

# A Reader's Guide

## Understanding Idaho's Comprehensive Annual Financial Report (CAFR) For the Fiscal Year Ended June 30, 2015

A basic understanding of the State's financial statements is essential for anyone interested in public finance. This brief guide is designed to help you understand and relate to the information provided in the CAFR, as well as enhance your ability to evaluate the State's financial and economic information. Following the overview of the major components of the CAFR, we have provided specific examples of ways you can use the CAFR to look for answers to questions that you may have. Finally, beginning on page 4 of this guide you will find illustrative financial statements with additional details about interpreting the CAFR.

### What is the purpose of the State of Idaho's financial statements?

State government operations differ from private-sector businesses. While private-sector businesses focus on maximizing profits for investors, governments focus on providing services to all citizens. In most cases, the State does not bill citizens directly for services received. Instead, Idaho primarily finances services with taxes, federal grants, and other fees applied generally to the public. Because citizens have little choice in paying taxes, and it is not always clear how the services received relate to the taxes paid, state government has an important responsibility to demonstrate fiscal accountability to the public. Financial statements are an important way to provide this accountability.

### Government-Wide Financial Statements

The first two financial statements in the CAFR are the government-wide financial statements—the Statement of Net Position (CAFR pages 14) and the Statement of Activities (CAFR pages 16-17). The Statement of Net Position contains information about what the State owns, what the State owes, and what is remaining on the last day of the fiscal year (June 30). The Statement of Activities contains information about the costs of providing public services (expenses) and resources obtained to finance services (revenues) during the fiscal year. The government-wide statements provide comprehensive information about the entire government, which includes the following:

- *Governmental Activities* encompass most of the State's basic services, such as general government, public safety and correction, health and human services, education, economic development, and natural resources. Revenues from taxes and federal grants finance most of these activities.
- *Business-Type Activities* account for operations that function in a manner similar to private business, where all or a significant portion of their costs are recovered through user fees and charges to external customers.

- *Discretely presented component units* are legally separate organizations for which the State is financially accountable. The State's discretely presented component units are reported in the following funds: the Idaho Housing and Finance Association fund includes the Association and its component unit, The Housing Company; the College and University Foundation fund includes the foundations of Boise State University, Eastern Idaho Technical College, Idaho State University, Lewis-Clark State College, and the University of Idaho; the Petroleum Clean Water Trust Fund; the Health Reinsurance fund, which includes the Idaho Individual High Risk Reinsurance Pool and the Idaho Small Employer Health Reinsurance Program; the Idaho Bond Bank Authority; and the Idaho Health Insurance Exchange.

The government-wide statements do not include fiduciary funds, which account for resources the government manages on behalf of others and are not available to support the State's programs.

### Fund Financial Statements

Fund financial statements provide a detailed look at the individual major funds of the State and total the remaining nonmajor governmental funds in a single column. Fund financial statements are comprised of the following:

- *Governmental funds* report the finances of the State's most basic services. Governmental funds focus on short-term assets and liabilities and do not include capital assets or long-term liabilities. The governmental fund financial statements include the Balance Sheet (CAFR pages 18-19) and the Statement of Revenues, Expenditures, and Changes in Fund Balances (CAFR pages 22-23). The governmental fund statements also include reconciliations that identify the differences between the fund and government-wide statements (CAFR pages 21 and 25).
- *Proprietary funds* report the activities the State operates like a business, where the cost of providing goods or services is primarily financed by fees charged to those who use the goods and services. Proprietary funds include enterprise and internal service funds. Enterprise funds report activities that provide services or supplies to the general public; internal service funds report activities that provide services or supplies for the State's programs and activities. Proprietary fund financial statements include the Statement of Net Position (CAFR pages 26-27); Statement of Revenues, Expenses, and Changes in Fund Net Position (CAFR pages 28-29); and Statement of Cash Flows (CAFR pages 30-31).

- *Fiduciary funds* account for resources the State manages or holds on behalf of parties outside the State. Fiduciary fund financial statements include the Statement of Fiduciary Net Position (CAFR page 32) and the Statement of Changes in Fiduciary Net Position (CAFR page 33).

## Governmental Fund Balances

On the governmental funds Balance Sheet, illustrated on page 8 of this guide, you will notice multiple fund balance categories. Governmental resource providers impose restrictions on how resources can be used. For example, when the federal government provides funding to the State for health and welfare initiatives certain strings are attached to how the money may be spent. Additionally, the Legislature and Governor approve an annual budget which directs how every dollar must be used. Because of these imposed restrictions, governmental *funds* were established to show proper stewardship of resources and compliance with regulations or limitations.

As illustrated on page 8 of this guide, each fund is used to account for *assets* (government-controlled resources available to provide services), *deferred outflows of resources* (a consumption of resources by the government applicable to future reporting periods), *liabilities* (amounts that must be paid to entities outside the government), and *deferred inflows of resources* (an acquisition of resources by the government that is applicable to future reporting periods). *Fund balance* is the difference between (a) fund assets and deferred outflows of resources, and (b) fund liabilities and deferred inflows of resources. Or in other words, fund balance is what is left after considering what resources (assets and deferred outflows of resources) the government has available to provide services to its citizens and the obligations (liabilities and deferred inflows of resources) the government must pay to entities outside the government in order to provide those services.

The fund balance components improve consistency, comparability, and usefulness. The categories are presented in descending order from funds with the most restrictions in place to those with the least restrictions.

- *Nonspendable* fund balances consist of resources that cannot be spent because they are in nonspendable form, such as inventories, prepaid items, and long-term receivables; or they are legally or contractually required to be maintained intact. An example of a legal or contractual requirement would be an endowment provided to the government with the stipulation that the money initially provided may only be invested and not spent; only the earnings on the invested amount may be spent.
- *Restricted* fund balances consist of amounts that are constrained by external parties (such as the federal government) or imposed by law through state constitutional provisions or legislative action. Restricted funds can only be used for specific stated purposes.

- *Committed* fund balances consist of amounts that are obligated by statutes enacted by the Legislature and approved by the Governor. The committed amounts cannot be used for any other purposes unless subsequent legislation changes or removes the specified purposes.
- *Assigned* fund balances consist of amounts that are intended by the Legislature, an agency director, or a board to be used for specific purposes, and are neither restricted nor committed.
- The *Unassigned* fund balance is used to report any funds not required to be reported in any other category. These funds can be used for any purpose. However, only the General Fund may report a positive unassigned fund balance.

## Notes to the Financial Statements

The notes to the financial statements (CAFR pages 38-102) provide detailed information about the government that is not included or readily apparent on the financial statements, such as the State's significant accounting methods and assumptions, investments, capital assets, major financial commitments, pension benefit costs, and long-term debt.

## Supporting Financial Statement Information

- *An Independent Auditor's Report* (CAFR pages 2-4) provides reasonable assurance about whether the financial statements are free of material misstatement.
- *Management's Discussion and Analysis* (MD&A on CAFR pages 5-12) gives an easily readable and objective analysis of the State's financial activities based on currently known facts, decisions, or conditions.
- *Required Supplementary Information* (CAFR pages 104-112) provides the following information: budgetary comparison schedules that present original and final appropriated operating activities, actual operating activities, and fund balances on a budgetary basis; roadway infrastructure condition and maintenance information; and information on pension and postemployment benefits to certain employees.
- *The Combining Financial Statements* (CAFR pages 115-143) provide more detail for nonmajor governmental and enterprise, internal service, and fiduciary funds. The total columns of these combining financial statements tie to the applicable combined fund financial statement.
- *The Statistical Section* (CAFR pages 145-176) provides information that will help you understand the health of the State and the underlying economy. This section contains 10-year trend tables of financial, economic, and demographic data. The statistical section is often of interest to investors and creditors because the trends and non-financial factors it identifies can provide crucial insights to assess the State's creditworthiness.

## How You Can Use the Financial Statements

Now that you have a better understanding of the major components of the CAFR, we will show you how to use this report to analyze some of the issues that were important to Idahoans this past year.

- **Sales Tax Revenue** – Sales tax revenues of \$1.4 billion for 2015 are presented on pages 16-17 of the CAFR. The MD&A has information about sales tax revenues on CAFR pages 8-9. Additional sales tax data may be found on Schedules 2, 4, 5, and 7 of the Statistical Section (CAFR pages 148-149, 152-155, and 158-159).
- **Individual and Corporate Income Tax Revenues** – Income tax revenues of \$1.7 billion for 2015, along with other state tax revenues, are presented on pages 16-17 of the CAFR. Income tax revenues decreased \$53.5 million from the previous fiscal year. Additional data may be found on Schedules 2, 4, 5, 6, and 7 of the Statistical Section (CAFR pages 148-149 and 152-159).
- **Health and Human Services Spending** – Health and human services had \$2.8 billion in expenses in fiscal year 2015, an increase of 6.1 percent over the prior fiscal year, due to increased medical assistance payments for Medicaid and rehabilitation services. Medicaid assists those who are unable to pay for medical and dental services. You can see health and human services revenues and expenses on CAFR pages 16-17 and 22-23. More information on health and human services expenses can be found in the MD&A (CAFR pages 8-10). The Department of Health and Welfare's budget is discussed in the transmittal letter (CAFR page vii).
- **Education** – Our policy makers debate education spending extensively each year. Education is important to us all, and it hits home with our children. You can see on CAFR pages 16-17 that education expenses (for kindergarten through 12th grade only) were \$1.8 billion in fiscal year 2015. You can also see that colleges and universities spent \$1.0 billion. Looking a bit further, you can see that colleges and universities generated revenues (over \$775.7 million—primarily from fees and federal grants) that offset their expenses, leaving a net expense of \$240.0 million, which was supported by general revenues. K through 12 education had less capacity to generate revenues, approximately \$263.4 million, leaving a net expense of \$1.6 billion to be supported by general revenues. More detailed college and university financial statements can be found on CAFR pages 26-31. Financial analysis of the college and university activity can be found in the MD&A on CAFR pages 9-10.
- **PERSI** – If you are a public employer or public employee, you may be interested in the pension trust funds which are part of the fiduciary funds (CAFR pages 32-33 and 136-139). Net position for the pension trust funds increased \$206.6 million in fiscal year 2015. You can see on CAFR pages 138-139 that additions to these funds came from a variety of sources, most significantly: employer contributions (\$380.2 million); member contributions (\$272.9 million); increase in fair value of investments (\$141.1 million) and interest, dividends, and other (\$347.0 million). Deductions were primarily for benefits and refunds paid to members (\$850.7 million). At \$15.9 billion, the net position balance of the pension trust funds is one of the largest balances in the financial statements. As stated earlier, fiduciary funds account for resources the State manages or holds on behalf of others, which are not available to support the State's programs. Additional details about the pension trust funds can be found in the Notes to the Financial Statements (CAFR pages 72-79).
- **Budgetary Compliance** – Idaho Constitution Article VII stipulates that agencies cannot spend more money than they have been appropriated, unless specifically authorized. Budgetary controls are incorporated into the statewide accounting and reporting system to ensure expenditures do not exceed authorized appropriations. You can compare Idaho's approved budget with the actual expenditures for the General, Health and Welfare, and Transportation funds on CAFR pages 104-105. In fiscal year 2015 the General Fund had a negative variance stemming from fire suppression deficiency warrants. This deficit is allowed by statute and will be funded with future appropriations. Required Supplementary Information about budgetary reporting can be found on CAFR pages 106-107. Comparisons between budget and actual amounts for the nonmajor governmental and major permanent funds are on CAFR pages 120-126. Complete details about the budget process can be found in the Legal Basis report available online at [www.sco.idaho.gov](http://www.sco.idaho.gov). General Fund budgetary highlights can be found in the MD&A (CAFR page 10).

**Statement of Net Position  
June 30, 2015**

(dollars in thousands)

The Statement of Net Position reports what the government owns, owes, and what is remaining at a specific point in time (June 30, the fiscal year-end).

Governmental Activities cover traditional activities of state government such as public safety, health and human services, and education. They are financed through taxes, federal grants, and fees.

		<b>Primary Governmental Activities</b>
Assets are presented in order of how readily they can be converted to cash. Cash is the most liquid; capital assets are least liquid.	<b>ASSETS</b>	
Internal balances consist of short-term receivables and payables for activities occurring within the State.	Cash and Cash Equivalents	\$ 6,935
Most capital assets are shown at their original purchase/construction cost, less annual depreciation charges accumulated over time. However, land and roadways are not depreciated. More information on capital assets and depreciation can be found in the Notes and Required Supplementary Information sections.	Pooled Cash and Investments	1,459,602
Deferred outflows of resources consist of costs related to debt defeasance, decreases in the fair value of hedging derivative instruments to be recognized in a future period, and pension related deferrals (see CAFR pages 71-72).	Investments	2,057,117
Liabilities are shown in order of maturity or when cash is expected to be used to pay them.	Securities Lending Collateral	237,576
Unearned revenues are resources received that have not yet met the criteria for being recorded as revenues.	Accounts Receivable, Net	107,704
The Notes provide information about the major types of long-term liabilities, purposes of liabilities, beginning and ending balances, and how major categories of liabilities have changed	Taxes Receivable, Net	631,011
Deferred inflows of resources consists of unavailable revenue, which is revenue that has been earned but is not available within 60 days, government mandated nonexchange transactions, increases in the fair value of hedging derivative instruments to be recognized in a future period, and pension related deferrals (see CAFR pages 71-72).	Internal Balances	7,930
Constraints on the use of net position that are imposed by creditors, grantors, contributors, or state law through the Idaho Constitution or legislation are listed separately as "restricted" to show net assets that are not available to support primary government programs.	Due from Other Entities	317,581
Unrestricted net position may be used at the State's discretion but often have limitations on use based on state statutes.	Inventories and Prepaid Items	58,466
Total assets+total deferred outflows of resources - total liabilities-total deferred inflows of resources = total net position \$11,821,394+\$93,821 - \$2,254,433-\$214,263 = \$9,446,519.	Due from Primary Government	6,742
	Due from Component Unit	19,421
	Loans, Notes, and Pledges Receivable, Net	6,742
	Other Assets	19,421
	Restricted Assets:	
	Cash and Cash Equivalents	111,497
	Investments	343,982
	Capital Assets:	
	Nondepreciable	4,762,986
	Depreciable, Net	1,692,844
	<b>Total Assets</b>	<b>11,821,394</b>
	<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
	Deferred Outflows	93,821
	<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 11,915,215</b>
	<b>LIABILITIES</b>	
	Accounts Payable	\$ 368,363
	Payroll and Related Liabilities	51,256
	Medicaid Payable	122,224
	Due to Other Entities	97,673
	Unearned Revenue	44,533
	Amounts Held in Trust for Others	30,035
	Due to Primary Government	
	Due to Component Unit	
	Obligations Under Securities Lending	249,603
	Other Accrued Liabilities	55,301
	Long-Term Liabilities:	
	Due Within One Year	237,163
	Due in More Than One Year	998,282
	<b>Total Liabilities</b>	<b>2,254,433</b>
	<b>DEFERRED INFLOWS OF RESOURCES</b>	
	Deferred Inflows	214,263
	<b>NET POSITION</b>	
	Net Investment in Capital Assets	5,666,425
	Restricted for:	
	Claims and Judgments	24,281
	Debt Service	4,644
	Transportation	259,621
	Regulatory	83,506
	Natural Resources and Recreation	210,359
	Unemployment Compensation	
	Permanent Trust - Expendable	392,507
	Permanent Trust - Nonexpendable	1,702,493
	Other Purposes	207,519
	Unrestricted	895,164
	<b>Total Net Position</b>	<b>9,446,519</b>
	<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 11,915,215</b>

This statement can be found in the CAFR, pages 14 and 15.

Business-Type Activities provide services that are primarily financed by charging a fee directly to the users of the service such as Universities, State Lottery, and Unemployment Compensation.

Component Units, which are legally separate organizations for which the State is financially accountable, are presented in a column separate from the Primary Government. For more information regarding component units, see CAFR pages 34-37 and 39-40.

<b>Government</b>		
<b>Business-Type</b>		
<b>Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ 534,075	\$ 541,010	\$ 89,635
279,932	1,739,534	1,892
255,163	2,312,280	524,184
30,710	268,286	
148,457	256,161	27,923
	631,011	
(7,930)	317,581	9,372
27,571	86,037	1,578
		699,860
1,647	1,647	
357,826	364,568	1,161,653
11,062	30,483	9,382
142,134	253,631	43,529
114,794	458,776	283,922
152,248	4,915,234	10,283
1,023,618	2,716,462	61,773
<u>3,071,307</u>	<u>14,892,701</u>	<u>2,924,986</u>
23,756	117,577	69,007
<u>\$ 3,095,063</u>	<u>\$ 15,010,278</u>	<u>\$ 2,993,993</u>
\$ 28,133	\$ 396,496	\$ 8,867
46,551	97,807	1,081
	122,224	
6,145	103,818	
43,188	87,721	21,575
3,841	33,876	48,895
		424
253	253	
32,265	281,868	
16,826	72,127	225,119
92,498	329,661	390,283
516,604	1,514,886	1,511,497
<u>786,304</u>	<u>3,040,737</u>	<u>2,207,741</u>
44,929	259,192	54
749,873	6,416,298	47,451
	24,281	
553	5,197	138,226
	259,621	
	83,506	
508,888	719,247	
618,235	618,235	
44,006	436,513	153,122
	1,702,493	333,176
50,855	258,374	74,892
291,420	1,186,584	39,331
<u>2,263,830</u>	<u>11,710,349</u>	<u>786,198</u>
<u>\$ 3,095,063</u>	<u>\$ 15,010,278</u>	<u>\$ 2,993,993</u>

*This statement can be found in the CAFR, pages 14 and 15.*

The Statement of Activities contains information about costs of providing services (expenses) and resources obtained to finance services (revenues) during the current fiscal year.

Program revenues display the extent to which programs are self-funded. Program revenues are categorized as charges for services and grants and contributions. Program revenues reduce the net expense of functions/programs.

**State of Idaho**

**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2015**  
*(dollars in thousands)*

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>FUNCTIONS</b>				
<b>Primary Government</b>				
Governmental Activities				
General Government	\$ 548,518	\$ 227,915	\$ 85,291	\$ 1,188
Public Safety and Correction	387,694	50,114	11,420	2
Health and Human Services	2,751,283	114,957	1,905,629	
Education	1,845,144	15,983	247,175	223
Economic Development	761,384	287,525	437,877	839
Natural Resources	269,706	256,344	163,752	580
Interest Expense	46,860			
<b>Total Governmental Activities</b>	<b>6,610,589</b>	<b>952,838</b>	<b>2,851,144</b>	<b>2,832</b>
Business-Type Activities				
College and University	1,015,707	489,740	269,194	16,776
Unemployment Compensation	110,597	203,794		
Loan	9,604	11,271	13,452	
State Lottery	165,445	210,940		
State Liquor	143,469	176,040		
Correctional Industries	8,155	8,732		
<b>Total Business-Type Activities</b>	<b>1,452,977</b>	<b>1,100,517</b>	<b>282,646</b>	<b>16,776</b>
<b>Total Primary Government</b>	<b>\$ 8,063,566</b>	<b>\$ 2,053,355</b>	<b>\$ 3,133,790</b>	<b>\$ 19,608</b>
<b>Component Units</b>				
Idaho Housing and Finance Association	\$ 163,993	\$ 133,106	\$ 40,860	\$ 41
College and University Foundation	53,459	4,777	51,848	
Petroleum Clean Water Trust	1,825	2,706		
Health Reinsurance	6,617	3,521	652	
Bond Bank Authority	15,804	15,524		
Health Insurance Exchange	32,823	3,968	51,213	
<b>Total Component Units</b>	<b>\$ 274,521</b>	<b>\$ 163,602</b>	<b>\$ 144,573</b>	<b>\$ 41</b>

This column shows the full cost of the program.

Functions show the major programs for which the State spends resources.

An example of how this statement works: The total cost of the State's Health and Human Services activities was \$2,751.3 million. The State raised \$115.0 million from charges for services, and received \$1,905.6 million from operating grants and contributions, most in the form of federal aid. When program revenues are subtracted from expenses for Health and Human Services, a net expense of \$730.7 million is left. This is the portion of Health and Human Services costs financed with taxes and other general revenues, rather than being financed by the revenues generated by the services themselves.

General revenues include taxes and other revenues the State uses to finance the net expense of the functions above. General revenues are categorized to enhance comparability among financial statements for different years.

Transfers are shown separately from general revenues, allowing you to determine if common annual revenues were sufficient to cover net expenses.

- General Revenues**
  - Sales Tax
  - Individual and Corporate Taxes
  - Fuel Tax
  - Other Taxes
  - Tobacco Settlement
  - Unrestricted Investment Earnings
  - Payment from State of Idaho
- Permanent Endowment Contributions**
- Transfers**
- Total General Revenues, Contributions, and Transfers**
- Change in Net Position**
- Net Position - Beginning of Year, as Restated**
- Net Position - End of Year**

This statement can be found in the CAFR, pages 16 and 17.

**Net (Expense) Revenue and Changes in Net Assets**  
**Primary Government**

Are programs self-supporting?

Governmental Activities	Business-Type Activities	Total	Component Units
\$ (234,124)		\$ (234,124)	
(326,158)		(326,158)	
(730,697)		(730,697)	
(1,581,763)		(1,581,763)	
(35,143)		(35,143)	
150,970		150,970	
(46,860)		(46,860)	
<u>(2,803,775)</u>		<u>(2,803,775)</u>	
	(239,997)	(239,997)	
	93,197	93,197	
	15,119	15,119	
	45,495	45,495	
	32,571	32,571	
	577	577	
	<u>(53,038)</u>	<u>(53,038)</u>	
<u>(2,803,775)</u>	<u>(53,038)</u>	<u>(2,856,813)</u>	
			\$ 10,014
			3,166
			881
			(2,444)
			(280)
			22,358
			<u>33,695</u>

The total is obtained by subtracting program revenues from expenses. A (negative) figure indicates the portion of program expenses not covered by program revenues; therefore, the program was partially financed with tax revenues and other general revenues, which are shown on the bottom half of this statement. A positive figure indicates that program revenues exceeded program expenses, making a net contribution to revenues.

1,444,781		1,444,781	
1,686,455		1,686,455	
243,826		243,826	
220,442		220,442	
24,183		24,183	
10,452		10,452	
			2,444
			3,617
<u>(213,696)</u>	213,696		
<u>3,416,443</u>	<u>213,696</u>	<u>3,630,139</u>	<u>6,061</u>
612,668	160,658	773,326	39,756
<u>8,833,851</u>	<u>2,103,172</u>	<u>10,937,023</u>	<u>746,442</u>
<u>\$ 9,446,519</u>	<u>\$ 2,263,830</u>	<u>\$ 11,710,349</u>	<u>\$ 786,198</u>

Did the State's financial position improve or deteriorate during the fiscal year? The change in net position indicates whether sufficient resources were raised during the year to cover the costs. The net position of governmental activities increased by \$612.7 million, and business-type activities' net position increased by \$160.7 million.

*This statement can be found in the CAFR, pages 16 and 17.*

State of Idaho

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

The Governmental Funds Balance Sheet serves a purpose similar to the Statement of Net Position. This statement reports what is owned or controlled and what is owed by governmental funds. However, the focus is on short-term, rather than long-term, assets and liabilities.

(dollars in thousands)

Governmental funds present current financial resources which do not include capital assets or long-term liabilities. Current financial resources are generally turned into cash or consumed within a year.

Fund balance is the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources. The definitions of the five fund balances can be found on page 2 of this document. Additional information about the nature and purpose of these fund balances can be found on CAFR pages 97-98.

	General	Health and Welfare
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 115	
Pooled Cash and Investments	970,971	\$ 21,480
Investments	31,361	
Securities Lending Collateral	135,206	1,944
Accounts Receivable, Net	27,699	32,934
Taxes Receivable, Net	587,106	145
Interfund Receivables	41,430	132
Due from Other Entities		239,810
Inventories and Prepaid Items	10,023	8,113
Loans, Notes, and Pledges Receivable, Net	2,468	
Other Assets	980	30
Restricted Assets:		
Cash and Cash Equivalents	2,689	6,199
Investments	237,292	4,452
<b>Total Assets</b>	<b>\$ 2,047,340</b>	<b>\$ 315,239</b>
<b>Liabilities</b>		
Accounts Payable	\$ 257,273	\$ 16,700
Payroll and Related Liabilities	18,697	10,149
Medicaid Payable		122,224
Interfund Payables	3,259	37,815
Due to Other Entities	68,154	3
Deferred Revenue	7,213	
Amounts Held in Trust for Others	22,466	6,252
Obligations Under Securities Lending	142,052	2,042
Other Accrued Liabilities	2,530	5,977
<b>Total Liabilities</b>	<b>521,644</b>	<b>201,162</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows	361,260	124,719
<b>Fund Balances</b>		
Nonspendable:		
Permanent Trusts		
Inventories and Prepaid Items	10,023	8,113
Noncurrent Receivables	271	
Restricted	274,121	
Committed	339,169	67
Assigned	51,357	
Unassigned	489,495	(18,822)
<b>Total Fund Balances</b>	<b>1,164,436</b>	<b>(10,642)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,047,340</b>	<b>\$ 315,239</b>

This statement can be found in the CAFR, pages 18 and 19.

This statement presents the State's most significant or 'major' funds individually and aggregates nonmajor funds in a single column.

To see the detail of the different funds that make up Nonmajor Governmental, turn to the combining financial statements on CAFR pages 116-117.

	<b>Land</b>	<b>Nonmajor</b>	
<b>Transportation</b>	<b>Endowments</b>	<b>Governmental</b>	<b>Total</b>
\$ 6		\$ 6,814	\$ 6,935
146,304	5,497	268,995	1,413,247
63,880	1,848,480	81,632	2,025,353
33,490	890	53,878	225,408
11,589	14,525	20,236	106,983
38,648		5,112	631,011
18		1,072	42,652
22,269		55,502	317,581
22,096	451	14,959	55,642
378		3,896	6,742
459	5,494	1,054	8,017
41,176		37,152	87,216
		102,238	343,982
<b>\$ 380,313</b>	<b>\$ 1,875,337</b>	<b>\$ 652,540</b>	<b>\$ 5,270,769</b>
\$ 20,225	\$ 26,499	\$ 43,873	\$ 364,570
5,874		15,734	50,454
			122,224
995		1,867	43,936
29,420	1	78	97,656
11,383		10,304	28,900
86		1,231	30,035
35,185	935	56,605	236,819
12,172		3,091	23,770
115,340	27,435	132,783	998,364
2,920		18,053	506,952
	1,454,944	2,774	1,457,718
22,096	451	14,959	55,642
			271
237,554	392,507	396,942	1,301,124
2,403		84,828	426,467
		2,201	53,558
			470,673
262,053	1,847,902	501,704	3,765,453
<b>\$ 380,313</b>	<b>\$ 1,875,337</b>	<b>\$ 652,540</b>	<b>\$ 5,270,769</b>

*This statement can be found in the CAFR, pages 18 and 19.*

State of Idaho

**Reconciliation of the Governmental Funds Balance Sheet  
To the Statement of Net Position  
June 30, 2015**

(dollars in thousands)

This reconciliation shows the reasons that total fund balances on the Governmental Funds Balance Sheet differ from total net position for governmental activities on the government-wide Statement of Net Position.

**Total Fund Balances - Governmental Funds** \$ 3,765,453

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of the following:

Land and Land Use Rights	\$ 1,074,487	The largest difference between the government-wide and governmental fund statements is that fund statements do not report capital assets, such as land, buildings, etc.
Capital Assets in Progress	1,033,885	
Infrastructure	3,688,920	
Historical Art and Collections	72	
Buildings and Improvements	969,295	
Improvements Other Than Buildings	112,859	
Machinery, Equipment, and Other	596,861	
Accumulated Depreciation	(1,034,715)	
<b>Total Capital Assets</b>	<b>6,441,664</b>	

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds. 16,701

Deferred Outflows of Resources benefit future periods and are not reported in the funds.

The deferred outflows of resources consist of the following:

Debt Defeasance	4,887	
Hedging Derivatives	5,468	
Pension Related Deferrals	15,550	
Pension Contributions Subsequent to Measurement Date	66,599	
<b>Total Deferred Outflows of Resources</b>	<b>92,504</b>	

Internal service funds are used by management to charge the costs of certain activities to individual funds.

The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position. 83,364

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consist of the following:

Compensated Absences Payable	(49,005)	The government-wide Statement of Net Position reports long-term liabilities; the Governmental Funds Balance Sheet does not.
Bonds, Notes, and Capital Leases Payable	(793,967)	
Accrued Interest on Bonds	(31,395)	
Claims and Judgments	(170,849)	
Other Long-Term Liabilities	(204,144)	
<b>Total Long-Term Liabilities</b>	<b>(1,249,360)</b>	

Deferred Inflows of Resources benefit future periods

The deferred inflows of resources consist of the following:

Unavailable Revenue	506,952	
Pension Related Deferrals	(210,759)	
<b>Total Deferred Inflows of Resources</b>	<b>296,193</b>	

**Net Position - Governmental Activities** \$ 9,446,519

The governmental funds total fund balance of \$3,765.5 million (see CAFR page 19) reconciles to the \$9,446.5 million total of the governmental activities net position reported on the government-wide Statement of Net Position (see CAFR page 14). The difference between these numbers can be seen on this reconciliation which primarily shows that the governmental funds report short-term financial information, whereas the government-wide statements report both short-term and long-term information.

*This reconciliation can be found in the CAFR, page 21.*

This statement and other similar operating statements (such as the Statement of Activities) contain information for the fiscal year; by contrast, balance sheets and net position statements contain data as of a single point in time--the end of the fiscal year.

*State of Idaho*

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds**

**For the Fiscal Year Ended June 30, 2014**

*(dollars in thousands)*

This statement shows the flow of short-term resources into and out of the State. In governmental funds, revenues are included only if cash is received during the year or within 60 days of the end of the fiscal year. Revenues are reported by major source.

Expenditures generally are recorded when the State has received the goods or services and payment is due and payable. The expenditures are listed by major functional category.

Capital Outlay shows the purchase, construction, and improvement of capital assets. This amount is different than that of the government-wide statements, which adds the cost to capital assets on the Statement of Net Position and subtracts the cost over the useful life of the asset in the form of depreciation expense.

	<b>General</b>	<b>Health and Welfare</b>
<b>REVENUES</b>		
Sales Tax	\$ 1,455,678	
Individual and Corporate Taxes	1,684,680	
Other Taxes	57,864	\$ 29,759
Licenses, Permits, and Fees	21,038	23,318
Sale of Goods and Services	30,793	117,611
Grants and Contributions	12,756	1,826,102
Investment Income	13,722	291
Tobacco Settlement	24,183	
Other Income	62,671	
<b>Total Revenues</b>	<b>3,363,385</b>	<b>1,997,081</b>
<b>EXPENDITURES</b>		
Current:		
General Government	127,099	
Public Safety and Correction	290,580	3,445
Health and Human Services	24,839	2,548,943
Education	1,582,400	
Economic Development	41,703	
Natural Resources	44,352	
Capital Outlay	56,386	11,264
Intergovernmental Revenue Sharing	254,890	53,810
Debt Service:		
Principal Retirement	1,151	
Interest and Other Charges	10,352	8
<b>Total Expenditures</b>	<b>2,433,752</b>	<b>2,617,470</b>
<b>Revenues Over (Under) Expenditures</b>	<b>929,633</b>	<b>(620,389)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Bonds and Notes Issued		
Capital Lease Acquisitions		
Sale of Capital Assets	279	130
Transfers In	194,517	626,326
Transfers Out	(933,527)	(9,565)
<b>Total Other Financing Sources (Uses)</b>	<b>(738,731)</b>	<b>616,891</b>
<b>Net Change in Fund Balances</b>	<b>190,902</b>	<b>(3,498)</b>
<b>Fund Balances - Beginning of Year, as Restated</b>	<b>973,534</b>	<b>(7,144)</b>
<b>Fund Balances - End of Year</b>	<b>\$ 1,164,436</b>	<b>\$ (10,642)</b>

*This statement can be found in the CAFR, pages 22 and 23.*

Several funds make up the Nonmajor Governmental column. To see greater detail of the individual funds summarized in this column, turn to the combining financial statements on CAFR pages 118 and 119.

	Land	Nonmajor	
Transportation	Endowments	Governmental	Total
		\$ 6,344	\$ 1,462,022
			1,684,680
\$ 242,236		139,921	469,780
144,270		166,268	354,894
7,418	\$ 85,551	47,015	288,388
356,046		511,602	2,706,506
986	53,163	10,250	78,412
			24,183
2,851		85,540	151,062
753,807	138,714	966,940	7,219,927
		68,568	195,667
		65,107	359,132
			2,573,782
		239,233	1,821,633
179,941		192,663	414,307
	35,348	157,778	237,478
331,692		85,934	485,276
140,732		55,585	505,017
27,180		20,031	48,362
30,854	3	7,241	48,458
710,399	35,351	892,140	6,689,112
43,408	103,363	74,800	530,815
		53,935	53,935
		90	90
16,944	39,119	1,516	57,988
		51,379	872,222
(16,642)	(52,078)	(76,638)	(1,088,450)
302	(12,959)	30,282	(104,215)
43,710	90,404	105,082	426,600
218,343	1,757,498	396,622	3,338,853
\$ 262,053	\$ 1,847,902	\$ 501,704	\$ 3,765,453

General fund, Transportation, Land Endowments, and Nonmajor Governmental had positive changes in fund balances (revenues and other financing sources exceeded expenditures and other financing uses). Health and Welfare had negative changes in fund balances (expenditures and other financing uses exceeded revenues and other financing sources.)

These fund balances appear on the Governmental Funds Balance Sheet.

This reconciliation shows the reasons the net changes in fund balances on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance differ from the change in net position for governmental activities on the government-wide Statement of Activities.

The net change in fund balances comes from the total column of governmental funds on the Statement of Revenues, Expenditures, and Changes in Fund Balances (CAFR page 23).

*State of Idaho*

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -- Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2015**

*(dollars in thousands)*

<b>Net Change in Fund Balances - Governmental Funds</b>	\$	426,600
<p>Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, these costs are allocated as depreciation expense. Capital outlays exceeded depreciation expense in the current year by the following amount:</p>		
Capital Outlay	\$	302,078
Depreciation Expense		<u>(93,551)</u>
		208,527
<p>Miscellaneous transactions involving capital assets such as sales (gain/loss) and donations are reported in the Statement of Activities but only proceeds from sales are reported in the governmental funds.</p>		
		(19,641)
<p>Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		45,313
<p>The issuance of long-term debt provides current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position. In the current year the following debt was incurred:</p>		
Bonds and Notes		(53,935)
Capital Leases		<u>(90)</u>
		(54,025)
<p>Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consisted of:</p>		
Bond and Note Principal		46,730
Capital Leases		<u>1,632</u>
		48,362
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Some expenditures reported in the governmental funds either increase or decrease long-term liabilities reported in the Statement of Net Position. In the current year these amounts consisted of:</p>		
Accrued Interest and Amortization		1,580
Compensated Absences		(375)
Claims and Judgments		(101,354)
Other Long-Term Liabilities		<u>47,163</u>
		(52,986)
<p>Internal service funds are reported separately from governmental funds in the fund statements. In the government-wide statements, internal service funds are included with governmental activities.</p>		
		<u>10,518</u>
<b>Change in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>612,668</u></b>

Internal service funds are reported in proprietary fund statements because they operate like a business and charge state agencies a price for goods and services in order to recover their costs. Since they provide goods and services mainly to other funds of the State, internal service funds are included with the governmental activities in the government-wide statements.

This is the amount you will find in the Governmental Activities column on the government-wide Statement of Activities (CAFR page 17).

State of Idaho

Statement of Net Position  
Proprietary Funds  
June 30, 2015

(dollars in thousands)

Proprietary funds account for operations that function in a manner similar to private business, where the cost of providing goods or services is primarily financed through user charges. Two types of proprietary funds are reported: enterprise and internal service. Enterprise funds account for goods or services provided outside of state government; internal service funds provide goods or services to state agencies on a cost-reimbursement basis. Enterprise funds and business-type activities on the government-wide Statement of Net Position are synonymous.

Business-Type Activities--Enterprise Funds

	College and University	Unemployment Compensation	Loan
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 79,223	\$ 450,787	\$ 1,386
Pooled Cash and Investments	140,495	96,026	26,210
Investments	93,971		
Restricted Investments			
Securities Lending Collateral		16,298	11,585
Accounts Receivable, Net	77,877	65,303	2,219
Interfund Receivables	5,791	148	
Inventories and Prepaid Items	10,069		
Due from Component Unit	1,647		
Loans, Notes, and Pledges Receivable, Net	4,117		11,765
Other Current Assets	668	99	4,437
<b>Total Current Assets</b>	<b>413,858</b>	<b>628,661</b>	<b>57,602</b>
Noncurrent Assets			
Restricted Cash and Cash Equivalents	57,625		40,877
Investments	103,077	58,115	
Restricted Investments			114,794
Due from Component Unit			
Loans, Notes, and Pledges Receivable, Net	19,184		322,760
Other Noncurrent Assets	5,695		
Capital Assets, Net	1,130,010		32,323
<b>Total Noncurrent Assets</b>	<b>1,315,591</b>	<b>58,115</b>	<b>510,754</b>
<b>Total Assets</b>	<b>1,729,449</b>	<b>686,776</b>	<b>568,356</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows	22,447		
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 1,751,896</b>	<b>\$ 686,776</b>	<b>\$ 568,356</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 15,981		
Payroll and Related Liabilities	45,628		
Interfund Payables	329		
Due to Other Entities		\$ 24	\$ 17
Unearned Revenue	28,915		14,273
Amounts Held in Trust for Others	3,841		
Due to Component Unit	253		
Obligations Under Securities Lending		17,123	12,171
Other Accrued Liabilities	12,284	1,319	132
Compensated Absences Payable	20,921		
Bonds, Notes, and Capital Leases Payable	20,139	50,075	475
Policy Claim Liabilities			
Other Long-Term Obligations - Current	140		
<b>Total Current Liabilities</b>	<b>148,431</b>	<b>68,541</b>	<b>27,068</b>
<b>Noncurrent Liabilities</b>			
Bonds, Notes, and Capital Leases Payable	461,100		1,590
Policy Claim Liabilities			
Other Long-Term Obligations	50,935		
<b>Total Noncurrent Liabilities</b>	<b>512,035</b>		<b>1,590</b>
<b>Total Liabilities</b>	<b>660,466</b>	<b>68,541</b>	<b>28,658</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows	41,362		
<b>NET POSITION</b>			
Net Investment in Capital Assets	706,147		30,257
Restricted for:			
Claims and Judgments			
Debt Service			553
Unemployment Compensation		618,235	
Permanent Trust - Expendable	44,006		
Other Purposes			508,888
Unrestricted	299,915		
<b>Total Net Position</b>	<b>1,050,068</b>	<b>618,235</b>	<b>539,698</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 1,751,896</b>	<b>\$ 686,776</b>	<b>\$ 568,356</b>

The State is prohibited from using restricted assets for operating purposes. Sources of restrictions include laws and regulations, donor restrictions, and agreements connected with outstanding debt.

Additional details on capital assets and infrastructure can be found in the Notes to the Financial Statements (CAFR pages 44 and 69-71) and the Required Supplementary Information (CAFR pages 107-108).

Additional details on noncurrent (long-term) liabilities can be found in the Notes to the Financial Statements (CAFR pages 45 and 87-96).

The amount reported for total net position on this statement differs from the amount reported for Business-Type Activities on the government-wide Statement of Net Position because of a \$8,495 consolidation adjustment for internal service fund activities on the government-wide statement

This statement can be found in the CAFR, pages 26 and 27.

Several funds make up the Nonmajor Enterprise Funds column. To see greater detail of the individual funds included in this column, turn to the combining financial statements (CAFR pages 128-129).

**Governmental  
Activities**

Internal service funds are included with governmental activities in the government-wide statements. To see greater detail of the individual funds included in this column, turn to the combining financial statements (CAFR pages 132-133).

Nonmajor Enterprise Funds		Total	Internal Service Funds
\$ 2,679	\$ 534,075		
17,201	279,932	\$ 46,355	
	93,971		
2,827	30,710	12,168	
3,057	148,456	721	
300	6,239	719	
17,502	27,571	2,825	
	1,647		
	15,882		
161	5,365	3,195	
43,727	1,143,848	65,983	
43,632	142,134	24,281	
	161,192	31,764	
	114,794		
	341,944		
2	5,697	3	
13,533	1,175,866	14,166	
57,167	1,941,627	70,214	
100,894	3,085,475	136,197	
1,309	23,756	1,317	
\$ 102,203	\$ 3,109,231	\$ 137,514	
\$ 12,151	\$ 28,132	\$ 3,794	
923	46,551	802	
5,345	5,674		
6,104	6,145	17	
	43,188	15,633	
	3,841		
	253		
2,971	32,265	12,784	
3,091	16,826	136	
719	21,640	869	
29	70,718	234	
		3,381	
	140		
31,333	275,373	37,650	
35	462,725	2,264	
		7,923	
2,944	53,879	2,809	
2,979	516,604	12,996	
34,312	791,977	50,646	
3,567	44,929	3,504	
13,469	749,873	11,490	
		24,281	
	553		
	618,235		
	44,006		
50,855	559,743	45,893	
	299,915	1,700	
64,324	2,272,325	83,364	
\$ 102,203	\$ 3,109,231	\$ 137,514	

As a general rule, current assets and liabilities on the proprietary fund statements are those assets and liabilities expected to mature within one year of the end of the fiscal period (June 30). Noncurrent assets and liabilities are those assets and liabilities expected to mature in more than one year from the end of the fiscal period.

Restricted assets are generally not included as part of current assets because of constraints placed on their use. Assets are reported as restricted when restrictions on asset use are imposed by law or external parties, and the constraints change the nature or normal understanding of the availability of the assets. Likewise, liabilities to be repaid from restricted assets are not included as part of current liabilities.

This total net position amount is typically the same amount for business-type activities in the government-wide Statement of Net Position (CAFR page 14) and the ending net position shown on the Statement of Activities (CAFR page 17). See the bottom of page 16 for an explanation as to why the amounts are not equal.

The total net position amount is the same as the ending net position shown on the Statement of Revenues Expenditures, and Changes in Fund Net Position (CAFR page 29).

State of Idaho

**Statement of Revenues, Expenses, and Changes in Fund Net Position**

**Proprietary Funds**

**For the Fiscal Year Ended June 30, 2015**

(dollars in thousands)

Proprietary funds report activities the State operates similar to a business. Proprietary activities charge a fee to users that covers most of the cost of providing the service.

Enterprise funds account for goods or services provided to those outside of state government.

**Business-Type Activities-Enterprise**

	College and University	Unemployment Compensation	Loan
<b>OPERATING REVENUES</b>			
Assessments		\$ 192,671	
Licenses, Permits, and Fees	\$ 414,465		\$ 2,458
Scholarship Allowances	(79,912)		
Sale of Goods and Services	134,592		2,218
Grants and Contributions	144,641		13,452
Other Income	9,793		
<b>Total Operating Revenues</b>	<b>623,579</b>	<b>192,671</b>	<b>18,128</b>
<b>OPERATING EXPENSES</b>			
Personnel Costs	613,157		
Services and Supplies	238,971	12	6,451
Benefits, Awards, and Premiums	57,248	109,365	
Depreciation	66,441		207
Other Expenses	19,024		26
<b>Total Operating Expenses</b>	<b>994,841</b>	<b>109,377</b>	<b>6,684</b>
<b>Operating Income (Loss)</b>	<b>(371,262)</b>	<b>83,294</b>	<b>11,444</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Gifts and Grants	124,553		
Investment Income	2,448	11,123	6,595
Interest Expense	(19,743)	(1,220)	(165)
Intergovernmental Distributions			(2,755)
Gain (Loss) on Sale of Capital Assets	(1,123)		
Other Nonoperating Revenues (Expenses)	8,354		
<b>Total Nonoperating Revenues (Expenses)</b>	<b>114,489</b>	<b>9,903</b>	<b>3,675</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(256,773)</b>	<b>93,197</b>	<b>15,119</b>
Capital Contributions	16,776		
Transfers In	300,249		2,640
Transfers Out	(272)	(7,845)	(1,554)
<b>Change in Net Position</b>	<b>59,980</b>	<b>85,352</b>	<b>16,205</b>
<b>Total Net Position - Beginning of Year, as Restated</b>	<b>990,088</b>	<b>532,883</b>	<b>523,493</b>
<b>Total Net Position - End of Year</b>	<b>\$ 1,050,068</b>	<b>\$ 618,235</b>	<b>\$ 539,698</b>

Capital contributions are amounts received for purchasing or building capital assets or the receipt of a capital asset.

While most proprietary funds are self-supported by fees charged for goods and services, some rely on subsidies from other funds, governments, entities, or individuals.

Internal service funds provide services or goods to other state agencies and other governmental units.

**Governmental Activities**

Funds			
Nonmajor Enterprise Funds	Total	Internal Service Funds	
	\$ 192,671		
\$ 5	416,928		
	(79,912)		
→ 394,800	531,610	\$ 299,391	
	158,093	29	
→ 931	10,724	22	
395,736	1,230,114	299,442	
14,950	628,107	12,809	
127,089	372,523	22,536	
136,769	303,382	254,541	
1,268	67,916	1,605	
6,464	25,514	711	
286,540	1,397,442	292,202	
109,196	(167,328)	7,240	
→	124,553		
(24)	20,142	910	
(13)	(21,141)	(169)	
(30,500)	(33,255)		
(16)	(1,139)	7	
	8,354	(2)	
(30,553)	97,514	746	
78,643	(69,814)	7,986	
→	16,776		
→	302,889	2,738	
(79,522)	(89,193)	(206)	
(879)	160,658	10,518	
65,203	2,111,667	72,846	
\$ 64,324	\$ 2,272,325	\$ 83,364	

Operating revenues include fees and charges received from providing goods or services to customers in the course of the fund's principal ongoing activity.

Operating expenses are the costs paid for goods or services in the course of the fund's principal ongoing activity.

This line shows whether or not the operating revenues generated were sufficient to cover expenses.

Nonoperating revenues (expenses) represent nonexchange transactions and those transactions outside the course of the fund's principal ongoing activity.

You can use this line to judge the financial sustainability of the activities. A loss indicates that an activity is not supporting itself and must use resources accumulated from the past, push costs off to the future, or utilize some other financing method to cover costs.

Several funds make up the Nonmajor Enterprise Funds column. To see greater detail of the individual funds included in this column, turn to the combining financial statements (CAFR page 129).

The State has several internal service funds. To see greater detail of the individual funds aggregated in this column, turn to the combining financial statements (CAFR page 133).

State of Idaho

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2015**  
*(dollars in thousands)*

This statement shows how the proprietary funds met or did not meet their cash needs.

	<b>Business- College and University</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Assessments	
Receipts from Customers	\$ 464,531
Receipts from Interfund Services	
Receipts from Grants and Contributions	145,821
Payments to Employees	(620,051)
Payments to Suppliers	(246,128)
Payments for Interfund Services	
Payments for Benefits, Awards, and Claims	(53,451)
Other Receipts	7,368
Other Payments	(9,766)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(311,676)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Gifts, Grants, and Endowments Received	125,522
Intergovernmental Distributions	
Transfers In	299,977
Transfers Out	
Proceeds from Bonds, Notes, and Loans	202,368
Repayments of Bonds, Notes, and Loans	(207,812)
Interest Payments	
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>420,055</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital Grants and Contributions	7,117
Proceeds from Bonds and Notes	103,120
Principal Payments	(71,841)
Interest Payments	(19,807)
Proceeds from Disposition of Capital Assets	
Acquisition and Construction of Capital Assets	(45,817)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(27,228)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Receipt of Interest and Dividends	3,802
Purchase of Investments	(317,528)
Redemption of Investments	298,854
Other Investing Activities	7
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(14,865)</b>
<b>Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash</b>	<b>66,286</b>
<b>Beginning Cash, Cash Equivalents, and Pooled Cash</b>	<b>211,057</b>
<b>Ending Cash, Cash Equivalents, and Pooled Cash</b>	<b>277,343</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>	
Operating Income (Loss)	(371,262)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	66,441
Maintenance Costs Paid by Department of Public Works	2,383
Net Changes in Assets and Liabilities:	
Accounts Receivable/Interfund Receivables	(4,045)
Inventories and Prepaid Items	(720)
Notes Receivable	390
Other Assets	(319)
Accounts Payable/Interfund Payables	1,575
Unearned Revenue	
Compensated Absences	(221)
Policy Claim Liabilities	
Other Accrued Liabilities	(5,898)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(311,676)</b>
<b>Noncash Transactions (dollars in thousands):</b>	
Prior period adjustments for restatement of pooled cash and investments was recorded in Unemployment Compensation for \$1,666, \$350 for the Loan Fund, \$199 for Nonmajor Enterprise funds, and \$871 for Internal Service funds. Prior period adjustment for restatement of net position due to the implementation of GASB Statement No. 68 was recorded in Nonmajor Enterprise funds for \$4,504 and \$5,553 in the Internal Service funds. Investments decreased in fair value by \$748 for colleges and universities, \$49 for Unemployment Compensation, \$180 for the Loan Fund, and \$17 for Internal Service funds.	

Operating activities relate to providing services and the production and sales of goods.

Noncapital financing activities relate to grants, transfers, and borrowing money for purposes other than buying or building capital assets.

Capital and related financing activities relate to receipt and use of cash for purchase or construction of capital assets.

Investing activities relate to the sale, purchase, and earnings from investments.

The reconciliation explains the differences between the flows of cash described here and the operating income (loss) reported on an accrual basis on the Statement of Revenues, Expenses, and Changes in Fund Net Position for proprietary funds.

Noncash transactions are not reported on the Statement of Revenues, Expenses, and Changes in Fund Net Position or in the Statement of Cash Flows.

This statement can be found in the CAFR, pages 30 and 31.

Several funds make up the Nonmajor Enterprise Funds column. To see greater detail of the individual funds aggregated in this column, turn to the combining financial statements (CAFR page 130).

The State has several internal service funds. To find greater detail of the individual funds aggregated in this column, turn to the combining financial statements (CAFR page 134).

Type Activities--Enterprise Funds				Governmental Activities	
Unemployment Compensation	Loan	Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$ 199,965		\$ 390,849	\$ 199,965	\$ 17,342	
	\$ 2,883	4,098	858,263	279,663	
	13,452	(15,607)	4,098	29	
		(635,658)	159,273	(13,592)	
(12)	(6,429)	(131,943)	(635,658)	(17,982)	
	(52)	(644)	(696)	(2,381)	
(108,189)		(136,485)	(298,125)	(257,542)	
			7,368		
			(9,766)		
91,764	9,854	110,268	(99,790)	5,537	
			125,522		
	(2,755)	(31,200)	(33,955)		
	2,640		302,617	2,738	
(7,845)	(1,554)	(80,130)	(89,529)	(206)	
			202,368		
(47,940)			(255,752)		
(3,398)			(3,398)		
(59,183)	(1,669)	(111,330)	247,873	2,532	
			7,117		
		35	103,155		
	(450)	(38)	(72,329)	(210)	
	(151)	(3)	(19,961)	(140)	
				14	
		(864)	(46,681)	(796)	
	(601)	(870)	(28,699)	(1,132)	
11,217	7,400	71	22,490	1,012	
	(58,156)		(375,684)	(631)	
	35,170		334,024		
1,990	24	151	2,172	977	
13,207	(15,562)	222	(16,998)	1,358	
45,788	(7,978)	(1,710)	102,386	8,295	
501,025	76,451	65,222	853,755	62,341	
546,813	68,473	63,512	956,141	70,636	
83,294	11,444	109,196	(167,328)	7,240	
	207	1,268	67,916	1,605	
			2,383		
10,151	(1,093)	(1,050)	3,963	(554)	
		425	(295)	(532)	
			390		
		(37)	(356)	(2,994)	
	(4)	1,159	2,730	3,402	
	(700)		(700)	1,141	
		29	(192)	35	
				(3,001)	
(1,681)		(722)	(8,301)	(805)	
91,764	9,854	110,268	(99,790)	5,537	

This amount includes both unrestricted and restricted cash on the Proprietary Funds Statement of Net Position.

State of Idaho

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2015

(dollars in thousands)

The Investment Trust fund reports the portion of the State's investment pools that belongs to other governments, allowing localities to earn income from spare cash until it is needed. To learn more about the different funds combined in this column, turn to the Notes to the Financial Statements (CAFR page 47) and the combining financial statements (CAFR page 140).

Fiduciary funds account for resources the State manages or holds on behalf of others. Fiduciary funds are not available to support the State's programs.

	Pension Trust	Investment Trust	College Savings Private-Purpose Trust	Agency
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,256	\$ 19,310	\$ 528	\$ 25,882
Pooled Cash and Investments	2,841			37,730
Investments:				
Pooled Short Term	348,294	290,373	11,276	
Fixed Income Investments	3,556,157	1,466,122		306,192
Marketable Securities	9,077,177			
Mutual Funds and Private Equities	1,864,290		313,140	
Mortgages and Real Estate	1,060,074	61,502		
Other Investments	2,838		9,399	
Securities Lending Collateral				9,313
Receivables:				
Investments Sold	112,820		40	
Contributions	5,855			
Interest and Dividends	47,852	2,784		55
Interfund Receivables	1,716			
Other Receivables	1,133			479
Other Assets	62,920			
Capital Assets, Net	9,708			
<b>Total Assets</b>	<b>16,156,931</b>	<b>1,840,091</b>	<b>334,383</b>	<b>\$ 379,651</b>
<b>LIABILITIES</b>				
Accounts Payable	1,026	42	294	
Interfund Payables	1,716			
Due to Other Entities				12
Amounts Held in Trust for Others				352,884
Obligations Under Securities Lending				9,784
Unearned Revenue	138			
Investments Purchased	232,706		87	
Policy Claim Liabilities	2,410			
Other Accrued Liabilities	11,337	466		16,971
<b>Total Liabilities</b>	<b>249,333</b>	<b>508</b>	<b>381</b>	<b>\$ 379,651</b>
<b>NET POSITION</b>				
Held in Trust for:				
Employee Pension Benefits	15,473,426			
Postemployment Healthcare Benefits	432,993			
External Investment Pool Participants		1,839,583		
Trust Beneficiaries	1,179		334,002	
<b>Total Net Position</b>	<b>\$ 15,907,598</b>	<b>\$ 1,839,583</b>	<b>\$ 334,002</b>	

Agency funds contain resources held on a temporary, purely custodial basis. Every resource held by these funds is due to be passed along to the individuals or organizations to which it belongs; therefore, assets equal liabilities at all times and the fund has no net assets. To learn more about the different funds combined in this column, turn to the combining financial statements (CAFR page 142).

Pension Trust funds report resources held in trust for the members and beneficiaries of employee benefit plans. To learn more about the different funds combined in this column, turn to the Notes to the Financial Statements (CAFR pages 72-79) and the combining financial statements (CAFR pages 135-139).

The College Savings Private-Purpose Trust Fund accounts for the activities of the Idaho College Savings Program, which helps individuals save for higher education costs.

This statement can be found in the CAFR, page 32.

State of Idaho

**Statement of Changes in Fiduciary Net Position**

**Fiduciary Funds**

**For the Fiscal Year Ended June 30, 2015**

(dollars in thousands)

Agency Funds are not included in this statement because they do not have net position.

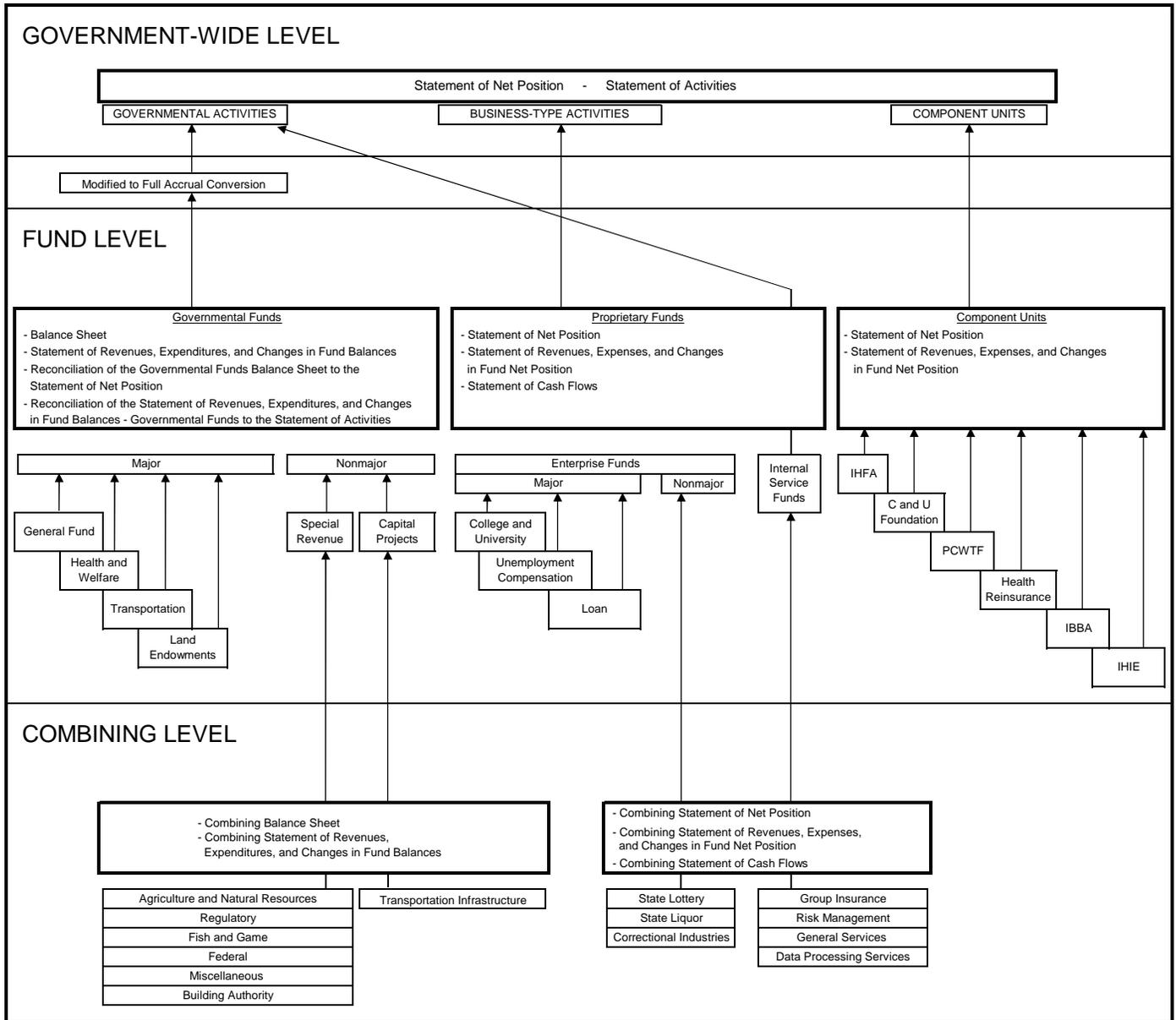
Additions increase the net position of a fiduciary fund and include contributions from employers, contributions from employees, and investment earnings.

Deductions reduce net position and primarily take the form of benefit payments, distributions to participants, and general administrative costs.

	Pension Trust	Investment Trust	College Savings Private-Purpose Trust
<b>ADDITIONS</b>			
<b>Contributions:</b>			
Member	\$ 272,916		
Employer	380,224		
Transfers In from Other Plans	21,834		
Participant Deposits		\$ 3,921,788	\$ 44,874
<b>Total Contributions</b>	<b>674,974</b>	<b>3,921,788</b>	<b>44,874</b>
<b>Investment Income:</b>			
Net Increase (Decrease) in Fair Value of Investments	141,099	(4,360)	1,093
Interest, Dividends, and Other	346,961	10,843	6,508
Less Investment Expense:			
Investment Activity Expense	(48,623)	(525)	
<b>Net Investment Income</b>	<b>439,437</b>	<b>5,958</b>	<b>7,601</b>
Miscellaneous Income	20		
<b>Total Additions</b>	<b>1,114,431</b>	<b>3,927,746</b>	<b>52,475</b>
<b>DEDUCTIONS</b>			
Benefits and Refunds Paid to Plan Members	850,743		
Transfers Out to Other Plans	34,036		
Administrative Expense	10,078		1,948
Earnings Distribution		5,641	
Participant Withdrawals	12,794	3,663,635	28,049
<b>Total Deductions</b>	<b>907,651</b>	<b>3,669,276</b>	<b>29,997</b>
<b>Change in Net Position Held in Trust for:</b>			
Employee Pension Benefits	187,784		
Employee Postemployment Healthcare Benefits	18,684		
External Investment Pool Participants		258,470	
Trust Beneficiaries	312		22,478
<b>Net Position - Beginning of Year (as restated)</b>	<b>15,700,818</b>	<b>1,581,113</b>	<b>311,524</b>
<b>Net Position - End of Year</b>	<b>\$ 15,907,598</b>	<b>\$ 1,839,583</b>	<b>\$ 334,002</b>

With the data in this statement, as well as the Notes (CAFR pages 72-79) and the Required Supplementary Information (CAFR page 109), you can begin to assess the fiscal health of the pension plan. Are the assets growing or declining? How much are the earnings from investments? Is the State making the necessary contributions as an employer? This column includes several Pension Trust funds. To find greater detail of the individual funds aggregated in this column, turn to the combining financial statements (CAFR pages 136-137).

# CAFR Fund Structure



IHFA - Idaho Housing and Finance Association, including its component unit, The Housing Company  
 C and U Foundation - College and University Foundation  
 PCWTF - Petroleum Clean Water Trust Fund  
 Health Reinsurance - Idaho Individual High Risk Reinsurance Pool and Idaho Small Employer Health Reinsurance Program  
 IBBA - Idaho Bond Bank Authority  
 IHIE - Idaho Health Insurance Exchange