

A Reader's Guide

Understanding Idaho's Comprehensive Annual Financial Report (CAFR) For the Fiscal Year Ended June 30, 2010

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 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 legally separate organizations for which the State is financially accountable. The State's discretely presented component units are as follows: the Idaho Housing and Finance Association and its component unit, The Housing Company; the College and University foundation; the Petroleum Clean Water Trust Fund; Health Reinsurance, which includes the Idaho Individual High Risk Reinsurance Pool and the Idaho Small Employer Health Reinsurance Program; and the Idaho 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 38-101) 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 2-3) 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 104-109) 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 111-141) 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 143-174) 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:

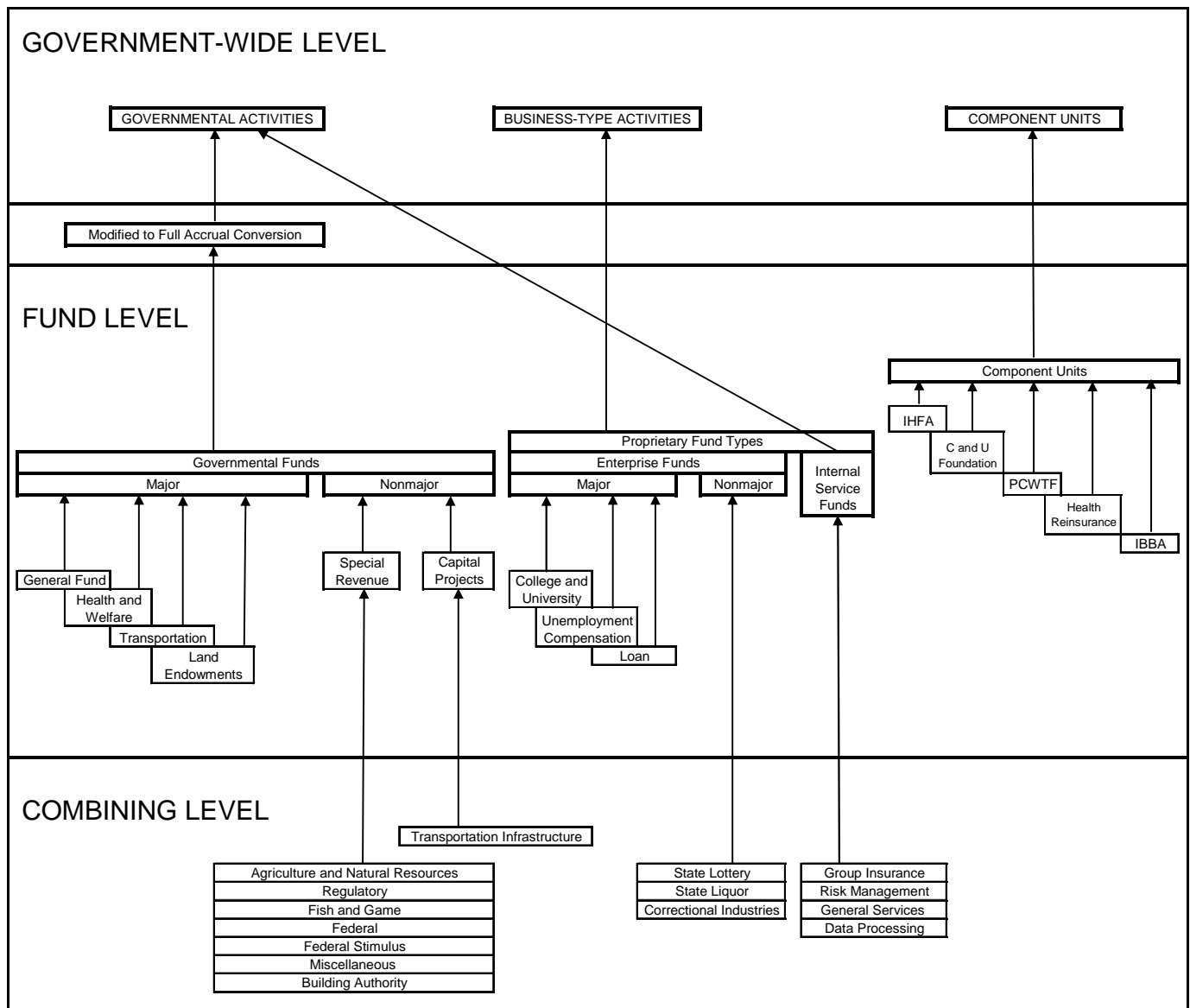
- **Sales Tax Revenue** – Sales tax revenues of \$1.1 billion for 2010 are presented on pages 16-17 of the CAFR. MD&A has information about sales tax revenues on CAFR pages 7-8. Additional sales tax data may be found on Schedules 2, 4, 5 and 7 of the Statistical Section (CAFR pages 146-147, 150-153, and 156-157).

- **Individual and Corporate Income Tax Revenues** – Income tax revenues of \$1.2 billion for 2010, along with other state tax revenues, are presented on pages 16-17 of the CAFR. Income tax revenues decreased \$78.9 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 146-147 and 150-157).
- **Health and Human Services Spending** – Health and human services had \$2.2 billion in expenses in fiscal year 2010, an increase of 3.2 percent over the prior fiscal year, 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 \$1.8 billion (primarily from federal grants) leaving a net expense of \$420.4 million subsidized by general revenue. 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 2010. You can also see that colleges and universities spent \$898.0 million in fiscal year 2010. Looking a bit further, you can see that colleges and universities generated revenues (over \$683.7 million—primarily from fees and federal grants) that offset their expenses, leaving a net expense of \$214.3 million, which was supported by general revenues. K through 12 education had less capacity to generate revenues, approximately \$477.0 million, leaving a net expense of \$1.4 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 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 134-137). Net assets for the pension trust funds increased \$1.1 billion in fiscal year 2010. You can see on CAFR pages 136-137 that additions to these funds came from a variety of sources, most significantly: employer contributions (\$318.6 million); member contributions (\$221.7 million); and interest, dividends, and other (\$263.1 million). Deductions were primarily for benefits and refunds paid to members

(\$598.7 million). At \$10.7 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 76-80).

- **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 2010 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. Comparisons between budget and actual amounts for the nonmajor governmental and major permanent funds are on CAFR pages 116-122. 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, 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

Statement of Net Assets

June 30, 2010

(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	\$11,702
	Pooled Cash and Investments	903,967
	Investments	1,178,901
	Securities Lending Collateral	428,974
	Accounts Receivable, Net	141,422
	Taxes Receivable, Net	320,622
Internal balances consist of short-term receivables and payables for activities occurring within the State.	→ Internal Balances	125
	Due from Other Entities	347,462
	Inventories and Prepaid Items	47,955
Deferred outflows are the changes in fair value of hedged derivative instruments to be recognized in a future period.	→ Due from Primary Government	
	Due from Component Unit	
	Loans, Notes, and Pledges Receivable, Net	14,607
	Deferred Outflows	8,074
	Other Assets	9,653
	Restricted Assets:	
	Cash and Cash Equivalents	101,013
	Investments	109,335
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.	→ Capital Assets:	
	Nondepreciable	4,206,274
	Depreciable, Net	1,396,302
	Total Assets	\$9,226,388
Liabilities are shown in order of maturity or when cash is expected to be used to pay them.	→ LIABILITIES	
	Accounts Payable	\$230,935
	Payroll and Related Liabilities	34,577
	Medicaid Payable	185,267
	Due to Other Entities	61,695
Unearned revenues are resources received that have not yet met the criteria for being recorded as revenues.	→ Unearned Revenue	59,036
	Amounts Held in Trust for Others	9,420
	Due to Primary Government	
	Due to Component Unit	
	Obligations Under Securities Lending	428,974
	Other Accrued Liabilities	52,936
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	155,492
	Due in More Than One Year	692,400
	Total Liabilities	1,910,732
	NET ASSETS	
	Invested in Capital Assets, Net of Related Debt	4,953,158
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.	→ Restricted for:	
	Claims and Judgments	83,161
	Debt Service	18,944
	Intergovernmental Revenue Sharing	16,455
	Transportation	189,414
	Regulatory	61,179
	Natural Resources and Recreation	106,888
	Unemployment Compensation	
	Permanent Trust - Expendable	224,511
	Permanent Trust - Nonexpendable	967,142
	Other Purposes	116,549
Unrestricted net assets may be used at the State's discretion but often have limitations on use based on state statutes.	→ Unrestricted	578,255
Total assets - total liabilities = total net assets \$9,226,388 - \$1,910,732 = \$7,315,656	→ Total Net Assets	7,315,656
	Total Liabilities and Net Assets	\$9,226,388

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.

Government

Business-Type Activities	Total	Component Units
\$155,977	\$167,679	\$34,963
88,237	992,204	819
238,127	1,417,028	1,147,805
105,181	534,155	
177,789	319,211	24,453
	320,622	
(125)	347,462	
22,508	70,463	1,930
		356,650
70,195	70,195	
304,088	318,695	1,612,993
	8,074	64,481
14,371	24,024	133,104
80,760	181,773	41,334
64,094	173,429	3,095
195,830	4,402,104	5,713
868,511	2,264,813	36,720
\$2,385,543	\$11,611,931	\$3,464,060
\$31,299	\$262,234	\$1,312
38,695	73,272	573
	185,267	
6,102	67,797	
45,809	104,845	21,485
2,205	11,625	36,180
		70,195
453	453	
105,181	534,155	
21,203	74,139	210,873
240,567	396,059	139,658
485,123	1,177,523	2,442,213
976,637	2,887,369	2,922,489
610,890	5,564,048	21,347
	83,161	
553	19,497	153,705
	16,455	
	189,414	
	61,179	
363,719	470,607	
29,771	29,771	
105,735	330,246	105,023
67,830	1,034,972	188,398
37,381	153,930	751
193,027	771,282	72,347
1,408,906	8,724,562	541,571
\$2,385,543	\$11,611,931	\$3,464,060

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.

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, 2010**

(dollars in thousands)

FUNCTIONS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$548,757	\$79,833	\$66,934	\$209
Public Safety and Correction	320,423	52,805	14,802	
Health and Human Services	2,182,592	101,419	1,660,804	
Education	1,830,608	12,624	464,335	
Economic Development	799,054	239,107	474,160	2,223
Natural Resources	241,508	127,037	254,358	2,228
Interest Expense	45,782			
Total Governmental Activities	5,968,724	612,825	2,935,393	4,660
Business-Type Activities				
College and University	898,012	368,504	271,076	44,094
Unemployment Compensation	331,116	255,278	496	
Loan	9,624	15,027	30,192	
State Lottery	110,204	147,931		
State Liquor	118,022	135,289		
Correctional Industries	6,553	6,091		
Total Business-Type Activities	1,473,531	928,120	301,764	44,094
Total Primary Government	\$7,442,255	\$1,540,945	\$3,237,157	\$48,754
Component Units				
Idaho Housing and Finance Association	\$203,864	\$141,935	\$73,402	\$958
College and University Foundation	47,986	1,827	78,894	
Petroleum Clean Water Trust Fund	2,070	3,206		
Health Reinsurance	10,863	4,764	1,420	
Bond Bank Authority	8,650	8,662		
Total Component Units	\$273,433	\$160,394	\$153,716	\$958

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 \$2,182.6 million. The State raised \$101.4 million from charges for services, and received \$1,660.8 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 \$420.4 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**

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
(\$401,781)		(\$401,781)	
(252,816)		(252,816)	
(420,369)		(420,369)	
(1,353,649)		(1,353,649)	
(83,564)		(83,564)	
142,115		142,115	
(45,782)		(45,782)	
(2,415,846)		(2,415,846)	
	(\$214,338)	(214,338)	
	(75,342)	(75,342)	
	35,595	35,595	
	37,727	37,727	
	17,267	17,267	
	(462)	(462)	
	(199,553)	(199,553)	
(2,415,846)	(199,553)	(2,615,399)	
			\$12,431
			32,735
			1,136
			(4,679)
			12
			41,635
1,127,013		1,127,013	
1,242,032		1,242,032	
221,142		221,142	
186,130		186,130	
26,120		26,120	
16,800		16,800	
			5,017
(206,246)	206,246		1,632
2,612,991	206,246	2,819,237	6,649
197,145	6,693	203,838	48,284
7,118,511	1,402,213	8,520,724	493,287
\$7,315,656	\$1,408,906	\$8,724,562	\$541,571

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 increased by \$197.1 million, and business-type activities net assets increased by \$6.7 million.

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

State of Idaho

Balance Sheet
Governmental Funds
June 30, 2010

(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	\$686	
Pooled Cash and Investments	393,969	\$7,498
Investments	11,193	
Securities Lending Collateral	229,126	2,929
Accounts Receivable, Net	16,690	13,720
Taxes Receivable, Net	297,533	131
Interfund Receivables	2,710	42
Due from Other Entities	488	246,720
Inventories and Prepaid Items	8,235	3,994
Loans, Notes, and Pledges Receivable, Net	2,356	
Other Assets	63	21
Restricted Assets:		
Cash and Cash Equivalents	6,660	8,028
Investments	89,180	3,932
Total Assets	\$1,058,889	\$287,015
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$23,431	\$27,002
Payroll and Related Liabilities	10,583	7,190
Medicaid Payable		185,267
Interfund Payables	1,327	435
Due to Other Entities	33,843	
Deferred Revenue	117,150	43,987
Amounts Held in Trust for Others	108	5,645
Obligations Under Securities Lending	229,126	2,929
Other Accrued Liabilities	23,133	3,929
Total Liabilities	438,701	276,384
Fund Balances		
Reserved for:		
Bond Retirement		
Encumbrances	24,039	17,139
Inventories and Prepaid Items	8,235	3,994
Noncurrent Receivables	2,657	
Permanent Trusts	2,374	
Other Purposes	93,186	7,108
Unreserved, Reported in:		
General Fund	489,697	
Special Revenue Funds		(17,610)
Capital Projects		
Permanent Funds		
Total Fund Balances	620,188	10,631
Total Liabilities and Fund Balances	\$1,058,889	\$287,015

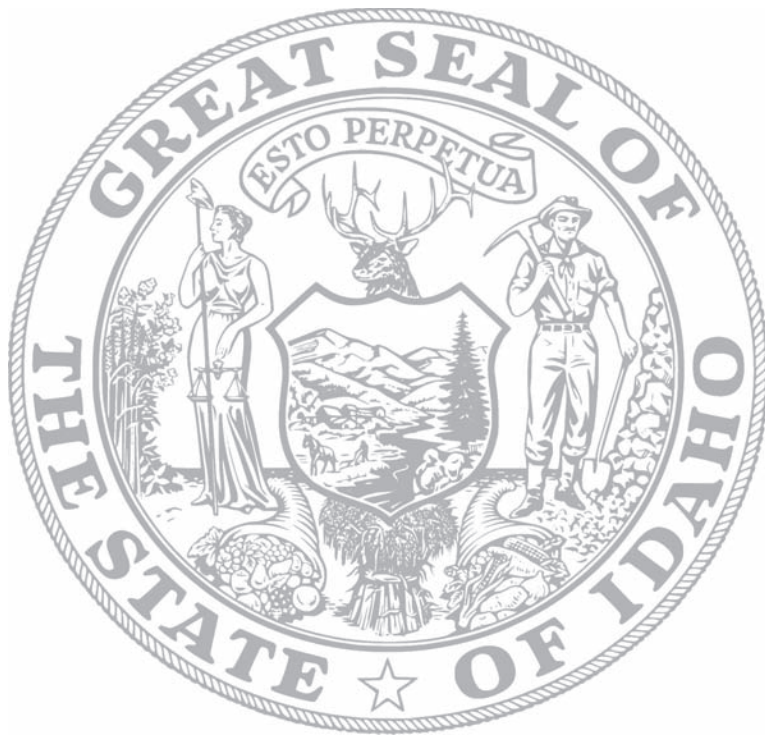
This statement can be found in the CAFR, pages 18 and 19.

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 112-113.

Transportation	Land Endowments	Nonmajor Governmental	Total
\$7		\$11,009	\$11,702
151,120	\$2,821	254,496	809,904
41,601	1,043,911	40,014	1,136,719
30,976	102,660	31,874	397,565
5,104	78,333	27,518	141,365
20,354		2,604	320,622
16		2,290	5,058
36,951		63,303	347,462
22,299		11,103	45,631
1,440		10,711	14,507
223	3,651	767	4,725
199		69,261	84,148
		16,223	109,335
\$310,290	\$1,231,376	\$541,173	\$3,428,743
\$29,766	\$85,045	\$65,260	\$230,504
4,588		11,692	34,053
			185,267
695		3,112	5,569
27,845		7	61,695
16,452		41,887	219,476
199		3,468	9,420
30,976	102,660	31,874	397,565
10,365		3,805	41,232
120,886	187,705	161,105	1,184,781
		18,944	18,944
23,420		47,831	112,429
22,299		11,103	45,631
		11,755	14,412
	875,535		877,909
		52,919	153,213
			489,697
143,685		237,506	363,581
		10	10
	168,136		168,136
189,404	1,043,671	380,068	2,243,962
\$310,290	\$1,231,376	\$541,173	\$3,428,743

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, 2010

(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

\$2,243,962

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	\$1,012,331	<div data-bbox="1230 558 1419 835" data-label="Text"> <p>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.</p> </div>
Capital Assets in Progress	1,038,083	
Infrastructure	2,916,113	
Historical Art and Collections	72	
Buildings and Improvements	858,092	
Improvements Other than Buildings	80,329	
Machinery, Equipment, and Other	387,621	
Accumulated Depreciation	(708,005)	
Total Capital Assets	5,584,636	

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds. 574

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. 173,124

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. 138,642

Bond issue costs are reported as current expenditures in the funds. However, these costs are deferred on the Statement of Net Assets. 4,124

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	(32,558)	<div data-bbox="711 1461 1016 1579" data-label="Text"> <p>The Governmental Funds Balance Sheet does not report long-term liabilities; the government-wide Statement of Net Assets does.</p> </div>
Compensated Absences Payable	(51,220)	
Bonds and Notes Payable	(629,098)	
Accrued Interest on Bonds	(3,450)	
Claims and Judgments	(79,890)	
Other Long-Term Liabilities	(33,190)	
Total Long-Term Liabilities	(829,406)	

Net Assets - Governmental Activities

\$7,315,656

The governmental funds total fund balance of \$2,244.0 million (see CAFR page 19) reconciles to the \$7,315.7 million total of the governmental activities net assets reported on the 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, 2010

(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	\$1,117,584	
Individual and Corporate Taxes	1,228,463	
Other Taxes	53,068	\$14,395
Licenses, Permits, and Fees	19,019	7,140
Sale of Goods and Services	8,695	97,949
Grants and Contributions	3,300	1,688,850
Investment Income	24,017	1,355
Tobacco Settlement	25,990	
Other Income	31,171	3,030
Total Revenues	2,511,307	1,812,719

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.

EXPENDITURES

Current:		
General Government	159,031	
Public Safety and Correction	222,120	
Health and Human Services	41,112	2,160,426
Education	1,357,863	
Economic Development	25,914	
Natural Resources	28,174	
Capital Outlay	92,251	21,609
Intergovernmental Revenue Sharing	178,774	68,038
Debt Service:		
Principal Retirement	918	
Interest and Other Charges	14,379	4
Total Expenditures	2,120,536	2,250,077
Revenues Over (Under) Expenditures	390,771	(437,358)

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	22,580	
Sale of Capital Assets	178	5
Transfers In	164,485	427,024
Transfers Out	(705,842)	(237)
Total Other Financing Sources (Uses)	(518,599)	426,792
Net Change in Fund Balances	(127,828)	(10,566)
Fund Balances - Beginning of Year, as Restated	748,016	21,197
Fund Balances - End of Year	\$620,188	\$10,631

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

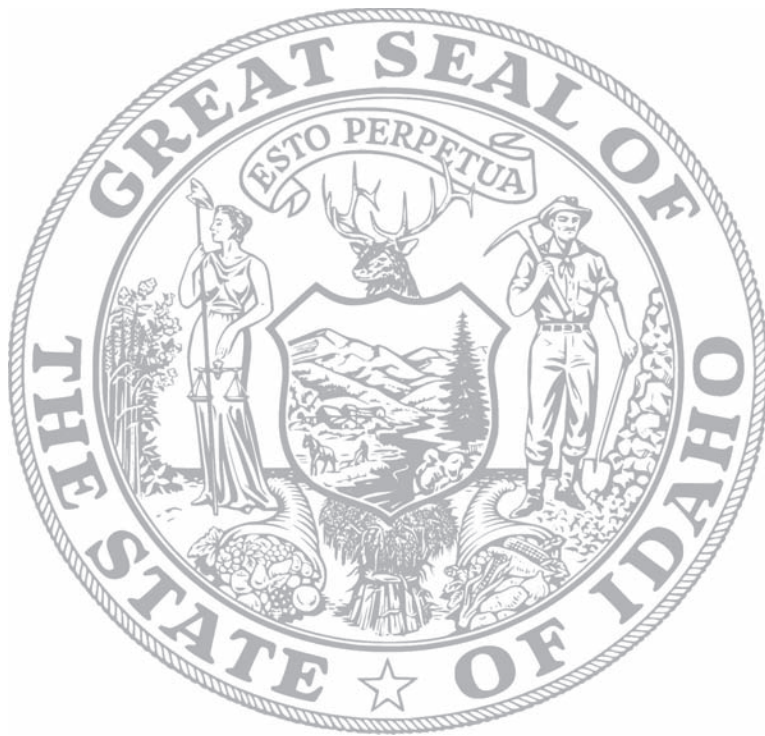
Several funds make up the Nonmajor Governmental column. To see greater detail of the individual funds summarized in this column, turn to the combining financial statements on CAFR pages 114 and 115.

	Land	Nonmajor	
Transportation	Endowments	Governmental	Total
		\$4,800	\$1,122,384
			1,228,463
\$220,302		122,159	409,924
117,179		131,680	275,018
6,402	\$48,024	67,150	228,220
370,728		745,429	2,808,307
3,822	145,897	16,505	191,596
			25,990
5,494		38,870	78,565
723,927	193,921	1,126,593	6,368,467
		49,753	208,784
		62,337	284,457
			2,201,538
		452,413	1,810,276
174,887		215,975	416,776
	27,525	158,592	214,291
352,891	363	209,983	677,097
133,047		79,857	459,716
8,177		24,127	33,222
19,153		13,112	46,648
688,155	27,888	1,266,149	6,352,805
35,772	166,033	(139,556)	15,662
		163,562	163,562
		1,165	23,745
12,453	9	791	13,436
		39,054	630,563
(15,386)	(45,955)	(69,540)	(836,960)
(2,933)	(45,946)	135,032	(5,654)
32,839	120,087	(4,524)	10,008
156,565	923,584	384,592	2,233,954
\$189,404	\$1,043,671	\$380,068	\$2,243,962

The General, Health and Welfare, and Nonmajor Governmental fund balances declined (expenditures and financing uses exceeded revenues and other financing sources). All other funds had positive changes in fund balances (revenues and other financing sources exceeded expenditures and financing uses).

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.



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).

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, 2010

(dollars in thousands)

Net Change in Fund Balances - Governmental Funds

\$10,008

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	\$391,378	
Depreciation Expense	<u>(65,024)</u>	326,354

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. (18,374)

Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. 549

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	(163,562)	
Capital Leases	<u>(23,745)</u>	(187,307)

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	31,511	
Bond Issue Costs	(421)	
Capital Leases	<u>1,710</u>	32,800

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	1,027	
Compensated Absences	2,955	
Claims and Judgements	33,045	
Other Long-Term Liabilities	<u>(10,111)</u>	26,916

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

6,199

\$197,145

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, 2010

(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 services or goods provided outside of state government; internal service funds provide goods and services to state agencies on a cost-reimbursement basis. 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	\$111,177	\$40,489	\$687
Pooled Cash and Investments	46,474	8,456	11,818
Investments	31,974		
Securities Lending Collateral		57,981	47,200
Accounts Receivable, Net	61,054	113,419	583
Interfund Receivables	2,144		
Inventories and Prepaid Items	8,511		
Due from Component Unit	2,365		
Loans, Notes, and Pledges Receivable, Net	3,728		10,549
Other Current Assets	719		4,718
Total Current Assets	268,146	220,345	75,555
Noncurrent Assets			
Restricted Cash and Cash Equivalents	20,888		22,847
Investments	128,283	77,870	
Restricted Investments	704		63,390
Due from Component Unit	67,830		
Loans, Notes, and Pledges Receivable, Net	22,095		267,716
Other Noncurrent Assets	8,929		
Capital Assets, Net	1,021,449		33,359
Total Noncurrent Assets	1,270,178	77,870	387,312
Total Assets	\$1,538,324	\$298,215	\$462,867
LIABILITIES			
Current Liabilities			
Accounts Payable	\$21,833		
Payroll and Related Liabilities	38,090		
Interfund Payables	2,423		
Due to Other Entities			\$11
Unearned Revenue	28,036		17,773
Amounts Held in Trust for Others	2,205		
Due to Component Unit	453		
Obligations Under Securities Lending		\$57,981	47,200
Other Accrued Liabilities	9,252	8,061	252
Capital Leases Payable	114		
Capital Leases Payable to Component Unit	295		
Compensated Absences Payable	20,169		
Bonds and Notes Payable	16,465	202,402	360
Policy Claim Liabilities			
Total Current Liabilities	139,335	268,444	65,596
Noncurrent Liabilities			
Capital Leases Payable	271		
Capital Leases Payable to Component Unit	2,082		
Bonds and Notes Payable	466,854		3,720
Policy Claim Liabilities			
Other Long-Term Obligations	11,840		
Total Noncurrent Liabilities	481,047		3,720
Total Liabilities	620,382	268,444	69,316
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	572,161		29,279
Restricted for:			
Claims and Judgments			
Debt Service			553
Permanent Trust - Expendable	105,735		
Permanent Trust - Nonexpendable	67,830		
Other Purposes			
Unrestricted	172,216	29,771	363,719
Total Net Assets	917,942	29,771	393,551
Total Liabilities and Net Assets	\$1,538,324	\$298,215	\$462,867

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 74-75) 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 90-97).

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 123).

		Governmental	
		Activities	
Nonmajor			Internal
Enterprise Funds	Total		Service Funds
	\$3,624	\$155,977	
	21,489	88,237	\$94,063
		31,974	
		105,181	31,409
	2,733	177,789	66
	161	2,305	643
	13,997	22,508	2,324
		2,365	
		14,277	26
		5,437	227
	42,004	606,050	128,758
	37,025	80,760	16,865
		206,153	42,182
		64,094	
		67,830	
		289,811	74
	5	8,934	3
	9,533	1,064,341	17,940
	46,563	1,781,923	77,064
	\$88,567	\$2,387,973	\$205,822
	\$9,466	\$31,299	\$458
	605	38,695	524
	7	2,430	7
	6,091	6,102	
		45,809	12,666
		2,205	
		453	
		105,181	31,409
	3,638	21,203	180
	49	163	274
		295	
	713	20,882	776
		219,227	127
			8,033
	20,569	493,944	54,454
	34	305	397
		2,082	
		470,574	3,207
			8,923
	322	12,162	199
	356	485,123	12,726
	20,925	979,067	67,180
	9,450	610,890	13,935
			83,161
		553	
		105,735	
		67,830	
	37,381	37,381	
	20,811	586,517	41,546
	67,642	1,408,906	138,642
	\$88,567	\$2,387,973	\$205,822

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 128).

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 or 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.

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

Proprietary Funds

For the Fiscal Year Ended June 30, 2010

(dollars in thousands)

Proprietary funds report the finances of 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 Funds			
	College and University	Unemployment Compensation	Loan	Nonmajor Enterprise Funds
OPERATING REVENUES				
Assessments		\$252,847		
Licenses, Permits, and Fees	\$304,264		\$842	
Scholarship Allowances	(62,529)			
Sale of Goods and Services	112,699		1,975	\$288,912
Grants and Contributions	146,529	496	30,192	
Other Income	7,671		162	118
Total Operating Revenues	508,634	253,343	33,171	289,030
OPERATING EXPENSES				
Personnel Costs	544,446			15,517
Services and Supplies	197,832		1,653	100,257
Benefits, Awards, and Premiums	69,656	331,110		88,276
Depreciation	54,513		209	863
Other Expenses	12,042	6		4,013
Total Operating Expenses	878,489	331,116	1,862	208,926
Operating Income (Loss)	(369,855)	(77,773)	31,309	80,104
NONOPERATING REVENUES (EXPENSES)				
Gifts and Grants	124,547			
Investment Income	10,670	2,431	12,048	285
Interest Expense	(19,075)		(315)	(2)
Intergovernmental Distributions			(7,447)	(25,851)
Gain (Loss) on Sale of Capital Assets	(448)			2
Other Nonoperating Revenues (Expenses)	(4,271)			(6)
Total Nonoperating Revenues (Expenses)	111,423	2,431	4,286	(25,572)
Income (Loss) Before Contributions and Transfers	(258,432)	(75,342)	35,595	54,532
Capital Contributions	44,094			
Transfers In	266,288			
Transfers Out		(7,573)	(425)	(52,044)
Change in Net Assets	51,950	(82,915)	35,170	2,488
Total Net Assets - Beginning of Year, as Restated	865,992	112,686	358,381	65,154
Total Net Assets - End of Year	\$917,942	\$29,771	\$393,551	\$67,642

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 125).

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

Governmental Activities

Internal	
Total	Service Funds
\$252,847	
305,106	
(62,529)	
403,586	\$244,670
177,217	2,067
7,951	418
1,084,178	247,155
559,963	12,071
299,742	18,556
489,042	198,360
55,585	2,057
16,061	2,457
1,420,393	233,501
(336,215)	13,654
124,547	
25,434	4,050
(19,392)	(261)
(33,298)	
(446)	
(4,277)	
92,568	3,789
(243,647)	17,443
44,094	
266,288	1,831
(60,042)	(1,680)
6,693	17,594
1,402,213	121,048
\$1,408,906	\$138,642

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 129).

State of Idaho

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2010
(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**

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

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Assessments	
Receipts from Customers	\$353,460
Receipts from Interfund Services	
Receipts from Grants and Contributions	146,209
Payments to Suppliers	(204,461)
Payments to Employees	(535,655)
Payments for Interfund Services	
Payments for Benefits, Awards, and Claims	(67,215)
Other Receipts (Payments)	545
Net Cash Provided (Used) by Operating Activities	(307,117)

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

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Gifts, Grants, and Endowments Received	121,530
Intergovernmental Distributions	
Transfers In	266,288
Transfers Out	
Proceeds from Bonds, Notes, and Loans	245,624
Repayments of Bonds, Notes, and Loans	(246,007)
Interest Payments	
Net Cash Provided (Used) by Noncapital Financing Activities	387,435

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

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital Grants and Contributions	24,019
Bonds Issued	56,344
Payment of Bonds and Notes	(40,579)
Interest Payments	(18,941)
Capital Lease Payments	
Proceeds from Disposition of Capital Assets	822
Acquisition and Construction of Capital Assets	(103,130)
Net Cash Provided (Used) by Capital and Related Financing Activities	(81,465)

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

CASH FLOWS FROM INVESTING ACTIVITIES

Receipt of Interest and Dividends	4,929
Purchase of Investments	(215,861)
Redemption of Investments	219,399
Other Investing Activities	
Net Cash Provided (Used) by Investing Activities	8,467

Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash

7,320

Beginning Cash, Cash Equivalents, and Pooled Cash

171,219

Ending Cash, Cash Equivalents, and Pooled Cash

\$178,539

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 Assets for proprietary funds.

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities

Operating Income (Loss)	(\$369,855)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	54,513
Maintenance Costs Paid by Department of Public Works	2,126
Net Changes in Assets and Liabilities:	
Accounts Receivable/Interfund Receivables	(5,592)
Inventories and Prepaid Items	(1,425)
Notes Receivable	376
Other Assets	6,259
Accounts Payable/Interfund Payables	(1,691)
Unearned Revenue	
Compensated Absences	11
Policy Claim Liabilities	
Other Accrued Liabilities	8,161
Net Cash Provided (Used) by Operating Activities	(307,117)

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

Noncash Transactions (dollars in thousands): Investments increased in fair value by \$5,619 for colleges and universities, \$2,289 for Unemployment Compensation, \$1,865 for the Loan fund, and \$1,257 for internal service funds. Colleges and universities acquired capital assets through donation in the amount of \$3,368 and through state transfers in the amount of \$16,667; disposed of capital assets at a loss of \$5,916, deposited \$10,707 in proceeds from capital debt to escrow, and defeased \$10,415 in capital debt. The Loan Fund forgave loans in the amount of \$7,447. Nonmajor enterprise funds disposed of capital assets at a loss of \$6. Internal service funds acquired capital assets of \$20 through capital lease, disposed of capital assets at a loss of \$5, and recognized \$5 in deferred revenue as a gain on sale of capital assets as part of a sale-leaseback agreement.

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 126).

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 130-131).

Type Activities--Enterprise Funds			Governmental Activities	
Unemployment Compensation	Loan	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$206,089		\$285,356	\$206,089	\$1,635
	\$1,988	3,363	640,804	242,846
496	30,192	(97,597)	176,897	2,067
	(1,774)	(15,592)	(303,832)	(18,087)
	(17)	(3,725)	(551,247)	(11,967)
(334,626)		(87,715)	(489,556)	(2,472)
	162		707	(201,157)
(128,041)	30,551	84,090	(320,517)	12,865
			121,530	
		(24,429)	(24,429)	
(7,573)	(425)	(52,044)	266,288	1,831
175,429			(60,042)	(1,680)
			421,053	
	(259)		(246,007)	
167,856	(684)	(76,473)	478,134	151
			24,019	
	(2,014)	(48)	56,344	
		(2)	(42,641)	(134)
			(18,943)	(228)
			822	(338)
		(1,861)	(104,991)	(824)
0	(2,014)	(1,911)	(85,390)	(1,524)
142	9,631	285	14,987	2,796
	(53,876)		(269,737)	(1,398)
	14,556		233,955	41
	(74)		(74)	(47)
142	(29,763)	285	(20,869)	1,392
39,957	(1,910)	5,991	51,358	12,884
8,988	37,262	56,147	273,616	98,044
\$48,945	\$35,352	\$62,138	\$324,974	\$110,928
(77,773)	\$31,309	\$80,104	(\$336,215)	\$13,654
	209	863	55,585	2,057
			2,126	
(53,185)	(127)	(303)	(59,207)	(161)
		168	(1,257)	534
			376	
	(1)	(30)	6,228	(2)
	(139)	2,973	1,143	(88)
	(700)	(9)	(709)	(447)
		(12)	(1)	64
				(2,797)
2,917		336	11,414	51
(128,041)	\$30,551	\$84,090	(320,517)	\$12,865

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

State of Idaho

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

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.

(dollars in thousands)

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 133-135) and the Notes to the Financial Statements (CAFR pages 76-80).

	Pension Trust	Investment Trust	College Savings Private-Purpose Trust	Agency
ASSETS				
Cash and Cash Equivalents	\$1,386		\$227	\$5,452
Pooled Cash and Investments	1,765			23,841
Investments:				
Pooled Short Term	366,742	\$135,325	9,088	
Fixed Income Investments	2,631,571	893,377		242,005
Marketable Securities	5,777,456			
Mutual Funds and Private Equities	1,230,659		151,670	
Mortgages and Real Estate	798,700	66,666		
Other Investments	4,023		7,623	
Securities Lending Collateral		761,607		
Receivables:				
Investments Sold	1,154,512			
Contributions	4,416			
Interest and Dividends	41,879	1,531	53	
Interfund Receivables	1,638			
Other Receivables	151			
Other Assets	43,919			
Capital Assets, Net	2,287			
Total Assets	12,061,104	1,858,506	168,661	\$271,298
LIABILITIES				
Accounts Payable	993	63	110	
Payroll and Related Liabilities				\$1,934
Interfund Payables	1,638			
Due to Other Entities				576
Amounts Held in Trust for Others				267,999
Obligations Under Securities Lending		761,607		
Investments Purchased	1,356,947		48	
Other Accrued Liabilities	8,918	645		789
Total Liabilities	1,368,496	762,315	158	\$271,298
NET ASSETS				
Held in Trust for:				
Employee Pension Benefits	10,471,996			
Postemployment Healthcare Benefits	220,612			
External Investment Pool Participants		1,096,191		
Trust Beneficiaries			168,503	
Total Net Assets	\$10,692,608	\$1,096,191	\$168,503	

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 138) and the Notes to the Financial Statements (CAFR pages 65-71).

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 140).

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, 2010

(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	\$221,670		
Employer	318,643		
Transfers In from Other Plans	13,576		
Participant Deposits		\$2,418,622	\$31,245
Total Contributions	553,889	2,418,622	31,245
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	938,359	2,666	10,227
Interest, Dividends, and Other	263,099	8,101	4,019
Securities Lending Income	57	2,359	
Less Investment Expense:			
Investment Activity Expense	(44,019)	(679)	
Securities Lending Interest Expense	(44)	(2,215)	
Net Investment Income	1,157,452	10,232	14,246
Miscellaneous Income	1,651		
Total Additions	1,712,992	2,428,854	45,491
DEDUCTIONS			
Benefits and Refunds Paid to Plan Members	598,723		
Transfers Out to Other Plans	8,884		
Administrative Expense	6,704		965
Earnings Distribution		6,895	
Participant Withdrawals	9,105	2,911,837	15,451
Total Deductions	623,416	2,918,732	16,416
Change in Net Assets Held in Trust for:			
Employee Pension Benefits	1,058,143		
Employee Postemployment Healthcare Benefits	31,433		
External Investment Pool Participants		(489,878)	
Trust Beneficiaries			29,075
Net Assets - Beginning of Year, as Restated	9,603,032	1,586,069	139,428
Net Assets - End of Year	\$10,692,608	\$1,096,191	\$168,503

With the data in this statement, as well as the Notes (CAFR pages 76-80) and the Required Supplementary Information (CAFR page 108), 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).

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

