170,632	25,595	523	25,072	
2013	178,366	26,755	1,820	24,935	
2014	188,723	28,308	1,714	26,594	
2015	196,130	29,420	1,711	27,709	

(1) Parity debt is allowed so long as the maximum annual principal and interest requirements on all outstanding obligations constituting a lien upon

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

Fiscal Year	(1)	(2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2011	29,587	17,369	12,218	1,400	815	5.52
2012	27,293	17,731	9,562	2,860	1,560	2.16
2013	27,399	17,804	9,595	2,975	1,446	2.17
2014	28,792	18,361	10,431	3,095	1,327	2.36
2015	32,251	19,078	13,173	3,255	1,172	2.98

(1) Includes Operating Revenue, Interest Income, and Passenger Facilities Charges.

(2) Excludes Interest Expense, Depreciation, Gain or Loss on Property Sale/Exchange/Disposal.

Airport Revenue Bonds, Series 2012

Fiscal Year	(1)	(2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	23,921	17,804	6,117	525	301	7.41
2014	25,314	18,361	6,953	430	399	8.39
2015	28,769	19,078	9,691	440	386	11.73

(1) Includes Operating Revenue and Interest Income

(2) Excludes Interest Expense, Depreciation, Gain or Loss on Property Sale/Exchange/Disposal.

Airport Revenue Bonds, Series 2015

Fiscal Year	(1)	(2)	Net Available Revenue	Aggregate Debt Service (3)		Coverage
				Principal	Interest	
2015	32,251	19,078	13,173	3,695	1,558	2.51

(1) Includes Operating Revenue and Interest Income and Passenger Facility Charges

(2) Excludes Interest Expense, Depreciation, Gain or Loss on Property Sale/Exchange/Disposal

(3) Includes Principal and interest on the Airport 2015 Bonds and the Senior 2011 and 2012 Bonds

For FY 2015 there is no principal or interest for the Airport 2015 Bonds

Wastewater Facility Refunding Bonds, Series 2012

Fiscal Year	(1)	(2)	Net Available Revenue	Debt Service		Coverage
				Principal *	Interest *	
2012	32,455	22,379	10,076	-	-	N/A
2013	32,629	22,855	9,774	1,895	283	4.49
2014	37,102	24,519	12,583	1,932	243	5.79
2015	38,113	25,104	13,009	1,965	209	5.98

(1) Includes Operating Revenue, and Interest Income.

(2) Excludes Interest Expense, Depreciation, Gain or Loss on Property Sale/Exchange/Disposal.

City of Boise, Idaho
Demographic and Economic Statistics
Last Ten Fiscal 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
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%
2013	209,700	7,413,734	35,354	32.5	13.8	26,079	5.9%
2014 (Note 1)	217,730	8,008,109	36,780	35.3	n/a	25,565	3.5%
2015	216,282	8,216,769	37,991	34.6	n/a	25,878	2.6%

Sources

- 1 Idaho Department of Commerce and Labor
- 2 Boise Valley Economic Partnership
- 3 US Census Bureau
- 4 US Department of Commerce Bureau of Economic Analysis (Boise MSA)
- 5 Boise Independent School District

Note 1: Data no longer available for Education Level in Years of Schooling statistic

City of Boise, Idaho
Principal Employers
Last Ten Fiscal Years

Employer	2015			2006		
	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)	13,079	1	4.55%	14,300	1	5.36%
St Luke's Regional Medical Center	7,551	2	2.62%	6,400	3	2.40%
Micron Technology	6,175	3	2.15%	10,600	2	3.97%
Meridian School District #2	3,736	4	1.30%	2,875	9	1.08%
Boise School District #1	3,602	5	1.25%	4,000	6	1.50%
St Alphonsus Regional Medical Center	3,444	6	1.20%	3,143	8	1.18%
Walmart	2,989	7	1.04%			
City of Boise	2,072	8	0.72%			
Hewlett Packard	1,738	9	0.60%	4,000	5	1.50%
Western Idaho Employee Services Inc	1,714	10	0.60%			
JR Simplot			0.00%	3,500	7	1.31%
Albertsons Inc.			0.00%	2,730	10	1.02%
US Federal Government				5,250	4	1.97%
	46,100		16.03%	56,798		21.29%
Total Employment in Boise MSA ³			287,732			266,808

Source:

1 - Idaho Dept. of Labor, Communications and Research, 2016, 3rd Quarter Totals

2 - FY 2006 City of Boise Audit CAFR

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

Department/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Mayor's Office	13	12	22	22	22	22	22	19	19	19
City Council (Note 1)	10	9								
Legal Department	50	51	50	50	50	50	50	48	48	46
Human Resources	16	14	13	13	13	13	12	11	11	11
Customer and Support										
Finance and										
Administration	62	61	60	61	60	60	61	59	59	58
Information Technology	56	53	53	53	53	53	57	57	57	30
Public Safety										
Fire Department	285	284	283	282	294	295	266	258	258	250
Police	398	395	400	405	387	396	409	402	402	367
Parks and Recreation	152	152	146	146	149	151	155	154	154	149
Culture										
Arts and History	7	6	5	5	5	5	5	4	4	4
Library	110	110	110	113	113	113	123	108	108	87
Community Services										
Planning & Development	91	91	90	93	98	98	102	100	100	103
Public Works	28	26	26	26	27	29	29	26	26	28
Airport	109	109	109	109	108	108	115	113	113	151
Sewer	210	195	184	180	179	180	193	188	188	195
Geothermal	1	1	1	1	1	1	1	1	1	1
Solid Waste	5	4	5	5	5	5	5	5	5	5
Risk Management	5	4	5	5	5	5	5	4	4	4
Workers Comp	3	3	1	1	1	1	1	1	1	1
Fleet Services	18	18	18	18	18	19	20	17	10	10
Housing Rehab	17	17	17	17	17	17	19	19	19	19
Total	1,646	1,615	1,598	1,605	1,605	1,621	1,650	1,592	1,587	1,538

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

Note 1: Added City Council in 2014 as they are now considered a separate department

City of Boise, Idaho
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Government										
Mayor and City Council										
Number of Neighborhood Reinvestment project grants awarded	23	23	26	28	18	17	10	19	29	19
Number of active Neighborhood Reinvestment project grants	35	62	43	27	24	49	59	60	58	41
Ordinances and resolutions adopted	713	696	531	482	468	526	420	560	681	568
General Government Administration										
Number of Licenses (animal/business) issued:	20,200	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of children in licensed daycare facilities (Note 7)	n/a	n/a	9,382	9,400	9,255	9,234	9,728	9,500	19,500	19,000
Number of square feet of facilities maintained (Facilities Maintenance)	530,528	530,528	530,528	537,317	504,979	473,379	457,868	396,797	405,671	253,477
Legal										
Criminal matters processed (Boise only)	15,796	15,419	16,234	17,296	17,972	19,637	21,451	7,970	58,211	64,059
Criminal matters processed (other than Boise)	6,676	5,390	5,632	6,655	5,372	4,689	4,064			
Human Resources										
Days from requisition to applicant referral (HR Control)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	22
Information and Technology										
Number of supported PCs (Note 6)	2,874	2,694	2,399	2,100	2,060	1,942	1,915	1,900	1,843	1,150
Number of help desk calls	25,573	25,923	25,408	25,410	20,436	18,968	18,824	20,532	6,483	3,537
Average number of mapping requests per month (internet)	n/a	n/a	n/a	n/a	15,037	14,631	29,379	15,150	31,400	30,300
Monthly avg. # of GIS Map Image, ArcGIS Server and Geocode requests	n/a	220,565	217,714	181,297						
Financial Services										
Number of purchase orders issued	740	1,005	740	1,123	1,130	1,173	1,099	1,377	1,785	2,060
Number of dollars recovered by Collections (thousands)	\$ 3,950	\$ 3,896	\$ 3,240	\$ 3,166	\$ 2,982	\$ 2,969	\$ 2,732	\$ 2,395	\$ 2,141	\$ 1,963
Ratio of interest earned vs. interest expense	0.54	0.40	0.31	0.36	0.39	0.53	0.71	1.21	1.54	1.07
Ratio of Portfolio Yield vs. Fed Funds	2.440	2.172	2.256	2.860	3.796	5.716	7.348	1.569	1.087	0.957
Number of loans internally serviced (sewer & housing)	635	717	762	803	849	824	806	765	726	808
Public Safety										
Fire										
90th Percentile Response Time (Note 2)	6:42	6:47	6:38	6:18	6:10	6:12	6:09	6:01	6:14	6:09
Number of fires investigated	118	91	132	119	85	108	97	114	127	100
Number of plans reviewed	174	357	388	276	313	362	376	659	912	1,500
Police										
Number of police reports taken (Note 4)	29,456	27,696	28,757	29,912	31,475	32,392	34,536	37,487	41,737	40,933
Number of crime scenes processed	546	440	405	316	339	326	334	309	359	967
Number of citations for hazardous moving violations	11,308	13,787	16,284	n/a	n/a	n/a	n/a	n/a	23,373	22,061
Number of DUI arrests (Note 4)	1,079	1,007	1,065	1,123	1,355	1,537	1,824	2,098	2,031	2,240
Parks and Recreation										
Miles of trails maintained	180	145	145	148	148	137	129	129	125	97
Number of adaptive programs offered	354	358	300	282	286	256	224	188	216	200
Number of acres maintained	2,094	2,069	1,894	1,739	1,739	1,892	1,386	1,386	15,200	14,800
Zoo attendance	344,078	329,972	336,558	322,771	323,741	332,230	362,925	279,687	295,543	270,850
Idaho Ice World attendance	324,741	318,334	306,486	373,541	365,729	525,202	574,247	629,773	550,442	232,436
Number of rounds at Warm Springs Golf course	52,211	51,921	49,191	46,828	49,242	48,344	51,353	46,685	48,745	47,959
Average youth scholarship amount	\$ 13.39	\$ 22.65	\$ 37.45	\$ 40.72	\$ 50.00	\$ 42.37	\$ 40.97	\$ 40.25	\$ 34.02	\$ 41.73
Number of youth scholarships awarded	10,949	6,915	4,046	3,302	3,006	2,344	1,668	1,051	771	606
Number of youth served	562,562	561,598	544,083	511,724	655,492	702,911	732,557	670,618	650,447	619,201

City of Boise, Idaho
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Culture										
Arts										
Number of public art pieces owned by City	464	329	329	225	180	180				
Estimated # of citizens participating/exposed to programs and publications	1,090,000	1,092,674	2,100,000	1,310,000	1,218,365	487,700	49,700	55,000	60,000	58,333
Number of print and electronic publications	625	531	525	325	10	10				
Number of public program series (Note 3)	125	105	45	25	18	16				
Number of projects completed	225	95	95	52	n/a	n/a	46	18	8	2
Number of A&H cultural/facility plans completed	3	1	1	n/a	5					
Number of A&H studies completed	5	1	1	n/a	2					
Number of A&H presentations, facilitations, and consultations	132	98	6	11	7					
Number of citizens who received public art walking tours	2,500	950	1,800	850	n/a	n/a	5,500	2,168	1,679	
Library										
Annual circulation	2,343,101	2,219,680	2,144,471	2,297,905	2,340,898	2,313,307	1,998,057	1,694,089	1,571,639	1,448,423
Reference questions per capita	1.00	1.00	0.99	1.31	1.30	1.27	1.23	1.05	0.65	0.23
Number of special programs	3,484	3,214	3,110	2,719	2,711	2,843	1,988	1,513	1,282	1,154
Community Service										
Planning and Development Services										
Total construction permit value (millions)	\$ 604	\$ 433	\$ 361	\$ 399	\$ 297	\$ 160	\$ 259	\$ 369	\$ 657	\$ 654
Total number of permits	20,233	18,268	16,493	15,328	14,378	13,734	11,601	15,044	16,292	16,623
Percent of commercial plans reviewed <30 days	90%	92%	92%	83%	87%	88%	85%	82%	50%	58%
Number of affordable housing units available	299	284	284	281	274	274	274	274	273	273
Parking Control										
Parking tickets issued	71,708	65,618	63,082	62,474	68,458	74,632	69,233	67,364	63,318	63,502
Cemetery										
Number of burials	155	150	157	159	161	152	173	192	157	159
Airport										
Airline cost per enplaned passenger	4.55	4.60	4.59	4.36	\$ 4.81	\$ 4.81	\$ 3.87	\$ 3.49	\$ 3.34	\$ 3.28
Number of enplanements	1,456,633	1,347,989	1,306,548	1,328,767	1,393,611	1,394,670	1,404,321	1,649,491	1,668,834	1,623,438
Public Works										
Total number of street lights	11,778	11,137	11,021	10,885	10,693	10,933	10,853	10,762	10,193	10,011
Number of Geothermal customers	76	76	81	73	66	59	58	57	55	55
Sewer										
Dollars per foot of constructed 8" sewer pipe	\$128.10	\$122.00	\$114.85	\$111.88	\$110.25	\$109.93	\$ 104.63	\$ 101.69	\$ 100.48	\$ 92.84
Number of sewer backups per 100 miles of pipe	2.76	4.40	2.25	4.71	4.42	2.58	4.33	4.00	3.73	3.34
Miles of sewer pipe	905	799	711	704	702	697	694	685	675	659
Gallons of sewage treated per Capita	27	27	26	27	27	25	25	26	27	28
Residential Tons recycled per fiscal year (Note 5)	12,422	13,396	12,878	12,602	12,496	12,802	7,715	8,390	7,643	7,500
Percentage of solid waste recycled	13%	15%	15%	15%	14%	14%	11%	13%	8%	
Percentage of City customers recycling	97.4%	97%	96%							

Note 1: Operating indicator data was not available in all cases.

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.

Note 4: Revised Police statistical numbers based upon more accurate reporting methodologies.

Note 5: Sewer-Tons of solid waste per capita changed to Tons recycled per fiscal year

Note 6: Changed to PC's only for 2014 - printers are no longer owned by the City of Boise

Note 7: Data not available for 2014

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

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Primary Government										
Governmental activities:										
Fire										
Fire trucks	4	4	4	4	4	4	4	4	4	4
Fire engines	23	23	22	19	17	17	17	16	16	21
Rescue/utility vehicles	12	12	15	14	14	13	13	13	13	12
Fire facilities	18	17	18	19	17	17	16	16	16	15
Fire hydrants	6,654	6,590	6,450	6,490	6,491	6,987	6,747	7,209	7,183	6,913
Police										
Vehicles	289	294	273	268	278	275	279	253	242	251
Motorcycles	14	14	14	14	14	10	14	13	12	12
Police station (non city owned)	2	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	89	88	98	129	129	137	111	111	111	110
Picnic areas	75	75	67	67	67	67	66	64	62	62
Recreation/community centers	6	6	6	6	6	7	8	6	4	4
Ice skating facilities	1	1	1	1	1	1	1	1	1	1
Playgrounds	79	79	78	77	73	73	74	73	72	71
Basketball courts	27	27	25	25	25	25	26	26	26	26
Cultural/historical sites	4	4	4	4	4	4	4	4	4	4
Golf courses	2	2	1	1	1	1	1	1	1	1
Tennis courts	85	85	85	85	81	81	77	77	77	77
Youth baseball fields	32	32	32	35	35	35	35	35	35	35
Soccer fields	48	48	48	48	49	48	54	49	44	44
Skate parks	3	3	3	3	3	3	3	3	3	3
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	180	150	145	148	148	148	130	129	125	108
Foothills-special levy (acres)	3,882	3,842	3,842	3,582	3,428	3,428	1,529	1,519	1,199	1,199
Governmental activities:										
Culture										
Public art investments	359	359	222	200	172	170	147	143	116	106
Library Locations	4	4	4	4	4	4	4	3	2	2
Items in library collection (thousands)	385	427	420	424	418	413	408	372	356	361
Community Services										
Cemeteries	3	3	3	3	3	3	3	3	3	3
Streetlights	9,103	8,811	7,850	7,754	7,874	7,804	7,705	7,593	7,425	7,111
Business-type activities:										
Airport										
Runways (commercial)	2	2	2	2	2	2	2	2	2	2
Total parking spaces	4,350	4,350	4,350	3,600	3,600	3,600	3,600	2,882	2,831	2,141
Sewer										
Wastewater treatment plants	2	2	2	2	2	2	2	2	2	2
Other										
Single family home rental units	29	28	18	14	12	12	12	12	14	28
Apartment rental units	270	268	268	267	260	260	260	260	260	255



Single Audit
September 30, 2015
City of Boise, Idaho

City of Boise, Idaho
Schedule of Expenditures of Federal Awards and Passenger Facility Charges
Year Ended September 30, 2015

Federal Grantor/Program Title	Federal CFDA Number	Identifying Number	Current Year Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through Idaho Department of Education: PK ID Dept ED Snack & Meal at Community Centers	10.558	4026	\$ 122
Passed Through University of Idaho: Jointly Funded Recreation Coordinator	10.500	USDA-NIFA-SLBCD-002652	<u>13</u>
TOTAL U.S DEPARTMENT OF AGRICULTURE			<u>135</u>
<u>U.S. FOREST SERVICE</u>			
Direct Programs:			
Cooperative Forestry Assistance	10.664	13-CS-1104201-010	4
PK USFS Trail Mgmt Plan	N/A	12-CS-11040203-070	2
USDA Forest Service FAC, 767	10.664	165_2014_112	<u>20</u>
TOTAL U.S. FOREST SERVICE			<u>26</u>
<u>U.S. DEPARTMENT OF HUD</u>			
Direct Programs:			
Community Development Block Grant-Entitlement Grants	14.218	B-12-MC-16-0001	275
Community Development Block Grant-Entitlement Grants	14.218	B-13-MC-16-0001	1,382
Community Development Block Grant-Entitlement Grants	14.218	B-14-MC-16-0001	4
HOME Investment Partnerships Programs	14.239	M-09-MC-16-0200	2
HOME Investment Partnerships Programs	14.239	M-11-MC-16-0200	7
HOME Investment Partnerships Programs	14.239	M-13-MC-16-0200	767
HOME Investment Partnerships Programs	14.239	M-14-MC-16-0200	187
MCKINNEY-VENTO CONTINUUM OF CARE	14.267	ID0054LOE001200	19
MCKINNEY-VENTO CONTINUUM OF CARE	14.267	ID0053LOE001301	7
MCKINNEY-VENTO CONTINUUM OF CARE	14.267	ID0054LOE001301	14
MCKINNEY-VENTO CONTINUUM OF CARE	14.267	ID0060LE001300	<u>13</u>
TOTAL U.S. DEPARTMENT OF HUD			<u>2,677</u>

City of Boise, Idaho
Schedule of Expenditures of Federal Awards and Passenger Facility Charges
Year Ended September 30, 2015

U.S. DEPARTMENT OF INTERIOR

Direct Programs:

Recreation Resource Management	15.225	L12AC20398	42
Ridge to Rivers Trail Plan Bureau of Land Mgmt	15.238	L15AC00155	6

Passed Through Idaho State Historical Society:

CLG Certified Local Government Program	15.904	P14AF00052	8
CLG Certified Local Government Program	15.904	P15AF00041	6

TOTAL U.S. DEPARTMENT OF INTERIOR 62

U.S. DEPARTMENT OF JUSTICE

Direct Programs - Non ARRA Funds:

BJA FY12 Edward Byrne Memorial Justice Assistance Grant	16.738	2012-H320-ID-DJ	13
Bureau of Justice JAG 2013	16.738	2013-DJ-BX-0886	25
2014 DOJ - Community Oriented Policing Services (COPS) C	16.710	2014ULWX0003	140
2014 DOJ JAG Grant	16.738	2014-DJ-BX-1061	37

TOTAL U.S. DEPARTMENT OF JUSTICE 215

U.S. DEPARTMENT OF TRANSPORTATION

Direct Programs:

Airport Improvement Program	20.106	3-16-0003-57	287
Airport Improvement Program	20.106	3-16-0003-58	543
Airport Improvement Program	20.106	3-16-0003-059-2014	1,499
Airport Improvement Program	20.106	3-16-0003-060	362
Airport Improvement Program	20.106	3-16-0003-061	701
Circulator Analysis Grant	20.522	ID-39-0001-00	217

Passed Through Idaho Department of Transportation:

Garden City to Americana Blvd Greenbelt	20.205	A013(514)	420
2015 OHS Alive at 25	20.205	V129710 & V139900	20
15 OHS SHSP Occupant Protection Committee Chair (OPCC)	20.600	PT-2015-01-00-00	8
2015 Office of Highway Safety-mobilization	20.205	M2HVE-2015-01-00-00	146
2015 Office of Highway Safety-mobilization	20.616	M5HVE-2015-01-00-00	47
2015 Office of Highway Safety-mobilization	20.600	OP-2015-01-00-00 & AL-	8
2015 Office of Highway Safety-mobilization	20.600		4
2015 Office of Highway Safety LEL	20.600	CP-2015-02-00-00	10
2014 HMEP DOT RRT4 GRANT	20.703	HM-HMP-0445-14-01-00	11

TOTAL U.S. DEPARTMENT OF TRANSPORTATION 4,283

NATIONAL ENDOWMENT FOR THE HUMANITIES

Passed Through Idaho Commission on the Arts:

Fettucine Forum 12th Season 2015-2016	45.129	2015013	1
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TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES 1

City of Boise, Idaho
Schedule of Expenditures of Federal Awards and Passenger Facility Charges
September 30, 2015

<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>			
Passed Through the Idaho Commission for Libraries:			
Library Services and Technology Act	45.310	CE1400-52	1
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			1
<u>NATIONAL SCIENCE FOUNDATION</u>			
Passed Through the Boise State University:			
BSU EPSCoR Adventure Learning	47.080	IIA-131792	9
TOTAL NATIONAL SCIENCE FOUNDATION			9
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Programs:			
Congressionally Mandated Projects	66.202	XP-83334201	7
TOTAL ENVIRONMENTAL PROTECTION AGENCY			7
<u>U.S. DEPARTMENT OF ENERGY</u>			
Direct Programs:			
Renewable Energy Research and Development	81.087	DE-EE0000318	9
TOTAL DEPARTMENT OF ENERGY			9
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Programs:			
Assistance to Firefighters Grant Program-FEMA	97.044	EMW-2012-FR-00397	(2)
National Explosives Detection Canine Team Program	97.072	HSTS0208HCAN408	259
Discretionary Checked Baggage Recapitalization	97.117	HSTS04-13-H-CT1034	29
Discretionary Checked Baggage Recapitalization	97.117	HSTS04-13-H-CT1137	3
LEO Checkpoint	97.090	HSTS0213HSLR081	117
Passed Through the State of Idaho Bureau of Homeland Security:			
2013 Homeland Security Grant Program	97.067	EMW-2013-SS-00149	16
2013 Homeland Security Grant Program	97.067	EMW-2013-SS-00149	6
2013 ID HMLAND SEC ITRT2 GRANT	97.067	EMW-2013-SS-00149	16
2014 Homeland Security	97.067	EMW-2014-SS-00084-S01	19
TOTAL DEPARTMENT OF HOMELAND SECURITY			463
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Passed through Airline Industry:			
Passenger Facility Charges			5,596
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			5,596
TOTAL FEDERAL ASSISTANCE			\$ 13,484

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Boise, Idaho (the City), and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The City received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

Note B – Significant Accounting Policies

Governmental fund types account for the City’s federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources. The City’s summary of significant accounting policies is presented in Note 1 in the City’s basic financial statements.

Note C – Subrecipient of Grant Awards

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the City provided federal awards to a subrecipient as follows:

Ada County		
Department of Justice - JAG (CFDA No. 16.738)	\$	27

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

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

We have audited, 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, 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 of the City of Boise, Idaho, (the City) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated March 03, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Esde Sully LLP".

Boise, Idaho
March 03, 2016



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

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

Report on Compliance for Passenger Facility Charge Program

We have audited the Boise Airport's (the Airport) 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, 2015.

Management's Responsibility

Management is responsible for compliance with the requirements of laws and regulation applicable to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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.

Opinion

In our opinion, the 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, 2015.

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed name and date.

Boise, Idaho
March 03, 2016



Independent Auditor's Report on Compliance for Each Major Federal Program; and Report on Internal Control Over Compliance; Required by OMB Circular A-133

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

Report on Compliance for Each Major Federal Program

We have audited 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, 2015. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

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, 2015.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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.

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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 compliance requirement will not be prevented, or detected and corrected, on a timely basis. *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.

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 that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Boise, Idaho
March 03, 2016

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
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?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	No

Identification of major programs:

Name of Federal Program	CFDA Number
Highway Planning and Construction	20.205
Airport Improvement Program	20.106

Dollar threshold used to distinguish between Type A and Type B programs:	(in thousands) \$300
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Auditee qualified as low-risk auditee?	No
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Section II - Financial Statement Findings

None reported in the current year.

Section III - Federal Award Findings and Questioned Costs

None reported in the current year.

None reported in the prior year.