

A Reader's Guide

Understanding Idaho's Comprehensive Annual Financial Report (CAFR) For the Fiscal Year Ended June 30, 2009

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 may interest you. Finally, beginning on page 4 of this guide you will find illustrative financial statements with additional detail 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 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 Assets (CAFR pages 14-15) and the Statement of Activities (CAFR pages 16-17). The Statement of Net Assets contains information about what the State owns (assets), what the State owes (liabilities), and what is left after assets are used to satisfy liabilities (net assets) 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 reported 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 organizations legally separate from and financially accountable to the State, or their relationship with the State is such that exclusion would cause the State's financial statements to be misleading or incomplete. The discretely presented component units include the Idaho Housing and Finance Association, the college and university foundations, the Petroleum Clean Water Trust Fund, the Idaho Individual High Risk Reinsurance Pool, the Idaho Small Employer Health Reinsurance Program, and the Bond Bank Authority.

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 debt. 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 the users of their 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 and supplies for the State's programs and activities. Proprietary fund financial statements include the Statement of Net Assets (CAFR pages 26-27); Statement of Revenues, Expenses, and Changes in Fund Net Assets (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. These funds are not shown in government-wide financial statements because the resources of these funds are not available to support the State's programs. Fiduciary

fund financial statements include the Statement of Fiduciary Net Assets (CAFR page 32) and the Statement of Changes in Fiduciary Net Assets (CAFR page 33).

Notes to the Financial Statements

The notes to the financial statements (CAFR pages 38-96) 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, post-employment benefits other than pensions, major financial commitments, pension benefit costs, and long-term debt.

Supporting Financial Statement Information

- *An Independent Auditor's Report* (CAFR pages 2-3) provides reasonable assurance about whether financial statements are free of material misstatement.
- *Management's Discussion and Analysis* (MD&A on CAFR pages 4-12) 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 98-103) provides budgetary comparison schedules that present original and final appropriated operating activities and actual operating activities and fund balances on a budgetary basis, infrastructure condition and maintenance information, and information on pension and postemployment benefits to certain employees.
- *The Combining Financial Statements* (CAFR pages 105-135) 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 137-168) 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 those assessing 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, as follows:

- **Sales Tax Revenue** – Sales tax revenues of \$1.2 billion for 2009 are presented on pages 16-17 of the CAFR. MD&A has information about sales tax revenues on CAFR pages 7-8. Additional sales tax data may be

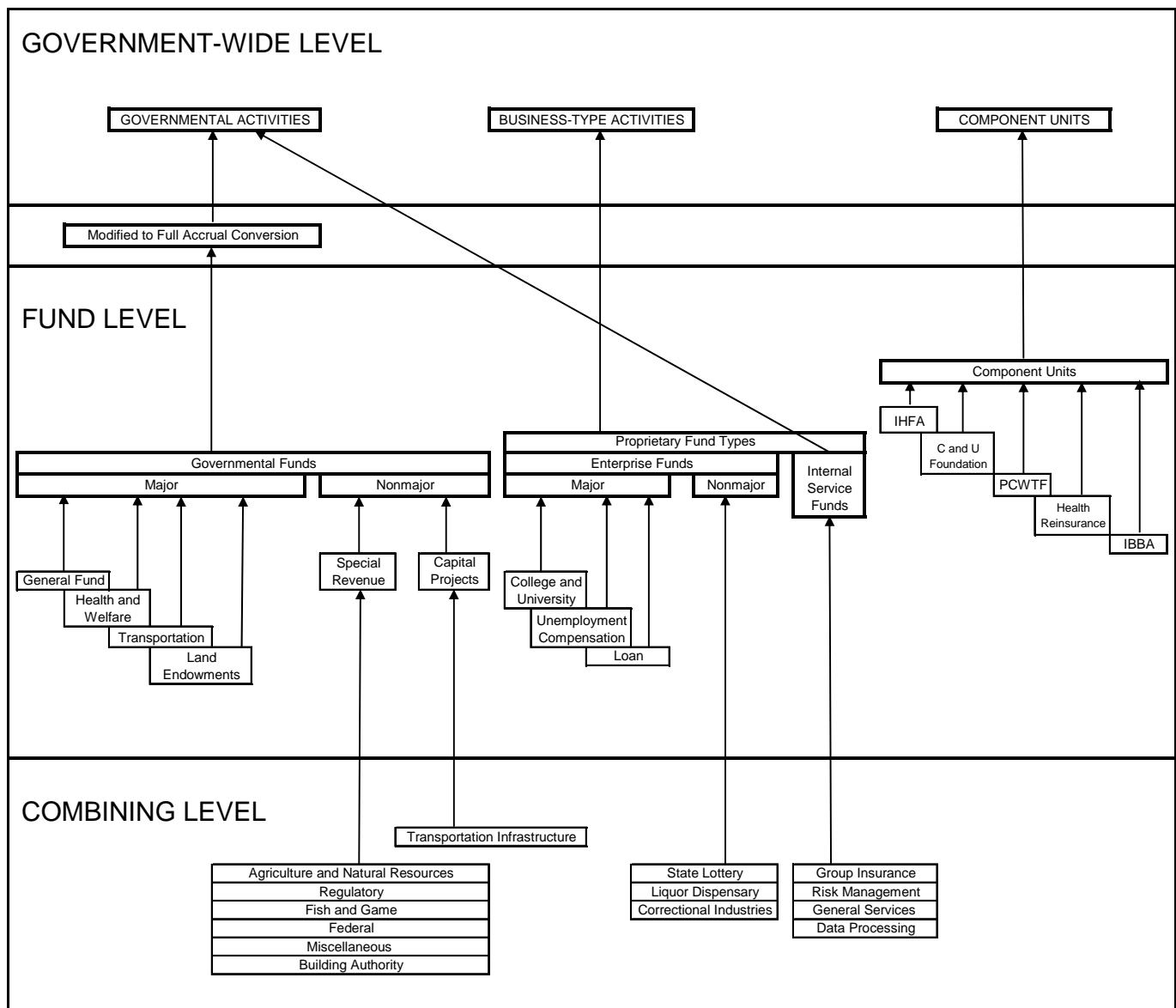
found on Schedules 2, 4, 5 and 7 of the Statistical Section (CAFR pages 140-141, 144-147, and 150-151).

- **Individual and Corporate Income Tax Revenues** – Income tax revenues of \$1.3 billion for 2009, along with other state tax revenues, are presented on pages 16-17 of the CAFR. Income tax revenues decreased \$278.9 million from the previous fiscal year, which is discussed in the MD&A on CAFR page 8. Additional data may be found on Schedules 2, 4, 5, 6 and 7 of the Statistical Section (CAFR pages 140-141 and 144-151).
- **Health and Human Services Spending** – Health and human services had \$2.1 billion in expenses, an increase of 16.3 percent, due to greater medical assistance payments, mainly related to Medicaid and rehabilitation services payments. 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 7-8). Health and Human Services generated revenues of \$1.6 billion (primarily from federal grants and contributions) leaving a net expense of \$537.7 million subsidized by general revenue. Department of Health and Welfare's budget is discussed in the transmittal letter (CAFR page viii).
- **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 \$1.9 billion in fiscal year 2009. You can also see that colleges and universities spent \$897.0 million in fiscal year 2009. Looking a bit further, you can see that colleges and universities generated revenues (over \$596.6 million—primarily from fees and federal grants) that offset their expenses, leaving a net expense of \$300.4 million, which was supported by general revenues. K through 12 education had less capacity to generate revenues, approximately \$258.2 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. Of note, college and university net assets increased by \$11.3 million from the prior year, primarily due to an increase of \$17.5 million in student fees and an increase of \$7.4 million in transfers from the General Fund (MD&A page 9).
- **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 128-131). Net assets for the pension trust funds decreased \$1.9 billion in fiscal year 2009. You can see on CAFR pages 130-131 that additions to these funds came from a variety of sources, most

significantly: employer contributions (\$318.1million); member contributions (\$216.1 million); and interest, dividends, and other (\$286.5 million). Deductions were primarily for benefits and refunds paid to members (\$561.2 million). At \$9.4 billion, the net assets 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 73-77).

- **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 98-99. Comparisons between budget and actual amounts for the nonmajor governmental and major permanent funds are on CAFR pages 110-116. Complete details about the budget process can be found in the Legal Basis report available online at www.sco.idaho.gov. General Fund budgetary highlights can be found in the MD&A (CAFR page 10).



IHFA - Idaho Housing and Finance Association
 C and U Foundation - College and University Foundation
 Health Reinsurance - Idaho Individual High Risk Reinsurance Pool and Idaho Small Employer Health Reinsurance Program
 PCWTF - Petroleum Clean Water Trust Fund
 IBBA - Idaho Bond Bank Authority

State of Idaho
Statement of Net Assets
June 30, 2009
(dollars in thousands)

The Statement of Net Assets reports what the government owns (assets), owes (liabilities), and what is left after assets are used to satisfy liabilities (net assets) 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.

		Primary
		↓
		Governmental Activities
Assets are presented in order of how readily they can be converted to cash. Cash is the most liquid; capital assets are least liquid.	→ ASSETS	
	Cash and Cash Equivalents	\$12,516
	Pooled Cash and Investments	920,080
	Investments	1,101,688
	Securities Lending Collateral	599,673
	Accounts Receivable, Net	102,689
	Taxes Receivable, Net	279,350
Internal balances consist of short-term receivables and payables for activities occurring within the State.	→ Internal Balances	2,563
	Due from Other Entities	282,623
	Inventories and Prepaid Items	46,062
	Due from Primary Government	
	Due from Component Unit	
	Loans, Notes, and Pledges Receivable, Net	15,387
	Other Assets	7,910
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.	→ Restricted Assets:	
	Cash and Cash Equivalents	127,728
	Investments	78,999
	→ Capital Assets:	
	Nondepreciable	4,092,320
	Depreciable, Net	1,142,341
	Total Assets	\$8,811,929
Liabilities are shown in order of maturity or when cash is expected to be used to pay them.	→ LIABILITIES	
	Accounts Payable	\$114,553
	Payroll and Related Liabilities	33,851
	Medicaid Payable	139,892
	Due to Other Entities	60,944
Unearned revenues are resources received that have not yet met the criteria for being recorded as revenues.	→ Unearned Revenue	32,339
	Amounts Held in Trust for Others	8,199
	Due to Primary Government	
	Due to Component Unit	
	Obligations Under Securities Lending	600,962
	Other Accrued Liabilities	47,319
The Notes provide information about the major types of long-term liabilities, purpose of liability, beginning and ending balances, and how major categories of liabilities have changed during the previous year.	→ Long-Term Liabilities:	
	Due Within One Year	180,044
	Due in More Than One Year	543,175
	Total Liabilities	1,761,278
Constraints on the use of net assets 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.	→ NET ASSETS	
	Invested in Capital Assets, Net of Related Debt	4,721,700
	→ Restricted for:	
	Claims and Judgments	83,659
	Debt Service	8,558
	Intergovernmental Revenue Sharing	14,735
	Transportation	156,710
	Regulatory	60,263
	Natural Resources and Recreation	80,738
	Unemployment Compensation	
	Permanent Trust - Expendable	205,397
	Permanent Trust - Nonexpendable	834,251
	Other Purposes	122,437
	Unrestricted	762,203
Unrestricted net assets may be used at the State's discretion but often have limitations on use based on state statutes.	→ Total Net Assets	7,050,651
Total assets - total liabilities = total net assets \$8,811,929 - \$1,761,278 = \$7,050,651	→ Total Liabilities and Net Assets	\$8,811,929

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 from the State, are presented in a column separate from the Primary Government. These component units are either financially accountable to the State or their relationship with the State is such that their omission would cause the State's financial statements to be incomplete or misleading. For more information regarding component units, see CAFR pages 34-37 and 40-41.

Government		
Business-Type Activities	Total	Component Units
\$109,712	\$122,228	\$31,692
79,765	999,845	545
238,595	1,340,283	1,026,627
68,006	667,679	
116,217	218,906	11,833
	279,350	
(2,563)	282,623	24
20,455	66,517	2,383
		218,248
64,618	64,618	
272,667	288,054	1,746,810
13,493	21,403	73,255
84,139	211,867	39,701
62,555	141,554	2,790
154,355	4,246,675	4,421
848,454	1,990,795	38,542
\$2,130,468	\$10,942,397	\$3,196,871
\$35,704	\$150,257	\$2,605
35,497	69,348	709
	139,892	
4,680	65,624	
40,640	72,979	21,619
2,203	10,402	34,457
		64,618
404	404	
68,006	668,968	
10,368	57,687	181,542
42,880	222,924	84,982
490,556	1,033,731	2,360,185
730,938	2,492,216	2,750,717
560,232	5,281,932	7,196
	83,659	
553	9,111	96,379
	14,735	
	156,710	
	60,263	
330,354	411,092	
112,686	112,686	
100,119	305,516	95,625
62,392	896,643	170,529
34,621	157,058	1,607
198,573	960,776	74,818
1,399,530	8,450,181	446,154
\$2,130,468	\$10,942,397	\$3,196,871

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, 2009**

(dollars in thousands)

FUNCTIONS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$450,875	\$93,376	\$55,919	\$8,258
Public Safety and Correction	326,125	30,925	15,663	139
Health and Human Services	2,115,148	89,487	1,487,968	
Education	1,850,258	11,196	246,626	391
Economic Development	743,811	256,184	339,114	8
Natural Resources	241,108	133,138	(110,495)	96
Interest Expense	46,767			
Total Governmental Activities	5,774,092	614,306	2,034,795	8,892
Business-Type Activities				
College and University	896,993	339,989	235,470	21,154
Unemployment Compensation	338,600	130,879	34,046	
Loan	5,910	14,513	24,157	
State Lottery	105,780	140,316		
Liquor Dispensary	117,185	132,999		
Correctional Industries	8,323	8,971		
Total Business-Type Activities	1,472,791	767,667	293,673	21,154
Total Primary Government	\$7,246,883	\$1,381,973	\$2,328,468	\$30,046
Component Units				
Idaho Housing and Finance Association	\$132,172	\$97,648	\$2,577	
College and University Foundation	48,699	4,507	27,701	
Petroleum Clean Water Trust	1,785	3,238		
Health Reinsurance	12,279	5,194	967	
Bond Bank Authority	5,642	5,656		
Total Component Units	\$200,577	\$116,243	\$31,245	

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

This column shows the full cost of the program.

An example of how this statement works: The total cost of the State's Health and Human Services activities was \$2,115.1 million. The State raised \$89.5 million from charges for services, and received \$1,488.0 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 \$537.7 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 Assets**
- Net Assets - Beginning of Year, as Restated**
- Net Assets - 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			
Governmental Activities	Business-Type Activities	Total	Component Units
(\$293,322)		(\$293,322)	
(279,398)		(279,398)	
(537,693)		(537,693)	
(1,592,045)		(1,592,045)	
(148,505)		(148,505)	
(218,369)		(218,369)	
(46,767)		(46,767)	
(3,116,099)		(3,116,099)	
	(\$300,380)	(300,380)	
	(173,675)	(173,675)	
	32,760	32,760	
	34,536	34,536	
	15,814	15,814	
	648	648	
	(390,297)	(390,297)	
(3,116,099)	(390,297)	(3,506,396)	
			(\$31,947)
			(16,491)
			1,453
			(6,118)
			14
			(53,089)
1,177,106		1,177,106	
1,320,968		1,320,968	
214,113		214,113	
186,489		186,489	
31,094		31,094	
36,139		36,139	
			7,390
			5,980
(251,847)	251,847		
2,714,062	251,847	2,965,909	13,370
(402,037)	(138,450)	(540,487)	(39,719)
7,452,688	1,537,980	8,990,668	485,873
\$7,050,651	\$1,399,530	\$8,450,181	\$446,154

Are programs self supporting?

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.

Did the State's financial position improve or deteriorate during the fiscal year? The change in net assets indicates whether sufficient resources were raised during the year to cover the costs. The net assets of governmental activities decreased by \$402.0 million, and business-type activities net assets decreased by \$138.5 million.

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

State of Idaho

**Balance Sheet
Governmental Funds
June 30, 2009**

(dollars in thousands)

The Governmental Funds Balance Sheet serves a purpose similar to the Statement of Net Assets. 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.

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

Reserved fund balances are the portion of a governmental fund's balance that is not available for spending in the subsequent year's budget or has restrictions on spending.

	General	Health and Welfare
ASSETS		
Cash and Cash Equivalents	\$899	
Pooled Cash and Investments	487,154	\$35,173
Investments	86,349	
Securities Lending Collateral	442,852	1,187
Accounts Receivable, Net	17,412	13,364
Taxes Receivable, Net	253,636	161
Interfund Receivables	6,670	12
Due from Other Entities		203,917
Inventories and Prepaid Items	8,898	4,144
Loans, Notes, and Pledges Receivable, Net	2,963	
Other Assets	120	13
Restricted Assets:		
Cash and Cash Equivalents	2,381	5,834
Investments	65,282	2,390
Total Assets	\$1,374,616	\$266,195
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$25,894	\$14,869
Payroll and Related Liabilities	11,200	7,214
Medicaid Payable		139,892
Interfund Payables	1,597	867
Due to Other Entities	33,426	
Deferred Revenue	90,499	74,517
Amounts Held in Trust for Others	185	4,443
Obligations Under Securities Lending	442,852	1,187
Other Accrued Liabilities	20,947	2,009
Total Liabilities	626,600	244,998
Fund Balances		
Reserved for:		
Bond Retirement		
Encumbrances	35,060	17,222
Inventories and Prepaid Items	8,898	4,144
Noncurrent Receivables	3,264	
Permanent Trusts	1,734	
Other Purposes	67,663	5,103
Unreserved, Reported in:		
General Fund	631,397	
Special Revenue Funds		(5,272)
Capital Projects		
Permanent Funds		
Total Fund Balances	748,016	21,197
Total Liabilities and Fund Balances	\$1,374,616	\$266,195

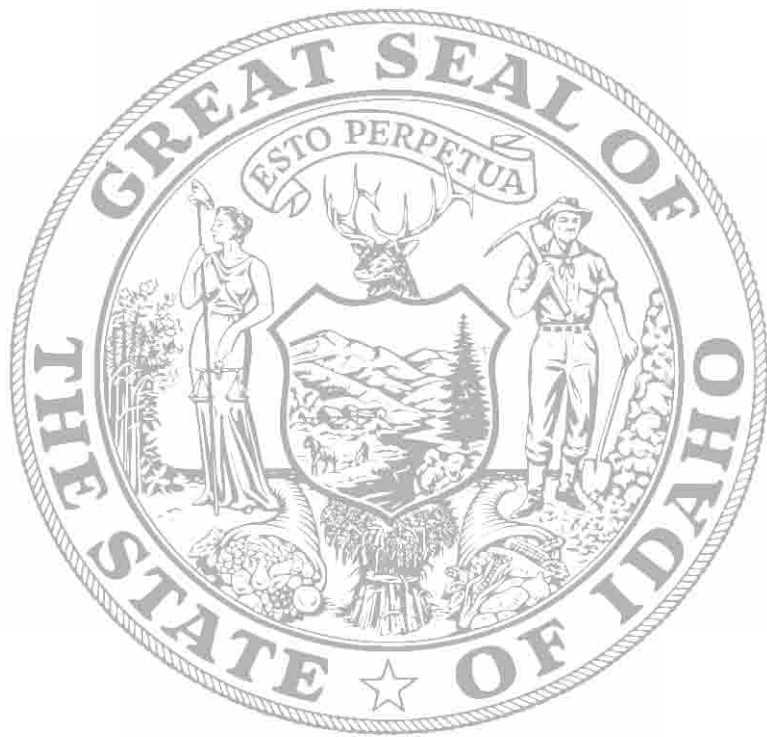
This statement can be found in the CAFR, pages 18 and 19.

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 106-107.

	Land	Nonmajor	
Transportation	Endowments	Governmental	Total
\$6		\$11,611	\$12,516
98,685	\$3,160	238,169	862,341
48,769	890,804	36,170	1,062,092
24,214	91,211	20,549	580,013
6,191	33,461	32,211	102,639
22,945		2,608	279,350
		1,997	8,679
32,982		45,724	282,623
17,960		12,202	43,204
341		12,011	15,315
283	1,459	1,132	3,007
304		78,904	87,423
		11,327	78,999
\$252,680	\$1,020,095	\$504,615	\$3,418,201
\$16,405	\$4,011	\$52,774	\$113,953
4,342		10,596	33,352
			139,892
504		3,646	6,614
27,511		7	60,944
13,256		24,877	203,149
305		3,266	8,199
24,214	92,500	20,549	581,302
9,578		10,976	43,510
96,115	96,511	126,691	1,190,915
		8,558	8,558
12,200		14,055	78,537
17,960		12,202	43,204
		13,371	16,635
	767,235		768,969
		71,797	144,563
			631,397
126,405		257,796	378,929
		145	145
	156,349		156,349
156,565	923,584	377,924	2,227,286
\$252,680	\$1,020,095	\$504,615	\$3,418,201

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 Assets

June 30, 2009

(dollars in thousands)

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

Total Fund Balances - Governmental Funds

\$2,227,286

Amounts reported for governmental activities in the Statement of Net Assets 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	\$973,479	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.	
Construction in Progress	1,088,195		
Infrastructure	2,727,368		
Historical Art and Collections	72		
Buildings and Improvements	682,078		
Improvements Other than Buildings	68,173		
Machinery, Equipment, and Other	335,691		
Accumulated Depreciation	(660,429)		
Total Capital Assets	5,214,627		

Some of the State's revenue will be collected after year-end but is not available soon enough to pay for the current period's expenditures and therefore is deferred in the funds. 183,928

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. 121,924

Bond issue costs are reported as current expenditures in the funds. However, these costs are deferred on the Statement of Net Assets. 4,672

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:

Capital Leases Payable	(10,524)	The Governmental Funds Balance Sheet does not report long-term liabilities; the government-wide Statement of Net Assets does.	
Compensated Absences Payable	(54,172)		
Bonds and Notes Payable	(498,018)		
Accrued Interest on Bonds	(3,632)		
Claims and Judgments	(112,935)		
Other Long-Term Liabilities	(22,505)		
Total Long-Term Liabilities	(701,786)		

Net Assets - Governmental Activities

\$7,050,651

The governmental funds total fund balance of \$2,227.3 million (see CAFR page 19) reconciles to the \$7,050.7 million total of the governmental activities net assets reported on government-wide Statement of Net Assets (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 asset 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, 2009

(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.

REVENUES

	General	Health and Welfare
Sales Tax	\$1,170,002	
Individual and Corporate Taxes	1,325,996	
Other Taxes	57,379	\$5,401
Licenses, Permits, and Fees	18,619	5,304
Sale of Goods and Services	8,470	85,456
Grants and Contributions	5,303	1,498,017
Investment Income	32,805	460
Tobacco Settlement	30,965	
Other Income	28,766	283
Total Revenues	2,678,305	1,594,921

EXPENDITURES

Current:		
General Government	140,117	50
Public Safety and Correction	249,475	
Health and Human Services	30,537	2,065,970
Education	1,609,137	
Economic Development	24,699	
Natural Resources	41,250	
Capital Outlay	126,102	3,002
Intergovernmental Revenue Sharing	192,106	42,591
Debt Service:		
Principal Retirement	319	
Interest and Other Charges	24,240	5
Total Expenditures	2,437,982	2,111,618
Revenues Over (Under) Expenditures	240,323	(516,697)

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 the capital account on the Statement of Net Assets and subtracts the cost over the useful life of the asset in the form of depreciation expense.

OTHER FINANCING SOURCES (USES)

Bonds and Notes Issued		
Capital Lease Acquisitions	22	
Sale of Capital Assets	236	98
Transfers In	153,335	496,746
Transfers Out	(825,241)	(231)
Total Other Financing Sources (Uses)	(671,648)	496,613
Net Change in Fund Balances	(431,325)	(20,084)
Fund Balances - Beginning of Year, as Restated	1,179,341	41,281
Fund Balances - End of Year	\$748,016	\$21,197

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 108 and 109.

	Land	Nonmajor	
Transportation	Endowments	Governmental	Total
		\$4,800	\$1,174,802
			1,325,996
\$207,658		128,201	398,639
118,747	\$1	134,683	277,354
5,482	60,416	72,702	232,526
257,172		491,222	2,251,714
5,005	(198,767)	30,009	(130,488)
			30,965
5,594		27,300	61,943
599,658	(138,350)	888,917	5,623,451
		45,952	186,119
		55,666	305,141
			2,096,507
		234,264	1,843,401
178,850		203,145	406,694
	26,515	144,633	212,398
253,605	353	251,125	634,187
131,364		70,805	436,866
30,589		24,737	55,645
11,816		13,307	49,368
606,224	26,868	1,043,634	6,226,326
(6,566)	(165,218)	(154,717)	(602,875)
		152,641	152,641
			22
10,634	1	978	11,947
	2,164	48,409	700,654
(15,602)	(42,413)	(70,635)	(954,122)
(4,968)	(40,248)	131,393	(88,858)
(11,534)	(205,466)	(23,324)	(691,733)
168,099	1,129,050	401,248	2,919,019
\$156,565	\$923,584	\$377,924	\$2,227,286

All governmental fund balances declined (expenditures and financing uses exceeded revenues and other financing sources).

These are the fund balances that appear on the governmental funds Balance Sheet.

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



State of Idaho

This reconciliation shows the reasons that 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 assets 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).

**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, 2009**

(dollars in thousands)

Net Change in Fund Balances - Governmental Funds

(\$691,733)

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:

Capital Outlay	\$430,115	
Depreciation Expense	(54,778)	
	375,337	375,337

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. (26,837)

Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. 2,148

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 Assets. In the current year the following debt was incurred:

Bonds and Notes	(152,641)	
Capital Leases	(22)	
	(152,663)	(152,663)

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 Assets. In the current year, these amounts consisted of:

Bond and Note Principal	54,298	
Bond Issue Costs	(463)	
Capital Leases	1,285	
	55,120	55,120

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 Assets. In the current year these amounts consisted of:

Accrued Interest and Amortization	1,197	
Compensated Absences	1,715	
Claims and Judgements	26,952	
Other Long-Term Liabilities	1,594	
	31,458	31,458

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.

Change in Net Assets - Governmental Activities

5,133

(\$402,037)

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 recoup their costs. Since they provide 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).

This statement can be found in the CAFR, page 25.

State of Idaho

**Statement of Net Assets
Proprietary Funds
June 30, 2009**

(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. There are two types of proprietary funds--internal service and enterprise funds. Internal service funds provide goods and services to state agencies on a cost-reimbursement basis; enterprise funds account for services or goods provided outside of state government. Enterprise funds and business-type activities on the government-wide Statement of Net Assets are synonymous.

Business-Type Activities--Enterprise Funds

	College and University	Unemployment Compensation	Loan
--	-----------------------------------	--------------------------------------	-------------

ASSETS

Current Assets

Cash and Cash Equivalents	\$103,866	\$2,603	\$692
Pooled Cash and Investments	41,972	6,385	12,187
Investments	21,299		
Securities Lending Collateral		37,528	30,478
Accounts Receivable, Net	53,183	60,234	456
Interfund Receivables	3,343		
Inventories and Prepaid Items	6,314		
Due from Component Unit	2,226		
Loans, Notes, and Pledges Receivable, Net	3,364		10,308
Other Current Assets	714		4,165
Total Current Assets	236,281	106,750	58,286

Noncurrent Assets

Restricted Cash and Cash Equivalents	25,381		24,383
Investments	141,715	75,581	
Restricted Investments	1,173		61,382
Due from Component Unit	62,392		
Loans, Notes, and Pledges Receivable, Net	22,768		236,227
Other Noncurrent Assets	8,614		
Capital Assets, Net	961,226		33,569
Total Noncurrent Assets	1,223,269	75,581	355,561
Total Assets	\$1,459,550	\$182,331	\$413,847

LIABILITIES

Current Liabilities

Accounts Payable	\$24,095	\$5,144	\$139
Payroll and Related Liabilities	34,816		
Interfund Payables	5,319		
Due to Other Entities			11
Unearned Revenue	22,158		18,473
Amounts Held in Trust for Others	2,202		1
Due to Component Unit	404		
Obligations Under Securities Lending		37,528	30,478
Other Accrued Liabilities	7,516		269
Capital Leases Payable	382		
Capital Leases Payable to Component Unit	275		
Compensated Absences Payable	20,077		
Bonds and Notes Payable	19,346		2,015
Policy Claim Liabilities			
Total Current Liabilities	136,590	42,672	51,386

Noncurrent Liabilities

Capital Leases Payable	114		
Capital Leases Payable to Component Unit	2,377		
Bonds and Notes Payable	447,191	26,973	4,080
Policy Claim Liabilities			
Other Long-Term Obligations	9,446		
Total Noncurrent Liabilities	459,128	26,973	4,080
Total Liabilities	595,718	69,645	55,466

NET ASSETS

Invested in Capital Assets, Net of Related Debt	524,875		27,474
Restricted for:			
Claims and Judgments			
Debt Service			553
Permanent Trust - Expendable	100,119		
Permanent Trust - Nonexpendable	62,392		
Other Purposes			
Unrestricted	176,446	112,686	330,354
Total Net Assets	863,832	112,686	358,381
Total Liabilities and Net Assets	\$1,459,550	\$182,331	\$413,847

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 44-45 and 71-72) and the Required Supplementary Information (CAFR pages 101-102).

Additional details on noncurrent (long-term) liabilities can be found in the Notes to the Financial Statements (CAFR pages 45 and 86-92).

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 page 118).

		Governmental Activities	
Nonmajor Enterprise Funds	Total	Internal Service Funds	
	\$2,551	\$109,712	
	19,221	79,765	\$57,739
		21,299	
		68,006	19,660
	2,344	116,217	50
	248	3,591	498
	14,141	20,455	2,858
		2,226	
		13,672	
		4,879	231
	38,505	439,822	81,036
	34,375	84,139	40,305
		217,296	39,596
		62,555	
		62,392	
		258,995	72
		8,614	
	8,014	1,002,809	20,034
	42,389	1,696,800	100,007
	\$80,894	\$2,136,622	\$181,043
	\$6,326	\$35,704	\$600
	681	35,497	499
	835	6,154	
	4,669	4,680	
	9	40,640	13,118
		2,203	
		404	
		68,006	19,660
	2,583	10,368	177
	48	430	295
		275	
	737	20,814	712
		21,361	134
			9,675
	15,888	246,536	44,870
	83	197	656
		2,377	
		478,244	3,334
			10,078
	292	9,738	181
	375	490,556	14,249
	16,263	737,092	59,119
	7,883	560,232	15,615
			83,659
		553	
		100,119	
		62,392	
	34,621	34,621	
	22,127	641,613	22,650
	64,631	1,399,530	121,924
	\$80,894	\$2,136,622	\$181,043

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 page 122).

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 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 of normal understanding of the availability of the asset. Likewise, liabilities to be repaid from restricted assets are not included as part of current liabilities.

This total net assets amount is the same as that found for business-type activities in the government-wide Statement of Net Assets (CAFR page 14). The total net assets amount also agrees with the ending net assets shown on the Statement of Activities (CAFR page 17) and the Statement of Revenues Expenditures, and Changes in Fund Net Assets (CAFR page 29).

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

State of Idaho

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds

For the Fiscal Year Ended June 30, 2009

(dollars in thousands)

Proprietary funds report the finances of activities the State operates like a business. Proprietary activities charge a fee to users that covers most of the cost of providing the service. There are two types of proprietary funds--enterprise and internal service funds.

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

Business-Type Activities--Enterprise Funds

	College and University	Unemployment Compensation	Loan	Nonmajor Enterprise Funds
OPERATING REVENUES				
Assessments		\$121,833		
Licenses, Permits, and Fees	\$282,786		\$518	
Scholarship Allowances	(51,372)			
Sale of Goods and Services	104,501		1,944	\$281,646
Grants and Contributions	137,343	34,046	24,157	
Other Income	10,533			63
Total Operating Revenues	483,791	155,879	26,619	281,709
OPERATING EXPENSES				
Personnel Costs	557,523			14,910
Services and Supplies	202,510		4,657	98,976
Benefits, Awards, and Premiums	52,788	336,523		84,997
Depreciation	50,124		209	827
Other Expenses	13,585	2,077	12	4,209
Total Operating Expenses	876,530	338,600	4,878	203,919
Operating Income (Loss)	(392,739)	(182,721)	21,741	77,790
NONOPERATING REVENUES (EXPENSES)				
Gifts and Grants	98,127			
Investment Income	(4,680)	7,790	12,051	575
Interest Expense	(19,853)		(390)	(3)
Intergovernmental Distributions			(642)	(27,366)
Gain (Loss) on Sale of Capital Assets	(610)			
Other Nonoperating Revenues (Expenses)	(1,779)	1,256		2
Total Nonoperating Revenues (Expenses)	71,205	9,046	11,019	(26,792)
Income (Loss) Before Contributions and Transfers	(321,534)	(173,675)	32,760	50,998
Capital Contributions	21,154			
Transfers In	311,701		4,100	
Transfers Out		(13,766)	(86)	(50,102)
Change in Net Assets	11,321	(187,441)	36,774	896
Total Net Assets - Beginning of Year, as Restated	852,511	300,127	321,607	63,735
Total Net Assets - End of Year	\$863,832	\$112,686	\$358,381	\$64,631

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.

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 119).

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

Governmental Activities

Internal Service Funds

Total	Internal Service Funds
\$121,833	
283,304	\$4
(51,372)	
388,091	250,702
195,546	747
10,596	53
947,998	251,506
572,433	11,811
306,143	18,057
474,308	206,929
51,160	2,209
19,883	1,824
1,423,927	240,830
(475,929)	10,676
98,127	
15,736	4,982
(20,246)	(307)
(28,008)	
(610)	14
(521)	
64,478	4,689
(411,451)	15,365
21,154	
315,801	1,830
(63,954)	(209)
(138,450)	16,986
1,537,980	104,938
\$1,399,530	\$121,924

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 if 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 would indicate 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.

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 123).

**Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2009**
(dollars in thousands)

This statement shows if and how the proprietary funds met their cash needs. It shows whether a proprietary activity raised enough cash to pay its bills.

	Business- College and University
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Assessments	
Receipts from Customers	\$328,738
Receipts from Interfund Services	
Receipts from Grants and Contributions	137,400
Payments to Suppliers	(193,128)
Payments to Employees	(554,167)
Payments for Interfund Services	
Payments for Benefits, Awards, and Claims	(49,392)
Other Receipts (Payments)	(3,449)
Net Cash Provided (Used) by Operating Activities	(333,998)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Gifts, Grants, and Endowments Received	97,438
Intergovernmental Distributions	
Transfers In	311,701
Transfers Out	
Interest Paid	
Other Receipts (Payments)	14
Net Cash Provided (Used) by Noncapital Financing Activities	409,153
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grants and Contributions	6,991
Bonds Issued	43,159
Payment of Bonds and Notes	(25,784)
Payment of Interest	(19,685)
Capital Lease Payments	
Proceeds from Disposition of Capital Assets	81
Acquisition and Construction of Capital Assets	(97,086)
Net Cash Provided (Used) by Capital and Related Financing Activities	(92,324)
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipt of Interest and Dividends	10,727
Purchase of Investments	(237,725)
Redemption of Investments	246,693
Other Investing Activities	33,649
Net Cash Provided (Used) by Investing Activities	53,344
Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash	36,175
Beginning Cash, Cash Equivalents, and Pooled Cash	135,044
Ending Cash, Cash Equivalents, and Pooled Cash	\$171,219
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(\$392,739)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	50,124
Maintenance Costs Paid by Department of Public Works	5,690
Net Changes in Assets and Liabilities:	
Accounts Receivable/Interfund Receivables	(3,134)
Inventories and Prepaid Items	1,273
Notes Receivable	933
Other Current Assets	1,718
Accounts Payable/Interfund Payables	(1,122)
Unearned Revenue	
Compensated Absences	434
Policy Claim Liabilities	
Other Accrued Liabilities	2,825
Net Cash Provided (Used) by Operating Activities	(\$333,998)
Noncash Transactions (dollars in thousands): Investments decreased in fair value by \$13,443 for colleges and universities, increased in fair value by \$3,742 for Unemployment Compensation, \$1,148 for the Loan fund, and \$746 for internal service funds. Colleges and universities acquired capital assets through donation in the amount of \$2,309 and through state transfers in the amount of \$13,806; disposed of capital assets at a loss of \$2,247; and defeased debt in the amount of \$12,065. The Loan Fund wrote down uncollectible loans in the amount of \$642 and conveyed capital assets and related debt in the amount of \$21,130. Internal service funds acquired capital assets of \$996 through capital lease and disposed of capital assets at a loss of \$20.	

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 120).

Type Activities--Enterprise Funds			Governmental Activities	
Unemployment Compensation	Loan	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$110,488			\$110,488	
	\$5,095	\$281,573	615,406	
				\$251,480
34,046	24,157		195,603	747
	(4,701)	(102,806)	(300,635)	(17,426)
		(14,780)	(568,947)	(11,799)
	(18)	(2,626)	(2,644)	(2,913)
(333,696)		(85,459)	(468,547)	(207,340)
			(3,449)	
(189,162)	24,533	75,902	(422,725)	12,749
			97,438	
		(26,891)	(26,891)	
	4,100		315,801	1,830
(13,766)	(86)	(50,102)	(63,954)	(209)
	(277)		(277)	(197)
26,973			26,987	
13,207	3,737	(76,993)	349,104	1,424
			6,991	
			43,159	
	(1,999)	(51)	(27,834)	(71)
			(19,685)	
				(243)
1,256			1,337	34
		(859)	(97,945)	(1,608)
1,256	(1,999)	(910)	(93,977)	(1,888)
4,048	9,840	575	25,190	4,312
(37,261)	(41,396)		(316,382)	(1,681)
76,498	97		323,288	979
	(166)		33,483	(109)
43,285	(31,625)	575	65,579	3,501
(131,414)	(5,354)	(1,426)	(102,019)	15,786
140,402	42,616	57,573	375,635	82,258
\$8,988	\$37,262	\$56,147	\$273,616	\$98,044
(182,721)	\$21,741	\$77,790	(\$475,929)	\$10,676
	209	827	51,160	2,209
			5,690	
(7,397)	174	(229)	(10,586)	345
		(617)	656	205
			933	
	675	456	2,849	
956	78	(2,561)	(2,649)	(661)
	1,653	(6)	1,647	376
		18	452	
				(411)
	3	224	3,052	10
(189,162)	\$24,533	\$75,902	(\$422,725)	\$12,749

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 pages 124-125).

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

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

State of Idaho

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

(dollars in thousands)

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.

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

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 combining financial statements (CAFR pages 128-129) and the Notes to the Financial Statements (CAFR pages 73-77).

	Pension Trust	Investment Trust	College Savings Private-Purpose Trust	Agency
ASSETS				
Cash and Cash Equivalents	\$710		\$203	\$5,418
Pooled Cash and Investments	2,975			25,558
Investments:				
Pooled Short Term	362,525	\$511,457	7,491	
Fixed Income Investments	2,213,070	1,018,186		233,815
Marketable Securities	5,108,464			
Mutual Funds and Private Equities	903,619		122,742	
Mortgages and Real Estate	917,246	55,719		
Other Investments			9,106	
Securities Lending Collateral		962,657		
Receivables:				
Investments Sold	956,188			
Contributions	5,376			
Interest and Dividends	37,325	1,939	4	3
Interfund Receivables	1,626			
Other Receivables	145			
Other Assets	10,898			
Capital Assets, Net	2,450			
Total Assets	10,522,617	2,549,958	139,546	\$264,794
LIABILITIES				
Accounts Payable	30	73	88	
Payroll and Related Liabilities				\$1,805
Interfund Payables	1,626			
Due to Other Entities				597
Amounts Held in Trust for Others				261,238
Obligations Under Securities Lending		962,657		
Investments Purchased	1,127,887		30	
Other Accrued Liabilities	8,547	1,159		1,154
Total Liabilities	1,138,090	963,889	118	\$264,794
NET ASSETS				
Held in Trust for:				
Employee Pension Benefits	9,225,348			
Postemployment Healthcare Benefits	189,179			
External Investment Pool Participants		1,586,069		
Trust Beneficiaries			139,428	
Total Net Assets	\$9,414,527	\$1,586,069	\$139,428	

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 combining financial statements (CAFR page 132) and the Notes to the Financial Statements (CAFR pages 62-68).

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 there are no net assets. To learn more about the different funds combined in this column, turn to the combining financial statements (CAFR page 134).

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

State of Idaho

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

For the Fiscal Year Ended June 30, 2009

(dollars in thousands)

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

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

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

	Pension Trust	Investment Trust	College Savings Private-Purpose Trust
ADDITIONS			
Contributions:			
Member	\$216,088		
Employer	318,137		
Transfers In from Other Plans	6,058		
Participant Deposits		\$3,386,167	\$28,096
Total Contributions	540,283	3,386,167	28,096
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	(2,074,264)	10,151	(17,388)
Interest, Dividends, and Other	286,458	24,717	4,129
Securities Lending Income	183	8,648	
Less Investment Expense:			
Investment Activity Expense	(41,360)	(924)	
Securities Lending Interest Expense	(38)	(7,311)	
Net Investment Income	(1,829,021)	35,281	(13,259)
Miscellaneous Income	1,757	183	
Total Additions	(1,286,981)	3,421,631	14,837
DEDUCTIONS			
Benefits and Refunds Paid to Plan Members	561,185		
Transfers Out to Other Plans	8,126		
Administrative Expense	6,364		788
Earnings Distribution		32,074	
Participant Withdrawals		3,426,360	13,283
Total Deductions	575,675	3,458,434	14,071
Change in Net Assets Held in Trust for:			
Employee Pension Benefits	(1,841,307)		
Employee Postemployment Healthcare Benefits	(21,349)		
External Investment Pool Participants		(36,803)	
Trust Beneficiaries			766
Net Assets - Beginning of Year	11,277,183	1,622,872	138,662
Net Assets - End of Year	\$9,414,527	\$1,586,069	\$139,428

With the data in this statement, as well as the Notes (CAFR pages 73-77) and the Required Supplementary Information (CAFR page 102), 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 130-131).

This statement can be found in the CAFR, page 33.

