

A Reader's Guide

Understanding Idaho's Comprehensive Annual Financial Report (CAFR) For the Fiscal Year Ended June 30, 2017

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. 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 38-113) 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 116-126) 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 129-157) 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 159-190) 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 2017 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 162-163, 166-169, and 172-173).
- **Individual and Corporate Income Tax Revenues** – Income tax revenues of \$1.8 billion for 2017, along with other state tax revenues, are presented on pages 16-17 of the CAFR. Income tax revenues increased \$329.5 million from the previous fiscal year. Additional data may be found on Schedules 2, 4, 5, 6, and 7 of the Statistical Section (CAFR pages 162-163 and 166-173).
- **Health and Human Services Spending** – Health and human services had \$2.7 billion in expenses in fiscal year 2017, a decrease of 1 percent over the prior fiscal year, due to a reduction in machinery and equipment purchases. 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 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 \$2.1 billion in fiscal year 2017. 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 \$791.8 million—primarily from fees and federal grants) that offset their expenses, leaving a net expense of \$314.7 million, which was supported by general revenues. K through 12 education had less capacity to generate revenues, approximately \$271.0 million, leaving a net expense of \$1.8 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 150-153). Net position for the pension trust funds increased \$1.7 billion in fiscal year 2017. You can see on CAFR pages 152-153 that additions to these funds came from a variety of sources, most significantly: employer contributions (\$415.1 million); member contributions (\$305.5 million); increase in fair value of investments (\$1.6 billion) and an increase in interest, dividends, and other (\$362.5 million). Deductions were primarily for benefits and refunds paid to members (\$972.7 million). At \$17.5 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 78-85).
- **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 116-117. In fiscal year 2017, 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 118-119. Comparisons between budget and actual amounts for the nonmajor governmental and major permanent funds are on CAFR pages 134-140. 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).

Statement of Net Position
June 30, 2017

(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.

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
\$12,212,238+\$215,727 - \$1,865,709-\$54,586 = \$10,507,670.

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
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

\$ 13,037
1,583,205
2,368,736
117,988
468,812
12,938
251,890
61,480

8,485
115,750

127,172
407,486

4,913,836
1,761,423
12,212,238

215,727

\$ 12,427,965

\$ 156,991
31,097
155,948
94,974
48,390
21,101

16,289

147,392
1,193,527
1,865,709

54,586

5,963,951

36,933
4,700
387,105
91,840
239,675

646,087
1,773,202
217,709
1,146,468

10,507,670

\$ 12,427,965

This statement can be found in the CAFR on 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
\$ 620,241	\$	633,278	\$ 50,045
199,158		1,782,363	2,777
439,271		2,808,007	544,638
137,518		255,506	42,257
		468,812	
(12,938)		251,890	
29,480		90,960	607
			604,527
2,443		2,443	
397,776		406,261	970,804
12,564		128,314	8,975
96,933		224,105	135,641
117,177		524,663	304,881
146,517		5,060,353	8,251
1,050,414		2,811,837	82,332
3,236,554		15,448,792	2,755,735
48,236		263,963	47,996
\$ 3,284,790	\$	15,712,755	\$ 2,803,731
\$ 30,611	\$	187,602	\$ 2,883
31,012		62,109	909
		155,948	
7,310		102,284	
44,478		92,868	5,821
3,994		25,095	87,847
			13,686
117		117	
11,634		27,923	200,311
41,946		189,338	305,854
571,188		1,764,715	1,234,821
742,290		2,607,999	1,852,132
10,397		64,983	1,484
764,323		6,728,274	43,872
		36,933	
		4,700	130,403
		387,105	
		91,840	
		239,675	
778,250		778,250	
58,584		704,671	172,236
		1,773,202	363,301
613,208		830,917	179,668
317,738		1,464,206	60,635
2,532,103		13,039,773	950,115
\$ 3,284,790	\$	15,712,755	\$ 2,803,731

This statement can be found in the CAFR on 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, 2017

(dollars in thousands)

		Program Revenues				
		Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS						
Primary Government						
Governmental Activities						
Functions show the major programs for which the State spends resources.	General Government	\$ 507,700	\$ 144,390	\$ 74,624	6,703	
	Public Safety and Correction	410,975	45,859	10,434		
	Health and Human Services	2,668,755	116,548	1,836,375		
	Education	2,089,048	14,691	256,273		
	Economic Development	862,427	325,848	366,138	1,207	
	Natural Resources	295,879	222,815	325,440	4,515	
	Interest Expense	15,879				
	Total Governmental Activities	6,850,663	870,151	2,869,284	12,425	
	Business-Type Activities					
	College and University	1,106,464	489,375	278,869	23,533	
Unemployment Compensation	108,022	189,816	3,135			
Loan	8,119	9,648	11,973			
State Lottery	192,314	240,686				
State Liquor	162,792	199,778				
Correctional Industries	9,102	9,911				
Total Business-Type Activities	1,586,813	1,139,214	293,977	23,533		
Total Primary Government		\$ 8,437,476	\$ 2,009,365	\$ 3,163,261	\$ 35,958	
Component Units						
Idaho Housing and Finance Association		\$ 167,491	\$ 150,362	\$ 49,651	2,130	
College and University Foundation		62,440	5,315	100,805		
Petroleum Clean Water Trust		2,616	2,793			
Health Reinsurance		819	744			
Bond Bank Authority		11,931	11,950			
Health Insurance Exchange		18,652	8,182	11,142		
Total Component Units		\$ 263,949	\$ 179,346	\$ 161,598	2,130	

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 \$2,668.8 million. The State raised \$116.5 million from charges for services, and received \$1,836.4 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 \$715.8 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

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

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 on 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
\$ (281,983)		\$ (281,983)	
(354,682)		(354,682)	
(715,832)		(715,832)	
(1,818,084)		(1,818,084)	
(169,234)		(169,234)	
256,891		256,891	
(15,879)		(15,879)	
(3,098,803)		(3,098,803)	
	(314,687)	(314,687)	
	84,929	84,929	
	13,502	13,502	
	48,372	48,372	
	36,986	36,986	
	809	809	
	(130,089)	(130,089)	
\$ (3,098,803)	\$ (130,089)	\$ (3,228,892)	
		\$ 34,652	
		43,680	
		177	
		(75)	
		19	
		672	
		79,125	

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.

1,636,125		1,636,125	
1,848,281		1,848,281	
331,399		331,399	
231,294		231,294	
22,964		22,964	
14,869		14,869	
(247,300)	247,300		
3,837,632	247,300	4,084,932	
738,829	117,211	856,040	79,125
9,768,841	2,414,892	12,183,733	870,990
\$ 10,507,670	\$ 2,532,103	\$ 13,039,773	\$ 950,115

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 \$738.8 million, and

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

*State of Idaho***Balance Sheet****Governmental Funds****June 30, 2017***(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.

	General		Health and Welfare	
ASSETS				
Cash and Cash Equivalents	\$	1,453		
Pooled Cash and Investments		978,473	\$	15,530
Investments		37,035		20
Accounts Receivable, Net		28,286		32,268
Taxes Receivable, Net		415,797		147
Interfund Receivables		7,789		14
Due from Other Entities				163,071
Inventories and Prepaid Items		11,257		7,861
Loans, Notes, and Pledges Receivable, Net		4,862		
Other Assets		4,842		138
Restricted Assets:				
Cash and Cash Equivalents		2,197		5,888
Investments		291,014		4,523
Total Assets	\$	1,783,005	\$	229,460
Liabilities				
Accounts Payable	\$	26,509	\$	21,659
Payroll and Related Liabilities		12,377		5,972
Medicaid Payable				155,948
Interfund Payables		1,343		1,986
Due to Other Entities		51,731		
Deferred Revenue		9,817		
Amounts Held in Trust for Others		12,471		7,523
Other Accrued Liabilities		2,583		1,448
Total Liabilities		116,831		194,536
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows		190,000		53,575
Fund Balances				
Nonspendable:				
Permanent Trusts				
Inventories and Prepaid Items		11,257		7,861
Noncurrent Receivables		50		
Restricted		349,697		
Committed		332,704		38
Assigned		115,618		
Unassigned		666,848		(26,550)
Total Fund Balances		1,476,174		(18,651)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	1,783,005	\$	229,460

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 104-105.

This statement can be found in the CAFR on 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 130-131.

Transportation		Land Endowments	Nonmajor Governmental	Total
\$	6		\$ 11,578	\$ 13,037
	188,210	79,761	282,757	1,544,731
	162,811	2,026,027	93,779	2,319,672
	17,627	18,793	20,893	117,867
	47,227		5,641	468,812
	22		1,287	9,112
	30,031		58,788	251,890
	20,508		17,837	57,463
	232		3,391	8,485
	1,684	7,732	2,887	17,283
	41,951		40,203	90,239
			111,949	407,486
\$	510,309	\$ 2,132,313	\$ 650,990	\$ 5,306,077
\$	45,039	\$ 19,819	\$ 43,103	\$ 156,129
	3,178		9,073	30,600
				155,948
	674		1,471	5,474
	43,241		2	94,974
	10,651		9,618	30,086
			1,107	21,101
	7,008	2	3,688	14,729
	109,791	19,821	68,062	509,041
	10,164		24,331	278,070
		1,466,405	7,298	1,473,703
	20,508		17,837	57,463
				50
	366,597	646,087	424,951	1,787,332
	3,249		106,856	442,847
			1,655	117,273
				640,298
	390,354	2,112,492	558,597	4,518,966
\$	510,309	\$ 2,132,313	\$ 650,990	\$ 5,306,077

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

State of Idaho

Reconciliation of the Governmental Funds Balance Sheet

To the Statement of Net Position

June 30, 2017

(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

\$ 4,518,966

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	\$ 1,100,813	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	1,085,052	
Infrastructure	3,835,244	
Historical Art and Collections	72	
Buildings and Improvements	983,566	
Improvements Other Than Buildings	128,927	
Machinery, Equipment, and Other	741,362	
Accumulated Depreciation	(1,213,950)	
Total Capital Assets		6,661,086

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

104,060

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	4,190	
Hedging Derivatives	3,756	
Pension Related Deferrals	130,332	
Rension Contributions Subsequent to Measurement Date	74,081	
Total Deferred Outflows of Resources		212,359

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.

107,925

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	(54,213)	The government-wide Statement of Net Position reports long-term liabilities; the Governmental Funds Balance Sheet does not.
Bonds, Notes, and Capital Leases Payable	(715,597)	
Accrued Interest on Bonds	(1,452)	
Claims and Judgments	(72,812)	
Other Long-Term Liabilities	(476,965)	
Total Long-Term Liabilities		(1,321,039)

Deferred Inflows of Resources benefit future periods

The deferred inflows of resources consist of the following:

Unavailable Revenue	275,599	
Pension Related Deferrals	(51,286)	
Total Deferred Inflows of Resources		224,313

Net Position - Governmental Activities

\$ 10,507,670

The governmental funds total fund balance of \$4,519.0 million (see CAFR page 19) reconciles to the \$10,507.7 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 on 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, 2017

(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.

REVENUES

	General	Health and Welfare
Sales Tax	\$ 1,631,295	
Individual and Corporate Taxes	1,854,351	
Other Taxes	59,845	\$ 26,584
Licenses, Permits, and Fees	25,421	20,891
Sale of Goods and Services	26,549	107,241
Grants and Contributions	16,262	1,906,929
Investment Income	47,915	134
Tobacco Settlement	22,964	
Other Income	36,623	(377)
Total Revenues	3,721,225	2,061,402

EXPENDITURES

Current:		
General Government	139,844	
Public Safety and Correction	316,286	3,734
Health and Human Services	24,696	2,647,877
Education	1,817,866	
Economic Development	48,163	
Natural Resources	55,636	
Capital Outlay	99,907	20,260
Intergovernmental Revenue Sharing	267,921	58,660
Debt Service:		
Principal Retirement	1,036	
Interest and Other Charges	11,035	
Total Expenditures	2,782,390	2,730,531
Revenues Over (Under) Expenditures	938,835	(669,129)

OTHER FINANCING SOURCES (USES)

Capital Lease Acquisitions		
Sale of Capital Assets	2,655	117
Transfers In	252,679	674,735
Transfers Out	(1,033,052)	(19,838)
Total Other Financing Sources (Uses)	(777,718)	655,014
Net Change in Fund Balances	161,117	(14,115)
Fund Balances - Beginning of Year, as Restated	1,315,057	(4,536)
Fund Balances - End of Year	\$ 1,476,174	\$ (18,651)

This statement can be found in the CAFR on 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 132 and 133.

	Land	Nonmajor	
Transportation	Endowments	Governmental	Total
		\$ 6,545	\$ 1,637,840
		24	1,854,375
\$ 324,198		152,160	562,787
180,060		179,291	405,663
7,717	\$ 72,613	36,283	250,403
271,017		509,516	2,703,724
385	234,110	14,003	296,547
			22,964
1,586	(137)	16,427	54,122
784,963	306,586	914,249	7,788,425
		68,223	208,067
		63,050	383,070
			2,672,573
		246,566	2,064,432
204,830		192,364	445,357
	37,305	163,904	256,845
287,998	6,832	28,860	443,857
192,895		61,089	580,565
30,365		9,163	40,564
27,380		5,982	44,397
743,468	44,137	839,201	7,139,727
41,495	262,449	75,048	648,698
		19	19
16,462	50,734	3,530	73,498
	3,727	46,661	977,802
(17,714)	(67,085)	(89,151)	(1,226,840)
(1,252)	(12,624)	(38,941)	(175,521)
40,243	249,825	36,107	473,177
350,111	1,862,667	522,490	4,045,789
\$ 390,354	\$ 2,112,492	\$ 558,597	\$ 4,518,966

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

These fund balances appear on the Governmental Funds Balance Sheet.

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

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, 2017

(dollars in thousands)

Net Change in Fund Balances - Governmental Funds	\$	473,177
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, these costs are allocated as depreciation expense. Capital outlays exceeded depreciation expense in the current year by the following amount:		
Capital Outlay	\$	246,509
Depreciation Expense		<u>(110,239)</u>
		136,270
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.		(7,218)
Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		(50,488)
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:		
Capital Leases		<u>(19)</u>
		(19)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consisted of:		
Bond and Note Principal		39,508
Capital Leases		<u>1,056</u>
		40,564
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Some expenditures reported in the governmental funds either increase or decrease long-term liabilities reported in the Statement of Net Position. In the current year these amounts consisted of:		
Accrued Interest and Amortization		28,306
Compensated Absences		(1,072)
Claims and Judgments		96,303
Other Long-Term Liabilities		<u>6,341</u>
		129,878
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.		16,665
Change in Net Position - Governmental Activities	\$	<u>738,829</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 on page 25.

*State of Idaho***Statement of Net Position
Proprietary Funds
June 30, 2017***(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
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ASSETS**Current Assets**

Cash and Cash Equivalents	\$ 95,461	\$ 522,185	\$ 92
Pooled Cash and Investments	145,725	4,967	24,736
Investments	69,953		
Accounts Receivable, Net	76,246	58,112	1,420
Interfund Receivables	3,443	124	
Inventories and Prepaid Items	9,449		
Due from Component Unit	2,443		
Loans, Notes, and Pledges Receivable, Net	4,663		18,634
Other Current Assets	1,053	18	5,793
Total Current Assets	408,436	585,406	50,675

Noncurrent Assets

→ Restricted Cash and Cash Equivalents	7,371		40,188
Investments	175,910	193,408	
Restricted Investments			117,177
Loans, Notes, and Pledges Receivable, Net	19,009		355,470
Other Noncurrent Assets	5,463		
→ Capital Assets, Net	1,154,287		30,521
Total Noncurrent Assets	1,362,040	193,408	543,356
Total Assets	1,770,476	778,814	594,031

Deferred Outflow of Resources

Deferred Outflows

Total Assets and Deferred Outflows of Resources	\$ 1,815,460	\$ 778,814	\$ 594,031
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LIABILITIES**Current Liabilities**

Accounts Payable	\$ 18,012	19	\$ 273
Payroll and Related Liabilities	30,496		
Interfund Payables	1,556		
Due to Other Entities			
Unearned Revenue	31,605		12,873
Amounts Held in Trust for Others	3,994		
Due to Component Unit	117		
Other Accrued Liabilities	8,581	\$ 545	5
Compensated Absences Payable	21,936		
Bonds, Notes, and Capital Leases Payable	19,225		
Policy Claim Liabilities			
Total Current Liabilities	135,522	564	13,151

Noncurrent Liabilities

→ Bonds, Notes, and Capital Leases Payable	458,975		
→ Policy Claim Liabilities			
→ Other Long-Term Obligations	104,780		
Total Noncurrent Liabilities	563,755		
Total Liabilities	699,277	564	13,151

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows	9,569		
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NET POSITION

Net Investment in Capital Assets	721,797		30,520
Restricted for:			
Claims and Judgments			
Unemployment Compensation		778,250	
Permanent Trust - Expendable	58,584		
Other Purposes			550,360
Unrestricted	326,233		
Total Net Position	1,106,614	778,250	580,880
Total Liabilities and Net Position	\$ 1,815,460	\$ 778,814	\$ 594,031

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 on 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 142).

**Governmental
Activities**

Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 2,503	\$ 620,241	
23,730	199,158	\$ 38,474
	69,953	
1,740	137,518	121
185	3,752	805
20,031	29,480	4,017
	2,443	
	23,297	
229	7,093	2,889
48,418	1,092,935	46,306
49,374	96,933	36,933
	369,318	49,064
	117,177	
	374,479	
8	5,471	14
12,123	1,196,931	14,173
61,505	2,160,309	100,184
109,923	3,253,244	146,490
3,252	48,236	3,368
\$ 113,175	\$ 3,301,480	\$ 149,858
\$ 12,307	\$ 30,611	\$ 865
516	31,012	497
6,639	8,195	
7,310	7,310	
	44,478	18,304
	3,994	
	117	
2,503	11,634	108
734	22,670	959
51	19,276	289
		3,000
30,060	179,297	24,022
64	459,039	1,714
		8,138
7,369	112,149	7,232
7,433	571,188	17,084
37,493	750,485	41,106
828	10,397	827
12,006	764,323	12,659
		36,933
	778,250	
	58,584	
62,848	613,208	54,366
	326,233	3,967
74,854	2,540,598	107,925
\$ 113,175	\$ 3,301,480	\$ 149,858

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 146).

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, 2017

(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		\$ 183,811	
Licenses, Permits, and Fees	\$ 427,381		\$ 2,566
Scholarship Allowances	(83,220)		
Sale of Goods and Services	128,879		2,079
Grants and Contributions	154,385	3,135	11,973
Other Income	14,681	(8)	(117)
Total Operating Revenues	642,106	186,938	16,501
OPERATING EXPENSES			
Personnel Costs	686,974		
Services and Supplies	255,080	2	1,046
Benefits, Awards, and Premiums	60,222	108,034	
Depreciation	68,465		226
Other Expenses	17,152	(14)	345
Total Operating Expenses	1,087,893	108,022	1,617
Operating Income (Loss)	(445,787)	78,916	14,884
NONOPERATING REVENUES (EXPENSES)			
Gifts and Grants	124,484		
Investment Income	1,478	6,013	5,120
Interest Expense	(17,274)		
Intergovernmental Distributions			(2,136)
Gain (Loss) on Sale of Capital Assets	(1,297)		(4,366)
Other Nonoperating Revenues (Expenses)	176		
Total Nonoperating Revenues (Expenses)	107,567	6,013	(1,382)
Income (Loss) Before Contributions and Transfers, and Special Item	(338,220)	84,929	13,502
Capital Contributions	23,533		
Transfers In	338,644	781	2,167
Transfers Out	(730)	(7,804)	(1,520)
Change in Net Position	23,227	77,906	14,149
Total Net Position - Beginning of Year, as Restated	1,083,387	700,344	566,731
Total Net Position - End of Year	\$ 1,106,614	\$ 778,250	\$ 580,880

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.

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

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	
\$	\$ 183,811		
\$	429,947		
	(83,220)		
→ 449,445	580,403	\$ 331,859	
	169,493	151	
776	15,332	395	
450,221	1,295,766	332,405	
17,306	704,280	14,849	
143,056	399,184	18,572	
160,305	328,561	278,251	
1,196	69,887	1,179	
7,628	25,111	5,370	
329,491	1,527,023	318,221	
120,730	(231,257)	14,184	
	124,484		
119	12,730	849	
(8)	(17,282)	(93)	
(34,709)	(36,845)		
35	(5,628)	(7)	
	176	(6)	
(34,563)	77,635	743	
86,167	(153,622)	14,927	
	23,533		
→ (84,238)	341,592	1,738	
	(94,292)		
1,929	117,211	16,665	
72,925	2,423,387	91,260	
\$ 74,854	\$ 2,540,598	\$ 107,925	
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 143).			
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 147).			

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.

State of Idaho

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2017
(dollars in thousands)

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

	Business- College and University
Operating activities relate to providing services and the production and sales of goods.	CASH FLOWS FROM OPERATING ACTIVITIES
	Receipts from Assessments \$ 463,305
	Receipts from Customers
	Receipts from Interfund Services 150,002
	Receipts from Grants and Contributions (692,176)
	Payments to Employees (263,086)
	Payments to Suppliers
	Payments for Interfund Services
	Payments for Benefits, Awards, and Claims (53,458)
	Other Receipts 13,479
	Other Payments (9,689)
	Net Cash Provided (Used) by Operating Activities (391,623)
	CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES
Noncapital financing activities relate to grants, transfers, and borrowing money for purposes other than buying or building capital assets.	Gifts, Grants, and Endowments Received 125,422
	Intergovernmental Distributions
	Transfers In 338,644
	Transfers Out (730)
	Proceeds from Bonds, Notes, and Loans 181,199
	Repayments of Bonds, Notes, and Loans (177,043)
	Interest Payments
Capital and related financing activities relate to receipt and use of cash for purchase or construction of capital assets.	Net Cash Provided (Used) by Noncapital Financing Activities 467,492
	CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
	Capital Grants and Contributions 14,303
	Proceeds from Bonds and Notes 77,755
	Principal Payments (66,376)
	Interest Payments (16,466)
	Proceeds from Disposition of Capital Assets 44
Investing activities relate to the sale, purchase, and earnings from investments.	Acquisition and Construction of Capital Assets (64,165)
	Net Cash Provided (Used) by Capital and Related Financing Activities (54,905)
	CASH FLOWS FROM INVESTING ACTIVITIES
	Receipt of Interest and Dividends 3,293
	Purchase of Investments (319,959)
	Redemption of Investments 288,706
	Other Investing Activities (646)
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.	Net Cash Provided (Used) by Investing Activities (28,606)
	Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash (7,642)
	Beginning Cash, Cash Equivalents, and Pooled Cash 256,199
	Ending Cash, Cash Equivalents, and Pooled Cash \$ 248,557
	Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities
	Operating Income (Loss) (445,787)
	Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:
	Depreciation and Amortization 68,465
	Maintenance Costs Paid by Department of Public Works 1,526
	Net Changes in Assets and Liabilities:
Noncash transactions are not reported on the Statement of Revenues, Expenses, and Changes in Fund Net Position or in the Statement of Cash Flows.	Accounts Receivable/Interfund Receivables (5,774)
	Inventories and Prepaid Items 1,800
	Notes Receivable (147)
	Other Assets 325
	Accounts Payable/Interfund Payables (1,102)
	Unearned Revenue
	Compensated Absences 1,284
	Policy Claim Liabilities
	Other Accrued Liabilities (4,715)
	Net Changes in Deferred Outflows/Inflows of Resources (7,498)
	Net Cash Provided (Used) by Operating Activities \$ (391,623)
	Noncash Transactions (dollars in thousands):

Investments decreased in fair value by \$2,128 for colleges and universities, \$5,831 for Unemployment Compensation, \$2,861 for the Loan Fund, and \$816 for Internal Service funds. Colleges and universities acquired assets of \$4,074 through donations, \$1,141 through state capital appropriations, disposed of capital assets at a loss of \$1,722, and amortization of deferred amounts on refunding and bond premiums of \$433.

This statement can be found in the CAFR on 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 144).

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 148).

Type Activities--Enterprise Funds			Governmental Activities	
Unemployment Compensation	Loan	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 181,368		\$ 445,720	\$ 181,368	
	\$ 3,934	4,501	912,959	\$ 20,587
			4,501	309,930
3,135	11,973		165,110	151
		(17,772)	(709,948)	(15,271)
(2)	(834)	(151,530)	(415,452)	(23,370)
	(48)	(997)	(1,045)	(1,668)
(106,501)		(161,567)	(321,526)	(277,917)
14			13,493	55
(8)	(430)	(196)	(10,323)	(636)
78,006	14,595	118,159	(180,863)	11,861
			125,422	
	(2,136)	(34,529)	(36,665)	
781	2,167		341,592	1,738
(7,804)	(1,520)	(84,031)	(94,085)	
			181,199	
			(177,043)	
				(1)
(7,023)	(1,489)	(118,560)	340,420	1,737
			14,303	
		66	77,821	
		(46)	(66,422)	(261)
		(8)	(16,474)	(107)
		35	79	1
	(497)	(611)	(65,273)	(912)
	(497)	(564)	(55,966)	(1,279)
11,828	7,848	102	23,071	1,457
(17,738)	(36,298)		(373,995)	(17,698)
	24,204		312,910	483
	(2)		(648)	(4)
(5,910)	(4,248)	102	(38,662)	(15,762)
65,073	8,361	(863)	64,929	(3,443)
462,079	56,655	76,470	851,403	78,850
\$ 527,152	\$ 65,016	\$ 75,607	\$ 916,332	\$ 75,407
78,916	14,884	120,730	(231,257)	14,184
	226	1,196	69,887	1,179
			1,526	
	(11)	51	(5,734)	26
		(712)	1,088	144
			(147)	
(1,269)		(491)	(1,435)	(648)
	196	(2,235)	(3,141)	(1,684)
19	(700)		(681)	(1,260)
		(4)	1,280	42
				334
340		1,614	(2,761)	(456)
		(1,990)	(9,488)	
\$ 78,006	\$ 14,595	\$ 118,159	\$ (180,863)	\$ 11,861

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

Noncash Transactions (dollars in thousands):

The Loan Fund had loan forgiveness in the amount of \$2,136 and capitalized interest of \$877. Nonmajor Enterprise funds disposed of an asset at a loss of \$17. The Internal Service funds disposed of capital assets at a loss of \$7. Nonmajor Enterprise funds recorded an interfund payable of \$207 due on July 1, 2017, and issued bonds and notes for \$66.

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

State of Idaho

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

(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 154).

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	\$ 2,201	\$ 5,723	\$ 503	\$ 23,112
Pooled Cash and Investments	2,506			25,840
Investments:				
Pooled Short Term	228,082	396,550	11,771	
Fixed Income Investments	4,177,239	1,827,336		409,070
Marketable Securities	9,768,583			
Mutual Funds and Private Equities	1,993,098		384,750	
Mortgages and Real Estate	1,290,208	56,481		
Other Investments	2,229		12,378	
Receivables:				
Investments Sold	75,939		67	
Contributions	4,428			
Interest and Dividends	50,575	5,708		158
Interfund Receivables	2,137			
Other Receivables	405			
Other Assets	69,782			
Capital Assets, Net	11,982			
Total Assets	17,679,394	2,291,798	409,469	\$ 458,180
LIABILITIES				
Accounts Payable	913	24	285	161
Interfund Payables	2,137			
Due to Other Entities				238
Amounts Held in Trust for Others				457,123
Investments Purchased	114,076		87	
Policy Claim Liabilities	2,128			
Other Accrued Liabilities	11,782	1,895		658
Total Liabilities	131,036	1,919	372	\$ 458,180
NET POSITION				
Held in Trust for:				
Employee Pension Benefits	17,043,808			
Postemployment Healthcare Benefits	503,217			
External Investment Pool Participants		2,289,879		
Trust Beneficiaries	1,333		409,097	
Total Net Position	\$ 17,548,358	\$ 2,289,879	\$ 409,097	

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 78-85) and the combining financial statements (CAFR pages 150-151).

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 156).

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

State of Idaho

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2017

(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.

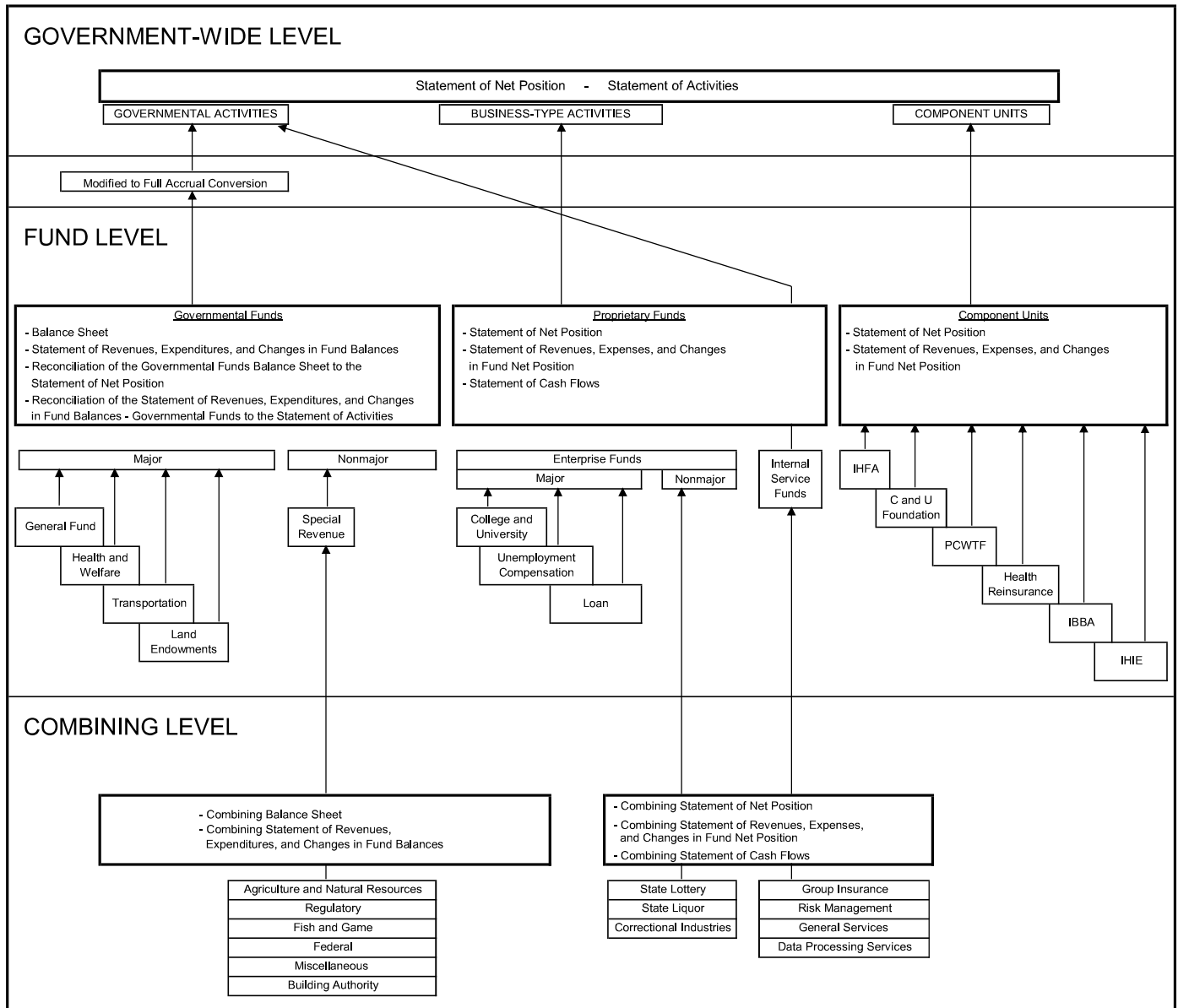
Deductions reduce net position and primarily take the form of benefit payments, distributions to participants, and general administrative costs.

	Pension Trust	Investment Trust	College Savings Private-Purpose Trust
ADDITIONS			
Contributions:			
Member	\$ 305,477		
Employer	415,080		
Transfers In from Other Plans	25,102		
Participant Deposits		\$ 4,452,105	\$ 51,658
Total Contributions	745,659	4,452,105	51,658
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	1,603,098	(16,394)	26,963
Interest, Dividends, and Other	362,515	15,822	8,278
Less Investment Expense:			
Investment Activity Expense	(48,806)	(305)	
Securities Lending Interest Expense			
Net Investment Income	1,916,807	(877)	35,241
Miscellaneous Income	36		
Total Additions	2,662,502	4,451,228	86,899
DEDUCTIONS			
Benefits and Refunds Paid to Plan Members	972,712		
Transfers Out to Other Plans			
Administrative Expense	13,008		1,736
Earnings Distribution		16,799	
Participant Withdrawals	20,735	4,119,615	31,476
Total Deductions	1,006,455	4,136,414	33,212
Change in Net Position Held in Trust for:			
Employee Pension Benefits	1,596,143		
Employee Postemployment Healthcare Benefits	60,189		
External Investment Pool Participants		314,814	
Trust Beneficiaries	(285)		53,687
Net Position - Beginning of Year	15,892,311	1,975,065	355,410
Net Position - End of Year	\$ 17,548,358	\$ 2,289,879	\$ 409,097

With the data in this statement, as well as the Notes (CAFR pages 78-85) and the Required Supplementary Information (CAFR pages 121-123), 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 152-153).

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

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