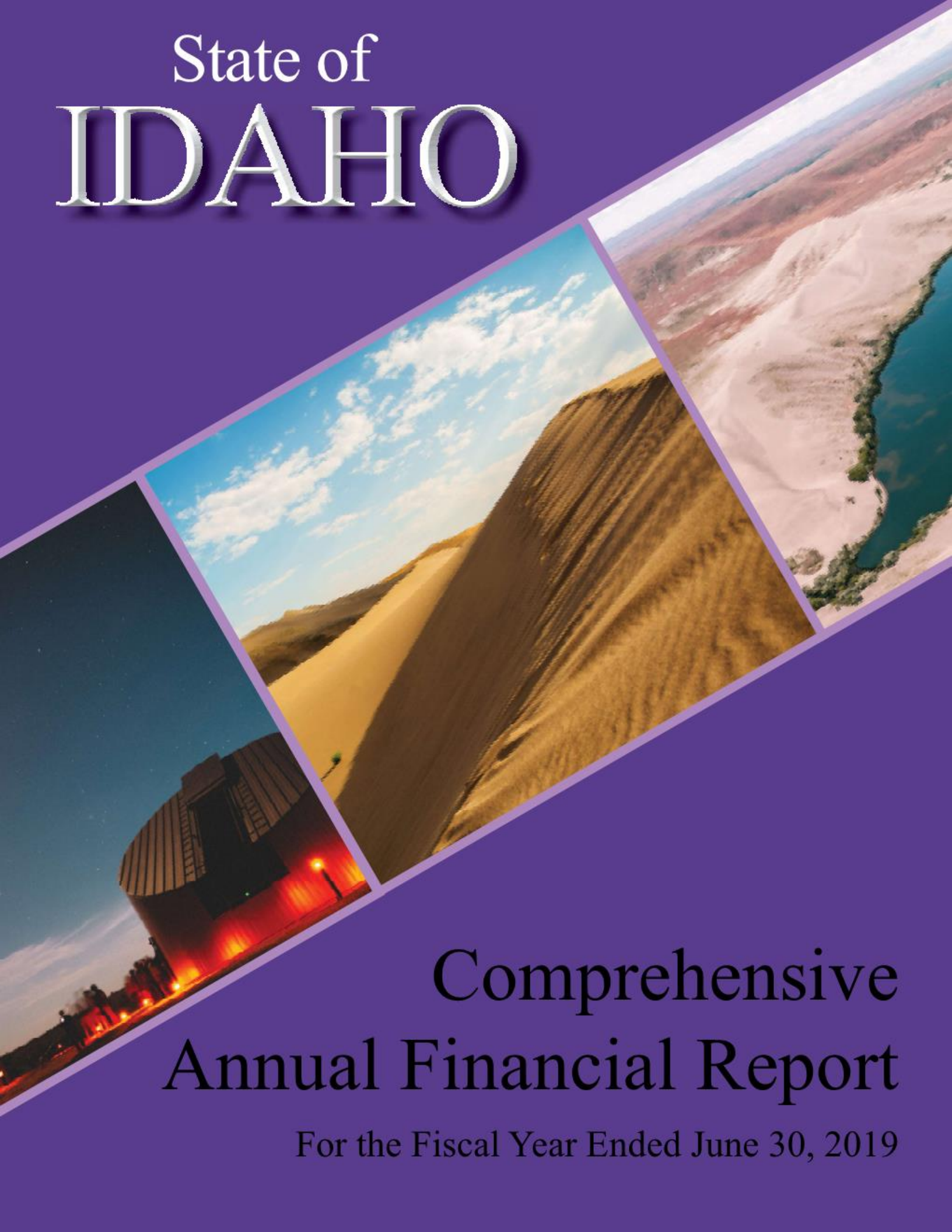


# State of IDAHO



## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

# Castle Rocks State Park

All photos courtesy of Idaho Tourism



On the Cover:  
Bruneau Dunes State Park

All photos courtesy of Idaho Tourism



State of  
**IDAHO**  
Comprehensive Annual Financial Report



For the Fiscal Year Ended June 30, 2019

Brad Little  
Governor

Brandon D Woolf  
State Controller

Prepared by the Office of the State Controller  
*This document and related information are available at [www.sco.idaho.gov](http://www.sco.idaho.gov)*



Brandon D Woolf, MBA  
State Controller

## ACKNOWLEDGMENTS:

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Sandra Tisdale, CFE

Thanks and appreciation to the Bureaus of Accounting Operations, Systems Administration, and Application Development in the Office of the State Controller.

Special appreciation to all fiscal and accounting personnel throughout the State whose efforts to contribute accurate, timely financial data for their agencies make this report possible.





# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

IDAHO

## Table of Contents

### ***Introductory Section***

State Controller's Letter of Transmittal .....	vi
Certificate of Achievement for Excellence in Financial Reporting .....	ix
State Government Organization Chart .....	x
Statewide Elected Officials .....	xi

### ***Financial Section***

Independent Auditor's Report .....	2
Management's Discussion and Analysis .....	5

### **Basic Financial Statements**

Government-Wide Financial Statements	
Statement of Net Position .....	14
Statement of Activities .....	16
Governmental Funds Financial Statements	
Balance Sheet .....	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities .....	25
Proprietary Funds Financial Statements	
Statement of Net Position .....	26
Statement of Revenues, Expenses, and Changes in Fund Net Position .....	28
Statement of Cash Flows .....	30
Fiduciary Funds Financial Statements	
Statement of Fiduciary Net Position .....	32
Statement of Changes in Fiduciary Net Position .....	33
Component Units	
Statement of Net Position .....	34
Statement of Revenues, Expenses, and Changes in Fund Net Position .....	36
Index for Notes to the Financial Statements .....	38
Notes to the Financial Statements .....	39

### **Required Supplementary Information**

Budgetary Comparison Schedule - General Fund and Major Special Revenue Funds .....	122
Note to Budgetary Reporting .....	124
Infrastructure - Modified Approach Reporting .....	125
Pension - Schedules and Note .....	128
Other Postemployment Benefits - Schedules .....	131

### **Combining Financial Statements**

Nonmajor Governmental Funds	
Narrative .....	139
Balance Sheet .....	140
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	142
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual .....	144



# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

IDAHO

## Nonmajor Enterprise Funds

Narrative .....	151
Statement of Net Position .....	152
Statement of Revenues, Expenses, and Changes in Fund Net Position .....	153
Statement of Cash Flows .....	154

## Internal Service Funds

Narrative .....	155
Statement of Net Position .....	156
Statement of Revenues, Expenses, and Changes in Fund Net Position .....	157
Statement of Cash Flows .....	158

## Fiduciary Funds

Narrative .....	159
Statement of Fiduciary Net Position - Pension and Other Employee Benefit Trust Funds .....	160
Statement of Changes in Fiduciary Net Position - Pension and Other Employee Benefit Trust Funds .....	162
Statement of Fiduciary Net Position - Investment Trust Funds .....	164
Statement of Changes in Fiduciary Net Position - Investment Trust Funds .....	165
Statement of Assets and Liabilities - Agency Fund .....	166
Statement of Changes in Assets and Liabilities - Agency Fund .....	167

## ***Statistical Section***

Index to the Statistical Section .....	169
Schedule 1 - Net Position by Component .....	170
Schedule 2 - Changes in Net Position .....	172
Schedule 3 - Fund Balances - Governmental Funds .....	174
Schedule 4 - Changes in Fund Balances - Governmental Funds .....	176
Schedule 5 - Revenue Base .....	178
Schedule 6 - Revenue Rates .....	180
Schedule 7 - Revenue Payers by Industry/Category .....	182
Schedule 8 - Outstanding Debt Ratios .....	184
Schedule 9 - Other Long-Term Liabilities .....	185
Schedule 10 - Pledged Revenue Coverage .....	186
Schedule 11 - Demographic and Economic Indicators .....	188
Schedule 12 - Principal Employers .....	190
Schedule 13 - Education Enrollment .....	190
Schedule 14 - State Employees by Function .....	191
Schedule 15 - Operating Indicators by Function .....	192
Schedule 16 - Capital Assets by Function .....	194
Schedule 17 - Assets, Liabilities, and Fund Balances - General Fund Accounts .....	196
Schedule 18 - Revenues, Expenditures, and Changes in Fund Balances - General Fund Accounts .....	198
Schedule 19 - Miscellaneous Statistics .....	200

# Introductory Section



Old Mission State Park





December 20, 2019

To: The Citizens, Governor, and Members of the Idaho State Legislature

As the State's Chief Fiscal Officer, I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019, in accordance with Idaho Code Section 67-1001. This report represents Idaho's continued commitment to sound and effective fiscal management and responsible financial reporting based on generally accepted accounting principles (GAAP) established by the Governmental Accounting Standards Board.

The Office of the State Controller assumes responsibility for both the reliability and completeness of the information presented in this report. Internal controls are designed to provide reasonable, but not absolute, assurance that the financial statements are free from material misstatement. I am confident the information presented is accurate in all material respects and fairly sets forth the financial position of state operations based upon the internal control structure established by management.

In accordance with Idaho Code Section 67-702, the Legislative Audit Division of the Idaho Legislature has audited the State's basic financial statements for the fiscal year ended June 30, 2019. Based upon that audit, the independent auditor has issued an unmodified opinion that the State of Idaho's basic financial statements are fairly presented in conformity with GAAP. The Independent Auditor's Report is located at the front of the financial section of this report.

In addition, the Legislative Audit Division conducts statewide audits under the Federal Single Audit Act of 1984 and the Code of Federal Regulations Title 2, Grants and Agreements, in order to meet the special needs of federal grantor agencies. Information regarding Idaho's Single Audit is issued in a separate report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report on page 5 and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. The intent of this letter of transmittal is to complement the MD&A and should be read in conjunction with it.

## PROFILE OF THE GOVERNMENT

The State of Idaho was admitted into the Union as the 43rd state in 1890. The State covers 83,569 square miles and has a population of 1.8 million people.

Idaho's government is divided into three branches. The Executive Branch is comprised of the Governor, Lieutenant Governor, Secretary of State, State Controller, State Treasurer, Attorney General, and Superintendent of Public Instruction. The Legislative Branch is comprised of two houses, a 35-member Senate and a 70-member House of Representatives. The Judicial Branch is administered and supervised by the Idaho Supreme Court, which is presided over by a Chief Justice and four Associate Justices.

The State provides services such as education, health and human services, highway maintenance and construction, public safety and correction, natural resource management, and economic development programs. The financial reporting entity includes all funds of the primary government as well as material component units for which the primary government is financially accountable. Additional information on component units can be found in Note 1 to the financial statements.

The annual budgetary process serves as the foundation for the State's financial planning and control. Budgets are annually appropriated for the following governmental funds: general, special revenue, capital projects, and earnings of the permanent funds. The budget is generally appropriated by agency, fund, program, and object. Legal level of budgetary control is maintained at the same level of detail as appropriated. Budgetary controls are incorporated into the Statewide Accounting and Reporting System (STARS) to ensure expenditures do not exceed authorized appropriations. The expenditures of any fiscal year may not exceed anticipated revenues, ensuring a balanced budget. The budgetary process is further described in the note to the budgetary schedule on page 124 and the separately issued Legal Basis Financial Report.

## ECONOMIC CONDITION

### Financial Policies

Article VII of the Idaho Constitution allows for state revenue generation from a number of sources. This balanced approach to funding essential services allows the State to operate on a sound fiscal basis in a variety of economic conditions. In comparison to some neighboring states that rely primarily upon sales tax or income tax, Idaho derives comparable amounts of its own-source revenues from both sources, ensuring that vital services are less prone to disruption.

Per Idaho Code, the State is able to maintain reserves for the purposes of meeting General Fund revenue shortfalls, meeting expenses incurred because of a major disaster, providing tax relief to the citizens of Idaho on a one-time basis, or providing a uniform and thorough system of public education. Overall increases in the reserve funds indicate the State's continued economic stability and growth.

Fund and Idaho Code	FY19 End Balances	Dollar Change
Budget Stabilization (57-814)	\$ 369.7 M	\$ 23.5 M
Economic Recovery (67-3520)	0.2 M	(0.7) M
Public Education Stabilization (33-907)	81.7 M	17.4 M
Higher Education Stabilization (33-3726)	7.7 M	2.4 M
Totals	<u>\$ 459.3 M</u>	<u>\$ 42.6 M</u>

Note 14 contains additional detailed information regarding reserve funds.

### Economy

The unemployed population in Idaho has been in the 24,000 to 26,000 range since the beginning of 2018, while the labor force has grown from 840,000 to 880,000. Currently the unemployment rate is 2.9 percent. The bulk of those employed are in nonfarm jobs, which has crossed 760,000 jobs in the state. In the last few years, nonfarm employment has increased 3.1-3.3 percent per year. The forecast for nonfarm jobs is that growth will be 2.9 percent in 2019, followed by 2.7 percent in 2020 and 2.1 percent in both 2021 and 2022.

Growth in healthcare and the private education sector has averaged around 3.0 percent per year since 2010. The forecast has growth at a similar pace going forward. Overall employment in healthcare and private education crossed 110,000 jobs this year, and it is forecast to reach above 123,000 by the end of 2022.

Idaho's employment in construction has grown markedly for several years despite a tight labor market. Average growth in employment has been near 8.0 percent per year for the sector. Growth going forward is still projected near 4.0 percent, well above the overall employment growth expected for the state. Total jobs in construction are over 50,000.

Retail trade employment at the national level continues to contract slightly. Idaho seems to be insulated from this trend, likely buttressed by expanding population and personal income. National brands continue to close, but the companies that have recently announced closings have smaller presences in Idaho. Retail trade is expected to expand by 1.2 percent on average across the forecast, whereas the national trend is for contraction by about two-thirds of a percent per year on average.

Personal income in Idaho crossed the \$80 billion level in 2019. It reached \$60 billion in 2014. In two years, it is expected to cross \$90 billion. Average wages were below \$40,000 per year in 2014. This year they are projected to be above \$45,000. By 2021 they are expected to approach \$49,000. Overall wage and salary payments total \$35.7 billion in the state and are projected to cross \$40 billion in 2021.

The rising housing market is reflected in personal income gains for homeowners across the state. The annual observed growth rate for dividends, interest and rent within Idaho has outpaced that of overall personal income in the state for four years, often by three percentage points, and currently represents just under a quarter of personal income in the state.

Total housing starts within the state are predicted to close 2019 at the 16,000-unit level, just off from the 2018 level. By 2022, single-family housing starts are predicted to be up 4.6 percent per year on average and multi-family housing starts are expected to be up 1.5 percent on average.

Several announcements could have large impacts in the Treasure Valley. HP has announced cutbacks in its printing division, amounting up to 9,000 worldwide. The Boise portion of cutbacks has not yet been finalized. Amazon confirmed the 2020 construction of a distribution center in Nampa, which is projected to sustain 1,000 jobs once it is fully operational. Employment growth rates in transportation and warehousing as well as wholesale trade for the state are projected to exceed the national trends in 2020 and 2021.

The governor announced a \$576 million trade deal for wheat sales to Taiwan. This is a two year deal and it represents growth of 10 percent in shipments.

### Long-Term Financial Planning

Idaho General Fund receipts for fiscal year (FY) 2019 were slightly lower than projected. Collections for the fiscal year were expected to be \$3.8 billion which was a 0.5 percent increase from FY 2018. This gradual pace anticipated the first-year impacts of across the board individual and corporate income tax rate reductions and the new Idaho Child Income Tax Credit that were introduced in calendar year (CY) 2018. They were estimated to reduce FY 2019 General Fund revenue by \$226.9 million. Actual FY 2019 General Fund receipts grew just 0.1 percent from the previous year to \$3.8 billion, which is \$15.7 million (0.4

percent) less than expected. The last time collections fell under the forecast was in FY 2010, when they were short \$84.7 million.

In order to improve and maintain the State's system of roads and highways, the Legislature authorized the Idaho Transportation Board to issue Grant Anticipation Revenue Vehicle (GARVEE) bonds in 2006. The GARVEE program allows the planning, designing, and building of more highway projects in less time than traditional funding methods. As of June 30, 2019, \$793.9 million has been borrowed from issued bonds.

### Major Initiatives

- The Department of Health and Welfare received an appropriation of \$3.4 billion in FY 2020, an increase of 10.2 percent from the previous year. Medicaid spending represents 82.8 percent of the Department's total appropriation. Federal funding provided 65.0 percent of the Department's total appropriation. General Fund funding for Medicaid increased 17.5 percent.
- The Public Schools' appropriation is \$2.3 billion for FY 2020, a General Fund increase of \$113.1 million and a \$127.2 million overall increase from FY 2019. Some of the highlights of the increased appropriation include:
  - \$49.7 million for teacher compensation
  - \$3.8 million for increase to minimum starting teacher pay
  - \$7.3 million for 3.0 percent base salary increase for administrators and classified staff
  - \$21.8 million for operational support
  - \$13.1 million for K-3 literacy initiative
- A total appropriation of \$276.7 million for the Department of Correction in FY 2020 is a reduction of 0.4 percent from the prior year.
- House Bill 246 provided \$3.4 million for the first phase of the Governor's technology modernization and consolidation initiatives. When netted across all the agencies, the initiative removed 16.00 FTP and \$1.0 million in personnel costs to consolidate information technology positions from eight agencies into the Office of Information Technology Services. The IT Modernization is planned to take five years and may include all executive agencies except constitutional officers; some agencies may retain an embedded IT component.

### AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Idaho for its CAFR for the fiscal year ended June 30, 2018. This is the 22nd consecutive year the State has achieved this prestigious award. To be awarded a Certificate of Achievement, the report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. The State Controller's Office is committed to this ongoing effort and intends to maintain a highly qualified and professional staff to make Idaho's certification possible.

The State Controller's Office takes great pride in the preparation of this comprehensive report. I am pleased to recognize the professionalism and dedication demonstrated by financial managers and accountants of the state agencies and component units, along with staff within the State Controller's Office. In addition, the auditing staff of the Legislative Services Office must be recognized for their independence, dedication, and professionalism. Credit must also be given to Governor Little and other state leaders for their dedication towards the management of Idaho's finances.

Respectfully submitted,



Brandon D Woolf  
Idaho State Controller





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**State of Idaho**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrill*

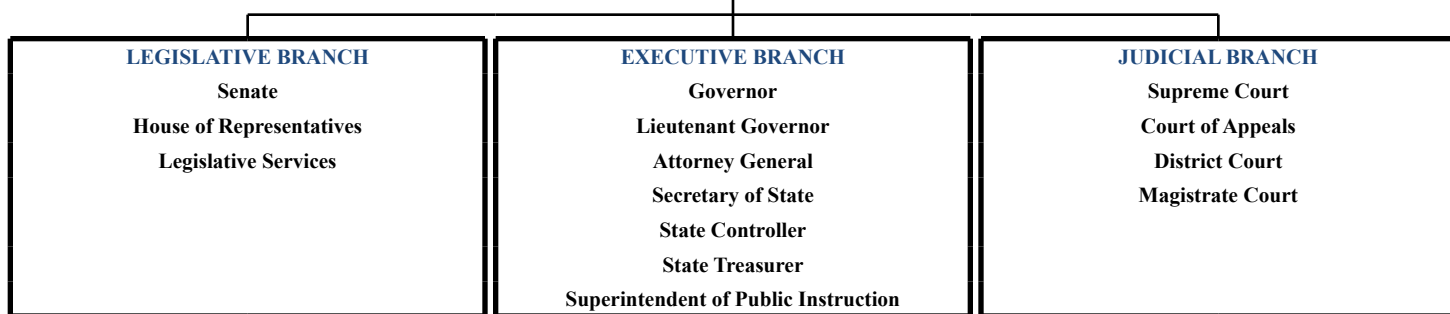
Executive Director/CEO



# State Government Organization

IDAHO

## Citizens of Idaho



## State Entities by Function

General Government	Education	Natural Resources	Economic Development
Board of Tax Appeals	Boise State University	Departments of:	Appellate Public Defender
Commissions:	Career and Technical Education	Environmental Quality	Boards of:
Aging	Idaho State University	Fish and Game	Accountancy
Arts	Lewis-Clark State College	Lands	Dentistry
Blind and Visually Impaired	Public Broadcasting	Parks and Recreation	Engineers and Surveyors
Idaho Code	State Board of Education	Water Resources	Medicine
Tax	University of Idaho	Endowment Fund	Nursing
Uniform Laws	Vocational Rehabilitation	Investment Board	Outfitters and Guides
Department of Administration		Fish and Wildlife Foundation	Pharmacy
Division of:		Lava Hot Springs Foundation	Veterinary Medicine
Financial Management		Office of Energy Resources	Bureau of Occupational Licenses
Human Resources		Wolf Control Board	Commissions:
Liquor			Dairy Products
Military			Hispanic Affairs
Offices of:			Industrial
Drug Policy			Libraries
Information Technology Services			Lottery
Performance Evaluations			Potato
Species Conservation			Public Defender
Public Employee			Public Utilities
Retirement System			Real Estate
State Bar			Soil and Water Conservation
State Building Authority			Wheat
STEM Action Center			Departments of:
			Agriculture
			Commerce
			Finance
			Insurance
			Labor
			Transportation
			Divisions of:
			Building Safety
			Veterans Services
			Historical Society
			Workforce Development Council



# Statewide Elected Officials

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IDAHO



**Brad Little**  
*Governor*



**Lawrence Denney**  
*Secretary of State*



**Brandon D Woolf**  
*State Controller*



**Janice McGeachin**  
*Lieutenant Governor*



**Julie A. Ellsworth**  
*State Treasurer*



**Lawrence G. Wasden**  
*Attorney General*



**Sherri Ybarra**  
*Superintendent of  
Public Instruction*



**Scott Bedke**  
*Speaker,  
Idaho House of  
Representatives*



**Roger S. Burdick**  
*Chief Justice,  
Idaho Supreme Court*



**Brent Hill**  
*President  
Pro Tempore,  
Idaho State Senate*





# Financial Section



Harriman State Park





# Legislative Services Office

## Idaho State Legislature

Eric Milstead  
Director

*Serving Idaho's Citizen Legislature*

December 20, 2019

Independent Auditor's Report

Honorable Brad Little, Governor  
Honorable Members of the Legislature  
Honorable Brandon D Woolf, State Controller

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Idaho, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Boise State University, Idaho State University, Lewis-Clark State College, University of Idaho, and their respective component units, Idaho Fish and Wildlife Foundation, Idaho Potato Commission, Idaho Dairy Products Commission, Idaho State Bar, Idaho Wheat Commission, Idaho Endowment Fund Investment Board, Idaho Lottery, Public Employee Retirement System of Idaho, Idaho Public Employees' Deferred Compensation Plan, IDEal Idaho College Savings Program, Idaho Individual High Risk Reinsurance Pool, Idaho Small Employer Health Reinsurance Program, Idaho Health Insurance Exchange, Idaho State Treasurer – Assets Under Management, Idaho State Building Authority, Idaho Bond Bank Authority, and the Idaho Housing and Finance Association (including The Housing Company, a discretely presented component unit of the Idaho Housing and Finance Association), which represent total assets and revenues of the government-wide financial statements and total assets and revenues of the fund financial statements as follows:

Opinion Unit	Percent of Assets	Percent of Revenues
Governmental Activities	36.0%	4.4%
Business-Type Activities	65.6%	71.6%
Aggregate Discretely Presented Component Units	98.9%	98.4%
General Fund	61.0%	1.0%
Health and Welfare Fund	18.2%	0.1%
Transportation Fund	74.7%	1.5%
Land Endowments Fund	95.6%	98.6%
College and University Fund	100.0%	100.0%

Kristin Ford, Manager  
Research & Legislation

Paul Headlee, Manager  
Budget & Policy Analysis

April Renfro, Manager  
Legislative Audits

Glenn Harris, Manager  
Information Technology



Unemployment Compensation Fund	21.8%	7.4%
Loan Fund	33.7%	26.0%
Aggregate Remaining Fund Information	97.2%	84.0%

Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for those agencies and component units, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Boise State University Foundation, Idaho State University Foundation, Idaho Fish and Wildlife Foundation, Idaho Housing and Finance Association (including The Housing Company, a discretely presented component unit of the Idaho Housing and Finance Association), and the Idaho Public Employees' Deferred Compensation Plan were not audited in accordance with *Government Auditing Standards*, and accordingly, are not covered by our report in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Idaho, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Idaho's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual fund financial statements and schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we will issue our report on our consideration of the State of Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Idaho's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in cursive script that reads "April Renfro".

April Renfro, CPA, Manager  
Legislative Services Office, Audits Division

## INTRODUCTION

This section of the State's annual financial report presents our discussion and analysis of the State's financial performance during the fiscal year that ended June 30, 2019. Please read it in conjunction with the transmittal letter, which can be found on page vi of the Introductory Section, and the financial statements beginning on page 14.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State's basic financial statements, which include the following three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this financial report includes required supplementary information and other supplementary information.

### Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities, which provide information about the State as a whole and present a long-term view of the State's finances using accounting methods similar to those used in the private sector. The statements are prepared using the economic resources measurement focus and accrual basis of accounting, under which the current year's revenues and expenses are recorded as transactions occur rather than when cash is received or paid.

The *Statement of Net Position* reports all of the State's assets plus deferred outflows of resources minus liabilities and deferred inflows of resources, with the remainder reported as a net position. Over time, increases or decreases in the State's net position may serve as a useful indicator of whether the financial position of the State is improving or deteriorating.

The *Statement of Activities* presents information showing how the State's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (such as uncollected taxes and earned but unused vacation leave). This statement reports expenses and revenues in a format that focuses on the net cost of each function, allowing you to see which state functions *draw* upon the general revenues of the State and which functions *contribute* to the general revenues of the State.

The government-wide financial statements are divided into the following three categories:

*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. Taxes and federal grants are the major funding sources for most of these activities.

*Business-type activities* account for operations that function in a manner similar to a private business, where all or a significant portion of costs are recovered through user fees and charges to external customers. These activities primarily include higher education, unemployment benefit payments, loans to cities and counties to make improvements to wastewater and drinking water systems, and lottery and liquor sales.

*Discretely presented component units* are organizations legally separate yet financially accountable to the State. Discretely presented component units include the Idaho Housing and Finance Association, college and university foundations, Petroleum Clean Water Trust Fund, Idaho Individual High Risk Reinsurance Pool, Idaho Small Employer Health Reinsurance Program, Idaho Bond Bank Authority, and Idaho Health Insurance Exchange.

### Fund Financial Statements

The fund financial statements provide detailed information about the State's most significant funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Fund accounting is used to demonstrate compliance with finance-related legal requirements. The State's funds are divided into the following three categories:

*Governmental funds* account for most of the State's basic services and provide a detailed short-term view of the State's general government operations. They account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the fund financial statements focus on near-term inflows and outflows of resources, as well as on balances available at the end of the fiscal year that are available for future spending. Such information may be useful in evaluating the State's near-term financial position. This approach is known as using the current financial resources measurement focus and the modified accrual basis of accounting. Governmental funds include the General Fund, special revenue funds, permanent funds, and capital projects funds.

Two schedules in the governmental fund financial statements (pages 21 and 25) reconcile the amounts reported on the governmental fund financial statements (short-term focus) with governmental activities and balances reported on the appropriate government-wide statements (long-term focus). Comparing the information presented for governmental funds with similar information presented in the government-wide financial statements may provide a

better understanding of the long-term impact of the State's near-term financing decisions.

*Proprietary funds* account for activities similar to for-profit enterprises, where the determination of net income is necessary for sound financial administration. Proprietary funds include enterprise and internal service funds. Enterprise funds report activities that provide supplies or services to the general public; internal service funds report activities that provide supplies or services to other funds or departments of the primary government. Internal service funds are reported as governmental activities on the government-wide statements since their services primarily benefit the State. Proprietary funds provide the same type of information as the government-wide financial statements, only in greater detail. As in the government-wide statements, proprietary fund financial statements use the accrual basis of accounting.

*Fiduciary funds* account for resources held for the benefit of parties outside the State. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the State's programs. These funds are reported using the accrual basis of accounting.

#### Notes to the Financial Statements

The notes to the financial statements (beginning on page 38) provide additional information that is essential to an understanding of the data provided in the government-wide and fund financial statements.

#### Required Supplementary Information

The notes to the financial statements are followed by required supplementary information that further supports the information in the financial statements. The Required Supplementary Information section begins on page 125 and includes the following:

- Budgetary comparison schedules and note disclosure that show how the General, Health and Welfare, and Transportation funds presented in the governmental fund financial statements reconcile to the legally adopted budget
- Condition and maintenance data regarding the State's infrastructure reported using the modified approach
- Schedules of funding progress, employer contributions, and actuarial information related to the State's obligation to provide pension and other postemployment benefits to certain employees

#### Other Supplementary Information

Combining financial statements, starting on page 141, are presented to provide more detail for nonmajor special revenue, capital projects, proprietary, and fiduciary funds. The total columns of these combining financial statements agree with the applicable combined fund financial statement.

## FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

#### Net Position

Net position measures the difference between assets and deferred outflows of resources versus liabilities and deferred inflows of resources. Net position may serve over time as a useful indicator of the State's financial position. The State's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14.4 billion for the most recent fiscal year. The State's

combined net position increased \$550.4 million over the course of this fiscal year's operations. Net position of governmental activities increased \$418.5 million and business-type activities' net position increased \$131.9 million. Net position changes between the current and prior fiscal year are described in the governmental activities and business-type activities sections on page 9.



<b>Net Position</b> <b>June 30, 2019 and 2018</b> <i>(dollars in thousands)</i>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2019</b>	<b>2018*</b>	<b>2019</b>	<b>2018*</b>	<b>2019</b>	<b>2018*</b>
<b>Assets</b>						
Current and Other Assets	\$ 6,486,842	\$ 6,287,694	\$ 2,253,767	\$ 2,166,533	\$ 8,740,609	\$ 8,454,227
Capital Assets	7,339,222	7,003,946	1,295,127	1,247,121	8,634,349	8,251,067
<b>Total Assets</b>	<b>13,826,064</b>	<b>13,291,640</b>	<b>3,548,894</b>	<b>3,413,654</b>	<b>17,374,958</b>	<b>16,705,294</b>
Deferred Outflows of Resources	157,962	158,699	43,551	37,160	201,513	195,859
<b>Total Assets and Deferred Outflows of Resources</b>	<b>13,984,026</b>	<b>13,450,339</b>	<b>3,592,445</b>	<b>3,450,814</b>	<b>17,576,471</b>	<b>16,901,153</b>
<b>Liabilities</b>						
Other Liabilities	716,907	608,717	167,280	143,008	884,187	751,725
Long-Term Liabilities	1,543,316	1,565,028	624,303	654,948	2,167,619	2,219,976
<b>Total Liabilities</b>	<b>2,260,223</b>	<b>2,173,745</b>	<b>791,583</b>	<b>797,956</b>	<b>3,051,806</b>	<b>2,971,701</b>
Deferred Inflows of Resources	92,566	63,825	81,946	65,881	174,512	129,706
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>2,352,789</b>	<b>2,237,570</b>	<b>873,529</b>	<b>863,837</b>	<b>3,226,318</b>	<b>3,101,407</b>
<b>Net Position</b>						
Net Investment in Capital Assets	6,504,003	6,221,399	838,384	790,198	7,342,387	7,011,597
Restricted	3,849,394	3,761,395	1,675,978	1,544,643	5,525,372	5,306,038
Unrestricted	1,277,840	1,229,975	204,554	252,136	1,482,394	1,482,111
<b>Total Net position</b>	<b>\$ 11,631,237</b>	<b>\$ 11,212,769</b>	<b>\$ 2,718,916</b>	<b>\$ 2,586,977</b>	<b>\$ 14,350,153</b>	<b>\$ 13,799,746</b>

\*Amounts in these columns have been restated. More detailed information regarding net position can be found in Note 14.

The largest component of the State's net position, 51.2 percent (\$7.3 billion), reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, equipment, software, and capital assets in progress), net of accumulated depreciation and less any related debt outstanding that was needed to acquire or construct the assets. The State uses these capital assets to provide services to citizens. These assets are not available for future spending.

Restricted net position is the next largest component, comprising 38.5 percent (\$5.5 billion). These resources are not available for general use due to restrictions placed on them by external parties such as creditors, grantors, or contributors; or by state law through constitutional provisions or enabling legislation.

The remaining 10.3 percent (\$1.5 billion) of net position represents unrestricted net position, which may be used at the State's discretion but often has limitations on use based on state statutes.

At the end of the current fiscal year, the State reported positive balances in all three categories of net position for the State as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

#### Change in Net Position

Over time, increases or decreases in the State's net position are an indicator of whether its financial health is improving or deteriorating. The following condensed financial information was derived from the current and prior year government-wide Statement of Activities and reflects how the State's net position changed during the fiscal year:

<b>Changes in Net Position</b> <b>For the Fiscal Years Ended June 30, 2019 and 2018</b> <i>(dollars in thousands)</i>							
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>		<b>Total Percent Change</b>
	2019	2018*	2019	2018*	2019	2018*	
<b>Revenues</b>							
Program Revenues							
Charges for Services	\$ 867,510	\$ 818,281	\$1,211,774	\$1,154,678	\$ 2,079,284	\$ 1,972,959	5.4
Operating Grants and Contributions	3,250,723	3,180,624	305,727	301,757	3,556,450	3,482,381	2.1
Capital Grants and Contributions	3,144	4,321	29,199	43,551	32,343	47,872	(32.4)
General Revenues							
Sales Tax	1,899,088	1,805,363			1,899,088	1,805,363	5.2
Individual and Corporate Taxes	1,958,640	2,091,958			1,958,640	2,091,958	(6.4)
Other Taxes	591,255	596,719			591,255	596,719	(0.9)
Other	63,253	60,991			63,253	60,991	3.7
<b>Total Revenues</b>	<b>8,633,613</b>	<b>8,558,257</b>	<b>1,546,700</b>	<b>1,499,986</b>	<b>10,180,313</b>	<b>10,058,243</b>	<b>1.2</b>
<b>Expenses</b>							
General Government	644,708	512,086			644,708	512,086	25.9
Public Safety and Correction	466,263	439,116			466,263	439,116	6.2
Health and Human Services	3,048,267	3,079,063			3,048,267	3,079,063	(1.0)
Education	2,325,261	2,229,172			2,325,261	2,229,172	4.3
Economic Development	1,047,957	996,854			1,047,957	996,854	5.1
Natural Resources	314,839	303,441			314,839	303,441	3.8
Interest Expense	87,846	52,271			87,846	52,271	68.1
College and University			1,169,944	1,155,209	1,169,944	1,155,209	1.3
Unemployment Compensation			89,446	86,600	89,446	86,600	3.3
Loan			10,122	6,448	10,122	6,448	57.0
State Lottery			228,352	211,916	228,352	211,916	7.8
State Liquor			184,756	172,786	184,756	172,786	6.9
Correctional Industries			12,145	9,429	12,145	9,429	28.8
<b>Total Expenses</b>	<b>7,935,141</b>	<b>7,612,003</b>	<b>1,694,765</b>	<b>1,642,388</b>	<b>9,629,906</b>	<b>9,254,391</b>	<b>4.1</b>
Increase (Decrease) in Net Position before Transfers	698,472	946,254	(148,065)	(142,402)	550,407	803,852	(31.5)
Transfers	(280,004)	(255,340)	280,004	255,340			
<b>Change in Net Position</b>	<b>418,468</b>	<b>690,914</b>	<b>131,939</b>	<b>112,938</b>	<b>550,407</b>	<b>803,852</b>	<b>(31.5)</b>
Net Position, Beginning of Year, as Restated	11,212,769	10,521,855	2,586,977	2,474,039	13,799,746	12,995,894	6.2
<b>Net Position, End of Year</b>	<b>\$11,631,237</b>	<b>\$11,212,769</b>	<b>\$2,718,916</b>	<b>\$2,586,977</b>	<b>\$14,350,153</b>	<b>\$13,799,746</b>	<b>4.0</b>

\*Amounts in these columns have been restated.

The Total Percent Change column shows the percentage change in operation from fiscal year 2018 to 2019 for each line item. Readers should be cautious when using this column to evaluate the overall change in net position. Although a line may show a large percentage change (e.g., 68.1 percent increase for Interest Expense of \$35.6 million), it may not have as significant of an effect on the overall change in net position as a change in a more material line item with a smaller percentage change (e.g., 4.3 percent increase for Education of \$96.1 million).

## Governmental Activities

### Revenues

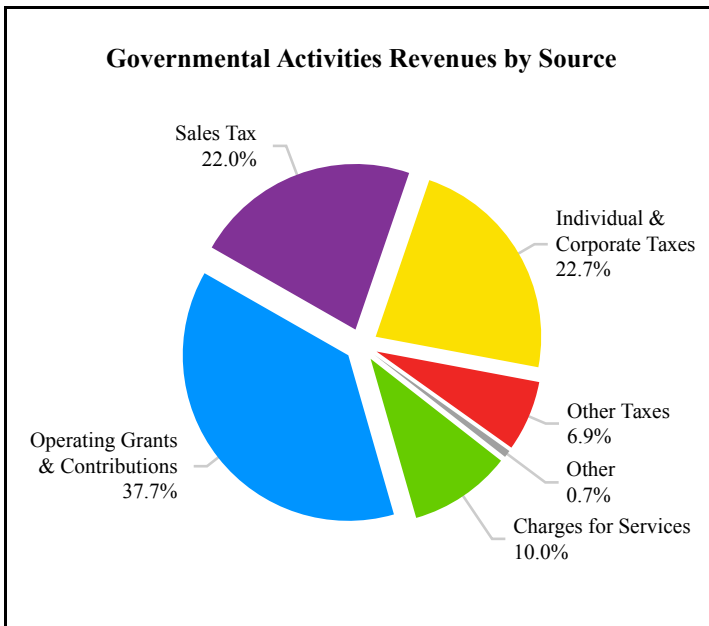
The overall financial position for Governmental Activities significantly improved during the fiscal year, as evidenced by the 3.7 percent (\$418.5 million) increase in net position. Revenues continued to outpace expenses in most categories. Individual and corporate income taxes revenue decreased 6.4 percent (\$133.3 million). Operating grant revenue increased 2.2 percent (\$70.1 million), primarily due to large increases in health and other federal grants and contributions. Increased collection mainly in technical services along with increases in interest income and across the board increases to the fair value of investments caused revenue from charges for services to rise 6 percent (\$49.2 million). Sales Tax revenue improved by 5.2 percent (\$93.7 million), while Other Tax revenue experienced a fall of 0.9 percent (\$5.5 million). Individual and corporate

income tax decrease was due mainly to the first-year impacts of cross the board individual and corporate income tax rate reductions that were introduced in 2018.

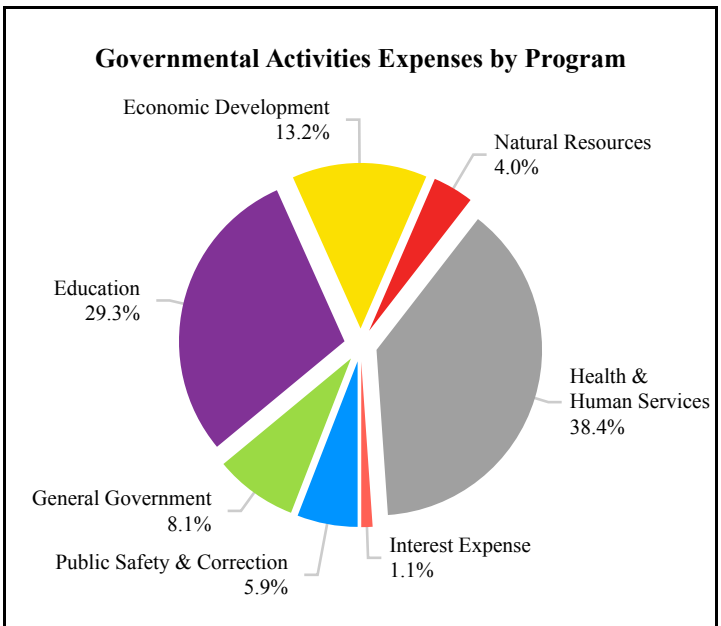
### Expenses

Overall expenses for the State increased 4.2 percent (\$323.1 million). Education expenses rose 4.3 percent (\$96.1 million) primarily due to increase in the distribution of public school funds. Expenses for economic development rose 5.1 percent (\$51.1 million) due largely to construction in progress. Finally, health and human services expenses experienced a 1.0 percent (\$30.8 million) decrease from the prior year primarily due to medical assistance vendor payments.

The following charts depict revenues and expenses of the governmental activities for fiscal year ended June 30, 2019:



Total Revenues = \$8.6 billion



Total Expenses = \$7.9 billion

## Business-Type Activities

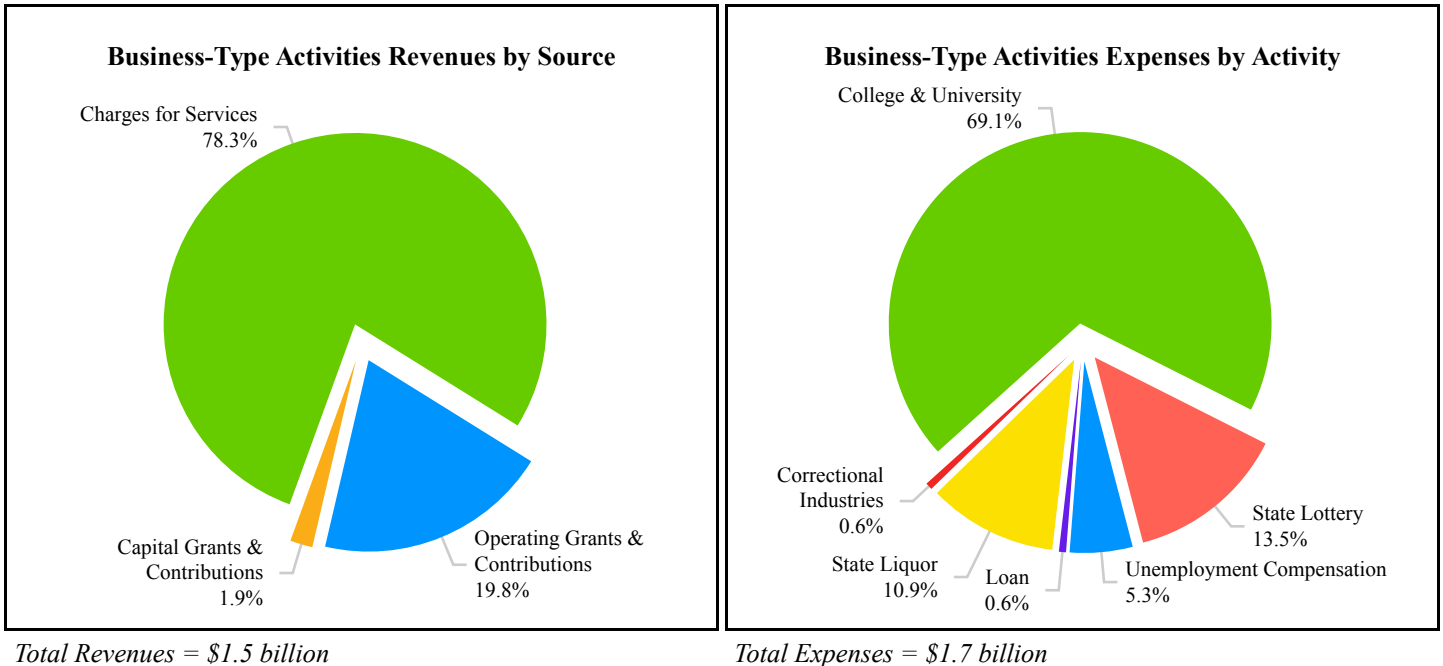
Business-type activities' net position increased by 5.1 percent (\$131.9 million) during the fiscal year. The largest changes were seen in the following funds:

- The College and University fund net position increased by 1.2 percent (\$12.9 million) from the prior year to \$1.1 billion. Expenses grew 1.3 percent (\$14.7 million) due in combination of increase in both

salary and institutional services costs along with the loss of Perkins Federal Capital Contribution funding totaling just over \$17 million.

- Unemployment Compensation fund net position improved 6.8 percent (\$57.8 million) due to Idaho's continued low unemployment rate.

The following charts depict revenues and expenses of the business-type activities:



## FINANCIAL ANALYSIS OF THE STATE'S FUNDS

### Governmental Funds

At the close of the fiscal year, the State's governmental funds reported combined ending fund balances of \$5.2 billion, an increase of \$157.9 million in comparison with fiscal year 2018. The governmental fund balance is classified as follows:

- *Nonspendable* either due to its form or legal constraints such as permanent trusts: \$1.8 billion (34.2 percent)
- *Restricted* for a specific purpose either by creditors, grantors, constitutional provisions, or enabling legislation: \$2.0 billion (37.7 percent)
- *Committed* for specific purposes by the Legislature or for satisfying contractual requirements: \$635.3 million (12.1 percent)
- *Assigned* for a specific purpose as that intent is expressed by the Legislature or by a governing body or official: \$81.5 million (1.6 percent)
- *Unassigned* is the General Fund balance that has not been designated for another fund and that has not been restricted, committed, or assigned to a specific purpose within the General Fund: \$753.8 million (14.4 percent)

Changes in the fund balance noted above are described by major fund type as follows:

- The General Fund is the chief operating fund of the State. During the fiscal year the fund balance increased

4.3 percent (\$74.6 million) primarily due to a \$92.4 million increase in sales tax revenue.

- The Health and Welfare fund balance increased 26.8 percent (\$15.2 million) during the fiscal year. The primary driver of the fund balance incline was in combination of increased operating grants and contributions along with decrease in uncollected medical assistance payments for Medicaid and rehabilitation services.
- The Transportation fund balance decreased 9.9 percent (\$36.0 million) during the fiscal year primarily due to decrease in other taxes collected and increased expenditure in capital outlay.
- The Land Endowments fund balance increased 4.8 percent (\$112.2 million) from the prior year primarily due to the ongoing sales of endowment land.
- The Nonmajor Governmental fund balance decreased 1.2 percent (\$8.1 million) during the fiscal year. Decreases are largely due to bonds and notes issued for various projects.

### Proprietary Funds

Proprietary funds provide the same type of information found in the Business-Type Activities columns of the government-wide financial statements, but in more detail.



## GENERAL FUND BUDGETARY HIGHLIGHTS

The State does not adopt a revenue budget; therefore, the Budgetary Comparison Schedule reflects budgeted revenues as being equal to actual revenues. General Fund revenues for the fiscal year ended slightly lower than anticipated at \$4.4 billion. Most of the General Fund revenue comes from various types of tax collections; these collections increased only 0.1 percent over 2018. The sum of the collections were below the projected 0.5 percent growth stemming from reductions in three major revenue categories; individual income tax, corporate income tax rate, and the new Idaho Child Income Tax Credit. Individual income tax receipts (\$1.7 billion) fell short of the forecast by (6.4) percent (\$112.7) million). In contrast Corporate income tax receipts (\$283.2 million) came in 26.9 percent (\$60 million) above forecast \$223.2 million. Sales tax contributions (\$1.6 billion) exceeded projections by 1.4 percent (\$22.1 million). Product tax revenue (\$64.3 million) for the year also fell short of the anticipated collections (\$64.8 million) by -0.8 percent (\$0.5 million). Miscellaneous sources (\$128.3 million) surpassed the

projected \$113 million by 13.6 percent (\$15.3 million). The cash balance carried over into fiscal year 2019 was \$52.2 million. Overall, General Fund receipts were \$3 million more in fiscal year 2019 than in fiscal year 2018.

The original expenditures budget amount on the Budgetary Comparison Schedule represents the original appropriation, prior year reappropriations, and continuous appropriations. The final budget amount includes the original budget plus supplemental (positive or negative) appropriations, Governor's holdbacks, Board of Examiners reductions, object transfers, activity transfers, and receipts to the appropriation. The variance between the final budget and actual spending was a favorable \$281.4 million (6.6 percent). The natural resources function within the General Fund reported a negative variance of \$19.4 million stemming from the aquifer planning and management fund. This deficit is allowed by statute and will be funded with future appropriations.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

## Capital Assets

At the end of fiscal year 2019 the State had \$8.6 billion (net of accumulated depreciation) invested in a broad range of capital assets, as can be seen in the table below. Depreciation expense for this fiscal year totaled \$187.7 million.

Capital Assets as of June 30, 2019 and 2018						
<i>(Net of depreciation, dollars in thousands)</i>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018*	2019	2018	2019	2018*
Land and Land Use Rights	\$ 1,187,998	\$ 1,135,777	\$ 165,136	\$ 143,648	\$ 1,353,134	\$ 1,279,425
Capital Assets in Progress	1,227,580	1,151,248	97,469	41,932	1,325,049	1,193,180
Infrastructure-not Depreciated	3,015,639	2,767,488			3,015,639	2,767,488
Historical Art and Collections	122	122	2,435	2,423	2,557	2,545
Buildings and Improvements	678,829	704,038	922,016	945,279	1,600,845	1,649,317
Improvements Other Than Buildings	98,617	95,181	28,522	29,111	127,139	124,292
Machinery, Equipment, and Other	275,173	278,736	79,549	84,728	354,722	363,464
Infrastructure-Depreciated	855,264	871,356			855,264	871,356
<b>Total</b>	<b>\$ 7,339,222</b>	<b>\$ 7,003,946</b>	<b>\$ 1,295,127</b>	<b>\$ 1,247,121</b>	<b>\$ 8,634,349</b>	<b>\$ 8,251,067</b>

\*These columns have been restated. More detailed information can be found in Note 6.

This year's major capital asset additions include \$441.8 million spent for infrastructure assets, which includes capital assets in progress (\$179 million), roadways (\$253.9 million), and rights-of-way (\$8.8 million).

The State uses the traditional method of depreciation for its 1,814 bridges, 29 rest areas, 12 ports of entry, and 10 weigh stations. The State adopted the modified approach for reporting roads. Under this alternative method certain maintenance and preservation costs are expensed, and depreciation expense is not reported. Approximately 12,273

lane miles of roads are accounted for under the modified approach. The State manages its roadway network using its Pavement Management System to monitor road surface condition. The roadway surface condition is determined using three pavement condition data elements: International Roughness Index (IRI), rutting depth, and Overall Condition Index (OCI). Developed as part of refinements to the Transportation Asset Management System (TAMS), the OCI is unique to Idaho. Roadway surface is categorized as good, fair, or poor. The State's established condition

level is to have no more than 30 percent of pavement in poor condition. The latest condition assessment rating showed that the State had 9.3 percent of its road surfaces in poor condition. During fiscal year 2019 the State spent \$185 million to maintain Idaho's road surfaces. This amount is 43 percent (\$56.1 million) more than the estimated amount of \$129 million required to maintain Idaho's road surfaces. More detailed information about the State's capital assets is presented in Notes 1 and 6 to the financial statements and in the Required Supplementary Information.

### Long-Term Debt

Article VIII Section 1 of the Idaho Constitution, amended in 1998, specifies that the Legislature shall not create any debts or liabilities, except in extreme emergencies, unless authorized by law and then approved by the people at a general election. This does not apply to liabilities incurred for ordinary operating expenses, nor debts or liabilities that are repaid by the end of the fiscal year. The debts or liabilities of independent public bodies corporate and politic created by law, and which have no power to levy taxes or obligate the General Fund of the State, are not debts or liabilities of the State.

Idaho Code Title 40 addresses the increasing need for timely improvements to Idaho's highway infrastructure. The Idaho Transportation Board, with the approval of the Legislature, can approve debt financing for transportation infrastructure projects utilizing future federal-aid highway revenues. Opinions have been received from the Office of the Attorney General, based on the Idaho Supreme Court decision in *Ada County v. Wright*, to the effect that this procedure does not create a liability of the State in violation of the Idaho Constitution.

During fiscal year 2019, the Idaho Housing Finance Association issued a new \$114.1 million GARVEE bond (2019 Series A) for highway projects. The notes payable ending balance for highway projects was \$495.0 million.

Moody's Investors Service has assigned the State of Idaho an issuer rating of Aa1 with a stable outlook. Idaho currently has no general obligation debt outstanding. The State's Tax Anticipation Notes, which carry the faith and credit pledge of the State, are rated MIG 1. The rating for the state building revenue bonds issued by the Idaho State Building Authority is rated Aa2, with a stable outlook. More detailed information about the State's long-term debt is presented in Notes 1 and 13 to the financial statements.

## ECONOMIC FACTS AND NEXT YEAR'S BUDGET

Idaho's unemployment rate remained at 2.9 percent in August 2019 continuing at or below 3 percent for the 21st consecutive month. The State's labor force grew over the last year from 860,134 in August 2018 to 876,405 in July 2019. The national unemployment rate in August was 3.7 percent. Total state employment in September was 856,588, up from 837,896 in 2018.

Revenue for fiscal year 2020 is projected to rise 5.2 percent (\$194.2 million) resulting from the first year impacts of major changes to federal and state income tax laws.

The overall General Fund budget for fiscal year 2020 is \$3.9 billion (7.1 percent increase). Medicaid received \$687.4 million (17.5 percent increase); and the

Department of Correction received \$249.9 million (3.8 percent increase). Contributions to the State's budget reserves increased by \$45.1 million during fiscal year 2019.

For the fifth year in a row the Legislature increased the General Fund appropriation for education. The Legislature approved the following General Fund appropriation increases related to education:

- Public schools (K-12): 6.3 percent (\$113.1 million)
- Community colleges: 3.5 percent (\$1.6 million)
- Career technical education: 3.1 percent (\$2.1 million)

## CONTACTING THE STATE'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, the Legislature, investors, and creditors with a general overview of the State's finances and to show the State's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Office of the State Controller  
700 West State Street, P.O. Box 83720  
Boise, Idaho 83720-0011  
(208) 334-3150, [cafr@sco.idaho.gov](mailto:cafr@sco.idaho.gov)

# Basic Financial Statements



Farragut State Park

## Statement of Net Position

June 30, 2019

(dollars in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 16,294	\$ 738,244	\$ 754,538	\$ 72,370
Pooled Cash and Investments	1,775,249	232,091	2,007,340	1,404
Investments	2,717,521	434,678	3,152,199	566,336
Accounts Receivable, Net	157,034	117,332	274,366	51,730
Taxes Receivable, Net	529,576		529,576	
Internal Balances	24,295	(24,295)		
Due from Other Entities	402,698		402,698	
Inventories and Prepaid Items	71,078	29,448	100,526	663
Due from Primary Government				537,943
Due from Component Unit		11,941	11,941	
Loans, Notes, and Pledges Receivable, Net	3,956	426,570	430,526	905,182
Other Assets	81,605	39,784	121,389	605,480
Restricted Assets:				
Cash and Cash Equivalents	198,362	129,156	327,518	270,764
Investments	509,174	118,818	627,992	336,747
Capital Assets:				
Nondepreciable	5,431,339	265,040	5,696,379	8,059
Depreciable, Net	1,907,883	1,030,087	2,937,970	49,592
Total Assets	13,826,064	3,548,894	17,374,958	3,406,270
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows	157,962	43,551	201,513	36,048
Total Assets and Deferred Outflows of Resources	\$ 13,984,026	\$ 3,592,445	\$ 17,576,471	\$ 3,442,318
LIABILITIES				
Accounts Payable	\$ 236,499	\$ 49,451	\$ 285,950	\$ 13,064
Payroll and Related Liabilities	38,885	39,322	78,207	1,396
Medicaid Payable	199,811		199,811	
Due to Other Entities	104,141	9,380	113,521	
Unearned Revenue	62,446	52,381	114,827	9,866
Amounts Held in Trust for Others	21,675	4,213	25,888	167,463
Due to Primary Government				10,081
Due to Component Unit		232	232	
Other Accrued Liabilities	53,450	12,301	65,751	299,401
Long-Term Liabilities:				
Due Within One Year	293,028	46,324	339,352	109,986
Due in More Than One Year	1,250,288	577,979	1,828,267	1,767,960
Total Liabilities	2,260,223	791,583	3,051,806	2,379,217
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows	92,566	81,946	174,512	6,098
NET POSITION				
Net Investment in Capital Assets	6,504,003	838,384	7,342,387	29,537
Restricted for:				
Claims and Judgments	32,248		32,248	
Debt Service	267		267	161,299
Transportation	282,961		282,961	
Regulatory	103,542		103,542	
Natural Resources and Recreation	302,702		302,702	
Unemployment Compensation		909,588	909,588	
Permanent Trust - Expendable	713,959	78,509	792,468	172,288
Permanent Trust - Nonexpendable	2,084,250		2,084,250	398,133
Other Purposes	329,465	687,881	1,017,346	226,117
Unrestricted	1,277,840	204,554	1,482,394	69,629
Total Net Position	11,631,237	2,718,916	14,350,153	1,057,003
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 13,984,026	\$ 3,592,445	\$ 17,576,471	\$ 3,442,318

The accompanying notes are an integral part of the financial statements.





## Statement of Activities

For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

		Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
	Expenses			
<b>FUNCTIONS</b>				
<b>Primary Government</b>				
Governmental Activities				
General Government	\$ 644,708	\$ 149,788	\$ 138,750	
Public Safety and Correction	466,263	48,008	13,868	
Health and Human Services	3,048,267	61,594	2,111,061	
Education	2,325,261	14,770	258,611	
Economic Development	1,047,957	348,716	466,861	\$ 3,119
Natural Resources	314,839	244,634	261,572	25
Interest Expense	87,846			
Total Governmental Activities	7,935,141	867,510	3,250,723	3,144
Business-Type Activities				
College and University	1,169,944	515,194	283,316	29,199
Unemployment Compensation	89,446	150,267	2,807	
Loan	10,122	17,921	19,604	
State Lottery	228,352	288,617		
State Liquor	184,756	226,655		
Correctional Industries	12,145	13,120		
Total Business-Type Activities	1,694,765	1,211,774	305,727	29,199
<b>Total Primary Government</b>	<b>\$ 9,629,906</b>	<b>\$ 2,079,284</b>	<b>\$ 3,556,450</b>	<b>\$ 32,343</b>
<b>Component Units</b>				
Idaho Housing and Finance Association	\$ 187,161	\$ 173,527	\$ 48,759	\$ 300
College and University Foundation	77,760	4,267	86,658	
Petroleum Clean Water Trust	2,790	3,058		
Health Reinsurance	19,583	16,470		
Bond Bank Authority	10,476	10,456		
Health Insurance Exchange	18,955	12,386		
<b>Total Component Units</b>	<b>\$ 316,725</b>	<b>\$ 220,164</b>	<b>\$ 135,417</b>	<b>\$ 300</b>

**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**

Net (Expense) Revenue and Changes in Net Position				
Primary Government				
Governmental Activities	Business-Type Activities	Total	Component Units	
\$ (356,170)		\$ (356,170)		
(404,387)		(404,387)		
(875,612)		(875,612)		
(2,051,880)		(2,051,880)		
(229,261)		(229,261)		
191,392		191,392		
(87,846)		(87,846)		
(3,813,764)		(3,813,764)		
	\$ (342,235)	(342,235)		
	63,628	63,628		
	27,403	27,403		
	60,265	60,265		
	41,899	41,899		
	975	975		
	(148,065)	(148,065)		
(3,813,764)	(148,065)	(3,961,829)		
			\$ 35,425	
			13,165	
			268	
			(3,113)	
			(20)	
			(6,569)	
			39,156	
1,899,088		1,899,088		
1,958,640		1,958,640		
341,559		341,559		
249,696		249,696		
21,014		21,014		
42,239		42,239		
(280,004)	280,004			
4,232,232	280,004	4,512,236		
418,468	131,939	550,407	39,156	
11,212,769	2,586,977	13,799,746	1,017,847	
\$ 11,631,237	\$ 2,718,916	\$ 14,350,153	\$ 1,057,003	

The accompanying notes are an integral part of the financial statements.

## Balance Sheet

## Governmental Funds

June 30, 2019

(dollars in thousands)

	General	Health and Welfare	Transportation
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,194		\$ 6
Pooled Cash and Investments	1,060,983	\$ 22,518	184,894
Investments	124,715		139,047
Accounts Receivable, Net	31,260	35,420	15,201
Taxes Receivable, Net	484,470	154	38,292
Interfund Receivables	22,170		7
Due from Other Entities		282,778	46,942
Inventories and Prepaid Items	18,741	8,108	21,665
Loans, Notes, and Pledges Receivable, Net	665		155
Other Assets	1,395	50	732
Restricted Assets:			
Cash and Cash Equivalents	8,838	7,270	45,166
Investments	345,131	4,765	
<b>Total Assets</b>	<b>\$ 2,099,562</b>	<b>\$ 361,063</b>	<b>\$ 492,107</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 24,354	\$ 17,897	\$ 74,022
Payroll and Related Liabilities	15,281	7,384	4,288
Medicaid Payable		199,811	
Interfund Payables	1,085	1,578	379
Due to Other Entities	58,625		45,471
Unearned Revenue	12,610		26,347
Amounts Held in Trust for Others	11,281	8,928	
Other Accrued Liabilities	4,075	7,182	5,996
<b>Total Liabilities</b>	<b>127,311</b>	<b>242,780</b>	<b>156,503</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows	152,117	159,627	6,461
<b>FUND BALANCES</b>			
Nonspendable:			
Permanent Trusts			
Inventories and Prepaid Items	18,741	8,108	21,665
Noncurrent Receivables	50		
Restricted	432,728		261,289
Committed	484,934	55	46,189
Assigned	80,404		
Unassigned	803,277	(49,507)	
<b>Total Fund Balances</b>	<b>1,820,134</b>	<b>(41,344)</b>	<b>329,143</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,099,562</b>	<b>\$ 361,063</b>	<b>\$ 492,107</b>



Land Endowments	Nonmajor Governmental	Total
	\$ 15,094	\$ 16,294
\$ 111,324	322,749	1,702,468
2,322,739	80,003	2,666,504
47,781	26,902	156,564
	6,660	529,576
	1,063	23,240
	72,978	402,698
	18,305	66,819
	3,136	3,956
7,556	1,495	11,228
	104,840	166,114
	159,278	509,174
<u>\$ 2,489,400</u>	<u>\$ 812,503</u>	<u>\$ 6,254,635</u>
\$ 55,934	\$ 63,096	\$ 235,303
	11,198	38,151
		199,811
	4,895	7,937
	46	104,142
	6,958	45,915
	1,466	21,675
3	4,571	21,827
<u>55,937</u>	<u>92,230</u>	<u>674,761</u>
	26,534	344,739
1,719,504	5,765	1,725,269
	18,305	66,819
		50
713,959	564,491	1,972,467
	104,091	635,269
	1,087	81,491
		753,770
<u>2,433,463</u>	<u>693,739</u>	<u>5,235,135</u>
<u>\$ 2,489,400</u>	<u>\$ 812,503</u>	<u>\$ 6,254,635</u>

The accompanying notes are an integral part of the financial statements.



## Reconciliation of the Governmental Funds Balance Sheet

## To the Statement of Net Position

June 30, 2019

(dollars in thousands)

<b>Total Fund Balances - Governmental Funds</b>	\$ 5,235,135
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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	\$ 1,187,998	
Capital Assets in Progress	1,227,580	
Infrastructure	4,187,654	
Historical Art and Collections	72	
Buildings and Improvements	1,151,467	
Improvements Other Than Buildings	183,152	
Machinery, Equipment, and Other	826,416	
Accumulated Depreciation	<u>(1,438,712)</u>	
<b>Total Capital Assets</b>		7,325,627

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	77,372
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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	3,771	
Pension Related Deferrals	64,288	
Pension Contributions Subsequent to Measurement Date	77,814	
OPEB Related Deferrals	2,612	
OPEB Contributions Subsequent to Measurement Date	<u>7,043</u>	
<b>Total Deferred Outflows of Resources</b>		155,528

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position.	132,022
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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	(54,824)	
Bonds, Notes, and Capital Leases Payable	(903,395)	
Accrued Interest on Bonds	(31,548)	
Claims and Judgments	(204,262)	
Other Long-Term Liabilities	<u>(353,972)</u>	
<b>Total Long-Term Liabilities</b>		(1,548,001)

Deferred Inflows of Resources benefit future periods.

The deferred inflows of resources consist of the following:

Unavailable Revenue	342,000	
Pension Related Deferrals	(75,001)	
OPEB Related Deferrals	<u>(13,445)</u>	
<b>Total Deferred Inflows of Resources</b>		253,554

<b>Net Position - Governmental Activities</b>	<u><u>\$ 11,631,237</u></u>
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## Statement of Revenues, Expenditures, and Changes in Fund Balances

## Governmental Funds

For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

	General	Health and Welfare	Transportation
<b>REVENUES</b>			
Sales Tax	\$ 1,875,892		\$ 16,725
Individual and Corporate Taxes	2,001,914		
Other Taxes	62,670	\$ 27,649	332,647
Licenses, Permits, and Fees	33,615	20,673	194,962
Sale of Goods and Services	27,546	54,055	7,115
Grants and Contributions	23,405	2,116,527	375,231
Investment Income	72,419	398	11,396
Tobacco Settlement	21,014		
Other Income	56,766	47	1,516
<b>Total Revenues</b>	<b>4,175,241</b>	<b>2,219,349</b>	<b>939,592</b>
<b>EXPENDITURES</b>			
Current:			
General Government	148,830		
Public Safety and Correction	362,500	3,719	
Health and Human Services	38,716	2,907,051	
Education	2,058,359		
Economic Development	51,687		204,531
Natural Resources	68,358		
Capital Outlay	77,504	23,198	492,186
Intergovernmental Revenue Sharing	347,501	73,611	210,490
Debt Service:			
Principal Retirement	1,442	138	32,559
Interest and Other Charges	22,335	48	24,278
<b>Total Expenditures</b>	<b>3,177,232</b>	<b>3,007,765</b>	<b>964,044</b>
<b>Revenues Over (Under) Expenditures</b>	<b>998,009</b>	<b>(788,416)</b>	<b>(24,452)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds and Notes Issued			
Issuance of Refunding Bonds			
Premium on Bond Issued			
Payment to Refunded Bond Escrow Agent			
Capital Lease Acquisitions	3,837	1,587	
Sale of Capital Assets	677	86	7,646
Transfers In	265,502	808,923	
Transfers Out	(1,193,417)	(7,009)	(19,160)
<b>Total Other Financing Sources (Uses)</b>	<b>(923,401)</b>	<b>803,587</b>	<b>(11,514)</b>
<b>Net Change in Fund Balances</b>	<b>74,608</b>	<b>15,171</b>	<b>(35,966)</b>
<b>Fund Balances - Beginning of Year, as Restated</b>	<b>1,745,526</b>	<b>(56,515)</b>	<b>365,109</b>
<b>Fund Balances - End of Year</b>	<b>\$ 1,820,134</b>	<b>\$ (41,344)</b>	<b>\$ 329,143</b>

The accompanying notes are an integral part of the financial statements.



Land Endowments	Nonmajor Governmental	Total
	\$ 6,379	\$ 1,898,996
	20	2,001,934
	169,143	592,109
	193,299	442,549
\$ 72,053	42,337	203,106
	572,030	3,087,193
171,041	33,667	288,921
		21,014
(131)	21,695	79,893
242,963	1,038,570	8,615,715
	89,785	238,615
	70,456	436,675
		2,945,767
	248,986	2,307,345
	207,851	464,069
37,893	173,201	279,452
43,389	163,650	799,927
	75,763	707,365
	8,822	42,961
	15,482	62,143
81,282	1,053,996	8,284,319
161,681	(15,426)	331,396
	73,914	73,914
	(30,850)	(30,850)
	4,326	4,326
	(320)	(320)
	18	5,442
29,006	1,318	38,733
	48,505	1,122,930
(78,456)	(89,607)	(1,387,649)
(49,450)	7,304	(173,474)
112,231	(8,122)	157,922
2,321,232	701,861	5,077,213
\$ 2,433,463	\$ 693,739	\$ 5,235,135

The accompanying notes are an integral part of the financial statements.



**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, 2019**

(dollars in thousands)

<b>Net Change in Fund Balances - Governmental Funds</b>		\$ 157,922
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	\$ 477,141	
Depreciation Expense	(119,061)	
		358,080
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.		
		(13,984)
Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
		(50,169)
The issuance of long-term debt provides current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position. In the current year the following debt was incurred:		
Bonds and Notes	(43,064)	
Premium on Bonds Issued	(4,326)	
Capital Leases	(5,442)	
		(52,832)
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	41,358	
Refunding Bond Payment	320	
Capital Leases	1,603	
		43,281
Reduction in note principal not reported as an expenditure in governmental funds		
		90
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	(28,514)	
Compensated Absences	1,631	
Claims and Judgments	(9,246)	
Other Long-Term Liabilities	24,633	
		(11,496)
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.		
		(12,424)
<b>Change in Net Position - Governmental Activities</b>		<u>\$ 418,468</u>

## Statement of Net Position

## Proprietary Funds

June 30, 2019

(dollars in thousands)

	Business-Type Activities - Enterprise Funds			
	College and University	Unemployment Compensation	Loan	Nonmajor Enterprise Funds
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 64,922	\$ 670,267		\$ 3,055
Pooled Cash and Investments	143,840	5,194	\$ 48,952	34,105
Investments	104,278			
Accounts Receivable, Net	71,171	42,045	1,375	2,741
Interfund Receivables	3,078	86		183
Inventories and Prepaid Items	10,979			18,469
Due from Component Unit	11,941			
Loans, Notes, and Pledges Receivable, Net	4,603		18,253	
Other Current Assets	1,109	2	4,445	210
Total Current Assets	415,921	717,594	73,025	58,763
<b>Noncurrent Assets</b>				
Restricted Cash and Cash Equivalents	18,775		48,409	61,972
Investments	136,438	193,962		
Restricted Investments			118,818	
Loans, Notes, and Pledges Receivable, Net	24,361		379,353	
Other Noncurrent Assets	32,891			1,127
Capital Assets, Net	1,231,676		51,180	12,271
Total Noncurrent Assets	1,444,141	193,962	597,760	75,370
<b>Total Assets</b>	<b>1,860,062</b>	<b>911,556</b>	<b>670,785</b>	<b>134,133</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows	41,198			2,353
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 1,901,260</b>	<b>\$ 911,556</b>	<b>\$ 670,785</b>	<b>\$ 136,486</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 36,040		\$ 219	\$ 13,192
Payroll and Related Liabilities	38,647			675
Interfund Payables	10,135			9,012
Due to Other Entities				9,380
Unearned Revenue	40,701		11,473	207
Amounts Held in Trust for Others	4,213			
Due to Component Unit	232			
Other Accrued Liabilities	6,097	\$ 1,968	6	4,230
Compensated Absences Payable	23,323			820
Bonds, Notes, and Capital Leases Payable	20,487			70
Policy Claim Liabilities				
Other Long-Term Obligations - Current	1,624			
<b>Total Current Liabilities</b>	<b>181,499</b>	<b>1,968</b>	<b>11,698</b>	<b>37,586</b>
<b>Noncurrent Liabilities</b>				
Bonds, Notes, and Capital Leases Payable	428,621			120
Policy Claim Liabilities				
Other Long-Term Obligations	143,881			5,357
<b>Total Noncurrent Liabilities</b>	<b>572,502</b>			<b>5,477</b>
<b>Total Liabilities</b>	<b>754,001</b>	<b>1,968</b>	<b>11,698</b>	<b>43,063</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows	80,576			1,370
<b>NET POSITION</b>				
Net Investment in Capital Assets	775,125		51,178	12,081
<b>Restricted for:</b>				
Claims and Judgments		909,588		
Unemployment Compensation				
Permanent Trust - Expendable	78,509			
Other Purposes			607,909	79,972
Unrestricted	213,049			
<b>Total Net Position</b>	<b>1,066,683</b>	<b>909,588</b>	<b>659,087</b>	<b>92,053</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 1,901,260</b>	<b>\$ 911,556</b>	<b>\$ 670,785</b>	<b>\$ 136,486</b>

The amount reported for the 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 an \$8,495 consolidation adjustment for internal service fund activities on the Government-wide statement.



		<b>Governmental Activities</b>	
<b>Total</b>		<b>Internal Service Funds</b>	
\$	738,244		
	232,091	\$	72,781
	104,278		
	117,332		470
	3,347		497
	29,448		4,258
	11,941		
	22,856		
	5,766		280
	<u>1,265,303</u>		<u>78,286</u>
	129,156		32,248
	330,400		51,017
	118,818		
	403,714		
	34,018		1,213
	<u>1,295,127</u>		<u>13,595</u>
	<u>2,311,233</u>		<u>98,073</u>
	<u>3,576,536</u>		<u>176,359</u>
	43,551		2,434
\$	<u>3,620,087</u>	\$	<u>178,793</u>
\$	49,451	\$	1,187
	39,322		734
	19,147		
	9,380		
	52,381		16,531
	4,213		
	232		
	12,301		75
	24,143		932
	20,557		353
			8,754
	<u>1,624</u>		
	<u>232,751</u>		<u>28,566</u>
	428,741		1,041
			10,628
	<u>149,238</u>		<u>5,155</u>
	<u>577,979</u>		<u>16,824</u>
	<u>810,730</u>		<u>45,390</u>
	81,946		1,381
	838,384		12,203
			32,248
	909,588		
	78,509		
	687,881		73,564
	<u>213,049</u>		<u>14,007</u>
	<u>2,727,411</u>		<u>132,022</u>
\$	<u>3,620,087</u>	\$	<u>178,793</u>

The accompanying notes are an integral part of the financial statements.

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

## Proprietary Funds

For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

	Business-Type Activities - Enterprise Funds			
	College and University	Unemployment Compensation	Loan	Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>				
Assessments		\$ 130,709		
Licenses, Permits, and Fees	\$ 450,162		\$ 2,619	\$ 3
Scholarship Allowances	(89,075)			
Sale of Goods and Services	129,358		1,870	526,719
Grants and Contributions	153,907	2,807	19,604	
Other Income	11,443	(6)	(128)	707
<b>Total Operating Revenues</b>	<b>655,795</b>	<b>133,510</b>	<b>23,965</b>	<b>527,429</b>
<b>OPERATING EXPENSES</b>				
Personnel Costs	744,282			17,788
Services and Supplies	253,017	1	4,151	165,990
Benefits, Awards, and Premiums	61,852	89,460		190,047
Depreciation	65,868		187	1,219
Other Expenses	20,909	(14)	669	9,716
<b>Total Operating Expenses</b>	<b>1,145,928</b>	<b>89,447</b>	<b>5,007</b>	<b>384,760</b>
<b>Operating Income (Loss)</b>	<b>(490,133)</b>	<b>44,063</b>	<b>18,958</b>	<b>142,669</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Gifts and Grants	129,409			
Investment Income	11,966	19,564	13,561	943
Interest Expense	(15,399)			(7)
Intergovernmental Distributions			(5,115)	(40,480)
Gain (Loss) on Sale of Capital Assets	(408)			15
Other Nonoperating Revenues (Expenses)	(6,869)			(1)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>118,699</b>	<b>19,564</b>	<b>8,446</b>	<b>(39,530)</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(371,434)</b>	<b>63,627</b>	<b>27,404</b>	<b>103,139</b>
Capital Contributions	29,199			
Transfers In	357,387	48	26,558	
Transfers Out	(2,277)	(5,899)	(1,825)	(93,988)
<b>Change in Net Position</b>	<b>12,875</b>	<b>57,776</b>	<b>52,137</b>	<b>9,151</b>
<b>Total Net Position - Beginning of Year, as Restated</b>	<b>1,053,808</b>	<b>851,812</b>	<b>606,950</b>	<b>82,902</b>
<b>Total Net Position - End of Year</b>	<b>\$ 1,066,683</b>	<b>\$ 909,588</b>	<b>\$ 659,087</b>	<b>\$ 92,053</b>

The accompanying notes are an integral part of the financial statements.

		Governmental Activities	
Total		Internal Service Funds	
\$	130,709		
	452,784		
	(89,075)		
	657,947	\$	349,919
	176,318		224
	12,016		(158)
	<u>1,340,699</u>		<u>349,985</u>
	762,070		16,836
	423,159		33,777
	341,359		298,152
	67,274		1,356
	31,280		5,747
	<u>1,625,142</u>		<u>355,868</u>
	<u>(284,443)</u>		<u>(5,883)</u>
	129,409		
	46,034		8,683
	(15,406)		(115)
	(45,595)		
	(393)		161
	(6,870)		15
	<u>107,179</u>		<u>8,744</u>
	<u>(177,264)</u>		<u>2,861</u>
	29,199		
	383,993		1,828
	<u>(103,989)</u>		<u>(17,113)</u>
	131,939		(12,424)
	<u>2,595,472</u>		<u>144,446</u>
\$	<u>2,727,411</u>	\$	<u>132,022</u>

## Statement of Cash Flows

## Proprietary Funds

For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

	Business-Type	
	College and University	Unemployment Compensation
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Assessments		\$ 132,536
Receipts from Customers	\$ 484,950	
Receipts from Interfund Services		
Receipts from Grants and Contributions	152,756	2,807
Payments to Employees	(740,700)	
Payments to Suppliers	(256,755)	(1)
Payments for Interfund Services		
Payments for Benefits, Awards, and Claims	(49,775)	(84,084)
Other Receipts	12,242	14
Other Payments	(8,689)	(7)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(405,971)</b>	<b>51,265</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Gifts, Grants, and Endowments Received	120,500	
Intergovernmental Distributions		
Transfers In	357,387	48
Transfers Out	(2,277)	(5,899)
Proceeds from Bonds, Notes, and Loans	176,081	
Repayments of Bonds, Notes, and Loans	(171,478)	
Interest Payments		
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>480,213</b>	<b>(5,851)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Grants and Contributions	22,174	
Principal Payments	(20,833)	
Interest Payments	(18,033)	
Proceeds from Disposition of Capital Assets		
Acquisition and Construction of Capital Assets	(97,087)	
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(113,779)</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipt of Interest and Dividends	7,207	15,221
Purchase of Investments	(563,844)	(4,288)
Redemption of Investments	605,232	4,360
Other Investing Activities	(2,094)	
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>46,501</b>	<b>15,293</b>
<b>Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash</b>	<b>6,964</b>	<b>60,707</b>
<b>Beginning Cash, Cash Equivalents, and Pooled Cash</b>	<b>220,573</b>	<b>614,754</b>
<b>Ending Cash, Cash Equivalents, and Pooled Cash</b>	<b>\$ 227,537</b>	<b>\$ 675,461</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	\$ (490,133)	\$ 44,063
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	65,868	
Maintenance Costs Paid by Department of Public Works	1,648	
Net Changes in Assets and Liabilities:		
Accounts Receivable/Interfund Receivables	(1,015)	
Inventories and Prepaid Items	366	
Notes Receivable	2,031	
Other Assets	(886)	5,636
Accounts Payable/Interfund Payables	8,042	
Unearned Revenue		
Compensated Absences	5,938	
Policy Claim Liabilities		
Other Accrued Liabilities	(8,697)	1,566
Net Changes in Deferred Outflows/Inflows of Resources	10,867	
<b>Net Cash (Used) by Operating Activities</b>	<b>\$ (405,971)</b>	<b>\$ 51,265</b>

**Noncash Transactions (dollars in thousands):**

Investments increased in fair value by \$3,092 for Colleges and Universities, \$4,347 for Unemployment Compensation, \$2,687 for the Loan Fund, and \$1,126 for Internal Service funds. Colleges and Universities acquired assets of \$17,556 through donations, \$110 through state capital appropriations, and amortization of deferred amounts on refunding and bond premiums of \$794. Restatement for Colleges and Universities of \$6,947 due to a change in reporting entity.



Activities - Enterprise Funds			Governmental Activities
Loan	Nonmajor Enterprise Funds	Total	Internal Service Funds
		\$ 132,536	
\$ 4,422	\$ 521,792	1,011,164	\$ 36,005
	4,774	4,774	312,321
19,604		175,167	224
	(17,822)	(758,522)	(17,074)
(3,913)	(174,007)	(434,676)	(36,754)
(35)	(767)	(802)	(2,694)
	(189,528)	(323,387)	(293,983)
	49	12,305	487
(652)	(64)	(9,412)	(163)
19,426	144,427	(190,853)	(1,631)
		120,500	
(5,115)	(39,005)	(44,120)	1,828
26,558		383,993	(17,113)
(1,825)	(92,585)	(102,586)	
		176,081	
		(171,478)	
			(20)
19,618	(131,590)	362,390	(15,305)
		22,174	
	(45)	(20,878)	(320)
	(7)	(18,040)	(113)
	20	20	171
(11,600)	(1,268)	(109,955)	6,947
(11,600)	(1,300)	(126,679)	6,685
10,201	951	33,580	7,648
(39,869)		(608,001)	(1,144)
45,875		655,467	245
1		(2,093)	(8)
16,208	951	78,953	6,741
43,652	12,488	123,811	(3,510)
53,709	86,644	975,680	108,539
\$ 97,361	\$ 99,132	\$ 1,099,491	\$ 105,029
\$ 18,958	\$ 142,669	\$ (284,443)	\$ (5,883)
187	1,219	67,274	1,356
		1,648	
761	(121)	(375)	1,041
	344	710	13
		2,031	
	(426)	4,324	(220)
219	1,192	9,453	508
(700)	(57)	(757)	(2,618)
	47	5,985	66
			4,169
1	(664)	(7,794)	(63)
	224	11,091	
\$ 19,426	\$ 144,427	\$ (190,853)	\$ (1,631)

The Loan Fund had loan forgiveness in the amount of \$5,115 and capitalized interest of \$229. Nonmajor Enterprise funds disposed of an asset at a loss of \$6. Nonmajor Enterprise funds recorded an interfund payable of \$1,409 due on July 1, 2019. Restatement of net position by \$754 for the Nonmajor Enterprise funds and by \$938 for the Internal Service funds due to a correction to the allocation of the proportionate share of the State Sick Leave Reserve Fund asset and by \$7,575 for Internal Service funds due to a correction in capital assets.

## Statement of Fiduciary Net Position

## Fiduciary Funds

June 30, 2019

(dollars in thousands)

	Pension Trust	Investment Trust	College Savings Private-Purpose Trust	Agency
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,682		\$ 734	\$ 23,491
Pooled Cash and Investments	9,254			30,245
Investments:				
Pooled Short Term	345,859	\$ 752,253	14,081	
Fixed Income Investments	4,416,153	2,187,490		448,056
Marketable Securities	11,141,157			
Mutual Funds and Private Equities	2,321,866		482,938	
Mortgages and Real Estate	1,598,452	67,317		
Other Investments	1,963		19,625	
Receivables:				
Investments Sold	111,043		40	
Contributions	10,645			
Interest and Dividends	66,269	5,652		15
Interfund Receivables	2,113			
Other Receivables		8,209		
Other Assets	77,258			
Capital Assets, Net	10,018			
<b>Total Assets</b>	<b>20,115,732</b>	<b>3,020,921</b>	<b>517,418</b>	<b>\$ 501,807</b>
<b>LIABILITIES</b>				
Accounts Payable	1,045	30	324	\$ 2,367
Interfund Payables	2,113			
Due to Other Entities				2,245
Amounts Held in Trust for Others				493,066
Amounts Held for Project Beneficiaries				5,374
Investments Purchased	187,720		107	
Policy Claim Liabilities	2,443			
Other Accrued Liabilities	13,200	5,963		(1,245)
<b>Total Liabilities</b>	<b>206,521</b>	<b>5,993</b>	<b>431</b>	<b>\$ 501,807</b>
<b>NET POSITION</b>				
Held in Trust For:				
Net Position Restricted for Pensions	19,303,457			
Net Position Restricted for OPEB	603,429			
External Investment Pool Participants		3,014,928		
Trust Beneficiaries	2,325		516,987	
<b>Total Net Position</b>	<b>\$ 19,909,211</b>	<b>\$ 3,014,928</b>	<b>\$ 516,987</b>	

The accompanying notes are an integral part of the financial statements.

## Statement of Changes in Fiduciary Net Position

## Fiduciary Funds

For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

	Pension Trust	Investment Trust	College Savings Private-Purpose Trust
<b>ADDITIONS</b>			
<b>Contributions</b>			
Member	\$ 341,245		
Employer	457,983		
Transfers In from Other Plans	21,161		
Participant Deposits		\$ 5,477,056	\$ 73,325
<b>Total Contributions</b>	<b>820,389</b>	<b>5,477,056</b>	<b>73,325</b>
<b>Investment Income:</b>			
Net Increase (Decrease) In Fair Value of Investments	1,121,369	19,850	18,396
Interest, Dividends, and Other	379,173	26,803	12,234
Less Investment Expense			
Investment Activity Expense	(53,187)	(358)	
Securities Lending Interest Expense			
<b>Net Investment Income</b>	<b>1,447,355</b>	<b>46,295</b>	<b>30,630</b>
Miscellaneous Income	348	8,128	
<b>Total Additions</b>	<b>2,268,092</b>	<b>5,531,479</b>	<b>103,955</b>
<b>DEDUCTIONS</b>			
Benefits and Refunds Paid to Plan Members	1,091,205		
Transfers Out to Other Plans			
Administrative Expense	16,109		2,162
Earnings Distribution		65,183	
Participant Withdrawals	24,398	5,052,697	45,674
<b>Total Deductions</b>	<b>1,131,712</b>	<b>5,117,880</b>	<b>47,836</b>
<b>Change in Net Position Held in Trust for:</b>			
Employee Pension Benefits	1,090,293		
Employee Postemployment Healthcare Benefits	46,821		
External Investment Pool Participants		413,599	
Trust Beneficiaries	(734)		56,119
<b>Net Position - Beginning of Year</b>	<b>18,772,831</b>	<b>2,601,329</b>	<b>460,868</b>
<b>Net Position - End of Year</b>	<b>\$ 19,909,211</b>	<b>\$ 3,014,928</b>	<b>\$ 516,987</b>

## Statement of Net Position

## Component Units

June 30, 2019

(dollars in thousands)

	Idaho Housing and Finance Association	College and University Foundation	Petroleum Clean Water Trust	Health Reinsurance
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 25,561	\$ 22,375		\$ 11,147
Pooled Cash and Investments			\$ 1,112	
Investments	257,733	255,669	34,170	18,764
Accounts Receivable, Net	50,402	281	429	618
Due from Other Entities				
Inventories and Prepaid Items	324	259		
Due from Primary Government	537,241	702		
Loans, Notes, and Pledges Receivable, Net	584,232	10,454		
Other Assets	598,360	3,165	183	60
Restricted Assets:				
Cash and Cash Equivalents	246,124	24,640		
Investments		336,747		
Capital Assets:				
Nondepreciable	7,053	202		
Depreciable, Net	49,080	135		
<b>Total Assets</b>	<b>2,356,110</b>	<b>654,629</b>	<b>35,894</b>	<b>30,589</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows	36,048			
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 2,392,158</b>	<b>\$ 654,629</b>	<b>\$ 35,894</b>	<b>\$ 30,589</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,646	\$ 11,152		\$ 62
Payroll and Related Liabilities	1,304			
Unearned Revenue	8,568	1,298		
Amounts Held in Trust for Others	142,353	25,110		
Due to Primary Government		10,081		
Due to Other Entities				
Other Accrued Liabilities	295,245	10	\$ 89	122
Long-Term Liabilities:				
Due Within One Year	76,925	538	2,920	12,148
Due in More Than One Year	1,468,343	5,128	1,358	—
<b>Total Liabilities</b>	<b>1,994,384</b>	<b>53,317</b>	<b>4,367</b>	<b>12,332</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows	259	5,839		
<b>NET POSITION</b>				
Net Investment in Capital Assets	28,356			
Restricted for:				
Debt Service	161,299			
Permanent Trust - Expendable		172,288		
Permanent Trust - Nonexpendable		398,133		
Other Purposes	207,860			18,257
Unrestricted		25,052	31,527	
<b>Total Net Position</b>	<b>397,515</b>	<b>595,473</b>	<b>31,527</b>	<b>18,257</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 2,392,158</b>	<b>\$ 654,629</b>	<b>\$ 35,894</b>	<b>\$ 30,589</b>

The accompanying notes are an integral part of the financial statements.

Bond Bank Authority	Health Insurance Exchange	Total
	\$ 13,287	\$ 72,370
\$ 292		1,404
		566,336
		51,730
	80	663
		537,943
310,496		905,182
3,712		605,480
		270,764
		336,747
	804	8,059
	377	49,592
314,500	14,548	3,406,270
		36,048
\$ 314,500	\$ 14,548	\$ 3,442,318
	\$ 204	\$ 13,064
	92	1,396
		9,866
		167,463
		10,081
\$ 3,712	223	299,401
17,365	90	109,986
293,131		1,767,960
314,208	609	2,379,217
		6,098
	1,181	29,537
		161,299
		172,288
		398,133
		226,117
292	12,758	69,629
292	13,939	1,057,003
\$ 314,500	\$ 14,548	\$ 3,442,318

The accompanying notes are an integral part of the financial statements.



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

## Component Units

For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

	Idaho Housing and Finance Association	College and University Foundation	Petroleum Clean Water Trust	Health Reinsurance
<b>EXPENSES</b>				
Personnel Costs	\$ 17,980	\$ 1,723		
Services and Supplies	17,088	8,415	\$ 1,360	\$ 343
Benefits, Awards, and Premiums	46,817	67,134	1,430	19,235
Interest Expense	96,711	156		5
Depreciation	4,460	77		
Other Expenses	4,105	255		
<b>Total Expenses</b>	<b>187,161</b>	<b>77,760</b>	<b>2,790</b>	<b>19,583</b>
<b>PROGRAM REVENUES</b>				
Charges for Services:				
Licenses, Permits, and Fees	48,977		2,596	
Sale of Goods and Services	6,954	104		7,036
Investment Income	113,605		462	414
Other Income	3,991	1,663		
Operating Grants and Contributions	48,759	86,658		
<b>Total Program Revenues</b>	<b>222,286</b>	<b>88,425</b>	<b>3,058</b>	<b>7,450</b>
<b>Net Revenues (Expenses)</b>	<b>35,125</b>	<b>10,665</b>	<b>268</b>	<b>(12,133)</b>
<b>GENERAL REVENUES</b>				
Payments from State of Idaho				9,020
<b>Total General Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,020</b>
Capital Contributions	300			
Permanent Endowment Contributions		2,500		
<b>Change in Net Position</b>	<b>35,425</b>	<b>13,165</b>	<b>268</b>	<b>(3,113)</b>
<b>Net Position - Beginning of Year, As Restated</b>	<b>362,090</b>	<b>582,308</b>	<b>31,259</b>	<b>21,370</b>
<b>Net Position - End of Year</b>	<b>\$ 397,515</b>	<b>\$ 595,473</b>	<b>\$ 31,527</b>	<b>\$ 18,257</b>

The accompanying notes are an integral part of the financial statements.

<b>Bond Bank Authority</b>	<b>Health Insurance Exchange</b>	<b>Total</b>
	\$ 3,171	\$ 22,874
	5,375	32,581
		134,616
\$ 10,442		107,314
	10,409	14,946
34		4,394
10,476	18,955	316,725
	12,237	63,810
		14,094
10,442	140	125,063
14	9	5,677
		135,417
10,456	12,386	344,061
(20)	(6,569)	27,336
		9,020
0	0	9,020
		300
		2,500
(20)	(6,569)	39,156
312	20,508	1,017,847
\$ 292	\$ 13,939	\$ 1,057,003

The accompanying notes are an integral part of the financial statements.

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## INDEX FOR NOTES TO THE FINANCIAL STATEMENTS

Note 1.	Summary of Significant Accounting Policies	
	A. Reporting Entity	39
	B. Government-Wide and Fund Financial Statements	40
	C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	42
	D. Financial Statement Elements	43
	E. Net Position / Fund Balance	45
Note 2.	Deposits, Investments, and Restricted Assets	
	A. Deposits	46
	B. Investments	47
	C. Restricted Assets	66
Note 3.	Derivative Instruments	68
Note 4.	Intraentity Transactions	
	A. Interfund Balances	72
	B. Interfund Transfers	72
	C. Significant Transactions with Related Parties	73
Note 5.	Noncurrent Receivables	74
Note 6.	Capital Assets	75
Note 7.	Deferred Outflows of Resources and Deferred Inflows of Resources	
	A. Deferred Outflows of Resources – Government-Wide	77
	B. Deferred Inflows of Resources – Government-Wide	77
	C. Deferred Inflows of Resources – Governmental Funds	78
Note 8.	Pension Plans	
	A. Summary of Plans Administered by the Public Employee Retirement System of Idaho	79
	B. Other State-Sponsored Retirement Plans	86
Note 9.	Postemployment Benefits Other Than Pensions	
	A. Summary of Plans	88
Note 10.	Risk Management	101
Note 11.	Leases	
	A. State as Lessee	102
	B. State as Lessor	103
Note 12.	Short-Term Debt	104
Note 13.	Bonds, Notes, and Other Long-Term Liabilities	
	A. Compensated Absences	105
	B. Revenue Bonds	105
	C. Advance and Current Refundings	106
	D. Notes Payable	107
	E. Claims and Judgments	109
	F. Changes in Long-Term Liabilities	110
	G. Conduit Debt	111
Note 14.	Equity	
	A. Restatement of Beginning Fund Balances and Net Position	112
	B. Net Position Restricted by Enabling Legislation	112
	C. Governmental Fund Balances – Restricted, Committed, and Assigned	112
	D. Budget Stabilization and Minimum Fund Balance	114
Note 15.	Donor-Restricted Endowments	115
Note 16.	Litigation, Contingencies, Commitments, and Encumbrances	
	A. Litigation and Contingencies	116
	B. Commitments	116
	C. Encumbrances	117
Note 17.	Tax Abatements	118
Note 18.	Subsequent Events	120

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the State of Idaho have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the standard-setting body for governmental accounting and financial reporting principles.

During fiscal year 2019, the State implemented the following GASB Guidance:

- GASB Statement No. 83, Certain Asset Retirement Obligations
- GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018

The financial statements are presented for the fiscal year ended June 30, 2019, except for the Idaho Fish and Wildlife Foundation, the Idaho State Bar, and the Idaho Dairy Products Commission (nonmajor special revenue funds); the Petroleum Clean Water Trust Fund, The Housing Company (THC), the Idaho Individual High Risk Reinsurance Pool, and the Idaho Small Employer Health Reinsurance Program (discretely presented component units); and the State of Idaho Public Employees' Deferred Compensation Plan (pension trust fund), whose statements are for the fiscal year ended December 31, 2018. The Idaho Potato Commission (nonmajor special revenue fund) has a fiscal year that ended August 31, 2018.

**A. Reporting Entity**

For financial reporting purposes, the State of Idaho's reporting entity includes the primary government and its component units. The primary government includes all funds, departments, agencies, boards, commissions, colleges and universities, and authorities that are considered an integral part of the State. Component units are legally separate organizations for which the State is financially accountable. Financial accountability exists if the State appoints a voting majority of the organization's governing board and either 1) is able to impose its will on the organization or 2) a potential exists for the organization to provide financial benefits to, or impose financial burdens on, the State.

For those entities for which the State does not appoint a voting majority of the governing body, inclusion of the entity is required if the organization is fiscally dependent on the State. Component units also include legally separate and tax-exempt organizations whose economic resources directly benefit the State, the State is entitled to or has the

ability to access those resources, and the resources are significant to the State.

***Blended Component Unit***

Blended component units are legally separate from the State but are so intertwined with the State that they are, in substance, the same as the State. The component units are reported as part of the primary government and blended into the appropriate funds.

The *Fish and Wildlife Foundation* was established to preserve and sustain Idaho's fishing, hunting, and wildlife heritage. The Foundation finances construction of offices and relies on the State's leasing agreements, resulting in a significant financial benefit/burden relationship. The Foundation is blended as a nonmajor special revenue fund within the Fish and Game fund. The Foundation's financial statements may be obtained from the following address: Idaho Fish & Wildlife Foundation, 600 S. Walnut St. Boise, ID 83712.

The *Idaho State Building Authority* was created by Idaho Code Section 67-6403 to finance and construct facilities, such as office buildings and parking garages, to be used and leased by the State. The Authority relies on the State's leasing agreements, resulting in a significant financial benefit/burden relationship. The Authority provides services to the State of Idaho and some community colleges. The Authority is blended as a nonmajor special revenue fund. The Authority's financial statements may be obtained from the following address: Idaho State Building Authority, 950 W. Bannock St, Suite 490, Boise, ID 83702.

***Discretely Presented Component Units***

Discretely presented component units are reported in a separate column on the government-wide statements to emphasize that they are legally separate from the primary government. Information regarding the State's discretely presented component units and contact information to obtain their financial reports follow.

The *Idaho Housing and Finance Association* fund includes the Association and its component unit, The Housing Company, which was established to support the function and activities of the Association. The Association was created by Idaho Code Section 67-6202 for the purpose of building and rehabilitating residential housing for persons of low income. The Association is authorized to enter into agreements that include issuing bonds for the Idaho Transportation Department to facilitate transportation projects, thereby creating a financial benefit/burden relationship. The Governor appoints the Association board members. (<https://www.idahohousing.com/investors/>)

The *College and University Foundation* fund includes the foundations of Boise State University (BSU), Idaho State

**Notes to the Financial Statements****For the Fiscal Year Ended June 30, 2019**

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University (ISU), Lewis-Clark State College (LCSC), and the University of Idaho (UI). The foundations were established for the purpose of soliciting donations in support of the growth and development of the colleges' and universities' programs and activities. Gifts and contributions are held, protected, managed, and invested for the exclusive benefit of the respective colleges and universities.

*Boise State University Foundation, Inc.*

<https://www.boisestate.edu/giving/about/foundation/policies/>

*Idaho State University Foundation, Inc.*

<https://www.isu.edu/foundation/about/financial-statements/>

*Lewis-Clark State College Foundation, Inc.*

<http://www.lcsc.edu/giving/>

*University of Idaho Foundation, Inc.*

<https://www.uidaho.edu/uidahofoundation/financial-highlights>

The *Idaho Petroleum Clean Water Trust Fund* was created by Idaho Code Section 41-4905 to provide pollution liability insurance for eligible owners and operators of petroleum storage tanks. The Governor appoints the members of the board and the State approves, and may modify, the Fund's plan of operation. The Legislature sets the fees charged for enrollment in the Fund and imposes a transfer fee on petroleum products. Thus, the State has the ability to impose its will on the Fund. Financial statements may be obtained from the following address: Idaho Petroleum Clean Water Trust Fund, P.O. Box 83720, Boise, ID 83720.

The *Health Reinsurance* fund includes the Idaho Individual High Risk Reinsurance Pool, created by Idaho Code Section 41-5502, and the Idaho Small Employer Health Reinsurance Program, created by Idaho Code Section 41-4711. The Pool and the Program are intended to promote the availability of health insurance coverage, regardless of health or claims experience. The Pool and Program provide a safety net to carriers in the form of a risk pool and a reinsurance mechanism to facilitate the guaranteed issue of standardized state-approved health benefit plans. The Pool and the Program operate subject to the supervision and control of the same ten-member board, a majority of which is appointed by the director of the Department of Insurance. The Pool is partially funded through state premium tax revenue, creating a financial burden for the State. Financial statements may be obtained from the following address: Idaho Individual High Risk Reinsurance Pool, Idaho Small Employer Health Reinsurance Program, P.O. Box 190966, Boise, ID 83719.

The *Idaho Bond Bank Authority* was created by Idaho Code Section 67-8703 authorizing the Authority to issue bonds to make loans to municipalities for infrastructure. The Authority can obtain better credit ratings, better interest rates, and lower underwriting costs than municipalities can achieve individually. The Authority is administered by a five-member board, of which two members are appointed by the Governor and three are elected officials. The Authority can obligate sales tax revenue as a source of payment or security for bonds issued, which imposes a potential direct financial burden on the State. (<https://sto.idaho.gov/debt-management/idaho-bond-bank-authority-ibba>)

The *Idaho Health Insurance Exchange* was created by Idaho Code Section 41-6104 with the purpose to establish a state-created, market-driven, health insurance exchange that will facilitate the selection and purchase of individual and employer health benefit plans. The Exchange is financially self-supporting and does not request financial support from the State. The Exchange is administered by a 19-member board with 17 total voting members. Of the 17 voting members, 14 are appointed by and serve at the pleasure of the Governor. The Director of the Department of Insurance shall review and approve all bylaws for the regulation and conduct of business of the Exchange. Financial statements may be obtained from the following address: Your Health Idaho, P.O. Box 943, Boise ID 83701.

***Related Organizations***

The *State Insurance Fund*, created by Idaho Code Section 72-901, and the *Idaho Health Facilities Authority*, created by Idaho Code Section 39-1444, are related organizations for which the State is not financially accountable although the State appoints a voting majority of the organizations' boards. The financial reports of these organizations are excluded from the State's financial statements.

**B. Government-Wide and Fund Financial Statements*****Government-Wide Statements***

The *Statement of Net Position* and *Statement of Activities* report information on non-fiduciary activities of the primary government and its component units. Primary government activities distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Internal service funds are included with governmental activities in the government-wide statements and are included with the proprietary funds in the fund statements.

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

The *Statement of Net Position* presents the State's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources with assets plus deferred outflows of resources minus liabilities and deferred inflows of resources reported as net position.

The *Statement of Activities* demonstrates the degree to which the direct expenses of governmental functions, business-type activities, and component units are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific governmental function, business-type activity, or component unit. Revenues are broken out by program and general designations. Program revenues include charges to customers who purchase, use, or directly benefit from goods or services provided by a given function, activity, or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Program revenues display the extent to which programs are self-funded. The difference between direct expenses and program revenue displays the net cost of the function to be financed from the State's general revenues. Taxes and other revenue sources that are not attributable to specific programs are shown as general revenues.

State agencies share the cost of some centralized services. These administrative overhead charges are reported as direct program expenses of each of the various functions. Certain indirect costs are paid by the general government function and are not allocated to the other governmental functions.

### Fund Statements

Separate fund financial statements are presented for the governmental, proprietary, and fiduciary funds. The emphasis in the fund statements is on major funds. Major governmental and business-type funds are reported as separate columns in the fund statements. The remaining governmental and business-type funds are considered to be nonmajor funds and are consolidated in a nonmajor funds column. The nonmajor funds are displayed individually in combining statements.

The State reports the following major governmental funds:

The *General Fund* is the State's primary operating fund. It accounts for services that include general government, public safety and correction, health and human services, education, economic development, and natural resources. The General Fund includes all financial resources of the general government except those accounted for in another fund.

The *Health and Welfare* special revenue fund accounts for resources primarily from federal grants that are used for public assistance, medical care, foster care, and other relief for eligible citizens of Idaho.

The *Transportation* special revenue fund accounts for resources primarily from federal grants, fuel taxes, and registration fees that are used for administration, construction, and maintenance of the state highway and aviation systems.

The *Land Endowments* permanent fund manages and invests the revenues generated from the sale or lease of lands granted from the federal government under the Idaho Admission Act.

The State reports the following major proprietary funds:

The *College and University* fund accounts for resources used by the State's system of higher education.

The *Unemployment Compensation* fund accounts for resources used to provide unemployment benefits to eligible unemployed workers.

The *Loan* fund accounts for loans to make improvements to irrigation, wastewater, and drinking water systems.

Additionally, the State reports the following fund types:

### Governmental Fund Types

*Special revenue funds* account for specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The *capital projects fund* accounts for financial resources that are restricted, committed, or assigned to finance construction of transportation infrastructure.

*Permanent funds* account for resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support certain state programs.

### Proprietary Fund Types

*Enterprise funds* account for governmental operations that function in a manner similar to private business enterprises. The intent is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

*Internal service funds* account for a variety of independent operations that provide goods or services to other state agencies or governmental units on a cost-reimbursement basis. Internal service fund activities of the State include health, disability, property, liability, and other types of insurance; data processing services; and other general services such as facilities rentals.

### Fiduciary Fund Types

*Pension (and other employee benefits) trust funds* account for resources held in trust for the members and beneficiaries of the State's defined benefit pension plans, defined contribution plans, deferred compensation plan, and other employee benefits.



## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

Complete financial statements of the State of Idaho Public Employees' Deferred Compensation Plan may be obtained by writing to the Idaho State Controller's Office, Attn: Brandon Woolf, P.O. Box 83720, Boise, ID 83720-0011.

*Investment trust funds* account for external participants' investments with the State's Local Government Investment Pool and Diversified Bond Fund.

The *private-purpose trust fund* accounts for resources held in trust by the Idaho College Savings Program; the principal and interest benefit individuals. Complete financial statements may be obtained by writing to IDEAL – Idaho College Savings Program, P.O. Box 219944, Kansas City, MO 64121.

The *agency fund* accounts for residual idle cash and investments held by the State on behalf of other governmental entities and administered by the State Treasurer's Office. The fund also accounts for resources collected or held by the State, acting in a custodial capacity, for distribution to other governmental units or designated beneficiaries. These resources include deposits of securities by banks and insurance companies.

#### ***Classification of Revenues and Expenses of Proprietary Funds***

Operating and non-operating revenues and expenses are presented separately on the operating statements. Operating transactions generally occur if they directly result from the provision of goods or services to customers or are otherwise directly related to the principal and usual activity of the fund. All other revenues and expenses are reported as non-operating.

#### ***Reconciling Government-Wide Statements to the Fund Statements***

The governmental fund statements include a reconciliation between the fund statements and the government-wide statements. Differences that make a reconciliation necessary include the two differing measurement focuses and bases of accounting between the statements and the inclusion of internal service funds with governmental activities on the government-wide statements.

The proprietary fund statements include a reconciliation between the fund statements and the government-wide statements for internal service fund activity that is included in the enterprise fund statements but eliminated in the government-wide statements.

### **C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide statements are prepared using the economic resources measurement focus and the accrual

basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. The Agency fund reports only assets and liabilities using the accrual basis of accounting; they have no measurement focus.

Reimbursements are eliminated in the government-wide Statement of Activities to reduce the grossing-up effect of internal transactions. Reimbursements are repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements include payments for maintenance and construction projects, federal grant pass-through from one state agency to another, insurance premiums, technical services, and the allocation of central human resource costs to all agencies.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual, generally when they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State generally considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Significant revenue sources susceptible to accrual include sales tax, individual and corporate taxes, motor fuel taxes, and federal grants. Licenses, permits, fees, and other miscellaneous revenues, which are derived from an underlying transaction, are recognized when received since they are normally only measurable at that time. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to debt service, compensated absences, and claims and judgments are recorded when paid.

The State reports only enterprise funds as business-type activities. The business-type activities follow all current GASB pronouncements.

THC and the foundations of BSU, ISU, and Fish and Wildlife Foundation issue financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. The Idaho Petroleum Clean Water Trust Fund issues statutory basis financial statements. The financial statements and note disclosures of THC, these foundations, and the Idaho Petroleum Clean Water Trust Fund have been reformatted to comply with GASB requirements.

**Notes to the Financial Statements****For the Fiscal Year Ended June 30, 2019**

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**D. Financial Statement Elements****Assets***Cash and Cash Equivalents*

Cash and Cash Equivalents consist of bank accounts; petty cash; cash in transit; money market accounts; FDIC insured nonnegotiable certificates of deposit; and short-term, highly-liquid investments with a maturity of three months or less from the date of acquisition.

*Pooled Cash and Investments*

Cash balances of most funds are deposited with the State Treasurer's Office (STO). Balances not required to meet immediate needs are pooled in an internal investment pool. Idaho Code Sections 67-2725 through 67-2749 and Sections 67-1210, 67-1210A, and 67-1210B govern STO deposit and investment policies for the pooled balances. See Note 2 for more information.

*Investments*

The State reports most investments at fair value based on published market prices and quotations from investment brokers. Investments held in lieu of surety deposits, which are not held for investment purposes, are carried at historical cost in the State's agency fund. Certain entities disclosed in Note 2 report money market investments and other highly liquid investments with a remaining maturity of one year or less at the time of purchase using amortized cost. See Note 2 for more information.

*Receivables, Net*

Receivables in the General Fund consist primarily of income and sales taxes. Special revenue fund receivables consist primarily of federal health, education, and transportation grants, fuel taxes, and vendor receipts. Proprietary fund receivables consist mainly of loans, unemployment assessments, and student tuition and fees. Fiduciary fund receivables consist primarily of investments sold in the pension trust funds. The receivables are disaggregated on the financial statements. See Note 5 for more information on noncurrent receivables.

*Internal Balances*

Interfund receivables and payables consist of unpaid balances for goods and services provided by one fund to another and for certain statutorily required transfers due at year-end. Interfund goods and services provided are reported as revenues in seller funds and expenditures or expenses in purchaser funds. These balances are generally short-term receivables and payables. See Note 4 for interfund schedules and any receivables not expected to be collected within one year. Interfund receivable and payable balances and activity have been eliminated from the government-wide Statement of Net Position, except for the residual amounts due between governmental and business-type activities, which are shown as Internal Balances.

*Inventories and Prepaid Items*

Inventory consists of materials and supplies that will be consumed within a year. Governmental and proprietary fund-type inventories of supplies and materials are valued at cost, which approximates market value, generally using the first-in, first-out method. Prepaid expenses represent amounts paid in the current period for services that will benefit future periods. Inventory and prepaid expenses are accounted for using the consumption method.

*Other Assets*

Other assets include interest receivable, and other miscellaneous items.

*Restricted Assets*

Assets are reported as restricted when constraints on asset use are imposed by constitutional provisions, enabling legislation, or external parties; and the constraints change the nature or normal understanding of the availability of the asset. See Note 2 for more information.

*Capital Assets, Net*

Capital assets include land, improvements to land, land use rights, buildings, improvements to buildings, machinery, equipment, software, historical art and collections, capital assets in progress, all infrastructure regardless of acquisition date, and other tangible or intangible assets used in operations. Tangible assets with a value of \$5,000 or more and intangible assets with a value of \$200,000 or more, and a useful life of more than one year are capitalized. The costs of normal repairs and maintenance that do not add to the asset's functionality or materially extend an asset's useful life are not capitalized. Interest expense related to capital asset construction is capitalized for enterprise funds.

Capital assets are reported at cost or estimated historical cost, if actual cost is not available. In cases where historical cost is not available, assets are valued using comparable assets indexed forward or backward with the Consumer Price Index. Donated capital assets are reported at their acquisition value at the date of donation. Endowment land originally granted to the State by the federal government is reported at one dollar per acre.

Capital assets are depreciated or amortized with the exception of roads, rights-of-way, land, capital assets in progress, historical art and collections, and certain intangible assets with an indefinite useful life. Depreciation and amortization are recorded as depreciation expense. For all depreciable major asset classes, depreciation and amortization are calculated on a straight-line basis over their estimated useful lives, as follows:

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

<u>Assets</u>	<u>Years</u>
Buildings and Improvements to Buildings	30 - 50
Improvements Other Than Buildings	5 - 50
Machinery, Equipment, and Other	3 - 40
Infrastructure – Bridges	75
Infrastructure – Other	30 - 50

Roads are not depreciated but rather are accounted for under the modified approach. The modified approach recognizes that this class of infrastructure will be indefinitely maintained at a certain condition level and as such does not have a limited lifespan. Costs to maintain the roads at the set condition levels are expensed rather than capitalized, unless the road's service potential is increased or additions are made. The Idaho Transportation Department has the responsibility for determining and assessing the condition levels, maintaining the inventory of roads, and making annual estimates of costs to maintain the roads. Further information regarding infrastructure can be found in the Required Supplementary Information.

Historical art and collections include historical artifacts, documents, rare books, paintings, portraits, state capitol-related artifacts, furnishings, films, statues, and monuments. Some of the State's historical art and collections have not been capitalized because they are preserved and protected for public display, education, or research. The proceeds from the sales of collection items are used to acquire other items for the collection. Historical art and collections already capitalized at June 30, 1999 have remained capitalized even if they meet the conditions for exemption from capitalization.

Intangible assets acquired in fiscal years ending after June 30, 1980, and not previously capitalized, are retroactively reported as of July 1, 2009. Some intangible assets with indefinite useful lives as of July 1, 2009, and some internally generated intangible assets created prior to or in progress as of July 1, 2009, were retroactively reported if appropriate historical costs were determinable.

See Note 6 for more information on capital assets.

***Deferred Outflows of Resources***

Deferred outflows of resources consist of costs related to debt defeasance and decreases in the amortized value of hedging derivative instruments to be recognized in a future period. At the time that the instrument is terminated, the amount will be reported as a decrease of investment income. Deferred outflows of resources also consist of pension and other postemployment benefit contributions made subsequent to the actuarially-determined pension liability measurement date and the State's proportionate share of the total pension and other postemployment benefit related deferred outflows of resources

See Notes 7, 8, and 9 for more information.

***Liabilities******Payables***

Payables in the General Fund consist primarily of sales taxes due to local governments and vendor obligations. Payables in the special revenue funds relate primarily to vendor obligations, fuel taxes to be distributed to local governments, and Medicaid. Medicaid Payable includes the amount the State expects to pay within 60 days of fiscal year end. The remaining amount, estimated Medicaid claims expected to be presented within the next year, is reported as Claims and Judgments within the Long-Term Liabilities Due Within One Year on the government-wide Statement of Net Position. Proprietary fund payables consist mostly of payroll liabilities and vendor obligations. The pension trust fund payable is comprised primarily of investments purchased by the Public Employee Retirement System of Idaho.

***Unearned Revenue***

Unearned revenue is recorded when cash is received prior to being earned.

***Amounts Held in Trust for Others***

Amounts held in trust for others consist of cash or other assets held for an individual or entity until certain conditions of an agreement are met, at which time the asset is returned to the owner. Occasionally the owner may default on the conditions; at that time, the asset held in trust becomes the property of the State and revenue is recorded.

***Other Accrued Liabilities***

Other accrued liabilities primarily consist of interest payable and other miscellaneous liabilities.

***Long-Term Liabilities***

Government-wide and proprietary financial statements report long-term obligations as liabilities, with the portion payable within 12 months designated separately from the portion payable in more than 12 months. Long-term liabilities include the following:

***Bonds and Notes Payable*** consists of bonds and notes issued for the construction or acquisition of facilities and for funding various projects. Bond premiums and discounts are deferred and amortized over the life of the loan. See Note 13 for more information.

***Capital Leases Payable*** consists of lease contracts that transfer substantially all of the benefits and risks of ownership of property to the State. See Note 11 for more information.

***Compensated Absences Payable*** includes vacation and compensatory time earned by employees but not paid. See Note 13 for more information.

## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

*Policy Claim Liabilities* includes amounts for probable claims that have been incurred and the amount of the loss that has been reasonably estimated. See Notes 10 and 13 for more information.

*Other Long-Term Liabilities* consists of payables on behalf of the State and its agencies for various legal proceedings and claims, a net pension liability, other postemployment benefit liability, and other miscellaneous liabilities. See Notes 8, 9, and 13 for more information.

### ***Deferred Inflows of Resources***

Deferred inflows of resources consists of unavailable revenue, which is revenue that has been earned but is not available within 60 days of fiscal year end, government mandated nonexchange transactions, the State's proportionate share of the total pension and other postemployment benefit related deferred inflows of resources, and increases in the fair value of hedging derivative instruments to be recognized in a future period. At the time that the instrument is terminated, the amount will be reported as an increase of investment income. See Notes 7, 8, and 9 for more information.

## **E. Net Position / Fund Balance**

### ***Net Position***

Net position is the difference between assets and deferred outflows of resources minus liabilities and deferred inflows of resources on the government-wide, proprietary, and fiduciary fund financial statements.

Net position is displayed in the following three categories:

*Net Investment in Capital Assets* consists of capital assets net of accumulated depreciation, deferred outflows of resources, deferred inflows of resources, and reduced by outstanding related debt.

*Restricted Net Position* results when third parties, constitutional provisions, or enabling legislation impose constraints on net position use. The State does not have a policy regarding the preferred first usage of unrestricted or restricted net position. Expense allocation decisions are made on a program-by-program basis when both restricted and unrestricted net positions are available.

*Unrestricted Net Position* consists of net position that

does not meet the definition of the two preceding categories. Unrestricted net position may have constraints or designations placed upon them by management, which can be unilaterally removed.

### ***Fund Balance***

Fund balance is the difference between assets and both liabilities and deferred inflows of resources on the governmental fund financial statements. The Legislature approves appropriations for State agencies and in so doing specifies the funding sources and the order in which restricted, committed, assigned, or unassigned fund balances are spent. Fund balances are classified in the following five categories:

*Non-spendable* fund balances consist of amounts that cannot be spent because they are in non-spendable form, such as inventories, prepaid items, and long-term receivables; or they are legally or contractually required to be maintained intact, such as the corpus of the permanent fund.

*Restricted* fund balances consist of amounts that are constrained by either external parties or imposed by law through constitutional provisions or enabling legislation and can only be used for specific stated purposes.

*Committed* fund balances consist of amounts that are constrained 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. The legislation that constrains the use of the resources is separate from the authorization to raise the underlying revenue.

*Assigned* fund balances consist of amounts that are constrained by the Legislature's or agency director's intent to be used for specific purposes and are neither restricted nor committed.

*Unassigned* fund balance is the residual classification for the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

See Note 14 for more information.



## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## NOTE 2. DEPOSITS, INVESTMENTS, AND RESTRICTED ASSETS

## A. Deposits

Cash and cash equivalents are deposited with various financial institutions. Legal provisions regarding deposits are found throughout Idaho Code Title 67. The State Treasurer's Office (STO) acts as the State's bank, receiving and disbursing all monies except for the following: the State Bar, the Potato Commission, the Dairy Products Commission, the Wheat Commission, some of the endowment fund accounts, the Idaho State Building Authority, some of the colleges' and universities' accounts, the Idaho Housing and Finance Association, the college and university foundations, the Idaho Individual High Risk Reinsurance Pool, the Idaho Small Employer Health Reinsurance Program, the Idaho Bond Bank Authority, some of the Public Employee Retirement System of Idaho accounts, Your Health Idaho, and the Idaho Public

Employees' Deferred Compensation Plan. In accordance with Idaho Code Sections 67-1210 and 67-1210A the STO invests the pooled cash not needed to meet immediate obligations in various types of investments. The pool balances are available on demand to the participants. Interest received on the pooled cash and investments is paid into the General Fund, unless Idaho statute requires allocation of interest to specific funds. The weighted average maturity of pooled cash and investments held by the STO was 1.2 years.

*Custodial credit risk* is the risk that in the event of a financial institution failure, the State's deposits may not be returned. The State does not have a formal policy to address custodial credit risk.

## Custodial Credit Risk at June 30, 2019

(dollars in thousands)

	Governmental and Business-Type Activities	Fiduciary Funds	Component Units
Bank Value of Deposits	\$ 173,376	\$ 87,945	\$ 329,885
Uninsured and Uncollateralized Deposits	105,195	48,624	22,120
Uninsured Deposits Collateralized with Securities Held by the Pledging Financial Institution	51,320	24,031	144
Uninsured Deposits Collateralized with Securities Held by the Pledging Financial Institution's Trust Department or Agent, but not in the State's Name			

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

**B. Investments*****General Investment Policies***

The Idaho Uniform Prudent Investor Act (Idaho Code Sections 68-501 through 68-514) stipulates standards state investment personnel must follow. The primary focus of the Act is preservation of capital and avoidance of speculative transactions through exercise of reasonable care, skill, and caution. The goal is to provide a reasonable return while following specific objectives of various trusts. The Act may be expanded, restricted, eliminated, or altered by provisions of Idaho statute or a trust.

The STO invests idle moneys in accordance with Idaho Code Sections 67-1210, 67-1210A, and 67-2739. Some investments are made directly by an agency rather than by the STO. Only a few agencies are authorized to make such investments and then only for specific programs. Investments are valued as described in Note 1.

Internal participant funds of the investment pools generally receive income from investments generated by their participation in the external investment pools, with the exception of the Unemployment Compensation enterprise fund. The investment income from that fund is assigned to the miscellaneous Special Administrative fund per Idaho Code Section 72-1347A.

***Types of Investments***

Idaho Code Section 67-1210 authorizes the STO and agencies with investment authority to make direct investments in the following types of investments:

- U.S. government obligations, which pledge the full faith and credit of the U.S. government
- General obligation or revenue bonds of the State or any Idaho county, city, or taxing district
- Obligations issued under the Farm Credit Act of 1971; obligations issued by the Federal National Mortgage Association and the Federal Home Loan Bank; and obligations issued or guaranteed by other agencies or instrumentalities of Idaho or of the United States, including the U.S. Small Business Administration guaranteed portion of any approved loan by an Idaho banking corporation and by the STO
- Obligations issued by public corporations of the State
- Repurchase agreements covered by any legal investment for the State
- Tax and revenue anticipation instruments of the State or Idaho taxing districts
- Time deposit and savings accounts in state depositories, state and federal savings and loan associations, or state and federal credit unions located within the boundaries of Idaho

- Revenue bonds of Idaho higher education institutions
- Money market funds whose portfolios consist of investments specified in this section and are denominated in U.S. dollars

Idaho Code Section 67-1210A authorizes the STO to enter into the following additional types of transactions:

- Prime banker's acceptances and prime commercial paper
- Sale and repurchase of call options on securities owned by the STO or the Local Government Investment Pool
- Bonds, notes, and debentures of any U.S. corporation with at least an A rating, at the time of purchase, by a nationally recognized statistical rating organization such as Standard & Poor's or Moody's

The STO manages two external investment pools, the Local Government Investment Pool (LGIP) and the Diversified Bond Fund (DBF). In order to earn a higher yield, Idaho governmental entities may voluntarily deposit moneys not needed to meet immediate operating obligations in these pools. The STO must operate and invest the funds of both pools for the benefit of the participants. Separately issued financial reports for LGIP and DBF may be obtained from the State Treasurer's Office, P.O. Box 83720, Boise, Idaho 83720-0091.

The Endowment Fund Investment Board (EFIB) manages investments of Idaho's permanent fund, the Land Endowments fund. Idaho Code Section 57-720 gives the EFIB the authority to formulate investment policies of the permanent endowment fund and earnings reserve funds. Idaho Code Section 57-723 stipulates that the EFIB and its investment managers are governed by the Idaho Uniform Prudent Investor Act and the Idaho Constitution. In addition to the investment types mentioned previously, the EFIB has approved the following types of investments:

- Collateralized mortgage obligations
- Domestic and international equities
- Non-investment grade bonds
- Exchange-traded funds
- Financial index futures, options, and certain derivatives as approved by the EFIB

The Retirement Board of the Public Employee Retirement System of Idaho (PERSI) has established a Statement of Investment Policy in accordance with Idaho Code Sections 68-501 through 68-514 and Sections 59-1301 through 59-1399. In addition to the investments mentioned above for the STO and the EFIB, the following types of investments are approved for PERSI funds:

- Derivative instruments, specifically, swaps and forward foreign currency contracts by a few selected managers



## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

- Private equity real estate investments in open-end and closed-end commingled real estate funds, direct real estate, publicly traded real estate investment trusts (REITs), passive REIT index funds, and other public real estate companies, private real estate companies, and real estate operating venture entities
- Alternative investments upon the recommendation of a qualified consultant after due diligence and with approval by the Board or subcommittee appointed by the Board

**Fair Value of Investments**

GASB Statement No. 72, Fair Value Measurement and Application, defines the generally accepted accounting principles required for fair value reporting. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following tables display the fair value of the state's investments at June 30, 2019:

Primary Government and Fiduciary Funds Fair Value of Investments at June 30, 2019 (Except Endowment Funds and PERSI) (dollars in thousands)									
Investment Type	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable inputs (Level 3)	Total Fair Value	Net Asset Value (NAV)	Amortized Cost	Not Rated	Total	Valuation Technique
Debt Securities:									
Money Market Funds	\$ 928	\$ 40,321		\$ 41,249		\$ 631		\$ 41,880	Market
Certificates of Deposit*		5,000		5,000		101		5,101	Cost
Certificates of Deposit	1,797	13,334		15,131				15,131	Market
Repurchase Agreements*		742,141		742,141				742,141	Cost
Commercial Paper		407,079		407,079				407,079	Market
U.S. Gov't Obligations		1,275,328		1,275,328			\$ 436,012	1,711,340	Market
U.S. Gov't Agency Obligations	20,251	2,184,720		2,204,971				2,204,971	Market
U.S. Gov't Agency Mortgage-Backed Securities*		359,501		359,501				359,501	Market
Asset-Backed Securities*		341,372		341,372				341,372	Market
Commercial Mortgages*		6,343		6,343				6,343	Market
Corporate Obligations	29,980	910,230		940,210				940,210	Market
Municipal and Public Entity Obligations		919		919			12,044	12,963	Market
Bond Mutual Funds and Other Pooled Fixed-Income Securities	273,561	51,040		324,601				324,601	Market
External Investment Pools*						9,881		9,881	Cost
External Investment Pools							84,016	84,016	Market
Total Debt Securities	326,517	6,337,328		6,663,845		10,613	532,072	7,206,530	
Other Investments:									
Mutual Funds Without Maturity Dates	622			622				622	Market
Equity Securities and Mutual Funds	101,294	12,002		113,296				113,296	Market
Real Estate and Perpetual Trusts					\$ 11,056			11,056	Cost
Real Estate and Perpetual Trusts		543		543				543	Market
Commodities		960		960				960	Market
Total	\$ 428,433	\$ 6,350,833	\$ 0	\$ 6,779,266	\$ 11,056	\$ 10,613	\$ 532,072	\$7,333,007	
* Securities are reported using weighted-average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.									

\* Securities are reported using weighted-average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

Endowment Funds Fair Value Measurements			
Investments and Derivative Instruments Measured at Fair Value at June 30, 2019			
(dollars in thousands)			
	June 30, 2019 (value before accruals)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>Investments by Fair Value Level</b>			
<u>Debt Securities:</u>			
Asset-Backed Securities	\$ 15,465		\$ 15,465
Commercial Mortgage-Backed Securities	16,039		16,039
Corporate Bonds	125,841		125,841
Corporate Bond Fund	11,801		11,801
Corporate Convertible Bonds	767		767
Government Agencies	8,701		8,701
Government Agencies Fund	8,903		8,903
Government Bonds	134,020		134,020
Government Mortgage-Backed Securities	111,786		111,786
Govt-Issued Commercial Mortgage-Backed	2,492		2,492
Index-Linked Government Bonds	90,836		90,836
Municipal/Provincial Bonds	2,078		2,078
Non-Government Backed C.M.O.s	6,314		6,314
Other Fixed Income Fund	17,233		17,233
Total Debt Securities	552,276		552,276
<u>Equity Securities:</u>			
Communication Services	118,897	\$ 118,897	
Consumer Discretionary	174,221	174,221	
Consumer Staples	93,275	93,275	
Energy	62,915	62,915	
Financials	221,657	221,657	
Health Care	194,220	194,220	
Industrials	207,024	207,024	
Information Technology	275,245	275,245	
Materials	67,903	67,903	
Real Estate	32,325	32,325	
Utilities	21,626	21,626	
Common Stock Fund	43,057	43,057	
Equity ETFs	2,156	2,156	
Total Equity Securities	1,514,521	1,514,521	
<u>Derivatives:</u>			
Futures Contracts	433	433	
Exchange Cleared Swaps	(843)	(843)	
Fixed Income - Derivative Options	3	3	
Total Derivatives	(407)	(407)	
<u>Preferred Stock Securities:</u>			
Consumer Discretionary	895	895	
Financials	869	869	
Materials	84	84	
Other	50	50	
Total Preferred Stock Securities	1,898	1,898	
<b>Total Investments by Fair Value Level</b>	<b>2,068,288</b>	<b>\$ 1,516,012</b>	<b>\$ 552,276</b>
<b>Investments Measured at Amortized Cost</b>			
Money Market Fund	64,176		
<b>Investments Measured at the Net Asset Value (NAV)</b>			
Real Estate Investment Trust (private)	190,275		
<b>Total Investments Measured at Fair Value</b>	<b>\$ 2,322,739</b>		

## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

The EFIB has two real estate funds, UBS TPI and DB RAR II, reported at Net Asset Value (NAV) and invested primarily in U.S. commercial real estate. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) in accordance with accounting principles generally accepted in the United States, NCREIF Real Estate Information Standard, and market-based

accounting rules where appropriate and applicable. NAV is based on the fund's gross asset value less the value of any debt or other outstanding liabilities, whether held directly or indirectly through another entity or entities, anticipated distributions and similar items, as determined by the Advisor at its discretion.

PERSI Fair Value Measurements					
Investments and Derivative Instruments Measured at Fair Value at June 30, 2019					
(dollars in thousands)					
Investment Type	Fair Value at June 30, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique
<u>Fixed Income Securities:</u>					
U.S. Government	\$ 2,770,521	\$ 2,748,386	\$ 22,135		Market
Asset backed-Securitized	427,185		391,766	\$ 35,419	Market
Corporate	865,251		865,002	249	Market
Idaho Mortgages	823,647		823,647		Market
Non-U.S. Government	131,847		131,847		Market
Total Fixed Income Securities	5,018,451	2,748,386	2,234,397	35,668	
<u>Equities:</u>					
Domestic	6,616,013	6,616,013			Market
Developed Markets	2,999,687	2,998,411		1,276	Market
Emerging Markets	821,329	784,023		37,306	Market
Total Equities	10,437,029	10,398,447		38,582	
<u>Other Investments:</u>					
Preferred Securities	72,683	64,720	4,023	3,940	Market
Convertible or Exchangeable Securities	151			151	Market
Futures					Market
Mutual Funds-Defined Contribution Investment Options	86,421	86,421			Market
<b>Total investments by fair value level*</b>	<b>\$ 15,614,735</b>	<b>\$ 13,297,974</b>	<b>\$ 2,238,420</b>	<b>\$ 78,341</b>	
* The Total Return Fund and Short Term Investment Portfolio are unitized Defined Contribution investment options included with the Equity and Fixed Income totals above and Private Equity Partnerships and Private Real totals below.					
Investments measured at the net asset value (NAV)	Fair Value at June 30, 2019	Unfunded Commitments	Redemption Frequency	Redemption Notice	
<u>Private Equity Partnerships:</u>					
Growth Equity	\$ 17,910	\$ 38,939			
Corporate Finance/Buyout	889,062	678,987			
Distressed Debt	27,843	17,084			
Co/Direct Investment	73,686	40,808			
Secondaries	36,803	35,751			
Venture Capital	38,161	10,970			
<u>Private Real Estate:</u>					
Open Ended Co-mingled Insurance Company Separate	69,371				
Multifamily properties (Olympic)	73,241				
Value Added Apartments	198,949				
Value Added Offices	28,843				
Value Added Retail	46,857				
Office/Industrial Properties	135,664				
Core Office	177,719				
Industrial	50,280				
Development Properties	67,789				
<u>Collective Funds:</u>					
REIT Index Collective Fund	3,808		Daily	4pm EST	
TIPS Index Collective Fund	2,050		Daily	4pm EST	
US Broad Equity Market Index Collective Fund	13,231		Daily	4pm EST	
Emerging Equity Market Index Fund	2,220		Daily	4pm EST	

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

US Large Cap Equity Market Index Collective Fund	34,937	Daily	4pm EST
US Bond Market Index Collective Fund	12,626	Daily	4pm EST
International Equity Index Collective Fund	7,936	Daily	4pm EST
US Small/Midcap Equity Index Collective Fund	20,582	Daily	4pm EST
BNYM Mellon DB NSL Emerging Market Stock Index Fund - Non-DC	723,778	Daily	Trade date less 2 days
<u>Utilitized Fund</u>			
Short Term investment Portfolio account	26,987	Daily	4pm EST
<u>Sick Leave Insurance Reserve Trust Fund:</u>			
Russell 3000 Index Co-Mingled Fund	317,743	Daily	Trade date less 1 days
Government Credit Bond Index Co-Mingled Fund	173,005	Daily	Trade date less 1 days
MSCI ACWI Ex-US Strategy Co-mingled Fund	75,535	Daily	Trade date less 2 days
<b>Total investments measured at the NAV</b>	<b>3,346,616</b>		
<b>Total investments measured at fair value</b>	<b>\$ 18,961,351</b>		

The PERSI has the following investments reported at Net Asset Value (NAV):

- Private Equity Partnerships are reported at the NAV and include limited partnerships invested in the following strategies: Growth Equity, Corporate Finance/Buyout, Distressed Debt, Co/Direct Investments, Secondaries, and Venture Capital. Fair value is obtained by using a valuation provided by the General Partner, adjusting for interim cash flows and rolling forward to the measurement date of the Plan. A gatekeeper is used to monitor values, cash flows, and provide due diligence for new investments. The fair values presented may differ from actual amounts realized from these investments.
- Real Estate Investment Trust (REITs) are publicly traded securities and are included with Equities: Domestic, level 1, as those securities are traded in an active market. Private Real Estate are investments owned directly or with other partnership interests and are in several general categories to include Affordable Housing, Multifamily properties, Value added apartments, Office/Industrial Properties, and Development Properties and are listed with investments measured at the NAV. Each property in the Portfolio is externally appraised at a minimum every year. Appraisals are completed by third-party MAI certified appraisers. For properties not subject to an external appraisal during a quarter, internal valuations are completed by AEW (the Plan's private real estate consultant) (or Pinnacle and reviewed by AEW), based on updated operational performance at the subject property and any relevant sale comparable. A discounted cash flow analysis is utilized to determine asset value. Prior to finalizing the values, Altus (an independent

professional advisory with expertise in appraisals) reviews every valuation quarterly and communicates its questions/findings to AEW before approval. The valuation of the Affordable Housing properties is calculated by a third party valuation and accounting specialist in the affordable housing industry once a year at December 31st. Development properties are initially valued at their accumulated cost amounts until completion, upon which an appraisal is done. Prudential is an open ended co-mingled insurance company separate account comprised primarily of real estate investments either directly owned or through partnership interests and mortgage and other loans on income producing real estate. Fair value is generally determined through an appraisal process that is conducted by independent appraisers within a reasonable amount of time following acquisition and no less frequently than annual thereafter.

- Collective Trust Funds are eight trust funds offered as investment options in the Defined Contribution Plan, reported at the Net Asset Value. The NAV is based on the value of the underlying investments. Collective Trusts are regulated, but not registered investment vehicles.
- Co-Mingled Funds are the investment vehicle used for the Plan's Sick Leave Insurance Reserve Trust Fund where funds are pooled from numerous plans. They are valued at net asset value of units held at the end of the period based upon the fair value of the underlying investments.

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

Component Unit Fair Value of Investments at June 30, 2019									
(dollars in thousands)									
Investment Type	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Un-observable inputs (Level 3)	Total Fair Value	Net Asset Value (NAV)	Amortized Cost	Not Rated	Total	Valuation Technique
<b>Debt Securities:</b>									
Money Market Funds	\$ 82,144			\$ 82,144				\$ 82,144	Market
Certificates of Deposit		1,000		1,000				1,000	Market
U.S. Gov't Obligations*	10,707	\$ 21,641		32,348				32,348	Market
U.S. Gov't Agency Obligations	58,470	29,707		88,177				88,177	Market
U.S. Gov't Agency Mortgage-Backed Securities	123,067			123,067				123,067	Market
Corporate Obligations	40,719	37,326		78,045				78,045	Market
Bond Mutual Funds and Other Pooled Fixed-Income Securities	17,370	19,559		36,929	\$ 17,907			54,836	Market
<b>Total Debt Securities</b>	<b>332,477</b>	<b>109,233</b>		<b>441,710</b>	<b>17,907</b>			<b>459,617</b>	
<b>Other Investments:</b>									
Cash Equivalents included with Investments	2,879			2,879				2,879	Market
Domestic Equities	101,412			101,412				101,412	Market
Foreign Equities	32,298			32,298	7,118			39,416	Market
Private Equities					27,543			27,543	Market
Investment Agreements	(2,201)			(2,201)				(2,201)	Market
Preferred Securities without Maturity Dates	23			23				23	Market
Equity and Income Mutual Funds	4,768	30,730		35,498	8,798			44,296	Market
Mutual Funds	119,654			119,654				119,654	Market
International Equity Funds	50,933			50,933				50,933	Market
Real Estate and Perpetual Trusts	4,600	143		4,743	6,793		\$ 1,685	13,221	Market
Insurance Annuities		428		428				428	Market
Commingled Funds					36,840			36,840	Market
Hedge Funds	90			90	2,063			2,153	Market
Interest Rate Swaps		(1,894)		(1,894)				(1,894)	Market
Land Held by Endowment		3,897		3,897		\$ 4,866		8,763	Cost
<b>Total</b>	<b>\$ 646,933</b>	<b>\$ 142,537</b>	<b>\$ 0</b>	<b>\$789,470</b>	<b>\$107,062</b>	<b>\$ 4,866</b>	<b>\$ 1,685</b>	<b>\$903,083</b>	

\* Includes \$3.1 million valued at cost

The private equity shown at NAV above are invested in real estate, venture funds, and international funds. The fair values have been determined using the NAV per share. The fair value of the private equity limited partnerships have no readily ascertainable market prices. Similar to real estate, costs closely approximate fair value of recent acquisitions. Therefore, the fair value of private equity limited partnership investments are based on the valuations as presented in the funds' December 31st audited financial statements. Generally, the companies within a fund are valued by the general partner, taking into account many

factors such as the purchase price, estimated liquidation value, significant events like initial public offerings, bankruptcies, additional rounds of financing, and other relevant factors. The fair value may differ significantly from the values that would have been used had a ready market for the investments existed. Although these differences could be material to the individual values, private equity only represents 7.99 percent of total investments.

The commingled funds shown at NAV above are held in an investment trust that invests in debt securities. The trust's

**Notes to the Financial Statements****For the Fiscal Year Ended June 30, 2019**

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investment objective is to outperform the Barclays U.S. Government/Credit Index. The trust may invest in out-of-benchmark securities in order to provide value and diversification.

***Custodial Credit Risk of Investments***

Custodial credit risk for investments is the risk that in the event of the failure of a counterparty, the value of investments or collateral securities that are in the possession of an outside party will not be recovered. The State does not have a formal policy to address custodial credit risk. The following describes the policies and risks for those state entities that are exposed to custodial credit risk:

- The Idaho Fish and Wildlife Foundation does not have a formal policy that would limit its exposure to custodial credit risk. The Foundation has \$8.6 million in investments that were uninsured and held in the name of the counterparty.
- The Idaho Workers' Compensation Law (Idaho Code Title 72) requires sureties to maintain a security deposit with the STO in order to write workers' compensation insurance or to be self insured. The amount of sureties that are held by the bank in the name of the insurance company and subject to custodial credit risk was \$448.1 million.
- The PERSI investment policy mitigates custodial credit risk by requiring that investments, to the extent possible, be registered in the name of the PERSI and be delivered to a third-party custodian. Short-term investments are created through daily sweeps of excess cash. The PERSI had various short-term investments of \$9.3 million held by various counterparties, not in the PERSI's name.
- The University of Idaho Retiree Benefits Trust does not have a formal policy to limit its exposure to custodial credit risk. The Trust had \$32.6 million in investments that were uninsured and held by the counterparty's trust department or agent but not in the State's name.
- The Boise State University Foundation does not have a formal policy that would limit its exposure to custodial credit risk. The Foundation had various investments of \$146.1 million that were uninsured and held in the name of the broker.
- The University of Idaho Foundation minimizes exposure

to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to Foundation ownership and further to the extent possible, be held in the Foundation's name. The Foundation had various investments of \$159.5 million that were held in the name of the counterparty for benefit of the Foundation.

***Interest Rate Risk of Debt Securities***

Investments in debt securities that are fixed for longer periods are likely to experience greater variability in fair values due to future changes in interest rates. The State has not adopted a formal policy that addresses interest rate risk, except as follows:

- The EFIB has adopted the policy that the fixed-income weighted average of the EFIB portfolio may range that of the Barclays Capital Aggregate Bond Index from 2-8 years. The separate Endowment Funds Interest Rate Risk schedule quantifies the interest rate risk of EFIB fixed-income securities.
- The PERSI manages interest rate risk using the effective duration methodology, which takes into account the options on bonds and scales the risk of price changes on bonds depending upon the degree of change in rates and the slope of the yield curve. All of the PERSI fixed-income portfolios are managed in accordance with operational guidelines, which include an expected range of interest rate risk in the portfolio. Per the PERSI policy, these characteristics are established and monitored within each portfolio, with variances reported by the manager. The reporting of effective duration found in the separate schedule following the PERSI investments schedule quantifies the interest rate risk of the PERSI fixed-income assets. Some of the large durations are due to the use of options and forward foreign currency contracts.
- The Idaho Housing and Finance Association has adopted bond indentures, bond resolutions, and trust resolutions that provide investment maturities based upon the cash requirements of the Association's accounts, as determined by authorized Association investment officers. The Association's investment maturities are presented as part of the Component Units Maturity of Debt Investments at June 30, 2019.



## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

**Primary Government and Fiduciary Funds Investments and Maturities at June 30, 2019**  
**(Except Endowment Funds, PERSI, Idaho College Savings Program, and Deferred Compensation Plan)**  
*(dollars in thousands)*

Investment Type	Less than 1 year	1-5 Years	6-10 Years	11-15 Years	16-20 Years	21-25 Years	26-30 Years	More than 30 Years	Total Fair Value
<u>Debt Securities:</u>									
Money Market Funds	\$ 41,880								\$ 41,880
Certificates of Deposit**	5,668	\$ 12,889							18,557
Repurchase Agreements***	742,140								742,140
Commercial Paper	407,079								407,079
U.S. Gov't Obligations	1,440,888	235,263	\$ 34,961			\$ 55	\$ 174		1,711,341
U.S. Gov't Agency Obligations	2,032,056	158,430	16,055	\$ 16	\$ 19	69			2,206,645
U.S. Gov't Agency Mortgage- Backed Securities*	4,928	120,468	233,701	404					359,501
Asset -Backed Securities*	188,822	152,550							341,372
Commercial Mortgages*		2,328	4,015						6,343
Corporate Obligations	383,487	527,874	28,781		69				940,211
Municipal and Public Entity Obligations	12,089	278	410	57	55			\$ 74	12,963
Bond Mutual Funds and Other Pooled Fixed-Income Securities	277,191	16,178	9,859	2,022	8,875	4,588	5,055	833	324,601
External Investment Pools****	93,897								93,897
<b>Total Debt Securities</b>	<b>\$ 5,630,125</b>	<b>\$ 1,226,258</b>	<b>\$ 327,782</b>	<b>\$ 2,499</b>	<b>\$ 9,018</b>	<b>\$ 4,712</b>	<b>\$ 5,229</b>	<b>\$ 907</b>	<b>7,206,530</b>
<u>Other Investments:</u>									
Equity Securities and Mutual Funds									113,298
Mutual Funds Without Maturity Dates									622
Real Estate and Perpetual Trusts									11,599
Commodities									960
<b>Total</b>									<b>\$ 7,333,009</b>

\* Securities are reported using weighted-average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.

\*\* \$5.1 million valued at cost

\*\*\* \$742.1 million valued at cost

\*\*\*\* \$9.9 million valued at cost

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## Endowment Funds Interest Rate Risk at June 30, 2019

(dollars in thousands)

Investment Type	Fair Value	Modified Duration In Years
<u>Debt Securities:</u>		
Asset Backed Securities	\$ 15,465	2.2
Commercial Mortgage-Backed	16,039	2.0
Corporate Bond Fund	11,801	3.6
Corporate Bonds	125,841	7.4
Corporate Convertible Bonds	767	5.5
Government Agencies	8,701	4.5
Government Agencies Fund	8,903	4.6
Government Bonds	134,020	7.2
Government Mortgage Backed Securities	111,786	4.7
Gov't-issued Comm. Mtg-Backed	2,492	2.9
Index Linked Government Bonds	90,836	8.2
Municipal/Provincial Bonds	2,078	9.3
Non-Government Backed C.M.O.s	6,314	1.6
Other Fixed Income Fund	17,233	4.6
Total Endowment Fund Debt Securities	552,276	
<u>Other Investments:</u>		
Equity Investments	1,657,828	
Money Market Funds	7,784	
Real Estate Investment Trust (Private)	95,812	
Total Other Endowment Fund Investments	1,761,424	
<u>Unsettled Trades:</u>		
Receivable for Investments Sold	(45,248)	
Payable for Investments Purchased	54,287	
<b>Total Endowment Fund Investments</b>	<b>\$ 2,322,739</b>	

## PERSI Investments at June 30, 2019

(dollars in thousands)

Investment Type	Fair Value
Domestic Fixed-Income	\$ 4,003,319
Commingled Domestic Fixed-Income	173,005
International Fixed-Income	14,488
Idaho Commercial Mortgages	787,247
Short-Term Domestic Investments	319,544
Real Estate	811,205
Domestic Equities	7,726,058
Commingled Domestic Equity	317,743
International Equities	3,021,825
Commingled International Equity	75,532
Private Equity	1,035,583
Mutual Funds	1,036,853
<b>Total PERSI Investments</b>	<b>\$ 19,322,402</b>

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## PERSI Effective Duration of Fixed Income Assets by Security Type at June 30, 2019

(dollars in thousands)

Investment Type	Domestic Securities		International Securities		Total Fair Value
	Fair Value	Effective Duration in Years	Fair Value	Effective Duration in Years	
Asset -Backed Securities	\$ 42,192	2.71			\$ 42,192
Asset -Backed Securities	3,891	*			3,891
Mortgages	29,336	3.07			29,336
Mortgages	1,162	*			1,162
Commercial Paper	143,403	0.13			143,403
Commercial Paper	13,690	*			13,690
Corporate Bonds	1,063,280	7.48			1,063,280
Fixed-Income Derivatives	1,327	(205.58)	\$ 4	1670.86	1,331
Fixed-Income Derivatives	294	*			294
Government Agencies	68,524	8.95			68,524
Government Bonds	1,139,073	7.30	14,800	6.17	1,153,873
Government Bonds			226	*	226
Government Mortgage-Backed Securities	212,169	2.54			212,169
Government Mortgage-Backed Securities	18	*			18
Pooled Investments	49,465	—			49,465
Pooled Investments-SLIRF Domestic Fixed Income	173,005	*			173,005
Private Placements	129,929	4.92			129,929
Private Placements	7,267	*			7,267
U.S. Treasury Inflation-Protected Securities	1,625,557	9.24			1,625,557
Idaho Mortgages	823,647	—			823,647
<b>Total PERSI Fixed Income Securities</b>	<b>\$ 5,527,229</b>		<b>\$ 15,030</b>		<b>\$ 5,542,259</b>

\* Duration calculations for some securities are not available.

## Idaho College Savings Program Investments at June 30, 2019

(dollars in thousands)

Investment Type	Fair Value	Average Maturity In Years	Fair Value Level**	
Money Market Funds	\$ 25,350	Less than 1	Level 1	***
Bond Funds	133,569	8.2	Level 1	
Inflation-Linked Bond Fund	8,118	2.7	Level 1	
International Bond Funds	60,681	9.7	Level 1	
Equity Funds	161,488		Level 1	
International Equity Funds*	107,812		Level 1	
Sallie Mae High-Yield Savings Account	19,626		Not Rated	
<b>Total Idaho College Savings Program Investments</b>	<b>\$ 516,644</b>			

\* Investments may be subject to foreign currency risk.

\*\*All investments are valued at market unless otherwise disclosed

\*\*\*Includes \$11.3 million that is not rated

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## Deferred Compensation Plan Investments at December 31, 2018

(dollars in thousands)

Investment Type	Fair Value	Average Maturity In Years
Fixed Income:		
Empower	\$ 32	
Idaho Retiree Fixed Fund**	137,051 *	10.90
Nationwide Life Fixed Fund**	79,495 *	10.90
Total Fixed Income	<u>216,578</u>	
Variable Income***:		
American Century Heritage Fund	40,810 *	
Fidelity	35,468 *	
The Income Fund of America	15,541	6.30
Nationwide Investor Destinations Moderately Aggressive Fund	12,671	9.99
Calvert U.S. Large Cap Value Responsible Index Funds	12,388	
Carillon Eagle Mid Cap Growth Fund	3,559	
State Street Equity	12,986	
Nationwide Investor Destinations Moderate Fund	7,652	10.83
Dodge & Cox Stock Fund	12,778	
Nationwide Investor Destinations Aggressive Fund	7,894	10.21
Dreyfus MidCap Index Fund	7,126	
Capital World	7,306 **	
Dreyfus Bond Market Index Fund	7,443	8.18
EuroPacific Growth Fund	9,799 **	
Metropolitan West Total Return Bond Fund - Class M	7,513	7.52
JPMorgan	3,672	
Van Kampen	4,992	
Dreyfus Small cap Stock Index Fund	6,087	
Templeton Foreign Fund	5,743 **	
Nationwide Destinations 2025 Fund	4,032	12.29
Nationwide Destinations 2030 Fund	2,576	12.33
DFA US Small Cap Growth Portfolio	2,958	
Charles Schwab	2,830	
Nationwide Destinations 2020 Fund	1,871	12.04
Nationwide Destinations 2035 Fund	2,486	12.12
Nationwide Investor Destinations Moderately Conservative Fund	1,978	10.24
Nationwide Destinations 2060 Fund	29	11.77
Nationwide Investor Destinations Conservative Fund	1,063	10.02
Nationwide Destinations 2015 Fund	538	11.75
Nationwide Destinations 2040 Fund	1,260	11.39
Nationwide Destinations 2045 Fund	962	11.36
Nationwide International Index Fund	1,874	
Nationwide Destinations 2050 Fund	656	11.12
Nationwide Destinations 2055 Fund	165	11.94
Empower	26	
Carrier Suspense	1	
Investment Suspense	26	
Total Variable Income	<u>246,759</u>	
Annuity Payout Options:		
DCVAII	34	
Nationwide Life	1,624	
Total Annuity Payout Options	<u>1,658</u>	
Life Insurance Contracts:		
Transamerica Premier	305	
<b>Total Deferred Compensation Plan Investments and Life Insurance Contracts</b>	<u><b>\$ 465,300</b></u>	

\* Represent investments exceeding 5% or more of the net position available for plan benefits.

\*\* Represent international mutual funds.

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

Component Units Maturity of Debt Investments at June 30, 2019									
(dollars in thousands)									
Investment Type	Less than 1 Year	1-5 Years	6-10 Years	11-15 Years	16-20 Years	21-25 Years	26-30 Years	More than 30 Years	Total Fair Value
<u>Debt Securities:</u>									
Money Market Funds	\$ 82,144								\$ 82,144
Certificates of Deposit		\$ 1,000							1,000
U.S. Gov't Obligations*	11,996	20,148	\$ 204						32,348
U.S. Gov't Agency Obligations	7,337	29,169	2,101	\$ 4,129	\$ 6,834	\$ 184	\$ 38,382	\$ 41	88,177
U.S. Gov't Mortgage-Backed Securities		123,067							123,067
Corporate Obligations	36,088	40,542	449					966	78,045
Bond Mutual Funds	2,590	11,255	40,009	347	135		462	37	54,835
<b>Total Debt Securities</b>	<b>\$ 140,155</b>	<b>\$ 225,181</b>	<b>\$ 42,763</b>	<b>\$ 4,476</b>	<b>\$ 6,969</b>	<b>\$ 184</b>	<b>\$ 38,844</b>	<b>\$ 1,044</b>	<b>459,616</b>
<u>Other Investments:</u>									
Cash Equivalents included with Investments									2,879
Domestic Equities									101,412
Foreign Equities									39,416
Private Equities									27,543
Investment Agreements									(2,201)
Preferred Securities Without Maturity Dates									23
Equity and Income Mutual Funds									44,296
Mutual Funds									119,654
International Equity Funds									50,933
Real Estate and Perpetual Trusts									13,221
Insurance Annuities									428
Commingled Funds									36,840
Hedge Funds									2,153
Interest Rate Swaps									(1,894)
Land Held by Endowment**									8,764
<b>Component Units Investments</b>									<b>\$ 903,083</b>
* Includes \$3.1 million valued at cost									
** Includes \$4.9 million valued at cost									

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

**Credit Risk of Debt Securities**

The risk that an issuer of debt securities or another counterparty to an investment transaction will not fulfill an obligation is commonly expressed in terms of the credit quality rating issued by a national rating organization. Investments explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality ratings. Unless otherwise stated, the ratings presented use the Moody's scale. The State does not have a formal policy to address credit risk of debt securities. The following Boards have formally adopted policies that address credit quality ratings of debt securities:

- The State Board of Education policy allows colleges and universities to invest in corporate bonds and mortgage-backed securities of A grade or better and commercial paper of prime or equivalent grade without prior Board approval.
- The EFIB investment policy states that the average credit quality of the fixed income portfolio must be investment grade or higher. Individual fixed income securities may be rated below investment grade, and money market funds shall contain securities with an absolute minimum

of investment grade by Standard & Poor's (S&P) or Moody's.

- The PERSI has no strict limitations for credit risk exposures. Each PERSI portfolio is managed in accordance with operational guidelines that outline expected portfolio characteristics which usually, but not always, include credit quality and exposure levels. Per the PERSI policy, these characteristics are established and monitored within each portfolio, with variances reported by the manager.
- The Idaho Housing and Finance Association policies permit investments for each bond issue in accordance with the various bond indentures, bond resolutions, and trust resolutions adopted by the Association. Program account investments are restricted to those allowed by Idaho Code Section 67-6215B or by federal regulations. The Association has adopted resolutions as policy for authorized investments in the Affordable Housing Investment Trust and the Loan Guaranty Trust. The Association has not adopted a formal policy related to the Association's business operations investments.

**Primary Government and Fiduciary Funds Credit Quality Ratings of Debt Securities at June 30, 2019**  
(Except Endowment Funds, PERSI, and Deferred Compensation Plan)

(dollars in thousands)

Investment Type	Aaa	Aa	A	Baa	Ba	B	C	A1-P1	NP	Unrated	Fair Value
Money Market Funds	\$ 1,137									\$ 40,744	\$ 41,881
Certificates of Deposit*	5,379	\$ 500	\$ 2,010						\$ 1,005	9,663	18,557
Repurchase Agreements**										742,140	742,140
Commercial Paper								\$ 407,079			407,079
U.S. Gov't Agency Obligations	384,706	3,942						1,697,175		120,821	2,206,644
U.S. Gov't Agency Mortgage-Backed Securities	344,654	427								14,421	359,502
Asset-Backed Securities	338,183							3,189			341,372
Commercial Mortgages	5,083		1,260								6,343
Corporate Obligations	46,644	285,308	599,619	\$ 8,590						49	940,210
Municipal and Public Entity Obligations	80	654	185							12,044	12,963
Bond Mutual Funds and Other Pooled Fixed-Income Securities	7,092	34,822	4,797	3,191	\$ 624	\$ 167	\$ 161			273,747	324,601
External Investment ***										93,897	93,897
<b>Total</b>	<b>\$ 1,132,958</b>	<b>\$ 325,653</b>	<b>\$ 607,871</b>	<b>\$ 11,781</b>	<b>\$ 624</b>	<b>\$ 167</b>	<b>\$ 161</b>	<b>\$ 2,107,443</b>	<b>\$ 1,005</b>	<b>\$ 1,307,526</b>	<b>\$ 5,495,189</b>

\* \$5.1 million valued at cost

\*\* \$742.1 million valued at cost

\*\*\* \$9.9 million valued at cost

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

**Endowment Funds**  
**Credit Quality Ratings of Debt Investments at June 30, 2019**  
*(dollars in thousands)*

Investment Type	Aaa	Aa	A	Baa	Ba	B	Ca	Caa	Agy	Not Rated	Fair Value
Asset Backed Securities	\$ 1,453		\$ 10,579	\$ 935				\$ 663		\$ 1,835	\$ 15,465
Commercial Mortgage-Backed	5,092	\$ 961	8,444			\$ 1,107				435	16,039
Corporate Bond Fund		11,801									11,801
Corporate Bonds	2,385	6,683	38,310	57,735	\$ 9,967	9,089		671		1,000	125,840
Corporate Convertible Bonds					193	15				559	767
Government Agencies	6,717	602	533	682					\$ 49	118	8,701
Government Agencies Fund									8,903		8,903
Government Bonds	122,632	215	3,844	3,461	1,818	737				1,312	134,019
Government Mortgage Backed Securities									111,222	564	111,786
Gov't-issued Comm. Mtg-Backed	393								2,099		2,492
Index Linked Government Bonds	90,836										90,836
Municipal/Provincial Bonds	82	1,446	278	109	77					86	2,078
Non-Government Backed C.M.O.s						3,169	\$ 592	2,553			6,314
Other Fixed Income Fund						17,234					17,234
<b>Total</b>	<b>\$ 229,590</b>	<b>\$ 21,708</b>	<b>\$ 61,988</b>	<b>\$ 62,922</b>	<b>\$ 12,055</b>	<b>\$ 31,351</b>	<b>\$ 592</b>	<b>\$ 3,887</b>	<b>\$ 122,273</b>	<b>\$ 5,909</b>	<b>\$ 552,275</b>

**PERSI Credit Quality Ratings of Fixed-Income Securities at June 30, 2019**

*(dollars in thousands)*

S & P Rating Level	Investment Type		Fair Value
	Domestic Securities	International Securities	
A-1+	\$ 24,054		\$ 24,054
A-1	71,308		71,308
A-2	26,795		26,795
AAA	91,879		91,879
AA*	341,015		341,015
A	415,127	\$ 3,555	418,682
BBB	546,734	3,013	549,747
BB	17,236	2,881	20,117
B	4,828		4,828
CCC	2,734		2,734
CC	1,034		1,034
D	509		509
Not Rated	166,576	5,583	172,159
<b>Total</b>	<b>\$ 1,709,829</b>	<b>\$ 15,032</b>	<b>\$ 1,724,861</b>

\* Includes US Government Agencies implicitly guaranteed by US Government



## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## Component Units Credit Quality Ratings of Debt Securities at June 30, 2019

(dollars in thousands)

Investment Type	Aaa	Aa	A	Baa	Ba	B	Caa	C	D	Unrated	Fair Value
Money Market Funds										\$ 82,144	\$ 82,144
Certificates of Deposit										1,000	1,000
U.S. Gov't Agency Obligations*	\$ 78,694	\$ 9,483									88,177
U.S. Gov't Agency Mortgage Backed Securities										123,067	123,067
Corporate Obligations	6,170	25,266	\$30,785	\$12,599	\$ 279		\$161			2,785	78,045
Bond Mutual Funds	19,512	13,074	5,340	6,185	6,456	\$1,168	195	\$ 16	\$ 11	2,878	54,835
<b>Total</b>	<b>\$104,376</b>	<b>\$ 47,823</b>	<b>\$36,125</b>	<b>\$18,784</b>	<b>\$ 6,735</b>	<b>\$1,168</b>	<b>\$356</b>	<b>\$ 16</b>	<b>\$ 11</b>	<b>\$211,874</b>	<b>\$ 427,268</b>

\* Includes \$3.1 million valued at cost

## Concentration of Credit Risk

Concentration of credit risk describes the heightened exposure to loss when a considerable number of investments exist in a single issuer. The State has adopted a principle that governments should provide note disclosure when at least 5 percent of the total government investments are concentrated in any one issuer. Investments in obligations explicitly guaranteed by the U.S. government, mutual funds, and other pooled investments are exempt from disclosure. State statute places no limit on the amount that may be invested in any one issuer.

- The State and the colleges and universities have not adopted a formal policy to address concentration of credit risk.
- The STO investment policy limits the amount that can

be invested in any one issuer. The policy may be obtained from their website at <http://sto.idaho.gov>.

- The Idaho Housing and Finance Association places no limit on the amount the Association may invest in one issuer.
- The Idaho Individual High Risk Reinsurance Pool's policy provides that no more than 10 percent of the short-term fund balance may be invested in the securities of any one issuer. The policy exempts the following types of investments: obligations of the U.S. government or its agencies, repurchase agreements collateralized by obligations of the U.S. government or its agencies, federally insured certificates of deposit, mutual funds, and money market mutual funds.

## Primary Government and Fiduciary Funds Concentration of Credit Risk at June 30, 2019

(dollars in thousands)

Portfolio	Issuer	Fair Value	Percent of Portfolio Investments
Idaho State Bar:	Fannie Mae Notes	\$ 273	14.8
	Federal Farm Credit Bank	146	7.9
	Federal Home Loan Bank	157	8.5
	First Interstate Bank*	101	5.5
STO Pool:	Federal Farm Credit Bank	553,852	23.2
	Federal Home Loan Mortgage Corp.	239,267	10.0
Idaho State University:	Federal Home Loan Mortgage Corporation	4,050	19.0
	Federal National Mortgage Association	1,402	6.6

\*Valued at Cost

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## Component Unit Concentration of Credit Risk at June 30, 2019

(dollars in thousands)

Component Unit	Issuer	Fair Value	Percent of Portfolio Investments
Health Reinsurance:	Farm Credit System	\$ 3,719	19.8
	Federal Home Loan Bank	7,970	42.5
	Federal Home Loan Mortgage Corp	3,971	21.2
	Federal International Mortgage	2,116	11.3
	Federal National Mortgage Association	989	5.3
Idaho Housing and Finance Association:	Deutsch Bank AG	123,067	69.4
	Government National Mortgage Association	37,921	21.4
Petroleum Clean Water Trust:	Federal National Mortgage Association	6,435	18.7

**Foreign Currency Denominated Investments**

Investments denominated in foreign currencies face a potential risk of loss in fair value from changes in currency exchange rates. The following describes the policies related to foreign currency risk for those state entities that have investments denominated in a foreign currency:

- The EFIB investment policy statement permits investments in international equities.
- The PERSI investment policy provides individual manager guidelines, which outline at a minimum, a range of currency exposure. Each portfolio is monitored for currency exposure. Managers are required to report variances.
- The Lewis-Clark State College Foundation investment policy permits investments in equities and debt securities denominated in foreign currencies. The policy limits the investments in international equities to no more than 17.5 percent of the Foundation's total investment portfolio.
- The University of Idaho Foundation investment policy limits the exposure to foreign investment holdings in the portfolio.

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## Endowment Foreign Currency Risk at June 30, 2019

(dollars in thousands)

Currency	Investment Type	Fair Value in U.S Dollars
Argentinian Peso	Equities	\$ 106
Australian Dollar	Equities	12,693
Brazilian Real	Equities	6,848
Canadian Dollar	Equities	14,530
Chilean Peso	Equities	929
Chinese Yuan	Equities	(1,136)
Chinese Yuan (HK)	Equities	595
Czech Republic Koruna	Equities	76
Danish Krone	Equities	10,000
Euro	Equities	93,912
Hong Kong Dollar	Equities	38,733
Hungarian Forint	Equities	265
Indian Rupee	Equities	1,175
Indonesian Rupiah	Equities	2,031
Israeli Shekel	Equities	1,563
Japanese Yen	Equities	55,808
Malaysian Ringgit	Equities	1,614
Mexican Peso	Equities	10,269
New Zeland Dollar	Equities	66
Norwegian Krone	Equities	5,741
Polish Zloty	Equities	1,076
Russian Ruble	Equities	2,793
Singapore Dollar	Equities	3,448
South African Rand	Equities	3,801
South Korean Won	Equities	9,071
Swedish Krona	Equities	5,929
Swiss Franc	Equities	49,941
Taiwan Dollar	Equities	6,687
Thailand Thai Baht	Equities	2,879
Turkish Lira	Equities	2,452
U.K. Pound	Equities	51,857
<b>Total</b>		<b>\$ 395,752</b>

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## PERSI Foreign Currency Risk at June 30, 2019

(dollars in thousands)

Currency	Investment Type			Fair Value of Currency in U.S. Dollars
	Short-Term Investments	Equities	Fixed Income	
Argentina Peso	\$ 230		\$ 149	\$ 379
Australian Dollar	(835)	\$ 71,991	(1)	71,155
Brazilian Real	7,666	75,283	2,868	85,817
Canadian Dollar	4,850	16,842		21,692
Chinese R Yuan HK	(550)			(550)
Chinese Yuan Renminbi	(2,047)		557	(1,490)
Colombian Peso	(29)			(29)
Danish Krone	2,187	120,211		122,398
Egyptian Pound		4,206		4,206
Euro	(8,239)	807,537	(87)	799,211
Hong Kong Dollar	485	363,298		363,783
Hungarian Forint	5	4,862		4,867
Indian Rupee	2,752			2,752
Indonesian Rupiah	3,792	13,818		17,610
Israeli Shekel	13	2,398		2,411
Japanese Yen	603	395,438	1,016	397,057
Kenyan Shilling		1,545		1,545
Malaysian Ringgit	(381)	8,246		7,865
Mexican Peso	1,097	30,487	5,329	36,913
Moroccan Dirham	21	2,040		2,061
New Taiwan Dollar	42	23,548		23,590
New Zealand Dollar		1,737		1,737
Norwegian Krone	112	8,775		8,887
Philippine Peso	(2,052)	6,817		4,765
Polish Zloty	32	1,785		1,817
Romanian Leu		2,441		2,441
Russian New Ruble	(883)		4,367	3,484
Singapore Dollar	180	36,114		36,294
South African Rand	197	43,742		43,939
South Korean Won	(109)	143,929		143,820
Swedish Krona	7	31,386		31,393
Swiss Franc	7,326	277,357		284,683
Thailand Baht	131	15,004		15,135
Turkish Lira	47	20,148		20,195
U.K. Pound	1,128	576,408	317	577,853
Zimbabwe Dollar (New)	28			28
<b>Total</b>	<b>\$ 17,806</b>	<b>\$ 3,107,393</b>	<b>\$ 14,515</b>	<b>\$ 3,139,714</b>

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

**College and University Foundations**  
**Foreign Currency Risk at June 30, 2019**  
*(dollars in thousands)*

<b>Currency</b>	<b>Investment Type</b>	<b>Fair Value in U.S. Dollars</b>
Australian Dollar	Equities	\$ 1,260
Brazilian Real	Equities	24
Canadian Dollar	Equities	591
Chilean Peso	Equities	4
Chinese Yuan	Equities	103
Colombian Peso	Equities	4
Czech Koruna	Equities	1
Danish Krone	Equities	830
Euro	Equities	5,340
Hong Kong Dollar	Equities	2,089
Hungarian Forint	Equities	3
Indian Rupee	Equities	31
Indonesian Rupiah	Equities	9
Israeli Shekel	Equities	7
Japanese Yen	Equities	971
Malaysian Ringgit	Equities	10
Mexican Peso	Equities	19
New Zealand Dollar	Equities	5
Norwegian Krone	Equities	12
Peruvian Nuevo Sol	Equities	1
Philippine Peso	Equities	5
Polish Zloty	Equities	7
Russian Ruble	Equities	15
Singapore Dollar	Equities	649
South African Rand	Equities	18
South Korean Won	Equities	54
Swedish Krona	Equities	37
Swiss Franc	Equities	2,166
Taiwan Dollar	Equities	34
Thai Baht	Equities	12
Turkish Lira	Equities	2
U.K. Pound	Equities	3,701
Other	Equities	73
<b>Total</b>		<b>\$ 18,087</b>

***Debt Investments with Terms That May Cause the Fair Value to Be Highly Sensitive To Interest Rate Changes***

*Mortgage-Backed Securities* have a return based on the cash flows from interest and principal payments on the underlying mortgages. As a result, they are sensitive to prepayments, which are likely to occur in declining interest rate environments. To the extent possible, this prepayment risk is reflected in the interest rate risk of the portfolios by using the weighted average method to calculate interest rate

risk for long-term investments and the modified duration method used by the EFIB and the PERSI.

*Treasury Inflation Protected Securities (TIPS)* are fixed-income securities issued by the U.S. Treasury that pay a fixed coupon rate plus an adjustment for subsequent inflation. The Endowment Funds had investments in TIPS with a fair value of \$90.8 million, and the PERSI had investments in TIPS with a fair value of \$1.6 billion.

**Notes to the Financial Statements****For the Fiscal Year Ended June 30, 2019**

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IHFA is invested in pay-fixed, receive-variable interest rate swaps. The Association pays fixed rate payments between 0 percent and 0 percent and receives variable rate payments based on the Securities Industry and Financial Markets Association (SIFMA) and the London Interbank Offered Rate (LIBOR) indices.

***Repurchase Agreements***

Repurchase agreements are purchases of securities with simultaneous agreements to resell those same securities in the future at a higher price.

The Idaho Housing and Finance Association invests excess cash overnight in repurchase agreements that are held in the Association's account in the name of the bank and are collateralized by the U.S. government and agency obligations. The Association had repurchase agreements of \$16.3 million with Wells Fargo Bank.

***IDLE Payable / LGIP Receivable***

STO determined that in FY19, Long-term Government Investment Pool (LGIP) investment portfolio was not

credited on two deposits. Two events occurred that were outside of the normal course of banking operations (December 5, 2018 and February 8, 2019), and while records reflected correct participant balances, the cash was swept into the IDLE pool's investment portfolio. All LGIP participant balances were correct and the money earned interest at the same rate it would have in the LGIP investment portfolio. The combined principal from the two deposits totaling \$8.4 million was transferred from the IDLE investment pool to the LGIP investment pool on August 1, 2019.

**C. Restricted Assets**

A portion of cash and investments are classified as restricted assets for governmental activities, business-type activities, and component units on the Statement of Net Position. The breakout of purpose and amount are as follows:

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## Primary Government and Component Units

## Restricted Assets at June 30, 2019

(dollars in thousands)

Purpose	Amount
<b><u>Governmental Activities:</u></b>	
Restricted Cash:	
Bond Covenants	\$ 120
Debt Service	115,823
Donations for Various Projects	7,320
Group Insurance Reserves	32,248
Juvenile Corrections Social Security Benefits	1,166
Legislation and Donations	16,190
Matching Fund Contributions	15,354
Millennium Permanent Endowment Fund	37
Petroleum Violation Escrow	3,261
Pollution Clean Up	5,933
The Idaho State Bar Client Assistance Fund	911
Restricted Investments:	
Donations for Various Projects	6,234
Legal Settlements	3,133
Legislation and Donations	40,954
Millennium Permanent Endowment Fund	343,662
Pollution Clean Up	115,189
<b>Total Governmental Activities</b>	<b>\$ 707,535</b>
<b><u>Business-Type Activities:</u></b>	
Restricted Cash:	
Debt Service	\$ 18,775
Idaho Lottery Dividends Payout	61,972
Wastewater Facility Loan Program and Drinking Water Systems Loan Program	48,409
Restricted Investments:	
Wastewater Facility Loan Program and Drinking Water Systems Loan Program	118,818
<b>Total Business-Type Activities</b>	<b>\$ 247,974</b>
<b><u>Component Units:</u></b>	
Restricted Cash:	
Donations for the College and University Foundations	\$ 24,640
Bond Indentures and Escrow and Reserve Deposits	246,124
Restricted Investments:	
Donations for the College and University Foundations	336,748
<b>Total Component Units</b>	<b>\$ 607,512</b>



## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## NOTE 3. DERIVATIVE INSTRUMENTS

Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments.

**Primary Government**

The Idaho State Building Authority refunded the 2008A bond and terminated the interest rate swap contract which resulted in a termination fee of \$2.1 million. Because of the termination, there is no deferred outflow of resources in the Statement of Net Position for fiscal year 2019.

**Component Units**

The Idaho Housing and Finance Association has entered into multiple interest rate swap agreements to reduce the Association's overall cost of borrowing long-term capital

and protect against the risk of rising interest rates. The fair value of the swaps was a negative \$24.4 million and reported in other accrued liabilities on the Statement of Net Position. The Association has determined that a substantial portion of its interest rate swaps effectively hedge against changes in variable interest rates. Changes in fair value for hedge swaps are reported on the Statement of Net Position as deferred outflows of resources of \$36.1 million and deferred inflow of resources of \$0.3 million. A portion of the interest rate swaps are considered non-effective for hedging purposes and are reported in the Statement of Revenues, Expenses, and Changes in Net Position at \$1.9 million. The Association has the following interest rate swap agreements:

Idaho Housing and Finance Association - Hedging Derivative Instruments							
Interest Rate Swap Agreements at June 30, 2019							
(dollars in thousands)							
Series	Notional Amount	Fair Value	Change in Fair Value	Inception Date	Termination Date	Terms	
						Fixed Rate Paid	Variable Rate Received
2000 Series G	\$ 2,745	\$ (51)	\$ 230	11/6/2008	7/1/2021	5.25%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2001 Series A	560	(2)	56	11/6/2008	1/1/2020	4.76%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2001 Series B	965	(7)	82	11/6/2008	7/1/2020	4.87%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2001 Series C	835	(5)	74	11/6/2008	7/1/2020	4.86%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

Series	Notional Amount	Fair Value	Change in Fair Value	Inception Date	Termination Date	Terms	
						Fixed Rate Paid	Variable Rate Received
2001 Series D	\$ 2,890	\$ (64)	\$ 210	11/6/2008	7/1/2022	4.73%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2001 Series E	2,890	(60)	197	11/6/2008	7/1/2022	4.53%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2001 Series F	1,260	(13)	95	11/6/2008	1/1/2021	4.70%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2002 Series A	1,425	(19)	117	11/6/2008	1/1/2021	5.02%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2002 Series B	1,435	(19)	115	11/6/2008	1/1/2021	4.95%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2002 Series C	1,395	(17)	111	11/6/2008	1/1/2021	4.89%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2002 Series D	2,930	(64)	213	11/6/2008	7/1/2022	4.71%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2002 Series E	1,505	(20)	103	11/6/2008	7/1/2021	4.48%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2002 Series F	2,285	(54)	115	11/6/2008	1/1/2024	3.79%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2002 Series G	2,285	(145)	52	11/6/2008	1/1/2024	4.14%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2003 Series A	3,975	(329)	145	11/6/2008	1/1/2026	4.52%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2003 Series B	3,330	(149)	132	11/6/2008	7/1/2024	4.04%	SIFMA+.20%
2003 Series D	3,685	(305)	165	11/6/2008	7/1/2025	4.84%	SIFMA+.20%
2004 Series A	3,755	(244)	109	7/6/2016	1/1/2026	4.03%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2004 Series D	5,385	(462)	66	7/6/2016	1/1/2028	3.85%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2005 Series A	5,765	(529)	63	7/6/2016	1/1/2029	3.90%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2005 Series D	5,775	(518)	62	7/6/2016	7/1/2028	3.87%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR
2005 Series E	5,905	(555)	55	7/6/2016	1/1/2029	3.93%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR
2005 Series F	6,165	(686)	24	11/7/2008	1/1/2029	4.10%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR
2006 Series A	6,195	(697)	21	11/7/2008	1/1/2029	4.10%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR
2006 Series B	3,695	(283)	99	11/7/2008	7/1/2025	4.35%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR
2006 Series C	3,580	(263)	101	11/7/2008	1/1/2025	4.36%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR
2006 Series D	4,175	(321)	135	11/7/2008	1/1/2025	4.45%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR
2007 Series D	7,100	(576)	4	7/1/2016	1/1/2026	4.89%	LIBOR+.71%
2007 Series G	17,355	(2,229)	(263)	12/20/2012	7/1/2028	4.69%	LIBOR+.76%
2007 Series H	22,490	(3,630)	(1,010)	7/1/2016	7/1/2030	5.20%	LIBOR+.76%
2007 Series J	18,075	(2,194)	(375)	7/1/2017	7/1/2028	4.42%	LIBOR+.76%
2007 Series K	16,040	(2,113)	(544)	7/1/2017	7/1/2030	4.23%	LIBOR+.76%
2006 Series E	4,970	(389)	144	7/1/2017	1/1/2026	5.52%	LIBOR + .80%
2006 Series F	5,070	(364)	128	7/1/2017	1/1/2026	5.29%	LIBOR + .80%
2006 Series G	4,950	(337)	116	7/1/2017	1/1/2026	5.17%	LIBOR + .80%
2007 Series A	5,595	(464)	106	7/1/2017	7/1/2026	5.03%	LIBOR + .80%
2007 Series B	6,310	(501)	104	7/1/2017	1/1/2027	4.88%	LIBOR + .80%
Series 2007 C	6,715	(570)	110	7/1/2017	1/1/2027	4.97%	LIBOR + .80%
2008 Series A	16,040	(2,786)	(1,075)	7/1/2017	7/1/2030	4.38%	LIBOR + .80%
2008 Series C	8,825	(604)	145	7/1/2017	7/1/2026	4.72%	LIBOR + .80%
2008 Series D	3,310	(199)	41	7/1/2017	7/1/2026	4.44%	LIBOR + .80%
	<u>\$ 229,635</u>	<u>\$ (22,837)</u>	<u>\$ 578</u>				

## Idaho Housing and Finance Association - Investment Derivative Instruments

## Interest Rate Swap Agreements at June 30, 2019

(dollars in thousands)

Series	Notional Amount	Fair Value	Change in Fair Value	Inception Date	Termination Date	Terms	
						Fixed Rate Paid	Variable Rate Received
2003 Series C	\$ 2,075	\$ (15)	\$ (54)	11/6/2008	7/1/2025	3.78%	SIFMA+.20%
2003 Series E	3,685	27	(117)	7/6/2016	7/1/2025	4.53%	SIFMA+.20%
2004 Series B	4,290	37	(153)	7/6/2016	1/1/2027	4.37%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2004 Series C	3,870	28	(124)	7/6/2016	7/1/2025	4.33%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2005 Series B	5,580	(675)	(87)	11/7/2008	7/1/2028	3.99%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2005 Series C	5,660	(623)	(101)	11/7/2008	7/1/2028	3.73%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR
2008 Series B	13,795	(673)	(604)	7/1/2017	7/1/2029	4.24%	LIBOR + .80%
	<u>\$ 38,955</u>	<u>\$ (1,894)</u>	<u>\$ (1,240)</u>				

**Notes to the Financial Statements****For the Fiscal Year Ended June 30, 2019**

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The Association was not exposed to credit risk on any outstanding swaps due to their negative fair values. The Association's counterparty has a current rating of A.

All but nineteen of the Association's swaps have a dual basis: the SIFMA Index plus 20 basis points when the one-month LIBOR Index is less than either 3.5 percent or 4 percent (depending on the bond series) and 68 percent of the LIBOR Index when the LIBOR Index is 3.5 percent or greater. Four non-dual basis swaps have a basis of the SIFMA Index plus 20 basis points, ten have a basis of LIBOR plus 80 basis points, four have a basis of LIBOR plus 76 basis points, and one has a basis of LIBOR plus 71 basis points. The Association is exposed to basis risk on dual basis swaps when variable payments received are based on the LIBOR Index and do not offset the variable-rate paid on bonds, which is based on the SIFMA Index. On June 30, 2019, the SIFMA Index was 1.9 percent and the one-month LIBOR Index was 2.4 percent.

Rollover risk relates to a mismatch in the amortization of the swaps with the amortization of the variable-rate bonds. The Association has structured its debt such that not all variable debt is matched by interest rate swaps and calls certain variable-rate bonds independent of the expiration of the associated interest rate swap. This exposes the Association to the risk of incurring a higher interest expense than it might otherwise incur. Swap notional amounts no longer associated with variable-rate debt are reported as investment derivatives.

The Association or Barclays Capital may terminate an interest rate swap if the other party fails to perform under the terms of the contract. If any of the swaps are terminated, the associated variable-rate bonds would no longer carry synthetic fixed interest rates and the Association would be exposed to changing interest rates and incurring interest rate risk. The risk may be offset by identifying a suitable counterparty willing to enter into identical swap contracts at the termination date.

During fiscal year 2018 the Association redeemed and reissued bonds that created deemed terminations. Though the terms of the swap contracts were not modified, the redemption and reissue did create a deemed terminating event of the swap contracts, which requires that the value of the Deferred Outflow of Resources at the date of reissuance be amortized to interest expense.

The deemed terminating event also created a deemed

borrowing, the result of higher off-market contractual fixed rates paid to the Association's counterparty compared to the market rate required at the time of the defeasance and reissuance. These borrowings are amortized and credited to interest expense over the life of the swap contracts. The requirements of the accounting standard result in a dual presentation of the deferred outflows of resources at both amortized and fair values and the presentation in the deferred inflows of resources of an amount that reflects the change in the fair value of the modified contracts during the fiscal years. Interest rate swap contracts fair value defers the fair value of effectively hedged swap contracts at June 30, 2019. The fair value of effectively hedged swap positions are fully matched and deferred with this offsetting position.

Interest rate swap contracts amortized value defers the amortizing value of an implicit borrowing position created upon the refunding of variable rate debt associated with swap contracts. At the time of refunding, the swap contracts' fair value became the historical cost basis, which is amortized over the life of the swap contracts. The amortized borrowing value is fully matched and deferred with this offsetting position.

Since the current fair value of the swap contracts differs from the amortized value of the borrowing at June 30, 2019, the Association has elected to report the swap contracts' current fair value to demonstrate the full economic liability to its counterparty. The difference between current fair and amortized value is reported as a gain or loss in the Statement of Revenues, Expenses, and Changes in Net Position. This effectively results in an historical cost position being reported at current fair value. The Association matches the duration of its swap contracts with the variable debt maturity, and therefore, does not anticipate this difference ever to be realized as a loss or a gain.

The Association entered into 41 "To Be Announced" (TBA) forward contracts in order to lock in the sales price for the securitization of qualified first mortgage single-family loans. The Association periodically enters into forward contracts to sell Government National Mortgage Association (GNMA) Mortgage Backed Securities to investors before the securities are ready for delivery. These contracts are considered investment derivatives and hedge the interest rate risk for loan commitments made to originating mortgage lenders.

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## Idaho Housing and Finance Association - Investment Derivative Instruments

## TBA Forward Contracts at June 30, 2019

(dollars in thousands)

Contract	Notional Amount	Fair Value	Coupon Rate	Counterparty Credit Rating
July 2019	\$ 4,000	\$ (63)	3.50%	Aaa
July 2019	8,000	(139)	3.50%	Aaa
July 2019	5,000	(83)	3.50%	Aaa
July 2019	4,000	(68)	3.50%	Aaa
July 2019	4,000	(61)	3.50%	Aaa
July 2019	8,000	(116)	3.50%	Aaa
July 2019	14,000	(169)	3.50%	Aaa
July 2019	5,000	(34)	4.00%	Aaa
July 2019	24,000	(180)	4.00%	Aaa
July 2019	8,000	(9)	4.00%	Aaa
July 2019	7,000	(30)	4.00%	Aaa
July 2019	13,500	(149)	3.50%	Aaa
July 2019	4,000	(73)	3.50%	Aaa
July 2019	8,000	(98)	3.50%	Aaa
July 2019	5,000	(46)	4.00%	Aaa
July 2019	8,000	(71)	4.00%	Aaa
July 2019	5,500	(7)	4.00%	Aaa
July 2019	5,000	(24)	4.00%	Aaa
July 2019	32,000	(125)	4.50%	Aaa
August 2019	10,000	(105)	3.50%	Aaa
August 2019	14,000	(113)	3.50%	Aaa
August 2019	8,000	(19)	3.50%	Aaa
August 2019	6,500	(25)	3.50%	Aaa
August 2019	7,000	(51)	3.50%	Aaa
August 2019	25,000	(55)	3.50%	Aaa
August 2019	15,000	(38)	3.50%	Aaa
August 2019	7,000	(13)	3.50%	Aaa
August 2019	11,000	(14)	4.00%	Aaa
August 2019	13,000	(37)	3.50%	Aaa
August 2019	8,000	(42)	3.50%	Aaa
August 2019	1,250	(6)	3.50%	Aaa
August 2019	15,000	(62)	3.50%	Aaa
August 2019	5,000	(28)	3.50%	Aaa
August 2019	12,000	(32)	4.00%	Aaa
August 2019	3,250	(10)	4.00%	Aaa
September 2019	12,000	8	3.00%	Aaa
September 2019	10,000	(22)	3.00%	Aaa
September 2019	10,000	(21)	3.50%	Aaa
September 2019	8,000	(11)	3.50%	Aaa
September 2019	5,000	20	3.00%	Aaa
September 2019	10,000	16	3.50%	Aaa
	<u>\$ 388,000</u>	<u>\$ (2,205)</u>		



## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## NOTE 4. INTRAENTITY TRANSACTIONS

## A. Interfund Balances

Interfund balances consist of the following receivables and payables (*dollars in thousands*):

	Interfund Payables						
	General Fund	Health and Welfare	Transportation	Nonmajor Governmental	College and University	Nonmajor Enterprise	Pension Trust
General Fund		\$ 56		\$ 3,831	\$ 10,103	\$ 8,180	
Transportation	\$ 7						
Nonmajor Governmental		141	\$ 66	37		819	
College and University	875	1,202	68	933			
Unemployment Compensation	86						
Nonmajor Enterprise	12	5	137	16		13	
Internal Service	105	174	108	78	32		
Pension Trust							\$ 2,113
<b>Total</b>	<b>\$ 1,085</b>	<b>\$ 1,578</b>	<b>\$ 379</b>	<b>\$ 4,895</b>	<b>\$ 10,135</b>	<b>\$ 9,012</b>	<b>\$ 2,113</b>

Interfund receivables and payables generally consist of short-term receivables and payables for goods and services provided by one fund within the State to another and for certain statutorily required transfers due at year-end. Most balances result from the time lag between the dates that:

- 1) Interfund goods and services are provided or reimbursable expenditures occur.
- 2) Transactions are recorded in the accounting system.
- 3) Payments between funds are made.

## B. Interfund Transfers

Interfund transfers for the fiscal year were as follows (*dollars in thousands*):

	Transfers In						
	General Fund	Health and Welfare	Nonmajor Governmental	College and University	Unemployment Comp.	Loan	Internal Service
General Fund		\$ 806,193	\$ 20,862	\$ 340,844		\$ 23,690	\$ 1,828
Health and Welfare	\$ 6,691					318	
Transportation			19,160				
Land Endowments	62,013			16,443			
Nonmajor Governmental	86,558		351	100	\$ 48	2,550	
College and University	2,277						
Unemployment Comp.			5,899				
Loan	720		1,105				
Nonmajor Enterprise	90,130	2,730	1,128				
Internal Service	17,113						
<b>Total</b>	<b>\$ 265,502</b>	<b>\$ 808,923</b>	<b>\$ 48,505</b>	<b>\$ 357,387</b>	<b>\$ 48</b>	<b>\$ 26,558</b>	<b>\$ 1,828</b>

Interfund transfers are primarily performed for two reasons:

- 1) Taxes, fees, penalties, earnings, and other revenues are transferred from the agencies that initially collect them (such as the Tax Commission) to the General Fund and other funds as dictated by state law.
- 2) Revenues are transferred from the fund that is statutorily required to collect them to the fund that has budgetary authorization to spend them.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

During fiscal year 2019 the following nonroutine transfer was made:

- \$20.7 million from the Indirect Cost Recovery Fund to the Business Information Infrastructure Fund for the State's Business Information Infrastructure Modernization Project.

C. Significant Transactions with Related Parties

The primary government had the following transaction with the Idaho Housing and Finance Association (IHFA):

- The Transportation fund has notes payable in the amount of \$495.0 million to the IHFA for bonds issued on their behalf for transportation infrastructure projects.

During fiscal year 2019 the Idaho Health Insurance Exchange (IHIE) received assessment fees from Blue Cross

of Idaho, represented on the IHIE Board, of \$5.2 million.

The Housing Company, a component unit of the IHFA, owes the IHFA \$3.8 million for notes payable secured by real property.

During fiscal year 2019 the Idaho Individual High Risk Reinsurance Pool received premium tax funds from the State, in accordance to Idaho Code Section 41-406(1)(d), in the amount of \$9.0 million to offset costs of the Pool.

During fiscal year 2019 the college and university foundations distributed \$67.6 million to the respective colleges and universities for support of academic and athletic programs.

During fiscal year 2019 the State purchased workers compensation insurance coverage from the State Insurance Fund, a related party, in the amount of \$12.3 million.



## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## NOTE 5. NONCURRENT RECEIVABLES

The Accounts Receivable, Taxes Receivable, Due from Other Entities, Due from Primary Government, and Loans, Notes, and Pledges Receivable line items on the government-wide Statement of Net Position contain aggregated current and noncurrent receivable balances net

of allowances for doubtful accounts. The following tables disaggregate the noncurrent receivables balances for the primary government and component units.

Noncurrent interfund receivables are discussed in Note 4.

Noncurrent Receivables - Primary Government						
(dollars in thousands)						
	Governmental Activities				Business-Type Activities	
	General Fund	Health and Welfare	Transportation	Nonmajor Governmental	College and University	Loan
Accounts Receivable				\$ 16,721		
Taxes Receivable	\$ 39,879	\$ 1	\$ 14	136		
Loans and Notes Receivable	503		126	2,462	\$ 27,424	\$ 379,353
Total Noncurrent Receivables	40,382	1	140	19,319	27,424	379,353
Less: Allowance for Doubtful Accounts						
Accounts Receivable				(7,266)		
Taxes Receivable	(155)					
Loans and Notes Receivable					(3,063)	
Total Noncurrent Receivables, Net	<u>\$ 40,227</u>	<u>\$ 1</u>	<u>\$ 140</u>	<u>\$ 12,053</u>	<u>\$ 24,361</u>	<u>\$ 379,353</u>

Noncurrent Receivables - Component Units			
(dollars in thousands)			
	Idaho Housing and Finance Association	College and University Foundation	Idaho Bond Bank Authority
Due from Primary Government	\$ 503,214		
Pledges Receivable		\$ 8,092	
Loans and Notes Receivable	549,421		293,131
Total Noncurrent Receivables	1,052,635	8,092	293,131
Less: Allowance for Doubtful Accounts			
Due from Primary Government			
Pledges Receivable		(990)	
Loans and Notes Receivable	(4,649)		
Total Noncurrent Receivables, Net	<u>\$ 1,047,986</u>	<u>\$ 7,102</u>	<u>\$ 293,131</u>

# Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

### NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year is as follows (*dollars in thousands*):

Primary Government	Balances at July 1, 2018 As Restated*	Increases	Decreases	Balances at June 30, 2019
<b>Governmental Activities:</b>				
<b>Capital Assets not Being Depreciated:</b>				
Land and Land Use Rights	\$ 1,135,777	\$ 52,715	\$ (494)	\$ 1,187,998
Capital Assets in Progress	1,151,248	351,064	(274,732)	1,227,580
Infrastructure	2,767,488	253,938	(5,787)	3,015,639
Historical Art and Collections	122			122
<b>Total Capital Assets not Being Depreciated</b>	<b>5,054,635</b>	<b>657,717</b>	<b>(281,013)</b>	<b>5,431,339</b>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Improvements	1,173,103	10,764	(13,278)	1,170,589
Improvements Other Than Buildings	172,890	10,405		183,295
Machinery, Equipment, and Other	803,624	75,078	(33,551)	845,151
Infrastructure	1,172,014			1,172,014
<b>Total Capital Assets Being Depreciated</b>	<b>3,321,631</b>	<b>96,247</b>	<b>(46,829)</b>	<b>3,371,049</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	(469,065)	(25,893)	3,198	(491,760)
Improvements Other Than Buildings	(77,709)	(6,965)	(4)	(84,678)
Machinery, Equipment, and Other	(524,888)	(71,467)	26,377	(569,978)
Infrastructure	(300,658)	(16,092)		(316,750)
<b>Total Accumulated Depreciation</b>	<b>(1,372,320)</b>	<b>(120,417)</b>	<b>29,571</b>	<b>(1,463,166)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>1,949,311</b>	<b>(24,170)</b>	<b>(17,258)</b>	<b>1,907,883</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 7,003,946</b>	<b>\$ 633,547</b>	<b>\$ (298,271)</b>	<b>\$ 7,339,222</b>

\* Beginning balances were restated due to prior period adjustments.

Depreciation expense was charged to functions of governmental activities as follows (*dollars in thousands*):

<b>Governmental Activities:</b>	
General Government	\$ 19,349
Public Safety and Correction	16,015
Health and Human Services	27,484
Education	1,776
Economic Development	40,407
Natural Resources	14,030
In addition, depreciation on capital assets held by the State's internal service funds is charged to the various functions based on their usage of the assets	1,356
<b>Total Accumulated Depreciation Increase for Governmental Activities</b>	<b>\$ 120,417</b>



## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

<b>Business-Type Activities:</b>	<b>Balances at July 1, 2018 As Restated*</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances at June 30, 2019</b>
<b>Capital Assets not Being Depreciated:</b>				
Land and Land Use Rights	\$ 143,648	\$ 21,488		\$ 165,136
Capital Assets in Progress	41,932	67,396	\$ (11,859)	97,469
Historical Art and Collections	2,423	12		2,435
<b>Total Capital Assets not Being Depreciated</b>	<b>188,003</b>	<b>88,896</b>	<b>(11,859)</b>	<b>265,040</b>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Improvements	1,592,107	18,710	(1,392)	1,609,425
Improvements Other Than Buildings	78,912	2,026	(416)	80,522
Machinery, Equipment, and Other	435,759	18,291	(10,510)	443,540
<b>Total Capital Assets Being Depreciated</b>	<b>2,106,778</b>	<b>39,027</b>	<b>(12,318)</b>	<b>2,133,487</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	(646,828)	(41,954)	1,373	(687,409)
Improvements Other Than Buildings	(49,801)	(2,610)	411	(52,000)
Machinery, Equipment, and Other	(351,031)	(22,710)	9,750	(363,991)
<b>Total Accumulated Depreciation</b>	<b>(1,047,660)</b>	<b>(67,274)</b>	<b>11,534</b>	<b>(1,103,400)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>1,059,118</b>	<b>(28,247)</b>	<b>(784)</b>	<b>1,030,087</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 1,247,121</b>	<b>\$ 60,649</b>	<b>\$ (12,643)</b>	<b>\$ 1,295,127</b>

\* Beginning balances were restated due to prior period adjustments.

Interest incurred during construction is capitalized in enterprise funds. The total cost of interest incurred during the fiscal year was \$16.9 million, of that \$1.6 million was capitalized.

<b>Component Units:</b>	<b>Balances at July 1, 2018 As Restated*</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balances at June 30, 2019</b>
<b>Capital Assets not Being Depreciated:</b>				
Land	\$ 6,019	\$ 1,511	\$ (477)	\$ 7,053
Capital Assets in Progress	190	1,617	(813)	994
Intangible Assets	12			12
<b>Total Capital Assets not Being Depreciated</b>	<b>6,221</b>	<b>3,128</b>	<b>(1,290)</b>	<b>8,059</b>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Improvements	88,576	5,043	(1,189)	92,430
Improvements Other Than Buildings	759	90		849
Machinery, Equipment, and Other	56,525	2,575	(564)	58,536
<b>Total Capital Assets Being Depreciated</b>	<b>145,860</b>	<b>7,708</b>	<b>(1,753)</b>	<b>151,815</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	(44,025)	(3,623)	885	(46,763)
Improvements Other Than Buildings	(208)	(34)		(242)
Machinery, Equipment, and Other	(44,196)	(11,289)	267	(55,218)
<b>Total Accumulated Depreciation</b>	<b>(88,429)</b>	<b>(14,946)</b>	<b>1,152</b>	<b>(102,223)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>57,431</b>	<b>(7,238)</b>	<b>(601)</b>	<b>49,592</b>
<b>Component Unit Activities Capital Assets, Net</b>	<b>\$ 63,652</b>	<b>\$ (4,110)</b>	<b>\$ (1,891)</b>	<b>\$ 57,651</b>

\* Beginning balances were restated due to prior period adjustments.

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

**NOTE 7. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES**

The Deferred Outflows of Resources and Deferred Inflows of Resources line items on the government-wide Statement of Net Position and governmental funds Balance Sheet contain aggregated types of deferrals.

The following tables disaggregate the deferrals.

See Note 3 for further details regarding derivative-related deferrals, Note 8 for pension-related deferrals, and Note 9 for OPEB-related deferrals.

**A. Deferred Outflows of Resources – Government-Wide** (dollars in thousands)

	Primary Government		Component Units
	Governmental Activities	Business-Type Activities	
<b>Debt Defeasance</b>	\$ 3,771	\$ 7,915	
<b>Hedging Derivatives</b>			
Interest Rate Swap Contracts - Amortized			\$ 24,010
Interest Rate Swap Contracts - Fair Value			12,038
<b>Pension-Related</b>			
Contributions Subsequent to Measurement Date	79,082	15,124	
Proportionate Share	65,310	11,077	
<b>OPEB-Related</b>			
Contributions Subsequent to Measurement Date	7,145	3,549	
Proportionate Share	2,654	5,886	
<b>Total Deferred Outflows of Resources</b>	<b>\$ 157,962</b>	<b>\$ 43,551</b>	<b>\$ 36,048</b>

**B. Deferred Inflows of Resources – Government-Wide** (dollars in thousands)

	Primary Government		Component Units
	Governmental Activities	Business-Type Activities	
<b>Debt Defeasance</b>		\$ 5	
<b>Hedging Derivatives</b>			
Interest Rate Swap Contracts - Fair Value			\$ 259
<b>Imposed Nonexchange Revenue</b>	\$ 2,739		
<b>Nonexchange Transactions</b>		250	
<b>Pension-Related</b>			
Proportionate Share	76,120	14,194	
<b>OPEB-Related</b>			
Proportionate Share	13,707	14,988	
<b>Service Concession Arrangement</b>		41,586	
<b>Unavailable Revenue</b>			
<b>Other Deferred Inflows</b>		10,923	5,839
<b>Total Deferred Inflows of Resources</b>	<b>\$ 92,566</b>	<b>\$ 81,946</b>	<b>\$ 6,098</b>

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

C. Deferred Inflows of Resources – Governmental Funds (*dollars in thousands*)

	Governmental Funds			
	General	Health and Welfare	Transportation	Nonmajor Governmental
Imposed Nonexchange Revenue				\$ 2,739
Unavailable Revenue	\$ 152,117	\$ 159,627	\$ 6,461	23,795
Total	<u>\$ 152,117</u>	<u>\$ 159,627</u>	<u>\$ 6,461</u>	<u>\$ 26,534</u>

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## NOTE 8. PENSION PLANS

**A. Summary of Plans Administered by the Public Employee Retirement System of Idaho****General**

The Public Employee Retirement System of Idaho (PERSI) administers the PERSI Base Plan, the Judges' Retirement Fund (JRF), the Firefighters' Retirement Fund (FRF), and two defined contribution retirement plans. A retirement board appointed by the Governor and confirmed by the State Senate manages the PERSI, which includes selecting the funding agents, establishing funding policy, and setting contribution rates. The PERSI issues a publicly available financial report that includes financial statements and required supplementary information, which can be found at the following website: ([http://www.persi.idaho.gov/investments/annual\\_financial\\_report.cfm](http://www.persi.idaho.gov/investments/annual_financial_report.cfm)). The PERSI also provides a 'Schedule of Employer Allocations and Collective Pension Amounts' for the Base Plan and the FRF, which can be found at (<http://www.persi.idaho.gov/employers/GASB.cfm>).

**Summary of Significant Accounting Policies**

The PERSI basic financial statements are prepared using the economic resource measurement focus and accrual basis of accounting. Employee and employer contributions are recognized as additions to net position when due and receivable; investment income is recognized when earned; and benefit payments, refunds, and other expenses are recorded when the benefits are due and payable in accordance with the plans' terms. For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERSI Base Plan and JRF and additions/deductions from PERSI's and JRF's fiduciary net position have been determined on the same basis as they are reported by PERSI.

Investments are presented at fair value. Purchases and sales are recorded at the trade date. The fair value of investments is based on published market prices and quotations from major investment brokers when available. Mortgages have been valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments of matching duration. The fair value of real estate investments is based on industry practice. For recent acquisitions, cost closely approximates fair value. The fair value of longer-term real estate holdings is estimated based on the PERSI's consultant assessments and/or independent appraisals. Short-term investments are reported at fair value when published market prices and quotations are available, or at cost plus accrued interest, which approximates fair value. The fair values of private equity limited partnership investments by their nature have no readily ascertainable market prices. Similar to real estate, cost closely approximates fair value for recent acquisitions. Thereafter,

the fair values of limited partnership funds are based on the valuations as presented by the general partner, approved by the funds' advisory committee, and reviewed by consultants. Investments of the PERSI Base Plan, JRF, and FRF are pooled for investment purposes.

**Actuarial Assumptions**

The last actuarial valuation was performed as of July 1, 2018, for the Base Plan, and FRF; and as of July 1, 2019, for the JRF.

The entry age normal cost method and the following actuarial assumptions applied to all periods included in the measurement:

	Base Plan	JRF
Inflation	3.00%	3.00%
Salary Increases*	3.75%	3.75%
Salary Inflation	3.75%	3.75%
Investment Rate of Return**	7.05%	7.00%
Cost of Living Adjustments	1.00%	1.00% or 3.75%

\*There is an additional component of assumed salary growth (on top of the 3.75%) that varies for each individual member based on years of service.

\*\*Net of pension plan investment expense.

**Mortality Rates**

Base Plan actuarial assumptions were based on an experience study performed for the period 2011 through 2017; the study reviewed demographic assumptions other than mortality. Mortality and all economic assumptions for the Base Plan were studied in 2018 for the period July 1, 2013 through June 30, 2017. Economic assumptions for JRF were based on the results of an experience study for the period 2011 through July 1, 2017. Demographic assumptions, including mortality, for JRF were studied for the period 2013 and 2018.

Mortality rates for the Base Plan were based on the RP-2000 combined table for healthy males or females as appropriate with the following offsets:

- Set back three years for teachers (Base Plan)
- No offset for male fire and police (Base Plan)
- Forward one year for female fire and police (Base Plan)
- Set back one year for all general employees and all beneficiaries (Base Plan)

Mortality rates for JRF were based on the General Pub-2010 Above Meridian tables for males or females, and employees or healthy retirees, as appropriate, with no offsets.

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

*Long-term Expected Rate of Return*

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and

by adding expected inflation.

The PERSI used the 2018 Callan Associates capital market assumptions for the Base Plan and the January 1, 2018 Callan Associates capital market assumptions for the JRF in analyzing asset allocation. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Long-term expected rates of return on investments are shown below:

<b>Base Plan Long-Term Expected Rate of Return</b>			
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Nominal Rate of Return (Arithmetic)</b>	<b>Long-Term Expected Real Rate of Return (Arithmetic)</b>
Core Fixed Income	30.00 %	3.05 %	0.80 %
Broad US Equities	55.00 %	8.30 %	6.05 %
Developed Foreign Equities	15.00 %	8.45 %	6.20 %
<b>Actuarial Assumptions</b>			
Assumed Inflation - Mean		2.25 %	2.25 %
Assumed Inflation - Standard Deviation		1.50 %	1.50 %
Portfolio Arithmetic Mean Return		6.75 %	4.50 %
Portfolio Standard Deviation		12.54 %	12.54 %
Portfolio Long-Term (Geometric) Expected Rate of Return		6.13 %	3.77 %
Assumed Investment Expenses		0.40 %	0.40 %
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.73 %	3.37 %
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.19 %
Portfolio Standard Deviation			14.16 %
<b>Valuation Assumptions Chosen by PERSI Board</b>			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.05 %
Assumed Inflation			3.00 %
<b>Long-Term Expected Geometric Rate of Return, Net of Investment Expenses</b>			<b>7.05 %</b>

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

JRF Long-Term Expected Rate of Return			
Asset Class	Index	Target Allocation*	Long-Term Expected Real Rate of Return (Arithmetic)**
Large Cap	S&P 500	18.00%	4.50 %
Small/Mid Cap	Russell 2500	11.00%	4.75 %
International Equity	MSCI World ex USA	15.00%	4.50 %
Emerging Markets Equity	MSCI Emerging Markets	10.00%	4.75 %
Domestic Fixed	Bloomberg Barclays Aggregate	20.00%	0.75 %
TIPS	Bloomberg Barclays TIPS	10.00%	0.75 %
Real Estate	Callan Real Estate Database	8.00%	3.50 %
Private Equity	TR Post Venture Capital	8.00%	5.10 %
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.19 %
Portfolio Standard Deviation			14.16 %
Valuation Assumptions Chosen by PERSI Board			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.05 %
Assumed Inflation			3.00 %
<b>Long-Term Expected Geometric Rate of Return, Net of Investment Expenses</b>			<b>7.05%</b>
*As outlined in PERSI's investment policy.			
**Net of investment expenses.			

**Discount Rate**

The actuary used a discount rate of 7.05 percent (a 0.05 percent decrease from the prior measurement date) to measure the total pension liability for the Base Plan and a discount rate of 7.05 percent to measure the total pension liability for the JRF plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the Base Plan's and JRF's net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

**1. PERSI Base Plan****Plan Description***Organization and Purpose*

The PERSI Base Plan is a cost-sharing, multiple-employer defined benefit retirement plan. The Base Plan is governed by Idaho Code Title 59 Chapter 13.

*Membership*

State agencies, school districts, cities, counties, highway districts, water and sewer districts, and other political subdivisions contribute to the PERSI Base Plan. Participation is mandatory for state employees who normally work 20 or more hours a week for 5 or more consecutive months. The number of participating employer units were 808 and 797 for the fiscal years ending June 30, 2019 and 2018, respectively.

*Benefits*

The annual service retirement allowance for each month of credited service is 2 percent (2.3 percent for police/firefighters) of the average monthly salary for the highest consecutive 42 months. In addition, benefits are provided for disability or death, and to survivors of eligible members or beneficiaries. Members are eligible for retirement benefits upon attainment of the age specified for their employment classification or a combination of age plus service.

The benefit payments are calculated using a benefit formula adopted by the Idaho Legislature. The PERSI Base Plan is required to provide a 1 percent minimum cost of living increase per year on the condition the Consumer Price Index increases 1 percent or more. The PERSI Retirement Board has the authority to provide higher cost of living increases

## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

to a maximum of the Consumer Price Index movement or 6 percent, whichever is less; however, any amount above the 1 percent minimum is subject to approval by the Legislature.

**Funding Policy***Funding and Contributions*

Funding policy for the PERSI Base Plan is determined by the Board as defined by Idaho law. The Board may make periodic changes to employer and employee contributions based upon actuarially-determined rates that are adequate to accumulate sufficient assets to pay benefits when due. Actuarially-determined rates are expressed as percentages of annual covered payroll.

Level percentages of payroll normal costs are determined using the entry age normal cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The PERSI Base Plan amortizes any net pension liability based on a level percentage of payroll. The maximum amortization period permitted under Idaho Code Section 59-1322 is 25 years.

Contributions from members and employers, in addition to earnings from investments, fund the PERSI Base Plan benefits. Member and employer contributions are percentages of member compensation. As defined by state law, the member contribution rate is a percentage of the employer contribution rate. Employer contribution rates are recommended by periodic actuarial valuations and are subject to the approval of the PERSI Retirement Board and limitations set forth in state statute. Contributions are based on actuarial assumptions, benefit formulas, and employee groups of the PERSI. Costs of administering the plans are financed through the contributions and investment earnings of the System.

Contribution rates for the year:

Employee Group	Employer	Employee
General	11.32%	6.79%
Police and Fire	11.66%	8.36%

Employer contributions required and paid were \$94.2 million and \$90.2 million for the fiscal years ended June 30, 2019 and 2018, respectively.

Although enrollees in the College and University Optional Retirement Plan no longer belong to the PERSI, the colleges and universities are required to contribute to the PERSI Base Plan through July 1, 2025. The contribution rate for the year was 1.49 percent for colleges and universities.

*Vesting*

After five years of credited service (five months for elected or appointed officials), members become fully vested in retirement benefits earned to date. Upon termination of employment, accumulated member contributions plus interest are refundable. The interest was compounded monthly per annum and accrued at 7.57 percent from January 1, 2019 through June 30, 2019, and at 11.03 percent from July 1, 2018 through December 31, 2018. Withdrawal of such accumulated contributions results in forfeiture of the member's accrued benefit; however, state law does include provisions for reinstatement of forfeited service upon repayment of the accumulated contributions plus interest.

**Net Pension Liability, Pension Expense, and Deferrals**

At June 30, 2019, the total net pension liability amount for all employers that contributed to the Base Plan was \$1.5 billion. At June 30, 2019, the State recognized a \$365.2 million liability (24.8 percent proportion of the collective net pension liability), measured at June 30, 2018, a 1.0 percent decrease from its proportion measured at June 30, 2017. Employer proportionate shares were determined utilizing a single-period measure of contributions as of June 30, 2018. The State also recognized a \$71.1 million pension expense and the following deferred outflows of resources and deferred inflows of resources:

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## PERSI Base Plan

as of June 30, 2019

(dollars in thousands)

	Deferred Outflows of Resources*	Deferred Inflows of Resources*
Difference between expected & actual experience	\$ 40,083	\$ 27,578
Changes of assumptions	23,760	
Changes in proportion	10,210	19,779
Net difference between projected & actual investment earnings		40,570
Contributions subsequent to the measurement date	94,206	
<b>Total</b>	<b>\$ 168,259</b>	<b>\$ 87,927</b>

\*For fiscal year 2019, the total deferred outflows and total deferred inflows in this table do not tie to the pension deferred outflows and deferred inflows in Note 7. This is primarily due to timing differences between the information for this table that comes from the PERSI, and the information in Note 7 that, in part, comes from the Dairy Products Commission, the Potato Commission, and the State Bar. Those entities report on a different year-end than the PERSI and the State.

The \$94.2 million reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported above as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows (dollars in thousands):

Amortized Deferrals	
Fiscal Year	Expense (Revenue)
2020	\$ 27,503
2021	925
2022	(32,305)
2023	(9,997)
2024	
<b>Total</b>	<b>\$ (13,874)</b>

**Discount Rate Sensitivity**

The following presents the net pension liability of the State calculated using the expected discount rate of 7.05 percent and discount rates based upon a 1 percent discount rate decrease and a 1 percent discount rate increase (dollars in thousands):

1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
\$ 914,051	\$ 365,149	\$ (89,364)

**2. Judges' Retirement Fund****Plan Description***Organization and Purpose*

The Judges' Retirement Fund (JRF) is a single-employer

defined benefit retirement plan, which provides retirement benefits for Idaho Supreme Court justices, court of appeals judges, and district court judges. The JRF is managed by the PERSI and is governed in accordance with Idaho Code Title 1 Chapter 20.

*Membership and Vesting*

Members become fully vested in their retirement benefits after four years of credited service. If a member terminates from the retirement plan prior to four years of service, the member's contributions plus 6.5 percent per annum will be returned. Members are eligible for retirement benefits upon meeting one of the following criteria:

- Attainment of age 65 and a minimum of 4 years of service
- Attainment of age 60 and a minimum of 10 years of service
- Attainment of age 55 and a minimum of 15 years of service
- After 20 years of service

The JRF has 107 retired members or beneficiaries collecting benefits, 1 terminated member entitled to, but not yet receiving benefits, and 53 active members.

*Benefits*

The benefit structure is based on each member's years of service and compensation. In addition, benefits are provided for disability or death, and to survivors of eligible members. The benefit payments for the JRF are calculated using a benefit formula adopted by the Idaho Legislature, effective July 1, 2000. Members serving prior to July 1, 2000 and who were receiving benefits from the judges' retirement fund before July 1, 2000, for such service, and members who assumed office on or after July 1, 2012, and attained both the age of 55 years and a minimum service of 15 years, are paid under Option A. Other members



## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

serving on or after July 1, 2000, who meet one of the remaining eligibility requirements referenced earlier, may choose between two benefit payment options, A or B. Both options are based upon current annual compensation of the highest office in which the member served, with benefits for Option A accumulating as follows:

For the first 10 years of service, benefits are credited at 5 percent per year of the member's compensation.  
For the remaining years of service, benefits are credited at 2.5 percent per year of the member's compensation.

In addition to the above benefits, Option B includes:

Benefits credited at 12.5 percent per year for senior judges with five years of service.

The maximum benefit is 75 percent of compensation. Additionally, members who begin service on or after July 1, 2012 are eligible to receive annual inflationary adjustments to calculated benefits in accordance with Idaho Code Section 59-1355. After four years of credited service, any member retiring by reason of disability will be entitled to benefits calculated using Option A. Upon the death of retired or sitting members who assumed office prior to July 1, 2012, surviving spouses will be entitled to benefits equal to 50 percent of the member's calculated benefit. Surviving spouses of members who assumed office on or after July 1, 2012 are entitled to benefits equal to 30 percent of the member's calculated benefit.

#### Summary of Significant Accounting Policies

Generally speaking, significant accounting policies, actuarial assumptions, and discount rate information are the same as detailed for the PERSI. This information can be found at the beginning of this note.

#### Contribution Requirements

The JRF's benefits are funded by contributions from members and the Judicial Department and earnings from investments. Costs of administering the JRF are financed through the contributions and investment earnings of the JRF.

Members and the Department contribute to the JRF during the members' first 20 years of employment. Member and Department contributions are a percentage of member compensation as defined by state law. The JRF policy

provides for Department and member contributions at 55.3 percent and 10.2 percent, respectively, of annual covered payroll. The payroll for members covered by the JRF was approximately \$6.7 million for the fiscal year.

#### Investments

##### Policies and Procedures

The Board utilizes and directs individual fund managers to provide whatever investment management and custodial functions the Board has determined best achieves the System's investment objectives. Each fund manager is generally granted full discretion in making investment decisions within asset allocation policy, portfolio investment policy, specific investment guidelines, and other special restrictions set by contract with the Board. The Board monitors overall investment performance and periodically evaluates the performance of each fund manager. The Board is empowered in its sole discretion to limit, control, and designate the types and amounts of investments.

##### Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 8.02 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

#### Net Pension Liability, Pension Expense, and Deferrals

##### Net Pension Liability

Net pension liability components as of the measurement date of June 30, 2019 (*dollars in thousands*):

Total Pension Liability	\$ 112,895
Plan Fiduciary Net Position	(93,199)
Net Pension Liability	<u>\$ 19,696</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.6%
Covered Payroll	\$ 6,732
Net Pension Liability as a Percentage of Covered Payroll	292.6%

## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

Changes in net pension liability for the fiscal year ended June 30, 2019 (*dollars in thousands*):

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Beginning Balances</b>	\$ 106,757	\$ 88,071	\$ 18,686
<b>Changes for the Year</b>			
Service Cost	3,178		3,178
Interest*	7,502		7,502
Benefit Changes			
Economic/Demographic Gains (Losses)	(829)		(829)
Assumptions Changes	3,456		3,456
Benefit Payments, Including Refunds	(7,168)	(7,168)	0
Contributions - Employer		4,689	(4,689)
Contributions - Employee		779	(779)
Net Investment Income		6,937	(6,937)
Other Income		13	(13)
Administrative Expense		(121)	121
<b>Net Changes</b>	6,139	5,129	1,010
<b>Ending Balances</b>	<b>\$ 112,896</b>	<b>\$ 93,200</b>	<b>\$ 19,696</b>

\*Includes interest on total pension liability, service cost and benefit payments

### Pension Expense and Deferrals

The State recognized a \$5.0 million pension expense and the following deferrals for the fiscal year ended June 30, 2019 (*dollars in thousands*):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected & actual experience		\$ 807
Changes of assumptions	\$ 2,444	
Net difference between projected & actual investment earnings		2,002
Contributions subsequent to the measurement date		
<b>Total</b>	<b>\$ 2,444</b>	<b>\$ 2,809</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as pension expense (revenue) as follows (*dollars in thousands*):

Year	Expense (Revenue)
2020	\$ 458
2021	(280)
2022	(383)
2023	(161)
2024	0
	<b>\$ (366)</b>

### Discount Rate Sensitivity

The following presents the net pension liability of the JRF calculated using the discount rate of 7.05 percent, as well as what the employer's liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate as of June 30, 2019 (*dollars in thousands*):

1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
\$ 31,173	\$ 19,696	\$ 9,893

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

**3. Firefighters' Retirement Fund*****Plan Description***

The FRF is a closed cost-sharing multiple-employer defined benefit retirement plan. The FRF is governed by Idaho Code Title 72 Chapter 14. The FRF is administered by the PERSI, which is part of the primary government. However, the State does not employ firefighters participating in the FRF; therefore, no employer costs are disclosed. Twenty-two employer units, all consisting of local fire departments, participated in the FRF. The significant accounting policies are the same as detailed for the PERSI. Complete FRF disclosures may be found in the PERSI financial statements.

**4. Defined Contribution Retirement Plans*****Plan Description******Organization and Purpose***

The defined contribution retirement plans include the 401(k) and the 414(k). The plans are governed by Idaho Code Title 59 Chapter 13. The 414(k) plan was established for gain-sharing allocations from the PERSI Base Plan. The gain-sharing amount (if any) is based on funding levels in the PERSI Base Plan and is subject to board approval.

***Membership***

The 401(k) plan is open to all active PERSI Base Plan members. Eligibility for the 414(k) gain sharing requires 12 months of active PERSI membership as defined in Idaho statutes and PERSI rules. The plans have 808 employer units eligible to have participating employees.

***Summary of Significant Accounting Policies***

The assets of the 401(k) and the 414(k) plans are commingled for investment and recordkeeping purposes. The other significant accounting policies are the same as for the PERSI.

***Funding Policy******Contributions***

Employees in the 401(k) plan can make tax-deferred contributions up to 100 percent of their gross salary, less deductions, and subject to the IRS annual contribution limit; employees are immediately vested. Participants direct their investment mix with limited restrictions and may elect to change their salary deferrals. Additionally, the 401(k) plan is open to voluntary employer matching contributions at rates determined by the employers. Employers (participants) in the plans contributed \$6.5 (\$59.4) million, \$6.0 (\$52.1) million, and \$5.5 (\$48.3) million during fiscal years 2019, 2018, and 2017, respectively.

**B. Other State-Sponsored Retirement Plans****1. College and University Optional Retirement Plan*****Plan Description******Organization and Purpose***

Effective July 1, 1990, the State Legislature authorized the Idaho State Board of Education to establish the Optional Retirement Plan (ORP), a defined contribution plan for college and university faculty and exempt employees. The ORP is governed by Idaho Code Sections 33-107A and 33-107B and administered by the Idaho State Board of Education. Vendor options include Teachers' Insurance and Annuity Association (TIAA) and AIG Retirement Services (formerly known as VALIC). TIAA and AIG Retirement Services may be reached at (888) 842-7782 and (888) 478-7020, respectively.

***Membership***

Faculty and exempt employees hired July 1, 1990, or thereafter, automatically enroll in the ORP and select their vendor option. Faculty and exempt employees hired before July 1, 1990, had a one-time opportunity to enroll in the ORP.

***Funding Policy******Contributions and Vesting***

The employee contribution requirement for the ORP is based on a percentage of total payroll. Employer contributions are determined by the State. The contribution requirement and amount paid for the fiscal year was \$56.6 million, which consisted of \$32.3 million from the colleges and universities and \$24.3 million from employees.

Participants are immediately fully vested in the ORP. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 55 years of age.

**2. Department of Labor Retirement Plan*****Plan Description******Organization and Purpose***

This stand-alone, defined benefit, insured retirement plan provides retirement benefits for certain employees (and their beneficiaries) of the Idaho Department of Labor hired prior to October 1, 1980, excluding anyone hired after age 65. The Plan is governed by Idaho Code Section 72-1335 and U.S. Department of Labor Rules and Regulations. The Labor Retirement Plan is administered by the Idaho Department of Labor, which may be reached at (208) 332-3570.

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

**Membership**

As of September 30, 2018, the number of Idaho Department of Labor members and actual benefit recipients are as follows:

Retirees and Beneficiaries	284
Inactive Participants	
Current Active Employees	4
Total	<u>288</u>

**Benefits**

Retirement benefit payments are calculated using a benefit formula established in the Plan. This monthly benefit is payable for life, through an annuity purchased for each retired employee from Prudential Insurance Company, with 120 payments guaranteed to the annuitant or their survivor. Upon the purchase of an annuity, Prudential assumes the risk for the insured benefit and has guaranteed to pay benefits in the event the trust funds are depleted. The Plan provides that the contributions paid by the employer to Prudential are in complete discharge of the employer's financial obligation under the Plan. At September 30, 2018, the last actuarial valuation date, no unfunded liability existed. The normal service retirement allowance is the average annual salary for the highest three consecutive years times 2 percent for each year of credited service.

As of September 30, 2018, the present value of future retirement benefits is \$86.6 million. The actuary assumed a 4.5 percent average rate of return in determining the actuarial present value of accumulated plan benefits. Net position available for benefits (at fair value) is \$176.5 million.

**Funding Policy****Contributions**

Since September 30, 1997, plan assets have exceeded the actuarial present value of future benefit payments for all members. In accordance with plan requirements, employees continued to contribute 7 percent of payroll even though contributions were not actuarially needed to finance future benefits. However, in August 1999, the U.S. Department of Labor approved a plan change to allow the plan actuary to determine the employee contribution rate. Employee contributions have since been suspended through September 30, 2019, consistent with recent actuarial valuations. The current valuation certified that the total contribution rate should remain at zero through September 30, 2020. Total employer contribution for federal fiscal year 2019 was zero.

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

## A. Summary of Plans

The Department of Administration administers other post-employment benefits (OPEB) for healthcare, disability, and life insurance for retired or disabled employees of State agencies, public health districts, community colleges, and other political subdivisions that participate in the plans. The Retiree Healthcare, Retiree Life, and Long-Term Disability plans are reported as multiple-employer defined benefit plans. Idaho Code Sections 67-5760 to 67-5768 and 72-1335 establish the benefits and contribution obligations. The plans do not issue publicly available financial reports. The most recent actuarial valuation is as of July 1, 2018. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4; these benefits are funded on a pay-as-you-go basis. The costs of administering the plans were financed by a surcharge to employers on all active employees of \$0.07 per person per month for fiscal years 2018 and 2019. The rate is reviewed annually.

The Public Employee Retirement System of Idaho (PERSI) administers the Sick Leave Insurance Reserve Fund

(SLIRF) which is subject to the guidance of GASB Statements No. 74, 75, and 85.

The University of Idaho administers a single-employer defined benefit plan which provides medical, dental, and life insurance. The benefits may be amended by the University or the State Board of Education. The University issues a publicly available financial report which includes financial statements and required supplementary information for these benefits. The report may be obtained by writing to Office of the General Counsel, University of Idaho, 875 Perimeter Drive, MS 3158, Moscow, ID 83844-3158. The most recent actuarial valuation is as of December 31, 2018. The University established a trust to fund the medical and dental portions of these benefits. The trust statements are for the fiscal year ended December 31, 2018.

The following table shows the number of participating employers and the classes of employees covered by the various plans, with the exception of the University of Idaho plan which is shown later in this note.

Classes of Employees and Number of Participating Employers					
	Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance Plan
		Healthcare	Life Insurance	Income	
Active Employees	7,633	19,911			5,713
Retired/Disabled Employees	584	107	291	50	1,595
Terminated, Vested Employees					121
Number of Participating Employers	25	25	25	25	2

## 1. State OPEB Plans

*Plan Descriptions and Funding Policy**Retiree Healthcare Plan*

A retired officer or employee of a state agency, department, institution, or other political subdivision, including an elected official, who receives monthly retirement benefits from the Public Employee Retirement System of Idaho (PERSI) may elect to purchase retiree health insurance coverage for themselves and eligible dependents. Additionally, the retiree must be under age 65, receiving monthly PERSI pension benefits at the time of retirement, and must have 10 or more years (20,800 or more hours) of credited service. An officer or employee must have been an active employee on or before June 30, 2009, and must

retire directly from state service. Retirees eligible for medical health insurance pay the majority of the premium cost; however, the retiree plan costs are subsidized by the active employee plan. The benefit is at least \$1,860 per retiree per year. The retired plan members contribution percentage of the total premium cost decreased from 83.9 percent in 2018 to 70.6 percent in 2019. In 2019, employers were charged \$11.60 per active employee per month towards the retiree premium cost, or 29.3 percent of the total cost of the retiree plan, compared to \$15.92 per active employee per month or 16.1 percent of the total cost of the retiree plan in 2018.

## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

*Long-Term Disability Plan*

Disabled employees are defined as persons unable to perform each of the substantial and material duties of the job for which they were hired and unable to earn more than 70 percent of their monthly salary for the first 30 months of disability. If after 30 months the employee is unable to perform any job for which they are reasonably qualified by experience, education, or training, and unable to earn more than 60 percent of their monthly salary, the employee is considered totally disabled. To qualify for long-term disability benefits, the waiting period of the longer of 26 continuous weeks of total disability or exhaustion of accrued sick leave must be met.

For up to 6 months following the date of disability an employee may continue healthcare coverage under this plan. The employer's share of the premium is paid from the Office of Group Insurance reserve. The employee is required to pay the normal active employee contribution to the plan and rate category for which the employee is enrolled. In fiscal years 2018 and 2019, employers were charged \$4.86 and \$4.58 per active employee per month, respectively, to fund the reserve.

The plan provides long-term disability income benefits to active employees who become disabled, generally up to a maximum age of 70. The gross benefit equals 60 percent of monthly pre-disability salary or \$4,000, whichever is less. The benefit does not increase with inflation and may be offset by benefits from Social Security, Workers' Compensation, or PERSI. The State is self-insured for employees who became disabled prior to July 1, 2003; the State pays 100 percent of the cost of this benefit. The amount of the contribution is based on active claims and the number of insured individuals.

Principal Life Insurance Company insures employees disabled on or after July 1, 2003, and the obligation for the payment of income benefits has been effectively transferred. The employer pays 100 percent of the cost of the premiums; the contribution rate for fiscal years 2018 and 2019 was 0.290 percent of payroll. The employers' current-year OPEB expense/expenditure was \$3.0 million and \$3.1 million in fiscal years 2018 and 2019, respectively. This portion of the long-term disability income benefit is not included in the actuarial estimate as this is considered an insured benefit.

The plan also provides basic life insurance and dependent life insurance to disabled employees, generally up to a maximum age of 70. The life insurance benefit amount is generally 100 percent of annual salary, but not less than \$20,000. In addition, the plan provides a \$2,000 life insurance benefit for spouses and a \$1,000 life insurance benefit for dependent children. These benefits do not increase with inflation. The State is self-insured for employees who became disabled prior to July 1, 2012; the

employer pays 100 percent of the cost.

Principal Life Insurance Company insures employees disabled on or after July 1, 2012, and the obligation for the payment of basic life and dependent life coverage benefits has been effectively transferred. The employer pays 100 percent of the premiums, which are included in the current-year expense/expenditure amount for long-term disability income insured benefits provided in the previous paragraph.

*Retiree Life Insurance Plan*

Boise State University, Idaho State University, and Lewis-Clark State College provide basic life insurance to certified retired employees. In general, the employee must have completed at least 30 years of credited service or the sum of his/her age and years of credited service must total at least 80 to qualify for this benefit. Eligible retirees receive basic life insurance coverage equal to 100 percent of their annual salary at retirement. Employees will have 75 percent of the benefit amount after age 65 and 50 percent after age 70.

The Judicial Department provides basic life insurance for life to all retired Idaho Supreme Court justices, State Court of Appeals judges, district court judges, magistrate judges, and court administrators. Eligible retirees receive life insurance coverage equal to 100 percent of the annual salary of the position from which they retire. Employees will have 75 percent of the benefit amount after age 65 and 50 percent after age 70.

The Department of Labor provides basic life insurance to all certified retired employees of the Department. Eligible retirees receive insurance equal to 50 percent of their annual salary at retirement, not to exceed \$5,000.

These participating agencies pay 100 percent of the cost of basic life insurance for eligible retirees.

*Summary of Significant Accounting Policies*

The financial statements of the OPEB plans are reported using the accrual basis of accounting. Contributions are recorded when earned and expenses, including benefits and refunds paid, are recorded when a liability is incurred, regardless of the timing of cash flows.

*Actuarial Assumptions*

The last actuarial valuation was performed as of July 1, 2018. There have been no significant changes between the valuation date and the fiscal year end. Actuarial valuations are performed biennially as of July 1 for accounting purposes only.

The total OPEB liability as of June 30, 2018 was based on the 2016 PERSI Experience study for demographic assumptions. The economic and OPEB specific assumptions were based on the July 1, 2016 OPEB valuation

## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

and the June 30, 2019 Milliman GASB 75 disclosure report.

The entry age normal cost method and the following actuarial assumptions and other inputs applied to all periods included in the measurement:

	Long-Term Disability Plan				
	Retiree Healthcare Plan	Healthcare	Life Insurance	Income	Retiree Life Insurance Plan
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%
Salary Increases	3.25% general wage growth plus increases due to promotions and longevity	3.25% general wage growth plus increases due to promotions and longevity	3.25% general wage growth plus increases due to promotions and longevity	3.25% general wage growth plus increases due to promotions and longevity	3.25% general wage growth plus increases due to promotions and longevity
Discount Rate	3.87%	3.87%	3.87%	3.87%	3.87%
Healthcare Cost Trend Rates	7.2% claims and 6.5% premiums from year ending June 30, 2019 to year ending June 30, 2020, grading to an ultimate rate of 4.2% after fiscal year ending June 30, 2074	7.2% claims and 6.5% premiums from year ending June 30, 2019 to year ending June 30, 2020, grading to an ultimate rate of 4.2% after fiscal year ending June 30, 2074	N/A	N/A	N/A
Retirees' Share of Benefit-Related Costs	83.9% of projected health insurance premiums for retirees	N/A	N/A	N/A	N/A

*Mortality Rates*

Mortality rates for the Retiree Healthcare, the Long-Term Disability Healthcare, and the Retiree Life Insurance plans were based on the RP-2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection per Scale AA with adjustments. Mortality rates for the Long-Term Disability Life Insurance plan was based on the 2005 Group Term Life Waiver Reserve Table developed by the Society of Actuaries. Mortality rates for the Long-Term Disability Income plan was based on the 2012 Group Long-Term Disability Valuation Table.

*Discount Rate*

The actuary used a discount rate of 3.87 percent to measure the total OPEB liability. The discount rate was based on 20 year Bond Buyer Go Index.

*Total OPEB Liability, OPEB Expense, and Deferrals**Total OPEB Liability*

The ending balance in the following table represents the State's total OPEB liability as of the measurement date of June 30, 2018 and recorded in fiscal year 2019. The State's proportionate share of the liability of the collective total OPEB liability for the Retiree Healthcare plan and the Long-Term Disability plans is 91.9 percent, a 0.6 percent decrease from its proportion measured at June 30, 2017. The State's proportionate share of the collective total OPEB liability for the colleges and universities portion of the Retiree Life Insurance plan is 97.3 percent, a 2.7 percent decrease from its proportion measured at June 30, 2017 due to the removal of Eastern Idaho Technical College. Employer proportionate shares were determined utilizing a single-period measure of benefit payments as of June 30, 2018.

## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

The table illustrates the changes in total OPEB liability for the fiscal year ended June 30, 2019 (*dollars in thousands*):

	Increase (Decrease)					
	Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
<b>Beginning Balances</b>	\$ 32,326	\$ 2,143	\$ 2,588	\$ 1,873	\$ 60,589	\$ 99,519
<b>Effects of Change in Proportion</b>	(226)	(15)	(19)	(13)	(1,278)	(1,551)
<b>Adjusted Beginning Balances</b>	32,100	2,128	2,569	1,860	59,311	97,968
<b>Changes for the Year</b>						
Service Cost	1,292	203			2,113	3,608
Interest on Total OPEB Liability	1,142	65	84	61	2,178	3,530
Plan Changes						
Economic/Demographic Gains (Losses)	(145)	774	(1)	46	(659)	15
Assumptions Changes	(10,711)	(392)	(37)	(22)	(2,303)	(13,465)
Expected Benefit Payments	(3,012)	(1,042)	(468)	(330)	(1,210)	(6,062)
<b>Net Changes</b>	(11,434)	(392)	(422)	(245)	119	(12,374)
<b>Ending Balances</b>	<u>\$ 20,666</u>	<u>\$ 1,736</u>	<u>\$ 2,147</u>	<u>\$ 1,615</u>	<u>\$ 59,430</u>	<u>\$ 85,594</u>

## OPEB Expense and Deferrals

The State recognized the following OPEB expense and deferrals for the year ended June 30, 2019 (*dollars in thousands*):

	Increase (Decrease)					
	Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
<b>OPEB Expense</b>	\$ 649	\$ 317	\$ 43	\$ 83	\$ 3,937	\$ 5,029



## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

	Increase (Decrease)*					
	Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
<b>Deferred Outflows</b>						
Difference between Expected & Actual Experience		\$ 676			\$ 259	\$ 935
Changes of Assumptions						
Changes in Proportion	\$ 274	19			180	473
Benefit Payments Subsequent to the Measurement Date	2,004	659	\$ 394	\$ 263	852	4,172
<b>Total Deferred Outflows</b>	<b>\$ 2,278</b>	<b>\$ 1,354</b>	<b>\$ 394</b>	<b>\$ 263</b>	<b>\$ 1,291</b>	<b>\$ 5,580</b>
<b>Deferred Inflows</b>						
Difference between Expected & Actual Experience	\$ 121				\$ 836	\$ 957
Changes of Assumptions	8,955	\$ 343			2,023	11,321
Changes in Proportion	301	21			123	445
<b>Total Deferred Inflows</b>	<b>\$ 9,377</b>	<b>\$ 364</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,982</b>	<b>\$ 12,723</b>
*For fiscal year 2019, the total deferred outflows and total deferred inflows in this table do not tie to the OPEB deferred outflows and deferred inflows in Note 7. This is primarily due to State Bar, the Dairy Commission, and the Potato Commission reporting on a different year-end than the State.						

The total of \$4.2 million reported as deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended

June 30, 2020. Other amounts reported above as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows (*dollars in thousands*):

Fiscal Year	Expense (Revenue)					
	Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
2020	\$ (1,785)	\$ 48	\$ 0	\$ 0	\$ (355)	\$ (2,092)
2021	(1,785)	48	0	0	(355)	(2,092)
2022	(1,785)	48	0	0	(355)	(2,092)
2023	(1,785)	48	0	0	(355)	(2,092)
2024	(1,785)	48	0	0	(306)	(2,043)
Thereafter	(176)	90	0	0	(818)	(904)
	<b>\$ (9,101)</b>	<b>\$ 330</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (2,544)</b>	<b>\$ (11,315)</b>

**Discount Rate Sensitivity**

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

The following presents the total OPEB liability of the State calculated using the discount rate of 3.87 percent, as well

as what the State's total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (2.87%) or 1 percent higher (4.87%) than the current rate (*dollars in thousands*):

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

	Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance Plan	Total
		Healthcare	Life Insurance	Income		
1% Decrease 2.87%	\$ 21,799	\$ 1,779	\$ 2,258	\$ 1,689	\$ 72,641	\$ 100,166
Discount Rate 3.87%	20,666	1,736	2,148	1,615	59,431	85,596
1% Increase 4.87%	19,579	1,692	2,062	1,550	49,342	74,225

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the total OPEB liability of the State calculated using the current healthcare cost trend rates as

well as what the State's total OPEB liability would be if it were calculated using trend rates that are 1 percent lower or 1 percent higher than the current trend rates (*dollars in thousands*):

	Retiree Healthcare Plan	Long-Term Disability Plan			Retiree Life Insurance Plan*	Total
		Healthcare	Life Insurance*	Income*		
1% Decrease	\$ 19,089	\$ 1,611				\$ 20,700
Current Trend Rate	20,666	1,736				22,402
1% Increase	22,466	1,873				24,339

\*Healthcare cost trend sensitivity is not applicable because healthcare trends are not used for this benefit.

**2. University of Idaho OPEB Plan*****Plan Description***

The University of Idaho administers an OPEB plan for permanent full-time general employees. Management of the OPEB is overseen by University of Idaho administration. The University established the Retiree Benefits Trust (RBT) in 2008 to fund the future payments required for its OPEB obligation. The RBT is an independent, irrevocable trust administered on behalf of the University. Funding and payment of the annual, ongoing retiree medical, dental and pharmaceutical benefits through the University's Health Benefits Trust (HBT) apply toward the ongoing annual funding required of the RBT. The HBT is administered by a board of four trustees who are members of the University's active staff and faculty. This trust account is maintained under the sole control of the HBT board of trustees. The University as employer retains authority for establishing and amending benefits under this self-insured health plan.

The University plan provides medical and dental benefits to eligible retirees, disabled employees, spouses, and survivors; life insurance is provided only to retirees. In general, the employee must have completed at least 30 years of credited service or the sum of his/her age and years of credited service must total at least 80 to qualify for these benefits. The University pays a portion of the coverage for retirees and disabled employees; the retiree or disabled

employee pays the remainder. Spouses and survivors are required to pay 100 percent of the cost for the medical and dental benefits.

Employees hired after January 1, 2002 are eligible to participate in the University's health insurance plan; however, the employee pays the entire cost of the premiums. Employees are eligible to convert 50 percent of unused accrued sick time, up to 600 hours, to pay for their medical premiums.

The University of Idaho contributes the Actuarial Determined Contribution (ADC) (previously the Annual Required Contribution under GASB Statement No. 45) to fund the future payments required to provide OPEB.

At the end of each fiscal year, the University of Idaho deposits the excess of the ADC over the amount of actual benefit payments net of retiree contributions into the Retiree Benefits Trust. After the University has paid off the entire Net OPEB Liability under the 20-year closed level dollar amortization funding policy, contributions will be equal to the annual normal cost. The employer contributed \$3.2 million to the plan in fiscal year 2019.

## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

The University's plan membership at December 31, 2018 is as follows:

	Medical	Dental	Life	Sick-Leave
Retired members or beneficiaries currently receiving benefits	814	202	638	62
Active members	769	50% assumption used	25	1,908
Total	<b>1,583</b>	<b>202</b>	<b>663</b>	<b>1,970</b>

**Summary of Significant Accounting Policies**

The financial statements of the OPEB plans are reported using the accrual basis of accounting. Contributions are recorded when earned and expenses, including benefits and refunds paid, are recorded when a liability is incurred, regardless of the timing of cash flows. Investments are reported at fair value.

**Actuarial Assumptions**

The total OPEB liability was measured by an actuarial valuation as of December 31, 2018 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	University of Idaho Plan
Inflation	2.00%
Salary Increases	3.00%, including inflation
Discount Rate	6.00%
Healthcare Cost Trend Rates	
Non-Medicare Medical & Prescription Drugs	7.25% graded to 4.50% over 11 years
Medicare Medical	6.00% graded to 4.50% over 10 years
Medicare Prescription Drugs	8.00% graded to 4.50% over 12 years
Dental	4.00%

**Mortality Rates**

Healthy	Approximate 2006 table based on Headcount-Weighted RP-2014 Combined Healthy Annuitant, projected generationally with Scale MP-2018 from 2006
Disabled	Approximate 2006 table based on Headcount-Weighted RP-2014 Disabled Retiree, projected generationally with Scale MP-2018 from 2006

**Long-term Expected Rate of Return**

The long-term expected rate of return on OPEB plan assets was determined using the building block method in which best estimate ranges of expected future rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the

target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The current allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized as follows:

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

University of Idaho Plan Long-Term Expected Rate of Return			
Asset Class	Allocation at December 31, 2018	Long-Term Expected Real Rate of Return	Money Weighted Real Rate of Return
Domestic Equity	40.47%	6.41 %	2.59 %
International Equity, Developed Markets	10.91%	6.96 %	0.76 %
International Equity, Emerging Markets	2.71%	9.86 %	0.27 %
Fixed Income, Core	42.38%	1.96 %	0.83 %
Short-term Governmental Money Market	3.53%	1.16 %	0.04 %
Total	100.00%		4.49 %
Inflation			2.00 %
Investment Rate of Return (Gross)			6.49 %
Investment Expenses			(0.25)%
Investment Rate of Return (Net)			6.24 %
<b>Long-Term Expected Rate of Return Used in Valuation</b>			<b>6.00 %</b>

**Discount Rate**

The projection of cash flows used to determine the discount rate assumed that the University's contributions would be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 6.00% on plan investments was applied to all periods of projected benefit payments to determine the Total OPEB Liability.

**Net OPEB Liability, OPEB Expense, and Deferrals****Net OPEB Liability**

The reporting date for the University under GASB Statement No. 75 is June 30, 2019 and under GASB Statement No. 74 is December 31, 2018. The Net OPEB Liability was measured as of December 31, 2018.

Plan Fiduciary Net Position (plan assets) was valued as of the measurement date and the Total OPEB Liability was determined from actuarial valuations as of December 31, 2018 using standard actuarial techniques.

The University's net OPEB liability components as of the measurement date of December 31, 2018 (*dollars in thousands*):

Total OPEB Liability	\$ 64,651
Plan Fiduciary Net Position	(33,759)
Net OPEB Liability	<u>\$ 30,892</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	52.22%
Covered Payroll	\$ 165,468
Net OPEB Liability as a Percentage of Covered Payroll	18.67%

## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

Changes in net OPEB liability for the fiscal year ended June 30, 2019 (*dollars in thousands*):

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Beginning Balances</b>	\$ 68,320	\$ 34,984	\$ 33,336
<b>Changes for the Year</b>			
Service Cost	505		505
Interest	3,698		3,698
Change of Benefit Terms			
Difference Between Expected and Actual Experience	3,654		3,654
Change of Assumptions	(8,338)		(8,338)
Economic/Demographic Gains (Losses)			
Contributions - Employer		3,895	(3,895)
Contributions - Employee			
Net Investment Income		(1,840)	1,840
Benefit Payments, Including Refunds	(3,189)	(3,189)	
Administrative Expense		(91)	91
<b>Net Changes</b>	(3,670)	(1,225)	(2,445)
<b>Ending Balances</b>	<b>\$ 64,650</b>	<b>\$ 33,759</b>	<b>\$ 30,891</b>

#### OPEB Expense and Deferrals

The University recognized a \$2.1 million OPEB expense and the following deferrals for the fiscal year ended June 30, 2019 (*dollars in thousands*):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected & actual experience	\$ 3,173	
Changes of assumptions		\$ 7,241
Net difference between projected & actual investment earnings	1,943	
Contributions subsequent to the measurement date		
<b>Total</b>	<b>\$ 5,116</b>	<b>\$ 7,241</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as OPEB expense (revenue) as follows (*dollars in thousands*):

Fiscal Year	Expense (Revenue)
2020	\$ (221)
2021	(221)
2022	(221)
2023	140
2024	(616)
Thereafter	(986)
	<b>\$ (2,125)</b>

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

**Discount Rate Sensitivity***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following presents the net OPEB liability of the University as well as what the University's net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (5.00%) or 1 percent higher (7.00%) than the current rate (*dollars in thousands*):

1% Decrease 5.00%	Discount Rate 6.00%	1% Increase 7.00%
\$ 38,970	\$ 30,891	\$ 24,169

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the net OPEB liability of the University calculated using the current healthcare cost trend rates as well as what the University's net OPEB liability would be if it were calculated using trend rates that are 1 percent lower or 1 percent higher than the current trend rates (*dollars in thousands*):

1% Decrease	Current Trend Rate	1% Increase
\$ 24,653	\$ 30,891	\$ 38,392

**3. Sick Leave Insurance Reserve Trust Funds****Plan Description**

The PERSI administers the Sick Leave Insurance Reserve Fund (SLIRF), cost sharing, multiple-employer defined benefit OPEB plan that provides payments of eligible postretirement insurance premiums on behalf of retired state and public school district employees, based on accumulated unused sick leave at the time of retirement. The SLIRF is classified as a trust fund. For State and school employers, unused sick leave benefits are subject to the guidance of Governmental Accounting Standard Board (GASB) Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, and GASB Statement 85, Omnibus 2017.

The PERSI issues a publicly available financial report that includes financial statements and required supplementary information, which can be found at ([http://www.persi.idaho.gov/investments/annual\\_financial\\_report.cfm](http://www.persi.idaho.gov/investments/annual_financial_report.cfm)). The PERSI also provides a 'Schedule of Employer Allocations and Collective OPEB Amounts' for the SLIRF, which can be found at

<https://www.persi.idaho.gov/Employers/gasb.cfm>.

The SLIRF is made up of two trust funds administered by the PERSI - a trust for payment of school district employee benefits and a trust for payment of State employee benefits. The SLIRF trust for payment of State employee benefits is governed by Idaho Code Sections 67-5333 and 59-1365.

The SLIRF is a fund that exists for the payment of unused sick leave benefits in the form of insurance premiums for State and school district employees who separate from service by reason of retirement. The assets of the two trusts are commingled for investment purposes.

All State government employers are statutorily required to contribute to a sick leave account administered by the PERSI. Employer's contributions are a percentage of payroll collected each pay cycle and are held in trust for future benefits. The State is responsible for any unfunded benefit obligations through contribution rate adjustments.

The number of participating employers and membership in the State SLIRF as of June 30, 2019 is as follows:

Active	16,932
Retirees and Beneficiaries	5,232
Total	22,164
Number of Participating Employers	14

State employees are limited to the number of allowable hours of sick leave they may use as part of the unused sick leave program as follows:

Credited Hours of Service	Maximum Allowable Sick Leave Hours
0-10,400 (0-5 years)	420
10,401-20,800 (5-10 years)	480
20,801-31,200 (10-15 years)	540
31,201+ (15 years or more)	600

Members may use one-half of sick leave hours accrued up to the allowable maximum multiplied by their rate of compensation at retirement.

Contributions for employers and the net OPEB liability (asset) are recognized on an accrual basis of accounting. The rate for State agency contributions was 0.65 percent of covered salary at June 30, 2019. Contribution percentages are based on the number of days of paid sick leave earned during the contract year. Employer contributions required and paid were \$6.6 million for the fiscal year ended June 30, 2019.

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

**Summary of Significant Accounting Policies**

Generally speaking, significant accounting and investment policies for the SLIRF are the same as detailed for the PERSI pension plans as described in the beginning of Note 8 below the section 'Summary of Significant Accounting Policies'. For purposes of measuring the net OPEB liability (asset) and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB and additions/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by PERSI.

**Actuarial Assumptions**

The OPEB liability (asset) was determined by an actuarial valuation as of July 1, 2017, rolled forward to June 30, 2018. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the State net OPEB liability (asset) are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future.

The following are the actuarial assumptions and the entry age normal cost method, applied to all periods included in the measurement:

**Actuarial Assumptions**

Inflation	3.00 percent
Salary Increases	3.75 percent
Salary Inflation	3.75 percent
Investment Rate of Return (Net of Investment Expenses)	7.00 percent
Healthcare Trend Rate	N/A*

\*Healthcare trend rate is not applicable as the benefit is based on the unused sick leave hours at retirement, and is calculated as a fixed dollar amount that can be applied to premiums.

**Long-term Expected Rate of Return**

The long-term expected rate of return on State OPEB Fund investments was determined using the building block approach and a forward-looking model in which best estimates ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

For the years ended June 30, 2018 and June 30, 2019, the annual money-weighted rate of return on SLIRF investments, net of investment expense was 9.4 and 7.8 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Even though history provides a valuable perspective for setting the investment return assumption, the PERSI relies primarily on an approach which builds upon the latest capital market assumptions. The assumptions and the PERSI's formal policy for asset allocation are shown below. The formal asset allocation policy is more conservative than the current allocation of the PERSI's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

Capital market assumptions is as follows:

SLIRF Long-Term Expected Rate of Return			
Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00 %	3.05 %	0.80 %
Broad US Equities	55.00 %	8.30 %	6.05 %
Developed Foreign Equities	15.00 %	8.45 %	6.20 %
<b>Actuarial Assumptions</b>			
Assumed Inflation - Mean		2.25 %	2.25 %
Assumed Inflation - Standard Deviation		1.50 %	1.50 %
Portfolio Arithmetic Mean Return		6.75 %	4.50 %
Portfolio Standard Deviation		12.54 %	12.54 %
Portfolio Long-Term (Geometric) Expected Rate of Return		6.13 %	3.77 %
Assumed Investment Expenses		0.40 %	0.40 %
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.73 %	3.37 %
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.19 %
Portfolio Standard Deviation			14.16 %
<b>Valuation Assumptions Chosen by PERSI Board</b>			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.05 %
Assumed Inflation			3.00 %
<b>Long-Term Expected Geometric Rate of Return, Net of Investment Expenses</b>			<b>7.05%</b>

**Discount Rate**

The discount rate used to measure the OPEB liability (asset) was 7.05 percent. The projection of cash flows used to determine the discount rate assumed that contributions from Fund employers will be made at the current contribution rate. Based on these assumptions, the OPEB Fund's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Fund investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense but without reduction for OPEB plan administrative expense.

**Net OPEB Liability (Asset), OPEB Expense, and Deferrals**

At June 30, 2019, the total net OPEB liability (asset) for all employers that contributed to the State's SLIRF was \$(114.8) million. At June 30, 2019, the State recognized a \$(101.5) million liability (asset) (88.4% percent proportion of the collective net OPEB liability (asset)), measured at June 30, 2018, a 0.6 percent decrease from its proportion measured at June 30, 2017. Employer proportionate shares were determined utilizing a single-period measure of contributions as of June 30, 2018.



## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

The State recognized a \$(4.0) million expense (expense offset) and the following deferrals for the fiscal year ended June 30, 2019 (*dollars in thousands*):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected & Actual Experience		\$ 4,279
Changes of Assumptions	\$ 139	
Changes in Proportion	1,943	1,829
Net difference between projected & actual investment earnings		2,821
Contributions Subsequent to the Measurement Date	6,574	
<b>Total</b>	<b>\$ 8,656</b>	<b>\$ 8,929</b>

The \$6.6 million reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a decrease (increase) of the net OPEB liability (asset) in the year ended June 30, 2020. Other amounts reported above as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows (*dollars in thousands*):

Fiscal Year	Expense (Revenue)
2020	\$ (1,480)
2021	(1,480)
2022	(1,480)
2023	(1,480)
2024	(774)
Thereafter	(155)
	<b>\$ (6,849)</b>

The State net OPEB liability (asset) is calculated using a discount rate of 7.05 percent, which is the expected rate of return on investments reduced by investment expenses.

***Sensitivity of the net OPEB liability (asset) to changes in the discount rate***

The following presents the State net OPEB liability (asset) of the Fund's employers calculated using the discount rate of 7.05 percent as well as what the employers' liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate (*in thousands*):

1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
\$ (98,018)	\$ (101,454)	\$ (104,713)

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## NOTE 10. RISK MANAGEMENT

The State maintains a combination of commercial and self-insurance to cover the risk of losses to which it may be exposed. This is accomplished through the Group Insurance and Risk Management internal service funds and various outside entity insurance providers.

The Group Insurance fund is used to account for and finance life, health, and disability insurance programs which are experience rated and fully insured. However, when the claims exceed 100 percent of the annual premium paid to the insurer, the State is responsible for up to an additional 10 percent of the annual premiums for medical, 10 percent for dental, and is not responsible for any claims exceeding premium payments for life and disability coverage. The insurance carrier assumes the risk of loss for claims above the contractual ceilings. Policy claim liabilities are composed of the amounts required to fund any additional payments of life, health, and disability premiums. The liabilities include an estimate for claims that have been incurred but not reported and are net of any contractual adjustments and coordination of benefits. The fiscal year 2019 refund reflects a favorable claims experience. Unpaid claim liabilities at fiscal year-end of \$5.0 million for Group Insurance are not discounted. The State maintains program and premium stabilization balances; these amounts are included with the restricted net position in the Group Insurance fund.

The Risk Management fund manages property and general liability risk. The Fund also finances and accounts for other risks not covered by Group Insurance and various outside entity insurance providers. General liability claims are self-insured up to the Idaho Tort Claims Act maximum of \$500 thousand for each occurrence. Property damage claims are commercially insured up to \$500.0 million for all risk (subject to various sub-limits), \$100.0 million for earthquake, and \$100.0 million for flood, and are subject to an overall \$250 thousand per occurrence deductible with the exception of fine art which has a \$500 deductible. Energy systems are commercially insured up to \$100.0 million for equipment breakdown, \$5.0 million for demolition, \$2.5 million for perishable goods, \$5.0 million for service interruption, and \$2.5 million for hazardous

substances, and are subject to an underlying deductible of \$50 thousand. Employee bond/crime is commercially insured up to \$10.0 million for public employee dishonesty, \$10.0 million for computer fraud, \$10.0 million for wire transfer fraud, \$1.0 million for theft, disappearance and destruction, \$1.0 million for faithful performance, and \$1.0 million for robbery and safe burglary, and is subject to a \$175 thousand per occurrence deductible. Cyber liability is commercially insured up to \$25.0 million, \$500 thousand for payment card industry (PCI) fines and penalties in the aggregate for all cyber coverages, and is subject to a \$1.0 million per occurrence deductible. Physical damages to covered vehicles are self-insured for actual cash value. Physical damages to covered inland marine are self-insured for replacement value. The State purchases commercial insurance for claims not self-insured by the above coverages and for other identified risks of loss, including workers' compensation insurance.

Estimated liabilities for Risk Management include claims that have been incurred but not reported; incremental claim adjustment expenses related to specific claims; claim adjustment costs, both allocated and unallocated; and any anticipated subrogation receipts. The State records its Risk Management premium liability using discounted amounts provided by actuaries. The discounted liabilities take into account anticipated investment income. At fiscal year-end \$15.6 million of unpaid claim liabilities for Risk Management are recorded at the present value of \$14.4 million, using a 3.5 percent discount interest rate.

All state entities may participate in the Group Insurance and Risk Management programs. Payments made to the Group Insurance fund are based on actuarial estimates of the amounts needed to pay for negotiated coverage and projected claims experience. Claim settlements have not exceeded insurance coverage for each of the past three fiscal years. Liabilities are reported when the occurrence of loss is probable and the amount of the loss can be reasonably estimated. Payments are made to the Risk Management fund based on actuarial estimates, loss experience, exposure, and asset value covered.

Changes in policy claim liabilities are as follows (*dollars in thousands*):

	Fiscal Year	Beginning Balance	Current Year Claims and Changes in Estimate	Claims (Payments) Refunds	Ending Balance
Group Insurance	2018	\$ (2,337)	\$ (9,969)	\$ 14,679	\$ 2,373
	2019	2,373	1,891	731	4,995
Risk Management	2018	11,138	7,603	(5,901)	12,840
	2019	12,840	7,801	(6,254)	14,387

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## NOTE 11. LEASES

## A. State as Lessee

The State leases land, buildings, vehicles, and office equipment. Although the lease terms vary, most leases are subject to annual appropriations from the Legislature to continue the lease obligations. If a legislative appropriation is reasonably assured, leases are considered noncancelable for financial reporting purposes. Any escalation clauses, sublease rentals, and contingent rentals are considered immaterial to the future minimum lease payments and current rental expenditures.

**Operating Leases**

Operating leases do not qualify for capitalization. Therefore, the lease agreements are not reflected as assets in the State's balance sheet. Operating lease payments are recorded as expenditures or expenses of the related funds when paid or incurred. The total operating lease

expenditures/expenses for fiscal year 2019 were \$30.6 million for the primary government. Operating leases contain various renewal options, as well as some purchase options.

**Capital Leases**

The State has entered into capital leases that are, in substance, a purchase. At the date of acquisition the assets are valued on the balance sheet at the present value of the future minimum lease payments. Capital lease assets and obligations are recorded in the respective funds as capital assets and long-term obligations. Interest expense for capital leases is not capitalized. Amortization of assets acquired under capital lease is included with depreciation expense.

Assets under capital lease are as follows (*dollars in thousands*):

Asset Class	Governmental Activities	Business-Type Activities	Total Primary Government
Land	\$ 20		\$ 20
Buildings and Improvements	22,560		22,560
Machinery, Equipment, and Other	5,833	\$ 533	6,366
Accumulated Depreciation	(4,829)	(75)	(4,904)
<b>Total Assets under Capital Leases</b>	<b>\$ 23,584</b>	<b>\$ 458</b>	<b>\$ 24,042</b>

Future minimum lease commitments for noncancelable operating and capital leases are as follows (*dollars in thousands*):

Fiscal Year	Operating Leases	Capital Leases		
	Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
2020	\$ 27,179	\$ 3,240	\$ 124	\$ 3,364
2021	20,960	3,248	102	3,350
2022	16,817	3,271	102	3,373
2023	11,660	3,243	29	3,272
2024	6,674	3,249	22	3,271
2025-2029	9,467	16,003		16,003
2030-2034	808			
2035-2039	11			
<b>Total Payments</b>	<b>\$ 93,576</b>	<b>32,254</b>	<b>379</b>	<b>32,633</b>
Executory Costs		(7,386)		(7,386)
Imputed Interest		(5,434)	(51)	(5,485)
<b>Total Present Value of Minimum Lease Payments</b>		<b>\$ 19,434</b>	<b>\$ 328</b>	<b>\$ 19,762</b>

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## B. State as Lessor

## Operating Leases

The State leased the following assets under operating leases (*dollars in thousands*):

Asset Class	Primary Government
Land	\$ 15,393
Buildings and Improvements	65,749
Improvements Other Than Buildings	814
Machinery, Equipment, and Other	
Accumulated Depreciation	(6,709)
<b>Total Assets Held for Lease</b>	<b>\$ 75,247</b>

Future minimum rentals for operating leases and future minimum lease payments receivable for capital leases are as follows (*dollars in thousands*):

Fiscal Year	Operating Leases
	Primary Government
2020	\$ 15,987
2021	14,695
2022	11,982
2023	12,025
2024	12,153
2025-2029	19,681
2030-2034	9,888
2035-2039	2,758
<b>Total Rentals and Receivables</b>	<b>\$ 99,169</b>

## Service Concession Arrangements

Boise State University entered into a public/private partnership agreement with Education Realty Trust, Inc. (EdR) in 2015 to develop and operate a residential Honors College and additional freshman housing facility. The \$37 million project was funded with developer equity and is on land owned by the University and leased to EdR for a 50-year term. At the conclusion of the agreement, the building reverts to the University. EdR pays fixed annual rent and a share of the project's gross rental revenue to the University. EdR is responsible for the daily operations and maintenance of the facility and the University is responsible for campus life programming. The 236,000 square foot facility is located in the center of campus across from the Student Union Building and includes 656 beds, Honors College offices and classrooms, student common areas, and an approximately 15,000 square foot food service facility. The transaction qualifies as a service concession arrangement under GASB Statement No. 60 "Accounting and Financial Reporting for Service Concession Arrangements (SCA)." The University also invested net cash of \$3.6 million in the project.

The Honors College has an acquisition value of \$36.7 million. Capital asset, lease receivable and deferred inflow of resources related to the service concession arrangement is as follows (*dollars in thousands*):

Value of Assets and Deferred Inflows Related to the Honors College			
	Capital Asset	Lease Receivable	Deferred Inflow of Resources
Honors College, net of depreciation	\$ 35,107		
Receivable for ground lease		\$ 9,633	
Deferred Inflows of Resources:			\$ 41,586

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## NOTE 12. SHORT-TERM DEBT

**Primary Government**

Idaho Code Section 63-3201 authorizes the State Treasurer, upon approval by the State Board of Examiners, to borrow money in anticipation of current-year tax receipts. The State uses external tax anticipation notes to cover the shortfall between General Fund revenues and disbursements during the year. General Fund revenues are received in relatively uneven amounts throughout the fiscal year due to various factors affecting the timing of receipts; such factors include the collection of individual income taxes in April, large sales tax receipts in January as a result of holiday shopping, and quarterly collections of corporate income tax. During fiscal year 2019, the State anticipated that 46.4 percent of General Fund revenues would be received in the first six months; however, disbursements during the same period were expected to account for 66.6 percent of total expenditures, mainly due to public school aid and Health and Welfare expenditures. The notes sold on the open market were issued on July 2, 2018 and were redeemed on June 28, 2019.

**Component Units**

The Idaho Housing and Finance Association utilizes short-term borrowing in the form of commercial paper to provide funds to purchase single-family mortgage loans on an interim basis and to finance multi-family construction loans. As of June 30, 2019, the Association has commercial paper outstanding, maturing within 15 to 89 days from date of issue, with a weighted average interest rate of 2.71 percent.

The Idaho Small Employer Health Reinsurance Program had a \$0.5 million line-of-credit with a local bank. The line-of-credit expired in June of 2018 and the remaining outstanding balance on the line was paid. As of December 31, 2018, the Program has a \$0.5 million line-of-credit from a different local bank. Interest on the advances is payable at prime rate plus 0.25 percent per annum and was 5.75 percent as of December 31, 2018. The line-of-credit matures July 10, 2019 and is not secured.

Short-term debt activity included the following (*dollars in thousands*):

	Balances at July 1, 2018	Issued/Draws	Redeemed/ Repayments	Balances at June 30, 2019
Primary Government				
Governmental Activities:				
External Tax Anticipation Notes	\$ 0	\$ 540,000	\$ (540,000)	\$ 0
Component Units				
Commercial Paper	\$ 100,000	\$ 448,455	\$ (418,455)	\$ 130,000
Line of Credit	\$ 117	\$ 234	\$ (230)	\$ 121

**Notes to the Financial Statements****For the Fiscal Year Ended June 30, 2019**

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**NOTE 13. BONDS, NOTES, AND OTHER LONG-TERM LIABILITIES****A. Compensated Absences*****Primary Government***

Idaho's compensated absences policy permits employees to accumulate earned but unused vacation, compensatory time, and sick leave benefits. Employees earn vacation based on hours worked and years of service; compensatory time earned is based on hours worked in excess of 40 hours per week. Upon termination of employment, an employee is paid for unused vacation time and administrative leave. All employees covered by the Fair Labor Standards Act are paid compensatory balances at termination.

A liability is accrued in the government-wide, proprietary, and fiduciary fund financial statements for all vacation pay and compensatory time when incurred. The liability is based on the pay rate in effect at the balance sheet date. The State assumes a first-in, first-out flow for compensated absence balances.

**B. Revenue Bonds*****Primary Government***

The Idaho State Building Authority is authorized by Idaho Code Title 67 Chapter 64 to issue bonds to finance construction, restoration, or acquisitions of facilities for lease to state agencies per prior legislative approval. Bonds are direct obligations of the Authority payable from and secured by a pledge of lease revenues and other funds and reserves held under the bond resolutions. There is no debt service reserve requirements at June 30, 2019 for any of the outstanding bonds.

The State's colleges and universities have a number of outstanding bonds for the primary purpose of funding various construction projects. University bonds are secured by student fees, the sale of goods and services, grants, contributions, and certain other revenues. The colleges and universities issued \$548.1 million in bonds between 2004 and 2018. Annual principal and interest payments on the

bonds are expected to require 10 percent of the revenues.

The total principal and interest payments remaining on the bonds are \$653.1 million, payable through 2048. For the current year, principal and interest payments and total pledged revenues were \$40.5 million and \$404.2 million, respectively.

***Component Units***

The Idaho Housing and Finance Association is authorized to issue and sell revenue bonds under provisions of Idaho Code Sections 67-6201 through 67-6226. The Association issued bonds to finance various single and multi-family housing developments and the construction of highway transportation projects. The bonds are either special or general obligations of the Association and do not constitute a debt of the State or any of its political subdivisions. The bonds have been issued in a variable-rate mode. The bulk of the bonds are re-marketed on a weekly basis at the prevailing interest rates. The multi-family housing bonds are limited obligations of the Association and are secured by the respective mortgages on each development as well as a lien on all revenues as defined in each respective bond indenture. The transportation bonds are secured by principal and interest payments from the Idaho Transportation Department.

The State's college and university foundations debt service was paid in full during fiscal year 2018.

The Idaho Bond Bank Authority is authorized to issue and sell revenue bonds under provisions of the Idaho Constitution Article VIII Section 2A and Idaho Code Sections 67-8701 through 67-8729. The bonds are used by the Authority to make loans to local governments in order to finance infrastructure needs. The bonds are limited obligations of the Authority and do not constitute a debt of the State or any of its political subdivisions.

## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

Revenue bond debt service requirements to maturity are as follows (*dollars in thousands*):

Fiscal Year Ending June 30	Primary Government					
	Governmental Activities		Business-Type Activities		Total	
	Nonmajor Special Revenue		College and University			
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 13,090	\$ 14,938	\$ 19,765	\$ 19,284	\$ 32,855	\$ 34,222
2021	17,467	14,358	20,150	18,415	37,617	32,773
2022	17,752	13,669	20,235	17,526	37,987	31,195
2023	18,370	12,926	19,855	16,695	38,225	29,621
2024	20,625	13,526	22,435	16,893	43,060	30,419
2025-2029	57,765	52,189	77,715	65,930	135,480	118,119
2030-2034	64,190	41,093	92,420	46,386	156,610	87,479
2035-2039	74,555	27,168	93,220	24,166	167,775	51,334
2040-2044	49,520	13,248	42,605	7,142	92,125	20,390
2045-2049	46,040	4,751	11,180	1,043	57,220	5,794
2050	—	—	—	—	—	—
Total	\$ 379,375	\$ 207,866	\$ 419,580	\$ 233,480	\$ 798,954	\$ 441,346
Interest Rate	0.5% to 5.98%		0.67% to 6.52%			

Fiscal Year Ending June 30	Component Units					
	Idaho Housing and Finance Association		Idaho Bond Bank Authority		Total	
	Principal	Interest	Principal	Interest		
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 66,650	\$ 32,705	\$ 17,365	\$ 12,381	\$ 84,015	\$ 45,086
2021	41,592	33,602	17,360	11,675	58,952	45,277
2022	50,233	31,797	18,045	10,916	68,278	42,713
2023	50,714	29,437	18,520	10,127	69,234	39,564
2024	50,722	27,239	17,990	9,318	68,712	36,557
2025-2029	331,604	99,110	81,485	34,764	413,089	133,874
2030-2034	118,260	39,205	67,795	19,206	186,055	58,411
2035-2039	120,120	11,926	36,235	7,865	156,355	19,791
2040-2044	8,774	713	12,090	2,014	20,864	2,727
2045-2049	—	—	5,140	353	5,140	353
<b>Total</b>	<b>\$ 838,669</b>	<b>\$ 305,734</b>	<b>\$ 292,025</b>	<b>\$ 118,619</b>	<b>\$ 1,130,694</b>	<b>\$ 424,353</b>
Interest Rate	1.66% to 5.9%		1.25% to 6.25%			

## C. Advance and Current Refundings

*Primary Government*

In prior years, the Idaho State Building Authority defeased bonds by placing governmental securities into irrevocable trusts sufficient to provide for all future debt service payments on those bonds. The related liability was appropriately removed from the financial statements in the year of defeasance.

In prior years, Idaho State University defeased 2004B and 2007 series bonds by issuing series 2016 bonds. The related liability was appropriately removed from the financial statements in the year of defeasance.

*Component Units*

The Idaho Bond Bank Authority defeased bonds in the amount of \$3.5 million. The Eagle Sewer District (the District) deposited \$4.0 million to purchase United States Treasury instruments and placed them into an irrevocable escrow to advance refund, \$3.5 million of the Series 2017A Bonds.

## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

As a result, the Series 2017A Bonds are considered partially defeased and the receivable from the District and the liability for the defeased bonds have been reduced by the

defeased amount. The District achieved cash flow savings of \$439,000 and an economic loss of \$1,074 as a result of the refunding.

The outstanding debt payable for each defeased debt (table) issue is as follows (*dollars in thousands*)

Issuer	Debt Issue	Amount Defeased		Remaining Liability	
Idaho State Building Authority	2003 Series B Bonds	\$	4,765	\$	4,765
Idaho Bond Bank Authority	2017 Series A Bonds		3545		3545
Idaho Housing and Finance Association	2008 Series A Bonds		98,550		7,815
	2009 Series A Bonds		87,100		15,875

#### D. Notes Payable

##### Primary Government

The Idaho Transportation Department financed the improvement of various roads and related infrastructure within the State through borrowings from the Idaho Housing and Finance Association in the amount of \$793.9 million. The notes are related to GARVEE bonds issued by the Association and will be repaid by grant revenues received by the Department from the Federal Highway Administration and by matching state funds. Annual principal and interest payments on the notes are expected to require 17.1 percent of the revenues. The total principal and interest payments remaining on the notes are \$650.6 million, payable through 2038. For the current year, principal and interest payments and total pledged revenues were \$57.0 million and \$334.1 million, respectively. The amount of the balance owing does not equal the amount of the receivable recorded by the Association due to the timing of principal and interest payments.

The Idaho State Building Authority issued a \$ 1.7 million note payable during 2009. The note was paid in full August 2018.

The Department of Administration purchased operating and capital equipment through the issuance of a note payable for \$3.8 million in 2004 with a remaining principal balance of \$1.4 million.

##### Component Units

The Idaho Housing and Finance Association issued notes payable for the construction and purchase of affordable multi-family housing complexes. The notes are secured by the deeds of trust on the buildings and equipment or an assignment or pledge of purchase rights for security purposes.

The BSU Foundation issued a \$2.0 million note payable to a large healthcare organization. The proceeds were invested, and the investment earnings will generate scholarships for health science students.

The ISU Foundation redeemed 2001 multi-mode variable rate bonds in 2016 and were replaced with a note payable to a commercial lender in the amount of \$5.0 million. The remaining liability at June 30, 2019 is \$3.5 million. The Foundation also has a notes payable to establish tele-



## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

pharmacies in neighboring communities, expanding health center operations to serve students, faculty, and

administrators. The remaining liability at June 30, 2019 is \$0.2 million.

Note debt service requirements to maturity are as follows (*dollars in thousands*):

Fiscal Year Ending June 30	Governmental Activities							
	Transportation		Nonmajor Special Revenue		Internal Service		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 34,028	\$ 26,659	\$ 11	\$ 2	\$ 353	\$ 67	\$ 34,392	\$ 26,728
2021	34,654	26,928	11	1	388	48	35,053	26,977
2022	36,468	19,918	7	—	425	26	36,900	19,944
2023	38,284	17,641	—	—	228	5	38,512	17,646
2024	40,182	15,709	—	—	—	—	40,182	15,709
2025-2029	237,598	46,109	—	—	—	—	237,598	46,109
2030-2034	73,823	2,627	—	—	—	—	73,823	2,627
2035-2039	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 495,037</b>	<b>\$ 155,591</b>	<b>\$ 29</b>	<b>\$ 3</b>	<b>\$ 1,394</b>	<b>\$ 146</b>	<b>\$ 496,460</b>	<b>\$ 155,740</b>
Interest Rate	2.43% to 4.73%		3.45% to 6.75%		5.34%			

Fiscal Year Ending June 30	Business-Type Activities			
	Nonmajor Enterprise Funds		Total	
	Principal	Interest	Principal	Interest
2020	\$ 32	\$ 3	\$ 32	\$ 3
2021	24	1	24	1
2022	7	—	7	—
2023	2	—	2	—
<b>Total</b>	<b>\$ 65</b>	<b>\$ 4</b>	<b>\$ 65</b>	<b>\$ 4</b>
Interest Rate	6%			

Fiscal Year Ending June 30	Component Units					
	Idaho Housing and Finance Association*		College and University Foundations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 6,347	\$ 1,953	\$ 539	\$ 151	\$ 6,886	\$ 2,104
2021	6,281	1,706	530	130	6,811	1,836
2022	18,171	1,199	2,532	109	20,703	1,308
2023	1,184	825	534	69	1,718	894
2024	1,230	778	533	48	1,763	826
2025-2029	5,040	3,187	1,000	38	6,040	3,225
2030-2034	4,163	2,133	—	—	4,163	2,133
2035-2039	3,362	1,135	—	—	3,362	1,135
2040-2044	1,188	569	—	—	1,188	569
2045-2049	1,616	410	—	—	1,616	410
2048-2052	1,622	91	—	—	1,622	91
2053-2057	1,520	18	—	—	1,520	18
<b>Total</b>	<b>\$ 51,724</b>	<b>\$ 14,004</b>	<b>\$ 5,668</b>	<b>\$ 545</b>	<b>\$ 57,392</b>	<b>\$ 14,549</b>
Interest Rate	0.00% to 9.13%		1.00% to 6.00%			

\*IHFA netted unamortized debt issuance costs of \$532 against their debt service requirements; however, the costs are not included in changes in Long-Term Liabilities schedule on page 111.

**Notes to the Financial Statements****For the Fiscal Year Ended June 30, 2019**

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**E. Claims and Judgments*****Primary Government***

Claims and judgments are payable on behalf of the State and its agencies for various legal proceedings and claims.

In general, the State records liabilities for material claims and judgments when they are considered probable and estimable. The State recorded the following claims and judgments:

The Department of Health and Welfare estimates Medicaid claims incurred in fiscal year 2019 but not reported at year end in the amount of \$174.9 million.

The Idaho Transportation Department experienced contractor claims for reimbursement of additional expenses incurred for the performance of construction contract requirements. The State recorded a liability of \$3.8 million.

The Department of Environmental Quality entered into a contract with the Environmental Protection Agency (EPA) in April 1995 for the purpose of environmental remediation within the Bunker Hill Superfund Site. Federal Superfund law requires the State to match 10 percent of federal funds spent on actual remediation work and to meet all costs of future site operation and maintenance costs. As of June 30, 2019 the amended remediation cost estimate was \$137.9 million, which was measured using the expected cash flow technique. The State's share was \$13.8 million. The State has expended \$16.7 million toward the required match leaving an overpayment of the match liability of \$2.2 million. The overpayment can be used to meet match requirements in the Coeur d'Alene Basin Superfund site. The contract work was completed during fiscal year 2008. The State has taken ownership of 1,400 acres of remediated and unremediated land with approximately 400 additional acres yet to be transferred from the EPA to the State. The land's value has not been established and has development limitations which may reduce property values.

In August 2002, the federal government, Idaho, Washington, and tribal officials signed a memorandum of agreement to create the Coeur d'Alene Basin Commission, which will direct cleanup of the Coeur d'Alene Basin in Idaho. The EPA issued a Record of Decision (ROD) in September 2002. The State and federal government signed the Coeur d'Alene Basin Superfund contract on October 2, 2003. The original estimate of the remediation cost was \$310.0 million. In 2012, an amended ROD was released with a revised estimated cleanup costs of \$635.0 million. The State has not agreed to match any additional cost. Idaho's match is 10 percent or \$31.0 million, which was measured using the expected cash flow technique. The State has expended \$3.7 million toward the required match, leaving a liability of \$27.3 million. Washington State will match the remainder of the liability. Work began in 2003 and will take 30 years to complete. Environmental liability estimates are subject to amendment due to changes in prices, technology, laws, regulations, and other factors. The State does not anticipate any recovery from other parties for the Coeur d'Alene Basin project.

***Component Units***

The component units recorded the following claims and judgments:

The Petroleum Clean Water Trust Fund had policy claim liabilities of \$4.3 million for unpaid losses and loss adjustments.

The Idaho Individual High-Risk Reinsurance Pool and the Idaho Small Employer Reinsurance Program had policy claim liabilities of \$12.1 million for unpaid claims.

## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## F. Changes in Long-Term Liabilities

The changes in long-term liabilities are summarized as follows (*dollars in thousands*):

Long-Term Liabilities	Balances at July 1, 2019 As Restated*	Increases	Decreases	Balances at June 30, 2019	Amounts Due Within One Year
<b>Primary Government</b>					
<b>Governmental Activities:</b>					
Revenue Bonds	\$ 351,184	\$ 35,475	\$ (7,284)	\$ 379,375	\$ 13,090
(Premiums)/Discounts/Other	5,150	5,260	(889)	9,521	
Notes Payable	524,263	6,655	(34,458)	496,460	34,392
Total Bonds and Notes Payable	880,597	47,390	(42,631)	885,356	47,482
Capital Leases	15,594	5,442	(1,603)	19,433	1,675
Compensated Absences	57,321	58,739	(60,304)	55,756	55,756
Policy Claim Liabilities	15,213	9,692	(5,523)	19,382	8,754
Claims and Judgments	195,016	178,691	(169,445)	204,262	179,361
Net Pension Liability	357,313	1,011	(32,590)	325,734	
Total OPEB Liability	42,103	881	(9,538)	33,446	
Other Long-Term Obligations	2,400		(2,400)		
<b>Total Governmental Activity</b>	<b>\$ 1,565,557</b>	<b>\$ 301,846</b>	<b>\$ (324,034)</b>	<b>\$ 1,543,369</b>	<b>\$ 293,028</b>
<b>Business-Type Activities:</b>					
Revenue Bonds	\$ 439,715		\$ (20,135)	\$ 419,580	\$ 19,765
(Premiums)/Discounts	32,999		(3,675)	29,325	657
Notes Payable	64	\$ 25	(24)	65	32
Total Bonds and Notes Payable	472,778	25	(23,834)	448,970	20,454
Capital Leases	302	108	(82)	328	103
Compensated Absences	23,616	23,926	(23,399)	24,143	24,143
Net Pension Liability	65,526		(6,366)	59,160	
Total OPEB Liability	55,838		(3,688)	52,150	
Net OPEB Liability - U of I	33,336		(2,445)	30,891	
Other Long-Term Obligations	596	8,227	(198)	8,625	1,624
<b>Total Business-Type Activity</b>	<b>\$ 651,992</b>	<b>\$ 32,286</b>	<b>\$ (60,012)</b>	<b>\$ 624,267</b>	<b>\$ 46,324</b>
<b>Component Units:</b>					
Revenue Bonds	\$ 1,163,118	\$ 114,090	\$ (146,514)	\$ 1,130,694	\$ 81,795
(Premiums)/Discounts	58,235	27,419	(9,348)	76,306	6,149
Notes Payable	61,180	5,555	(9,875)	56,860	6,885
Total Bonds and Notes Payable	1,282,533	147,064	(165,737)	1,263,860	94,829
Compensated Absences	74	233	(217)	90	90
Policy Claim Liabilities	4,473	20,839	(8,887)	16,425	15,067
Other Long-Term Obligations	518,203	156,517	(77,149)	597,571	
<b>Total Component Unit Activity</b>	<b>\$ 1,805,283</b>	<b>\$ 324,653</b>	<b>\$ (251,990)</b>	<b>\$ 1,877,946</b>	<b>\$ 109,986</b>

\*Beginning balances were restated due to prior period adjustments. For FY19, the total OPEB and Pension liabilities in this table do not tie to the OPEB and Pension liabilities in Note 8, Note 9, and the Government-wide Statement of Net Position. This is primarily due to State Bar, the Dairy Commission, and the Potato Commission reporting on a different year-end than the State.

Internal service funds predominantly serve the governmental funds. Accordingly, \$1.4 million of notes payable, \$0.9 million of compensated absences, \$19.4 million of policy claim liabilities, \$4.9 million of net pension liability, and \$0.3 million of net OPEB liabilities were included in the governmental activities for internal service fund liabilities.

In the past, the compensated absences liability attributable to governmental activities has been liquidated by the General Fund, special revenue funds, and internal service funds. Primarily, the same funds that have been used in prior years will be used to liquidate the following other governmental activity long-term liabilities: policy claim liabilities will be liquidated through the State's Group

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Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

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Insurance and Risk Management funds; claims and judgments will be liquidated by the Health and Welfare and Transportation special revenue funds and nonmajor special revenue funds; the net pension liability will be liquidated by the General Fund; the net OPEB liability will be liquidated by the General Fund, Health and Welfare and Transportation special revenue funds, nonmajor special revenue funds, and internal service funds.

**G. Conduit Debt**

***Primary Government***

The Idaho Water Resource Board has outstanding revenue bonds for the promotion, construction, rehabilitation, and repair of water projects. The bonds are secured by the financed property and are payable solely from revenue of the projects. Upon payment of the bonds, ownership of the acquired facilities transfers to the entity served by the bond issuance. Such bonds do not constitute a debt or obligation of the State or any political subdivision, agency thereof, or of the Board except to the extent of the revenues pledged

under the indenture. Accordingly, these bonds are not reported in the accompanying financial statements. Seven series of Water Resource bonds that qualified as conduit debt are outstanding with an aggregate principal amount payable of \$35.3 million.

***Component Unit***

The Idaho Housing and Finance Association has outstanding bonds to provide financial assistance to entities for the construction of facilities deemed to be in the public interest. The bonds are secured by the financed property and are payable solely from payments received on the underlying investments. Upon repayment of the bonds, ownership of the constructed facilities transfers to the individuals served by the bond issuance. The Association is not obligated in any manner for repayment of these bonds. Accordingly, the bonds are not reported as Association liabilities. Forty series of bonds that meet the description of conduit debt obligations are outstanding with an aggregate principal amount payable of \$375.8 million.



## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## NOTE 14. EQUITY

**A. Restatement of Beginning Fund Balances and Net Position**

The beginning net position of the nonmajor governmental fund increased by \$0.1 million due to an error in accounting for certain leases of the Idaho Fish and Wildlife Foundation.

The beginning net position of the Internal Service fund increased by \$7.6 million due to adjustments to capital assets and increased by \$0.9 million due to a correction to the allocation of the proportionate share of the State Sick Leave Reserve Fund asset.

The beginning net position of the nonmajor enterprise fund increased by \$0.8 million due to a correction to the allocation of the proportionate share of the State Sick Leave Reserve Fund asset.

The beginning net position of the College and University fund increased by \$26.6 million due to a correction to the allocation of the proportionate share of the State Sick Leave Reserve Fund asset and decreased by \$14.8 million due to a change in the reporting entity.

The beginning net position of the Component Units fund decreased by \$4.4 million due to a change in the reporting entity.

The government-wide Statement of Activities includes the above restatements in the Governmental and Business-Type Activities columns. In addition, Governmental Activities beginning net position decreased by \$13.3 million due to adjustments to infrastructure and construction-in-progress; increased by \$6.0 million due to an error in accounting for certain leases and capital assets; and decreased by \$27.4 million due to a correction to the allocation of the proportionate share of the State Sick Leave Reserve Fund asset.

**B. Net Position Restricted by Enabling Legislation**

Net position is reported as restricted when constraints are placed on net position use by external parties such as creditors, grantors, contributors, or other governments; or by state law through constitutional provisions or enabling legislation. Enabling legislation authorizes the State to assess, levy, charge, or otherwise mandate payment of resources and requires that those resources be used only for the purposes stipulated in the legislation.

The government-wide Statement of Net Position reported restricted net position of \$3.8 billion for governmental activities, \$1.7 billion for business-type activities, and \$957.8 million for component units. These amounts include \$688.7 million of net position restricted by enabling legislation for governmental activities and \$989.6 million of net position restricted by enabling legislation for business-type activities.

**C. Governmental Fund Balances – Restricted, Committed, and Assigned**

The governmental funds report a hierarchy of fund balance classifications based primarily on the extent to which the State is bound to honor limitations on the use of the funds' resources. When a fund has more than one revenue stream, equity is classified according to the materiality of any limitations on the fund.

*Restricted* fund balances represent those amounts that are legally restricted for specific purposes due to limitations imposed by external parties, such as creditors and grantors, or imposed through constitutional provisions or enabling legislation.

*Committed* fund balances represent amounts that can only be used for a specific purpose imposed by formal action of the Legislature and signed by the Governor.

*Assigned* fund balances represent amounts the government intends to use for a specific purpose but are neither restricted nor committed.

## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

The following schedule presents the nature and purpose of these fund balances at June 30, 2019:

Restricted, Committed, and Assigned Governmental Fund Balances (dollars in thousands)				
Funds	Restricted	Committed	Assigned	Total
<b>General</b>				
Economic Development	\$ 50	\$ 32,525	\$ 10,988	\$ 43,563
Education	39,605	130,539	1,941	172,085
Environmental Quality		22,508	(136)	22,372
Fire Suppression			35,891	35,891
General Government Administrative Costs	1,530	38,844	14,792	55,166
Health and Human Services		10,328	1,050	11,378
Millennium Endowment Fund	359,721			359,721
Municipal Revenue Sharing	28,486			28,486
Natural Resources			1,666	1,666
Opportunity College Scholarships		18,618		18,618
Public Safety	1,166		10,579	11,745
School Building Maintenance and Repair		27,605		27,605
State Building Construction and Maintenance		141,778		141,778
Transportation Projects		38,798		38,798
Veterans Recognition		16,449		16,449
Other Purposes	2,170	6,942	3,633	12,745
<b>Total</b>	<b>\$ 432,728</b>	<b>\$ 484,934</b>	<b>\$ 80,404</b>	<b>\$ 998,066</b>
<b>Health and Welfare</b>				
Health and Human Services		\$ 55	\$	\$ 55
<b>Total</b>	<b>\$ 0</b>	<b>\$ 55</b>	<b>\$ 0</b>	<b>\$ 55</b>
<b>Transportation and Transportation Infrastructure</b>				
GARVEE Debt Service	\$ 45,088		\$	\$ 45,088
Transportation Programs	216,201	\$ 46,189		262,390
<b>Total</b>	<b>\$ 261,289</b>	<b>\$ 46,189</b>	<b>\$ 0</b>	<b>\$ 307,478</b>
<b>Land Endowments</b>				
Endowment Fund Beneficiaries	\$ 713,959		\$	\$ 713,959
<b>Total</b>	<b>\$ 713,959</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 713,959</b>
<b>Nonmajor Special Revenue</b>				
Agricultural Programs	\$ 63,015		\$	\$ 63,015
Corrections	7,429	\$ 1,656		9,085
Courts	2,244	4,133		6,377
Economic Development	12,078			12,078
Education	731	6,770		7,501
Employment Administration and Training Programs	15,494	18,463		33,957
Environmental Quality	125,426	6,766	\$ 1,087	133,279
Professional Licensing and Monitoring	102,953			102,953
Public Recreation	6,131	46,712		52,843
Public Safety	8,017	18,991		27,008
State Building Debt Service	67,933			67,933
State Land Management	21,623			21,623
Tourism and Promotion	10,896			10,896
Transportation Infrastructure - Capital Projects	7			7
Wildlife Management	88,810			88,810
Workers Compensation	27,178			27,178
Other Purposes	4,526	600		5,126
<b>Total</b>	<b>\$ 564,491</b>	<b>\$ 104,091</b>	<b>\$ 1,087</b>	<b>\$ 669,669</b>

## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

**D. Budget Stabilization and Minimum Fund Balance**

The Legislature has the authority to set aside resources through the appropriation process for use in an emergency or when budgetary imbalances occur. The State has the following budget stabilization arrangements:

- The *Higher Education Budget Stabilization Fund* can only be used for the maintenance, use, and support of the colleges and universities subject to appropriation by the Legislature. Idaho Code Section 33-3726 requires interest earnings from the College and University Fund and other amounts provided for by law to be transferred into the Higher Education Budget Stabilization Fund. As of June 30, 2019, the fund balance was \$7.7 million.
- The *Budget Stabilization Fund* was created to cover General Fund revenue shortfalls, expenses incurred because of a major disaster declared by the Governor, or to provide any appropriated one-time tax relief payments to the citizens of Idaho. Idaho Code Section 57-814 requires that receipts to the General Fund for the fiscal year just ending that have exceeded the previous fiscal year's receipts by more than 4 percent be transferred to the Budget Stabilization Fund. The transfers should not be more than 1 percent of actual General Fund receipts for the fiscal year just ended. A concurrent resolution by the majority of the Legislature can require the State Controller to reduce the transfer. Until May 31, 2019, Idaho Code required the transfer of 50 percent of any excess cash balance from the General Fund to the Budget Stabilization fund at the close of the current fiscal year. As of May 31, 2019, Idaho Code requires the money in the Budget Stabilization Fund shall not exceed 10 percent of the total General Fund receipts for the fiscal year just ending. Appropriations from the Budget Stabilization Fund are limited to 50 percent after the fund balance has reached the 10 percent of General Fund receipts. Idaho Code Section 57-814A authorizes the Board of

Examiners to transfer unencumbered moneys from the Budget Stabilization Fund to the General Fund, should General Fund moneys be insufficient to meet General Fund appropriations for that same fiscal year. Such transfers are limited to the amount of the insufficiency or one-half of 1 percent, whichever is less. As of June 30, 2019, the fund balance was \$369.9 million.

- The Public Education Stabilization Fund may be used to offset declining distributions from the public school earnings reserve, declining endowment distributions, and shortfalls in discretionary funding as spelled out in Idaho Code Section 33-1018. According to Idaho Code Sections 33-1018A and 33-1018B, the fund may also be used to cover any proportional share of the public schools' General Fund budgetary holdbacks, for state matching funds for the School District Building Fund, or for other purposes as stated in appropriation bills. Any accumulated balance greater than 8.334 percent of the current year's appropriation must be transferred to the Bond Levy Equalization Fund per Idaho Code Section 33-907. Additions to the Public Education Stabilization Fund are from interest, transfers, and appropriations. Idaho Code Section 33-905 requires any excess balance over the amount needed for school building maintenance and discretionary spending be transferred to the Public Education Stabilization Fund. As of June 30, 2019, the fund balance was \$81.7 million.
- Idaho Code Section 26-31-110 requires that the *Mortgage Recovery Fund*, part of the Regulatory nonmajor special revenue fund, maintain a minimum balance of \$1.5 million. The Mortgage Recovery Fund account, as defined in Idaho Code Section 26-31-109, is used to reimburse persons who have been awarded damages resulting from violations of the Idaho Residential Mortgage Practices Act.

**NOTE 15. DONOR-RESTRICTED ENDOWMENTS*****Primary Government***

The Land Endowments fund has a non-expendable permanent corpus and an earnings reserve account; the earnings reserve is used to receive earnings and to pay beneficiaries and expenses. The Endowment Fund Investment Board (EFIB) invests the revenues generated from the management and/or sale of endowment lands. The Board of Land Commissioners (Land Board) and the EFIB spend the net appreciation and other revenues in accordance with Idaho Code Title 57 Chapter 7 and Title 67 Chapter 16. For the fiscal year ended June 30, 2019, net appreciation on investments of the donor-restricted endowments available for expenditure for the Land Endowments fund was \$27.6 million, which is included in net position restricted for permanent trust-expendable. The Land Board has set the current distribution policy for the endowments at 5 percent of the three-year rolling average permanent fund balances. The EFIB may adjust the distributions depending on the amount in the earnings reserve accounts, transfers to the permanent funds, and other factors.

The Idaho Fish and Wildlife Foundation receives certain gift assets that are to be held in perpetuity for the benefit of the Foundation. The Foundation board of directors spends the net appreciation in accordance with Idaho Code Title 68 Chapter 12. The endowments did not have any net appreciation during the fiscal year available for expenditure. Accumulated earnings are reported in net position restricted for permanent trust - non-expendable. The Foundation board of directors must approve spending of investment income. Limits are set by individual agreements for each endowment fund established.

The Department of Parks and Recreation has a \$1.4 million donor-restricted endowment for the preservation, operation, and management of the Ritter Island Unit of the Thousand Springs Complex. The Department of Parks and Recreation also has a \$3.0 million donor-restricted endowment for the management of the Trail of the Coeur d'Alenes. Only earnings from investments may be expended by the Idaho Parks and Recreation Board, although no less than 3 percent of the total value of the endowment shall be designated as earnings, even if such designation temporarily reduces the principal. The Board maintains sole discretion in determining the amount of earnings to be distributed to the Department of Parks and Recreation and to be deposited to increase the principal of the endowment. For the fiscal year ended, net appreciation available for expenditure was \$1.2 million, which is reported in net position restricted for other purposes.

***Component Units***

Endowments for the Boise State University Foundation, Idaho State University Foundation, Lewis-Clark State

College Foundation, and University of Idaho Foundation are managed in accordance with Idaho Code Title 33 Chapter 50 and rules adopted by their boards as specified below.

The Boise State University Foundation receives certain gift assets that are to be held in perpetuity for the benefit of the University. The endowments had net appreciation of \$2.4 million during the fiscal year for expenditure. Accumulated earnings are reported in net position restricted for permanent trust-expendable. The Foundation has set a "total return" spending policy that specifies 4 percent of the three-year rolling average of the ending market value of each individual account be made available for expenditure toward the established purpose.

The Idaho State University Foundation receives certain gift assets that are to be held in perpetuity for the benefit of the University. The endowments had net appreciation of \$1.8 million during the fiscal year. Accumulated earnings are reported in net position restricted for permanent trust-expendable. Donor-imposed restrictions requiring earnings to be contributed back to the corpus are not formally complied with by the Foundation. The Foundation addresses this indirectly through the strategy established through its investment and spending policies. The Foundation has a policy of appropriating for annual distribution 4 percent of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end proceeding the current fiscal year.

The Lewis-Clark State College Foundation receives certain gift assets that are to be held in perpetuity for the benefit of the College. The endowments had a net appreciation of \$0.4 million during the fiscal year for expenditures. Accumulated earnings are reported in net position restricted for permanent trust-expendable. The Foundation established a spending rate of 4 percent of the five-year rolling average of the market value of each endowment account as of December 31 for each fiscal year. This amount may be reduced if an account has insufficient accumulated earnings to cover the payout.

The University of Idaho Foundation receives certain gift assets that are to be held in perpetuity for the benefit of the University. The endowments had net appreciation of \$9.8 million during the fiscal year for expenditure. Unrealized appreciation (depreciation) is included in net position restricted for permanent trust-expendable. The Foundation Board of Directors establishes an annual spending rate. For fiscal year 2019, the spending rate was set at 4.4 percent of the three-year rolling average of the endowment's monthly fair market value.



## Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

## NOTE 16. LITIGATION, CONTINGENCIES, COMMITMENTS, AND ENCUMBRANCES

## A. Litigation and Contingencies

*Primary Government*

The State is a defendant in numerous legal proceedings pertaining to matters incidental to the performance of governmental operations. Such litigation includes, but is not limited to: claims asserted against the State arising from alleged torts, alleged breaches of contracts, condemnation proceedings, and other alleged violations of state and federal laws. The State is unable to estimate the ultimate outcome or liability, if any, in respect to the various proceedings. However, the State believes that any ultimate liability resulting from these suits will not have a material effect on the financial condition of the State.

Idaho Code Section 33-5303 requires the State to guarantee the bonds of any school district qualified by the State Treasurer. If the State is required to make the bond payment of any school district, the State will redirect distributions normally made to the school district to reimburse the State. As of June 30, 2019, the principal amount of qualified school district bonds outstanding was \$1.4 billion, and the interest amount outstanding was \$518.9 million.

Idaho Code Section 67-8716 requires the State to guarantee the bonds of any municipality qualified by the State Treasurer. If the State is required to make the bond payment of any municipality, the State will redirect distributions normally made to the municipality to reimburse the State. As of June 30, 2019, the Idaho Bond Bank Authority had a principal amount of qualified municipal bonds outstanding of \$292.0 million, and the interest amount outstanding was \$118.6 million. Four water and sewer districts, two hospital districts, and one fire district do not have distributions to intercept in the event they are unable to make the bond payments. If the State is required to pay the obligation, the State will pursue legal action to recover the amount paid. The total principal outstanding for these districts is \$27.0 million, payable through 2047.

The State receives significant financial assistance from the federal government in the form of grants. The receipt of federal grants is generally conditioned upon compliance with terms and conditions of the grant agreements and is subject to financial and compliance audits. Questioned costs as a result of these audits may be disallowed after review by federal agencies. The State's opinion is that these questioned costs, if any, will not have a significant effect on the financial position of the State.

Revenue from federal grants includes amounts for the recovery of overhead and other costs. The State may be required to make refunds of federal reimbursements as a result of audits. The State's opinion is that these refunds, if any, will not have a significant effect on the financial position of the State.

## B. Commitments

*Primary Government*

The Idaho Transportation Department (ITD) has a total of \$446.8 million in outstanding commitments for infrastructure and \$37.4 million for other capital asset-related construction projects underway at year-end. In addition, the ITD has a commitment to repay the Idaho Housing and Finance Association principal and interest related to Grant Anticipation Revenue Vehicle (GARVEE) bonds for construction costs to improve and enhance the State's highway infrastructure. To date, the ITD has borrowed \$793.9 million against the total; of that amount, \$298.9 million has been repaid, resulting in a \$495.0 million liability being recorded. Details can be found in Note 13.

The Department of Administration has a total of \$111.9 million in outstanding commitments for capital asset-related construction projects underway at year-end.

The colleges and universities estimate costs of \$163.3 million to complete a variety of capital asset-related construction projects underway at year-end.

The Military Division has a total of \$18.3 million in outstanding commitments for capital asset-related construction projects underway at year-end.

The Department of Parks and Recreation has a total of \$8.6 million in outstanding commitments for capital asset-related construction projects underway at year-end.

The Department of Fish and Game has a total of \$7.0 million in outstanding commitments for services for IWILD (Idaho Wildlife Information and Licensing Data System) at year end.

The Department of Labor has a total of \$5.9 million in outstanding commitments for capital asset-related construction projects underway at year-end.

The Department of Environmental Quality (DEQ) administers two revolving loan funds. The funds provide financing sources for the construction of publicly owned wastewater and drinking water treatment facilities. The Clean Water Loan fund had loan commitments of \$133.7 million and the Drinking Water Loan fund had commitments of \$35.9 million. These loan commitments will be funded either from new capitalization grants, generally 80 percent federal funds and 20 percent state matching dollars, or from accumulated repayments and investment revenues, which are perpetually appropriated for this purpose. The DEQ Cooperative Welfare fund had various service commitments of \$17.2 million.

The Department of Correction had the following commitments at year-end:

## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

- A contract with Management and Training Corporation to operate a 432-bed substance abuse treatment prison facility. The Department has committed to pay monthly per diems based on offender count. The estimated cost for fiscal years 2020 through 2021 is \$19.5 million.
- An emergency contract with The GEO Group, for a 500-bed minimum prison facility. The Department has committed to pay a monthly base fixed rate and a per diem rate based on offender count. The estimated cost for fiscal year 2020 is \$16.3 million.
- Medical services contract with Corizon, Inc. had estimated costs for fiscal year 2020 of \$50.0 million
- Offender food services contract with Sysco had estimated costs for fiscal year 2020 of \$6.4 million
- Offender housing contracts with County jails throughout the state had estimated costs of \$14.6 million for fiscal year 2020
- Concessions contract with Keefe Group. The estimated annual contract value for fiscal year 2020 was \$1.3 million minimum annual guarantee for commissary sales to \$6.2 million, and forty percent of all sales over \$6.2 million.

The Dairy Products Commission has entered into a contract for services with the Dairy and Food Nutrition Council of

the Southeast, Inc. dba Dairy West, a jointly governed organization, for Dairy West to provide dairy program and administrative services for the Commission. The Commission's 2019 commitment is \$13.6 million.

The State Lottery negotiated a new 10 year contract with INTRALOT, Inc. through October 1, 2027 to pay an all-in price based on a percentage of sales, which is 2.3 percent of Total Net Sales. The State Lottery also has purchased prize annuities in the name of the individual winners, but is still liable in the event the insurance companies default on payments. The amount of payments for the year ended June 30, 2019 is \$9.9 million.

The Public Employee Retirement System of Idaho has a total of \$676.1 million and €88.9 million in outstanding commitments for investments to private equity partnerships.

#### Component Unit

The Idaho Housing and Finance Association has commitments to purchase \$1.2 billion of single-family mortgages. The Association has commitments to sell or secure \$122.2 million of single-family mortgages.

The University of Idaho Foundation has \$22.3 million in outstanding commitments for investments.

### C. Encumbrances

Encumbrances within the restricted, committed, and assigned fund balances of the governmental funds are as follows (*dollars in thousands*):

	General Fund	Health and Welfare	Transportation	Nonmajor Governmental
Encumbrances	\$ 43,858	\$ 6,041	\$ 39,243	\$ 78,400



**NOTE 17. TAX ABATEMENTS**

As of June 30, 2019, the State of Idaho provides tax incentives under four programs which meet the definition of tax abatements as provided in GASB Statement No. 77: Tax Reimbursement Incentives (TRI), Idaho Business Advantage, Broadband Income Tax credit, and Sales Tax Rebates.

***Tax Reimbursement Incentives (TRI)***

Pursuant to Idaho Code Sections 67-4737 through 67-4744, the tax reimbursement incentive program is designed to accelerate the growth of new business opportunities, encourage the creation of high-paying jobs, and diversify the state's and local community's economy. The Tax Reimbursement Incentive is a performance-based economic development tool that provides a refundable tax credit up to 30 percent for up to 15 years on new Business Entity income tax, sales tax, and payroll taxes paid as a result of the Meaningful Project. The TRI will perpetually generate the revenues needed to fund the incentive.

This credit is available to both existing and new companies, in any industry, seeking expansion in the state. The tax credit percentage and project term are negotiable based upon the quantity and quality of jobs created, state/regional economic impact, and return on taxpayer investment for Idaho, among others.

A company must complete an in-depth application and meet the following requirements to qualify for the Tax Reimbursement Incentive:

- Create 20 new jobs in rural communities (city population of 25,000 or less) or 50 in urban centers.
- New jobs must be full time (30 hours or more) and pay an average wage of equal to or greater than the average county wage.
- Demonstrate a meaningful community match.
- Confirm the company's stability and the projects' potential to be a significant economic impact in the community and Idaho.
- Prove that the incentive is a critical factor in the company's decision to expand in Idaho.

***Idaho Business Advantage***

Pursuant to Idaho Code Sections 63-4401 through 63-4409, the Idaho Business Advantage offers businesses that invest a minimum of \$500,000 in new facilities and create at least 10 new jobs averaging \$40,000 annually with benefits, may qualify for a variety of incentives.

The following incentives are available through this program: an enhanced investment tax credit of 3.75 percent up to \$750,000 or 62.5 percent of corporate income tax

liability in any one year, a new jobs tax credit from \$1,500-\$3,000 for new jobs paying \$24.04 per hour or more, and a 2.5 percent real property improvement corporate income tax credit up to \$125,000 in any one year along with a 25 percent rebate on sales tax paid on construction materials for the new facilities.

A company must meet the following requirements to qualify for the Idaho Business Advantage incentive:

- The business must invest \$500,000 in new facilities.
- The business must create at least 10 new jobs paying on average \$40,000/year (\$19.23/hour) plus benefits.
- The average wage of any additional new employee during project period must be \$15.50/hour plus benefits.
- Project period ends when the facilities put into service, but no later than December 31, 2020.

In the event that any person to whom a tax credit allowed by Idaho Code Sections 63-4403, 63-4404 or 63-4405, fails to meet the tax incentive criteria, the full amount of the credit shall be subject to recapture by the commission.

***Broadband Income Tax Credit***

Pursuant to Idaho Code Section 63-3029I, businesses that purchase qualified broadband equipment and infrastructure for the benefit of end users in Idaho may earn a 3 percent income tax credit up to \$750,000.

"Qualified broadband equipment" means equipment that qualifies for the credit for capital investment permitted by Idaho Code Section 63-3029B and is capable of transmitting signals at a rate of at least 200,000 bits per second to a subscriber and at least 125,000 bits per second from a subscriber. A taxpayer must apply to and obtain from the Idaho Public Utilities Commission an order confirming that the installed equipment is qualified broadband equipment.

Each taxpayer must retain and make available, on request, records for each item of property included in the computation of the broadband equipment investment credit claimed on an income tax return subject to examination. The records must include all of the following:

- The order from the Idaho Public Utilities Commission confirming that the installed equipment is qualified broadband equipment.
- A description of the property.
- The asset number assigned to the item of property, if applicable.
- The acquisition date and date placed in service.
- The basis of the property.
- The retirement, disposition, or date transferred out of Idaho, or date no longer used in Idaho, if applicable.

## Notes to the Financial Statements

## For the Fiscal Year Ended June 30, 2019

In the event that qualified broadband equipment upon which the credit allowed by this section has been used ceases to qualify for the credit allowed by Idaho Code Section 63-3029B, or is subject to recapture of that credit, the recapture of credit under this section shall be in the same proportion and subject to the same provisions as the amount of credit required to be recaptured under Idaho Code Section 63-3029B.

**Sales Tax Rebate**

Pursuant to Idaho Code Section 63-3641, a developer of a retail complex shall receive a rebate of sales taxes collected and remitted to the State Tax Commission by qualified retailers within the retail complex to reimburse the developer for project expenses incurred for the installation of approved transportation improvements.

An “approved transportation improvement” means a highway project whose cost is in excess of \$6.0 million for the installation of an interchange from an interstate highway or expended on the improvement of an existing highway. To qualify as an approved highway improvement, the developer of a retail complex must enter into an agreement with the Idaho Transportation Board and/or political subdivision.

An approved highway improvement shall include those costs directly associated with the highway project but shall not include any improvement not within the right-of-way of the proposed public highway improvement, improvements not specifically authorized in the agreement entered into, or developer financed improvements required by state or local agencies as part of the permitting and development process not within the public highway right-of-way.

To obtain the rebate provided by Idaho Code Section 63-3641, the developer of a retail complex shall file a written claim within two (2) years of the developer's last

expenditure on approved transportation improvements, with the state tax commission. The claim shall:

- Identify the location and boundaries of the retail complex.
- Identify the qualified retailers making retail sales within the complex.
- Include verification that the developer has met the expenditure requirements of a minimum of \$4.0 million.
- Include certification from the Idaho Transportation Department or political subdivision of the amount expended on the approved transportation improvements related to the retail complex.
- Contain such additional information as the State Tax Commission may require by rule.

Upon approval by the State Tax Commission, the developer is entitled to receive a rebate of 60 percent of all sales and use taxes imposed by this chapter and remitted to the State Tax Commission after the date of approval by qualified retailers in the retail complex. Once a total of thirty-five million dollars (\$35,000,000) has been paid in as a rebate on a particular approved transportation improvement, no additional rebates shall be paid in regard to that approved transportation improvement.

The following table displays the total amount of taxes abated per program for the year ended June 30, 2019:

<b>Tax Abatement Program</b>	<b>Amount of Taxes Abated (In Dollars)</b>
Tax Reimbursement Incentive	\$ 1,132,795
Idaho Business Advantage	763,980
Broadband Income Tax Credit	1,151,793
Sales Tax Rebate	3,047,223



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Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2019

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**NOTE 18. SUBSEQUENT EVENTS**

Subsequent to June 30, 2019, the following events occurred:

***Primary Government***

On July 1, 2019, the Office of the State Treasurer issued tax anticipation notes in the amount of \$546.2 million. The notes were issued to finance the State's daily operations in anticipation of certain tax revenues of the State to be collected during the fourth quarter of the 2020 fiscal year. The notes mature on June 30, 2020.

On December 5, 2019 The Idaho State Building Authority (ISBA) issued \$39.2 million in Refunding Revenue Bonds, Series 2019A. The bonds will be used to refund the outstanding ISBA Refunding Revenue Bonds, Series 2012B and to pay the costs of issuing the 2019A bonds.

***Component Unit***

On September 15, 2019, the Idaho Bond Bank Authority's 2008C bond matured and was fully repaid.

On July 1, 2019, the Idaho Housing Finance Association (IHFA) issued the 2019AB Single Family Mortgage Bonds

to currently refund the 2009C and a portion of the 2013A Single Family Mortgage Bonds.

The 2019AB Bond is intended as a restructuring to provide an adequate asset base and meet indenture parity requirements to maintain the investment grade quality of IHFA's Single Family Mortgage Bond Program. No economic savings are intended to be achieved by this restructuring. The 2019 Series AB Bonds (2019 Indenture) was used to refund all of the 2009C issue for \$1.7 million, and a portion of the 2013A issue for \$11.0 million. Additionally, \$30.1 million in proceeds were used to purchase new mortgage-backed securities. In connection with such refunding, the issuer and Barclays Bank PLC (the "Interest Rate Contract Provider") have agreed to allocate and transfer the interest rate contracts related to such refunded variable rate bonds to the 2019 Series AB bonds. Bonds are intended as a restructuring to provide a better match of loan prepayment speeds and swap contract fixed rates and maturation dates.



# Required Supplementary Information



Ponderosa State Park

**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund and Major Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2019**

(dollars in thousands)

	General			
	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
<b>REVENUES</b>				
Sales Tax	\$ 1,880,253	\$ 1,880,253	\$ 1,880,253	
Individual and Corporate Taxes	2,311,601	2,311,601	2,311,601	
Other Taxes	62,994	62,994	62,994	
Licenses, Permits, and Fees	33,704	33,704	33,704	
Sale of Goods and Services	24,302	24,302	24,302	
Grants and Contributions	22,407	22,407	22,407	
Investment Income	58,104	58,104	58,104	
Tobacco Settlement	21,014	21,014	21,014	
Other Income	32,740	32,740	32,740	
<b>Total Revenues</b>	<u>\$ 4,447,119</u>	<u>\$ 4,447,119</u>	<u>4,447,119</u>	
<b>EXPENDITURES</b>				
General Government	\$ 1,085,311	\$ 1,087,475	947,301	\$ 140,174
Public Safety and Correction	395,678	398,375	379,314	19,061
Health and Human Services	37,309	41,367	39,876	1,491
Education	2,501,652	2,501,654	2,424,020	77,634
Economic Development	101,907	165,215	102,816	62,399
Natural Resources	51,855	51,885	71,274	(19,389)
<b>Total Expenditures</b>	<u>\$ 4,173,712</u>	<u>\$ 4,245,971</u>	<u>3,964,601</u>	<u>\$ 281,370</u>
<b>Revenues Over (Under) Expenditures</b>			<u>482,518</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital Lease Acquisitions			3,837	
Sale of Capital Assets			677	
Transfers In			265,502	
Transfers Out			(1,193,417)	
<b>Total Other Financing Sources (Uses)</b>			<u>(923,401)</u>	
<b>Revenues and Other Financing Sources Over (Under)</b>			<u>(440,883)</u>	
<b>Expenditures and Other Financing Uses</b>				
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			(271,878)	
Changes Affected by Accrued Expenditures			787,369	
<b>Fund Balances - Beginning of Year, as Restated</b>			<u>1,745,526</u>	
<b>Fund Balances - End of Year</b>			<u>\$ 1,820,134</u>	

The accompanying notes are an integral part of the financial statements.

Health and Welfare				Transportation			
Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
				\$ 16,725	\$ 16,725	\$ 16,725	
\$ 27,685	\$ 27,685	\$ 27,685		352,083	352,083	352,083	
22,136	22,136	22,136		194,272	194,272	194,272	
188,363	188,363	188,363		6,331	6,331	6,331	
1,955,872	1,955,872	1,955,872		363,438	363,438	363,438	
329	329	329		2,566	2,566	2,566	
13,116	13,116	13,116		1,160	1,160	1,160	
<u>\$ 2,207,501</u>	<u>\$ 2,207,501</u>	<u>2,207,501</u>		<u>\$ 936,575</u>	<u>\$ 936,575</u>	<u>936,575</u>	
\$ 3,717	\$ 3,717	3,713	\$ 4				
3,039,219	3,091,714	2,987,150	104,564				
				\$ 1,328,603	\$ 1,420,165	949,345	\$ 470,820
<u>\$ 3,042,936</u>	<u>\$ 3,095,431</u>	<u>2,990,863</u>	<u>\$ 104,568</u>	<u>\$ 1,328,603</u>	<u>\$ 1,420,165</u>	<u>949,345</u>	<u>\$ 470,820</u>
		(783,362)				(12,770)	
		1,587					
		86				7,646	
		808,923					
		(7,009)				(19,160)	
		<u>803,587</u>				<u>(11,514)</u>	
		20,225				(24,284)	
		11,848				3,017	
		(16,902)				(14,699)	
		(56,515)				365,109	
		<u>\$ (41,344)</u>				<u>\$ 329,143</u>	

The accompanying notes are an integral part of the financial statements.



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**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2019**

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**NOTE TO BUDGETARY REPORTING****Budgetary Process and Control**

Budgets are adopted in accordance with Idaho Code Title 67 Chapter 35. In September of each year, state agencies submit requests for appropriations to the Governor's Office, Division of Financial Management (DFM), so an executive budget may be prepared. The budget is generally prepared by agency, fund, program, and object and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year. Legal level of budgetary control is maintained at the same level of detail as appropriated. Appropriated funds include the General Fund, special revenue funds, the capital projects fund, enterprise funds, internal service funds, earnings of the permanent fund, and pension trust funds. The appropriated funds are either appropriated annually or on a continuous basis. For those funds appropriated on a continuous basis, appropriation equals expenditures which can be made to the extent of available cash. Unexpended appropriation balances generally lapse at fiscal year-end unless reappropriated by the Legislature. Appropriations are subject to the provisions of Idaho Code Title 67 Chapter 36.

The Governor's budget recommendations are presented to the Legislature within the first five days of each regular legislative session, which begins in January. The Joint Finance and Appropriations Committee reviews the Governor's recommended budget, makes amendments, and prepares the annual appropriation bills for submission to both houses of the Legislature. A simple majority vote by both houses of the Legislature is required to pass the appropriation bills. The Governor has line item veto power over appropriation bills. Approval by two-thirds of both houses is required to override a governor's veto. The appropriation bills become the State's authorized operating budget upon the Governor's signature, or become law without the Governor's signature within five days after being presented to him, per Idaho Constitution Article IV Sections 10 and 11.

Agencies may request additional appropriations for the current year, which may be granted under authority of the Legislature. If expenditures are expected to exceed available cash, the State Board of Examiners (SBE) may authorize reduction of a portion of the General Fund appropriation. The Governor may issue an executive order for temporary reduction of spending authority, which is recorded in the accounting system as a negative supplemental appropriation. The Governor may call extraordinary sessions as provided by Article IV Section 9 of the Idaho Constitution.

Limitations exist regarding the extent to which management may modify an appropriation. Legislative approval is required for the transfer of appropriations from one fund to another. The following adjustments may be made, with the appropriate approval:

Idaho Code Section 67-3511(1) allows agencies to transfer spending authority between objects within a fund and program, with the exception of personnel costs. Appropriations for personnel costs may be transferred to other objects, but appropriations for other costs may not be transferred to personnel. Per Idaho Code Section 67-3511(3), appropriations for capital outlay may not be used for any other purpose, but appropriations for other objects may be transferred to capital outlay. The SBE must approve object transfers.

Idaho Code Section 67-3511(2) allows agencies to transfer spending authority from one program to another within an agency, provided the transfer is not more than 10 percent cumulative change from the appropriated amount for any program affected by the transfer. The DFM and the SBE must approve these transfers. The Legislature must approve transfers above 10 percent cumulative change.

Should any change occur that is not within the described limitations, legal compliance is not achieved.

The General Fund's natural resources function had a negative variance stemming from fire suppression deficiency warrants. This deficit is allowed by statute and will be funded with future appropriations. All other appropriated budgets of the State were within their authorized spending levels.

**Budgetary Basis of Accounting**

The State's legal budget is prepared using cash basis records. Revenues are generally recognized when cash is received. Expenditures are recorded when the related cash disbursement occurs. Encumbrances are allowed for budgetary control purposes. Fund balances are restricted or committed for obligations incurred for goods or services that have not been received. Encumbrances may be carried over to the next fiscal year with the approval of the DFM. The Budgetary Comparison Schedule is prepared on the budgetary basis and includes this variation from generally accepted accounting principles (GAAP). The original budget amount represents the original appropriation, prior year reappropriations, and continuous appropriations. The final budget amount includes the original budget plus

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**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2019**

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supplemental (positive or negative) appropriations, Governor's holdbacks, Board of Examiners reductions, object transfers, actual transfers, and receipts to the appropriation. The reconciliation at the bottom of the Budgetary Comparison Schedule shows the difference between the budgetary basis and GAAP.

The State does not adopt a revenue budget. For financial

reporting purposes, the Budgetary Comparison Schedule reflects budgeted revenues as being equal to actual revenues. The State issues a separate Legal Basis Financial Report, which demonstrates legal compliance with the budget. A copy of this report may be viewed online at [www.sco.idaho.gov](http://www.sco.idaho.gov) under "Transparency" and "Legal Basis Report."

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**INFRASTRUCTURE – MODIFIED APPROACH REPORTING**

Under GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, governments are allowed an alternative to depreciation for their infrastructure assets, referred to as the modified approach. Using the modified approach, governments report maintenance and preservation expenses and do not report depreciation expense on qualifying assets. In order to use the modified approach, the State must manage the infrastructure assets using an asset management system and maintain those assets at established condition levels. The asset management system must meet all of the following requirements:

- Maintain an up-to-date inventory of eligible infrastructure assets
- Perform condition assessments of eligible assets and summarize the results using a measurement scale
- Annually estimate the cost to maintain and preserve the assets at the condition level established
- Document the condition level at which the assets are being preserved and maintained

The State of Idaho has chosen to use the modified approach in reporting the roadway network, which consists of approximately 12,273 lane miles.

**Measurement Scale**

The Idaho Transportation Department (ITD) determines the State's roadway surface condition by use of the Pavement Management System. Idaho uses three measures to quantify performance: International Roughness Index (IRI), rutting depth, and Overall Condition Index (OCI). Developed as part of refinements to ITD's Transportation Asset Management System (TAMS), the OCI is unique to Idaho. The roadway surface condition data is collected as follows:

*The International Roughness Index (IRI) is a primary indicator of pavement serviceability or the ability of a pavement to meet the demands and expectations of motorists. IRI is measured in inches per mile. With IRI, the higher the value, the rougher the pavement.*

*Rutting Depth is a primary indicator of pavement distress caused by fatigue in the roadway wheelpath. The ITD annually collects longitudinal profiles and rutting depths of all pavement management sections statewide.*

The ITD uses a Class II-type profilometer to measure IRI and rutting depth. A profiler van mounted with a profilometer, laser sensors, and personal computers travels at normal posted speeds and collects and stores road-profile information at one-tenth of a foot intervals.

Pavement distress (cracking) is the final important indicator of pavement condition. The profiler van used to collect roughness and rutting information also collects video of the entire state highway system each year. The video equipment records images of both the forward facing view and a downward facing view so that pavement distress is easily seen. New and innovative technology is in use at ITD that takes advantage of the data collected by the profiler van to automate the process of crack identification and classification. This process offers substantial advantages over traditional pavement rating methods. Among these are: improved safety because rating personnel are not required to enter roadway to survey cracks; reduced collection time because data and photos of the roadway are collected at up to 60 mph; improved crack detection, as the profiler van collects over 2.5-million data points from the roadway surface per second and can detect 0.5mm crack widths and depths which are not readily visible to the naked eye. The Auto Classification software offers improved consistency as its algorithm is not subject to personal interpretation and judgment, as is the visual survey. It is not inferred or implied that auto detection and auto classification will run as a "black box" solution; that is to say, autonomously with results accepted blindly, rather the Asset Management Engineer reviews and verifies the results.

## Required Supplementary Information

### For the Fiscal Year Ended June 30, 2019

With respect to quantification of cracked pavement, ITD uses the Overall Condition Index (OCI) Method. The Overall Condition Index (OCI) provides an overall pavement serviceability measure. The OCI is the weighted average of many different pavement performance factors and there is flexibility to add other measures that are deemed relevant. The OCI varies between 100 representing the best possible pavement and zero (0) denoting the poorest possible pavement. The American Society for Testing & Materials (ASTM) has adopted this rating criteria as a standard for determining the pavement condition of a roadway.

The following table shows the various distresses that are considered and utilized during analysis.

OCI Pavement Distress Types	
Flexible	Rigid
Fatigue Cracking	Slab Cracking
Edge Cracking	Joint Seal Damage
Transverse Cracking	Joint Spalling
Block Cracking	Faulting
Patch Deterioration	Map Cracking
Raveling	Studded Tire Wear

Each distress type is quantified based on both the extent and severity. These values are then input, for each distress type, into an equation that yields an Individual Distress Index (IDI). When each individual distress type has been calculated, all of the IDI values are then input into the Overall Condition Index formula to compute the OCI for the pavement section. For each pavement type, two additional indices are computed with the methodology. Rigid pavement has the Slab Index and the Joint Index computed, while flexible pavements have the Structural Distress Index and the Non-Structural Index computed. The main function of these values is to assist in Pavement

Management System (PMS) decision tree configuration and treatment selection. A copy of the AgileAssets PMS Engineering Configuration Document is available upon request.

The surface condition is measured by International Roughness Index (IRI), Overall Condition Index (OCI) and Rutting Depth. Each category has its own thresholds, which differ slightly depending on the assigned functional class. The measurement ranges for each of these conditions is shown in the following chart:

Idaho Pavement Measures			
Pavement Rating	International Roughness Index (IRI)	Overall Condition Index (OCI)	Rutting Asphalt
Good	≤ 95	≥ 80	≤ 0.2 inches
Fair	96 - 170	79 - 60	0.21 - 0.4 inches
Poor	≥ 171	≤ 59	> 0.4 inches

#### Established Condition Level

Beginning in calendar year 2018, the ITD changed the rating system they use to measure surface condition, which included combining Poor and Very Poor categories. The effect of the change in the rating system served to make the evaluations more conservative and improves consistency and reduces variance due to interpretation and judgment. The new rating system was used to determine the condition assessments for 2018, as well as the estimated costs to preserve and maintain the roads at, or above, the established condition level for fiscal year 2020.

The ITD has established the condition level that no more than 30 percent of pavement shall be in poor condition. In calendar year 2018, the assessed level was maintained at 9.3 percent. Infrastructure preservation and restoration is a priority for the State. As a result of this focus, the ITD has provided all available funds to meet these goals.

#### Assessed Condition Ratings of State Roadways

Most Recent Five Complete Condition Assessments										
Percent of Total Lane Miles per Pavement Condition										
	2018		2017		2016		2015		2014	
Good	7,879	64.2 %	7,420	60.5 %	7,080	57.7 %	7,301	59.5 %	7,507	61.2 %
Fair	3,252	26.5 %	3,417	27.8 %	3,304	26.9 %	2,992	24.4 %	3,016	24.5 %
Poor*	1,142	9.3 %	1,248	10.2 %	1,688	13.8 %	1,736	14.1 %	1,480	12.1 %
Very Poor*			188	1.5 %	202	1.6 %	242	2.0 %	266	2.2 %
<b>Total Lane Miles</b>	<b>12,273</b>	<b>100%</b>	<b>12,273</b>	<b>100%</b>	<b>12,274</b>	<b>100%</b>	<b>12,271</b>	<b>100%</b>	<b>12,269</b>	<b>100%</b>

\* Poor and Very Poor categories combined beginning Calendar Year 2018.

## Required Supplementary Information

### For the Fiscal Year Ended June 30, 2019

#### Estimated and Actual Costs to Maintain

The information below reflects the State's estimate of spending necessary to preserve and maintain the roads at, or above, the established condition level, and the actual amount spent during the past six fiscal years (*dollars in thousands*).

	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014
Estimated	\$ 134,408	\$ 128,923	\$ 100,691	\$ 112,537	\$ 111,475	\$ 90,905	\$ 122,831
Actual		\$ 184,973	\$ 179,193	\$ 128,776	\$ 73,499	\$ 89,972	\$ 107,718



# Required Supplementary Information

## For the Fiscal Year Ended June 30, 2019

### PENSION

#### PERSI Base Plan

#### Schedule of Net Pension Liability Proportionate Share\*

(dollars in thousands)

	2015	2016	2017	2018**	2019
Proportion of Net Pension Liability (NPL)	25.5%	25.8%	25.5%	25.8%	24.8%
Proportionate Share of NPL	\$ 187,540	\$ 339,548	\$ 517,254	\$ 405,168	\$ 365,199
Covered Payroll	\$ 690,168	\$ 722,235	\$ 746,952	\$ 799,956	\$ 796,476
Proportionate Share of NPL as a Percentage of Covered Payroll	27.2%	47.0%	69.2%	50.6%	45.9%
Plan Fiduciary Net Position	\$ 13,833,143	\$ 13,956,663	\$ 13,884,164	\$ 15,296,682	\$ 16,274,830
Plan Total Pension Liability	\$ 14,569,300	\$ 15,273,500	\$ 15,911,317	\$ 16,868,511	\$ 17,749,848
Plan Fiduciary Net Position as a Percentage of Plan Total Pension Liability	94.9%	91.4%	87.3%	90.7%	91.7%

\*As of the Measurement Date of the Net Pension Liability.

\*\*'Covered payroll' and 'proportionate share of NPL as a percentage of covered payroll' figures are revised.

#### Schedule of Contributions

(dollars in thousands)

Fiscal Year Ended June 30	(a) Actuarially Determined Contribution*	(b) Contributions in Relation to Actuarially Determined Contribution*	(c) Contribution Deficiency (Excess) (a) - (b)	(d) Covered Payroll*	Contributions as a Percentage of Covered Payroll (b) : (d)
2015	\$ 81,757	\$ 81,757	\$ 0	\$ 722,235	11.32%
2016	84,555	84,555	0	746,952	11.32%
2017	90,555	90,555	0	799,956	11.32%
2018	90,161	90,161	0	796,476	11.32%
2019	94,206	94,206	0	832,204	11.32%

\*Contributions and covered payroll for 2017 and 2018 are revised based on updated information.

Schedules above intended to show information for 10 years. Information for additional years will be displayed as they become available.

# Required Supplementary Information

## For the Fiscal Year Ended June 30, 2019

## Judges' Retirement Fund

Schedule of Changes in Employer's Net Pension Liability						
(dollars in thousands)						
		2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost		\$ 3,251	\$ 3,111	\$ 3,179	\$ 2,963	\$ 3,178
Interest		6,590	6,889	7,056	7,329	7,502
Benefit Changes						
Economic/Demographic Gains (Losses)		285	(1,648)	266	(890)	(829)
Assumption Changes					489	3,456
Benefit Payments, Including Refunds		(5,577)	(5,975)	(6,173)	(6,692)	(7,168)
Net Change in Total Pension Liability		4,549	2,377	4,328	3,199	6,139
Total Pension Liability - Beginning		92,303	96,852	99,229	103,557	106,756
Total Pension Liability - Ending	(a)	96,852	99,229	103,557	106,756	112,895
Plan Net Position						
Contributions - Employer		3,596	3,371	3,947	4,279	4,689
Contributions - Employee		629	624	630	715	779
Net Investment Income		2,052	1,094	9,157	6,938	6,937
Other Income						13
Transfer In						
Benefit Payments, Including Refunds		(5,577)	(5,975)	(6,173)	(6,692)	(7,168)
Administrative Expense		(96)	(133)	(74)	(105)	(121)
Net Change in Plan Net Position		604	(1,019)	7,487	5,135	5,129
Plan Fiduciary Net Position - Beginning		75,864	76,468	75,449	82,936	88,071
Plan Fiduciary Net Position - Ending	(b)	76,468	75,449	82,936	88,071	93,200
Net Pension Liability - Ending	(a) - (b)	\$ 20,384	\$ 23,780	\$ 20,621	\$ 18,685	\$ 19,695
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		78.95%	76.04%	80.09%	82.50%	82.55%
Covered Payroll		\$ 6,149	\$ 6,097	\$ 6,162	\$ 6,178	\$ 6,732
Net Pension Liability as a Percentage of Covered Payroll		331.50%	390.03%	334.63%	302.44%	292.58%

Schedule intended to show information for 10 years. Information for additional years will be displayed as it becomes available.

# Required Supplementary Information

## For the Fiscal Year Ended June 30, 2019

Schedule of Employer Contributions						
(dollars in thousands)						
Fiscal Year Ended June 30	(a) Actuarially Determined Contribution	(b) Contributions in Relation to Actuarially Determined Contribution	(c) Contribution Deficiency (Excess) (a) - (b)	(d) Covered Payroll	Contributions as a Percentage of Covered Payroll (b) : (d)	
2009	\$ 4,156	\$ 2,007	\$ 2,149	\$ 5,960	33.67%	
2010	3,735	2,023	1,712	5,645	35.84%	
2011	3,286	2,028	1,258	5,700	35.58%	
2012	2,979	1,973	1,006	5,847	33.74%	
2013	2,939	2,662	277	5,868	45.36%	
2014	2,949	2,717	232	5,634	48.23%	
2015	3,493	3,595	(102)	6,149	58.46%	
2016	3,463	3,370	93	6,097	55.27%	
2017	3,604	3,947	(343)	6,162	64.05%	
2018	3,273	4,279	(1,006)	6,178	69.26%	
2019	3,307	4,689	(1,382)	6,732	69.65%	

Schedule of Investment Returns								
	2013	2014	2015	2016	2017	2018	2019	
Annual Money Weighted Rate of Return, Net of Investment Expense	8.8%	16.9%	2.7%	1.5%	12.4%	8.5%	8.0%	

Schedule intended to show information for 10 years. Information for additional years will be displayed as it becomes available.

### Note to the Judges' Retirement Fund Schedules:

Assumptions Used to Calculate Actuarially Determined Contributions	
Valuation Date	July 1, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll - Open
Amortization Period	11.4 Years
Actuarial Assumptions:	
Investment Rate of Return - Gross	7.00%
Projected Salary Increases, Including Inflation	3.75%
Post-retirement Cost of Living Allowance Increases	1.00% or 3.75%
Implied Price Inflation Rate	3.00%



**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2019**
**OTHER POSTEMPLOYMENT BENEFITS**

<b>Schedule of Changes in Employer's Total OPEB Liability</b> <b>Retiree Healthcare Plan</b> <i>(dollars in thousands)</i>		
	<b>2018</b>	<b>2019</b>
Proportionate Share of Total OPEB Liability		
Service Cost	\$ 1,264	\$ 1,292
Interest	1,166	1,142
Benefit Changes		
Economic/Demographic Gains (Losses)		(145)
Assumption Changes		(10,711)
Expected Benefit Payments	(2,842)	(3,012)
Net Change in Total OPEB Liability	(412)	(11,434)
Total OPEB Liability - Beginning	32,738	32,326
Effects of Change in Proportion		(226)
Adjusted Total OPEB Liability - Beginning	32,738	32,100
Total OPEB Liability - Ending	\$ 32,326	\$ 20,666
Covered-Employee Payroll	\$ 1,007,857	\$ 1,004,716
Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.21%	2.06%
State's Proportion of Total OPEB Liability	92.50%	91.85%

<b>Schedule of Changes in Employer's Total OPEB Liability</b> <b>Long-Term Disability Healthcare Plan</b> <i>(dollars in thousands)</i>		
	<b>2018</b>	<b>2019</b>
Proportionate Share of Total OPEB Liability		
Service Cost	\$ 199	\$ 203
Interest	101	65
Benefit Changes		
Economic/Demographic Gains (Losses)		774
Assumption Changes		(392)
Expected Benefit Payments	(1,515)	(1,042)
Net Change in Total OPEB Liability	(1,215)	(392)
Total OPEB Liability - Beginning	3,358	2,143
Effects of Change in Proportion		(15)
Adjusted Total OPEB Liability - Beginning	3,358	2,128
Total OPEB Liability - Ending	\$ 2,143	\$ 1,736
Covered-Employee Payroll	\$ 1,007,857	\$ 1,004,716
Total OPEB Liability as a Percentage of Covered-Employee Payroll	0.21%	0.17%
State's Proportion of Total OPEB Liability	92.50%	91.85%

Schedules above intended to show information for 10 years. Information for additional years will be displayed as it becomes available.



**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2019**

<b>Schedule of Changes in Employer's Total OPEB Liability</b> <b>Long-Term Disability Life Insurance Plan</b> <i>(dollars in thousands)</i>		
	<b>2018</b>	<b>2019</b>
Proportionate Share of Total OPEB Liability		
Service Cost		
Interest	\$ 99	\$ 84
Benefit Changes		
Economic/Demographic Gains (Losses)		(1)
Assumption Changes		(37)
Expected Benefit Payments	(561)	(468)
Net Change in Total OPEB Liability	(462)	(422)
Total OPEB Liability - Beginning	3,050	2,588
Effects of Change in Proportion		(19)
Adjusted Total OPEB Liability - Beginning	3,050	2,569
Total OPEB Liability - Ending	<u>\$ 2,588</u>	<u>\$ 2,147</u>
Covered-Employee Payroll	\$ 1,007,857	\$ 1,004,716
Total OPEB Liability as a Percentage of Covered-Employee Payroll	0.26%	0.21%
State's Proportion of Total OPEB Liability	92.50%	91.85%

<b>Schedule of Changes in Employer's Total OPEB Liability</b> <b>Long-Term Disability Income Plan</b> <i>(dollars in thousands)</i>		
	<b>2018</b>	<b>2019</b>
Proportionate Share of Total OPEB Liability		
Service Cost		
Interest	\$ 71	\$ 61
Benefit Changes		
Economic/Demographic Gains (Losses)		46
Assumption Changes		(22)
Expected Benefit Payments	(366)	(330)
Net Change in Total OPEB Liability	(295)	(245)
Total OPEB Liability - Beginning	2,168	1,873
Effects of Change in Proportion		(13)
Adjusted Total OPEB Liability - Beginning	2,168	1,860
Total OPEB Liability - Ending	<u>\$ 1,873</u>	<u>\$ 1,615</u>
Covered-Employee Payroll	\$ 1,007,857	\$ 1,004,716
Total OPEB Liability as a Percentage of Covered-Employee Payroll	0.19%	0.16%
State's Proportion of Total OPEB Liability	92.50%	91.85%

Schedules above intended to show information for 10 years. Information for additional years will be displayed as it becomes available.

# Required Supplementary Information

## For the Fiscal Year Ended June 30, 2019

Schedule of Changes in Employer's Total OPEB Liability		
Retiree Life Insurance Plan		
(dollars in thousands)		
	2018	2019
Total OPEB Liability		
Service Cost	\$ 2,097	\$ 2,113
Interest	2,114	2,178
Benefit Changes		
Economic/Demographic Gains (Losses)		(659)
Assumption Changes		(2,303)
Expected Benefit Payments	(1,136)	(1,210)
Net Change in Total OPEB Liability	3,075	119
Total OPEB Liability - Beginning	57,514	60,589
Effects of Change in Proportion		(1,278)
Adjusted Total OPEB Liability - Beginning	57,514	59,311
Total OPEB Liability - Ending	\$ 60,589	\$ 59,430
Covered-Employee Payroll	\$ 325,265	\$ 319,806
Total OPEB Liability as a Percentage of Covered-Employee Payroll	18.63%	18.58%
State's Proportion of Total OPEB Liability	100.00%	98.25%

Schedule above intended to show information for 10 years. Information for additional years will be displayed as it becomes available.

For the above OPEB plans, no assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4; these benefits are funded on a pay-as-you-go basis.

# Required Supplementary Information

## For the Fiscal Year Ended June 30, 2019

Schedule of Changes in Employer's Net OPEB Liability			
University of Idaho Plan			
(dollars in thousands)			
		2018	2019
<b>Total OPEB Liability</b>			
Service Cost		\$ 505	\$ 505
Interest		3,606	3,698
Benefit Changes			
Economic/Demographic Gains (Losses)			3,654
Assumption Changes			(8,338)
Benefit Payments, Including Refunds		(2,676)	(3,189)
Net Change in Total OPEB Liability		1,435	(3,670)
Total OPEB Liability - Beginning		66,885	68,320
Total OPEB Liability - Ending	(a)	68,320	64,650
<b>Plan Net Position</b>			
Contributions - Employer		2,961	3,895
Contributions - Employee			
Net Investment Income		3,528	(1,840)
Transfer In			
Benefit Payments, Including Refunds		(2,676)	(3,189)
Administrative Expense		(75)	(91)
Net Change in Plan Net Position		3,738	(1,225)
Plan Fiduciary Net Position - Beginning		31,247	34,984
Plan Fiduciary Net Position - Ending	(b)	34,984	33,759
Net OPEB Liability/(Asset) - Ending	(a) - (b)	\$ 33,336	\$ 30,891
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		51.21%	52.22%
Covered-Employee Payroll		\$ 159,935	\$ 165,468
Net OPEB Liability/(Asset) as a Percentage of Covered-Employee Payroll		20.84%	18.67%

Schedule above intended to show information for 10 years. Information for additional years will be displayed as it becomes available.

# Required Supplementary Information

## For the Fiscal Year Ended June 30, 2019

## Schedule of Employer Contributions

## University of Idaho Plan

(dollars in thousands)

Fiscal Year Ended June 30	(a) Actuarially Determined Contributions	(b) Contributions in Relation to Actuarially Determined Contributions <sup>1</sup>	(c) Contributions Deficiency (Excess) (a) - (b)	(d) Covered Payroll	Contributions as a Percentage of Covered Payroll (b) : (d)
2010	\$ 5,863	\$ 6,801	\$ (938)	\$ 124,584	5.46%
2011	5,250	5,618	(368)	121,834	4.61%
2012	4,806	5,201	(395)	123,237	4.22%
2013	3,723	4,404	(681)	123,592	3.56%
2014	3,368	3,178	190	132,777	2.39%
2015	3,177	3,233	(56)	140,728	2.30%
2016	2,711	2,751	(40)	150,995	1.82%
2017	3,321	3,157	164	152,999	2.06%
2018	3,537	3,592	(55)	157,589	2.28%
2019	3,451	N/A	N/A	162,317	N/A

<sup>1</sup> For the years ending June 30, 2010 through 2011, the amount of actual contributions in relation to the Actuarially Determined Contribution were estimated based on the percentage contributed as shown in the footnotes of the University's Financial Statements for the years ended June 30, 2014 and 2013 and Report of Independent Auditors

## Required Supplementary Information

### For the Fiscal Year Ended June 30, 2019

#### Sick Leave Insurance Reserve Fund

##### Schedule of Net OPEB Liability Proportionate Share\*

(dollars in thousands)

	2018	2019
Proportion of Net OPEB Liability (Asset)	89.01 %	88.40 %
Proportionate Share of Net OPEB Liability (Asset)	\$ (84,677)	\$ (101,454)
Covered-employee Payroll	\$ 977,312	\$ 980,674
Proportionate Share of Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	(8.66)%	(10.35)%
Plan Fiduciary Net Position	\$ 186,498	\$ 206,260
Plan Total OPEB Liability	\$ 91,368	\$ 91,490
Plan Fiduciary Net Position as a Percentage of Plan Total OPEB Liability	204.12 %	225.45 %

\*As of the Measurement Date of the Net OPEB Liability.

##### Schedule of Employer Contributions

(dollars in thousands)

Fiscal Year Ended June 30	(a) Actuarially Determined Contribution	(b) Contributions in Relation to Actuarially Determined Contribution	(c) Contribution Deficiency (Excess) (a) - (b)	(d) Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll (b) : (d)
2017	\$ 3,812	\$ 6,353	\$ (2,541)	\$ 977,312	0.65%
2018	3,727	6,374	(2,647)	980,674	0.65%
2019	3,875	6,628	(2,753)	1,019,651	0.65%

Schedules above intended to show information for 10 years. Information for additional years will be displayed as it becomes available.



# Combining Financial Statements



Priest Lake State Park



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**NONMAJOR GOVERNMENTAL FUNDS** include nonmajor special revenue funds. The following provides a brief description of the nonmajor governmental funds.

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**NONMAJOR SPECIAL REVENUE FUNDS** account for specific revenues that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

**The Agriculture and Natural Resources Fund** accounts for the financial position and operations associated with the maintenance, preservation, and regulation of the State's parks, water, air, and agricultural resources. The major sources of funding are dedicated user fees, taxes, and federal grants.

**The Regulatory Fund** accounts for the financial position and operations associated with various professional licensing and monitoring functions. The major sources of funding are taxes and license fees.

**The Fish and Game Fund** accounts for the financial position and operations associated with enforcing and administering the fish and game laws in Idaho and perpetuating and managing the State's wildlife resources. The major sources of funding are dedicated user fees and federal grants.

**The Federal Fund** accounts for a portion of the financial position and operations associated with federal grants received by the State. Some federal grants are included in other funds of the State.

**The Miscellaneous Fund** accounts for the financial position and operations associated with general government services. The major sources of funding are provided by the sale of goods and services, miscellaneous taxes and fees, and other revenues.

**The Building Authority** accounts for the financial position and operations associated with the construction and financing of facilities, such as office buildings and parking garages to be used by the State. The major sources of funding are the sale of goods and services and bonds issued. The Building Authority is a blended component unit.

**THE CAPITAL PROJECTS FUND** accounts for specific revenues that are restricted, committed, or assigned to finance construction of capital assets.

**The Transportation Infrastructure Fund** accounts for the financial position and operations associated with the construction and financing of roads, bridges, and rest areas. The major sources of funding are provided by federal highway funds and notes issued.



## Combining Balance Sheet

## Nonmajor Governmental Funds

June 30, 2019

(dollars in thousands)

	Special Revenue		
	Agriculture and Natural Resources	Regulatory	Fish and Game
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 6,489	\$ 1,168	\$ 4,546
Pooled Cash and Investments	110,631	80,577	26,652
Investments	21,506	22,773	12,735
Accounts Receivable, Net	6,024	3,562	1,476
Taxes Receivable, Net	4,566		
Interfund Receivables	5	28	15
Due from Other Entities	3,326		7,814
Inventories and Prepaid Items	3,016	589	9,786
Loans, Notes, and Pledges Receivable, Net	3,126		10
Other Assets	242	138	68
Restricted Assets:			
Cash and Cash Equivalents	10,464	1,031	6,526
Investments	118,323		40,955
<b>Total Assets</b>	<b>\$ 287,718</b>	<b>\$ 109,866</b>	<b>\$ 110,583</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 4,218	\$ 130	\$ 1,977
Payroll and Related Liabilities	2,388	1,249	2,050
Interfund Payables	26	39	75
Due to Other Entities	46		
Unearned Revenue	4,280	992	1
Amounts Held in Trust for Others	1,325	136	5
Other Accrued Liabilities	1,410	804	1,734
<b>Total Liabilities</b>	<b>13,693</b>	<b>3,350</b>	<b>5,842</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows	339	2,974	380
<b>Fund Balances</b>			
Nonspendable:			
Permanent Trusts			5,765
Inventories and Prepaid Items	3,016	589	9,786
Restricted	216,105	102,953	88,810
Committed	53,478		
Assigned	1,087		
<b>Total Fund Balances</b>	<b>273,686</b>	<b>103,542</b>	<b>104,361</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 287,718</b>	<b>\$ 109,866</b>	<b>\$ 110,583</b>

		Capital Projects		
Federal	Miscellaneous	Building Authority	Transportation Infrastructure	Total
		\$ 2,891		\$ 15,094
\$ 42	\$ 104,840		\$ 7	322,749
	22,989			80,003
362	14,246		1,232	26,902
	2,094			6,660
135	880			1,063
61,838				72,978
813	4,101			18,305
				3,136
18	1,029			1,495
15,239	845	70,735		104,840
				159,278
\$ 78,447	\$ 151,024	\$ 73,626	\$ 1,239	\$ 812,503
\$ 48,595	\$ 1,251	\$ 5,693	\$ 1,232	\$ 63,096
3,281	2,230			11,198
4,676	79			4,895
				46
1,570	115			6,958
				1,466
535	88			4,571
58,657	3,763	5,693	1,232	92,230
9,508	13,333			26,534
				5,765
813	4,101			18,305
9,469	79,214	67,933	7	564,491
	50,613			104,091
				1,087
10,282	133,928	67,933	7	693,739
\$ 78,447	\$ 151,024	\$ 73,626	\$ 1,239	\$ 812,503

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances****Nonmajor Governmental Funds****For the Fiscal Year Ended June 30, 2019***(dollars in thousands)*

	Special Revenue		
	Agriculture and Natural Resources	Regulatory	Fish and Game
<b>REVENUES</b>			
Sales Tax	\$ 4,800		
Individual and Corporate Taxes	20		
Other Taxes	41,030	\$ 95,187	
Licenses, Permits, and Fees	49,097	64,600	\$ 49,662
Sale of Goods and Services	4,970	1,953	2,894
Grants and Contributions	26,896	194	56,043
Investment Income	10,088	1,734	11,354
Other Income	6,016	1,317	843
<b>Total Revenues</b>	<b>142,917</b>	<b>164,985</b>	<b>120,796</b>
<b>EXPENDITURES</b>			
Current:			
General Government		3,948	
Public Safety and Correction		2,890	
Education			
Economic Development	49,563	61,692	100
Natural Resources	70,305	950	97,383
Capital Outlay	8,731	1,787	16,694
Intergovernmental Revenue Sharing	17,667		
Debt Service:			
Principal Retirement		5	2,303
Interest and Other Charges		1	312
<b>Total Expenditures</b>	<b>146,266</b>	<b>71,273</b>	<b>116,792</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(3,349)</b>	<b>93,712</b>	<b>4,004</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds and Notes Issued			9,654
Issuance of Refunding Bonds			
Premium on Bonds Issued			
Payment to Refunded Bond Escrow Agent			
Capital Lease Acquisitions		11	
Sale of Capital Assets	96	131	870
Transfers In	21,622	37	408
Transfers Out	(2,561)	(86,546)	(141)
<b>Total Other Financing Sources (Uses)</b>	<b>19,157</b>	<b>(86,367)</b>	<b>10,791</b>
<b>Net Changes in Fund Balances</b>	<b>15,808</b>	<b>7,345</b>	<b>14,795</b>
<b>Fund Balances - Beginning of Year, as Restated</b>	<b>257,878</b>	<b>96,197</b>	<b>89,566</b>
<b>Fund Balances - End of Year</b>	<b>\$ 273,686</b>	<b>\$ 103,542</b>	<b>\$ 104,361</b>

Capital Projects				
Federal	Miscellaneous	Building Authority	Transportation Infrastructure	Total
	\$ 1,579			\$ 6,379
				20
	32,926			169,143
\$ 3,230	26,710			193,299
99	17,974	\$ 14,447		42,337
488,025	872			572,030
581	7,660	2,247	\$ 3	33,667
171	12,945	403		21,695
492,106	100,666	17,097	3	1,038,570
78,124	7,288	425		89,785
8,143	59,423			70,456
243,719	5,267			248,986
71,028	25,247		221	207,851
4,556	7			173,201
49,347	6,142		6,430	163,650
42,539	15,557	74,519		75,763
16		6,498		8,822
1		15,168		15,482
497,473	118,931	96,610	6,651	1,053,996
(5,367)	(18,265)	(79,513)	(6,648)	(15,426)
		57,605	6,655	73,914
		(30,850)		(30,850)
		4,326		4,326
		(320)		(320)
	7			18
42	179			1,318
	26,438			48,505
(339)	(20)			(89,607)
(297)	26,604	30,761	6,655	7,304
(5,664)	8,339	(48,752)	7	(8,122)
15,946	125,589	116,685		701,861
\$ 10,282	\$ 133,928	\$ 67,933	\$ 7	\$ 693,739

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance****Budget and Actual****Nonmajor Governmental Funds****For the Fiscal Year Ended June 30, 2019***(dollars in thousands)*

	Special Revenue			
	Agricultural and Natural Resources			
	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
<b>REVENUES</b>				
Sales Tax	\$ 4,800	\$ 4,800	\$ 4,800	
Other Taxes	41,493	41,493	41,493	
Licenses, Permits, and Fees	49,910	49,910	49,910	
Sale of Goods and Services	5,008	5,008	5,008	
Grants and Contributions	25,751	25,751	25,751	
Investment Income	1,083	1,083	1,083	
Other Income	2,381	2,381	2,381	
<b>Total Revenues</b>	<u>\$ 130,426</u>	<u>\$ 130,426</u>	<u>130,426</u>	
<b>EXPENDITURES</b>				
General Government				
Public Safety and Correction				
Health and Human Services				
Education				
Economic Development	\$ 56,878	\$ 56,973	50,525	\$ 6,448
Natural Resources	134,924	134,963	96,267	38,696
<b>Total Expenditures</b>	<u>\$ 191,802</u>	<u>\$ 191,936</u>	<u>146,792</u>	<u>\$ 45,144</u>
<b>Revenues Over (Under) Expenditures</b>			<u>(16,366)</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds and Notes Issued				
Issuance of Refunding Bonds				
Premium on Bonds Issued				
Payment to Refunded Bond Escrow Agent				
Capital Lease Acquisitions				
Sale of Capital Assets			96	
Transfers In			21,622	
Transfers Out			(2,561)	
<b>Total Other Financing Sources (Uses)</b>			<u>19,157</u>	
<b>Revenues and Other Financing Sources Over (Under)</b>			<u>2,791</u>	
<b>Expenditures and Other Financing Uses</b>				
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			12,491	
Changes Affected by Accrued Expenditures			526	
<b>Fund Balances - Beginning of Year, as Restated</b>			<u>257,878</u>	
<b>Fund Balances - End of Year</b>			<u>\$ 273,686</u>	

*continued*

Special Revenue							
Regulatory				Fish and Game			
Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
\$ 100,617	\$ 100,617	\$ 100,617					
64,524	64,524	64,524		\$ 49,662	\$ 49,662	\$ 49,662	
1,736	1,736	1,736		2,894	2,894	2,894	
103	103	103		52,701	52,701	52,701	
158	158	158		270	270	270	
1,271	1,271	1,271		913	913	913	
<u>\$ 168,409</u>	<u>\$ 168,409</u>	<u>168,409</u>		<u>\$ 106,440</u>	<u>\$ 106,440</u>	<u>106,440</u>	
\$ 3,950	\$ 3,950	3,950					
3,522	3,525	3,046	\$ 479				
69,667	72,501	65,215	7,286	\$ 100	\$ 100	100	
1,592	1,592	961	631	128,214	131,836	116,360	\$ 15,476
<u>\$ 78,731</u>	<u>\$ 81,568</u>	<u>73,172</u>	<u>\$ 8,396</u>	<u>\$ 128,314</u>	<u>\$ 131,936</u>	<u>116,460</u>	<u>\$ 15,476</u>
		95,237				(10,020)	
						9,654	
		11					
		131				870	
		37				408	
		(86,546)				(141)	
		<u>(86,367)</u>				<u>10,791</u>	
		8,870				771	
		(3,424)				14,356	
		1,899				(332)	
		96,197				89,566	
		<u>\$ 103,542</u>				<u>\$ 104,361</u>	

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance****Budget and Actual****Nonmajor Governmental Funds****For the Fiscal Year Ended June 30, 2019***(dollars in thousands)*

	Special Revenue			
	Federal			
	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
<b>REVENUES</b>				
Sales Tax				
Other Taxes				
Licenses, Permits, and Fees	\$ 3,230	\$ 3,230	\$ 3,230	
Sale of Goods and Services	84	84	84	
Grants and Contributions	482,187	482,187	482,187	
Investment Income	349	349	349	
Other Income	181	181	181	
<b>Total Revenues</b>	<u>\$ 486,031</u>	<u>\$ 486,031</u>	<u>486,031</u>	
<b>EXPENDITURES</b>				
General Government	\$ 162,829	\$ 214,926	131,289	\$ 83,637
Public Safety and Correction	15,353	16,786	11,523	5,263
Health and Human Services				
Education	323,400	323,399	263,465	59,934
Economic Development	122,199	123,620	83,543	40,077
Natural Resources	19,759	19,759	8,870	10,889
<b>Total Expenditures</b>	<u>\$ 643,540</u>	<u>\$ 698,490</u>	<u>498,690</u>	<u>\$ 199,800</u>
<b>Revenues Over (Under) Expenditures</b>			<u>(12,659)</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds and Notes Issued				
Issuance of Refunding Bonds				
Premium on Bonds Issued				
Payment to Refunded Bond Escrow Agent				
Capital Lease Acquisitions				
Sale of Capital Assets			42	
Transfers In				
Transfers Out			(339)	
<b>Total Other Financing Sources (Uses)</b>			<u>(297)</u>	
<b>Revenues and Other Financing Sources Over (Under)</b>			<u>(12,956)</u>	
<b>Expenditures and Other Financing Uses</b>				
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			6,075	
Changes Affected by Accrued Expenditures			1,217	
<b>Fund Balances - Beginning of Year</b>			<u>15,946</u>	
<b>Fund Balances - End of Year</b>			<u>\$ 10,282</u>	

*continued***Special Revenue**

<b>Miscellaneous</b>				<b>Building Authority</b>			
<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget</b>
\$ 1,592	\$ 1,592	\$ 1,592					
30,571	30,571	30,571					
26,857	26,857	26,857					
13,330	13,330	13,330		\$ 14,447	\$ 14,447	\$ 14,447	
1,644	1,644	1,644					
5,568	5,568	5,568		2,247	2,247	2,247	
13,057	13,057	13,057		403	403	403	
<u>\$ 92,619</u>	<u>\$ 92,619</u>	<u>92,619</u>		<u>\$ 17,097</u>	<u>\$ 17,097</u>	<u>17,097</u>	
\$ 16,244	\$ 16,244	12,795	\$ 3,449	\$ 96,610	\$ 96,610	96,610	
75,728	75,926	70,157	5,769				
7,113	7,113	5,206	1,907				
43,609	44,462	32,160	12,302				
37	37	7	30				
<u>\$ 142,731</u>	<u>\$ 143,782</u>	<u>120,325</u>	<u>\$ 23,457</u>	<u>\$ 96,610</u>	<u>\$ 96,610</u>	<u>96,610</u>	
		(27,706)				(79,513)	
						57,605	
						(30,850)	
						4,326	
						(320)	
		7					
		179					
		26,438					
		(20)					
		<u>26,604</u>				<u>30,761</u>	
		(1,102)				(48,752)	
		8,047					
		1,394					
		125,589				116,685	
		<u>\$ 133,928</u>				<u>\$ 67,933</u>	



## Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance

## Budget and Actual

## Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

	Capital Projects			
	Transportation Infrastructure			
	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
<b>REVENUES</b>				
Sales Tax				
Other Taxes				
Licenses, Permits, and Fees				
Sale of Goods and Services				
Grants and Contributions				
Investment Income				
Other Income				
<b>Total Revenues</b>				
<b>EXPENDITURES</b>				
General Government				
Public Safety and Correction				
Health and Human Services				
Education				
Economic Development	\$ 6,645	\$ 6,645	\$ 6,645	
Natural Resources				
<b>Total Expenditures</b>	\$ 6,645	\$ 6,645	6,645	
<b>Revenues Over (Under) Expenditures</b>			(6,645)	
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds and Notes Issued			6,655	
Issuance of Refunding Bonds				
Premium on Bonds Issued				
Payment to Refunded Bond Escrow Agent				
Capital Lease Acquisitions				
Sale of Capital Assets				
Transfers In				
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>			6,655	
<b>Revenues and Other Financing Sources Over (Under)</b>			10	
<b>Expenditures and Other Financing Uses</b>				
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			3	
Changes Affected by Accrued Expenditures			(6)	
<b>Fund Balances - Beginning of Year</b>				
<b>Fund Balances - End of Year</b>			\$ 7	

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*continued*

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Total			
Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
\$ 6,392	\$ 6,392	\$ 6,392	
172,681	172,681	172,681	
194,183	194,183	194,183	
37,499	37,499	37,499	
562,386	562,386	562,386	
9,675	9,675	9,675	
18,206	18,206	18,206	
<u>\$ 1,001,022</u>	<u>\$ 1,001,022</u>	<u>1,001,022</u>	
\$ 279,633	\$ 331,730	244,644	\$ 87,086
94,603	96,237	84,726	11,511
330,513	330,512	268,671	61,841
299,098	304,301	238,188	66,113
284,526	288,187	222,465	65,722
<u>\$ 1,288,373</u>	<u>\$ 1,350,967</u>	<u>1,058,694</u>	<u>\$ 292,273</u>
		(57,672)	
		73,914	
		(30,850)	
		4,326	
		(320)	
		18	
		1,318	
		48,505	
		(89,607)	
		<u>7,304</u>	
		(50,368)	
		37,548	
		4,698	
		<u>701,861</u>	
		<u>\$ 693,739</u>	

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**Major Permanent Fund**  
**For the Fiscal Year Ended June 30, 2019**  
*(dollars in thousands)*

	Land Endowments			
	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
<b>REVENUES</b>				
Sale of Goods and Services	\$ 72,053	\$ 72,053	\$ 72,053	
Investment Income	170,126	170,126	170,126	
<b>Total Revenues</b>	<u>\$ 242,179</u>	<u>\$ 242,179</u>	<u>242,179</u>	
<b>EXPENDITURES</b>				
Natural Resources	\$ 86,289	\$ 86,289	82,340	\$ 3,949
<b>Total Expenditures</b>	<u>\$ 86,289</u>	<u>\$ 86,289</u>	<u>82,340</u>	<u>\$ 3,949</u>
<b>Revenues Over (Under) Expenditures</b>			<u>159,839</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets			29,006	
Transfers In				
Transfers Out			(78,456)	
<b>Total Other Financing Sources (Uses)</b>			<u>(49,450)</u>	
<b>Revenues and Other Financing Sources Over (Under)</b>			<u>110,389</u>	
<b>Expenditures and Other Financing Uses</b>				
<b>Reconciling Items</b>				
Changes Affected by Accrued Revenues			784	
Changes Affected by Accrued Expenditures			1,058	
<b>Fund Balances - Beginning of Year, as Restated</b>			<u>2,321,232</u>	
<b>Fund Balances - End of Year</b>			<u>\$ 2,433,463</u>	

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**NONMAJOR ENTERPRISE FUNDS** account for those funds that provide goods or services to the general public and finance their operations primarily through user charges. The following provide brief descriptions of the nonmajor enterprise funds.

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**The State Lottery Fund** accounts for the financial position and operations associated with lottery games. Established by the Legislature in 1988, the State Lottery's purpose is to adopt rules and regulations governing the establishment and operation of lottery games, to oversee lottery operations, and to maximize the net income of the lottery for the benefit of the State. Annually, on July 1, the State Lottery's surplus net income is distributed as follows: 3/8 of its net income to the permanent building account, 3/8 of its net income to the school district building account, and 1/4 of its net income to the bond levy equalization fund as dictated by Idaho Code Section 67-7434.

**The State Liquor Fund** accounts for the financial position and operations associated with the distribution, sale, and consumption of alcoholic beverages. Per Idaho Code Section 23-404, after deducting administrative and operating costs for the Liquor Division, distributions are made to cities, counties, the General Fund, and various other funds of the State.

**The Correctional Industries Fund** accounts for the financial position and operations associated with employment for inmates of the Department of Correction. Correctional Industries manufactures and sells a variety of items including license plates, furniture, highway signs, printing services, and other products and services.

## Combining Statement of Net Position

## Nonmajor Enterprise Funds

June 30, 2019

(dollars in thousands)

	State Lottery	State Liquor	Correctional Industries	Total
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 3,055			\$ 3,055
Pooled Cash and Investments		\$ 25,635	\$ 8,470	34,105
Accounts Receivable, Net	2,034		707	2,741
Interfund Receivables			183	183
Inventories and Prepaid Items	207	17,050	1,212	18,469
Other Current Assets		206	4	210
<b>Total Current Assets</b>	<b>5,296</b>	<b>42,891</b>	<b>10,576</b>	<b>58,763</b>
<b>Noncurrent Assets</b>				
Restricted Cash and Cash Equivalents	61,972			61,972
Other Noncurrent Assets	230	760	137	1,127
Capital Assets, Net	383	8,775	3,113	12,271
<b>Total Noncurrent Assets</b>	<b>62,585</b>	<b>9,535</b>	<b>3,250</b>	<b>75,370</b>
<b>Total Assets</b>	<b>67,881</b>	<b>52,426</b>	<b>13,826</b>	<b>134,133</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows	447	1,587	319	2,353
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 68,328</b>	<b>\$ 54,013</b>	<b>\$ 14,145</b>	<b>\$ 136,486</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 1,415	\$ 11,641	\$ 136	\$ 13,192
Payroll and Related Liabilities	130	452	93	675
Interfund Payables		8,566	446	9,012
Due to Other Entities		9,380		9,380
Unearned Revenue			207	207
Other Accrued Liabilities	4,229	1		4,230
Compensated Absences Payable	152	564	104	820
Bonds, Notes, and Capital Leases Payable	51		19	70
<b>Total Current Liabilities</b>	<b>5,977</b>	<b>30,604</b>	<b>1,005</b>	<b>37,586</b>
<b>Noncurrent Liabilities</b>				
Bonds, Notes, and Capital Leases Payable	33		87	120
Other Long-Term Obligations	1,079	3,637	641	5,357
<b>Total Noncurrent Liabilities</b>	<b>1,112</b>	<b>3,637</b>	<b>728</b>	<b>5,477</b>
<b>Total Liabilities</b>	<b>7,089</b>	<b>34,241</b>	<b>1,733</b>	<b>43,063</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows	215	903	252	1,370
<b>NET POSITION</b>				
Net Investment in Capital Assets	299	8,775	3,007	12,081
Restricted for:				
Other Purposes	60,725	10,094	9,153	79,972
<b>Total Net Position</b>	<b>61,024</b>	<b>18,869</b>	<b>12,160</b>	<b>92,053</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 68,328</b>	<b>\$ 54,013</b>	<b>\$ 14,145</b>	<b>\$ 136,486</b>

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position****Nonmajor Enterprise Funds****For the Fiscal Year Ended June 30, 2019***(dollars in thousands)*

	State Lottery	State Liquor	Correctional Industries	Total
<b>OPERATING REVENUES</b>				
Licenses, Permits, and Fees		\$ 3		\$ 3
Sale of Goods and Services	\$ 288,555	225,608	\$ 12,556	526,719
Other Income	35	361	311	707
<b>Total Operating Revenues</b>	<b>288,590</b>	<b>225,972</b>	<b>12,867</b>	<b>527,429</b>
<b>OPERATING EXPENSES</b>				
Personnel Costs	2,943	12,617	2,228	17,788
Services and Supplies	34,834	124,396	6,760	165,990
Benefits, Awards, and Premiums	190,047			190,047
Depreciation	150	737	332	1,219
Other Expenses	373	6,520	2,823	9,716
<b>Total Operating Expenses</b>	<b>228,347</b>	<b>144,270</b>	<b>12,143</b>	<b>384,760</b>
<b>Operating Income (Loss)</b>	<b>60,243</b>	<b>81,702</b>	<b>724</b>	<b>142,669</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Income	7	683	253	943
Interest Expense	(5)		(2)	(7)
Intergovernmental Distributions		(40,480)		(40,480)
Gain (Loss) on Sale of Capital Assets	20	(5)		15
Other Nonoperating Revenues (Expenses)		(1)		(1)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>22</b>	<b>(39,803)</b>	<b>251</b>	<b>(39,530)</b>
<b>Income (Loss) Before Transfers</b>	<b>60,265</b>	<b>41,899</b>	<b>975</b>	<b>103,139</b>
Transfers Out	(53,500)	(40,488)		(93,988)
<b>Change in Net Position</b>	<b>6,765</b>	<b>1,411</b>	<b>975</b>	<b>9,151</b>
<b>Total Net Position - Beginning of Year, as Restated</b>	<b>54,259</b>	<b>17,458</b>	<b>11,185</b>	<b>82,902</b>
<b>Total Net Position - End of Year</b>	<b>\$ 61,024</b>	<b>\$ 18,869</b>	<b>\$ 12,160</b>	<b>\$ 92,053</b>

## Combining Statement of Cash Flows

## Nonmajor Enterprise Funds

## For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

	State Lottery	State Liquor	Correctional Industries	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$ 288,477	\$ 225,354	\$ 7,961	\$ 521,792
Receipts from Interfund Services		1	4,773	4,774
Payments to Employees	(3,259)	(12,256)	(2,307)	(17,822)
Payments to Suppliers	(35,380)	(129,568)	(9,059)	(174,007)
Payments for Interfund Services		(550)	(217)	(767)
Payments for Benefits, Awards, and Claims	(189,528)			(189,528)
Other Receipts		26	23	49
Other Payments		(54)	(10)	(64)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>60,310</b>	<b>82,953</b>	<b>1,164</b>	<b>144,427</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Intergovernmental Distributions		(39,005)		(39,005)
Transfers Out	(53,500)	(39,085)		(92,585)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(53,500)</b>	<b>(78,090)</b>		<b>(131,590)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING</b>				
Proceeds from Bonds and Notes				
Principal Payments	(43)		(2)	(45)
Interest Payments	(5)		(2)	(7)
Proceeds from Disposition of Capital Assets	20			20
Acquisition and Construction of Capital Assets	(87)	(420)	(761)	(1,268)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(115)</b>	<b>(420)</b>	<b>(765)</b>	<b>(1,300)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Receipt of Interest and Dividends	7	698	246	951
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>7</b>	<b>698</b>	<b>246</b>	<b>951</b>
<b>Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash</b>	<b>6,702</b>	<b>5,141</b>	<b>645</b>	<b>12,488</b>
<b>Beginning Cash, Cash Equivalents, and Pooled Cash</b>	<b>58,325</b>	<b>20,494</b>	<b>7,825</b>	<b>86,644</b>
<b>Ending Cash, Cash Equivalents, and Pooled Cash</b>	<b>\$ 65,027</b>	<b>\$ 25,635</b>	<b>\$ 8,470</b>	<b>\$ 99,132</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ 60,243	\$ 81,702	\$ 724	\$ 142,669
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by				
Depreciation and Amortization	150	737	332	1,219
Net Changes in Assets and Liabilities:				
Accounts Receivable/Interfund Receivables	(111)	91	(101)	(121)
Inventories and Prepaid Items		192	152	344
Other Assets	(118)	(186)	(122)	(426)
Accounts Payable/Interfund Payables	463	551	178	1,192
Unearned Revenue			(57)	(57)
Compensated Absences		26	21	47
Other Accrued Liabilities	(258)	(416)	10	(664)
Net Changes in Deferred Outflows/Inflows of Resources	(59)	256	27	224
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 60,310</b>	<b>\$ 82,953</b>	<b>\$ 1,164</b>	<b>\$ 144,427</b>
<b>Noncash Transactions (dollars in thousands):</b>				

State Liquor recorded an interfund payable of \$1,409 due on July 1, 2019. Disposal of capital assets at a loss of \$6 in State Liquor. Restated net position by \$633 for State Liquor and by \$121 for Correctional Industries due to a correction to the allocation of the proportionate share of the State Sick Leave Reserve Fund asset.

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**INTERNAL SERVICE FUNDS** account for those funds which provide goods or services to state agencies and governmental units on a cost-reimbursement basis. The following provide brief descriptions of operations included in the internal service funds.

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**The Group Insurance Fund**, created by Idaho Code Section 67-5771, accounts for health insurance for all state employees and optional coverage for dependents and retirees. The fund also provides life insurance and short and long-term disability coverage.

**The Risk Management Fund**, created by Idaho Code Section 67-5776, accounts for insurance coverage and loss prevention to all state agencies. Coverage is provided using a combination of self-insurance and insurance purchased from commercial carriers.

**The General Services Fund**, created by Idaho Code Sections 67-5703, 67-5744, and 67-3516, accounts for statewide auditing, human resources, treasury, surplus property redistribution and sale, copying, purchasing, mail, and voice and data communication services.

**The Data Processing Services Fund**, created by Idaho Code Section 67-1021, accounts for data processing services provided by the Office of the State Controller to the various state agencies.



## Combining Statement of Net Position

## Internal Service Funds

June 30, 2019

(dollars in thousands)

	Group Insurance	Risk Management	General Services	Data Processing Services	Total
<b>ASSETS</b>					
<b>Current Assets</b>					
Pooled Cash and Investments	\$ 47,703	\$ 1,974	\$ 19,562	\$ 3,542	\$ 72,781
Accounts Receivable, Net			470		470
Interfund Receivables	27		348	122	497
Inventories and Prepaid Items		101	2,262	1,895	4,258
Other Current Assets	229	39	10	2	280
<b>Total Current Assets</b>	<b>47,959</b>	<b>2,114</b>	<b>22,652</b>	<b>5,561</b>	<b>78,286</b>
<b>Noncurrent Assets</b>					
Restricted Cash and Cash Equivalents	32,248				32,248
Investments	42,625	8,392			51,017
Other Noncurrent Assets	35	43	803	332	1,213
Capital Assets, Net	5	7	13,041	542	13,595
<b>Total Noncurrent Assets</b>	<b>74,913</b>	<b>8,442</b>	<b>13,844</b>	<b>874</b>	<b>98,073</b>
<b>Total Assets</b>	<b>122,872</b>	<b>10,556</b>	<b>36,496</b>	<b>6,435</b>	<b>176,359</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Outflows	71	77	1,594	692	2,434
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 122,943</b>	<b>\$ 10,633</b>	<b>\$ 38,090</b>	<b>\$ 7,127</b>	<b>\$ 178,793</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable		\$ 1	\$ 1,186		\$ 1,187
Payroll and Related Liabilities	\$ 17	22	534	\$ 161	734
Unearned Revenue	15,888			643	16,531
Other Accrued Liabilities	3		72		75
Compensated Absences Payable	29	31	650	222	932
Bonds, Notes, and Capital Leases Payable			353		353
Policy Claim Liabilities	4,995	3,759			8,754
<b>Total Current Liabilities</b>	<b>20,932</b>	<b>3,813</b>	<b>2,795</b>	<b>1,026</b>	<b>28,566</b>
<b>Noncurrent Liabilities</b>					
Bonds, Notes, and Capital Leases Payable			1,041		1,041
Policy Claim Liabilities		10,628			10,628
Other Long-Term Obligations	171	162	3,256	1,566	5,155
<b>Total Noncurrent Liabilities</b>	<b>171</b>	<b>10,790</b>	<b>4,297</b>	<b>1,566</b>	<b>16,824</b>
<b>Total Liabilities</b>	<b>21,103</b>	<b>14,603</b>	<b>7,092</b>	<b>2,592</b>	<b>45,390</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows	36	40	848	457	1,381
<b>NET POSITION</b>					
Net Investment in Capital Assets	6	7	11,648	542	12,203
Restricted for:					
Claims and Judgments	32,248				32,248
Other Purposes	69,550	(4,017)	4,495	3,536	73,564
Unrestricted			14,007		14,007
<b>Total Net Position</b>	<b>101,804</b>	<b>(4,010)</b>	<b>30,150</b>	<b>4,078</b>	<b>132,022</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 122,943</b>	<b>\$ 10,633</b>	<b>\$ 38,090</b>	<b>\$ 7,127</b>	<b>\$ 178,793</b>

## Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

## Internal Service Funds

For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

	Group Insurance	Risk Management	General Services	Data Processing Services	Total
<b>OPERATING REVENUES</b>					
Sale of Goods and Services	\$ 289,452	\$ 10,091	\$ 43,040	\$ 7,336	\$ 349,919
Grants and Contributions			224		224
Other Income	(91)	23	(115)	25	(158)
<b>Total Operating Revenues</b>	<b>289,361</b>	<b>10,114</b>	<b>43,149</b>	<b>7,361</b>	<b>349,985</b>
<b>OPERATING EXPENSES</b>					
Personnel Costs	458	587	11,439	4,352	16,836
Services and Supplies	351	3,860	26,818	2,748	33,777
Benefits, Awards, and Premiums	290,352	7,800			298,152
Depreciation	1	1	1,038	316	1,356
Other Expenses	(427)	138	6,025	11	5,747
<b>Total Operating Expenses</b>	<b>290,735</b>	<b>12,386</b>	<b>45,320</b>	<b>7,427</b>	<b>355,868</b>
<b>Operating Income (Loss)</b>	<b>(1,374)</b>	<b>(2,272)</b>	<b>(2,171)</b>	<b>(66)</b>	<b>(5,883)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	7,472	526	578	107	8,683
Interest Expense			(115)		(115)
Gain (Loss) on Sale of Capital Assets			161		161
Other Nonoperating Revenues (Expenses)			15		15
<b>Total Nonoperating Revenues (Expenses)</b>	<b>7,472</b>	<b>526</b>	<b>639</b>	<b>107</b>	<b>8,744</b>
<b>Income (Loss) Before Transfers</b>	<b>6,098</b>	<b>(1,746)</b>	<b>(1,532)</b>	<b>41</b>	<b>2,861</b>
Transfers In			1,828		1,828
Transfers Out	(13,139)		(3,974)		(17,113)
<b>Change in Net Position</b>	<b>(7,041)</b>	<b>(1,746)</b>	<b>(3,678)</b>	<b>41</b>	<b>(12,424)</b>
<b>Total Net Position - Beginning of Year, as Restated</b>	<b>108,845</b>	<b>(2,264)</b>	<b>33,828</b>	<b>4,037</b>	<b>144,446</b>
<b>Total Net Position - End of Year</b>	<b>\$ 101,804</b>	<b>\$ (4,010)</b>	<b>\$ 30,150</b>	<b>\$ 4,078</b>	<b>\$ 132,022</b>

## Combining Statement of Cash Flows

## Internal Service Funds

For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

	Group Insurance	Risk Management	General Services	Data Processing Services	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers	\$ 21,457	\$ 269	\$ 14,278	\$ 1	\$ 36,005
Receipts from Interfund Services	265,157	9,858	29,400	7,906	312,321
Receipts from Grants and Contributions			224		224
Payments to Employees	(464)	(592)	(11,485)	(4,533)	(17,074)
Payments to Suppliers	(422)	(3,891)	(29,984)	(2,457)	(36,754)
Payments for Interfund Services	(61)	(168)	(2,394)	(71)	(2,694)
Payments for Benefits, Awards, and Claims	(287,730)	(6,253)			(293,983)
Other Receipts	466	21			487
Other Payments	(96)	(2)	(60)	(5)	(163)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(1,693)</b>	<b>(758)</b>	<b>(21)</b>	<b>841</b>	<b>(1,631)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers In			1,828		1,828
Transfers Out	(13,139)		(3,974)		(17,113)
Interest Payments			(20)		(20)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(13,139)</b>		<b>(2,166)</b>		<b>(15,305)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal Payments			(320)		(320)
Interest Payments			(113)		(113)
Proceeds from Disposition of Capital Assets			171		171
Acquisition and Construction of Capital Assets			7,166	(219)	6,947
<b>Net Cash Provided (Used) by Capital and Related Financing</b>	<b>0</b>	<b>0</b>	<b>6,904</b>	<b>(219)</b>	<b>6,685</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Receipt of Interest and Dividends	6,618	345	575	110	7,648
Purchase of Investments	(954)	(190)			(1,144)
Redemption of Investments	245				245
Other Investing Activities			(8)		(8)
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>5,909</b>	<b>155</b>	<b>567</b>	<b>110</b>	<b>6,741</b>
<b>Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash</b>	<b>(8,923)</b>	<b>(603)</b>	<b>5,284</b>	<b>732</b>	<b>(3,510)</b>
<b>Beginning Cash, Cash Equivalents, and Pooled Cash</b>	<b>88,874</b>	<b>2,577</b>	<b>14,278</b>	<b>2,810</b>	<b>108,539</b>
<b>Ending Cash, Cash Equivalents, and Pooled Cash</b>	<b>\$ 79,951</b>	<b>\$ 1,974</b>	<b>\$ 19,562</b>	<b>\$ 3,542</b>	<b>\$ 105,029</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>					
Operating Income (Loss)	\$ (1,374)	\$ (2,272)	\$ (2,171)	\$ (66)	\$ (5,883)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided</b>					
Depreciation and Amortization	1	1	1,038	316	1,356
<b>Net Changes in Assets and Liabilities:</b>					
Accounts Receivable/Interfund Receivables	91	11	708	231	1,041
Inventories and Prepaid Items		(41)	358	(304)	13
Other Assets	28	(8)	(198)	(42)	(220)
Accounts Payable/Interfund Payables	(93)	1	70	530	508
Unearned Revenue	(2,934)			316	(2,618)
Compensated Absences		4	83	(21)	66
Policy Claim Liabilities	2,622	1,547			4,169
Other Accrued Liabilities	(34)	(1)	91	(119)	(63)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (1,693)</b>	<b>\$ (758)</b>	<b>\$ (21)</b>	<b>\$ 841</b>	<b>\$ (1,631)</b>
<b>Noncash Transactions (dollars in thousands):</b>					

Investments increased in fair value by \$942 for Group Insurance and by \$184 for Risk Management. Restated net position by \$28 for Group Insurance, \$35 for Risk Management, \$584 for General Services, and \$291 for Data Processing due to a correction to the allocation of the proportionate share of the State Sick Leave Reserve Fund asset. Restated net position by \$7,575 for General Services due to a correction in capital assets.

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**FIDUCIARY FUNDS** report assets held in a trustee or agency capacity for others and therefore cannot be used to support the State's own programs. The following provide brief descriptions of the State's fiduciary funds.

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**PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS** account for resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, deferred compensation plans, and other postemployment benefit plans. The State's pension trust funds include the following:

**The PERSI Base Plan and the Firefighters' Retirement Fund** are cost-sharing, multiple employer defined benefit retirement plans that provide benefits based on member's years of service, age, and highest average salary. In addition, benefits are provided for disability, for death, and to eligible members' beneficiaries.

**The Judges' Retirement Fund** is a single-employer defined benefit plan that provides retirement benefits to retired justices, judges, and eligible administrative directors. The Fund also provides allowances to surviving spouses.

**The Deferred Compensation Plan** is an IRS Section 457(b) tax-advantaged trust fund that accounts for the resources contributed by individuals to fund their retirement.

**The 414(k) Plan and the 401(k) Plan** are defined contribution retirement plans that consist of gain sharing allocations, voluntary employee contributions, rollover contributions, and some employer matching contributions.

**The Sick Leave Insurance Reserve-State Fund and the Sick Leave Insurance Reserve-Schools Fund** provide payment of health insurance premiums on behalf of retired employees based on accumulated unused sick leave at the time of retirement.

**The University of Idaho Retiree Benefit Trust Fund** provides medical and dental benefits to eligible University of Idaho retirees, disabled employees, spouses, and survivors. Employees hired prior to January 1, 2002, are eligible to participate in this plan.

**The University of Idaho Health Benefit Trust Fund** provides medical, mental health, dental, and vision benefits to active and retired University of Idaho employees.

**INVESTMENT TRUST FUNDS** account for assets invested by the State on behalf of other governmental entities. The following provide brief descriptions of the State's investment trust funds:

**The Local Government Investment Pool** is an external investment pool sponsored by the State Treasurer's Office for Local Government Investment Pool participants. The purpose of the Pool is to provide a safe liquid vehicle for investing monies not needed to meet immediate operating obligations and to obtain the best interest rate available at the time of investment.

**The Diversified Bond Fund** is an external investment pool sponsored by the State Treasurer's Office for Diversified Bond Fund participants. The purpose of the Fund is to provide an investment vehicle with a reasonable level of current income and potential capital appreciation as measured on a long-term basis.

**AGENCY FUNDS** account for resources held by the State in a purely custodial capacity. The following provides a brief description of the State's agency fund:

**The Custodial Fund** accounts for residual idle cash and investments held by the State on behalf of other governmental entities and administered by the State Treasurer's Office. The fund also accounts for the receipts and disbursements of monies collected by the State and distributed to entities or individuals. This includes deposits of securities by banks and insurance companies doing business in the State.

**Combining Statement of Fiduciary Net Position**  
**Pension and Other Employee Benefit Trust Funds**  
**June 30, 2019**  
*(dollars in thousands)*

	<b>PERSI Base Plan</b>	<b>Firefighters' Retirement</b>	<b>Judges' Retirement</b>	<b>Deferred Compensation 457(b)</b>	<b>Defined Contribution 414 (k)</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,391	\$ 34			\$ 62
Pooled Cash and Investments	8,430	204	\$ 546		
Investments:					
Pooled Short Term	308,644	7,474	1,665		
Fixed Income Investments	3,902,261	94,500	21,045	\$ 216,578	
Marketable Securities	10,438,791	252,794	56,298		
Mutual Funds and Private Equities	1,005,801	24,357	5,424	246,758	58,249
Mortgages and Real Estate	1,552,483	37,596	8,373		
Other Investments				1,963	
Receivables:					
Investments Sold	104,741	2,568	565	3,169	
Contributions	8,722	62		205	11
Interest and Dividends	61,464	1,507	332		147
Interfund Receivables	11				
Other Receivables					
Other Assets	75,996				
Capital Assets, Net	10,018				
<b>Total Assets</b>	<b>17,478,753</b>	<b>421,096</b>	<b>94,248</b>	<b>468,673</b>	<b>58,469</b>
<b>LIABILITIES</b>					
Accounts Payable	438	11			
Interfund Payables	2,052	50			1
Unearned Revenue					
Investments Purchased	182,322	4,414	984		
Policy Claim Liabilities					
Other Accrued Liabilities	12,508	295	65		8
<b>Total Liabilities</b>	<b>197,320</b>	<b>4,770</b>	<b>1,049</b>	<b>0</b>	<b>9</b>
<b>NET POSITION</b>					
Held in Trust for:					
Net Position Restricted for Pensions	17,281,433	416,326	93,199	468,673	58,460
Net Position Restricted for OPEB					
Trust Beneficiaries					
<b>Total Net Position</b>	<b>\$ 17,281,433</b>	<b>\$ 416,326</b>	<b>\$ 93,199</b>	<b>\$ 468,673</b>	<b>\$ 58,460</b>

Defined Contribution 401 (k)	Sick Leave Insurance Reserve-State	Sick Leave Insurance Reserve-Schools	U of I Retiree Benefits Trust	U of I Health Benefits Trust	Total
\$ 861			\$ 1,190	\$ 144	\$ 3,682
	\$ 29	\$ 45			9,254
1,762			26,314		345,859
	73,398	99,607	3,581	5,183	4,416,153
	150,784	242,490			11,141,157
978,604			2,673		2,321,866
					1,598,452
					1,963
					111,043
1,645					10,645
2,780			2	37	66,269
	615	1,487			2,113
	379	883			77,258
					10,018
985,652	225,205	344,512	33,760	5,364	20,115,732
				596	1,045
10					2,113
					187,720
				2,443	2,443
276	19	29			13,200
286	19	29		3,039	206,521
985,366					19,303,457
	225,186	344,483	33,760		603,429
				2,325	2,325
\$ 985,366	\$ 225,186	\$ 344,483	\$ 33,760	\$ 2,325	\$ 19,909,211

## Combining Statement of Changes in Fiduciary Net Position

## Pension and Other Employee Benefit Trust Funds

For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

	PERSI Base Plan	Firefighters' Retirement	Judges' Retirement	Deferred Compensation 457(b)	Define Contribution 414(k)
<b>ADDITIONS</b>					
<b>Contributions:</b>					
Member	\$ 257,061	\$ 5	\$ 779	\$ 18,324	
Employer	390,081	8,248	4,689		
Transfers In from Other Plans				7,212	
<b>Total Contributions</b>	<b>647,142</b>	<b>8,253</b>	<b>5,468</b>	<b>25,536</b>	
<b>Investment Income:</b>					
Net Increase (Decrease) in Fair Value of Investments	1,009,441	24,806	5,357	(16,312)	\$ 4,308
Interest, Dividends, and Other	342,388	8,414	1,846	8,357	129
Less Investment Expense:					
Investment Activity Expense	(49,259)	(1,210)	(266)		(11)
<b>Net Investment Income</b>	<b>1,302,570</b>	<b>32,010</b>	<b>6,937</b>	<b>(7,955)</b>	<b>4,426</b>
Miscellaneous Income	330		13		
<b>Total Additions</b>	<b>1,950,042</b>	<b>40,263</b>	<b>12,418</b>	<b>17,581</b>	<b>4,426</b>
<b>DEDUCTIONS</b>					
Benefits and Refunds Paid to Plan Members	975,232	18,931	7,169		3,839
Administrative Expense	9,277	55	121	302	344
Participant Withdrawals				24,398	
<b>Total Deductions</b>	<b>984,509</b>	<b>18,986</b>	<b>7,290</b>	<b>24,700</b>	<b>4,183</b>
<b>Change in Net Position Held in Trust for:</b>					
Employee Pension Benefits	965,533	21,277	5,128	(7,119)	243
Employee Postemployment Healthcare Benefits					
Trust Beneficiaries					
<b>Net Position - Beginning of Year</b>	<b>16,315,900</b>	<b>395,049</b>	<b>88,071</b>	<b>475,792</b>	<b>58,217</b>
<b>Net Position - End of Year</b>	<b>\$ 17,281,433</b>	<b>\$ 416,326</b>	<b>\$ 93,199</b>	<b>\$ 468,673</b>	<b>\$ 58,460</b>

Defined Contribution 401 (k)	Sick Leave Insurance Reserve-State	Sick Leave Insurance Reserve-Schools	U of I Retiree Benefits Trust	U of I Health Benefits Trust	Total
\$ 59,427				\$ 5,649	\$ 341,245
6,517	\$ 7,498	\$ 16,433	\$ 615	23,902	457,983
13,949					21,161
79,893	7,498	16,433	615	29,551	820,389
54,408	16,172	24,824	(1,734)	99	1,121,369
18,039					379,173
(2,218)	(88)	(135)			(53,187)
70,229	16,084	24,689	(1,734)	99	1,447,355
	2	3			348
150,122	23,584	41,125	(1,119)	29,650	2,268,092
43,320	4,611	11,933		26,170	1,091,205
1,571	47	72	106	4,214	16,109
					24,398
44,891	4,658	12,005	106	30,384	1,131,712
105,231					1,090,293
	18,926	29,120	(1,225)		46,821
				(734)	(734)
880,135	206,260	315,363	34,985	3,059	18,772,831
\$ 985,366	\$ 225,186	\$ 344,483	\$ 33,760	\$ 2,325	\$ 19,909,211



**Combining Statement of Fiduciary Net Position****Investment Trust Funds****June 30, 2019***(dollars in thousands)*

	<b>Local Government Investment Pool</b>	<b>Diversified Bond Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Investments:			
Pooled Short Term	\$ 720,307	\$ 31,946	\$ 752,253
Fixed Income Investments	2,113,832	73,658	2,187,490
Mortgages and Real Estate		67,317	67,317
Receivables:			
Interest and Dividends	4,880	772	5,652
Other Receivables	8,209		8,209
<b>Total Assets</b>	<b>2,847,228</b>	<b>173,693</b>	<b>3,020,921</b>
<b>LIABILITIES</b>			
Accounts Payable	26	4	30
Other Accrued Liabilities	5,670	293	5,963
<b>Total Liabilities</b>	<b>5,696</b>	<b>297</b>	<b>5,993</b>
<b>NET POSITION</b>			
Held in Trust for:			
External Investment Pool Participants	2,841,532	173,396	3,014,928
<b>Total Net Position</b>	<b>\$ 2,841,532</b>	<b>\$ 173,396</b>	<b>\$ 3,014,928</b>

## Combining Statement of Changes in Fiduciary Net Position

## Investment Trust Funds

For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

	Local Government Investment Pool	Diversified Bond Fund	Total
<b>ADDITIONS</b>			
<b>Contributions</b>			
Participant Deposits	\$ 5,462,932	\$ 14,124	\$ 5,477,056
<b>Total Contributions</b>	5,462,932	14,124	5,477,056
<b>Investment Income:</b>			
Net Increase (Decrease) in Fair Value of Investments	34,089	(14,239)	19,850
Interest, Dividends, and Other	21,972	4,831	26,803
Less Investment Expense:			
Investment Activity Expense	(297)	(61)	(358)
<b>Net Investment Income</b>	55,764	(9,469)	46,295
Miscellaneous Income	8,128		8,128
<b>Total Additions</b>	5,526,824	4,655	5,531,479
<b>DEDUCTIONS</b>			
Earnings Distribution	60,962	4,221	65,183
Participant Withdrawals	5,035,751	16,946	5,052,697
<b>Total Deductions</b>	5,096,713	21,167	5,117,880
<b>Change in Net Position Held in Trust for:</b>			
External Investment Pool Participants	430,111	(16,512)	413,599
<b>Total Net Position - Beginning of Year</b>	2,411,421	189,908	2,601,329
<b>Total Net Position - End of Year</b>	\$ 2,841,532	\$ 173,396	\$ 3,014,928

**Combining Statement of Assets and Liabilities****Agency Fund****June 30, 2019***(dollars in thousands)*

	<b>Custodial</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 23,491
Pooled Cash and Investments	30,245
Investments:	
Fixed Income Investments	448,056
Receivables:	
Interest and Dividends	15
<b>Total Assets</b>	<b>\$ 501,807</b>
<b>LIABILITIES</b>	
Accounts Payable	\$ 2,367
Due to Other Entities	2,245
Amounts Held in Trust to Others	493,066
Amounts Held for Project Beneficiaries	5,374
Other Accrued Liabilities	(1,245)
<b>Total Liabilities</b>	<b>\$ 501,807</b>

## Combining Statement of Changes in Assets and Liabilities

## Agency Fund

For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

	Balances June 30, 2018 As Restated	Additions	Deductions	Balances June 30, 2019
<b>CUSTODIAL</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 27,343	\$ 26,798	\$ 30,650	\$ 23,491
Pooled Cash and Investments	29,083	80,500	79,338	30,245
Investments:				
Fixed Income Investments	428,854	448,056	428,854	448,056
Receivables:				
Unsettled Trades Receivable	57		57	
Interest and Dividends	60	135	180	15
Interfund Receivables		12	12	
Due from Other Entities		149	149	
<b>Total Assets</b>	<b>\$ 485,397</b>	<b>\$ 555,650</b>	<b>\$ 539,240</b>	<b>\$ 501,807</b>
<b>Liabilities</b>				
Accounts Payable	\$ 446	\$ 2,367	\$ 446	\$ 2,367
Due to Other Entities	2,170	8,704	8,629	2,245
Amounts Held for Others	471,579	512,864	491,377	493,066
Amounts Held for Project Beneficiaries	12,477	8,564	15,667	5,374
Other Accrued Liabilities	(1,275)	23,383	23,353	(1,245)
<b>Total Liabilities</b>	<b>\$ 485,397</b>	<b>\$ 555,882</b>	<b>\$ 539,472</b>	<b>\$ 501,807</b>

# Statistical Section



Malad Gorge State Park

## INDEX TO THE STATISTICAL SECTION

Financial Trends - These schedules assist the reader in understanding the State's financial performance and well being over time.

Schedule 1 - Net Position by Component .....	170
Schedule 2 - Changes in Net Position .....	172
Schedule 3 - Fund Balances - Governmental Funds .....	174
Schedule 4 - Changes in Fund Balances - Governmental Funds .....	176

Revenue Capacity Information - These schedules assist the reader in evaluating the State's capacity to raise revenue to cover expenditures.

Schedule 5 - Revenue Base .....	178
Schedule 6 - Revenue Rates .....	180
Schedule 7 - Revenue Payers by Industry/Category .....	182

Debt Capacity Information - These schedules assist the reader in evaluating the State's outstanding debt, the capacity to repay that debt, and the ability to issue additional debt in the future.

Schedule 8 - Outstanding Debt Ratios .....	184
Schedule 9 - Other Long-Term Liabilities .....	185
Schedule 10 - Pledged Revenue Coverage .....	186

Demographic and Economic Information - These schedules provide the reader with trend information on the size and economic health of the State.

Schedule 11 - Demographic and Economic Indicators .....	188
Schedule 12 - Principal Employers .....	190
Schedule 13 - Education Enrollment .....	190

Operating Information - These schedules assist the reader in evaluating the size and productivity of the state government.

Schedule 14 - State Employees by Function .....	191
Schedule 15 - Operating Indicators by Function .....	192
Schedule 16 - Capital Assets by Function .....	194

Miscellaneous Statistics - This information may provide the reader with more insight into the State's financial and demographic status.

Schedule 17 - Assets, Liabilities, and Fund Balances - General Fund Accounts .....	196
Schedule 18 - Revenues, Expenditures, and Changes in Fund Balances - General Fund Accounts .....	198
Schedule 19 - Miscellaneous Statistics .....	200

Sources: Unless otherwise noted, the information in the following schedules is derived from the State's Comprehensive Annual Financial Report.

Note: The schedules presented in the Statistical Section are not audited, and component unit data is not included.

**Schedule 1 - Net Position by Component**

**Fiscal Years 2010-2019**

(accrual basis of accounting, dollars in thousands)

	2010 (as restated)	2011 (as restated)	2012 (as restated)	2013 (as restated)	2014 (as restated)	2015 (as restated)
<b>Governmental Activities</b>						
Net Investment in Capital Assets	\$ 4,883,824	\$ 5,115,567	\$ 5,218,008	\$ 5,325,732	\$ 5,447,960	\$ 5,638,703
Restricted <sup>1</sup>	1,783,407	2,086,004	2,134,426	2,291,548	2,619,433	2,885,392
Unrestricted <sup>2</sup>	576,666	444,322	529,948	748,869	737,576	893,542
<b>Total Governmental Activities Net Position</b>	<b>\$ 7,243,897</b>	<b>\$ 7,645,893</b>	<b>\$ 7,882,382</b>	<b>\$ 8,366,149</b>	<b>\$ 8,804,969</b>	<b>\$ 9,417,637</b>
<b>Business-Type Activities</b>						
Net Investment in Capital Assets	\$ 607,694	\$ 656,020	\$ 695,405	\$ 736,734	\$ 746,473	\$ 749,873
Restricted <sup>3</sup>	604,851	769,555	901,322	986,730	1,130,154	1,222,537
Unrestricted <sup>4,5</sup>	193,029	194,366	251,804	261,432	226,545	291,420
<b>Total Business-Type Activities Net Position</b>	<b>\$ 1,405,574</b>	<b>\$ 1,619,941</b>	<b>\$ 1,848,531</b>	<b>\$ 1,984,896</b>	<b>\$ 2,103,172</b>	<b>\$ 2,263,830</b>
<b>Primary Government</b>						
Net Investment in Capital Assets	\$ 5,491,518	\$ 5,771,587	\$ 5,913,413	\$ 6,062,466	\$ 6,194,433	\$ 6,388,576
Restricted	2,388,258	2,855,559	3,035,748	3,278,278	3,749,587	4,107,929
Unrestricted	769,695	638,688	781,752	1,010,301	964,121	1,184,962
<b>Total Primary Government Net Position</b>	<b>\$ 8,649,471</b>	<b>\$ 9,265,834</b>	<b>\$ 9,730,913</b>	<b>\$ 10,351,045</b>	<b>\$ 10,908,141</b>	<b>\$ 11,681,467</b>

<sup>1</sup>In fiscal year (FY) 2010 and FY2011, net position increased primarily due to the increase in federal grant revenue from the American Recovery and Reinvestment Act. In FY2012, net position increased due to lower Medicaid and rehabilitation service costs. In FY2013-2017, net position increased primarily due to the increase in fair market value of investments, primarily related to the Land Endowment fund.

<sup>2</sup>Large fluctuations in governmental activities unrestricted net position balances occurred primarily as income tax and sales tax revenues increased and decreased due to significant changes in economic conditions.

<sup>3</sup>Increases and decreases of business-type activities restricted net position were primarily due to increases in unemployment compensation assessment collections and/or decreases in unemployment claims related to changes in economic conditions.

<sup>4</sup>FY2012 and FY2015 net position increased primarily due to increased student tuition and fees for the colleges and universities.

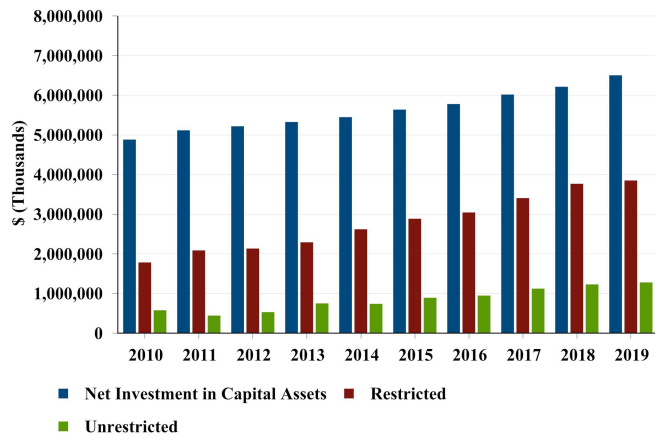
<sup>5</sup>FY2019 net position decreased due to removal of Eastern Idaho Technical College (EITC) from the reporting entity and prior period adjustments due to OPEB.

2016 (as restated)	2017 (as restated)	2018 (as restated)	2019
\$ 5,777,987	\$ 6,018,594	\$ 6,215,298	\$ 6,504,003
3,043,809	3,406,489	3,767,494	3,849,394
947,045	1,122,934	1,229,977	1,277,840
<b>\$ 9,768,841</b>	<b>\$ 10,548,017</b>	<b>\$ 11,212,769</b>	<b>\$ 11,631,237</b>

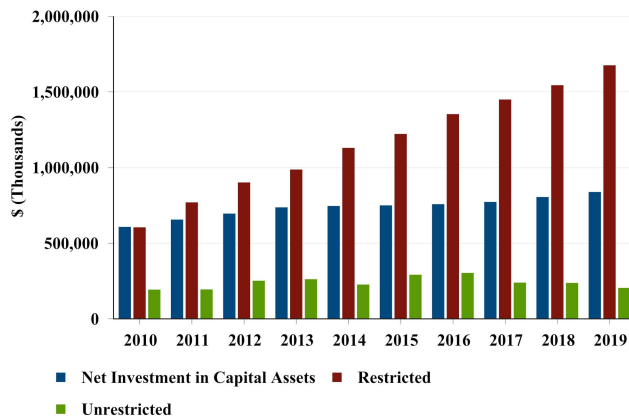
\$ 758,031	\$ 772,823	\$ 804,989	\$ 838,384
1,353,036	1,449,554	1,544,643	1,675,978
303,825	239,141	237,345	204,554
<b>\$ 2,414,892</b>	<b>\$ 2,461,518</b>	<b>\$ 2,586,977</b>	<b>\$ 2,718,916</b>

\$ 6,536,018	\$ 6,791,417	\$ 7,020,287	\$ 7,342,387
4,396,845	4,856,043	5,312,137	5,525,372
1,250,870	1,362,075	1,467,322	1,482,394
<b>\$ 12,183,733</b>	<b>\$ 13,009,535</b>	<b>\$ 13,799,746</b>	<b>\$ 14,350,153</b>

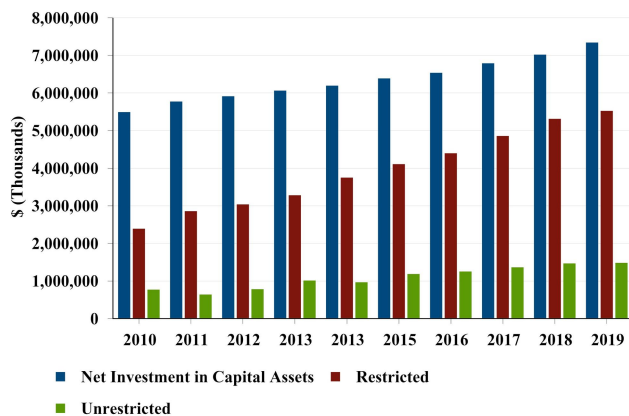
**Governmental Activities Net Position by Component  
Fiscal Years 2010-2019**



**Business-Type Activities Net Position by Component  
Fiscal Years 2010-2019**



**Primary Government Net Position by Component  
Fiscal Years 2010-2019**





**Schedule 2 - Changes in Net Position****Fiscal Years 2010-2019**

(accrual basis of accounting, dollars in thousands)

	2010 (as restated)	2011 (as restated)	2012 (as restated)	2013 (as restated)	2014 (as restated)	2015 (as restated)
<b>Governmental Activities:</b>						
<b>Expenses</b>						
General Government <sup>1,2</sup>	\$ 548,757	\$ 426,506	\$ 413,832	\$ 440,769	\$ 848,508	\$ 548,518
Public Safety and Correction <sup>1</sup>	320,423	296,034	335,493	352,409	364,998	387,694
Health and Human Services <sup>3</sup>	2,092,319	2,577,700	2,396,437	2,545,283	2,595,727	2,751,283
Education <sup>1</sup>	1,830,608	1,777,026	1,712,567	1,707,233	1,756,231	1,845,144
Economic Development <sup>9</sup>	799,054	829,130	820,530	806,801	810,023	761,384
Natural Resources	241,508	241,203	264,080	244,032	236,614	269,706
Interest Expense <sup>12</sup>	45,782	50,773	50,372	49,961	51,600	46,860
Total Expenses	5,878,451	6,198,372	5,993,311	6,146,488	6,663,701	6,610,589
<b>Program Revenues</b>						
Charges for Services:						
General Government <sup>10</sup>	79,833	109,387	97,411	104,973	90,314	227,915
Economic Development	239,107	248,199	266,320	252,221	271,894	287,525
Natural Resources	127,037	133,317	159,633	151,126	175,271	256,344
Other Activities <sup>4</sup>	76,575	163,505	118,255	127,082	161,452	181,054
Operating Grants and Contributions <sup>5</sup>	2,935,393	3,160,919	2,664,743	2,828,808	2,941,720	2,851,144
Capital Grants and Contributions	4,660	6,058	2,568	10,492	5,317	2,832
Total Program Revenues	3,462,605	3,821,385	3,308,930	3,474,702	3,645,968	3,806,814
<b>Total Governmental Activities Net Program Expense</b>	<b>(2,415,846)</b>	<b>(2,376,987)</b>	<b>(2,684,381)</b>	<b>(2,671,786)</b>	<b>(3,017,733)</b>	<b>(2,803,775)</b>
<b>General Revenues and Other Changes in Net Position</b>						
Taxes:						
Sales Tax <sup>6</sup>	1,127,013	1,165,095	1,213,623	1,315,002	1,400,547	1,444,781
Individual and Corporate Taxes <sup>6</sup>	1,242,032	1,296,558	1,390,226	1,533,850	1,739,957	1,686,455
Fuel Tax	221,142	231,732	216,249	237,647	262,479	243,826
Other Taxes	186,130	227,075	240,757	220,507	213,434	220,442
Tobacco Settlement	26,120	24,576	21,103	24,912	27,450	24,183
Unrestricted Investment Earnings	16,800	18,516	17,365	19,142	14,374	10,452
Transfers	(206,246)	(184,569)	(178,453)	(195,507)	(201,688)	(213,696)
Total General Revenues and Other Changes in Net Position	2,612,991	2,778,983	2,920,870	3,155,553	3,456,553	3,416,443
<b>Total Governmental Activities Change in Net Position</b>	<b>\$ 197,145</b>	<b>\$ 401,996</b>	<b>\$ 236,489</b>	<b>\$ 483,767</b>	<b>\$ 438,820</b>	<b>\$ 612,668</b>
<b>Business-Type Activities:</b>						
<b>Expenses</b>						
College and University	\$ 898,012	\$ 923,760	\$ 969,419	\$ 989,412	\$ 1,054,726	\$ 1,015,707
Unemployment Compensation <sup>6</sup>	666,808	482,087	358,283	251,016	142,524	110,597
Loan	9,624	14,571	7,112	6,480	7,565	9,604
State Lottery	110,204	112,003	134,055	150,599	163,295	165,445
State Liquor	118,022	117,039	123,656	134,117	141,467	143,469
Correctional Industries	6,553	6,727	8,030	7,560	8,755	8,155
Total Expenses	1,809,223	1,656,187	1,600,555	1,539,184	1,518,332	1,452,977
<b>Revenues</b>						
Charges for Services:						
College and University	368,504	405,450	436,208	445,649	459,380	489,740
Unemployment Compensation <sup>7</sup>	255,278	337,479	351,781	314,630	258,072	203,794
State Lottery <sup>11</sup>	147,931	147,849	176,547	198,169	209,642	210,940
Other Activities <sup>11,13</sup>	156,407	160,749	175,435	180,645	185,082	196,043
Operating Grants and Contributions <sup>8</sup>	637,456	606,597	485,777	383,575	305,150	282,646
Capital Grants and Contributions	44,094	27,861	24,944	38,364	17,594	16,776
Total Revenues	1,609,670	1,685,985	1,650,692	1,561,032	1,434,920	1,399,939
<b>Total Business-Type Activities Net Program Revenue (Expense)</b>	<b>(199,553)</b>	<b>29,798</b>	<b>50,137</b>	<b>21,848</b>	<b>(83,412)</b>	<b>(53,038)</b>
<b>General Revenues and Other Changes in Net Position</b>						
Special Item				(80,990)		
Transfers	206,246	184,569	178,453	195,507	201,688	213,696
Total General Revenues and Other Changes in Net Position	206,246	184,569	178,453	114,517	201,688	213,696
<b>Total Business-Type Activities Change in Net Position</b>	<b>\$ 6,693</b>	<b>\$ 214,367</b>	<b>\$ 228,590</b>	<b>\$ 136,365</b>	<b>\$ 118,276</b>	<b>\$ 160,658</b>
<b>Total Primary Government Change in Net Position</b>	<b>\$ 203,838</b>	<b>\$ 616,363</b>	<b>\$ 465,079</b>	<b>\$ 620,132</b>	<b>\$ 557,096</b>	<b>\$ 773,326</b>

<sup>1</sup>In fiscal year (FY) 2011 most expenses decreased due to effects of the national recession.<sup>2</sup>In FY2013 expenses increased primarily due to an increase in lease payments to the Idaho State Building Authority. In FY2014 prior period adjustments were made due to the implementation of GASB Statements No. 68 & 71 in FY2015.<sup>3</sup>In FY2011-2016 expenses for health and human services fluctuated due to changes in medical assistance payments related to Medicaid and rehabilitation services payments.<sup>4</sup>In FY2010 and FY2011 fluctuations in other activities revenue were caused by a change in the way revenue is recorded. In FY2012 Department of Health & Welfare grant revenue decreased due to a reduction in American Recovery and Reinvestment Act funding.<sup>5</sup>In FY2010-2012 amounts shifted primarily because of changes in the American Recovery and Reinvestment Act stimulus funding. In FY2013 revenues from operating grants and contributions increased primarily due to an increase in the fair market value of Endowment Fund Investment Board investments and interest income. In FY2016 operating grant revenue decreased primarily due to decreased federal highway funds, slippages in the fair market value of Endowment Fund Investment Board investments, and decreased health and human services grant revenue due to the timing of federal reimbursements for expenses.

2016 (as restated)	2017 (as restated)	2018 (as restated)	2019
\$ 505,318	\$ 559,044	\$ 542,391	\$ 644,708
402,437	410,975	439,116	466,263
2,697,385	2,668,755	3,079,063	3,048,267
1,956,032	2,090,661	2,229,172	2,325,261
866,345	903,462	1,068,663	1,047,957
287,853	305,400	303,441	314,839
45,271	15,879	52,271	87,846
6,760,641	6,954,176	7,714,117	7,935,141
178,132	252,281	103,489	149,788
333,616	343,285	384,872	348,716
217,958	225,920	232,380	244,634
197,393	192,525	173,492	124,372
2,676,844	2,869,284	3,180,624	3,250,723
11,021	12,425	4,321	3,144
3,614,964	3,895,720	4,079,178	4,121,377
(3,145,677)	(3,058,456)	(3,634,939)	(3,813,764)

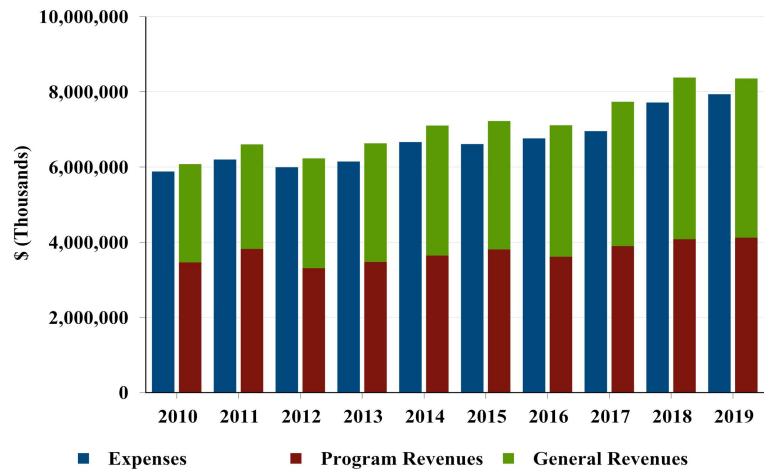
1,580,542	1,636,125	1,805,363	1,899,088
1,518,740	1,848,281	2,091,958	1,958,640
357,858	331,399	350,134	341,559
229,430	231,294	246,585	249,696
25,297	22,964	23,639	21,014
18,735	14,869	37,352	42,239
(233,721)	(247,300)	(255,340)	(280,004)
3,496,881	3,837,632	4,299,691	4,232,232
<b>\$ 351,204</b>	<b>\$ 779,176</b>	<b>\$ 664,752</b>	<b>\$ 418,468</b>

\$ 1,063,222	\$ 1,185,061	\$ 1,155,209	\$ 1,169,944
108,187	108,022	86,600	89,446
7,537	8,119	6,448	10,122
185,115	192,314	211,916	228,352
153,901	163,270	172,786	184,756
8,960	9,112	9,429	12,145
1,526,922	1,665,898	1,642,388	1,694,765

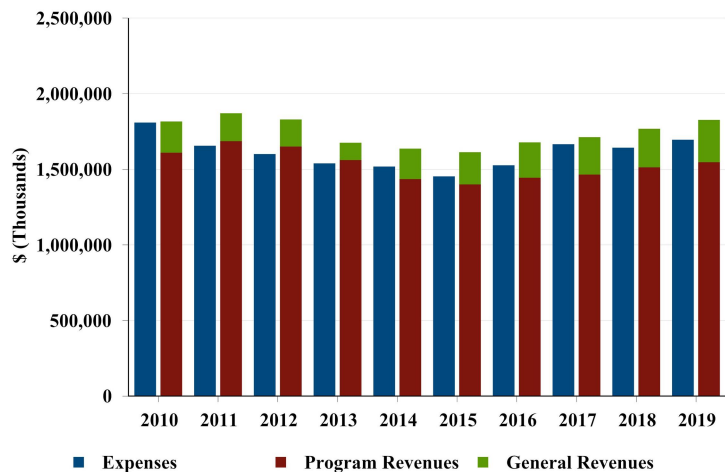
491,169	489,375	506,484	515,194
189,219	189,816	163,839	150,267
236,819	240,686	265,811	288,617
218,024	227,837	231,065	257,696
291,830	293,977	301,757	305,727
17,200	23,533	43,551	29,199
1,444,261	1,465,224	1,512,507	1,546,700
(82,661)	(200,674)	(129,881)	(148,065)

233,723	247,300	255,340	280,004
233,723	247,300	255,340	280,004
<b>\$ 151,062</b>	<b>\$ 46,626</b>	<b>\$ 125,459</b>	<b>\$ 131,939</b>
<b>\$ 502,266</b>	<b>\$ 825,802</b>	<b>\$ 790,211</b>	<b>\$ 550,407</b>

### Expenses and Revenues - Governmental Activities Fiscal Years 2010-2019



### Expenses and Revenues - Business-Type Activities Fiscal Years 2010-2019



<sup>6</sup>Increases and decreases are due to the degradation and improvement of economic conditions and the changes in employment and personal income levels.

<sup>7</sup>In FY2010-2012 unemployment compensation revenues increased due to increased assessment collections for unemployment benefits. In FY2013-2014 revenues decreased due to a lower employer contribution rate.

<sup>8</sup>In FY2010 operating grants and contributions grew because of increased federal grant revenue for unemployment benefits.

<sup>9</sup>In FY2016 economic development expenses rose primarily due to an increased number of state and local highway infrastructure improvements.

<sup>10</sup>In FY2015 the increase was due, in part, to a building transfer from the Idaho State Building Authority to the Idaho Department of Administration and due to the state receiving significant revenue from court settlements. In FY2016 the decrease in general government program revenues are due, in part, to falling revenue from charges for services.

<sup>11</sup>In FY2016 nonmajor enterprise funds net position improved primarily in consequence of increased lottery ticket and liquor sales.

<sup>12</sup>In FY2019 interest expense increased due to recording of the current interest payable for GARVEE notes payable.

<sup>13</sup>In FY2019 revenues increased primarily due to liquor sales.

**Schedule 3 - Fund Balances - Governmental Funds****Fiscal Years 2010-2019***(modified accrual basis of accounting, dollars in thousands)*

	<b>2010</b> (as restated)	<b>2011</b> (as restated)	<b>2012</b> (as restated)	<b>2013</b> (as restated)	<b>2014</b> (as restated)	<b>2015</b> (as restated)
<b>General Fund</b>						
Nonspendable		\$ 7,922	\$ 8,837	\$ 9,292	\$ 12,012	\$ 10,294
Restricted <sup>1</sup>	\$ 130,261	169,753	184,437	219,270	252,627	274,121
Committed <sup>2</sup>	154,168	162,583	185,098	195,479	263,443	339,169
Assigned <sup>7</sup>	45,936	55,778	57,271	63,806	53,086	51,357
Unassigned <sup>3</sup>	320,487	269,251	251,023	412,738	387,161	489,495
<b>Total General Fund</b>	<b>650,852</b>	<b>665,287</b>	<b>686,666</b>	<b>900,585</b>	<b>968,329</b>	<b>1,164,436</b>
<b>All Other Governmental Funds</b>						
Nonspendable <sup>4</sup>	1,043,787	1,097,816	1,135,746	1,255,497	1,443,868	1,503,337
Restricted <sup>5</sup>	462,036	709,985	735,879	742,849	851,410	1,027,465
Committed	86,434	78,794	85,124	77,505	76,970	87,298
Assigned	1,320	1,651	2,238	2,689	5,271	2,201
Unassigned <sup>6</sup>		(57,026)		(4,262)	(6,533)	(18,822)
<b>Total All Other Governmental Funds</b>	<b>1,593,577</b>	<b>1,831,220</b>	<b>1,958,987</b>	<b>2,074,278</b>	<b>2,370,986</b>	<b>2,601,479</b>
<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 2,244,429</b>	<b>\$ 2,496,507</b>	<b>\$ 2,645,653</b>	<b>\$ 2,974,863</b>	<b>\$ 3,339,315</b>	<b>\$ 3,765,915</b>

Note: GASB Statement No. 54 was implemented in fiscal year 2011. The standard required the reclassification of fund balances. Prior years have been restated.

<sup>1</sup>Increases and decreases in the General Fund restricted fund balance in each fiscal year occurred primarily due to changes in sales tax revenue caused by prevailing economic conditions.

<sup>2</sup>Fluctuations in the General Fund committed fund balance in each fiscal year resulted primarily from changes in personal and corporate income tax revenue. Significant variances occurred in response to prevailing economic conditions.

<sup>3</sup>Increases and decreases in the General Fund unassigned fund balance resulted from surging and weakening economic conditions.

<sup>4</sup>Large changes in the Governmental Funds nonspendable fund balance occurred primarily because of significant variances in Land Endowment fund fair market value.

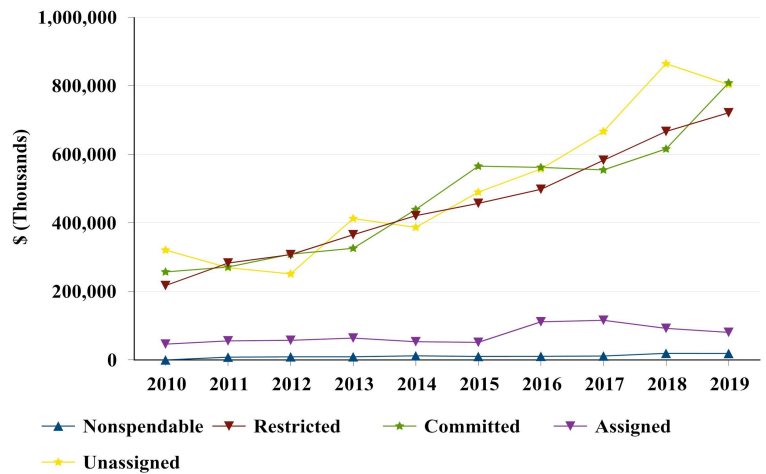
<sup>5</sup>In FY2011 the fund balance increased largely due to receiving American Recovery and Reinvestment Act funds for the Idaho Transportation Department. In FY2016 the fund balance increased primarily due to mandated increases to personal and commercial vehicle registration fees and in the motor fuels tax rate as a result of House Bill 312 passing in 2015.

<sup>6</sup>In FY2011 and FY2013-2019 the Department of Health and Welfare reported a negative unassigned fund balance due to increased expenditures for health and human services.

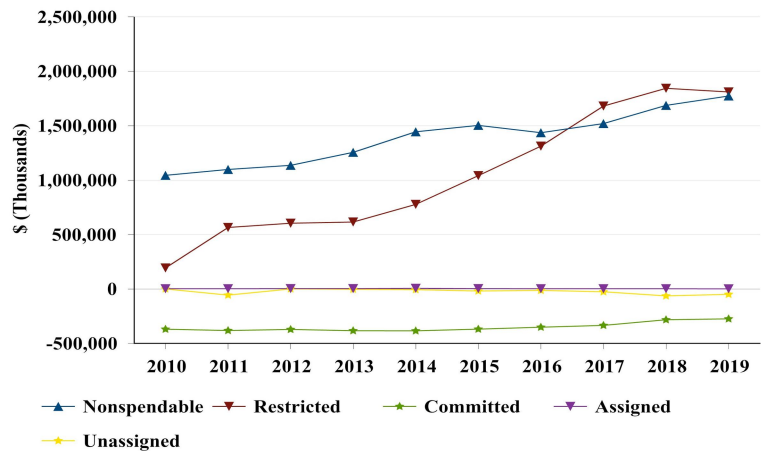
<sup>7</sup>In FY2016 the assigned fund balance increased primarily due to significant amount of funds that were allocated to the Fire Suppression - Deficiency fund. In FY2019, the assigned fund balance decreased primarily due to a decrease in the Fire Suppression - Deficiency fund.

2016 (as restated)	2017 (as restated)	2018 (as restated)	2019
\$ 10,580	\$ 11,307	\$ 19,289	\$ 18,791
298,798	349,697	399,972	432,728
337,231	332,704	369,516	484,934
111,168	115,618	92,124	80,404
557,280	666,848	864,625	803,277
1,315,057	1,476,174	1,745,526	1,820,134
1,435,060	1,519,909	1,686,989	1,773,347
1,208,118	1,453,421	1,562,178	1,539,739
99,202	110,143	144,873	150,335
1,949	1,655	1,507	1,087
(13,597)	(26,550)	(63,860)	(49,507)
2,730,732	3,058,578	3,331,687	3,415,001
<b>\$ 4,045,789</b>	<b>\$ 4,534,752</b>	<b>\$ 5,077,213</b>	<b>\$ 5,235,135</b>

**Fund Balances - General Funds  
Fiscal Years 2010-2019**



**Fund Balances - All Other Governmental Funds  
Fiscal Years 2010-2019**



**Schedule 4 - Changes in Fund Balances - Governmental Funds**

**Fiscal Years 2010-2019**

(modified accrual basis of accounting, dollars in thousands)

	2010 (as restated)	2011 (as restated)	2012 (as restated)	2013 (as restated)	2014 (as restated)	2015 (as restated)
<b>Revenues</b>						
Sales Tax <sup>1</sup>	\$ 1,122,384	\$ 1,163,526	\$ 1,214,491	\$ 1,318,383	\$ 1,379,105	\$ 1,462,022
Individual and Corporate Taxes <sup>2</sup>	1,228,463	1,288,869	1,389,291	1,531,975	1,497,935	1,684,680
Other Taxes <sup>9</sup>	409,924	459,162	456,720	458,291	470,226	469,780
Licenses, Permits, and Fees	275,018	296,827	310,828	317,854	325,172	354,894
Sale of Goods and Services	137,947	168,369	198,438	237,268	260,489	288,388
Grants and Contributions <sup>3</sup>	2,808,307	2,850,294	2,638,570	2,695,371	2,658,143	2,706,506
Investment Income <sup>4</sup>	191,596	302,488	51,264	217,357	324,835	78,412
Tobacco Settlement	25,990	24,445	24,922	24,912	27,450	24,183
Other Income	78,565	65,361	101,828	69,185	61,016	151,062
Total Revenues	6,278,194	6,619,341	6,386,352	6,870,596	7,004,371	7,219,927
<b>Expenditures</b>						
General Government <sup>5</sup>	208,784	172,779	157,283	168,253	197,639	195,667
Public Safety and Correction	284,457	284,208	302,809	324,717	338,865	359,132
Health and Human Services <sup>6</sup>	2,111,265	2,346,165	2,329,848	2,544,890	2,561,572	2,573,782
Education <sup>5</sup>	1,810,276	1,768,616	1,687,084	1,685,252	1,733,263	1,821,633
Economic Development	416,776	418,866	392,242	420,668	418,525	414,307
Natural Resources	214,291	213,912	215,354	210,376	223,017	237,478
Capital Outlay <sup>5,7,13</sup>	677,097	574,305	501,522	497,087	468,817	485,276
Intergovernmental Revenue Sharing	459,716	448,249	453,799	471,269	488,585	505,017
Debt Service:						
Principal	33,222	45,871	47,954	49,679	52,334	48,362
Interest	46,648	51,689	50,804	49,100	48,926	48,458
Total Expenditures	6,262,532	6,324,660	6,138,699	6,421,291	6,531,543	6,689,112
Revenues Over (Under) Expenditures	15,662	294,681	247,653	449,305	472,828	530,815
<b>Other Financing Sources (Uses)</b>						
Bonds and Notes Issued <sup>10,12</sup>	163,562	125,862	146,219	61,347	65,457	53,935
Issuance of Refunding Bonds				10,945		
Premium/(Discount) on Bonds Issued			7,219	1,304		
Payment to Refunded Bond Escrow Agent <sup>8</sup>			(88,044)	(11,441)		
Capital Lease Acquisitions	23,745	2,603		178	9	90
Sale of Capital Assets <sup>11</sup>	13,436	14,462	16,871	15,414	30,382	57,988
Transfers In	630,563	678,794	815,041	858,585	855,318	872,222
Transfers Out	(836,960)	(864,324)	(995,813)	(1,056,427)	(1,059,542)	(1,088,450)
Total Other Financing Sources (Uses)	(5,654)	(42,603)	(98,507)	(120,095)	(108,376)	(104,215)
<b>Net Changes in Fund Balances</b>	<b>\$ 10,008</b>	<b>\$ 252,078</b>	<b>\$ 149,146</b>	<b>\$ 329,210</b>	<b>\$ 364,452</b>	<b>\$ 426,600</b>
Debt Service as a Percentage of Noncapital Expenditures	1.3	1.7	1.7	1.6	1.6	1.5

<sup>1</sup>Sales tax revenue changed in response to fluctuating levels of employment and personal income.

<sup>2</sup>Individual and corporate income tax revenues increased and decreased due to the relative strengthening and weakening of the economy.

<sup>3</sup>In FY2010-2011 grants and contributions increased primarily due to American Recovery and Reinvestment Act funds for health, transportation, and education.

<sup>4</sup>Investment income increased and decreased primarily due to changes in the fair values of investments in the Land Endowment fund.

<sup>5</sup>In FY2011 and FY2012 decreases in expenditures were necessary to balance the State's budget.

<sup>6</sup>In FY2010-2013 health and human services expenditures increased and decreased due to changes in medical assistance payments related to Medicaid and rehabilitation services.

2016 (as restated)	2017 (as restated)	2018 (as restated)	2019
\$ 1,579,729	\$ 1,637,840	\$ 1,805,640	\$ 1,898,996
1,696,834	1,854,375	2,086,130	2,001,934
587,439	562,787	596,308	592,109
390,258	405,663	418,807	442,549
272,024	250,403	263,897	203,106
2,678,121	2,703,724	2,884,057	3,087,193
34,552	311,974	259,196	288,921
25,297	22,964	23,639	21,014
88,132	54,481	66,367	79,893
7,352,386	7,804,211	8,404,041	8,615,715
203,783	208,067	224,707	238,615
369,982	383,070	407,550	436,675
2,622,307	2,672,573	2,858,524	2,945,767
1,938,123	2,064,432	2,210,786	2,307,345
425,407	445,357	491,977	464,069
248,671	256,845	271,792	279,452
441,430	443,857	699,051	799,927
547,772	580,565	637,531	707,365
38,946	40,564	41,680	42,961
47,409	44,397	52,855	62,143
6,883,830	7,139,727	7,896,453	8,284,319
468,556	664,484	507,588	331,396
12,270		229,040	73,914
			(30,850)
		1,765	4,326
			(320)
7	19	292	5,442
47,642	73,498	60,858	38,733
902,365	977,802	1,007,860	1,122,930
(1,150,966)	(1,226,840)	(1,264,942)	(1,387,649)
(188,682)	(175,521)	34,873	(173,474)
<b>\$ 279,874</b>	<b>\$ 488,963</b>	<b>\$ 542,461</b>	<b>\$ 157,922</b>

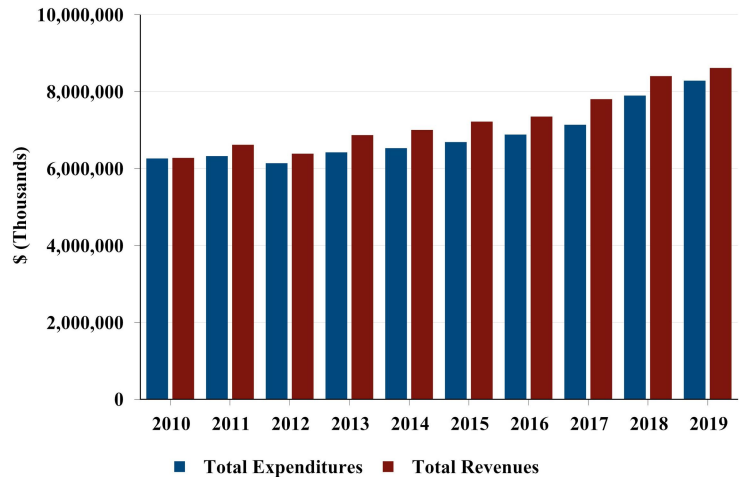
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### Revenues and Expenditures - Governmental Funds Fiscal Years 2010-2019



<sup>7</sup>In FY2010 capital outlay expenditures increased mainly due to transportation infrastructure and state building expenses.

<sup>8</sup>In FY2012 and FY2013 the Idaho State Building Authority defeased bond debt to achieve better interest rates.

<sup>9</sup>In FY2016 other taxes increased mainly due to an increase in the motor fuels tax rate as a result of the passage of House Bill 312 in 2015. The additional funds are to be used exclusively for the maintenance of bridges and roads and replacement projects at the state and local levels.

<sup>10</sup>In FY2016 the decrease in bonds and notes issued is primarily due to a large decrease in issued GARVEE bonds revenue.

<sup>11</sup>In FY2017 the increase in sale of capital assets is primarily due to the sale of state owned commercial properties. In FY2019 the decrease is primarily due to the state slowing the sale of its commercial properties.

<sup>12</sup>In FY2019 ISBA decreased the amount of bonds issued.

<sup>13</sup>In FY2019 capital outlay expenditures increased primarily due to land endowments.

## Schedule 5 - Revenue Base

Fiscal/Calendar Years 2010-2019 (dollars in thousands)

Taxable Sales by Industry <sup>1</sup>	Fiscal Year					
	2010	2011	2012	2013	2014	2015
Commercial Farms <sup>2</sup>	\$ 9,005	\$ 10,847	\$ 14,204	\$ 11,733	\$ 11,756	\$ 16,197
Agricultural/Forestry, Fishing, and Other	101,936	94,138	100,206	106,731	112,719	124,776
Mining	43,224	43,947	47,130	52,671	55,851	53,947
Construction	427,769	409,010	489,893	434,218	422,849	490,734
Manufacturing	755,948	996,988	819,403	807,950	844,024	924,586
Transportation and Public Utilities	361,995	700,557	546,466	705,692	543,205	555,498
Wholesale Trade	1,632,262	1,641,485	1,765,478	2,033,097	2,281,830	2,573,395
Retail Trade	13,360,965	12,752,289	13,221,360	14,568,624	15,057,644	16,080,503
Information <sup>3</sup>						
Finance, Insurance, and Real Estate	136,907	133,522	136,687	142,282	157,134	183,317
Services	2,213,003	2,099,385	2,101,112	2,225,229	2,367,364	2,584,259
State and Local Government	680,446	657,345	646,121	751,309	811,377	868,951
Unclassified						
Unpermitted <sup>4</sup>						
<b>Total Taxable Sales</b>	<b>\$ 19,723,460</b>	<b>\$ 19,539,513</b>	<b>\$ 19,888,060</b>	<b>\$ 21,839,536</b>	<b>\$ 22,665,753</b>	<b>\$ 24,456,163</b>
<b>Direct Sales Tax Rate</b>	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Personal Income by Industry <sup>5</sup>	Calendar Year					
	2010	2011	2012	2013	2014	2015
Farm Earnings	\$ 1,420,080	\$ 2,040,643	\$ 2,061,286	\$ 2,357,028	\$ 2,446,452	\$ 2,274,358
Agricultural/Forestry, Fishing, and Other	384,458	383,019	410,976	454,523	476,689	502,537
Mining	531,304	565,870	541,288	506,360	464,521	384,509
Construction/Utilities	2,361,747	2,298,462	2,407,101	2,787,455	3,124,165	3,379,855
Manufacturing	3,464,004	3,588,720	3,817,700	4,371,537	4,851,561	4,913,024
Transportation	1,065,976	1,144,504	1,237,328	1,271,597	1,358,091	1,471,471
Wholesale Trade	1,536,841	1,604,406	1,700,530	1,837,311	1,909,022	2,053,007
Retail Trade	3,004,178	2,938,835	3,119,842	3,325,557	3,514,383	3,728,293
Finance, Insurance, and Real Estate	1,869,484	2,058,931	2,080,909	2,248,488	2,260,506	2,594,773
Services	11,901,292	12,148,133	12,501,932	13,125,559	13,764,881	14,680,468
Federal, Civilian	1,104,979	1,105,101	1,119,263	1,097,979	1,114,508	1,174,028
Military	531,786	501,634	499,131	485,981	472,455	448,710
State and Local Government	4,861,937	4,788,200	4,884,810	5,087,358	5,109,962	5,532,332
Other <sup>6</sup>	16,158,518	17,916,167	19,757,741	19,381,240	20,959,854	22,687,872
<b>Total Personal Income</b>	<b>\$ 50,196,584</b>	<b>\$ 53,082,625</b>	<b>\$ 56,139,837</b>	<b>\$ 58,337,973</b>	<b>\$ 61,827,050</b>	<b>\$ 65,825,237</b>
<b>Total Direct Personal Income Tax Rate</b>	7.6%	7.6%	7.3%	7.3%	7.3%	7.3%
Corporate Income by Category <sup>7</sup>	Calendar Year					
	2010	2011	2012	2013	2014	2015
Corporations	\$ (28,603)	\$ 49,806	\$ 502,747	\$ 316,558	\$ 124,853	\$ 1,145,583
Sub-S Corporations	43,487	24,196	106,971	49,630	54,694	125,936
Partnerships	(115,646)	(287,303)	(352,035)	(127,839)	(29,224)	2,769
Fiduciary	6,843	(28,687)	61,134	(14,541)	(10,847)	(3,278)
<b>Total Corporate Income</b>	<b>\$ (93,919)</b>	<b>\$ (241,988)</b>	<b>\$ 318,817</b>	<b>\$ 223,808</b>	<b>\$ 139,476</b>	<b>\$ 1,271,010</b>
<b>Direct Corporate Income Tax Rate</b>	7.6%	7.6%	7.4%	7.4%	7.4%	7.4%
Vehicle Fuel Sales by Category (in thousands of gallons)	Fiscal Year					
	2010	2011	2012	2013	2014	2015
Diesel	\$ 236,002	\$ 239,708	\$ 242,617	\$ 250,299	\$ 255,171	\$ 267,381
Gasoline	632,004	633,337	629,252	631,697	643,806	691,065
Propane	32	79	23	61	151	115
Natural Gas <sup>8</sup>			33	97	1,392	2,916
Aviation	1,814	1,797	1,811	1,720	1,678	1,592
Jet	23,347	23,225	25,903	28,995	27,389	15,537
<b>Total Fuel Sales</b>	<b>\$ 893,199</b>	<b>\$ 898,146</b>	<b>\$ 899,639</b>	<b>\$ 912,869</b>	<b>\$ 929,587</b>	<b>\$ 978,606</b>
<b>Total Direct Fuel Tax Rate (per gallon of fuel)</b>	\$ 0.245	\$ 0.245	\$ 0.244	\$ 0.244	\$ 0.244	\$ 0.247

Sources: Taxable sales, corporate income, and vehicle fuel sales--Idaho State Tax Commission; Personal income--U.S. Bureau of Economic Analysis and the Idaho State Tax Commission.

<sup>1</sup>In 2016, the Tax Commission changed from using U.S. Standard Industrial Classification System (SIC) codes to using North American Industry Classification System (NAICS) codes. The change provides industry groupings that are more meaningful and useful for economic analysis. Some industry categories shown have significant variances due to the change in classification codes.<sup>2</sup>Under the NAICS, commercial farming is combined with agriculture/forestry, fishing, and other.<sup>3</sup>The information sector includes the publishing industries, the motion picture and sound recording industries, the broadcasting industries, and data processing, hosting, and related services.<sup>4</sup>Taxable sales by individuals and businesses without a sales and use tax permit.

2016	2017	2018	2019
\$ 82,925	\$ 74,482	\$ 91,049	\$ 98,077
59,177	44,035	57,534	59,340
464,888	242,718	515,407	589,035
1,101,280	884,684	1,256,853	1,414,472
166,992	49,072	218,973	201,361
2,995,810	3,000,366	3,290,114	3,588,765
14,000,015	14,576,989	16,058,752	17,054,413
518,717	507,973	564,405	580,011
608,493	653,214	724,105	831,961
4,975,587	5,094,919	5,550,830	6,007,029
861,772	953,088	1,058,807	1,109,683
148,683	62,257	112,950	105,911
14,739	231	2,470	2,473
<b>\$ 25,999,078</b>	<b>\$ 26,144,028</b>	<b>\$ 29,502,249</b>	<b>\$ 31,642,531</b>
6.0%	6.0%	6.0%	6.0%

2016	2017	2018	2019
\$ 2,012,410	\$ 1,675,319	\$ 1,615,093	\$ 1,823,745
473,513	496,069	521,762	539,329
315,710	241,598	252,441	250,097
3,653,904	4,006,010	4,373,791	4,680,073
5,103,066	5,830,407	6,066,232	6,022,121
1,487,178	1,571,540	1,672,739	1,729,877
2,147,913	2,225,933	2,275,112	2,404,481
3,793,290	3,948,641	4,050,494	4,129,301
2,846,522	2,916,233	3,110,875	3,313,930
15,504,199	16,417,585	17,666,453	18,605,773
1,227,137	1,276,838	1,343,453	1,379,918
456,893	462,019	490,718	508,616
5,679,405	5,932,746	6,224,331	6,436,350
23,743,400	25,354,211	27,348,810	28,593,981
<b>\$ 68,444,540</b>	<b>\$ 72,355,149</b>	<b>\$ 77,012,304</b>	<b>\$ 80,417,592</b>
7.4%	7.4%	NA	NA

2016	2017	2018	2019
\$ 785,071	\$ 853,242	NA	NA
135,698	136,752	NA	NA
31,080	49,732	NA	NA
(43,298)	10,056	NA	NA
<b>\$ 908,551</b>	<b>\$ 1,049,782</b>	<b>NA</b>	<b>NA</b>
7.4%	7.4%	6.9%	6.9%

2016	2017	2018	2019
\$ 273,136	\$ 291,576	\$ 295,988	\$ 313,640
712,309	706,415	763,344	755,165
221	(21)	26	67
2,312	1,698	1,576	1,945
1,696	1,495	1,653	1,666
19,818	33,496	23,626	41,464
<b>\$ 1,009,492</b>	<b>\$ 1,034,659</b>	<b>\$ 1,086,213</b>	<b>\$ 1,113,947</b>
\$ 0.314	\$ 0.311	\$ 0.314	\$ 0.310

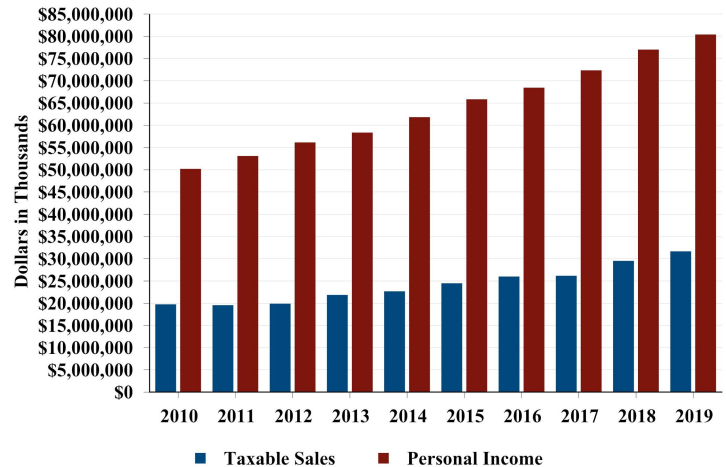
<sup>5</sup>Personal income data for calendar years 2010-2019 are estimates. The U.S. Bureau of Economic Analysis revised personal income amounts for all calendar years shown to reflect revisions to the national income and product accounts and to incorporate newly available state-level source data.

<sup>6</sup>Other personal income includes dividends, interest, rental income, residence adjustment, government transfers to individuals, and deductions for social insurance.

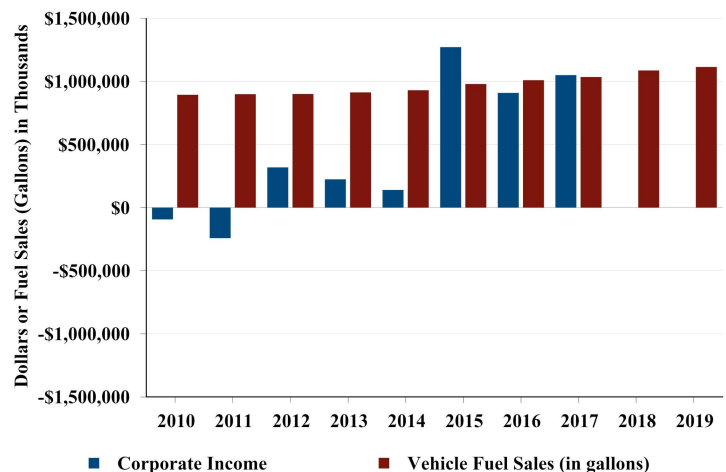
<sup>7</sup>The large increase in corporate income in 2015 is primarily due to more corporate entities reporting positive taxable income rather than losses as a result of an improving economy. Corporate income data is currently not available for calendar years 2018 and 2019.

<sup>8</sup>The natural gas distributors reported no vehicle fuel sales for fiscal years (FY) 2007-2011. FY14 through FY16 saw a shift towards using/producing cleaner fuel types.

**Taxable Sales and Personal Income**  
Fiscal/Calendar Years 2010-2019



**Corporate Income and Vehicle Fuel Sales**  
Calendar/Fiscal Years 2010-2019





**Schedule 6 - Revenue Rates****Fiscal/Calendar Years 2010-2019****Personal Income Tax Rates<sup>1</sup>****Calendar Year**

	2010	2011	2012	2013	2014	2015
Tax Rate	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
Income Levels (S, MFS) <sup>2</sup>	\$0-1,315	\$0-1,337	\$0-1,379	\$0-1,408	\$0-1,428	\$0-1,451
Income Levels (MFJ, HoH, QW) <sup>2</sup>	\$0-2,632	\$0-2,675	\$0-2,759	\$0-2,817	\$0-2,857	\$0-2,903
Tax Rate	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
Income Levels (S, MFS)	\$1,316-2,631	\$1,338-2,675	\$1,380-2,759	\$1,409-2,817	\$1,429-2,857	\$1,452-2,903
Income Levels (MFJ, HoH, QW)	\$2,633-5,264	\$2,676-5,351	\$2,760-5,519	\$2,818-5,635	\$2,858-5,715	\$2,904-5,807
Tax Rate	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%
Income Levels (S, MFS)	\$2,632-3,947	\$2,676-4,013	\$2,760-4,139	\$2,818-4,226	\$2,858-4,286	\$2,904-4,355
Income Levels (MFJ, HoH, QW)	\$5,265-7,896	\$5,352-8,027	\$5,520-8,279	\$5,636-8,453	\$5,716-8,573	\$5,808-8,711
Tax Rate	5.1%	5.1%	5.1%	5.1%	5.1%	5.1%
Income Levels (S, MFS)	\$3,948-5,263	\$4,014-5,351	\$4,140-5,519	\$4,227-5,635	\$4,287-5,715	\$4,356-5,807
Income Levels (MFJ, HoH, QW)	\$7,897-10,528	\$8,028-10,703	\$8,280-11,039	\$8,454-11,271	\$8,574-11,431	\$8,712-11,615
Tax Rate	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%
Income Levels (S, MFS)	\$5,264-6,579	\$5,352-6,689	\$5,520-6,899	\$5,636-7,044	\$5,716-7,144	\$5,808-7,259
Income Levels (MFJ, HoH, QW)	\$10,529-13,160	\$10,704-13,379	\$11,040-13,799	\$11,272-14,089	\$11,432-14,289	\$11,616-14,519
Tax Rate	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
Income Levels (S, MFS)	\$6,580-9,869	\$6,690-10,034	\$6,900-10,349	\$7,045-10,567	\$7,145-10,717	\$7,260-10,889
Income Levels (MFJ, HoH, QW)	\$13,161-19,740	\$13,380-20,069	\$13,800-20,699	\$14,090-21,135	\$14,290-21,435	\$14,520-21,779
Tax Rate	7.4%	7.4%	7.4%	7.4%	7.4%	7.4%
Income Levels (S, MFS)	\$9,870-26,319	\$10,035-26,759	\$10,350+	\$10,568+	\$10,718+	\$10,890+
Income Levels (MFJ, HoH, QW)	\$19,741-52,640	\$20,070-53,519	\$20,700+	\$21,136+	\$21,436+	\$21,780+
Tax Rate <sup>3</sup>	7.8%	7.8%				
Income Levels (S, MFS)	\$26,320+	\$26,760+				
Income Levels (MFJ, HoH, QW)	\$52,641+	\$53,520+				

<b>Total Direct Rate<sup>4</sup></b>	7.6%	7.6%	7.3%	7.3%	7.3%	7.3%
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**Vehicle Fuel Tax Rates per Gallon****Fiscal Year**

	2010	2011	2012	2013	2014	2015
Diesel	\$0.250	\$0.250	\$0.250	\$0.250	\$0.250	\$0.250
Gasoline	0.250	0.250	0.250	0.250	0.250	0.250
Propane	0.181	0.181	0.181	0.181	0.181	0.181
Natural Gas	0.197	0.197	0.197	0.197	0.197	0.197
Aviation	0.070	0.070	0.070	0.070	0.070	0.070
Jet	0.060	0.060	0.060	0.060	0.060	0.060

<b>Total Direct Rate (per gallon of fuel)</b>	\$0.245	\$0.245	\$0.244	\$0.244	\$0.244	\$0.247
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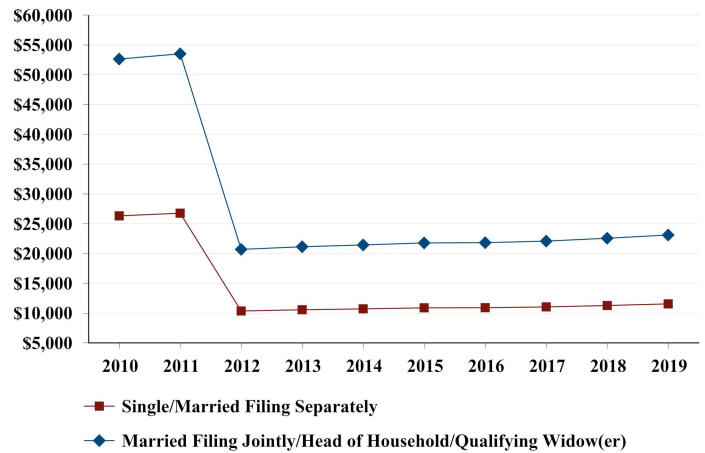
Source: Idaho State Tax Commission.

Note: The Idaho State Legislature can raise the income and vehicle fuel tax rates by legislation; no vote of the populace is required per Idaho Constitution Art. VII Section 16, and Idaho Code Sections 63-3024 and 63-2402.

<sup>1</sup>Idaho's personal income tax brackets are adjusted each year for inflation.<sup>2</sup>Income categories are as follows: S = Single, MFS = Married Filing Separately, MFJ = Married Filing Jointly, HoH = Head of Household, QW = Qualifying Widower.<sup>3</sup>Fiscal year 2012 legislative action reduced the top personal income tax rate from 7.8% to 7.4%.<sup>4</sup>Personal Income data is currently not available for calendar years 2018 and 2019.

2016	2017	2018	2019
1.6% \$0-1,453 \$0-2,907	1.6% \$0-1,471 \$0-2,943	1.1% \$0-1,503 \$0-3,007	1.1% \$0-1,540 \$0-3,081
3.6% \$1,454-2,907 \$2,908-5,815	3.6% \$1,472-2,944 \$2,944-5,889	3.1% \$1,504-3,007 \$3,008-6,015	3.1% \$1,541-3,081 \$3,082-6,161
4.1% \$2,908-4,361 \$5,816-8,723	4.1% \$2,945-4,416 \$5,890-8,833	3.6% \$3,008-4,510 \$6,016-9,021	3.6% \$3,082-4,621 \$6,162-9,243
5.1% \$4,362-5,815 \$8,724-11,631	5.1% \$4,417-5,889 \$8,834-11,779	4.6% \$4,511-6,014 \$9,022-12,029	4.6% \$4,622-6,161 \$9,244-12,323
6.1% \$5,816-7,269 \$11,632-14,539	6.1% \$5,890-7,361 \$11,780-14,723	5.6% \$6,015-7,518 \$12,030-15,037	5.6% \$6,162-7,702 \$12,324-15,405
7.1% \$7,270-10,904 \$14,540-21,809	7.1% \$7,362-11,042 \$14,724-22,085	6.6% \$7,519-11,278 \$15,038-22,557	6.6% \$7,703-11,553 \$15,406-23,107
7.4% \$10,905+ \$21,810+	7.4% \$11,043+ \$22,086+	6.9% \$11,279+ \$22,558+	6.9% \$11,554+ \$23,108+

**Personal Taxable Income Level for Top Rate Payers Calendar Years 2010-2019**



7.4%      7.4%      NA      NA

2016	2017	2018	2019
\$0.320	\$0.320	\$0.320	\$0.320
0.320	0.320	0.320	0.320
0.232	0.232	0.232	0.232
0.349	0.349	0.349	0.349
0.070	0.070	0.070	0.070
0.060	0.060	0.060	0.060
\$0.314	\$0.311	\$0.314	\$0.310

**Schedule 7 - Revenue Payers by Industry/Category**  
**Historical Comparison and Most Current Fiscal/Calendar Year**

(dollars in thousands)

Sales Tax <sup>1,4</sup>	As of June 30, 2010				As June 30, 2019			
	Number of Filers	Percent of Total	Tax Liability	Percent of Total	Number of Filers	Percent of Total	Tax Liability	Percent of Total
Farm Earnings <sup>5</sup>	487	0.8	\$ 517	0.0				
Agricultural/Forestry, Fishing, and Other	1,059	1.7	5,552	0.5	1,349	1.9	\$ 5,428	0.3
Mining	157	0.3	2,437	0.2	166	0.2	3,467	0.2
Construction	4,215	6.8	21,916	2.0	3,669	5.2	29,939	1.7
Manufacturing	5,273	8.5	41,651	3.8	6,746	9.5	75,420	4.2
Transportation & Public Utilities	1,235	2.0	21,656	2.0	543	0.8	12,481	0.7
Wholesale trade	3,675	6.0	93,195	8.4	4,531	6.4	199,701	11.2
Retail trade	23,954	38.8	754,152	68.1	17,882	25.2	972,889	54.6
Information	0	0	0	0	1,511	2.1	33,594	1.9
Finance, Insurance, and Real Estate	836	1.4	7,738	0.7	2,431	3.4	43,969	2.5
Services	19,906	32.2	122,857	11.1	23,390	33.0	335,810	18.9
State and Local Government	933	1.5	35,662	3.2	381	0.5	61,617	3.5
Unclassified	0	0	0	0	8,381	11.8	5,218	0.3
Unpermitted <sup>6</sup>	0	0	0	0	3	0	3	0
<b>Total</b>	<b>61,730</b>	<b>100.0</b>	<b>\$ 1,107,333</b>	<b>100.0</b>	<b>70,983</b>	<b>100.0</b>	<b>\$ 1,779,536</b>	<b>100.0</b>

Personal Income Tax	As of December 31, 2008				As of December 31, 2017			
	Number of Filers	Percent of Total	Tax Liability	Percent of Total	Number of Filers	Percent of Total	Tax Liability	Percent of Total
Income Level								
Under \$50,000	597,728	85.9	\$ 412,653	32.5	667,981	81.1	\$ 462,779	24.3
\$50,000 - \$99,999	70,785	10.2	337,262	26.6	101,679	12.3	474,610	24.9
\$100,000 - \$249,999	21,801	3.1	227,801	17.9	44,056	5.3	442,546	23.3
\$250,000 - \$999,999	5,056	0.7	160,088	12.6	9,805	1.2	295,279	15.5
\$1,000,000 and higher	667	0.1	132,476	10.4	1,223	0.1	228,073	12.0
<b>Total</b>	<b>696,037</b>	<b>100.0</b>	<b>\$ 1,270,280</b>	<b>100.0</b>	<b>824,744</b>	<b>100.0</b>	<b>\$ 1,903,287</b>	<b>100.0</b>

Corporate Income Tax	As December 31, 2008				As December 31, 2017			
	Number of Filers	Percent of Total	Tax Liability <sup>2</sup>	Percent of Total	Number of Filers	Percent of Total	Tax Liability	Percent of Total
Corporations	13,783	17.0	\$ (759,563)	84.6	155,373	64.9	\$ 155,422	83.4
Sub-S Corporations	29,893	36.8	(35,677)	4.0	35,984	15.0	11,780	6.3
Partnerships	28,075	34.6	(125,039)	13.9	36,520	15.3	5,486	2.9
Fiduciary	9,449	11.6	22,495	(2.5)	11,449	4.8	13,884	7.4
<b>Total</b>	<b>81,200</b>	<b>100.0</b>	<b>\$ (897,784)</b>	<b>100.0</b>	<b>239,326</b>	<b>100.0</b>	<b>\$ 186,572</b>	<b>100.0</b>

Vehicle Fuel Tax	As of June 30, 2010				As of June 30, 2019			
	Number of Filers <sup>3</sup>	Percent of Total	Tax Liability	Percent of Total	Number of Filers <sup>3</sup>	Percent of Total	Tax Liability	Percent of Total
Diesel	109	42.9	\$ 59,000	27.0	87	41.4	\$ 100,372	29.0
Gasoline	103	40.6	158,001	72.3	86	41.0	241,655	70.1
Propane	19	7.5	26	0	10	4.8	15	0
Natural Gas		0	7	0	3	1.4	629	0.2
Aviation	8	3.1	127	0.1	7	3.3	117	0
Jet	15	5.9	1,401	0.6	17	8.1	2,488	0.7
<b>Total</b>	<b>254</b>	<b>100.0</b>	<b>\$ 218,562</b>	<b>100.0</b>	<b>210</b>	<b>100.0</b>	<b>\$ 345,276</b>	<b>100.0</b>

Source: Idaho State Tax Commission.

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue. The most current period for personal and corporate income tax information is calendar year 2017.

<sup>1</sup>In 2019, the Idaho State Tax Commission provided the sales tax liability data for July 1, 2018 to June 30, 2019.

<sup>2</sup>The corporate tax liability amounts for tax years 2006 through 2010 are revised due to updated data provided by the Idaho State Tax Commission.

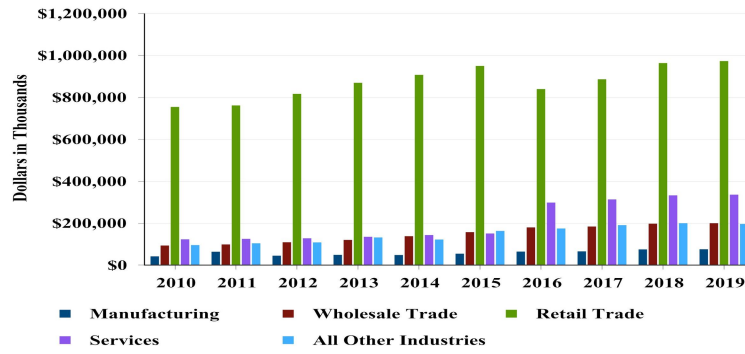
<sup>3</sup>The total number of filers for vehicle fuel tax may contain the same filers counted more than once as some filers distribute more than one type of fuel.

<sup>4</sup>In 2016, the Tax Commission changed from using U.S. Standard Industrial Classification System (SIC) codes to using North American Industry Classification System (NAICS) codes. The change provides industry groupings that are more meaningful and useful for economic analysis. Some industry categories shown have significant variances due to the change in classification codes.

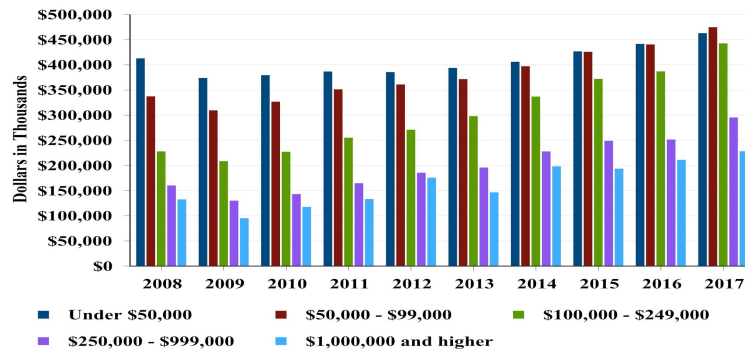
<sup>5</sup>Under the NAICS, commercial farming is combined with agriculture/forestry, fishing, and other.

<sup>6</sup>Taxable sales by individuals and businesses without a sales and use tax permit.

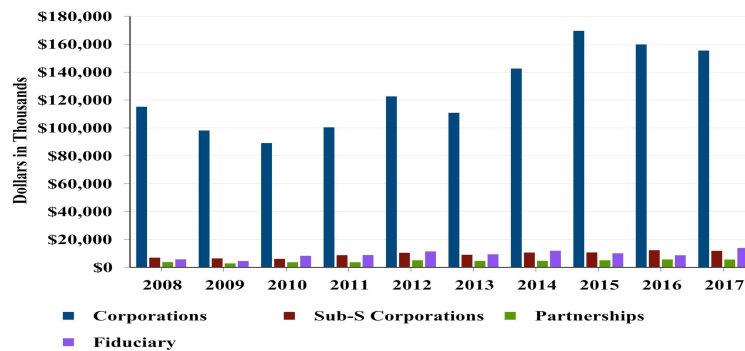
**Sales Tax Liabilities by Industry  
Fiscal Years 2010-2019**



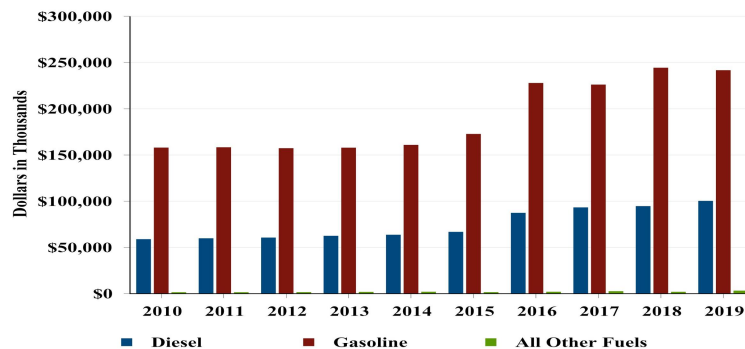
**Personal Income Tax Liabilities by Income Level  
Calendar Years 2008-2017**



**Corporate Income Tax Liabilities  
Tax Years 2008 - 2017**



**Vehicle Fuel Tax Liabilities  
Fiscal Years 2010 - 2019**



## Schedule 8 - Outstanding Debt Ratios

Fiscal Years 2010-2019

(dollars in thousands, except per capita amount)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	
<b>Governmental Activities</b>										
Revenue Bonds <sup>1</sup>	\$ 257,088	\$ 233,246	\$ 207,106	\$ 197,624	\$ 170,640	\$ 150,379	\$ 146,516	\$ 136,844	\$ 356,334	\$ 388,896
Capital Leases	33,229	32,761	28,967	27,394	25,862	24,319	17,462	16,419	15,594	19,433
Notes Payable <sup>2</sup>	375,344	480,064	524,813	554,892	595,362	621,767	595,116	564,331	524,263	496,460
<b>Total Governmental Activities</b>	<b>\$ 665,661</b>	<b>\$ 746,071</b>	<b>\$ 760,886</b>	<b>\$ 779,910</b>	<b>\$ 791,864</b>	<b>\$ 796,465</b>	<b>\$ 759,094</b>	<b>\$ 717,594</b>	<b>\$ 896,191</b>	<b>\$ 904,789</b>
<b>Business-Type Activities</b>										
Revenue Bonds <sup>3</sup>	\$ 473,667	\$ 457,631	\$ 457,113	\$ 464,334	\$ 445,651	\$ 477,546	\$ 462,572	\$ 474,094	\$ 472,714	\$ 448,905
Capital Leases <sup>4</sup>	2,845	2,353	2,316	1,663	1,158	780	4,995	4,148	302	328
Notes Payable <sup>5</sup>	216,183	214,144	204,745	156,449	105,919	55,117	2,157	73	64	65
<b>Total Business-Type Activities</b>	<b>\$ 692,695</b>	<b>\$ 674,128</b>	<b>\$ 664,174</b>	<b>\$ 622,446</b>	<b>\$ 552,728</b>	<b>\$ 533,443</b>	<b>\$ 469,724</b>	<b>\$ 478,315</b>	<b>\$ 473,080</b>	<b>\$ 449,298</b>
<b>Total Primary Government</b>	<b>\$ 1,358,356</b>	<b>\$ 1,420,199</b>	<b>\$ 1,425,060</b>	<b>\$ 1,402,356</b>	<b>\$ 1,344,592</b>	<b>\$ 1,329,908</b>	<b>\$ 1,228,818</b>	<b>\$ 1,195,909</b>	<b>\$ 1,369,271</b>	<b>\$ 1,354,087</b>
<b>Debt as a Percentage of Personal Income<sup>6</sup></b>	2.7%	2.7%	2.5%	2.4%	2.2%	2.0%	1.8%	1.7%	1.8%	1.7%
<b>Amount of Debt Per Capita<sup>6</sup></b>	\$ 864.8	\$ 896.7	\$ 893.2	\$ 870.2	\$ 824.1	\$ 805.3	\$ 730.2	\$ 695.7	\$ 780.6	\$ 758.5

Note: The Idaho Constitution Article VIII Section 1 amended in 1998 specifies that the Legislature shall not create any debts or liabilities, except in extreme emergencies, unless authorized by law and then approved by the people at a general election. This does not apply to liabilities incurred for ordinary operating expenses, nor debts or liabilities that are repaid by the end of the fiscal year. The debts or liabilities of independent public bodies corporate and politic created by law and which have no power to levy taxes or obligate the General Fund of the State are not debts or liabilities of the State of Idaho. Details regarding the State's debt can be found in Note 13 to the financial statements.

<sup>1</sup> In FY2018 and FY2019 the Idaho State Building Authority issued revenue bonds for the State to acquire the HP Campus in Boise to be used by the State, for the Idaho State Board of Education to design and construct new facilities in Idaho Falls for research and related uses by the Idaho National Laboratory in collaboration with Idaho universities and colleges, and other parties, and for the Department of Health and Welfare to design and construct a new skilled nursing facility on the campus of Idaho's State Hospital South in Blackfoot.

<sup>2</sup> From FY2010-FY2015 the Idaho Transportation Department issued notes payable to the Idaho Housing and Finance Association for road and infrastructure improvements.

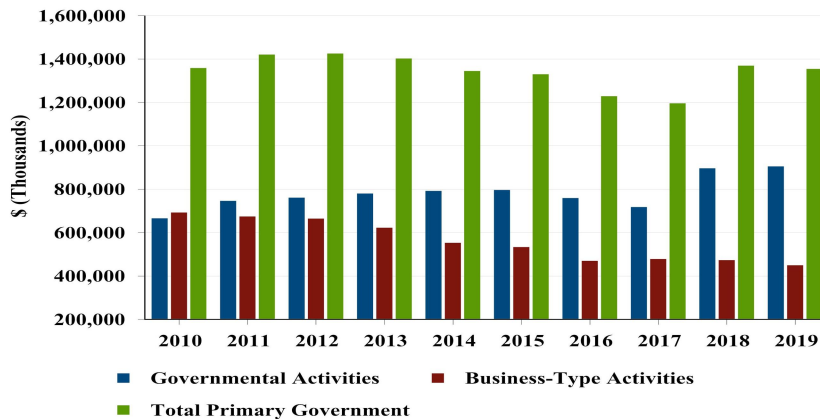
<sup>3</sup> From FY2010-FY2018 the colleges and universities issued revenue bonds for various projects.

<sup>4</sup> In FY2016 the increase in capital leases is primarily due to Boise State University entering into two new capital lease agreements with the Boise State University Foundation.

<sup>5</sup> From FY2012-FY2017 the changes in notes payable resulted from repayment of loans from the Idaho Housing and Financing Association.

<sup>6</sup> These ratios are calculated using personal income and population for the current calendar year. See Schedule 11 for personal income and population data.

**Outstanding Debt - Primary Government  
Fiscal Years 2010-2019**



**Schedule 9 - Other Long-Term Liabilities**

**Fiscal Years 2010-2019**

(dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	
<b>Governmental Activities</b>										
Compensated Absences	\$ 51,996	\$ 61,095	\$ 62,775	\$ 56,470	\$ 49,466	\$ 49,874	\$ 54,058	\$ 55,172	\$ 57,321	\$ 55,756
Policy Claim Liabilities	16,956	13,869	15,450	17,963	14,305	11,304	10,804	11,138	15,213	19,382
Claims and Judgments <sup>1,2</sup>	79,970	180,773	178,173	96,324	69,495	170,841	169,115	72,812	195,016	204,262
Net Pension Obligation <sup>3,6</sup>	11,140	12,508	13,596	13,989	14,271					
Net Pension Liability <sup>4</sup>						176,577	306,439	452,474	357,313	325,734
Net OPEB Obligation	22,169	23,851	24,720	24,520	24,491	25,458	25,917			
Total OPEB Liability								43,185	42,103	33,446
Other Long-Term Liabilities					6,114	5,468	5,633	3,756	2,400	0
<b>Total Governmental Activities</b>	<b>\$ 182,231</b>	<b>\$ 292,096</b>	<b>\$ 294,714</b>	<b>\$ 209,266</b>	<b>\$ 178,142</b>	<b>\$ 439,522</b>	<b>\$ 571,966</b>	<b>\$ 638,537</b>	<b>\$ 669,366</b>	<b>\$ 638,580</b>
<b>Business-Type Activities</b>										
Compensated Absences	\$ 20,882	\$ 21,041	\$ 22,648	\$ 22,239	\$ 20,844	\$ 21,640	\$ 21,373	\$ 22,670	\$ 23,616	\$ 24,143
Claims and Judgments <sup>2</sup>	1									
Net Pension Liability <sup>4</sup>						31,898	56,602	85,399	65,526	59,160
Net OPEB Obligation	11,267	13,707	15,513	17,143	18,847	20,982	22,973			
Total OPEB Liability <sup>7</sup>								55,643	55,838	52,150
Net OPEB Liability - U of I <sup>7</sup>								34,737	33,336	30,891
Voluntary Termination Benefits <sup>5</sup>	894									
Other Long-Term Liabilities	124	416	633	968	1309	1139	928	785	596	8625
<b>Total Business-Type Activities</b>	<b>\$ 33,168</b>	<b>\$ 35,164</b>	<b>\$ 38,794</b>	<b>\$ 40,350</b>	<b>\$ 41,000</b>	<b>\$ 75,659</b>	<b>\$ 101,876</b>	<b>\$ 199,234</b>	<b>\$ 178,912</b>	<b>\$ 174,969</b>
<b>Total Primary Government</b>	<b>\$ 215,399</b>	<b>\$ 327,260</b>	<b>\$ 333,508</b>	<b>\$ 249,616</b>	<b>\$ 219,142</b>	<b>\$ 515,181</b>	<b>\$ 673,842</b>	<b>\$ 837,771</b>	<b>\$ 848,278</b>	<b>\$ 813,549</b>

Note: Details regarding the liabilities listed above can be found in Note 13 to the financial statements.

<sup>1</sup> Changes between fiscal year (FY) 2010-FY2011 are due to fluctuations in payment cycles caused by budget shortfalls and migrating to a new payment system.

<sup>2</sup> Claims and judgments include arbitrage liabilities for FY2010-FY2015. Decrease to claims and judgments resulted from a decrease in Medicaid claims, and between FY2016 and FY2017 there was a timing difference of Medicaid payments. In FY2015 there was an increase due to a change in calculation method by the Department of Health and Welfare.

<sup>3</sup> In FY2010 the increase in the net pension obligation is mainly attributable to a restatement of the Idaho Judges' Retirement Fund due to a new actuarial valuation.

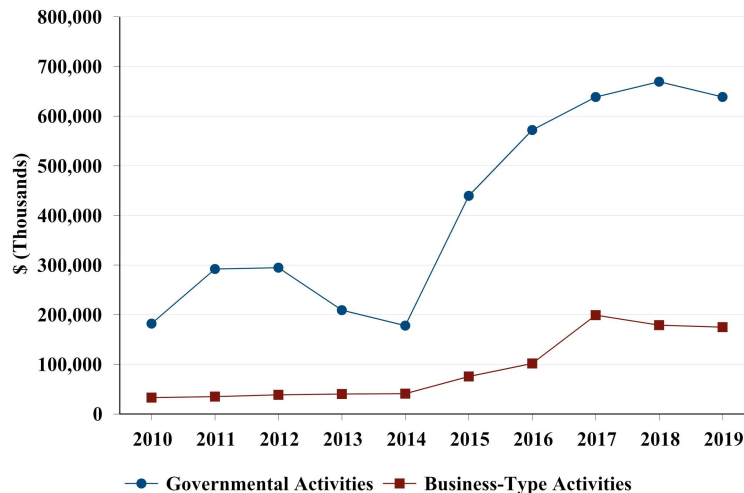
<sup>4</sup> Net pension liability was not required to be reported prior to FY2015.

<sup>5</sup> In FY2010 the University of Idaho established a voluntary Exit Incentive Program for eligible employees to leave University employment with an economic incentive.

<sup>6</sup> Due to the implementation of GASB Statement No. 68 in FY2015, the net pension obligation was removed and a net pension liability recorded.

<sup>7</sup> Due to the implementation of GASB Statement No. 75 in FY2018, the net OPEB obligation was removed and a total and net OPEB liability recorded.

**Other Long-Term Liabilities - Primary Government  
Fiscal Years 2010-2019**



## Schedule 10 - Pledged Revenue Coverage

## Fiscal Years 2010-2019

(dollars in thousands)

	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>						
<b>Notes Payable - Idaho Transportation Department<sup>1</sup></b>						
Revenue:						
Federal Highway Grants <sup>2</sup>	\$ 355,288	\$ 399,049	\$ 334,747	\$ 292,619	\$ 294,620	\$ 324,598
State Funds	3,255	3,509	3,829	4,033	4,329	4,598
Available Revenue	\$ 358,543	\$ 402,558	\$ 338,576	\$ 296,652	\$ 298,949	\$ 329,196
Debt Service:						
Principal	\$ 8,176	\$ 20,936	\$ 19,957	\$ 21,975	\$ 24,203	\$ 27,180
Interest	\$ 19,074	\$ 25,862	\$ 26,836	\$ 28,188	\$ 28,417	\$ 30,740
Coverage	13.2	8.6	7.2	5.9	5.7	5.7
<b>Business-Type Activities</b>						
<b>Revenue Bonds - Colleges and Universities</b>						
Revenue:						
Student Fees Pledged	\$ 212,768	\$ 236,690	\$ 257,850	\$ 268,014	\$ 276,964	\$ 295,818
Sale of Goods and Services Pledged	91,258	84,978	90,136	93,356	89,031	94,327
Other Income Pledged <sup>3</sup>	22,641	36,803	35,990	35,828	38,158	45,505
Less: Operating Expenses	(61,226)	(61,342)	(65,802)	(69,901)	(69,339)	(66,212)
Net Available Revenue	\$ 265,441	\$ 297,129	\$ 318,174	\$ 327,297	\$ 334,814	\$ 369,438
Debt Service:						
Principal	\$ 13,190	\$ 15,085	\$ 14,090	\$ 16,585	\$ 16,714	\$ 17,704
Interest	\$ 20,339	\$ 20,243	\$ 21,524	\$ 19,440	\$ 20,018	\$ 18,836
Coverage	7.9	8.4	8.9	9.1	9.1	10.1
<b>Revenue Bonds - Idaho Water Resources Board<sup>6,7</sup></b>						
Revenue:						
Sale of Goods and Services	\$ 983	\$ 990	\$ 1,059	\$ 993	\$ 983	\$ 1,261
Less: Operating Expenses	(117)	(124)	(136)	(161)	(123)	(214)
Net Available Revenue	\$ 866	\$ 866	\$ 923	\$ 832	\$ 860	\$ 1,047
Debt Service:						
Principal	\$ 340	\$ 360	\$ 380	\$ 400	\$ 425	\$ 450
Interest	\$ 259	\$ 240	\$ 220	\$ 198	\$ 175	\$ 151
Coverage	1.4	1.4	1.5	1.4	1.4	1.7
<b>Notes Payable - Colleges and Universities<sup>4</sup></b>						
Revenue:						
Student Fees Pledged	\$ 142	\$ 169	\$ 1,001	\$ 1,062	\$ 1,108	\$ 1,085
Housing Fees Pledged	445	430	429	441	469	468
Other Income Pledged		76	110	101	81	88
Less: Operating Expenses	(154)	(107)	(410)	(402)	(442)	(428)
Net Available Revenue	\$ 433	\$ 568	\$ 1,130	\$ 1,202	\$ 1,216	\$ 1,213
Debt Service:						
Principal <sup>5</sup>	\$ 114	\$ 366	\$ 334	\$ 786	\$ 1,366	\$ 900
Interest	\$ 25	\$ 176	\$ 138	\$ 171	\$ 118	\$ 84
Coverage	3.1	1.0	2.4	1.3	0.8	1.2

Note: Details regarding the State's outstanding bonds can be found in Note 13 to the financial statements. Operating expenses do not include interest or depreciation expense. Coverage equals net available revenue divided by debt service.

<sup>1</sup> For fiscal years (FY) 2010-2015 and 2019 the Idaho Transportation Department issued notes payable to the Idaho Housing and Finance Association to finance road and infrastructure improvements.

<sup>2</sup> In FY2012 and FY2013 grants decreased due to the near-term completion of the American Recovery and Reinvestment Act stimulus program.

<sup>3</sup> In FY2015 other pledged income increased due to an increase in student tuition and fees by the University of Idaho.

<sup>4</sup> In FY2012 and FY2013 LCSC issued notes payable to refinance Student Fee Refunding Revenue Bonds. The LCSC issued notes payable were paid in full in FY2017.

<sup>5</sup> In FY2013-2014 the increase resulted from LCSC's principal only payments.

<sup>6</sup> The Series 2006 Refunding Bonds were paid in full in FY2016.

<sup>7</sup> The Idaho Water Resources Board revenue bonds were paid in full in FY2017.

2016	2017	2018	2019
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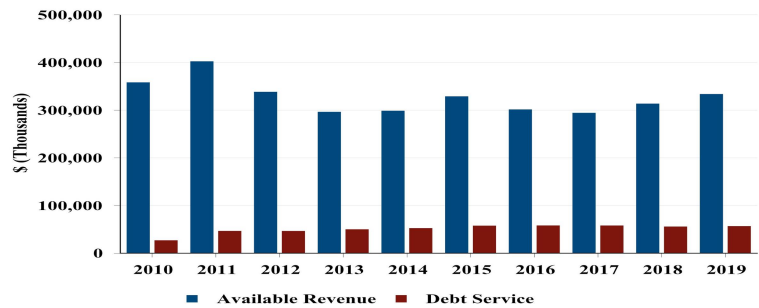
\$ 297,093	\$ 294,499	\$ 313,887	\$ 334,095
4,540			
\$ 301,633	\$ 294,499	\$ 313,887	\$ 334,095
\$ 29,186	\$ 30,365	\$ 31,061	\$ 32,559
\$ 29,207	\$ 27,810	\$ 24,955	\$ 24,392
5.2	5.1	5.6	5.9

\$ 301,659	\$ 305,823	\$ 321,224	\$ 342,944
88,135	88,847	78,686	82,971
45,051	49,951	54,682	53,563
(68,803)	(65,110)	(77,481)	(75,270)
\$ 366,042	\$ 379,511	\$ 377,111	\$ 404,208
\$ 20,682	\$ 18,002	\$ 18,109	\$ 20,135
\$ 16,450	\$ 19,852	\$ 20,329	\$ 20,338
9.9	10.0	9.8	10.0

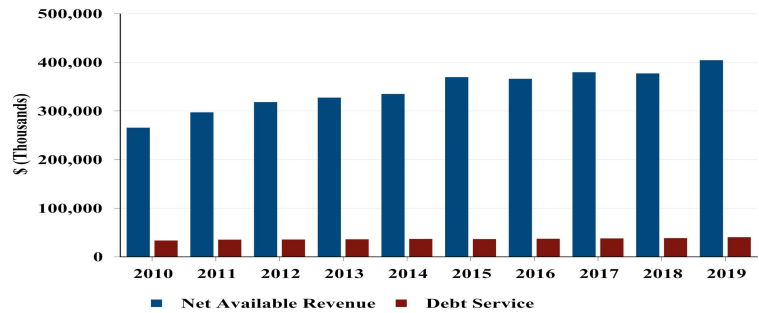
\$ 897			
(292)			
\$ 605	\$ 0	\$ 0	\$ 0
\$ 2,065			
\$ 125			
0.3			
\$ 1,031			
489			
87			
(480)			
\$ 1,127	\$ 0	\$ 0	\$ 0

\$ 1,284			
\$ 60			
0.8			

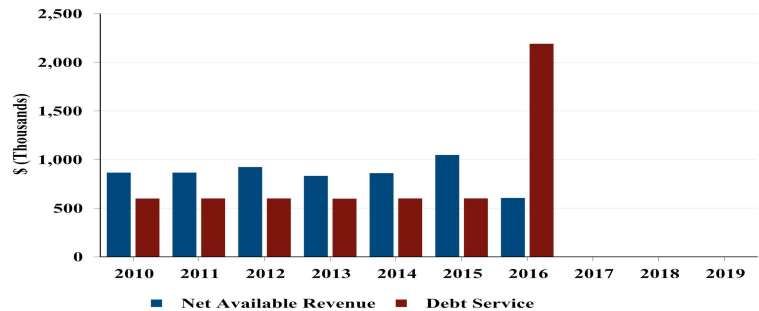
**Idaho Transportation Department, Notes Payable  
Revenue and Debt Service  
Fiscal Years 2010-2019**



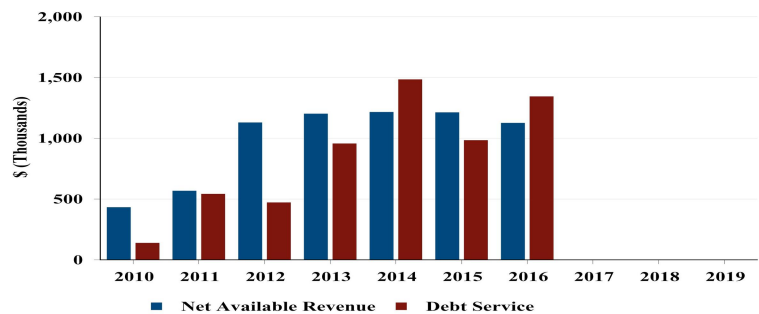
**Colleges and Universities, Revenue Bonds  
Revenue and Debt Service  
Fiscal Years 2010-2019**



**Idaho Water Resources Board, Revenue Bonds  
Revenue and Debt Service  
Fiscal Years 2010-2019**



**Colleges and Universities, Notes Payable  
Revenue and Debt Service  
Fiscal Years 2010-2019**





**Schedule 11 - Demographic and Economic Indicators**  
**Calendar Years 2010-2019**

	2010	2011	2012	2013	2014	2015
<b>Population</b>						
Idaho ( <i>in thousands</i> )	1,571	1,584	1,595	1,612	1,632	1,652
Change	1.1%	0.8%	0.7%	1.0%	1.2%	1.2%
National ( <i>in thousands</i> )	310,072	312,315	314,530	316,698	319,008	321,317
Change	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%
<b>Total Personal Income <sup>1</sup></b>						
Idaho ( <i>in billions</i> )	\$ 50	\$ 53	\$ 56	\$ 58	\$ 62	\$ 66
Change	3.5%	5.7%	5.8%	3.9%	6.0%	6.5%
National ( <i>in billions</i> )	\$ 12,552	\$ 13,327	\$ 14,010	\$ 14,181	\$ 14,992	\$ 15,718
Change	4.1%	6.2%	5.1%	1.2%	5.7%	4.8%
<b>Per Capita Personal Income</b>						
Idaho	\$ 31,955	\$ 33,515	\$ 35,186	\$ 36,199	\$ 37,894	\$ 39,856
Change	2.5%	4.9%	5.0%	2.9%	4.7%	5.2%
National	\$ 40,479	\$ 42,670	\$ 44,542	\$ 44,777	\$ 46,993	\$ 48,916
Change	3.2%	5.4%	4.4%	0.5%	4.9%	4.1%
<b>Median Age - Idaho <sup>2</sup></b>	34.7	35.0	35.2	35.7	35.9	35.8
<b>Educational Attainment <sup>3</sup></b>						
8th Grade or Less	4.2%	4.5%	4.1%	4.3%	3.9%	3.7%
Some High School, No Diploma	7.5%	6.9%	6.1%	6.3%	6.0%	6.3%
High School Diploma	28.6%	27.5%	27.7%	27.4%	28.2%	27.5%
Some College, No Degree	27.0%	26.9%	27.6%	26.7%	27.6%	27.0%
Associate, Bachelor or Graduate Degree	32.7%	34.2%	34.5%	35.3%	34.4%	35.6%
<b>Resident Civilian Labor Force and Employment in Idaho</b>						
Civilian Labor Force	761,056	765,178	769,256	770,833	779,631	795,983
Employed	692,826	701,466	713,704	723,636	742,636	762,279
Unemployed	68,230	63,712	55,552	47,197	37,684	33,704
Unemployment Rate	9%	8.3%	7.2%	6.1%	4.8%	4.2%
<b>Nonfarm Wage and Salary Workers Employed in Idaho</b>						
<b>Goods Producing Industries</b>						
Mining	2,294	2,623	2,779	2,629	2,519	2,451
Logging and Wood Products	5,732	6,120	6,408	7,034	7,048	7,332
Computer and Electronics	10,574	11,191	11,625	11,266	11,425	11,899
Construction	31,297	30,361	31,432	33,644	35,863	38,263
Manufacturing-Durable Goods <sup>4</sup>	14,805	15,281	16,080	17,462	17,587	18,260
Manufacturing-Nondurable Goods	23,261	23,364	24,019	25,256	25,531	26,123
<b>Total Goods Producing Industries</b>	<b>87,963</b>	<b>88,940</b>	<b>92,343</b>	<b>97,291</b>	<b>99,973</b>	<b>104,328</b>
<b>Non-Goods Producing Industries</b>						
Trade	99,639	100,623	103,623	106,155	108,415	111,725
Service	296,759	303,156	308,056	316,182	326,723	336,157
State and Local Government	104,900	104,563	104,576	104,991	105,852	106,621
Federal Government	13,691	12,654	12,640	12,411	12,337	12,583
<b>Total Non-Goods Producing Industries</b>	<b>514,989</b>	<b>520,996</b>	<b>528,895</b>	<b>539,739</b>	<b>553,327</b>	<b>567,086</b>
<b>Total Nonfarm Wage and Salary Employment</b>	<b>602,952</b>	<b>609,936</b>	<b>621,238</b>	<b>637,030</b>	<b>653,300</b>	<b>671,414</b>

Sources: Idaho Division of Financial Management, Idaho Department of Labor, Idaho State Board of Education, U.S. Bureau of Economic Analysis, and U.S. Census Bureau.

Note: Amounts for calendar years 2017-2019 are estimates. Prior year amounts may change due to revisions by the U.S. Bureau of Economic Analysis and the U.S. Census Bureau.

<sup>1</sup> Total personal income is comprised of earned income, dividends, interest, rents, and government transfer payments.

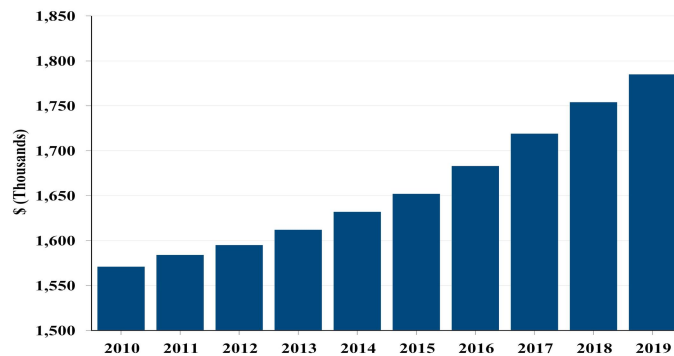
<sup>2</sup> Median age data for Idaho is not currently available for calendar year 2019.

<sup>3</sup> Educational attainment information is not currently available for calendar year 2019.

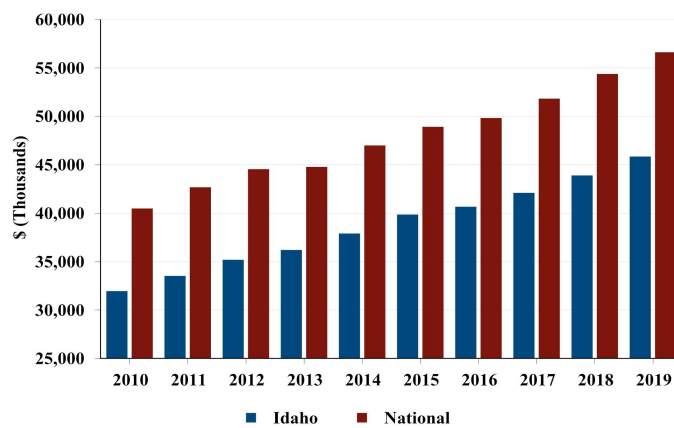
<sup>4</sup> "Manufacturing-Durable Goods" amounts are net of "Logging and Wood Products" and "Computer and Electronics" amounts, which are presented separately in this schedule.

2016	2017	2018	2019
1,683	1,719	1,754	1,785
1.9%	2.1%	2.1%	1.8%
323,593	325,662	327,716	330,051
0.7%	0.6%	0.6%	0.7%
\$ 68	\$ 72	\$ 77	\$ 80
4.0%	5.7%	6.4%	6.3%
\$ 16,121	\$ 16,879	\$ 17,819	\$ 18,684
2.6%	4.7%	5.6%	4.9%
\$ 40,669	\$ 42,091	\$ 43,900	\$ 45,843
2.0%	3.5%	4.3%	4.4%
\$ 49,819	\$ 51,828	\$ 54,373	\$ 56,609
1.8%	4.0%	4.9%	4.1%
36.1	35.7	35.9	NA
3.2%	3.3%	3.6%	N/A
6.4%	5.9%	5.5%	N/A
27.9%	28.2%	27.8%	N/A
25.3%	26.3%	25.5%	N/A
37.2%	36.4%	37.6%	N/A
815,077	834,698	857,049	873,886
784,172	807,819	832,732	848,905
30,905	26,879	24,317	24,981
3.8%	3.2%	2.8%	2.9%
2,467	2,216	2,249	2,316
7,699	7,854	8,139	8,339
12,124	12,232	12,728	12,380
41,636	44,993	49,208	52,445
18,852	19,495	20,203	20,576
27,108	28,111	28,614	29,204
<b>109,886</b>	<b>114,901</b>	<b>121,141</b>	<b>125,260</b>
114,152	115,714	117,173	119,423
348,757	361,482	375,468	389,186
108,301	110,128	111,820	112,949
12,832	12,974	13,078	13,384
<b>584,042</b>	<b>600,298</b>	<b>617,539</b>	<b>634,942</b>
<b>693,928</b>	<b>715,199</b>	<b>738,680</b>	<b>760,202</b>

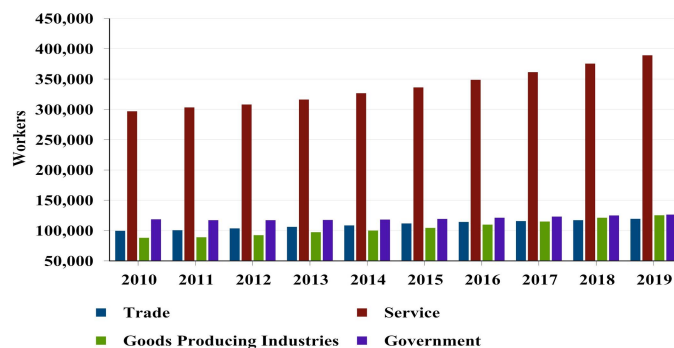
**Idaho Population**  
Calendar Years 2010-2019



**Per Capita Personal Income**  
Calendar Years 2010-2019



**Nonfarm Wage and Salary Workers**  
Employed in Idaho  
Calendar Years 2010-2019



**Schedule 12 - Principal Employers**  
**Current Year and Nine Years Ago**

Major Idaho Employers	As of June 30, 2010			As of June 30, 2019		
	Number of Employees	Rank	Percent of Total State Employment	Number of Employees	Rank	Percent of Total State Employment
State of Idaho <sup>1</sup>	18,500-19,000	1	2.7	30,200-30,299	1	3.5
Federal Government	13,000-13,500	2	1.9	13,100-13,199	2	1.5
St Luke's Health System	7,500-8,000	3	1.1	13,500-13,599	3	1.6
Walmart	6,500-7,000	4	1.0	8,100-8,199	4	0.9
Micron Technology, Inc.	5,500-6,000	5	0.8	6,500-6,599	5	0.8
Brigham Young University -Idaho	3,500-4,000	10	0.5	5,400-5,499	6	0.6
St Alphonsus Regional Medical Center				5,400-5,499	7	0.6
West Ada School District #2	4,500-5,000	6	0.7	4,600-4,699	8	0.5
Albertsons	4,000-4,500	7	0.6	4,400-4,499	9	0.5
Battelle Energy Alliance	3,500-4,000	8	0.5	4,400-4,499	10	0.5
Independent School District of Boise City	3,500-4,000	9	0.5			
<b>Total</b>	<b>72,500</b>		<b>10.3</b>	<b>96,100</b>		<b>11.0</b>

Source: Idaho Department of Labor, except state employee data, which comes from the Office of the Idaho State Controller.

Note: All figures are based on a calendar year average. Total number of employees is based on the sum of the mid-points in the ranges given.

<sup>1</sup>Number of state employees includes only full-time personnel.

**Schedule 13 - Education Enrollment**

**Public School Enrollment Grades K-12**

**Academic Years 2009/2010-2018/2019**

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Elementary	154,333	153,262	154,671	156,715	157,554	161,015	162,131	163,519	164,180	166,060
Secondary	124,189	125,193	126,094	127,526	128,651	130,007	132,340	135,268	138,289	141,168
<b>Total All Grades</b>	<b>278,522</b>	<b>278,455</b>	<b>280,765</b>	<b>284,241</b>	<b>286,205</b>	<b>291,022</b>	<b>294,471</b>	<b>298,787</b>	<b>302,469</b>	<b>307,228</b>

Source: Idaho Department of Education

**Public Higher Education Enrollment**

**Student Headcount<sup>1</sup> (Calendar Years 2010-2019)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Boise State University	19,993	19,664	22,638	21,981	22,239	22,086	23,854	24,121	25,504	26,216
Idaho State University	12,595	12,587	13,860	13,351	13,455	13,032	12,928	12,505	12,372	12,425
University of Idaho	12,302	12,312	12,493	11,884	11,534	11,372	11,780	12,072	11,841	11,926
Lewis-Clark State College	3,822	3,761	3,830	3,585	3,616	3,635	3,909	3,733	3,677	3,748
Eastern Idaho Technical College (EITC) <sup>2</sup>	862	829	709	725	686	687	676	809	1,384	
<b>Total Colleges and Universities</b>	<b>49,574</b>	<b>49,153</b>	<b>53,530</b>	<b>51,526</b>	<b>51,530</b>	<b>50,812</b>	<b>53,147</b>	<b>53,240</b>	<b>54,778</b>	<b>54,315</b>

Source: Idaho State Board of Education

Note: Total headcount includes academic full-time, academic part-time, and vocational students.

<sup>1</sup>Figures are based on fall enrollment numbers for each year.

<sup>2</sup>In FY19 EITC became a community college (College of Eastern Idaho) and is no longer a state entity.

*State of Idaho*

**Schedule 14 - State Employees by Function**

**Fiscal Years 2010-2019**

**Full-Time Employees**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Government</b>										
Tax Commission	368	373	406	426	425	425	422	436	428	429
Department of Administration	139	141	137	136	137	136	128	132	109	111
All Other	1,133	1,098	1,058	1,091	1,127	1,139	1,132	1,171	1,207	1,255
<b>Public Safety and Correction</b>										
Department of Correction	1,543	1,529	1,517	1,550	1,544	1,879	1,928	1,897	1,840	1,877
Idaho State Police	465	452	458	479	480	488	490	518	514	535
Department of Juvenile Corrections	381	382	387	384	387	398	391	405	398	400
All Other	327	362	354	373	566	417	428	421	437	440
<b>Health and Human Services</b>										
Department of Health and Welfare	2,887	2,642	2,606	2,611	2,647	2,614	2,650	2,648	2,668	2,670
<b>Education</b>										
Colleges and Universities	6,242	6,093	6,436	6,548	6,721	6,842	6,984	7,396	7,318	7,342
All Other	469	473	361	371	376	362	384	401	401	401
<b>Economic Development</b>										
Idaho Transportation Department	1,772	1,742	1,714	1,683	1,642	1,581	1,516	1,479	1,550	1,559
Department of Labor	506	532	514	547	547	539	497	477	459	459
Department of Agriculture	279	245	249	253	261	257	269	272	293	297
All Other	909	981	966	992	990	999	1,011	1,078	1,092	1,094
<b>Natural Resources</b>										
Department of Environmental Quality	340	328	331	332	328	322	329	337	353	353
Department of Fish and Game	504	535	545	534	534	533	530	528	547	546
Department of Lands	235	227	231	239	238	253	252	269	276	276
Department of Parks and Recreation	147	131	132	136	132	135	135	135	139	136
All Other	182	174	171	167	162	159	161	174	172	174
<b>State Total</b>	<b>18,828</b>	<b>18,440</b>	<b>18,573</b>	<b>18,852</b>	<b>19,244</b>	<b>19,478</b>	<b>19,637</b>	<b>20,174</b>	<b>20,201</b>	<b>20,354</b>

**Part-Time and Temporary Employees<sup>1</sup>**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	385	362	388	342	349	323	440	420	368	392
Public Safety and Correction	159	174	202	178	203	206	162	173	179	171
Health and Human Services	286	256	229	257	243	253	255	263	258	266
Education	2,532	2,509	2,587	2,655	2,514	2,441	2,578	2,742	2,377	2,176
Economic Development	838	884	774	732	705	643	632	647	548	507
Natural Resources <sup>2</sup>	518	440	433	431	465	477	476	888	581	430
<b>State Total</b>	<b>4,718</b>	<b>4,625</b>	<b>4,613</b>	<b>4,595</b>	<b>4,479</b>	<b>4,343</b>	<b>4,543</b>	<b>5,133</b>	<b>4,311</b>	<b>3,942</b>

Source: Office of the Idaho State Controller.

<sup>1</sup> Part-time and temporary employees are those working less than full-time, including board and commission members.

<sup>2</sup> The increase in the hiring of part-time and temporary employees in fiscal year 2017 is primarily due to the Department of Lands receiving additional appropriation to add needed fire fighting positions in response to the 2015 fire season. Also, the Department of Fish and Game hired more seasonal workers during the peak visitation period to serve the more than five million annual visitors to the State Parks.

## Schedule 15 - Operating Indicators by Function

### Fiscal/Calendar Years 2010-2019

	2010	2011	2012	2013	2014	2015
<b>General Government</b>						
<b>Tax Commission</b>						
Number of Returns Filed ( <i>in thousands</i> )	2,226	2,260	2,316	2,350	2,390	2,415
Number of Returns Filed Electronically ( <i>in thousands</i> )	492	543	568	587	616	695
<b>Department of Administration</b>						
Construction Projects Administered	431	399	345	293	296	311
Employees Covered by Benefit Plans	19,343	18,942	19,018	19,247	19,592	19,831
<b>Public Safety and Correction</b>						
<b>Department of Correction<sup>1</sup></b>						
Incarcerated Offenders	7,504	7,578	8,097	8,221	8,120	8,157
Supervised Offenders	13,902	14,595	14,530	14,705	15,433	15,970
<b>Idaho State Police</b>						
Drug Related Arrests <sup>2</sup>	982	1,021	1,454	1,411	1,559	1,456
DUI Arrests <sup>2</sup>	2,441	2,003	1,845	1,659	1,304	1,197
All Other Arrests <sup>2</sup>	1,163	1,262	1,145	1,101	1,071	876
<b>Department of Juvenile Corrections</b>						
Number of Juveniles in the System	568	529	553	550	498	467
Rate of Recombinment to DJC Custody	17.0%	15.0%	12.0%	18.2%	13.0%	14.0%
<b>Health and Human Services</b>						
<b>Department of Health and Welfare<sup>1</sup></b>						
Medicaid Enrollees	209,126	227,991	238,165	247,151	261,639	289,303
Percent of Population	13.3%	14.4%	14.9%	15.3%	16.0%	17.5%
Food Stamp Recipients	179,074	223,370	235,502	229,586	217,553	201,094
Percent of Population	11.4%	14.1%	14.8%	14.2%	13.3%	12.2%
<b>Education</b>						
<b>Colleges and Universities<sup>1</sup></b>						
Enrollment	49,574	49,153	53,530	51,526	51,530	50,812
Number of Certificates and Degrees Awarded	8,760	9,306	9,980	10,382	10,356	10,518
<b>Economic Development</b>						
<b>Idaho Transportation Department</b>						
Percent of Pavement Which is Deficient <sup>1</sup>	18.0%	16.0%	13.0%	14.0%	14.0%	14.0%
Vehicles Weighed ( <i>in thousands</i> )	2,400	2,400	2,314	2,281	2,433	2,514
<b>Department of Labor</b>						
Individuals Registered for Employment <sup>5,6</sup>	334,896	331,449	301,338	277,111	255,891	200,771
Job Openings Received	47,956	69,323	57,189	80,283	101,897	107,353
<b>Department of Agriculture</b>						
Conduct Disease Tests on Animals <sup>3</sup>	362,905	676,604	100,454	110,944	105,090	99,276
Inspections of Dairy Farms	6,932	7,653	8,024	8,786	8,854	8,688
<b>Natural Resources</b>						
<b>Department of Environmental Quality</b>						
Air Quality Sites Monitored	41	43	39	40	40	40
Water Sites Monitored	128	101	237	237	290	231
<b>Department of Fish and Game</b>						
Citations and Warnings Issued	4,799	4,053	4,175	3,480	4,868	4,348
Hatchery Fish Raised ( <i>in thousands</i> ) <sup>2</sup>	27,085	32,351	23,007	23,837	35,253	30,774
Hunting and Fishing Licenses Sold <sup>2</sup>	548,949	523,698	573,714	566,460	576,063	600,328
<b>Department of Lands<sup>1</sup></b>						
Forest Products Harvested ( <i>in million board feet</i> )	212	273	287	290	274	222
Fires Responded to on IDL Land	183	249	187	322	351	321
<b>Department of Parks and Recreation</b>						
Park Visitation ( <i>in thousands</i> ) <sup>1, 2, 4</sup>	4,389	4,783	4,638	4,777	4,821	4,465
Recreational Registrations ( <i>in thousands</i> ) <sup>4</sup>	272	268	262	275	270	277

Sources: Idaho Division of Financial Management, Idaho State Tax Commission, Office of the Idaho State Controller, Idaho State Police, Idaho State Board of Education, Idaho Departments of Administration, Correction, Juvenile Corrections, Health and Welfare, Transportation, Labor, Agriculture, Environmental Quality, Fish and Game, Lands, and Parks and Recreation

Note: Operating indicators for fiscal years (FY) 2018 and FY2019 are estimates unless otherwise noted below

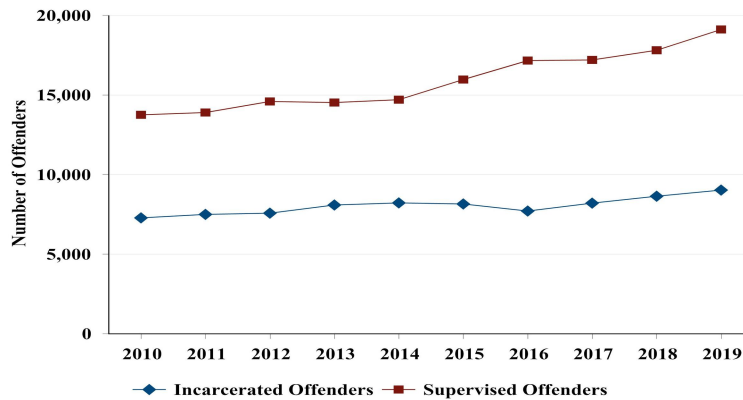
<sup>1</sup> Operating indicators for FY2019 are actual amounts, not estimates.

<sup>2</sup> Operating indicators are reported on a calendar year basis.

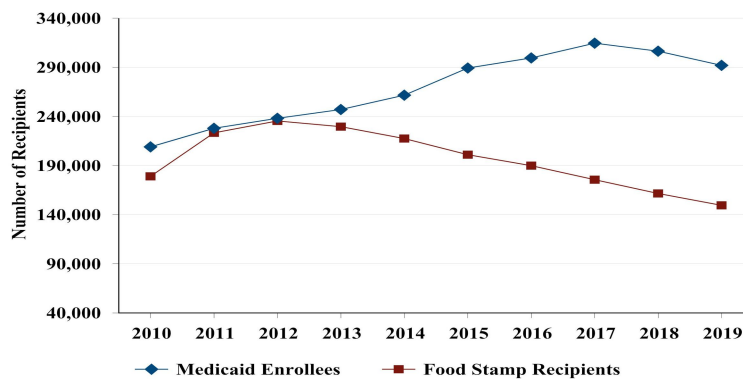
<sup>3</sup> In FY2011 and FY2012 the increase and decrease in disease testing on animals is attributed to brucellosis testing.

2016	2017	2018	2019
2,484	2,531	2,680	2,844
731	764	797	831
366	359	428	473
20,019	20,549	20,557	20,768
7,715	8,212	8,645	9,030
17,162	17,205	17,814	19,115
1,389	1,948	2,098	2,224
1,089	1,316	1,410	1,518
702	710	826	911
433	444	447	421
14.0%	15.0%	14.0%	16.0%
299,611	314,584	306,459	291,990
17.8%	18.3%	17.5%	16.4%
189,910	175,644	161,694	149,537
11.3%	10.2%	9.2%	8.4%
53,147	53,240	54,778	54,315
10,648	10,983	11,386	11,341
16.0%	15.0%	12.0%	9.3%
2,078	3,108	3,452	2,947
121,672	84,933	75,310	61,431
279,856	165,004	178,129	197,022
102,251	132,236	432,002	480,418
8,419	7,378	7,535	7,518
39	39	35	35
284	230	264	260
2,635	3,387	3,752	4,060
33,573	33,853	30,042	29,011
584,871	569,563	588,632	593,782
201	173	179	NA
168	213	259	NA
4,819	5,426	5,726	NA
288	282	290	NA

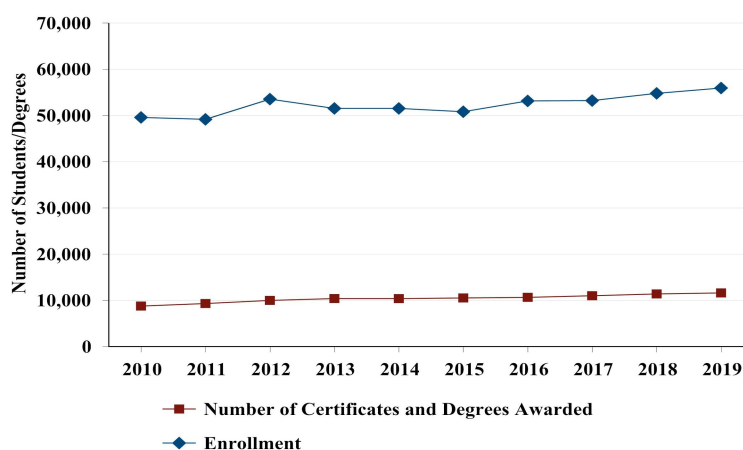
#### Department of Correction - Adult Offenders Fiscal Years 2010-2019



#### Department of Health and Welfare Medicaid Enrollees and Food Stamp Recipients Fiscal Years 2010-2019



#### Colleges and Universities - Enrollment and Degrees Awarded Fiscal Years 2010-2019



<sup>4</sup>Park visitation is counted in visitor days. Recreational registrations include boats, snowmobiles, all-terrain vehicles, and Park N' Ski permits.

<sup>5</sup>In FY2016, the increase in job openings is due to an improving Idaho economy. A substantial decrease in unemployment has contributed to a decrease in the number of individuals registered for employment.

<sup>6</sup>A new federal program was implemented in federal fiscal year 2016 which significantly changed the way the department reports Employment Service (ES) job seekers. The department now divides ES job seekers into two groups, those that use self-services (reportable individuals) and those receiving staff assisted services (participants). For FY2018 and FY2019, the count shown is the assumed total of the two groups.

## Schedule 16 - Capital Assets by Function

Fiscal Years 2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Government</b>										
<b>Department of Administration</b>										
Buildings (square footage in thousands) <sup>1</sup>	728	728	728	728	719	754	754	754	754	754
<b>Public Safety and Correction</b>										
<b>Department of Correction</b>										
Buildings	101	104	105	80	84	87	84	80	83	84
Vehicles	359	367	384	401	394	402	457	455	477	491
<b>Idaho State Police</b>										
Vehicles <sup>2</sup>	431	459	419	430	466	493	497	514	538	574
Machinery and Equipment <sup>2</sup>	810	915	857	886	1084	1,138	1,210	1,288	1,312	1,677
<b>Department of Juvenile Corrections</b>										
Buildings (square footage in thousands)	239	239	242	224	224	224	242	244	244	244
Vehicles	56	56	54	56	60	56	62	64	60	60
<b>Health and Human Services</b>										
<b>Department of Health and Welfare</b>										
Buildings (square footage in thousands) <sup>3</sup>	1705	1,700	1,698	1,715	1,726	1,487	1,487	1,463	1,463	1,260
Vehicles	501	485	480	431	494	501	492	487	498	506
<b>Education</b>										
<b>Colleges and Universities</b>										
Buildings (square footage in thousands)	13,931	14,198	15,024	15,098	15,161	15,117	15,252	15,382	15,414	15,311
<b>Economic Development</b>										
<b>Idaho Transportation Department</b>										
Highway Lane Miles <sup>4</sup>	11,989	11,998	12,222	12,222	12,236	12,269	12,271	12,274	12,273	12,273
Vehicles <sup>5</sup>	848	823	841	823	766	748	680	705	712	705
Heavy Equipment <sup>5</sup>	1,536	1,532	1,543	1,407	1,192	1,098	898	838	836	872
<b>Department of Agriculture</b>										
Scientific and Laboratory Equipment <sup>6</sup>	165	153	160	152	156	100	106	112	114	112
Vehicles <sup>6</sup>	196	177	195	203	223	206	210	237	237	237
<b>Natural Resources</b>										
<b>Department of Environmental Quality</b>										
Air Monitoring Instruments <sup>6</sup>	167	171	196	185	185	156	148	158	165	177
Water Sampling/Quality Equipment <sup>6</sup>	78	78	80	81	81	27	29	33	39	43
<b>Department of Fish and Game</b>										
Hatcheries	23	23	23	23	23	23	23	22	22	23
Vehicles	636	638	665	682	704	707	702	730	768	751
Boats <sup>6</sup>	281	280	279	287	284	84	83	82	85	86
Wildlife Management Areas	32	32	32	32	32	32	32	31	31	31
<b>Department of Lands</b>										
Acres of Land (in thousands) <sup>4</sup>	2,446	2,449	2,448	2,448	2,442	2,442	2,442	2,442	2,445	2,445
Vehicles	356	343	362	359	371	375	412	415	422	435
<b>Department of Parks and Recreation</b>										
State Parks	30	30	30	30	30	30	30	30	30	30
Acres of State Park Land (in thousands) <sup>7</sup>	60	60	60	60	60	60	60	60	60	60
Buildings	351	349	365	368	372	348	356	364	366	372
Vehicles	329	320	313	327	318	314	317	322	321	337

Sources: Office of the Idaho State Controller, Idaho Departments of Juvenile Corrections, Health and Welfare, Transportation, Environmental Quality, Fish and Game, Lands, Parks and Recreation, and Idaho colleges and universities.

Note: The Idaho State Tax Commission, the Department of Commerce, and the Department of Labor are not capital-asset intensive.

Note: In fiscal year (FY) 2015 a change in methodology for calculating capital assets resulted in a variance from FY2014.

<sup>1</sup> In FY2015, a new 35,000 square foot parking garage was built in Boise to provide additional parking for state employees.

<sup>2</sup> In FY2014-2019, Idaho State Police ordered more vehicles and related equipment than in prior years.

<sup>3</sup> Beginning in FY2010, leased buildings are included.

<sup>4</sup> Highway lane miles and acres of land for FY2019 are based on estimates.

<sup>5</sup> Idaho Department of Transportation (ITD) vehicles and heavy equipment have been restated for FY2008-2013. During FY2014 ITD actively reduced the amount of heavy equipment.

<sup>6</sup> For FY2015-2019, assets under \$5,000 are not included in capital assets.

<sup>7</sup> Includes land under water.





## Schedule 17 - Assets, Liabilities, and Fund Balances

## General Fund Accounts

June 30, 2019

(dollars in thousands)

	State General Account	Permanent Building	Budget Stabilization	Millennium	Income Earnings
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2				
Pooled Cash and Investments	112,108	\$ 40,968	\$ 377,505	\$ 62,296	\$ 128,015
Investments		103,687			38
Accounts Receivable, Net	247	58		12,500	
Taxes Receivable, Net	398,278	2,765			359
Interfund Receivables	11,952	10,073			22
Inventories and Prepaid Items	3,664			280	57
Loans, Notes, and Pledges Receivable, Net					
Other Assets	157	466	177	315	60
Restricted Assets:					
Cash and Cash Equivalents				37	
Investments				343,662	
<b>Total Assets</b>	<b>\$ 526,408</b>	<b>\$ 158,017</b>	<b>\$ 377,682</b>	<b>\$ 419,090</b>	<b>\$ 128,551</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 18,828			\$ 532	\$ 252
Payroll and Related Liabilities	13,614	\$ 83		4	13
Interfund Payables	124			9	952
Due to Other Entities					
Unearned Revenue		12,410			
Amounts Held in Trust for Others	2,254				
Other Accrued Liabilities	420	3,553	\$ 10	2	3
<b>Total Liabilities</b>	<b>35,240</b>	<b>16,046</b>	<b>10</b>	<b>547</b>	<b>1,220</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows	102,286	193		12,607	20
<b>Fund Balances</b>					
Nonspendable:					
Inventories and Prepaid Items	3,664			280	57
Noncurrent Receivables					
Restricted				359,721	
Committed		141,778			127,254
Assigned	5,508		40		
Unassigned	379,710		377,632	45,935	
<b>Total Fund Balances</b>	<b>388,882</b>	<b>141,778</b>	<b>377,672</b>	<b>405,936</b>	<b>127,311</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 526,408</b>	<b>\$ 158,017</b>	<b>\$ 377,682</b>	<b>\$ 419,090</b>	<b>\$ 128,551</b>

Sales Tax	Income Tax Refunds	Catastrophic Health Care	Legislative	Warrant Deficiency	Miscellaneous	Total
					\$ 1,192	\$ 1,194
\$ 58,479	\$ 2,259	\$ 10,193	\$ 3,417	\$ 32,437	233,306	1,060,983
					20,990	124,715
				17,033	1,422	31,260
23,279	59,234				555	484,470
					123	22,170
				8,331	6,409	18,741
					665	665
					220	1,395
7,284					1,517	8,838
					1,469	345,131
\$ 89,042	\$ 61,493	\$ 10,193	\$ 3,417	\$ 57,801	\$ 267,868	\$ 2,099,562
	\$ 91			\$ 217	\$ 4,434	\$ 24,354
			\$ 108	235	1,224	15,281
						1,085
\$ 58,625						58,625
					200	12,610
					9,027	11,281
					87	4,075
58,625	91	0	108	452	14,972	127,311
1,931	21,797			13,251	32	152,117
				8,331	6,409	18,741
					50	50
28,486	39,605				4,916	432,728
		\$ 10,193			205,709	484,934
			3,309	35,767	35,780	80,404
						803,277
28,486	39,605	10,193	3,309	44,098	252,864	1,820,134
\$ 89,042	\$ 61,493	\$ 10,193	\$ 3,417	\$ 57,801	\$ 267,868	\$ 2,099,562

## Schedule 18 - Revenues, Expenditures, and Changes in Fund Balances

## General Fund Accounts

## For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

	State General Account	Permanent Building	Budget Stabilization	Millennium	Income Earnings
<b>REVENUES</b>					
Sales Tax	\$ 1,589,030	\$ 5,000			
Individual and Corporate Taxes	1,892,368	8,097			\$ 414
Other Taxes	33,061	6,444		\$ 30	4,300
Licenses, Permits, and Fees	12,961				1,123
Sale of Goods and Services	53	275			3,623
Grants and Contributions	47		\$ 1		21
Investment Income	26,870	13,817	3,334	14,541	6,649
Tobacco Settlement				21,014	
Other Income	298	15	(451)		(92)
<b>Total Revenues</b>	<b>3,554,688</b>	<b>33,648</b>	<b>2,884</b>	<b>35,585</b>	<b>16,038</b>
<b>EXPENDITURES</b>					
Current:					
General Government	111,349	9,576	(818)	251	67
Public Safety and Correction	348,168		93	2,392	2,356
Health and Human Services				7,424	6,246
Education	161,896				1,846,502
Economic Development	30,315				857
Natural Resources	22,413				
Capital Outlay	16,199	35,761	393	5	1,071
Intergovernmental Revenue Sharing	29,648			23	
Debt Service:					
Principal Retirement	1,442				
Interest and Other Charges	22,335				
<b>Total Expenditures</b>	<b>743,765</b>	<b>45,337</b>	<b>(332)</b>	<b>10,095</b>	<b>1,857,099</b>
<b>Revenues Over (Under) Expenditures</b>	<b>2,810,923</b>	<b>(11,689)</b>	<b>3,216</b>	<b>25,490</b>	<b>(1,841,061)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital Lease Acquisitions	3,837				
Sale of Capital Assets	254	1			7
Transfers In	3,779,420	94,458	62,725	29,068	2,008,466
Transfers Out	(6,687,455)	(28,048)	(40,807)	(29,068)	(138,954)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,903,944)</b>	<b>66,411</b>	<b>21,918</b>	<b>0</b>	<b>1,869,519</b>
<b>Net Change in Fund Balances</b>	<b>(93,021)</b>	<b>54,722</b>	<b>25,134</b>	<b>25,490</b>	<b>28,458</b>
<b>Fund Balances - Beginning of Year</b>	<b>481,903</b>	<b>87,056</b>	<b>352,538</b>	<b>380,446</b>	<b>98,853</b>
<b>Fund Balances - End of Year</b>	<b>\$ 388,882</b>	<b>\$ 141,778</b>	<b>\$ 377,672</b>	<b>\$ 405,936</b>	<b>\$ 127,311</b>

Sales Tax	Income Tax Refunds	Catastrophic Health Care	Legislative	Warrant Deficiency	Miscellaneous	General Account Transfer Eliminations	Total
\$ 270,104	\$ 5,766				\$ 5,992		\$ 1,875,892
	96,904				4,131		2,001,914
	12,874				5,961		62,670
		\$ 59		\$ 94	19,378		33,615
				28	23,567		27,546
					23,336		23,405
		379			6,829		72,419
							21,014
		3,517		11,552	41,927		56,766
270,104	115,544	3,955		11,674	131,121		4,175,241
			\$ 7,890	34	20,481		148,830
					9,491		362,500
		17,710			7,336		38,716
					49,961		2,058,359
				128	20,387		51,687
				26,295	19,650		68,358
					24,075		77,504
270,357	414				47,059		347,501
							1,442
							22,335
270,357	414	17,710	7,890	26,457	198,440		3,177,232
(253)	115,130	(13,755)	(7,890)	(14,783)	(67,319)		998,009
							3,837
					415		677
		12,000	6,755	167	193,622	\$ (5,921,179)	265,502
	(102,399)				(87,865)	5,921,179	(1,193,417)
0	(102,399)	12,000	6,755	167	106,172	0	(923,401)
(253)	12,731	(1,755)	(1,135)	(14,616)	38,853		74,608
28,739	26,874	11,948	4,444	58,714	214,011		1,745,526
\$ 28,486	\$ 39,605	\$ 10,193	\$ 3,309	\$ 44,098	\$ 252,864	\$ 0	\$ 1,820,134

**Schedule 19 - Miscellaneous Statistics**

**State Facts**

State Capital	Boise
Admitted to the Union	July 3, 1890
Nickname	The Gem State
Motto	Esto Perpetua (Let It Be Perpetual)
Population	1,785,000
Highest Elevation Point	Mt. Borah
	12,662 Feet Above Sea Level
Lowest Elevation Point	Snake River at Lewiston
	710 Feet Above Sea Level
Number of Lakes	More Than 2,000
State Bird	Mountain Bluebird
State Dance	Square Dance
State Fish	Cutthroat Trout
State Flower	Syringa
State Fossil	Hagerman Horse
State Fruit	Huckleberry
State Gem Stone	Idaho Star Garnet
State Horse	Appaloosa
State Insect	Monarch Butterfly
State Raptor	Peregrine Falcon
State Amphibian	Idaho Giant Salamander
State Song	"Here We Have Idaho"
State Tree	Western White Pine
State Vegetable	Potato

Source: Idaho Blue Book, 2019-2020

Idaho Fiscal Facts, 2019

Idaho Economic Forecast, Oct. 2018

**Land Area and Use**  
(in square miles)

Land Area	83,569
Water Area	880
Federal Land	52,535
Total Non-Federal Land	31,034
Total Rural Land	79,391
Agricultural Land	12,535
Range Land	34,263
Forest Land	32,592

Land Area and Use amounts were converted from square acres to square miles at 640 acres to the mile.

Source: Idaho Blue Book, 2019-2020

Idaho Fiscal Facts, 2019

**Twenty Largest**

**Communities in Idaho**

	2010	2019
Boise	205,707	228,790
Meridian	68,516	106,804
Nampa	81,241	96,252
Idaho Falls	55,312	61,535
Caldwell	43,281	56,541
Pocatello	55,076	56,266
Coeur d'Alene	43,805	51,303
Twin Falls	42,741	49,764
Post Falls	26,909	34,691
Lewiston	31,887	32,817
Rexburg	28,856	28,687
Eagle	19,668	28,363
Moscow	24,338	25,766
Kuna	13,909	20,746
Ammon	13,942	16,475
Chubbuck	12,483	15,316
Hayden	13,190	15,166
Mountain Home	12,266	14,451
Blackfoot	11,153	11,946
Garden City	11,891	11,911

Source: Idaho Fiscal Facts, 2010 & 2019

**Idaho Commodity Rankings**

Commodity	U.S. Rank	U.S. %
Potatoes	1	34
Austrian Winter Peas	1	43
Barley	1	34
Alfalfa Hay	2	8
Sugar beets	2	18
Peppermint	2	29
Wrinkled Seed Peas	2	30
Hops	2	13
Lentils	4	4
Spring Wheat	4	8
Dry Edible Beans	5	8
Dry Edible Peas	6	2
Canola	7	1
Winter Wheat	7	4
All Hay	8	4

Source: Idaho Agriculture Facts, 2018

# Bear Lake State Park



On the back: City of Rocks State Park



## Office of the State Controller

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