

A Reader's Guide

Understanding Idaho's Comprehensive Annual Financial Report (CAFR) For the Fiscal Year Ended June 30, 2011

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

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

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

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

- *Discretely presented component units* are legally separate organizations for which the State is financially accountable. The State's discretely presented component units are reported in the following funds: the Idaho Housing and Finance Association fund includes the Association and its component unit, The Housing Company; the College and University Foundation fund includes the foundations of Boise State University, Eastern Idaho Technical College, Idaho State University, Lewis-Clark State College, and the University of Idaho; the Petroleum Clean Water Trust Fund; the Health Reinsurance fund, which includes the Idaho Individual High Risk Reinsurance Pool and the Idaho Small Employer Health Reinsurance Program; 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. 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 38-102) provide detailed information about the government that is not included or readily apparent on the financial statements, such as the State's significant accounting methods and assumptions, investments, capital assets, major financial commitments, pension benefit costs, and long-term debt.

Supporting Financial Statement Information

- *An Independent Auditor's Report* (CAFR pages 2-3) 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 the following information: budgetary comparison schedules that present original and final appropriated operating activities, actual operating activities, and fund balances on a budgetary basis; roadway infrastructure condition and maintenance information; and information on pension and postemployment benefits to certain employees.
- *The Combining Financial Statements* (CAFR pages 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:

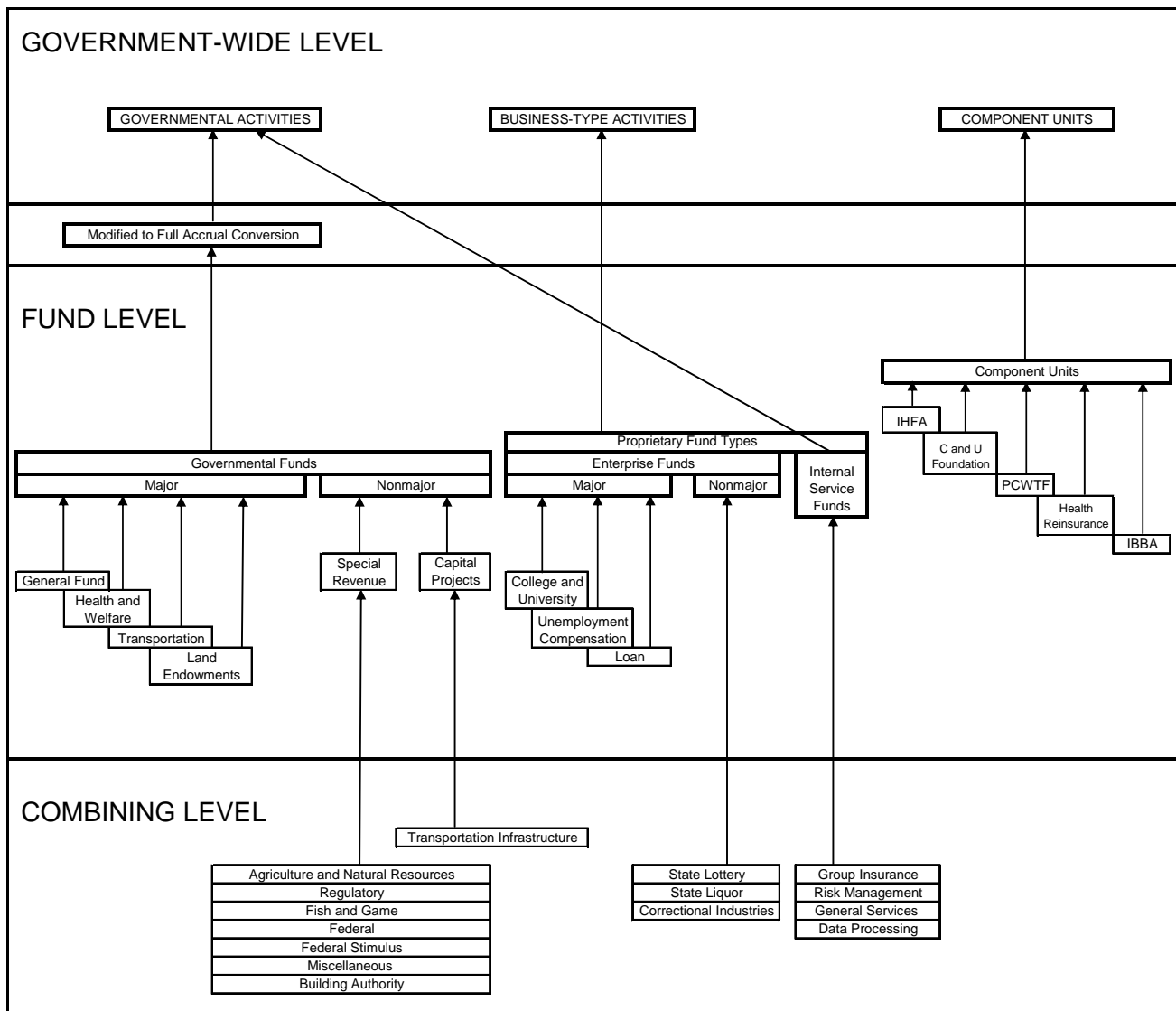
- **Sales Tax Revenue** – Sales tax revenues of \$1.2 billion for 2011 are presented on pages 16-17 of the CAFR. MD&A has information about sales tax revenues on CAFR pages 7-8. Additional sales tax data may be found on Schedules 2, 4, 5 and 7 of the Statistical Section (CAFR pages 146-147, 150-153, and 156-157).

- **Individual and Corporate Income Tax Revenues** – Income tax revenues of \$1.3 billion for 2011, along with other state tax revenues, are presented on pages 16-17 of the CAFR. Income tax revenues increased \$54.5 million from the previous fiscal year. Additional data may be found on Schedules 2, 4, 5, 6 and 7 of the Statistical Section (CAFR pages 146-147 and 150-157).
- **Health and Human Services Spending** – Health and human services had \$2.5 billion in expenses in fiscal year 2011, an increase of 20 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 and 10). Health and Human Services generated revenues of \$1.9 billion (primarily from federal grants) leaving a net expense of \$640.1 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 2011. You can also see that colleges and universities spent \$923.8 million in fiscal year 2011. Looking a bit further, you can see that colleges and universities generated revenues (over \$734.3 million—primarily from fees and federal grants) that offset their expenses, leaving a net expense of \$189.4 million, which was supported by general revenues. K through 12 education had less capacity to generate revenues, approximately \$313.3 million, leaving a net expense of \$1.5 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 133-137). Net assets for the pension trust funds increased \$2.0 billion in fiscal year 2011. You can see on CAFR pages 136-137 that additions to these funds came from a variety of sources, most significantly: employer contributions (\$312.1 million); member contributions (\$222.1 million); and interest, dividends, and other (\$293.7 million). Deductions were primarily for benefits and refunds paid to members (\$646.7 million). At \$12.7 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 2011 the General Fund had a negative variance stemming from fire suppression deficiency warrants. This deficit is allowed by statute and will be funded with future appropriations. Required Supplementary Information about budgetary reporting can be found on CAFR pages 106-107. Comparisons between budget and actual amounts for the nonmajor governmental and major permanent funds are on CAFR pages 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 pages 10-11).



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

State of Idaho
Statement of Net Assets
June 30, 2011
(dollars in thousands)

The Statement of Net Assets reports what the government owns (assets), owes (liabilities), and what is remaining 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	\$14,673
	Pooled Cash and Investments	763,011
	Investments	1,465,548
	Securities Lending Collateral	560,897
	Accounts Receivable, Net	84,558
	Taxes Receivable, Net	302,179
	Internal Balances	9,689
	Due from Other Entities	311,142
	Inventories and Prepaid Items	40,673
	Due from Primary Government	
	Due from Component Unit	
	Loans, Notes, and Pledges Receivable, Net	12,504
	Deferred Outflows	6,962
	Other Assets	10,015
	Restricted Assets:	
	Cash and Cash Equivalents	135,276
	Investments	149,268
	Capital Assets:	
	Nondepreciable	4,559,149
	Depreciable, Net	1,447,650
	Total Assets	\$9,873,194
Liabilities are shown in order of maturity or when cash is expected to be used to pay them.	LIABILITIES	
	Accounts Payable	\$150,088
	Payroll and Related Liabilities	36,179
	Medicaid Payable	110,615
	Due to Other Entities	62,219
	Unearned Revenue	48,473
	Amounts Held in Trust for Others	8,196
	Due to Primary Government	
	Due to Component Unit	
	Obligations Under Securities Lending	560,897
	Deferred Inflows	6,962
	Other Accrued Liabilities	31,404
	Long-Term Liabilities:	
	Due Within One Year	258,565
	Due in More Than One Year	784,778
	Total Liabilities	2,058,376
	NET ASSETS	
	Invested in Capital Assets, Net of Related Debt	5,277,344
	Restricted for:	
	Claims and Judgments	52,378
	Debt Service	20,388
	Intergovernmental Revenue Sharing	22,160
	Transportation	213,374
	Regulatory	63,247
	Natural Resources and Recreation	108,886
	Unemployment Compensation	
	Permanent Trust - Expendable	204,368
	Permanent Trust - Nonexpendable	1,193,750
	Other Purposes	180,933
	Unrestricted	477,990
	Total Net Assets	7,814,818
	Total Liabilities and Net Assets	\$9,873,194
Total assets - total liabilities = total net assets \$9,873,194 - \$2,058,376 = \$7,814,818		

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
\$213,939	\$228,612	\$53,119
114,897	877,908	1,217
238,063	1,703,611	1,104,645
102,468	663,365	
194,414	278,972	34,693
	302,179	
(9,689)	311,142	
25,602	66,275	2,399
		433,917
80,133	80,133	
348,815	361,319	1,469,322
	6,962	85,489
14,092	24,107	116,632
79,338	214,614	19,185
61,401	210,669	3,413
176,263	4,735,412	5,379
939,364	2,387,014	39,138
\$2,579,100	\$12,452,294	\$3,368,548
\$29,125	\$179,213	\$1,270
41,961	78,140	576
	110,615	
6,102	68,321	
46,611	95,084	18,828
2,311	10,507	35,866
		80,133
434	434	
102,468	663,365	
	6,962	85,489
17,939	49,343	112,118
240,289	498,854	168,740
468,587	1,253,365	2,258,530
955,827	3,014,203	2,761,550
659,216	5,936,560	19,497
	52,378	
553	20,941	164,040
	22,160	
	213,374	
	63,247	
411,418	520,304	
130,663	130,663	
98,676	303,044	126,285
78,191	1,271,941	208,829
50,192	231,125	1,245
194,364	672,354	87,102
1,623,273	9,438,091	606,998
\$2,579,100	\$12,452,294	\$3,368,548

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, 2011**

(dollars in thousands)

Program Revenues

This column shows the full cost of the program.

Expenses

Charges for Services

Operating Grants and Contributions

Capital Grants and Contributions

FUNCTIONS

Primary Government

Governmental Activities

General Government	\$453,141	\$114,669	\$81,395	\$597
Public Safety and Correction	296,034	37,854	17,575	5
Health and Human Services	2,510,983	23,800	1,847,102	
Education	1,777,026	12,954	299,743	595
Economic Development	688,431	248,199	549,143	4,140
Natural Resources	241,203	133,317	365,961	721
Interest Expense	50,773			
Total Governmental Activities	6,017,591	570,793	3,160,919	6,058

Business-Type Activities

College and University	923,760	405,450	301,021	27,861
Unemployment Compensation	482,087	337,479	257,162	
Loan	14,571	11,825	48,414	
State Lottery	112,003	147,849		
State Liquor	117,039	141,438		
Correctional Industries	6,727	7,486		
Total Business-Type Activities	1,656,187	1,051,527	606,597	27,861

Total Primary Government

	\$7,673,778	\$1,622,320	\$3,767,516	\$33,919
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Component Units

Idaho Housing and Finance Association	\$204,133	\$124,647	\$63,927	
College and University Foundation	51,929	1,925	97,514	
Petroleum Clean Water Trust	2,327	3,398		
Health Reinsurance	12,701	6,272	1,028	
Bond Bank Authority	10,531	10,577		
Total Component Units	\$281,621	\$146,819	\$162,469	\$0

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

An example of how this statement works: The total cost of the State's Health and Human Services activities was \$2,511.0 million. The State raised \$23.8 million from charges for services, and received \$1,847.1 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 \$640.1 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.

Are programs self-supporting?			
Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
(\$256,480)		(\$256,480)	
(240,600)		(240,600)	
(640,081)		(640,081)	
(1,463,734)		(1,463,734)	
113,051		113,051	
258,796		258,796	
(50,773)		(50,773)	
(2,279,821)		(2,279,821)	
	(\$189,428)	(189,428)	
	112,554	112,554	
	45,668	45,668	
	35,846	35,846	
	24,399	24,399	
	759	759	
	29,798	29,798	
(2,279,821)	29,798	(2,250,023)	
			(\$15,559)
			47,510
			1,071
			(5,401)
			46
			27,667
			1,165,095
			1,296,558
			231,732
			227,075
			24,576
			18,516
			5,401
			2,047
(184,569)	184,569		
2,778,983	184,569	2,963,552	7,448
499,162	214,367	713,529	35,115
7,315,656	1,408,906	8,724,562	571,883
\$7,814,818	\$1,623,273	\$9,438,091	\$606,998

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 \$499.2 million, and business-type activities net assets increased by \$214.4 million.

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

State of Idaho

**Balance Sheet
Governmental Funds
June 30, 2011**

(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.

	General	Health and Welfare
ASSETS		
Cash and Cash Equivalents	\$650	
Pooled Cash and Investments	372,541	
Investments	11,421	
Securities Lending Collateral	450,228	2,279
Accounts Receivable, Net	22,380	26,724
Taxes Receivable, Net	278,158	128
Interfund Receivables	50,736	16
Due from Other Entities	137	212,138
Inventories and Prepaid Items	7,872	3,093
Loans, Notes, and Pledges Receivable, Net	2,145	
Other Assets	92	16
Restricted Assets:		
Cash and Cash Equivalents	7,540	
Investments	127,336	3,917
Total Assets	\$1,331,236	\$248,311
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$25,756	\$24,713
Payroll and Related Liabilities	12,455	7,376
Medicaid Payable		110,615
Interfund Payables	1,501	38,667
Due to Other Entities	35,388	
Deferred Revenue	119,752	110,683
Amounts Held in Trust for Others	129	5,585
Obligations Under Securities Lending	450,228	2,279
Other Accrued Liabilities	15,461	2,325
Total Liabilities	660,670	302,243
Fund Balances		
Nonspendable:		
Permanent Trusts		
Inventories and Prepaid Items	7,872	3,094
Noncurrent Receivables	50	
Restricted	169,750	
Committed	167,865	
Assigned	55,778	
Unassigned	269,251	(57,026)
Total Fund Balances	670,566	(53,932)
Total Liabilities and Fund Balances	\$1,331,236	\$248,311

Fund balance is the difference between assets and liabilities. The definitions of the five fund balances can be found on CAFR page 46. More information about the nature and purpose of these fund balances can be found on CAFR pages 97-98.

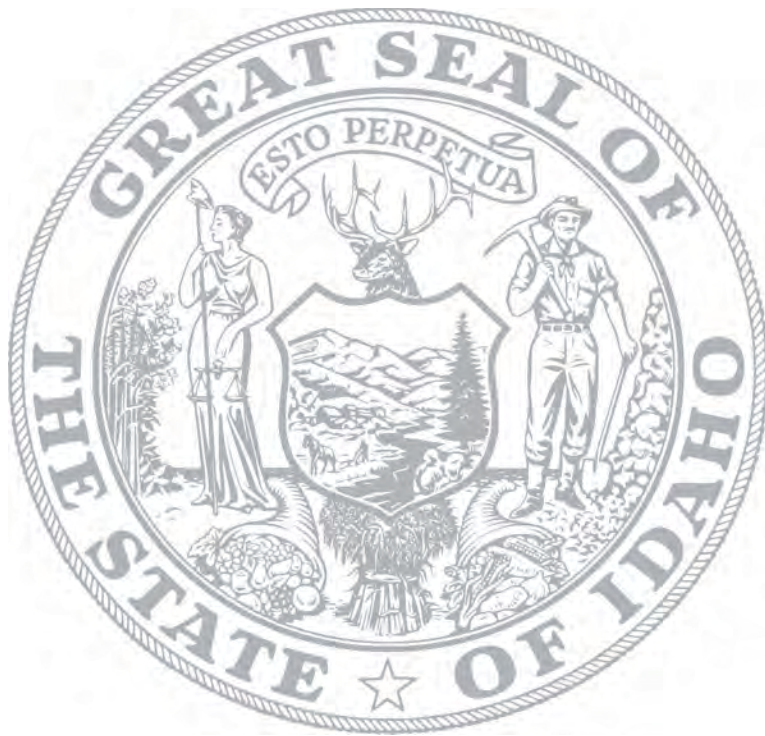
This statement can be found in the CAFR, pages 18 and 19.

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		\$14,016	\$14,673
132,637	\$126	213,824	719,128
87,355	1,272,769	55,951	1,427,496
50,835		35,411	538,753
3,827	14,284	17,215	84,430
21,053		2,840	302,179
		2,082	52,834
29,886		68,981	311,142
16,109	349	11,494	38,917
754		9,509	12,408
355	4,213	946	5,622
176		75,182	82,898
		18,015	149,268
\$342,994	\$1,291,741	\$525,466	\$3,739,748
\$22,453	\$23,811	\$52,802	\$149,535
4,628		11,189	35,648
			110,615
415		3,188	43,771
26,830		1	62,219
14,736		38,487	283,658
176		2,306	8,196
50,835		35,411	538,753
7,327		3,098	28,211
127,400	23,811	146,482	1,260,606
	1,063,562	2,908	1,066,470
16,109		11,493	38,568
		650	700
197,262	204,368	285,711	857,091
2,223		76,571	246,659
		1,651	57,429
			212,225
215,594	1,267,930	378,984	2,479,142
\$342,994	\$1,291,741	\$525,466	\$3,739,748

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, 2011**

(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

\$2,479,142

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	\$1,044,025	The largest difference between the government-wide and governmental fund statements is that fund statements do not report capital assets, such as land, buildings, etc.
Capital Assets in Progress	1,231,272	
Infrastructure	3,091,396	
Historical Art and Collections	72	
Buildings and Improvements	895,763	
Improvements Other Than Buildings	75,670	
Machinery, Equipment, and Other	406,207	
Accumulated Depreciation	(756,307)	
Total Capital Assets	5,988,098	

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds. 603

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. 251,884

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. 114,129

Bond issue costs are reported as current expenditures in the funds. However, these costs are deferred on the Statement of Net Assets. 3,626

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	(32,352)	The government-wide Statement of Net Assets reports long-term liabilities; the Governmental Funds Balance Sheet does not.
Compensated Absences Payable	(60,388)	
Bonds and Notes Payable	(710,103)	
Accrued Interest on Bonds	(2,969)	
Claims and Judgments	(180,773)	
Other Long-Term Liabilities	(36,079)	
Total Long-Term Liabilities	(1,022,664)	

Net Assets - Governmental Activities

\$7,814,818

The governmental funds total fund balance of \$2,479.1 million (see CAFR page 19) reconciles to the \$7,814.8 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, 2011

(dollars in thousands)

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

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

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

	General	Health and Welfare
REVENUES		
Sales Tax	\$1,158,726	
Individual and Corporate Taxes	1,288,869	
Other Taxes	58,741	\$50,693
Licenses, Permits, and Fees	25,054	19,113
Sale of Goods and Services	27,057	10,219
Grants and Contributions	12,806	1,784,529
Investment Income	36,640	613
Tobacco Settlement	24,445	
Other Income	45,492	200
Total Revenues	2,677,830	1,865,367
EXPENDITURES		
Current:		
General Government	123,260	39
Public Safety and Correction	222,589	
Health and Human Services	41,486	2,304,679
Education	1,472,723	
Economic Development	39,666	
Natural Resources	27,242	
Capital Outlay	27,443	10,834
Intergovernmental Revenue Sharing	181,244	54,115
Debt Service:		
Principal Retirement	942	
Interest and Other Charges	13,333	7
Total Expenditures	2,149,928	2,369,674
Revenues Over (Under) Expenditures	527,902	(504,307)
OTHER FINANCING SOURCES (USES)		
Bonds and Notes Issued		
Capital Lease Acquisitions	2,585	
Sale of Capital Assets	114	493
Transfers In	201,063	439,480
Transfers Out	(711,946)	(229)
Total Other Financing Sources (Uses)	(508,184)	439,744
Net Change in Fund Balances	19,718	(64,563)
Fund Balances - Beginning of Year, as Restated	650,848	10,631
Fund Balances - End of Year	\$670,566	(\$53,932)

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	\$1,163,526
			1,288,869
\$225,461		124,267	459,162
123,090		134,852	302,109
7,146	\$69,298	54,649	168,369
421,258		609,521	2,828,114
4,004	254,519	6,712	302,488
			24,445
4,970		14,699	65,361
785,929	323,817	949,500	6,602,443
		49,480	172,779
		61,619	284,208
			2,346,165
		295,893	1,768,616
186,124		193,076	418,866
	29,069	157,601	213,912
388,578	2,842	144,608	574,305
134,933		77,957	448,249
20,936		23,993	45,871
25,882		12,467	51,689
756,453	31,911	1,016,694	6,324,660
29,476	291,906	(67,194)	277,783
		125,862	125,862
		18	2,603
12,399	140	1,316	14,462
		38,251	678,794
(15,685)	(67,787)	(68,677)	(864,324)
(3,286)	(67,647)	96,770	(42,603)
26,190	224,259	29,576	235,180
189,404	1,043,671	349,408	2,243,962
\$215,594	\$1,267,930	\$378,984	\$2,479,142

The Health and Welfare fund balance 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, 2011**

(dollars in thousands)

Net Change in Fund Balances - Governmental Funds

\$235,180

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	\$496,820	
Depreciation Expense	(67,353)	
	429,467	429,467

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. (24,867)

Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. 62,508

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	(125,861)	
Capital Leases	(2,603)	
	(128,464)	(128,464)

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	44,074	
Bond Issue Costs	(374)	
Capital Leases	1,644	
	45,344	45,344

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	1,141	
Compensated Absences	(9,162)	
Claims and Judgments	(100,803)	
Other Long-Term Liabilities	(2,940)	
	(111,764)	(111,764)

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

Internal service funds are reported in proprietary fund statements because they operate like a business and charge state agencies a price for goods and services in order to recover their costs. Since they provide 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).

(8,242)

\$499,162

State of Idaho

**Statement of Net Assets
Proprietary Funds
June 30, 2011**

(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	\$124,100	\$85,274	\$647
Pooled Cash and Investments	68,205	12,587	14,108
Investments	58,177		
Securities Lending Collateral		67,106	35,362
Accounts Receivable, Net	63,920	127,564	1,233
Interfund Receivables	2,386		
Inventories and Prepaid Items	11,342		
Due from Component Unit	1,942		
Loans, Notes, and Pledges Receivable, Net	3,695		11,468
Other Current Assets	726		5,255
Total Current Assets	334,493	292,531	68,073

Noncurrent Assets

Restricted Cash and Cash Equivalents	19,019		24,034
Investments	64,572	115,314	
Restricted Investments	636		60,765
Due from Component Unit	78,191		
Loans, Notes, and Pledges Receivable, Net	21,788		311,864
Other Noncurrent Assets	8,019		
Capital Assets, Net	1,068,900		33,150
Total Noncurrent Assets	1,261,125	115,314	429,813

Total Assets

Total Assets	\$1,595,618	\$407,845	\$497,886
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LIABILITIES

Current Liabilities

Accounts Payable	\$20,560		\$103
Payroll and Related Liabilities	41,293		
Interfund Payables	4,144		
Due to Other Entities			
Unearned Revenue	29,538		17,073
Amounts Held in Trust for Others	2,311		
Due to Component Unit	434		
Obligations Under Securities Lending		\$67,106	35,362
Other Accrued Liabilities	8,266	7,674	227
Capital Leases Payable to Component Unit	305		
Compensated Absences Payable	20,349		
Bonds, Notes, and Capital Leases Payable	16,127	202,402	380
Policy Claim Liabilities			
Total Current Liabilities	143,327	277,182	53,145

Noncurrent Liabilities

Capital Leases Payable to Component Unit	1,777		
Bonds, Notes, and Capital Leases Payable	449,763		3,340
Policy Claim Liabilities			
Other Long-Term Obligations	13,277		
Total Noncurrent Liabilities	464,817		3,340

Total Liabilities

Total Liabilities	608,144	277,182	56,485
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NET ASSETS

Invested in Capital Assets, Net of Related Debt Restricted for:	616,243		29,430
Claims and Judgments			
Debt Service			553
Unemployment Compensation		130,663	
Permanent Trust - Expendable	98,676		
Permanent Trust - Nonexpendable	78,191		
Other Purposes			411,418
Unrestricted	194,364		

Total Net Assets	987,474	130,663	441,401
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Total Liabilities and Net Assets	\$1,595,618	\$407,845	\$497,886
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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 89-96).

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

Several funds make up the Nonmajor Enterprise Funds column. To see greater detail of the individual funds included in this column, turn to the combining financial statements (CAFR pages 123-124).

		Governmental Activities	
Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$3,918	\$213,939		
19,997	114,897	43,883	
	58,177		
	102,468	22,144	
1,697	194,414	128	
80	2,466	626	
14,260	25,602	1,756	
	1,942		
	15,163	5	
82	6,063	157	
40,034	735,131	68,699	
36,285	79,338	52,378	
	179,886	38,052	
	61,401		
	78,191		
	333,652	91	
10	8,029	7	
13,577	1,115,627	18,701	
49,872	1,856,124	109,229	
\$89,906	\$2,591,255	\$177,928	
\$8,462	\$29,125	\$553	
668	41,961	531	
8,011	12,155		
6,102	6,102		
	46,611	16,699	
	2,311		
	434		
	102,468	22,144	
1,772	17,939	224	
	305		
692	21,041	707	
34	218,943	329	
		11,800	
25,741	499,395	52,987	
	1,777		
	453,103	3,287	
		7,245	
430	13,707	280	
430	468,587	10,812	
26,171	967,982	63,799	
13,543	659,216	15,085	
		52,378	
	553		
	130,663		
	98,676		
	78,191		
50,192	461,610	44,277	
	194,364	2,389	
63,735	1,623,273	114,129	
\$89,906	\$2,591,255	\$177,928	

Internal service funds are included with governmental activities in the government-wide statements. To see greater detail of the individual funds included in this column, turn to the combining financial statements (CAFR pages 127-128).

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 amount 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, 2011

(dollars in thousands)

Proprietary funds report the 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
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OPERATING REVENUES

Assessments		\$337,035		
Licenses, Permits, and Fees	\$335,769		\$354	\$2
Scholarship Allowances	(71,055)			
Sale of Goods and Services	119,101		2,016	\$296,170
Grants and Contributions	161,786	257,162	48,414	
Other Income	8,693		11	375

Total Operating Revenues

	554,294	594,197	50,795	296,547
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OPERATING EXPENSES

Personnel Costs	543,081			13,978
Services and Supplies	211,513		328	99,573
Benefits, Awards, and Premiums	77,720	476,557	8	90,230
Depreciation	56,537		209	1,031
Other Expenses	14,636		13	4,394

Total Operating Expenses

	903,487	476,557	558	209,206
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Operating Income (Loss)

	(349,193)	117,640	50,237	87,341
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NONOPERATING REVENUES (EXPENSES)

Gifts and Grants	139,235			
Investment Income	12,873	444	9,444	226
Interest Expense	(19,606)	(5,530)	(286)	(1)
Intergovernmental Distributions			(13,727)	(26,562)
Gain (Loss) on Sale of Capital Assets	(667)			1
Other Nonoperating Revenues (Expenses)	69			(1)

Total Nonoperating Revenues (Expenses)

	131,904	(5,086)	(4,569)	(26,337)
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Income (Loss) Before Contributions and Transfers

	(217,289)	112,554	45,668	61,004
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Capital Contributions

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

Transfers In	27,861			
Transfers Out	258,960		4,715	

Change in Net Assets

	69,532	100,892	47,850	(3,907)
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Total Net Assets - Beginning of Year

	917,942	29,771	393,551	67,642
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Total Net Assets - End of Year

	\$987,474	\$130,663	\$441,401	\$63,735
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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
\$337,035	
336,125	\$35
(71,055)	
417,287	\$202,887
467,362	498
9,079	323
1,495,833	203,743
557,059	11,441
311,414	19,002
644,515	197,334
57,777	2,358
19,043	794
1,589,808	230,929
(93,975)	(27,186)
139,235	
22,987	2,004
(25,423)	(225)
(40,289)	
(666)	(110)
68	
95,912	1,669
1,937	(25,517)
27,861	43
263,675	2,764
(79,106)	(1,803)
214,367	(24,513)
1,408,906	138,642
\$1,623,273	\$114,129

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, 2011
(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

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

Receipts from Assessments	
Receipts from Customers	\$376,196
Receipts from Interfund Services	
Receipts from Grants and Contributions	160,346
Payments to Suppliers	(214,188)
Payments to Employees	(536,244)
Payments for Interfund Services	
Payments for Benefits, Awards, and Claims	(74,056)
Other Receipts (Payments)	182
Net Cash Provided (Used) by Operating Activities	(287,764)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

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

Gifts, Grants, and Endowments Received	139,738
Intergovernmental Distributions	
Transfers In	258,960
Transfers Out	
Proceeds from Bonds, Notes, and Loans	207,435
Repayments of Bonds, Notes, and Loans	(208,885)
Interest Payments	
Net Cash Provided (Used) by Noncapital Financing Activities	397,248

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

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

Capital Grants and Contributions	13,299
Bonds Issued	60,217
Principal Payments	(77,460)
Interest Payments	(20,361)
Proceeds from Disposition of Capital Assets	298
Acquisition and Construction of Capital Assets	(92,847)
Net Cash Provided (Used) by Capital and Related Financing Activities	(116,854)

CASH FLOWS FROM INVESTING ACTIVITIES

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

Receipt of Interest and Dividends	3,081
Purchase of Investments	(187,287)
Redemption of Investments	224,361
Other Investing Activities	
Net Cash Provided (Used) by Investing Activities	40,155

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

Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash	32,785
Beginning Cash, Cash Equivalents, and Pooled Cash	178,539
Ending Cash, Cash Equivalents, and Pooled Cash	\$211,324

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

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.

Operating Income (Loss)	(\$349,193)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	56,537
Maintenance Costs Paid by Department of Public Works	2,710
Net Changes in Assets and Liabilities:	
Accounts Receivable/Interfund Receivables	(2,840)
Inventories and Prepaid Items	(3,198)
Notes Receivable	12
Other Assets	1,122
Accounts Payable/Interfund Payables	2,777
Unearned Revenue	
Compensated Absences	291
Policy Claim Liabilities	
Other Accrued Liabilities	4,018
Net Cash Provided (Used) by Operating Activities	(\$287,764)

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 \$10,193 for colleges and universities, \$444 for Unemployment Compensation, and \$542 for internal service funds. Loan Fund investments decreased in fair value by \$700. Colleges and universities acquired capital assets through donation in the amount of \$8,513 and through state transfers in the amount of \$6,607 and disposed of capital assets at a gain of \$727. The Loan Fund forgave loans in the amount of \$13,727. Nonmajor enterprise funds recorded an interfund transfer of \$8,000 due on July 1, 2011, and acquired capital assets of \$62 in a prior period. Internal service funds acquired capital assets through donation of \$43, disposed of capital assets at a loss of \$110, and acquired capital assets of \$819 in a prior period.

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 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
\$332,029		\$294,457	\$332,029	
	\$1,020	671,673		\$16,291
		3,125		190,943
257,162	48,414		465,922	498
	(228)	(104,416)	(318,832)	(16,812)
		(13,833)	(550,077)	(11,426)
	(10)	(1,324)	(1,334)	(3,092)
(486,083)	(8)	(91,648)	(651,795)	(195,245)
			182	
103,108	49,188	86,361	(49,107)	(18,843)
			139,738	
		(26,551)	(26,551)	
	4,715		263,675	2,764
(11,662)	(2,533)	(56,911)	(71,106)	(1,803)
			207,435	
			(208,885)	
(5,530)			(5,530)	
(17,192)	2,182	(83,462)	298,776	961
			13,299	
			60,217	
	(360)	(49)	(77,869)	(389)
	(240)	(1)	(20,602)	(192)
			298	
		(5,013)	(97,860)	(2,367)
	(600)	(5,063)	(122,517)	(2,948)
	9,607	226	12,914	2,615
(37,000)	(74,168)		(298,455)	(1,151)
	17,299		241,660	4,743
	(71)		(71)	(44)
(37,000)	(47,333)	226	(43,952)	6,163
48,916	3,437	(1,938)	83,200	(14,667)
48,945	35,352	62,138	324,974	110,928
\$97,861	\$38,789	\$60,200	\$408,174	\$96,261
\$117,640	\$50,237	\$87,341	(\$93,975)	(\$27,186)
	209	1,031	57,777	2,358
			2,710	
(14,145)	(650)	1,117	(16,518)	(45)
		(413)	(3,611)	568
			12	
		64	1,186	(3)
	103	(2,455)	425	(731)
	(700)		(700)	4,033
		(22)	269	(69)
				2,089
(387)	(11)	(302)	3,318	143
\$103,108	\$49,188	\$86,361	(\$49,107)	(\$18,843)

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, 2011

(dollars in thousands)

The Investment Trust fund reports the portion of the State's investment pools that belongs to other governments, allowing localities to earn income from spare cash until it is needed. To learn more about the different funds combined in this column, turn to the Notes to the Financial Statements (CAFR pages 64-71) and the combining financial statements (CAFR page 138).

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

	Pension Trust	Investment Trust	College Savings Private-Purpose Trust	Agency
ASSETS				
Cash and Cash Equivalents	\$576		\$252	\$4,791
Pooled Cash and Investments	2,496			32,366
Investments:				
Pooled Short Term	372,504	\$86,740	10,597	
Fixed Income Investments	2,764,488	1,143,082		256,446
Marketable Securities	7,241,774			
Mutual Funds and Private Equities	1,443,574		194,211	
Mortgages and Real Estate	949,599	64,303		
Other Investments	3,669		6,312	
Securities Lending Collateral		646,781		
Receivables:				
Investments Sold	827,731			
Contributions	3,177			
Interest and Dividends	42,194	4,596	3	
Interfund Receivables	1,581			
Other Receivables	134			
Other Assets	47,217			
Capital Assets, Net	2,212			
Total Assets	13,702,926	1,945,502	211,375	\$293,603
LIABILITIES				
Accounts Payable	577	51	162	
Payroll and Related Liabilities				\$8,492
Interfund Payables	1,581			
Due to Other Entities				566
Amounts Held in Trust for Others				283,748
Obligations Under Securities Lending		646,781		
Investments Purchased	990,103		57	
Other Accrued Liabilities	10,290	620		797
Total Liabilities	1,002,551	647,452	219	\$293,603
NET ASSETS				
Held in Trust for:				
Employee Pension Benefits	12,425,203			
Postemployment Healthcare Benefits	275,172			
External Investment Pool Participants		1,298,050		
Trust Beneficiaries			211,156	
Total Net Assets	\$12,700,375	\$1,298,050	\$211,156	

Pension Trust funds report resources held in trust for the members and beneficiaries of employee benefit plans. To learn more about the different funds combined in this column, turn to the Notes to the Financial Statements (CAFR pages 76-80) and the combining financial statements (CAFR pages 133-135).

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

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, 2011

(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	\$222,050		
Employer	312,052		
Transfers In from Other Plans	18,865		
Participant Deposits		\$2,596,751	\$34,990
Total Contributions	552,967	2,596,751	34,990
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	1,880,356	(11,709)	21,318
Interest, Dividends, and Other	293,673	17,435	4,739
Securities Lending Income	30	1,971	
Less Investment Expense:			
Investment Activity Expense	(41,972)	(694)	
Securities Lending Interest Expense	(9)	(1,243)	
Net Investment Income	2,132,078	5,760	26,057
Miscellaneous Income	1,656		
Total Additions	2,686,701	2,602,511	61,047
DEDUCTIONS			
Benefits and Refunds Paid to Plan Members	646,678		
Transfers Out to Other Plans	13,661		
Administrative Expense	6,181		1,200
Earnings Distribution		6,795	
Participant Withdrawals	12,414	2,393,857	17,194
Total Deductions	678,934	2,400,652	18,394
Change in Net Assets Held in Trust for:			
Employee Pension Benefits	1,953,207		
Employee Postemployment Healthcare Benefits	54,560		
External Investment Pool Participants		201,859	
Trust Beneficiaries			42,653
Net Assets - Beginning of Year	10,692,608	1,096,191	168,503
Net Assets - End of Year	\$12,700,375	\$1,298,050	\$211,156

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.

