

A Reader's Guide

Understanding Idaho's Comprehensive Annual Financial Report (CAFR) For the Fiscal Year Ended June 30, 2014

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; the Idaho Bond Bank Authority; and the Idaho Health Insurance Exchange.

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

Fund Financial Statements

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

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

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

Governmental Fund Balances

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

The fund balance components improve consistency, comparability, and usefulness. The categories are presented in descending order from 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 38-97) provide detailed information about the government that is not included or readily apparent on the financial statements, such as the State's significant accounting methods and assumptions, investments, capital assets, major financial commitments, pension benefit costs, and long-term debt.

Supporting Financial Statement Information

- *An Independent Auditor's Report* (CAFR pages 2-4) provides reasonable assurance about whether the financial statements are free of material misstatement.
- *Management's Discussion and Analysis* (MD&A on CAFR pages 5-12) gives an easily readable and objective analysis of the State's financial activities based on currently known facts, decisions, or conditions.
- *Required Supplementary Information* (CAFR pages 100-105) 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 107-137) 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 139-170) provides information that will help you understand the health of the State and the underlying economy. This section contains 10-year trend tables of financial, economic, and demographic data. The statistical section is often of interest to investors and creditors because the trends and non-financial factors it identifies can provide crucial insights to assess the State's creditworthiness.

How You Can Use the Financial Statements

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

- **Sales Tax Revenue** – Sales tax revenues of \$1.4 billion for 2014 are presented on pages 16-17 of the CAFR. The MD&A has information about sales tax revenues on CAFR pages 8-9. Additional sales tax data may be found on Schedules 2, 4, 5, and 7 of the Statistical Section (CAFR pages 142-143, 146-149, and 152-153).
- **Individual and Corporate Income Tax Revenues** – Income tax revenues of \$1.7 billion for 2014, along with other state tax revenues, are presented on pages 16-17 of the CAFR. Income tax revenues increased \$206.1 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 142-143 and 146-153).
- **Health and Human Services Spending** – Health and human services had \$2.6 billion in expenses in fiscal year 2014, an increase of 2.4 percent over the prior fiscal year, due to increased medical assistance payments for Medicaid and rehabilitation services. Medicaid assists those who are unable to pay for medical and dental services. You can see health and human services revenues and expenses on CAFR pages 16-17 and 22-23. More information on health and human services expenses can be found in the MD&A (CAFR pages 8-10). Health and Human Services generated revenues of \$1.9 billion (primarily from federal grants) leaving a net expense of \$684.8 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 \$1.8 billion in fiscal year 2014. You can also see that colleges and universities spent \$990.8 million. Looking a bit further, you can see that colleges and universities generated revenues (over \$753.4 million—primarily from fees and federal grants) that offset their expenses, leaving a net expense of \$237.4 million, which was supported by general revenues. K through 12 education had less capacity to generate revenues, approximately \$283.7 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 pages 9-10.
- **PERSI** – If you are a public employer or public employee, you may be interested in the pension trust funds which are part of the fiduciary funds (CAFR pages 32-33 and 129-133). Net position for the pension trust funds increased \$2.1 billion in fiscal year 2014. You can see on CAFR pages 132-133 that additions to these funds came from a variety of sources, most significantly: employer contributions (\$375.9 million); member contributions (\$260.5 million); increase in fair value of investments (\$2.0 billion) and interest, dividends, and other (\$356.7 million). Deductions were primarily for benefits and refunds paid to members (\$802.1 million). At \$15.7 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 71-76).
- **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 100-101. In fiscal year 2014 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 102-103. Comparisons between budget and actual amounts for the nonmajor governmental and major permanent funds are on CAFR pages 112-118. Complete details about the budget process can be found in the Legal Basis report available online at www.sco.idaho.gov. General Fund budgetary highlights can be found in the MD&A (CAFR page 10).

**Statement of Net Position
June 30, 2014**

(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 are least liquid.	ASSETS	
	Cash and Cash Equivalents	\$ 8,848
	Pooled Cash and Investments	1,227,605
	Investments	1,955,279
	Securities Lending Collateral	565,869
	Accounts Receivable, Net	95,121
	Taxes Receivable, Net	625,416
	Internal Balances	11,864
	Due from Other Entities	225,105
	Inventories and Prepaid Items	55,418
	Due from Primary Government	
	Due from Component Unit	
	Loans, Notes, and Pledges Receivable, Net	6,938
	Other Assets	16,711
	Restricted Assets:	
	Cash and Cash Equivalents	130,159
	Investments	263,758
	Capital Assets:	
	Nondepreciable	4,697,746
	Depreciable, Net	1,596,159
	Total Assets	11,481,996
	DEFERRED OUTFLOWS OF RESOURCES	
	Deferred Outflows	11,495
	Total Assets and Deferred Outflows of Resources	\$ 11,493,491
	LIABILITIES	
	Accounts Payable	\$ 375,055
	Payroll and Related Liabilities	50,404
	Medicaid Payable	110,655
	Due to Other Entities	90,207
	Unearned Revenue	54,402
	Amounts Held in Trust for Others	30,780
	Due to Primary Government	
	Due to Component Unit	
	Obligations Under Securities Lending	574,176
	Other Accrued Liabilities	51,864
	Long-Term Liabilities:	
	Due Within One Year	146,660
	Due in More Than One Year	823,351
	Total Liabilities	2,307,554
	DEFERRED INFLOWS OF RESOURCES	
	Deferred Inflows	
	NET POSITION	
	Net Investment in Capital Assets	5,501,827
	Restricted for:	
	Claims and Judgments	27,089
	Debt Service	4,367
	Transportation	213,209
	Regulatory	68,117
	Natural Resources and Recreation	138,189
	Unemployment Compensation	
	Permanent Trust - Expendable	354,233
	Permanent Trust - Nonexpendable	1,630,452
	Other Purposes	176,696
	Unrestricted	1,071,758
	Total Net Position	9,185,937
	Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 11,493,491
Total assets+total deferred outflows of resources - total liabilities-total deferred inflows of resources = total net position \$11,481,996+\$11,495 - \$2,307,554-\$0 = \$9,185,937.		

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		
Business-Type Activities	Total	Component Units
\$ 515,111	\$ 523,959	\$ 73,323
237,078	1,464,683	1,970
238,877	2,194,156	579,865
74,220	640,089	
142,278	237,399	23,481
	625,416	
(11,864)	225,105	9,804
27,303	82,721	1,911
		723,044
3,519	3,519	
330,106	337,044	1,229,430
11,402	28,113	9,205
101,566	231,725	40,596
119,914	383,672	266,641
145,987	4,843,733	14,349
1,044,263	2,640,422	37,399
2,979,760	14,461,756	3,011,018
8,626	20,121	80,915
\$ 2,988,386	\$ 14,481,877	\$ 3,091,933
\$ 26,344	\$ 401,399	\$ 11,520
50,705	101,109	675
	110,655	
6,834	97,041	
43,716	98,118	22,203
3,599	34,379	38,471
		377
644	644	
75,309	649,485	
15,312	67,176	198,288
90,887	237,547	156,855
502,841	1,326,192	1,914,601
816,191	3,123,745	2,342,990
1,634	1,634	2,501
746,473	6,248,300	29,725
	27,089	
553	4,920	135,850
	213,209	
	68,117	
492,576	630,765	
531,217	531,217	
52,477	406,710	162,700
	1,630,452	314,545
56,771	233,467	67,284
290,494	1,362,252	36,338
2,170,561	11,356,498	746,442
\$ 2,988,386	\$ 14,481,877	\$ 3,091,933

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, 2014

(dollars in thousands)

FUNCTIONS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$ 513,746	\$ 90,314	\$ 101,314	\$ 25
Public Safety and Correction	364,998	41,945	13,065	1,124
Health and Human Services	2,592,563	104,968	1,802,807	
Education	1,756,231	14,539	269,064	87
Economic Development	785,184	271,894	394,535	2,300
Natural Resources	247,294	175,271	360,935	1,781
Interest Expense	51,600			
Total Governmental Activities	6,311,616	698,931	2,941,720	5,317
Business-Type Activities				
College and University	990,777	459,380	276,408	17,594
Unemployment Compensation	144,190	258,072	13,427	
Loan	7,915	11,328	15,315	
State Lottery	162,144	209,642		
State Liquor	137,906	165,892		
Correctional Industries	8,011	7,862		
Total Business-Type Activities	1,450,943	1,112,176	305,150	17,594
Total Primary Government	\$ 7,762,559	\$ 1,811,107	\$ 3,246,870	\$ 22,911
Component Units				
Idaho Housing and Finance Association	\$ 163,949	\$ 114,780	\$ 47,852	
College and University Foundation	57,256	1,628	112,268	
Petroleum Clean Water Trust	1,505	2,207		
Health Reinsurance	14,053	9,425	827	
Bond Bank Authority	15,256	14,609		
Health Insurance Exchange	13,857	1,203	25,084	
Total Component Units	\$ 265,876	\$ 143,852	\$ 186,031	

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

This column shows the full cost of the program.

An example of how this statement works: The total cost of the State's Health and Human Services activities was \$2,592.6 million. The State raised \$105.0 million from charges for services, and received \$1,802.8 million from operating grants and contributions, most in the form of federal aid. When program revenues are subtracted from expenses for Health and Human Services, a net expense of \$684.8 million is left. This is the portion of Health and Human Services costs financed with taxes and other general revenues, rather than being financed by the revenues generated by the services themselves.

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

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

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

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

Are programs self-supporting?

Governmental Activities	Business-Type Activities	Total	Component Units
\$ (322,093)		\$ (322,093)	
(308,864)		(308,864)	
(684,788)		(684,788)	
(1,472,541)		(1,472,541)	
(116,455)		(116,455)	
290,693		290,693	
(51,600)		(51,600)	
<u>(2,665,648)</u>		<u>(2,665,648)</u>	
	\$ (237,395)	(237,395)	
	127,309	127,309	
	18,728	18,728	
	47,498	47,498	
	27,986	27,986	
	(149)	(149)	
	<u>(16,023)</u>	<u>(16,023)</u>	
	<u>(2,665,648)</u>	<u>(2,681,671)</u>	
			\$ (1,317)
			56,640
			702
			(3,801)
			(647)
			12,430
			<u>64,007</u>

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

1,400,547		1,400,547	
1,739,957		1,739,957	
262,479		262,479	
213,434		213,434	
27,450		27,450	
14,374		14,374	
			3,801
			2,692
<u>(201,688)</u>	<u>201,688</u>		
<u>3,456,553</u>	<u>201,688</u>	<u>3,658,241</u>	<u>6,493</u>
790,905	185,665	976,570	70,500
<u>8,395,032</u>	<u>1,984,896</u>	<u>10,379,928</u>	<u>675,942</u>
<u>\$ 9,185,937</u>	<u>\$ 2,170,561</u>	<u>\$ 11,356,498</u>	<u>\$ 746,442</u>

Did the State's financial position improve or deteriorate during the fiscal year? The change in net position indicates whether sufficient resources were raised during the year to cover the costs. The net position of governmental activities increased by \$790.9 million, and business-type activities' net position increased by \$185.7 million.

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

State of Idaho

Balance Sheet
Governmental Funds
June 30, 2014

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

(dollars in thousands)

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

	General	Health and Welfare
ASSETS		
Cash and Cash Equivalents	\$ 1,468	
Pooled Cash and Investments	802,684	\$ 21,814
Investments	34,748	
Securities Lending Collateral	289,730	21,798
Accounts Receivable, Net	22,483	37,248
Taxes Receivable, Net	591,734	138
Interfund Receivables	7,057	
Due from Other Entities		131,082
Inventories and Prepaid Items	11,923	5,375
Loans, Notes, and Pledges Receivable, Net	2,228	
Other Assets	1,434	111
Restricted Assets:		
Cash and Cash Equivalents	2,698	6,879
Investments	220,257	3,920
Total Assets	\$ 1,988,444	\$ 228,365
Total Assets and Deferred Outflows of Resources	\$ 1,988,444	\$ 228,365
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts Payable	\$ 235,487	\$ 22,776
Payroll and Related Liabilities	17,034	10,686
Medicaid Payable		110,655
Interfund Payables	2,288	1,106
Due to Other Entities	62,756	10
Deferred Revenue	8,212	
Amounts Held in Trust for Others	23,566	5,937
Obligations Under Securities Lending	293,983	22,118
Other Accrued Liabilities	1,283	6,613
Total Liabilities	644,609	179,901
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows	377,112	54,088
Fund Balances		
Nonspendable:		
Permanent Trusts		
Inventories and Prepaid Items	11,923	5,375
Noncurrent Receivables	89	
Restricted	252,627	
Committed	263,443	55
Assigned	53,086	
Unassigned	385,555	(11,054)
Total Fund Balances	966,723	(5,624)
Total Liabilities and Fund Balances	\$ 1,988,444	\$ 228,365

Fund balance is the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources. The definitions of the five fund balances can be found on page 2 of this document. Additional information about the nature and purpose of these fund balances can be found on CAFR pages 92-93.

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 108-109.

	Land	Nonmajor	
Transportation	Endowments	Governmental	Total
\$ 7		\$ 7,373	\$ 8,848
121,160	\$ 13,427	233,268	1,192,353
72,725	1,746,383	70,273	1,924,129
73,626	6,294	144,893	536,341
3,870	12,784	18,607	94,992
29,041		4,503	625,416
		1,116	8,173
17,784		76,239	225,105
18,566	3,615	13,646	53,125
439		4,271	6,938
599	4,624	1,364	8,132
39,558		53,935	103,070
		39,581	263,758
\$ 377,375	\$ 1,787,127	\$ 669,069	\$ 5,050,380
\$ 377,375	\$ 1,787,127	\$ 669,069	\$ 5,050,380
\$ 28,447	\$ 23,077	\$ 64,882	\$ 374,669
6,419		15,461	49,600
			110,655
598		1,563	5,555
27,359	3	65	90,193
7,632		24,066	39,910
106		1,171	30,780
74,707	6,387	147,020	544,215
8,411	1	2,801	19,109
153,679	29,468	257,029	1,264,686
8,165		22,280	461,645
	1,399,811	2,855	1,402,666
18,566	3,615	13,646	53,125
			89
194,525	354,233	294,195	1,095,580
2,440		76,587	342,525
		2,477	55,563
			374,501
215,531	1,757,659	389,760	3,324,049
\$ 377,375	\$ 1,787,127	\$ 669,069	\$ 5,050,380

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, 2014**

(dollars in thousands)

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

Total Fund Balances - Governmental Funds \$ 3,324,049

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

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

Land and Land Use Rights	\$ 1,068,026	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	1,063,354		
Infrastructure	3,498,966		
Historical Art and Collections	72		
Buildings and Improvements	937,475		
Improvements Other Than Buildings	109,394		
Machinery, Equipment, and Other	564,858		
Accumulated Depreciation	(963,224)		
Total Capital Assets	6,278,921		

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds. 16,822

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

The deferred outflows of resources consist of the following:

Debt Defeasance	5,381		
Hedging Derivatives	6,114		
Total Deferred Outflows of Resources	11,495		

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. 77,528

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	(48,632)	The government-wide Statement of Net Position reports long-term liabilities; the Governmental Funds Balance Sheet does not.	
Bonds, Notes, and Capital Leases Payable	(789,156)		
Accrued Interest on Bonds	(32,620)		
Claims and Judgments	(69,495)		
Other Long-Term Liabilities	(44,620)		
Total Long-Term Liabilities	(984,523)		

Deferred Inflows of Resources benefit future periods
The deferred inflows of resources consist of the following:

Unavailable Revenue	461,645		
Total Deferred Inflows of Resources	461,645		

Net Position - Governmental Activities **\$ 9,185,937**

The governmental funds total fund balance of \$3,324.0 million (see CAFR page 19) reconciles to the \$9,185.9 million total of the governmental activities net position reported on the government-wide Statement of Net Position (see CAFR page 14). The difference between these numbers can be seen on this reconciliation which primarily shows that the governmental funds report short-term financial information, whereas the government-wide statements report both short-term and long-term information.

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

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

State of Idaho

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

For the Fiscal Year Ended June 30, 2014

(dollars in thousands)

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

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

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

	General	Health and Welfare
REVENUES		
Sales Tax	\$ 1,373,750	
Individual and Corporate Taxes	1,497,935	
Other Taxes	63,184	\$ 28,627
Licenses, Permits, and Fees	18,614	24,562
Sale of Goods and Services	29,451	82,492
Grants and Contributions	15,627	1,826,144
Investment Income	44,083	183
Tobacco Settlement	27,450	
Other Income	40,581	1,144
Total Revenues	3,110,675	1,963,152
EXPENDITURES		
Current:		
General Government	140,422	
Public Safety and Correction	270,372	4,642
Health and Human Services	34,999	2,525,053
Education	1,483,353	
Economic Development	41,230	
Natural Resources	41,938	
Capital Outlay	41,174	18,026
Intergovernmental Revenue Sharing	254,714	39,350
Debt Service:		
Principal Retirement	1,086	
Interest and Other Charges	12,012	1
Total Expenditures	2,321,300	2,587,072
Revenues Over (Under) Expenditures	789,375	(623,920)
OTHER FINANCING SOURCES (USES)		
Bonds and Notes Issued		
Capital Lease Acquisitions		
Sale of Capital Assets	298	131
Transfers In	190,089	620,650
Transfers Out	(913,625)	(3,728)
Total Other Financing Sources (Uses)	(723,238)	617,053
Net Change in Fund Balances	66,137	(6,867)
Fund Balances - Beginning of Year, as Restated	900,586	1,243
Fund Balances - End of Year	\$ 966,723	\$ (5,624)

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 110 and 111.

	Land	Nonmajor	
Transportation	Endowments	Governmental	Total
		\$ 5,355	\$ 1,379,105
			1,497,935
\$ 244,729		133,686	470,226
130,376		151,620	325,172
7,264	\$ 90,231	51,051	260,489
309,423		506,949	2,658,143
1,489	273,761	5,319	324,835
			27,450
3,351		15,940	61,016
696,632	363,992	869,920	7,004,371
		61,232	201,654
		63,851	338,865
			2,560,052
		249,910	1,733,263
199,865		193,942	435,037
	31,046	145,828	218,812
311,450		98,167	468,817
134,449		60,072	488,585
24,203		27,045	52,334
28,687		8,226	48,926
698,654	31,046	908,273	6,546,345
(2,022)	332,946	(38,353)	458,026
		65,457	65,457
		9	9
16,900	11,945	1,108	30,382
		44,579	855,318
(15,871)	(48,845)	(77,473)	(1,059,542)
1,029	(36,900)	33,680	(108,376)
(993)	296,046	(4,673)	349,650
216,524	1,461,613	394,433	2,974,399
\$ 215,531	\$ 1,757,659	\$ 389,760	\$ 3,324,049

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

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

State of Idaho

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -- Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2014**

(dollars in thousands)

Net Change in Fund Balances - Governmental Funds	\$	349,650
<p>Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, these costs are allocated as depreciation expense. Capital outlays exceeded depreciation expense in the current year by the following amount:</p>		
Capital Outlay	264,865	
Depreciation Expense	<u>(88,162)</u>	176,703
<p>Miscellaneous transactions involving capital assets such as sales (gain/loss) and donations are reported in the Statement of Activities but only proceeds from sales are reported in the governmental funds.</p>		
		(15,643)
<p>Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		272,393
<p>The issuance of long-term debt provides current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position. In the current year the following debt was incurred:</p>		
Bonds and Notes	(65,457)	
Capital Leases	<u>(9)</u>	(65,466)
<p>Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consisted of:</p>		
Bond and Note Principal	50,790	
Capital Leases	<u>1,544</u>	52,334
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Some expenditures reported in the governmental funds either increase or decrease long-term liabilities reported in the Statement of Net Position. In the current year these amounts consisted of:</p>		
Accrued Interest and Amortization	(2,817)	
Compensated Absences	(1,163)	
Claims and Judgments	26,829	
Other Long-Term Liabilities	<u>(545)</u>	22,304
<p>Internal service funds are reported separately from governmental funds in the fund statements. In the government-wide statements, internal service funds are included with governmental activities.</p>		
		(1,370)
Change in Net Position - Governmental Activities	<u>\$</u>	<u>790,905</u>

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, 2014**

(dollars in thousands)

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

Business-Type Activities--Enterprise Funds

	College and University	Unemployment Compensation	Loan
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 73,705	\$ 437,895	\$ 725
Pooled Cash and Investments	125,986	63,130	33,265
Investments	89,228		
Restricted Investments	601		
Securities Lending Collateral		30,354	36,933
Accounts Receivable, Net	63,496	75,422	1,126
Interfund Receivables	3,481	180	
Inventories and Prepaid Items	9,402		
Due from Component Unit	3,142		
Loans, Notes, and Pledges Receivable, Net	3,954		10,256
Other Current Assets	884	134	4,734
Total Current Assets	373,879	607,115	87,039
Noncurrent Assets			
→ Restricted Cash and Cash Equivalents	11,366		42,461
Investments	90,260	58,164	1,225
Restricted Investments			119,313
Due from Component Unit	377		
Loans, Notes, and Pledges Receivable, Net	20,177		295,719
Other Noncurrent Assets	5,484		
→ Capital Assets, Net	1,143,767		32,530
Total Noncurrent Assets	1,271,431	58,164	491,248
Total Assets	1,645,310	665,279	578,287
Deferred Outflow of Resources			
Deferred Outflows	8,626		
Total Assets and Deferred Outflows of Resources	\$ 1,653,936	\$ 665,279	\$ 578,287
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 14,702		\$ 4
Payroll and Related Liabilities	49,883		
Interfund Payables	1,168		
Due to Other Entities		\$ 14	\$ 17
Unearned Revenue	28,743		\$ 14,973
Amounts Held in Trust for Others	3,599		
Due to Component Unit	644		
Obligations Under Securities Lending		30,799	37,476
Other Accrued Liabilities	7,422	5,234	159
Compensated Absences Payable	20,164		
Bonds, Notes, and Capital Leases Payable	21,475	47,940	450
Policy Claim Liabilities			
Other Long-Term Obligations - Current	140		
Total Current Liabilities	147,940	83,987	53,079
Noncurrent Liabilities			
→ Bonds, Notes, and Capital Leases Payable	430,656	50,075	2,065
Policy Claim Liabilities			
Other Long-Term Obligations	19,669		
Total Noncurrent Liabilities	450,325	50,075	2,065
Total Liabilities	598,265	134,062	55,144
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows	1,634		
NET POSITION			
Net Investment in Capital Assets	702,571		30,014
Restricted for:			
Claims and Judgments			
Debt Service			553
Unemployment Compensation		531,217	
Permanent Trust - Expendable	52,477		
Other Purposes			492,576
Unrestricted	298,989		
Total Net Position	1,054,037	531,217	523,143
Total Liabilities and Net Position	\$ 1,653,936	\$ 665,279	\$ 578,287

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 68-70) and the Required Supplementary Information (CAFR pages 103-104).

Additional details on noncurrent (long-term) liabilities can be found in the Notes to the Financial Statements (CAFR pages 45 and 83-91).

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

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

Several funds make up the Nonmajor Enterprise Funds column. To see greater detail of the individual funds included in this column, turn to the combining financial statements (CAFR pages 119-120).

Governmental Activities

Internal service funds are included with governmental activities in the government-wide statements. To see greater detail of the individual funds included in this column, turn to the combining financial statements (CAFR pages 123-124).

Nonmajor Enterprise Funds		Total	Internal Service Funds
\$ 2,786	\$ 515,111		
14,697	237,078	\$ 35,252	
	89,228		
	601		
6,933	74,220	29,528	
2,234	142,278	129	
72	3,733	757	
17,901	27,303	2,293	
	3,142		
	14,210		
161	5,913	249	
44,784	1,112,817	68,208	
47,739	101,566	27,089	
	149,649	31,150	
	119,313		
	377		
	315,896		
5	5,489	3	
13,953	1,190,250	14,984	
61,697	1,882,540	73,226	
106,481	2,995,357	141,434	
	8,626		
\$ 106,481	\$ 3,003,983	\$ 141,434	
\$ 11,638	\$ 26,344	\$ 386	
822	50,705	804	
5,934	7,102	6	
6,803	6,834	14	
	43,716	14,492	
	3,599		
	644		
7,034	75,309	29,961	
2,497	15,312	135	
680	20,844	834	
38	69,903	210	
		5,928	
	140		
35,446	320,452	52,770	
29	482,825	2,498	
		8,377	
347	20,016	261	
376	502,841	11,136	
35,822	823,293	63,906	
	1,634		
13,888	746,473	12,274	
		27,089	
	553		
	531,217		
	52,477		
56,771	549,347	33,803	
	298,989	4,362	
70,659	2,179,056	77,528	
\$ 106,481	\$ 3,003,983	\$ 141,434	

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, 2014

(dollars in thousands)

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

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

Business-Type Activities-Enterprise

	College and University	Unemployment Compensation	Loan
OPERATING REVENUES			
Assessments		\$247,802	
Licenses, Permits, and Fees	\$385,522		\$2,147
Scholarship Allowances	(76,217)		
Sale of Goods and Services	128,506		1,922
Grants and Contributions	144,983	13,427	15,315
Other Income	10,702		
Total Operating Revenues	593,496	261,229	19,384
OPERATING EXPENSES			
Personnel Costs	592,927		
Services and Supplies	232,877	21	1,570
Benefits, Awards, and Premiums	61,603	140,770	
Depreciation	66,810		207
Other Expenses	15,982		23
Total Operating Expenses	970,199	140,791	1,800
Operating Income (Loss)	(376,703)	120,438	17,584
NONOPERATING REVENUES (EXPENSES)			
Gifts and Grants	131,425		
Investment Income	4,555	10,270	7,259
Interest Expense	(19,671)	(3,399)	(151)
Intergovernmental Distributions			(5,964)
Gain (Loss) on Sale of Capital Assets	(907)		
Other Nonoperating Revenues (Expenses)	6,312		
Total Nonoperating Revenues (Expenses)	121,714	6,871	1,144
Income (Loss) Before Contributions and Transfers, and Special Item	(254,989)	127,309	18,728
Capital Contributions	17,594		
Transfers In	280,824		13,884
Transfers Out	(281)	(13,068)	(2,164)
Change in Net Position	43,148	114,241	30,448
Total Net Position - Beginning of Year, as Restated	1,010,889	416,976	492,695
Total Net Position - End of Year	\$1,054,037	\$531,217	\$523,143

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

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

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

Governmental Activities

Funds			
Nonmajor Enterprise Funds	Total	Internal Service Funds	
	\$247,802		
\$4	387,673		
	(76,217)		
382,904	513,332	\$262,607	
	173,725	82	
438	11,140	106	
383,346	1,257,455	262,795	
15,317	608,244	13,196	
121,671	356,139	22,774	
133,232	335,605	228,609	
1,337	68,354	1,728	
5,997	22,002	1,142	
277,554	1,390,344	267,449	
105,792	(132,889)	(4,654)	
	131,425		
49	22,133	859	
(5)	(23,226)	(131)	
(30,500)	(36,464)		
7	(900)	(3)	
(8)	6,304	3	
(30,457)	99,272	728	
75,335	(33,617)	(3,926)	
	17,594	20	
	294,708	2,738	
(77,507)	(93,020)	(202)	
(2,172)	185,665	(1,370)	
72,831	1,993,391	78,898	
\$70,659	\$2,179,056	\$77,528	

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 121).

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 125).

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

State of Idaho

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014
(dollars in thousands)

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

	Business- College and University
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Assessments	
Receipts from Customers	\$437,845
Receipts from Interfund Services	
Receipts from Grants and Contributions	144,747
Payments to Suppliers	(227,897)
Payments to Employees	(594,187)
Payments for Interfund Services	
Payments for Benefits, Awards, and Claims	(58,402)
Other Payments	(9,531)
Other Receipts	10,127
Net Cash Provided (Used) by Operating Activities	(297,298)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Gifts, Grants, and Endowments Received	129,446
Intergovernmental Distributions	
Transfers In	280,543
Transfers Out	
Proceeds from Bonds, Notes, and Loans	113,316
Repayments of Bonds, Notes, and Loans	(107,816)
Interest Payments	
Net Cash Provided (Used) by Noncapital Financing Activities	415,489
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grants and Contributions	8,393
Principal Payments	(21,483)
Interest Payments	(20,090)
Proceeds from Disposition of Capital Assets	135
Acquisition and Construction of Capital Assets	(58,235)
Net Cash Provided (Used) by Capital and Related Financing Activities	(91,280)
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipt of Interest and Dividends	3,250
Purchase of Investments	(285,740)
Redemption of Investments	270,329
Other Investing Activities	6
Net Cash Provided (Used) by Investing Activities	(12,155)
Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash	14,756
Beginning Cash, Cash Equivalents, and Pooled Cash	196,301
Ending Cash, Cash Equivalents, and Pooled Cash	\$211,057
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(\$376,703)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	66,810
Maintenance Costs Paid by Department of Public Works	2,036
Net Changes in Assets and Liabilities:	
Accounts Receivable/Interfund Receivables	9,835
Inventories and Prepaid Items	3,717
Notes Receivable	(208)
Other Assets	(2,415)
Accounts Payable/Interfund Payables	2,999
Unearned Revenue	
Compensated Absences	(320)
Policy Claim Liabilities	
Other Accrued Liabilities	(3,049)
Net Cash Provided (Used) by Operating Activities	(\$297,298)
Noncash Transactions (dollars in thousands):	
Prior period adjustments for the restatement of pooled cash and investments was recorded in Unemployment Compensation for \$1,650, \$2,007 for the Loan Fund, \$377 for Nonmajor Enterprise funds, and \$1,604 for Internal Service funds. Investments increased in fair value by \$2,142 for colleges and universities and decreased by \$1,037 for Unemployment Compensation, \$306 for the Loan Fund, and \$78 for Internal Service funds. Colleges and universities acquired assets of \$3,766 through donations, \$3,465 through state capital appropriations, and disposed of capital assets at a loss of \$127. The Loan Fund had loan forgiveness in the amount of \$5,965. Nonmajor Enterprise funds recorded an interfund payable of \$47 due July 1, 2014, a prior period adjustment of \$1,188 to capital assets, disposed of capital assets at a loss of \$2 and assets at a loss of \$1. Internal Service funds disposed of capital assets at a loss of \$4 and had loan forgiveness of \$95.	

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

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

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

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

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

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

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

Several funds make up the Nonmajor Enterprise Funds column. To see greater detail of the individual funds aggregated in this column, turn to the combining financial statements (CAFR page 122).

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 126-127).

Type Activities--Enterprise Funds				Governmental Activities	
Unemployment Compensation	Loan	Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$271,130			\$271,130		
	\$3,044	\$379,253	820,142	\$15,193	
		3,907	3,907	249,247	
12,309	15,760		172,816	82	
(21)	(1,570)	(130,433)	(359,921)	(21,696)	
		(15,286)	(609,473)	(13,032)	
	(20)	(697)	(717)	(2,499)	
(135,186)		(133,263)	(326,851)	(232,253)	
			(9,531)		
			10,127		
148,232	17,214	103,481	(28,371)	(4,958)	
			129,446		
	(5,964)	(31,040)	(37,004)		
	13,884		294,427	2,738	
(13,068)	(2,164)	(77,460)	(92,692)	(202)	
			113,316		
(46,129)			(153,945)		
(5,372)			(5,372)		
(64,569)	5,756	(108,500)	248,176	2,536	
			8,393	20	
	(425)	(40)	(21,948)	(187)	
	(175)	(5)	(20,270)	(151)	
		9	144	1	
		(274)	(58,509)	(661)	
	(600)	(310)	(92,190)	(978)	
11,187	7,196	20	21,653	828	
	(53,146)		(338,886)	(705)	
47,945	18,781		337,055	95	
2,095	2,555	480	5,136	2,037	
61,227	(24,614)	500	24,958	2,255	
144,890	(2,244)	(4,829)	152,573	(1,145)	
356,135	78,695	70,051	701,182	63,484	
\$501,025	\$76,451	\$65,222	\$853,755	\$62,339	
\$120,438	\$17,584	\$105,792	(\$132,889)	(\$4,654)	
	207	1,337	68,354	1,728	
			2,036		
27,809	(325)	(200)	37,119	(116)	
		(4,232)	(515)	(176)	
			(208)		
	445	29	(1,941)	2	
	4	745	3,748	(84)	
(1,118)	(700)		(1,818)	1,844	
		(24)	(344)	35	
				(3,658)	
1,103	(1)	34	(1,913)	121	
\$148,232	\$17,214	\$103,481	(\$28,371)	(\$4,958)	

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

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

State of Idaho

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

The Investment Trust fund reports the portion of the State's investment pools that belongs to other governments, allowing localities to earn income from spare cash until it is needed. To learn more about the different funds combined in this column, turn to the Notes to the Financial Statements (CAFR page 47) and the combining financial statements (CAFR page 134).

(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
ASSETS				
Cash and Cash Equivalents	\$77,161		\$348	\$28,324
Pooled Cash and Investments	2,802			24,395
Investments:				
Pooled Short Term	407,452	\$202,286	11,175	
Fixed Income Investments	3,071,245	1,304,452		299,217
Marketable Securities	9,374,909			
Mutual Funds and Private Equities	1,857,605		292,045	
Mortgages and Real Estate	919,091	72,276		
Other Investments	3,037		8,298	
Securities Lending Collateral				21,601
Receivables:				
Investments Sold	139,230			
Contributions	4,846			
Interest and Dividends	38,407	2,542	13	96
Interfund Receivables	1,718			
Other Receivables	1,276			
Other Assets	57,928			
Capital Assets, Net	7,108			
Total Assets	15,963,815	1,581,556	311,879	\$373,633
LIABILITIES				
Accounts Payable	1,190	43	261	
Interfund Payables	1,718			
Due to Other Entities				\$952
Amounts Held in Trust for Others				350,574
Obligations Under Securities Lending				21,918
Investments Purchased	245,992		94	
Policy Claim Liabilities	2,139			
Other Accrued Liabilities	11,772	400		189
Total Liabilities	262,811	443	355	\$373,633
NET POSITION				
Held in Trust for:				
Employee Pension Benefits	15,285,828			
Postemployment Healthcare Benefits	414,309			
External Investment Pool Participants		1,581,113		
Trust Beneficiaries	867		311,524	
Total Net Position	\$15,701,004	\$1,581,113	\$311,524	

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 71-76) and the combining financial statements (CAFR pages 129-131).

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 136).

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, 2014

(dollars in thousands)

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

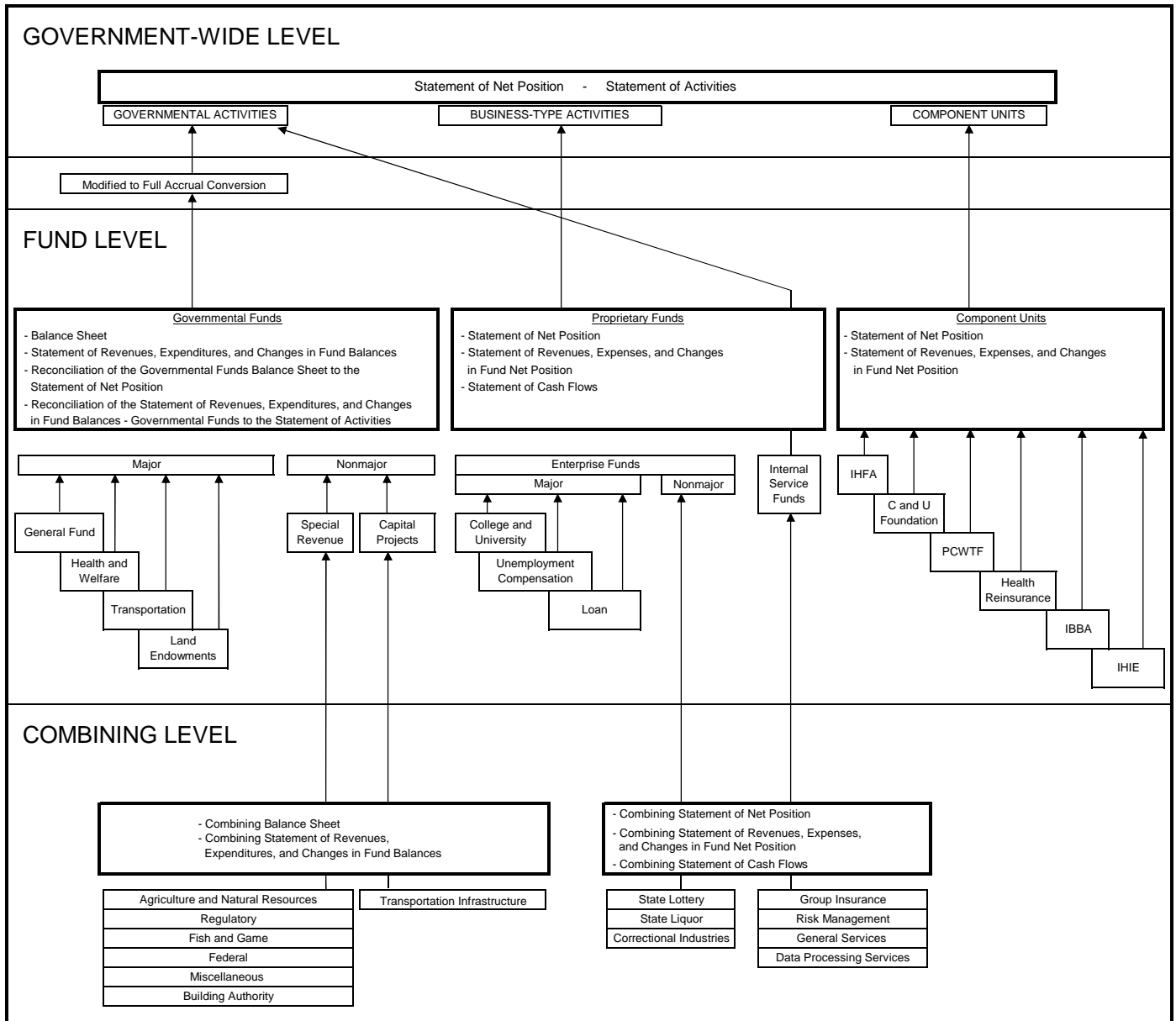
Additions increase the net position of a fiduciary fund and include contributions from employers, contributions from employees, and investment earnings.

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
ADDITIONS			
Contributions:			
Member	\$260,483		
Employer	375,888		
Transfers In from Other Plans	16,308		
Participant Deposits		\$3,378,012	\$41,809
Total Contributions	652,679	3,378,012	41,809
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	1,959,229	(6,550)	28,969
Interest, Dividends, and Other	356,697	12,790	5,985
Less Investment Expense:			
Investment Activity Expense	(48,780)	(579)	
Net Investment Income	2,267,146	5,661	34,954
Miscellaneous Income	2,139		
Total Additions	2,921,964	3,383,673	76,763
DEDUCTIONS			
Benefits and Refunds Paid to Plan Members	802,068		
Transfers Out to Other Plans	27,192		
Administrative Expense	10,115		1,819
Earnings Distribution		5,202	
Participant Withdrawals	11,590	3,351,704	25,505
Total Deductions	850,965	3,356,906	27,324
Change in Net Position Held in Trust for:			
Employee Pension Benefits	2,006,474		
Employee Postemployment Healthcare Benefits	64,598		
External Investment Pool Participants		26,767	
Trust Beneficiaries	(73)		49,439
Net Position - Beginning of Year	13,630,005	1,554,346	262,085
Net Position - End of Year	\$15,701,004	\$1,581,113	\$311,524

With the data in this statement, as well as the Notes (CAFR pages 71-76) and the Required Supplementary Information (CAFR page 104), 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 132-133).

CAFR Fund Structure



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