

A Reader's Guide

Understanding Idaho's Comprehensive Annual Financial Report (CAFR) For the Fiscal Year Ended June 30, 2016

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 page 14) 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, illustrated on page 8 of this guide, you will notice multiple fund balance categories. Governmental resource providers impose restrictions on how resources can be used. For example, when the federal government provides funding to the State for health and welfare initiatives 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), *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 funds with the most restrictions in place to those with the least restrictions.

- *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 38-106) 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 108-116) 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 119-147) 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 149-180) 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 \$1.6 billion for 2016 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 152-153, 156-159, and 162-163).
- **Individual and Corporate Income Tax Revenues** – Income tax revenues of \$1.5 billion for 2016, along with other state tax revenues, are presented on pages 16-17 of the CAFR. Income tax revenues decreased \$167.7 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 152-153 and 156-163).
- **Health and Human Services Spending** – Health and human services had \$2.7 billion in expenses in fiscal year 2016, a decrease of 2 percent over the prior fiscal year, due to decreased 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). The Department of Health and Welfare's budget is discussed in the transmittal letter (CAFR page vii).
- **Education** – Our policy makers debate education spending extensively each year. Education is important to us all, and it hits home with our children. You can see on CAFR pages 16-17 that education expenses (for kindergarten through 12th grade only) were \$2.0 billion in fiscal year 2016. You can also see that colleges and universities spent \$1.1 billion. Looking a bit further, you can see that colleges and universities generated revenues (over \$783.2 million—primarily from fees and federal grants) that offset their expenses, leaving a net expense of \$280.0 million, which was supported by general revenues. K through 12 education had less capacity to generate revenues, approximately \$275.5 million, leaving a net expense of \$1.7 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 142-143). Net position for the pension trust funds decreased \$15.3 million in fiscal year 2016. You can see on CAFR pages 140-143 that additions to these funds came from a variety of sources, most significantly: employer contributions (\$389.6 million); member contributions (\$285.2 million); decrease in fair value of investments (\$69.4 million) and an increase in interest, dividends, and other (\$350.3 million). Deductions were primarily for benefits and refunds paid to members (\$928.7 million). At \$15.9 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 77-84).
- **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 108-109. In fiscal year 2016 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 110-111. Comparisons between budget and actual amounts for the nonmajor governmental and major permanent funds are on CAFR pages 124-130. 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 11).

State of Idaho

Assets are presented in order of how readily they can be converted to cash. Cash is the most liquid; capital assets are least liquid.

Internal balances consist of short-term receivables and payables for activities occurring within the State.

Most capital assets are shown at their original purchase/construction cost, less annual depreciation charges accumulated over time. However, land and roadways are not depreciated. More information on capital assets and depreciation can be found in the Notes and Required Supplementary Information sections.

Deferred outflows of resources consist of costs related to debt defeasance and decreases in the fair value of hedging derivative instruments to be recognized in a future period. Pension contributions made subsequent to the actuarially-determined pension liability measurement date and the State's proportionate share of the total pension-related deferred outflows of resources are also included in this item.

Liabilities are shown in order of maturity or when cash is expected to be used to pay them.

Unearned revenues are resources received that have not yet met the criteria for being recorded as revenues.

The Notes provide information about the major types of long-term liabilities, purposes of liabilities, beginning and ending balances, and how major categories of liabilities have changed during the year.

Deferred inflows of resources consists of unavailable revenue, which is revenue that has been earned but is not available within 60 days, government mandated nonexchange transactions, the State's proportionate share of the total pension-related deferred inflows of resources, and increases in the fair value of hedging derivative instruments to be recognized in a future period.

Constraints on the use of net position that are imposed by creditors, grantors, contributors, or state law through the Idaho Constitution or legislation are listed separately as "restricted" to show net assets that are not available to support primary government programs.

Unrestricted net position may be used at the State's discretion but often have limitations on use based on state statutes.

Total assets + total deferred outflows of resources - total liabilities - total deferred inflows of resources = total net position
 $\$11,993,872 + \$208,755 - \$2,333,194 - \$193,379 = \$9,676,054$.

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.

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ASSETS

- Cash and Cash Equivalents
- Pooled Cash and Investments
- Investments
- Accounts Receivable, Net
- Taxes Receivable, Net
- Internal Balances
- Due from Other Entities
- Inventories and Prepaid Items
- Due from Primary Government
- Due from Component Unit
- Loans, Notes, and Pledges Receivable, Net
- Other Assets
- Restricted Assets:
 - Cash and Cash Equivalents
 - Investments
- Capital Assets:
 - Nondepreciable
 - Depreciable, Net

Total Assets

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows

Total Assets and Deferred Outflows of Resources

LIABILITIES

- Accounts Payable
- Payroll and Related Liabilities
- Medicaid Payable
- Due to Other Entities
- Unearned Revenue
- Amounts Held in Trust for Others
- Due to Primary Government
- Due to Component Unit
- Other Accrued Liabilities
- Long-Term Liabilities:
 - Due Within One Year
 - Due in More Than One Year

Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows

NET POSITION

- Net Investment in Capital Assets
- Restricted for:
 - Claims and Judgments
 - Debt Service
 - Transportation
 - Regulatory
 - Natural Resources and Recreation
 - Unemployment Compensation
 - Permanent Trust - Expendable
 - Permanent Trust - Nonexpendable
 - Other Purposes
- Unrestricted

Total Net Position

Total Liabilities, Deferred Inflows of Resources, and Net Position

Governmental Activities	
	\$ 8,054
	1,872,613
	2,071,003
	101,675
	499,677
	10,448
	303,914
	60,996
	8,731
	20,357
	121,619
	359,671
	4,828,458
	1,726,656
	<u>11,993,872</u>
	208,755
	<u>\$ 12,202,627</u>
	\$ 585,495
	56,879
	129,346
	100,965
	49,175
	32,662
	46,492
	240,953
	1,091,227
	<u>2,333,194</u>
	193,379
	5,802,364
	36,240
	4,657
	347,098
	85,734
	220,834
	476,691
	1,646,215
	205,455
	<u>850,766</u>
	9,676,054
	<u>\$ 12,202,627</u>

This statement can be found in the CAFR, page 14.

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.

Primary Government

Business-Type Activities		Total	Component Units
\$ 545,180	\$ 553,234	\$ 37,225	
200,789	2,073,402	1,487	
397,354	2,468,357	457,596	
132,742	234,417	23,912	
	499,677		
(10,448)	303,914	2,148	
30,156	91,152	720	
		639,782	
1,486	1,486		
384,652	393,383	1,038,978	
11,936	32,293	8,212	
105,434	227,053	195,269	
117,985	477,656	284,459	
177,582	5,006,040	21,821	
1,019,401	2,746,057	63,465	
3,114,249	15,108,121	2,775,074	
48,526	257,281	72,287	
<u>\$ 3,162,775</u>	<u>\$ 15,365,402</u>	<u>\$ 2,847,361</u>	
\$ 31,820	\$ 617,315	\$ 6,226	
44,344	101,223	891	
	129,346		
7,130	108,095		
41,590	90,765	7,358	
4,516	37,178	67,867	
		13,921	
168	168		
14,295	60,787	213,182	
41,323	282,276	286,607	
530,277	1,621,504	1,385,414	
715,463	3,048,657	1,981,466	
37,820	231,199		
755,531	6,557,895	42,617	
	36,240		
	4,657	135,356	
	347,098		
	85,734		
529,216	750,050		
700,344	700,344		
60,263	536,954	148,810	
	1,646,215	345,099	
60,313	265,768	144,047	
303,825	1,154,591	49,966	
2,409,492	12,085,546	865,895	
<u>\$ 3,162,775</u>	<u>\$ 15,365,402</u>	<u>\$ 2,847,361</u>	

This statement can be found in the CAFR, page 14.

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, 2016

(dollars in thousands)

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS				
Primary Government				
Governmental Activities				
General Government	\$ 487,106	\$ 82,079	\$ 68,707	
Public Safety and Correction	398,539	48,417	9,702	\$ 36
Health and Human Services	2,697,376	121,061	1,864,198	
Education	1,955,642	17,335	257,925	218
Economic Development	847,761	323,249	392,069	2,933
Natural Resources	278,100	191,327	84,243	7,834
Interest Expense	45,271			
Total Governmental Activities	6,709,795	783,468	2,676,844	11,021
Business-Type Activities				
College and University	1,063,222	491,169	274,858	17,200
Unemployment Compensation	108,187	189,219	3,918	
Loan	7,537	15,310	13,054	
State Lottery	185,115	236,819		
State Liquor	153,901	187,728		
Correctional Industries	8,960	9,586		
Total Business-Type Activities	1,526,922	1,129,831	291,830	17,200
Total Primary Government	\$ 8,236,717	\$ 1,913,299	\$ 2,968,674	\$ 28,221
Component Units				
Idaho Housing and Finance Association	\$ 175,644	\$ 139,570	\$ 45,720	
College and University Foundation	56,921	4,600	70,802	
Petroleum Clean Water Trust	2,542	2,728		
Health Reinsurance	1,638	6,748		
Bond Bank Authority	13,352	14,071		
Health Insurance Exchange	22,604	6,043	14,447	
Total Component Units	\$ 272,701	\$ 173,760	\$ 130,969	

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 \$2,697.4 million. The State raised \$121.1 million from charges for services, and received \$1,864.2 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 \$712.1 million is left. This is the portion of Health and Human Services costs financed with taxes and other general revenues, rather than being financed by the revenues generated by the services themselves.

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

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

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

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

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

Are programs self-supporting?

Governmental Activities	Business-Type Activities	Total	Component Units
\$ (336,320)		\$ (336,320)	
(340,384)		(340,384)	
(712,117)		(712,117)	
(1,680,164)		(1,680,164)	
(129,510)		(129,510)	
5,304		5,304	
(45,271)		(45,271)	
<u>(3,238,462)</u>		<u>(3,238,462)</u>	
	(279,995)	(279,995)	
	84,950	84,950	
	20,827	20,827	
	51,704	51,704	
	33,827	33,827	
	626	626	
	<u>(88,061)</u>	<u>(88,061)</u>	
\$ (3,238,462)	\$ (88,061)	\$ (3,326,523)	
		\$ 9,646	
		18,481	
		186	
		5,110	
		719	
		<u>(2,114)</u>	
		<u>32,028</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.

1,580,542		1,580,542	
1,518,740		1,518,740	
357,858		357,858	
229,430		229,430	
25,297		25,297	
18,735		18,735	
		-	
		-	
<u>(233,723)</u>	<u>233,723</u>		
<u>3,496,879</u>	<u>233,723</u>	<u>3,730,602</u>	
258,417	145,662	404,079	32,028
<u>9,417,637</u>	<u>2,263,830</u>	<u>11,681,467</u>	<u>833,867</u>
\$ <u>9,676,054</u>	\$ <u>2,409,492</u>	\$ <u>12,085,546</u>	\$ <u>865,895</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 \$258.4 million, and business-type activities' net position increased by \$145.7 million.

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

State of Idaho

**Balance Sheet
Governmental Funds
June 30, 2016**

(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 liabilities. Current financial resources are generally turned into cash or consumed within a year.

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 101-102.

	General	Health and Welfare
ASSETS		
Cash and Cash Equivalents	\$ 90	
Pooled Cash and Investments	1,304,995	\$ 26,492
Investments	32,236	
Accounts Receivable, Net	25,102	31,342
Taxes Receivable, Net	437,419	185
Interfund Receivables	7,338	13
Due from Other Entities		217,477
Inventories and Prepaid Items	10,530	9,036
Loans, Notes, and Pledges Receivable, Net	4,879	
Other Assets	1,597	79
Restricted Assets:		
Cash and Cash Equivalents	2,529	6,269
Investments	249,592	4,573
Total Assets	\$ 2,076,307	\$ 295,466
Liabilities		
Accounts Payable	\$ 476,052	\$ 23,674
Payroll and Related Liabilities	20,694	11,498
Medicaid Payable		129,346
Interfund Payables	2,198	2,762
Due to Other Entities	59,003	
Deferred Revenue	8,774	
Amounts Held in Trust for Others	24,729	6,781
Other Accrued Liabilities	2,278	5,257
Total Liabilities	593,728	179,318
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows	184,053	120,684
Fund Balances		
Nonspendable:		
Permanent Trusts		
Inventories and Prepaid Items	10,530	9,036
Noncurrent Receivables	50	
Restricted	298,798	
Committed	320,700	25
Assigned	111,168	
Unassigned	557,280	(13,597)
Total Fund Balances	1,298,526	(4,536)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,076,307	\$ 295,466

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 120-121.

	Land	Nonmajor	
Transportation	Endowments	Governmental	Total
\$ 6		\$ 7,958	\$ 8,054
179,323	42,108	277,085	1,830,003
112,294	1,809,742	84,066	2,038,338
14,543	14,103	16,449	101,539
55,506		6,567	499,677
45		787	8,183
27,207		59,230	303,914
21,041		16,229	56,836
316		3,536	8,731
889	5,551	1,999	10,115
41,449		35,132	85,379
		105,506	359,671
\$ 452,619	\$ 1,871,504	\$ 614,544	\$ 5,310,440
\$ 31,840	\$ 8,833	\$ 42,583	\$ 582,982
6,434		17,316	55,942
			129,346
198		1,856	7,014
41,960		2	100,965
13,427		7,410	29,611
46	3	1,103	32,662
5,124	1	4,402	17,062
99,029	8,837	74,672	955,584
3,479		22,563	330,779
	1,385,976	2,778	1,388,754
21,041		16,229	56,836
			50
326,187	476,691	400,059	1,501,735
2,883		96,294	419,902
		1,949	113,117
			543,683
350,111	1,862,667	517,309	4,024,077
\$ 452,619	\$ 1,871,504	\$ 614,544	\$ 5,310,440

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, 2016**

(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 \$ 4,024,077

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	\$ 1,085,831	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	1,046,080	
Infrastructure	3,791,617	
Historical Art and Collections	72	
Buildings and Improvements	976,850	
Improvements Other Than Buildings	116,234	
Machinery, Equipment, and Other	643,822	
Accumulated Depreciation	<u>(1,119,846)</u>	
Total Capital Assets		

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds. 16,695

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	4,460	
Hedging Derivatives	5,633	
Pension Related Deferrals	126,574	
Rension Contributions Subsequent to Measurement Date	<u>68,982</u>	
Total Deferred Outflows of Resources		205,649

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. 91,260

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	(53,141)	The government-wide Statement of Net Position reports long-term liabilities; the Governmental Funds Balance Sheet does not.
Bonds, Notes, and Capital Leases Payable	(756,938)	
Accrued Interest on Bonds	(29,307)	
Claims and Judgments	(169,115)	
Other Long-Term Liabilities	<u>(334,191)</u>	
Total Long-Term Liabilities		(1,342,692)

Deferred Inflows of Resources benefit future periods

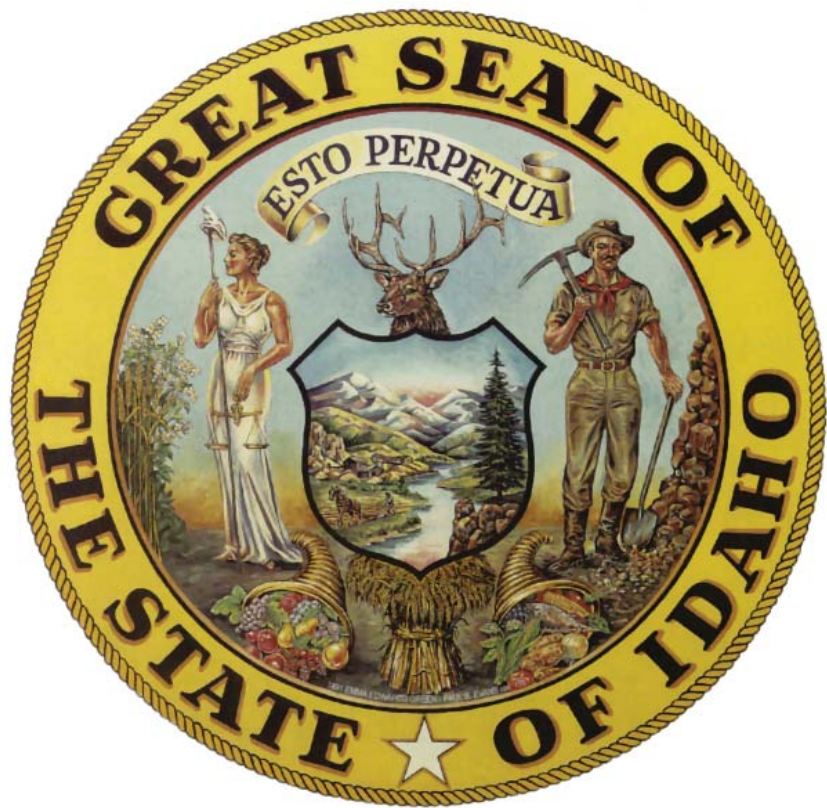
The deferred inflows of resources consist of the following:

Unavailable Revenue	326,440	
Pension Related Deferrals	<u>(186,035)</u>	
Total Deferred Inflows of Resources		<u>140,405</u>

Net Position - Governmental Activities \$ 9,676,054

The governmental funds total fund balance of \$4,024.1 million (see CAFR page 19) reconciles to the \$9,676.1 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, 2016

(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	\$ 1,572,965	
Individual and Corporate Taxes	1,696,814	
Other Taxes	58,274	\$ 26,523
Licenses, Permits, and Fees	23,001	22,956
Sale of Goods and Services	30,598	114,961
Grants and Contributions	12,327	1,867,457
Investment Income	16,318	918
Tobacco Settlement	25,297	
Other Income	44,038	440
Total Revenues	3,479,632	2,033,255
EXPENDITURES		
Current:		
General Government	133,860	
Public Safety and Correction	300,189	3,326
Health and Human Services	26,445	2,595,862
Education	1,690,567	
Economic Development	47,789	
Natural Resources	62,562	
Capital Outlay	49,300	12,050
Intergovernmental Revenue Sharing	252,426	58,838
Debt Service:		
Principal Retirement	987	
Interest and Other Charges	11,620	4
Total Expenditures	2,575,745	2,670,080
Revenues Over (Under) Expenditures	903,887	(636,825)
OTHER FINANCING SOURCES (USES)		
Bonds and Notes Issued		
Capital Lease Acquisitions	7	
Sale of Capital Assets	383	257
Transfers In	209,079	651,390
Transfers Out	(979,266)	(8,716)
Total Other Financing Sources (Uses)	(769,797)	642,931
Net Change in Fund Balances	134,090	6,106
Fund Balances - Beginning of Year, as Restated	1,164,436	(10,642)
Fund Balances - End of Year	\$ 1,298,526	\$ (4,536)

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 122 and 123.

	Land	Nonmajor	
Transportation	Endowments	Governmental	Total
		\$ 6,764	\$ 1,579,729
		20	1,696,834
\$ 353,945		148,697	587,439
173,447		170,854	390,258
8,330	\$ 80,261	37,874	272,024
301,637		499,990	2,681,411
5,244	(2,682)	14,754	34,552
			25,297
1,880	17	16,755	63,130
844,483	77,596	895,708	7,330,674
		69,923	203,783
		66,467	369,982
			2,622,307
		247,556	1,938,123
180,329		197,289	425,407
	32,978	153,131	248,671
337,638	77	42,365	441,430
181,563		54,945	547,772
29,186		8,773	38,946
29,232	4	6,549	47,409
757,948	33,059	846,998	6,883,830
86,535	44,537	48,710	446,844
		12,270	12,270
			7
18,943	26,901	1,158	47,642
570		41,326	902,365
(17,982)	(56,673)	(88,329)	(1,150,966)
1,531	(29,772)	(33,575)	(188,682)
88,066	14,765	15,135	258,162
262,045	1,847,902	502,174	3,765,915
\$ 350,111	\$ 1,862,667	\$ 517,309	\$ 4,024,077

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 positive changes in fund balances (revenues and other financing sources exceeded expenditures and other financing uses.)

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, 2016**

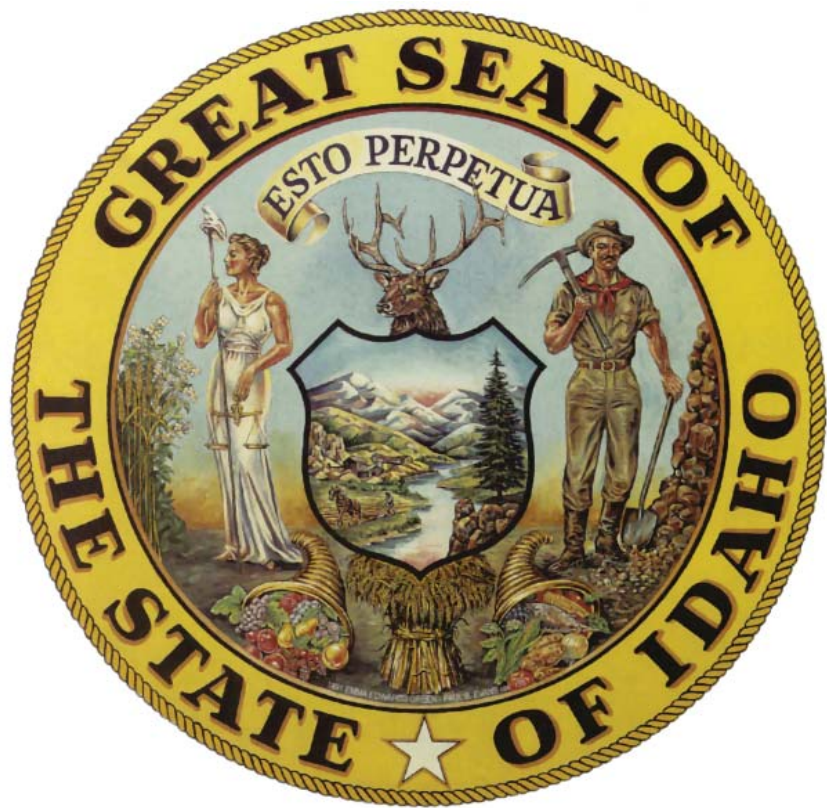
(dollars in thousands)

Net Change in Fund Balances - Governmental Funds	\$	258,162	
<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	\$	240,653	
Depreciation Expense		<u>(101,956)</u>	138,697
<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>			
			(11,805)
<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>			
			(180,724)
<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		(12,270)	
Capital Leases		<u>(7)</u>	(12,277)
<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		37,446	
Capital Leases		<u>1,500</u>	38,946
<p>Reduction in note principal not reported as an expenditure in governmental funds</p>			
			9,630
<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		2,393	
Compensated Absences		(4,103)	
Claims and Judgments		1,726	
Other Long-Term Liabilities		<u>10,048</u>	10,064
<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>			
			7,724
Change in Net Position - Governmental Activities	\$	<u>258,417</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).

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



State of Idaho

**Statement of Net Position
Proprietary Funds
June 30, 2016**

(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	\$ 82,641	\$ 459,956	\$ 92
Pooled Cash and Investments	154,082	2,123	22,724
Investments	83,489		
Restricted Investments			
Securities Lending Collateral			
Accounts Receivable, Net	72,652	56,895	1,409
Interfund Receivables	5,318	72	
Inventories and Prepaid Items	11,241		
Due from Component Unit	1,486		
Loans, Notes, and Pledges Receivable, Net	5,083		15,204
Other Current Assets	965	2	5,660
Total Current Assets	416,957	519,048	45,089
Noncurrent Assets			
Restricted Cash and Cash Equivalents	19,476		33,839
Investments	132,364	181,501	
Restricted Investments			117,985
Due from Component Unit			
Loans, Notes, and Pledges Receivable, Net	18,406		345,959
Other Noncurrent Assets	5,175		
Capital Assets, Net	1,152,160		32,116
Total Noncurrent Assets	1,327,581	181,501	529,899
Total Assets	1,744,538	700,549	574,988
Deferred Outflow of Resources			
Deferred Outflows	45,499		
Total Assets and Deferred Outflows of Resources	\$ 1,790,037	\$ 700,549	\$ 574,988
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 18,243		\$ 77
Payroll and Related Liabilities	43,342		
Interfund Payables	1,018		
Due to Other Entities			
Unearned Revenue	28,017		13,573
Amounts Held in Trust for Others	4,516		
Due to Component Unit	168		
Other Accrued Liabilities	10,717	\$ 205	7
Compensated Absences Payable	20,633		
Bonds, Notes, and Capital Leases Payable	19,922		
Policy Claim Liabilities			
Total Current Liabilities	146,576	205	13,657
Noncurrent Liabilities			
Bonds, Notes, and Capital Leases Payable	449,706		
Policy Claim Liabilities			
Other Long-Term Obligations	75,615		
Total Noncurrent Liabilities	525,321		
Total Liabilities	671,897	205	13,657
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows	34,753		
NET POSITION			
Net Investment in Capital Assets	710,804		32,115
Restricted for:			
Claims and Judgments			
Debt Service			
Unemployment Compensation		700,344	
Permanent Trust - Expendable	60,263		
Other Purposes			529,216
Unrestricted	312,320		
Total Net Position	1,083,387	700,344	561,331
Total Liabilities and Net Position	\$ 1,790,037	\$ 700,549	\$ 574,988

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 73-76) and the Required Supplementary Information (CAFR pages 111-112).

Additional details on noncurrent (long-term) liabilities can be found in the Notes to the Financial Statements (CAFR pages 45 and 93-100).

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 page 132).

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 page 136).

Nonmajor Enterprise Funds		Total	Internal Service Funds
\$ 2,491	\$ 545,180		
21,860	200,789	\$ 42,610	
	83,489		
1,786	132,742	136	
190	5,580	816	
18,915	30,156	4,161	
	1,486		
	20,287		
133	6,760	2,037	
45,375	1,026,469	49,760	
52,119	105,434	36,240	
	313,865	32,665	
	117,985		
	364,365		
1	5,176	5	
12,707	1,196,983	14,454	
64,827	2,103,808	83,364	
110,202	3,130,277	133,124	
3,027	48,526	3,106	
\$ 113,229	\$ 3,178,803	\$ 136,230	
\$ 13,500	\$ 31,820	\$ 2,517	
1,002	44,344	937	
6,515	7,533	32	
7,130	7,130		
	41,590	19,564	
	4,516		
	168		
3,366	14,295	123	
740	21,373	917	
28	19,950	261	
		2,818	
32,281	192,719	27,169	
68	449,774	2,003	
		7,986	
4,888	80,503	4,810	
4,956	530,277	14,799	
37,237	722,996	41,968	
3,067	37,820	3,002	
12,612	755,531	12,191	
		36,240	
	700,344		
	60,263		
60,313	589,529	39,309	
	312,320	3,520	
72,925	2,417,987	91,260	
\$ 113,229	\$ 3,178,803	\$ 136,230	

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 26 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, 2016

(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		\$ 174,575	
Licenses, Permits, and Fees	\$ 417,830		\$ 2,081
Scholarship Allowances	(78,307)		
Sale of Goods and Services	129,546		2,596
Grants and Contributions	147,255	3,918	13,054
Other Income	14,234	1	93
Total Operating Revenues	630,558	178,494	17,824
OPERATING EXPENSES			
Personnel Costs	652,250		
Services and Supplies	249,647	1	2,174
Benefits, Awards, and Premiums	57,373	104,911	
Depreciation	67,368		207
Other Expenses	17,453	3,274	1,772
Total Operating Expenses	1,044,091	108,186	4,153
Operating Income (Loss)	(413,533)	70,308	13,671
NONOPERATING REVENUES (EXPENSES)			
Gifts and Grants	127,603		
Investment Income	7,115	14,643	10,540
Interest Expense	(18,468)	(1)	(70)
Intergovernmental Distributions			(2,985)
Gain (Loss) on Sale of Capital Assets	(663)		
Other Nonoperating Revenues (Expenses)	751		(329)
Total Nonoperating Revenues (Expenses)	116,338	14,642	7,156
Income (Loss) Before Contributions and Transfers, and Special Item	(297,195)	84,950	20,827
Capital Contributions	17,200		
Transfers In	313,314		2,130
Transfers Out		(2,841)	(1,324)
Change in Net Position	33,319	82,109	21,633
Total Net Position - Beginning of Year, as Restated	1,050,068	618,235	539,698
Total Net Position - End of Year	\$ 1,083,387	\$ 700,344	\$ 561,331

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	
	\$ 174,575		
	419,911		
	(78,307)		
→ 433,150	565,292	\$ 310,828	
	164,227	64	
727	15,055	443	
433,877	1,260,753	311,335	
16,384	668,634	14,606	
136,860	388,682	20,807	
153,650	315,934	280,111	
1,283	68,858	1,559	
7,243	29,742	2,333	
315,420	1,471,850	319,416	
118,457	(211,097)	(8,081)	
	127,603		
169	32,467	1,366	
(9)	(18,548)	(142)	
(32,530)	(35,515)		
70	(593)	(298)	
	422	1	
(32,300)	105,836	927	
86,157	(105,261)	(7,154)	
	17,200		
→ (77,556)	315,444	14,878	
8,601	145,662	7,724	
64,324	2,272,325	83,536	
\$ 72,925	\$ 2,417,987	\$ 91,260	

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 133).

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 137).

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, 2016
(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	\$ 459,962
Receipts from Customers	143,592
Receipts from Interfund Services	(651,077)
Receipts from Grants and Contributions	(251,813)
Payments to Employees	(54,367)
Payments to Suppliers	13,321
Payments for Interfund Services	(11,019)
Payments for Benefits, Awards, and Claims	(351,401)
Other Receipts	(351,401)
Other Payments	(351,401)
Net Cash Provided (Used) by Operating Activities	(351,401)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Gifts, Grants, and Endowments Received	127,290
Intergovernmental Distributions	313,314
Transfers In	200,171
Transfers Out	(190,139)
Proceeds from Bonds, Notes, and Loans	200,171
Repayments of Bonds, Notes, and Loans	(190,139)
Interest Payments	(190,139)
Net Cash Provided (Used) by Noncapital Financing Activities	450,636
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grants and Contributions	10,872
Proceeds from Bonds and Notes	10,590
Principal Payments	(25,785)
Interest Payments	(19,802)
Proceeds from Disposition of Capital Assets	(84,673)
Acquisition and Construction of Capital Assets	(84,673)
Net Cash Provided (Used) by Capital and Related Financing Activities	(108,798)
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipt of Interest and Dividends	1,658
Purchase of Investments	(264,144)
Redemption of Investments	261,171
Other Investing Activities	(10,266)
Net Cash Provided (Used) by Investing Activities	(11,581)
Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash	(21,144)
Beginning Cash, Cash Equivalents, and Pooled Cash	277,343
Ending Cash, Cash Equivalents, and Pooled Cash	\$ 256,199
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(413,533)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	67,368
Maintenance Costs Paid by Department of Public Works	3,101
Net Changes in Assets and Liabilities:	
Accounts Receivable/Interfund Receivables	(4,888)
Inventories and Prepaid Items	(764)
Notes Receivable	(141)
Other Assets	(82)
Accounts Payable/Interfund Payables	1,972
Unearned Revenue	1,972
Compensated Absences	426
Policy Claim Liabilities	426
Other Accrued Liabilities	2,052
Net Changes in Deferred Outflows/Inflows of Resources	(6,912)
Net Cash Provided (Used) by Operating Activities	\$ (351,401)
Noncash Transactions (dollars in thousands):	
Investments increased in fair value by \$3,780 for colleges and universities, \$4,311 for Unemployment Compensation, \$1,079 for the Loan Fund, and \$299 for Internal Service funds. Prior period adjustment for restatement of net position due to an adjustment to capital assets for \$172 in Internal Service Funds. Colleges and universities acquired assets of \$2,037 through donations, \$1,067 through state capital appropriations, disposed of capital assets at a loss of \$156, and amortization of deferred amounts on refunding and bond premiums of \$570.	

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 134).

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 page 138).

Type Activities--Enterprise Funds			Governmental Activities	
Unemployment Compensation	Loan	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 181,163			\$ 181,163	
1	\$ 4,787	\$ 430,581	895,331	\$ 19,210
		4,449	4,449	297,711
3,918	13,054		160,564	64
		(16,473)	(667,550)	(14,713)
	(3,820)	(143,053)	(398,686)	(22,582)
	(47)	(903)	(950)	(1,509)
(102,964)		(152,814)	(310,145)	(280,611)
	93		13,414	
(3,275)	(2)	(333)	(14,629)	(1,632)
78,843	14,065	121,454	(137,039)	(4,062)
			127,290	
	(2,985)	(31,503)	(34,488)	
	2,130		315,444	14,878
(2,841)	(1,324)	(76,540)	(80,705)	
			200,171	
(50,075)			(240,214)	
(1,166)			(1,166)	(15)
(54,082)	(2,179)	(108,043)	286,332	14,863
			10,872	
			10,590	
	(2,394)	(27)	(28,206)	(234)
	(188)	(6)	(19,996)	(129)
		87	87	2
		(507)	(85,180)	(1,974)
	(2,582)	(453)	(111,833)	(2,335)
10,405	8,221	150	20,434	977
(119,075)	(47,425)		(430,644)	(602)
	18,675		279,846	
(825)	(593)	(150)	(11,834)	(627)
(109,495)	(21,122)		(142,198)	(252)
(84,734)	(11,818)	12,958	(104,738)	8,214
546,813	68,473	63,512	956,141	70,636
\$ 462,079	\$ 56,655	\$ 76,470	\$ 851,403	\$ 78,850
70,308	13,671	118,457	(211,097)	(8,081)
	207	1,283	68,858	1,559
			3,101	
	810	1,381	(2,697)	488
		(1,470)	(2,234)	(1,336)
			(141)	
8,484		105	8,507	1,230
	77	1,817	3,866	(1,245)
	(700)		(700)	3,931
		11	437	48
				(500)
51		1,730	3,833	(156)
		(1,860)	(8,772)	
\$ 78,843	\$ 14,065	\$ 121,454	\$ (137,039)	\$ (4,062)

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, 2016

(dollars in thousands)

The Investment Trust fund reports the portion of the State's investment pools that belongs to other governments, allowing localities to earn income from spare cash until it is needed. To learn more about the different funds combined in this column, turn to the Notes to the Financial Statements (CAFR page 47) and the combining financial statements (CAFR page 144).

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	\$ 2,979	\$ 4,803	\$ 394	\$ 24,190
Pooled Cash and Investments	2,906			28,794
Investments:				
Pooled Short Term	404,000	154,216	11,148	
Fixed Income Investments	3,543,380	1,750,890		376,632
Marketable Securities	8,926,486			
Mutual Funds and Private Equities	1,858,945		333,094	
Mortgages and Real Estate	1,151,951	63,831		
Other Investments	2,529		11,054	
Securities Lending Collateral				
Receivables:				
Investments Sold	170,259		28	
Contributions	6,258			
Interest and Dividends	45,026	2,317		89
Interfund Receivables	1,778			
Other Receivables	379			
Other Assets	66,193			
Capital Assets, Net	11,792			
Total Assets	16,194,861	1,976,057	355,718	\$ 429,705
LIABILITIES				
Accounts Payable	700	48	245	14
Interfund Payables	1,778			
Due to Other Entities				133
Amounts Held in Trust for Others				428,857
Obligations Under Securities Lending				
Unearned Revenue				
Investments Purchased	286,891		63	
Policy Claim Liabilities	1,872			
Other Accrued Liabilities	11,309	944		701
Total Liabilities	302,550	992	308	\$ 429,705
NET POSITION				
Held in Trust for:				
Employee Pension Benefits	15,447,665			
Postemployment Healthcare Benefits	443,028			
External Investment Pool Participants		1,975,065		
Trust Beneficiaries	1,618		355,410	
Total Net Position	\$ 15,892,311	\$ 1,975,065	\$ 355,410	

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 77-84) and the combining financial statements (CAFR pages 140-141).

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 146).

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, 2016

(dollars in thousands)

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

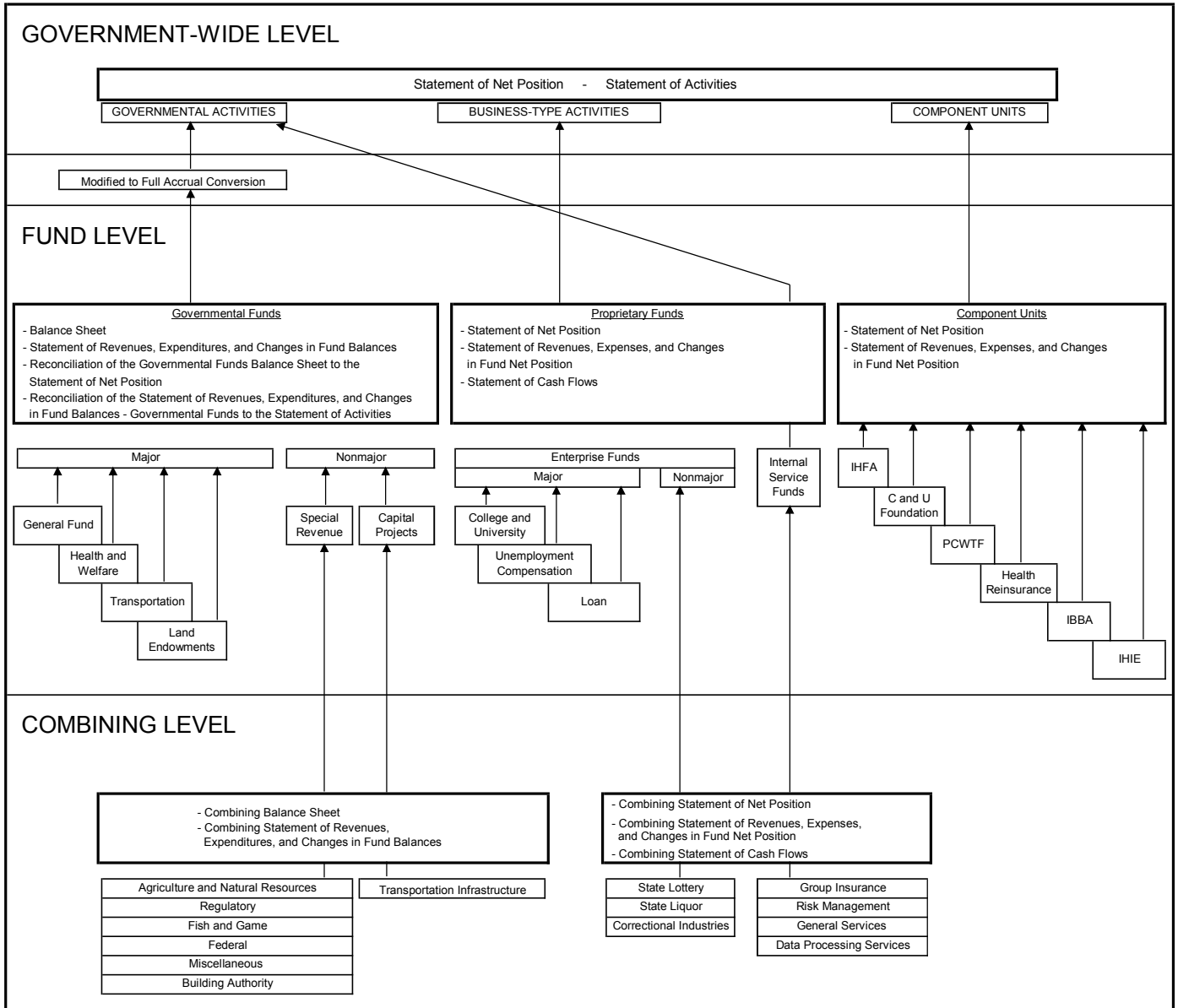
Additions increase the net position of a fiduciary fund and include contributions from employers, contributions from employees, and investment earnings.

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	\$ 285,219		
Employer	389,604		
Transfers In from Other Plans	38,732		
Participant Deposits		\$ 4,091,274	\$ 46,341
Total Contributions	713,555	4,091,274	46,341
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	(69,354)	1,001	(244)
Interest, Dividends, and Other	350,254	10,259	6,946
Less Investment Expense:			
Investment Activity Expense	(45,277)	(581)	
Securities Lending Interest Expense			
Net Investment Income	235,623	10,679	6,702
Miscellaneous Income	29		
Total Additions	949,207	4,101,953	53,043
DEDUCTIONS			
Benefits and Refunds Paid to Plan Members	928,700		
Transfers Out to Other Plans			
Administrative Expense	12,221		1,967
Earnings Distribution		8,781	
Participant Withdrawals	23,573	3,954,301	29,668
Total Deductions	964,494	3,963,082	31,635
Change in Net Position Held in Trust for:			
Employee Pension Benefits	(25,761)		
Employee Postemployment Healthcare Benefits	10,035		
External Investment Pool Participants		138,871	
Trust Beneficiaries	439		21,408
Net Position - Beginning of Year	15,907,598	1,836,194	334,002
Net Position - End of Year	\$ 15,892,311	\$ 1,975,065	\$ 355,410

With the data in this statement, as well as the Notes (CAFR pages 77-84) and the Required Supplementary Information (CAFR pages 111-115), 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 142-143).

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