

# A Reader's Guide

## Understanding Idaho's Comprehensive Annual Financial Report (CAFR) For the Fiscal Year Ended June 30, 2013

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

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

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

### Government-Wide Financial Statements

The first two financial statements in the CAFR are the government-wide financial statements—the Statement of Net Position (CAFR pages 14-15) and the Statement of Activities (CAFR pages 16-17). The Statement of Net Position contains information about what the State owns, what the State owes, and what is remaining on the last day of the fiscal year (June 30). The Statement of Activities contains information about the costs of providing public services (expenses) and resources obtained to finance services (revenues) during the fiscal year. The government-wide statements provide comprehensive information about the entire government, which includes the following:

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

- *Discretely presented component units* are legally separate organizations for which the State is financially accountable. The State's discretely presented component units are reported in the following funds: the Idaho Housing and Finance Association fund includes the Association and its component unit, The Housing Company; the College and University Foundation fund includes the foundations of Boise State University, Eastern Idaho Technical College, Idaho State University, Lewis-Clark State College, and the University of Idaho; the Petroleum Clean Water Trust Fund; the Health Reinsurance fund, which includes the Idaho Individual High Risk Reinsurance Pool and the Idaho Small Employer Health Reinsurance Program; 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 those who use the goods and services. Proprietary funds include enterprise and internal service funds. Enterprise funds report activities that provide services or supplies to the general public; internal service funds report activities that provide services or supplies for the State's programs and activities. Proprietary fund financial statements include the Statement of Net Position (CAFR pages 26-27); Statement of Revenues, Expenses, and Changes in Fund Net Position (CAFR pages 28-29); and Statement of Cash Flows (CAFR pages 30-31).
- *Fiduciary funds* account for resources the State manages or holds on behalf of parties outside the State. Fiduciary fund financial statements include the

Statement of Fiduciary Net Position (CAFR page 32) and the Statement of Changes in Fiduciary Net Position (CAFR page 33).

## Governmental Fund Balances

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

As illustrated on page eight of this guide, each fund is used to account for *assets* (government-owned resources available to provide services) and *liabilities* (amounts that must be paid to entities outside the government). A *fund balance* is the difference between fund assets and fund liabilities. Or in other words, a fund balance is what is left after considering what resources (assets) the government has available to provide services to its citizens and the debts (liabilities) the government must pay to entities outside the government in order to provide those services.

Prior to fiscal year 2011, governmental fund balances were categorized as either *reserved* or *unreserved*. The definitions of these categories were very broad and often interpreted differently. The fund balance components have been expanded and more explicitly defined to improve consistency, comparability, and usefulness. The categories are presented in descending order from most limited to least limited.

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

cannot be used for any other purposes unless subsequent legislation changes or removes the specified purposes.

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

## Notes to the Financial Statements

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

## Supporting Financial Statement Information

- *An Independent Auditor's Report* (CAFR pages 2-3) provides reasonable assurance about whether the 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 assess the State's creditworthiness.

## How You Can Use the Financial Statements

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

- **Sales Tax Revenue** – Sales tax revenues of \$1.3 billion for 2013 are presented on pages 16-17 of the CAFR. The 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 \$1.5 billion for 2013, along with other state tax revenues, are presented on pages 16-17 of the CAFR. Income tax revenues increased \$143.6 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 2013, an increase of 5.7 percent over the prior fiscal year, due to increased medical assistance payments for Medicaid and rehabilitation services. Medicaid assists those who are unable to pay for medical and dental services. You can see health and human services revenues and expenses on CAFR pages 16-17 and 22-23. More information on health and human services expenses can be found in the MD&A (CAFR pages 7-8 and 10). Health and Human Services generated revenues of \$1.9 billion (primarily from federal grants) leaving a net expense of \$672.2 million subsidized by general revenue. The Department of Health and Welfare's budget is discussed in the transmittal letter (CAFR page viii).
- **Education** – Our policy makers debate education spending extensively each year. Education is important to us all, and it hits home with our children. You can see on CAFR pages 16-17 that education expenses (for kindergarten through 12th grade only) were \$1.7 billion in fiscal year 2013. You can also see that colleges and universities spent \$986.3 million. Looking a bit further, you can see that colleges and universities generated revenues (over \$778.3 million—primarily from fees and federal grants) that offset their expenses, leaving a net expense of \$208.0 million, which was supported by general revenues. K through 12 education had less capacity to generate revenues, approximately \$271.4 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 133-137). Net position for the pension trust funds increased \$921.5 million in fiscal year 2013. You can see on CAFR pages 136-137 that additions to these funds came from a variety of sources, most significantly: employer contributions (\$328.7 million); member contributions (\$232.5 million); increase in fair value of investments (\$845.5 million) and interest, dividends, and other (\$315.0 million). Deductions were primarily for benefits and refunds paid to members (\$739.7 million). At \$13.6 billion, the net position balance of the pension trust funds is one of the largest balances in the financial statements. As stated earlier, fiduciary funds account for resources the State manages or holds on behalf of others, which are not available to support the State's programs. Additional details about the pension trust funds can be found in the Notes to the Financial Statements (CAFR pages 76-81).
- **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 2013 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](http://www.sco.idaho.gov). General Fund budgetary highlights can be found in the MD&A (CAFR pages 10-11).

State of Idaho

Statement of Net Position  
June 30, 2013

(dollars in thousands)

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

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

		↓ Primary Governmental Activities
Assets are presented in order of how readily they can be converted to cash. Cash is the most liquid; capital assets	→ <b>ASSETS</b>	
	Cash and Cash Equivalents	\$8,150
	Pooled Cash and Investments	1,173,938
	Investments	1,660,699
	Securities Lending Collateral	489,942
	Accounts Receivable, Net	67,614
	Taxes Receivable, Net	355,235
	Internal Balances	15,351
	Due from Other Entities	240,709
	Inventories and Prepaid Items	52,888
	Due from Primary Government	
	Due from Component Unit	
	Loans, Notes, and Pledges Receivable, Net	6,448
	Other Assets	13,322
	Restricted Assets:	
	Cash and Cash Equivalents	156,952
	Investments	195,388
	Capital Assets:	
	Nondepreciable	4,553,959
	Depreciable, Net	1,605,424
	<b>Total Assets</b>	<u>10,596,019</u>
	→ <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
	Deferred Outflows	6,824
	<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$10,602,843</u>
	→ <b>LIABILITIES</b>	
	Accounts Payable	\$402,022
	Payroll and Related Liabilities	42,961
	Medicaid Payable	94,551
	Due to Other Entities	75,269
	Unearned Revenue	56,873
	Amounts Held in Trust for Others	29,878
	Due to Primary Government	
	Due to Component Unit	
	Obligations Under Securities Lending	489,942
	Other Accrued Liabilities	44,659
	Long-Term Liabilities:	
	Due Within One Year	178,934
	Due in More Than One Year	810,329
	<b>Total Liabilities</b>	<u>2,225,418</u>
	→ <b>DEFERRED INFLOWS OF RESOURCES</b>	
	Deferred Inflows	6,824
	<b>NET POSITION</b>	
	Net Investment in Capital Assets	5,378,941
	Restricted for:	
	Claims and Judgments	25,677
	Debt Service	15,714
	Intergovernmental Revenue Sharing	10,941
	Transportation	210,098
	Regulatory	61,920
	Natural Resources and Recreation	125,169
	Unemployment Compensation	
	Permanent Trust - Expendable	245,243
	Permanent Trust - Nonexpendable	1,395,767
	Other Purposes	184,178
	Unrestricted	716,953
	<b>Total Net Position</b>	<u>8,370,601</u>
	<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<u>\$10,602,843</u>
Total assets+total deferred outflows of resources - total liabilities-total deferred inflows of resources = total net position \$10,596,019+\$6,824 - \$2,225,418- \$6,824 = \$8,370,601		

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

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

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

**Government** ↓

<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$449,430	\$457,580	\$81,917
140,089	1,314,027	1,034
269,978	1,930,677	548,064
	489,942	
176,590	244,204	19,472
	355,235	
(15,351)		
445	241,154	839
26,518	79,406	1,110
		731,102
2,291	2,291	
298,554	305,002	1,280,728
12,558	25,880	10,731
111,663	268,615	104,116
118,793	314,181	224,057
165,053	4,719,012	6,369
1,035,753	2,641,177	35,573
2,792,364	13,388,383	3,045,112
	6,824	87,705
\$2,792,364	\$13,395,207	\$3,132,817
\$27,015	\$429,037	\$2,662
53,702	96,663	554
	94,551	
7,340	82,609	
48,329	105,202	15,670
3,182	33,060	35,223
		2,291
568	568	
	489,942	
15,818	60,477	207,043
88,819	267,753	184,017
564,776	1,375,105	2,004,428
809,549	3,034,967	2,451,888
	6,824	4,987
737,208	6,116,149	18,733
	25,677	
553	16,267	135,879
	10,941	
	210,098	
	61,920	
460,339	585,508	
415,325	415,325	
48,989	294,232	114,352
	1,395,767	307,387
57,533	241,711	1,536
262,868	979,821	98,055
1,982,815	10,353,416	675,942
\$2,792,364	\$13,395,207	\$3,132,817

*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, 2013**

*(dollars in thousands)*

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>FUNCTIONS</b>				
<b>Primary Government</b>				
Governmental Activities				
General Government	\$470,836	\$104,973	\$78,836	
Public Safety and Correction	353,585	40,801	15,509	\$67
Health and Human Services	2,532,626	72,574	1,787,867	
Education	1,707,233	13,707	257,254	436
Economic Development	811,193	252,221	411,842	2,394
Natural Resources	245,452	151,126	277,500	7,595
Interest Expense	49,961			
<b>Total Governmental Activities</b>	<b>6,170,886</b>	<b>635,402</b>	<b>2,828,808</b>	<b>10,492</b>
Business-Type Activities				
College and University	986,269	445,649	294,294	38,364
Unemployment Compensation	252,666	314,630	73,921	
Loan	8,487	11,072	15,360	
State Lottery	150,599	198,169		
State Liquor	135,565	161,620		
Correctional Industries	7,677	7,953		
<b>Total Business-Type Activities</b>	<b>1,541,263</b>	<b>1,139,093</b>	<b>383,575</b>	<b>38,364</b>
<b>Total Primary Government</b>	<b>\$7,712,149</b>	<b>\$1,774,495</b>	<b>\$3,212,383</b>	<b>\$48,856</b>
<b>Component Units</b>				
Idaho Housing and Finance Association	\$187,427	\$148,663	\$49,115	\$435
College and University Foundation	68,961	1,187	75,462	
Petroleum Clean Water Trust	1,896	2,785		
Health Reinsurance	13,669	8,326	839	
Bond Bank Authority	14,052	13,193		
<b>Total Component Units</b>	<b>\$286,005</b>	<b>\$174,154</b>	<b>\$125,416</b>	<b>\$435</b>

This column shows the full cost of the program.

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

An example of how this statement works: The total cost of the State's Health and Human Services activities was \$2,532.6 million. The State raised \$72.6 million from charges for services, and received \$1,787.9 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 \$672.2 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**
- Special Item**
- Transfers**
- Total General Revenues, Contributions, Special Item and Transfers**
- Change in Net Position**
- Net Position - Beginning of Year, as Restated**
- Net Position - End of Year**

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

Governmental Activities	Business-Type Activities	Total	Component Units
(\$287,027)		(\$287,027)	
(297,208)		(297,208)	
(672,185)		(672,185)	
(1,435,836)		(1,435,836)	
(144,736)		(144,736)	
190,769		190,769	
(49,961)		(49,961)	
(2,696,184)		(2,696,184)	
	(\$207,962)	(207,962)	
	135,885	135,885	
	17,945	17,945	
	47,570	47,570	
	26,055	26,055	
	276	276	
	19,769	19,769	
(2,696,184)	19,769	(2,676,415)	
			\$10,786
			7,688
			889
			(4,504)
			(859)
			14,000
1,315,002		1,315,002	
1,533,850		1,533,850	
237,647		237,647	
220,507		220,507	
24,912		24,912	
19,142		19,142	
			4,504
			862
	(80,990)	(80,990)	80,990
(195,507)	195,507		
3,155,553	114,517	3,270,070	86,356
459,369	134,286	593,655	100,356
7,911,232	1,848,529	9,759,761	575,586
\$8,370,601	\$1,982,815	\$10,353,416	\$675,942

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 position indicates whether sufficient resources were raised during the year to cover the costs. The net position of governmental activities increased by \$459.4 million, and business-type activities' net position increased by \$134.3 million.

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

*State of Idaho*

**Balance Sheet  
Governmental Funds  
June 30, 2013**

*(dollars in thousands)*

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

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
<b>ASSETS</b>		
Cash and Cash Equivalents	\$1,243	
Pooled Cash and Investments	784,513	\$26,435
Investments	15,986	
Securities Lending Collateral	489,942	
Accounts Receivable, Net	21,463	13,684
Taxes Receivable, Net	336,979	127
Interfund Receivables	10,788	10
Due from Other Entities		149,246
Inventories and Prepaid Items	9,242	4,373
Loans, Notes, and Pledges Receivable, Net	1,264	
Other Assets	94	17
Restricted Assets:		
Cash and Cash Equivalents	4,223	8,149
Investments	174,269	3,923
<b>Total Assets</b>	<b>\$1,850,006</b>	<b>\$205,964</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts Payable	\$266,199	\$37,547
Payroll and Related Liabilities	14,536	8,739
Medicaid Payable		94,551
Interfund Payables	1,883	1,375
Due to Other Entities	47,876	
Deferred Revenue	122,958	54,351
Amounts Held in Trust for Others	21,526	5,599
Obligations Under Securities Lending	489,942	
Other Accrued Liabilities	1,422	3,743
<b>Total Liabilities</b>	<b>966,342</b>	<b>205,905</b>
<b>Fund Balances</b>		
Nonspendable:		
Permanent Trusts		
Inventories and Prepaid Items	9,242	4,373
Noncurrent Receivables	50	
Restricted	219,271	1,995
Committed	195,479	52
Assigned	63,806	
Unassigned	395,816	(6,361)
<b>Total Fund Balances</b>	<b>883,664</b>	<b>59</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,850,006</b>	<b>\$205,964</b>

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

*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.

<b>Transportation</b>	<b>Land Endowments</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
\$7		\$6,900	\$8,150
99,023	\$753	225,407	1,136,131
91,436	1,461,932	60,822	1,630,176
			489,942
2,432	14,266	15,714	67,559
14,046		4,083	355,235
		717	11,515
27,720		63,743	240,709
19,435	4,944	12,777	50,771
408		4,681	6,353
381	4,214	869	5,575
35,875		83,028	131,275
		17,196	195,388
<b>\$290,763</b>	<b>\$1,486,109</b>	<b>\$495,937</b>	<b>\$4,328,779</b>
\$24,201	\$24,838	\$48,744	\$401,529
5,462		13,555	42,292
			94,551
345		1,762	5,365
27,393			75,269
14,461		41,715	233,485
136		2,617	29,878
			489,942
6,244		2,539	13,948
<b>78,242</b>	<b>24,838</b>	<b>110,932</b>	<b>1,386,259</b>
	1,211,084	2,866	1,213,950
19,435	4,944	12,777	50,771
		18	68
190,732	245,243	291,556	948,797
2,354		75,099	272,984
		2,689	66,495
			389,455
<b>212,521</b>	<b>1,461,271</b>	<b>385,005</b>	<b>2,942,520</b>
<b>\$290,763</b>	<b>\$1,486,109</b>	<b>\$495,937</b>	<b>\$4,328,779</b>

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



State of Idaho

**Reconciliation of the Governmental Funds Balance Sheet  
To the Statement of Net Position  
June 30, 2013**

(dollars in thousands)

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

**Total Fund Balances - Governmental Funds**

\$2,942,520

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

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

Land	\$1,057,069	<div style="border: 1px solid black; border-radius: 15px; padding: 5px; width: fit-content;">                     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.                 </div>
Capital Assets in Progress	943,109	
Infrastructure	3,464,222	
Historical Art and Collections	72	
Buildings and Improvements	910,755	
Improvements Other Than Buildings	103,750	
Machinery, Equipment, and Other	555,353	
Accumulated Depreciation	(891,003)	
<b>Total Capital Assets</b>	<b>6,143,327</b>	

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds. 8,987

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. 189,238

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 Position. 77,294

Bond issue costs are reported as current expenditures in the funds. However, these costs are deferred on the Statement of Net Position. 7,122

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

Compensated Absences Payable	(55,671)	<div style="border: 1px solid black; border-radius: 15px; padding: 5px; width: fit-content;">                     The government-wide Statement of Net Position reports long-term liabilities; the Governmental Funds Balance Sheet does not.                 </div>
Bonds, Notes, and Capital Leases Payable	(777,015)	
Accrued Interest on Bonds	(30,551)	
Claims and Judgments	(96,324)	
Other Long-Term Liabilities	(38,326)	
<b>Total Long-Term Liabilities</b>	<b>(997,887)</b>	

**Net Position - Governmental Activities**

\$8,370,601

The governmental funds total fund balance of \$2,942.5 million (see CAFR page 19) reconciles to the \$8,370.6 million total of the governmental activities net position reported on the government-wide Statement of Net Position (see CAFR page 14). The difference between these numbers can be seen on this reconciliation which primarily shows that the governmental funds report short-term financial information, whereas the government-wide statements report both short-term and long-term information.

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

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

*State of Idaho*

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

**For the Fiscal Year Ended June 30, 2013**

*(dollars in thousands)*

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

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

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

	<b>General</b>	<b>Health and Welfare</b>
<b>REVENUES</b>		
Sales Tax	\$1,313,583	
Individual and Corporate Taxes	1,531,975	
Other Taxes	62,276	\$39,546
Licenses, Permits, and Fees	19,448	22,549
Sale of Goods and Services	28,056	68,562
Grants and Contributions	23,872	1,855,072
Investment Income	34,358	785
Tobacco Settlement	24,912	
Other Income	50,293	50
<b>Total Revenues</b>	<b>3,088,773</b>	<b>1,986,564</b>
<b>EXPENDITURES</b>		
Current:		
General Government	130,422	
Public Safety and Correction	258,387	3,711
Health and Human Services	37,044	2,509,031
Education	1,447,955	
Economic Development	37,898	
Natural Resources	34,401	
Capital Outlay	38,098	44,166
Intergovernmental Revenue Sharing	221,142	42,277
Debt Service:		
Principal Retirement	1,029	
Interest and Other Charges	11,844	6
<b>Total Expenditures</b>	<b>2,218,220</b>	<b>2,599,191</b>
<b>Revenues Over (Under) Expenditures</b>	<b>870,553</b>	<b>(612,627)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Bonds and Notes Issued		
Issuance of Refunding Bonds		
Premium on Bonds Issued		
Payment to Refunded Bond Escrow Agent		
Capital Lease Acquisitions	178	
Sale of Capital Assets	305	67
Transfers In	209,169	610,602
Transfers Out	(883,204)	(39,582)
<b>Total Other Financing Sources (Uses)</b>	<b>(673,552)</b>	<b>571,087</b>
<b>Net Change in Fund Balances</b>	<b>197,001</b>	<b>(41,540)</b>
<b>Fund Balances - Beginning of Year, as Restated</b>	<b>686,663</b>	<b>41,599</b>
<b>Fund Balances - End of Year</b>	<b>\$883,664</b>	<b>\$59</b>

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

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

Transportation	Land Endowments	Nonmajor Governmental	Total
		\$4,800	\$1,318,383
			1,531,975
\$227,032		129,437	458,291
130,212		145,645	317,854
6,995	\$77,319	56,336	237,268
312,325		504,102	2,695,371
(285)	182,554	(55)	217,357
			24,912
3,326		15,516	69,185
679,605	259,873	855,781	6,870,596
		51,916	182,338
		62,619	324,717
			2,546,075
		237,297	1,685,252
189,933		204,703	432,534
	32,137	148,582	215,120
326,049	205	88,569	497,087
134,395		73,455	471,269
21,975		26,675	49,679
28,206		9,044	49,100
700,558	32,342	902,860	6,453,171
(20,953)	227,531	(47,079)	417,425
		61,347	61,347
		10,945	10,945
		1,304	1,304
		(11,441)	(11,441)
			178
13,876	117	1,049	15,414
		38,814	858,585
(15,825)	(47,509)	(70,307)	(1,056,427)
(1,949)	(47,392)	31,711	(120,095)
(22,902)	180,139	(15,368)	297,330
235,423	1,281,132	400,373	2,645,190
\$212,521	\$1,461,271	\$385,005	\$2,942,520

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

These fund balances appear on the Governmental Funds Balance Sheet.

This 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 position for governmental activities on the government-wide Statement of Activities.

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

**State of Idaho**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -- Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2013**

*(dollars in thousands)*

**Net Change in Fund Balances - Governmental Funds**

\$297,330

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	\$282,282	
Depreciation Expense	<u>(87,861)</u>	194,421

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. (32,600)

Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. (73,489)

The issuance of long-term debt provides current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position. In the current year the following debt was incurred:

Bonds and Notes	(72,292)	
Premiums on Bonds Issued	(1,304)	
Capital Leases	<u>(178)</u>	(73,774)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consisted of:

Bond and Note Principal	48,222	
Refunding Bond Payment	11,441	
Capital Leases	<u>1,457</u>	61,120

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Some expenditures reported in the governmental funds either increase or decrease long-term liabilities reported in the Statement of Net Position. In the current year these amounts consisted of:

Accrued Interest and Amortization	(1,101)	
Compensated Absences	6,267	
Claims and Judgments	81,849	
Other Long-Term Liabilities	<u>(379)</u>	86,636

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 Position - Governmental Activities**

(275)

\$459,369

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

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

State of Idaho

**Statement of Net Position  
Proprietary Funds  
June 30, 2013**

(dollars in thousands)

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

**Business-Type Activities--Enterprise Funds**

**College and      Unemployment  
University      Compensation      Loan**

	College and University	Unemployment Compensation	Loan
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$96,260	\$349,666	\$773
Pooled Cash and Investments	95,177	6,469	19,539
Investments	74,481		
Accounts Receivable, Net	70,332	103,411	801
Interfund Receivables	3,844		
Due from Other Entities			445
Inventories and Prepaid Items	12,839		
Due from Component Unit	2,291		
Loans, Notes, and Pledges Receivable, Net	3,996		9,825
Other Current Assets	1,545		4,348
<b>Total Current Assets</b>	<b>360,765</b>	<b>459,546</b>	<b>35,731</b>
<b>Noncurrent Assets</b>			
Restricted Cash and Cash Equivalents	4,864		58,383
Investments	88,351	107,146	
Restricted Investments	602		118,191
Loans, Notes, and Pledges Receivable, Net	20,295		264,438
Other Noncurrent Assets	6,512		
Capital Assets, Net	1,154,229		32,737
<b>Total Noncurrent Assets</b>	<b>1,274,853</b>	<b>107,146</b>	<b>473,749</b>
<b>Total Assets</b>	<b>\$1,635,618</b>	<b>\$566,692</b>	<b>\$509,480</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$16,108		
Payroll and Related Liabilities	52,933		
Interfund Payables	4,892		
Due to Other Entities			
Unearned Revenue	31,538	\$1,118	\$15,673
Amounts Held in Trust for Others	3,182		
Due to Component Unit	568		
Other Accrued Liabilities	7,017	6,104	179
Compensated Absences Payable	21,539		
Bonds, Notes, and Capital Leases Payable	19,985	46,130	425
Policy Claim Liabilities			
<b>Total Current Liabilities</b>	<b>157,762</b>	<b>53,352</b>	<b>16,277</b>
<b>Noncurrent Liabilities</b>			
Bonds, Notes, and Capital Leases Payable	446,032	98,015	2,515
Policy Claim Liabilities			
Other Long-Term Obligations	17,793		
<b>Total Noncurrent Liabilities</b>	<b>463,825</b>	<b>98,015</b>	<b>2,515</b>
<b>Total Liabilities</b>	<b>621,587</b>	<b>151,367</b>	<b>18,792</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	693,679		29,796
Restricted for:			
Claims and Judgments			
Debt Service			553
Unemployment Compensation		415,325	
Permanent Trust - Expendable	48,989		
Other Purposes			460,339
Unrestricted	271,363		
<b>Total Net Position</b>	<b>1,014,031</b>	<b>415,325</b>	<b>490,688</b>
<b>Total Liabilities and Net Position</b>	<b>\$1,635,618</b>	<b>\$566,692</b>	<b>\$509,480</b>

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

Additional details on capital assets and infrastructure can be found in the Notes to the Financial Statements (CAFR pages 44 and 74-76) 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).

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



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).

		<b>Governmental Activities</b>	
<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>	
\$2,731	\$449,430		
18,904	140,089	\$37,807	
	74,481		
2,046	176,590	55	
61	3,905	711	
	445		
13,679	26,518	2,117	
	2,291		
	13,821		
143	6,036	127	
<b>37,564</b>	<b>893,606</b>	<b>40,817</b>	
48,416	111,663	25,677	
	195,497	30,523	
	118,793		
	284,733	95	
10	6,522	6	
13,840	1,200,806	16,056	
<b>62,266</b>	<b>1,918,014</b>	<b>72,357</b>	
<b>\$99,830</b>	<b>\$2,811,620</b>	<b>\$113,174</b>	
\$10,907	\$27,015	\$471	
769	53,702	669	
5,869	10,761	5	
7,340	7,340		
	48,329	12,648	
	3,182		
	568		
2,518	15,818	160	
700	22,239	799	
40	66,580	187	
		9,406	
<b>28,143</b>	<b>255,534</b>	<b>24,345</b>	
67	546,629	2,708	
		8,557	
354	18,147	270	
<b>421</b>	<b>564,776</b>	<b>11,535</b>	
<b>28,564</b>	<b>820,310</b>	<b>35,880</b>	
13,733	737,208	13,160	
		25,677	
	553		
	415,325		
	48,989		
57,533	517,872	35,444	
	271,363	3,013	
<b>71,266</b>	<b>1,991,310</b>	<b>77,294</b>	
<b>\$99,830</b>	<b>\$2,811,620</b>	<b>\$113,174</b>	

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

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

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

State of Idaho

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

**Proprietary Funds**

**For the Fiscal Year Ended June 30, 2013**

(dollars in thousands)

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

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

**Business-Type Activities-Enterprise**  
**College and Unemployment**  
**University Compensation Loan**

	College and University	Unemployment Compensation	Loan
<b>OPERATING REVENUES</b>			
Assessments		\$310,232	
Licenses, Permits, and Fees	\$374,542		\$2,724
Scholarship Allowances	(75,522)		
Sale of Goods and Services	132,458		1,937
Grants and Contributions	154,356	73,921	15,360
Other Income	9,267		
<b>Total Operating Revenues</b>	<b>595,101</b>	<b>384,153</b>	<b>20,021</b>
<b>OPERATING EXPENSES</b>			
Personnel Costs	585,329		
Services and Supplies	232,884	26	1,375
Benefits, Awards, and Premiums	67,509	247,268	
Depreciation	62,842		207
Other Expenses	15,851		1
<b>Total Operating Expenses</b>	<b>964,415</b>	<b>247,294</b>	<b>1,583</b>
<b>Operating Income (Loss)</b>	<b>(369,314)</b>	<b>136,859</b>	<b>18,438</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Gifts and Grants	139,938		
Investment Income	5,664	4,398	6,411
Interest Expense	(18,785)	(5,372)	(193)
Intergovernmental Distributions			(6,711)
Gain (Loss) on Sale of Capital Assets	(821)		
Other Nonoperating Revenues (Expenses)	(760)		
<b>Total Nonoperating Revenues (Expenses)</b>	<b>125,236</b>	<b>(974)</b>	<b>(493)</b>
<b>Income (Loss) Before Contributions and Transfers, and Special Item</b>	<b>(244,078)</b>	<b>135,885</b>	<b>17,945</b>
Capital Contributions	38,364		
Transfers In	270,116		3,198
Transfers Out	(572)	(7,262)	(1,454)
Special Item - See Note 4	(80,990)		
<b>Change in Net Position</b>	<b>(17,160)</b>	<b>128,623</b>	<b>19,689</b>
<b>Total Net Position - Beginning of Year, as Restated</b>	<b>1,031,191</b>	<b>286,702</b>	<b>470,999</b>
<b>Total Net Position - End of Year</b>	<b>\$1,014,031</b>	<b>\$415,325</b>	<b>\$490,688</b>

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

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

The \$2,248 difference between the \$136,534 reported as Change in Net Position on this statement and the \$134,286 Change in Net Position reported as Business-Type Activity on the government-wide Statement of Activities is due to a consolidation adjustment for internal service fund activities on the government-wide statement.

This statement can be found in the CAFR, pages 28 and 29.

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

**Governmental Activities**

Funds		Governmental Activities	
Nonmajor Enterprise	Total	Internal Service Funds	
	\$310,232		
	377,266	\$4	
	(75,522)		
\$367,256	501,651	245,381	
	243,637	58	
410	9,677	221	
367,666	1,366,941	245,664	
15,186	600,515	13,036	
118,044	352,329	20,702	
122,888	437,665	220,909	
1,632	64,681	1,964	
5,826	21,678	1,424	
263,576	1,476,868	258,035	
104,090	(109,927)	(12,371)	
	139,938		
76	16,549	263	
(7)	(24,357)	(171)	
(30,240)	(36,951)		
(11)	(832)	1	
(7)	(767)	(27)	
(30,189)	93,580	66	
73,901	(16,347)	(12,305)	
	38,364	5	
	273,314	2,760	
(68,519)	(77,807)	(425)	
	(80,990)		
5,382	136,534	(9,965)	
65,884	1,854,776	87,259	
\$71,266	\$1,991,310	\$77,294	

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

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

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

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

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

Several funds make up the Nonmajor Enterprise Funds column. To see greater detail of the individual funds included in this column, turn to the combining financial statements (CAFR page 125).

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, 2013**  
*(dollars in thousands)*

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

		<b>Business- College and University</b>
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating activities relate to providing services and the production and sales of goods.	Receipts from Assessments	
	Receipts from Customers	\$421,597
	Receipts from Interfund Services	
	Receipts from Grants and Contributions	156,214
	Payments to Suppliers	(241,258)
	Payments to Employees	(571,756)
	Payments for Interfund Services	
	Payments for Benefits, Awards, and Claims	(63,920)
	Other Receipts (Payments)	(1,708)
	<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(300,831)</b>
	<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Noncapital financing activities relate to grants, transfers, and borrowing money for purposes other than buying or building capital assets.	Gifts, Grants, and Endowments Received	141,051
	Intergovernmental Distributions	
	Transfers In	269,544
	Transfers Out	
	Proceeds from Bonds, Notes, and Loans	211,430
	Repayments of Bonds, Notes, and Loans	(210,157)
	Interest Payments	
	<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>411,868</b>
	<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital and related financing activities relate to receipt and use of cash for purchase or construction of capital assets.	Capital Grants and Contributions	10,040
	Proceeds from Bonds and Notes	41,371
	Principal Payments	(46,984)
	Interest Payments	(20,568)
	Proceeds from Disposition of Capital Assets	2
	Acquisition and Construction of Capital Assets	(84,607)
	<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(100,746)</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investing activities relate to the sale, purchase, and earnings from investments.	Receipt of Interest and Dividends	2,259
	Purchase of Investments	(381,808)
	Redemption of Investments	389,897
	Other Investing Activities	
	<b>Net Cash Provided (Used) by Investing Activities</b>	<b>10,348</b>
	<b>Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash</b>	<b>20,639</b>
	<b>Beginning Cash, Cash Equivalents, and Pooled Cash</b>	<b>175,662</b>
	<b>Ending Cash, Cash Equivalents, and Pooled Cash</b>	<b>\$196,301</b>
	<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>	
The reconciliation explains the differences between the flows of cash described here and the operating income (loss) reported on an accrual basis on the Statement of Revenues, Expenses, and Changes in Fund Net Position for proprietary funds.	Operating Income (Loss)	(\$369,314)
	Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
	Depreciation and Amortization	62,842
	Maintenance Costs Paid by Department of Public Works	3,113
	Net Changes in Assets and Liabilities:	
	Accounts Receivable/Interfund Receivables	(7,660)
	Inventories and Prepaid Items	(2,262)
	Notes Receivable	498
	Other Assets	359
	Accounts Payable/Interfund Payables	(1,234)
	Unearned Revenue	
Compensated Absences	328	
Policy Claim Liabilities		
Other Accrued Liabilities	12,499	
	<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(\$300,831)</b>
Noncash transactions are not reported on the Statement of Revenues, Expenses, and Changes in Fund Net Position or in the Statement of Cash Flows.	<b>Noncash Transactions (dollars in thousands):</b>	
	Investments increased in fair value by \$3,218 for colleges and universities and decreased by \$3,366 for Unemployment Compensation, \$942 for the Loan Fund, and \$1,063 for internal service funds. Colleges and universities transferred \$80,990 of assets to the colleges' and universities' foundations. Colleges and universities acquired assets of \$25,221 through donations, \$1,993 through state transfers, and disposed of capital assets at a gain of \$2,741. The Loan Fund had loan forgiveness in the amount of \$6,712. Nonmajor enterprise funds recorded an interfund payable of \$1,044 due on July 1, 2013, disposed of capital assets at a loss of \$18, eliminated capital assets of \$3,196 in prior periods, and beginning cash decreased by \$138 due to a prior period adjustment. Internal service funds removed capital leases of \$174 and disposed of capital assets of \$145 in prior periods.	

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	
\$325,747			\$325,747		
	\$3,303	\$364,119	789,019	\$14,371	
		3,771	3,771	230,333	
75,039	15,055		246,308	58	
(26)	(1,357)	(120,926)	(363,567)	(19,117)	
		(15,233)	(586,989)	(13,059)	
	(18)	(656)	(674)	(2,664)	
(230,365)		(120,843)	(415,128)	(218,384)	
			(1,708)		
170,395	16,983	110,232	(3,221)	(8,462)	
			141,051		
	(6,711)	(29,945)	(36,656)		
	3,198		272,742	2,760	
(7,262)	(1,454)	(67,475)	(76,191)	(425)	
			211,430		
(43,425)			(253,582)		
(6,709)			(6,709)	2	
(57,396)	(4,967)	(97,420)	252,085	2,337	
			10,040	5	
			41,371		
	(400)	(38)	(47,422)	(284)	
	(198)	(7)	(20,773)	(168)	
		7	9	1	
	(1)	(2,406)	(87,014)	(1,343)	
	(599)	(2,444)	(103,789)	(1,789)	
7,764	5,488	77	15,588	1,362	
	(81,458)		(463,266)	(618)	
6,375	91,171		487,443	4,644	
	2,546		2,546	(9)	
14,139	17,747	77	42,311	5,379	
127,138	29,164	10,445	187,386	(2,535)	
228,997	49,531	59,606	513,796	66,019	
\$356,135	\$78,695	\$70,051	\$701,182	\$63,484	
\$136,859	\$18,438	\$104,090	(\$109,927)	(\$12,371)	
	207	1,632	64,681	1,964	
			3,113		
33,494	(636)	3,529	28,727	(116)	
		728	(1,534)	329	
			498		
	(324)	(13)	22	2	
		464	(770)	17	
1,118	(703)		415	(788)	
		(46)	282	(38)	
				2,513	
(1,076)	1	(152)	11,272	26	
\$170,395	\$16,983	\$110,232	(\$3,221)	(\$8,462)	

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

State of Idaho

**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2013**

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 66-71) and the combining financial statements (CAFR page 138).

(dollars in thousands)

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

	Pension Trust	Investment Trust	College Savings Private-Purpose Trust	Agency
<b>ASSETS</b>				
Cash and Cash Equivalents	\$1,588		\$335	\$21,252
Pooled Cash and Investments	2,680			22,151
Investments:				
Pooled Short Term	423,931	\$411,488	10,689	
Fixed Income Investments	2,901,888	1,062,606		279,390
Marketable Securities	7,769,941			
Mutual Funds and Private Equities	1,660,830		244,676	
Mortgages and Real Estate	947,868	77,557		
Other Investments	3,222		6,612	
Receivables:				
Investments Sold	183,343			
Contributions	5,105			
Interest and Dividends	37,373	3,171	19	
Interfund Receivables	1,675			
Other Receivables	171			
Other Assets	54,226			
Capital Assets, Net	4,748			
<b>Total Assets</b>	<b>13,998,589</b>	<b>1,554,822</b>	<b>262,331</b>	<b>\$322,793</b>
<b>LIABILITIES</b>				
Accounts Payable	697	38	190	
Interfund Payables	1,675			
Due to Other Entities				\$662
Amounts Held in Trust for Others				322,131
Investments Purchased	380,950		56	
Other Accrued Liabilities	10,132	438		
<b>Total Liabilities</b>	<b>393,454</b>	<b>476</b>	<b>246</b>	<b>\$322,793</b>
<b>NET POSITION</b>				
Held in Trust for:				
Employee Pension Benefits	13,279,355			
Postemployment Healthcare Benefits	325,780			
External Investment Pool Participants		1,554,346		
Trust Beneficiaries			262,085	
<b>Total Net Position</b>	<b>\$13,605,135</b>	<b>\$1,554,346</b>	<b>\$262,085</b>	

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 76-81) 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 costs.

Agency funds contain resources held on a temporary, purely custodial basis. Every resource held by these funds is due to be passed along to the individuals or organizations to which it belongs; therefore, assets equal liabilities at all times and the fund has no net assets. To learn more about the different funds combined in this column, turn to the combining financial statements (CAFR page 140).

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

State of Idaho

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2013

(dollars in thousands)

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

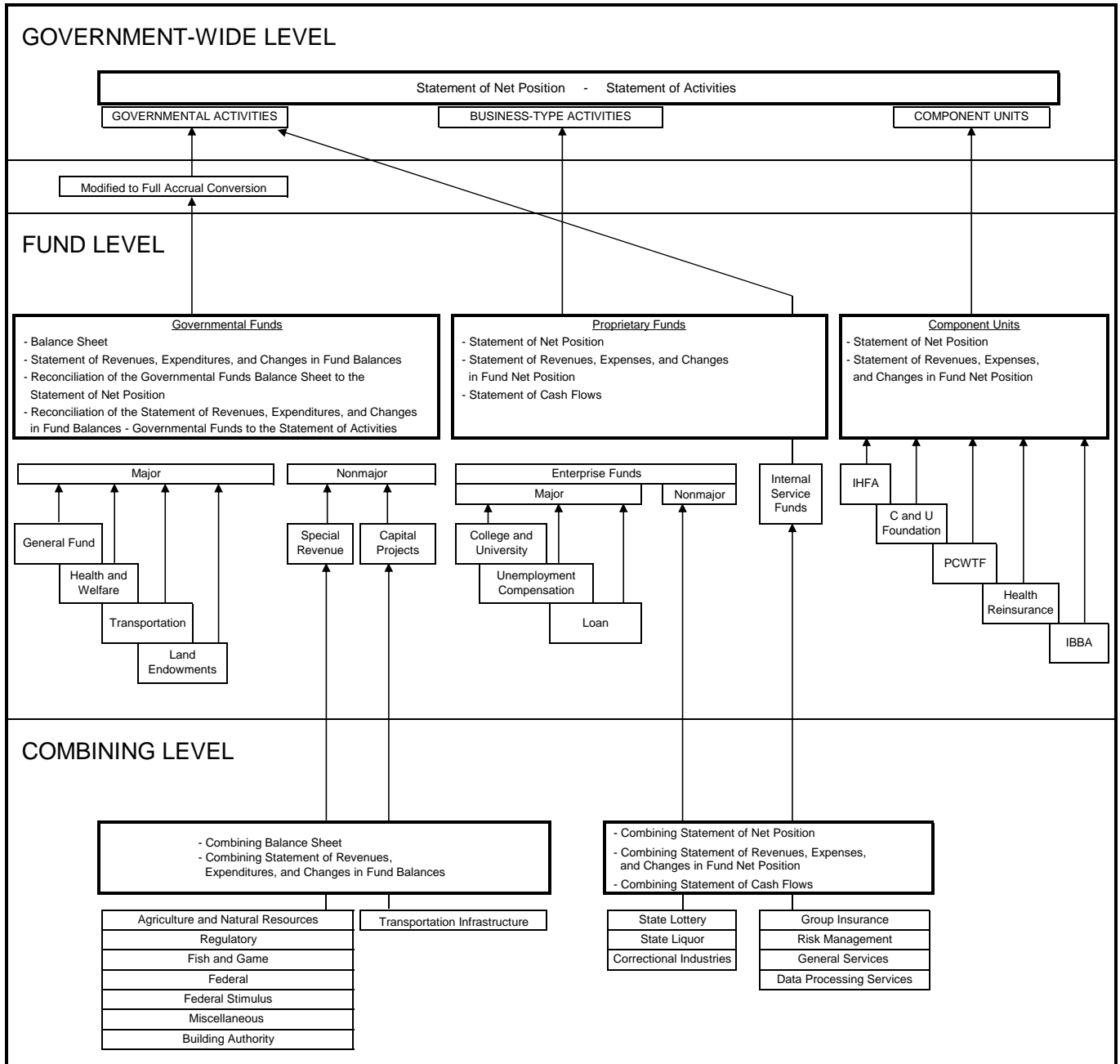
Additions increase the net position of a fiduciary fund and include contributions from employers, contributions from employees, and investment earnings.

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

	Pension Trust	Investment Trust	College Savings Private-Purpose Trust
<b>ADDITIONS</b>			
<b>Contributions:</b>			
Member	\$232,453		
Employer	328,745		
Transfers In from Other Plans	17,634		
Participant Deposits		\$3,174,700	\$37,979
<b>Total Contributions</b>	<b>578,832</b>	<b>3,174,700</b>	<b>37,979</b>
<b>Investment Income:</b>			
Net Increase (Decrease) in Fair Value of Investments	845,541	(19,218)	11,243
Interest, Dividends, and Other	315,041	22,308	6,286
Securities Lending Income		629	
Less Investment Expense:			
Investment Activity Expense	(43,772)	(715)	
Securities Lending Interest Expense		(502)	
<b>Net Investment Income</b>	<b>1,116,810</b>	<b>2,502</b>	<b>17,529</b>
Miscellaneous Income	2,153		
<b>Total Additions</b>	<b>1,697,795</b>	<b>3,177,202</b>	<b>55,508</b>
<b>DEDUCTIONS</b>			
Benefits and Refunds Paid to Plan Members	739,730		
Transfers Out to Other Plans	17,001		
Administrative Expense	6,501		1,615
Earnings Distribution		5,744	
Participant Withdrawals	13,031	3,095,258	22,716
<b>Total Deductions</b>	<b>776,263</b>	<b>3,101,002</b>	<b>24,331</b>
<b>Change in Net Position Held in Trust for:</b>			
Employee Pension Benefits	879,270		
Employee Postemployment Healthcare Benefits	42,262		
External Investment Pool Participants		76,200	
Trust Beneficiaries			31,177
<b>Net Position - Beginning of Year</b>	<b>12,683,603</b>	<b>1,478,146</b>	<b>230,908</b>
<b>Net Position - End of Year</b>	<b>\$13,605,135</b>	<b>\$1,554,346</b>	<b>\$262,085</b>

With the data in this statement, as well as the Notes (CAFR pages 76-81) and the Required Supplementary Information (CAFR page 109), you can begin to assess the fiscal health of the pension plan. Are the assets growing or declining? How much are the earnings from investments? Is the State making the necessary contributions as an employer? This column includes several Pension Trust funds. To find greater detail of the individual funds aggregated in this column, turn to the combining financial statements (CAFR pages 136-137).

# CAFR Fund Structure



IHFA - Idaho Housing and Finance Association, including its component unit, The Housing Company

C and U Foundation - College and University Foundation

PCWTF - Petroleum Clean Water Trust Fund

Health Reinsurance - Idaho Individual High Risk Reinsurance Pool and Idaho Small Employer Health Reinsurance Program

IBBA - Idaho Bond Bank Authority