

A Reader's Guide

Understanding Idaho's Comprehensive Annual Financial Report (CAFR) For the Fiscal Year Ended June 30, 2019

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

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

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

Government-Wide Financial Statements

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

- *Governmental Activities* encompass most of the State's basic services, such as general government, public safety and correction, health and human services, education, economic development, and finance.
- *Business-Type Activities* account for operations that function in a manner similar to private business, where all or a significant portion of their costs are recovered through user fees and charges to external customers.
- *Discretely presented component units* are legally separate organizations for which the State is financially accountable. The State's discretely presented component units are

reported in the following funds: the Idaho Housing and Finance Association fund includes the Association and its component unit, The Housing Company; the College and University Foundation fund includes the foundations of Boise State University, Idaho State University, Lewis-Clark State College, and the University of Idaho; the Petroleum Clean Water Trust Fund; the Health Reinsurance fund, which includes the Idaho Individual High Risk Reinsurance Pool and the Idaho Small Employer Health Reinsurance Program; the Idaho Bond Bank Authority; and the Idaho Health Insurance Exchange.

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

Fund Financial Statements

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

- *Governmental funds* report the finances of the State's most basic services. Governmental funds focus on short-term assets and liabilities and do not include capital assets or long-term liabilities. The governmental fund financial statements include the Balance Sheet (CAFR pages 18-19) and the Statement of Revenues, Expenditures, and Changes in Fund Balances (CAFR pages 22-23). The governmental fund statements also include reconciliations that identify the differences between the fund and government-wide statements (CAFR pages 21 and 25).
- *Proprietary funds* report the activities the State operates like a business, where the cost of providing goods or services is primarily financed by fees charged to those who use the goods and services. Proprietary funds include enterprise and internal service funds. Enterprise funds report activities that provide services or supplies to the general public; internal service funds report activities that provide services or supplies for the State's programs and activities. Proprietary fund financial statements include the Statement of Net Position (CAFR pages 26-27); Statement of Revenues, Expenses, and Changes in Fund Net Position (CAFR pages 28-29); and Statement of Cash Flows (CAFR pages 30-31).
- *Fiduciary funds* account for resources the State manages or holds on behalf of parties outside the State. Fiduciary fund financial statements include the Statement of Fiduciary Net Position (CAFR page 32) and the Statement of Changes in Fiduciary Net Position (CAFR page 33).

Governmental Fund Balances

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

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

The fund balance components improve consistency, comparability, and usefulness. The categories are presented in descending order from funds with the most restrictions in place to those with the least restrictions.

- *Nonspendable* fund balances consist of resources that cannot be spent because they are in nonspendable form, such as inventories, prepaid items, and long-term receivables; or they are legally or contractually required to be maintained intact. An example of a legal or contractual requirement would be an endowment provided to the government with the stipulation that the money initially provided may only be invested and not spent; only the earnings on the invested amount may be spent.
- *Restricted* fund balances consist of amounts that are constrained by external parties (such as the federal government) or imposed by law through state constitutional provisions or legislative action. Restricted funds can only be used for specific stated purposes.
- *Committed* fund balances consist of amounts that are obligated by statutes enacted by the Legislature and approved by the Governor. The committed amounts cannot be used for any other purposes unless subsequent legislation changes or removes the specified purposes.
- *Assigned* fund balances consist of amounts that are intended by the Legislature or by a governing body or official to be used for specific purposes, and are neither restricted nor committed.

- The *Unassigned* fund balance is used to report any funds not required to be reported in any other category. These funds can be used for any purpose. However, only the General Fund may report a positive unassigned fund balance.

Notes to the Financial Statements

The notes to the financial statements (CAFR pages 39-120) provide detailed information about the government that is not included or readily apparent on the financial statements, such as the State's significant accounting methods and assumptions, investments, capital assets, major financial commitments, pension benefit costs, and long-term debt.

Supporting Financial Statement Information

- *An Independent Auditor's Report* (CAFR pages 2-4) provides reasonable assurance about whether the financial statements are free of material misstatement.
- *Management's Discussion and Analysis* (MD&A on CAFR pages 5-12) gives an easily readable and objective analysis of the State's financial activities based on currently known facts, decisions, or conditions.
- *Required Supplementary Information* (CAFR pages 122-136) provides the following information: budgetary comparison schedules that present original and final appropriated operating activities, actual operating activities, and fund balances on a budgetary basis; roadway infrastructure condition and maintenance information; and information on pension and postemployment benefits to certain employees.
- *The Combining Financial Statements* (CAFR pages 140-167) provide more detail for nonmajor governmental and enterprise, internal service, and fiduciary funds. The total columns of these combining financial statements tie to the applicable combined fund financial statement.
- *The Statistical Section* (CAFR pages 170-200) provides information that will help you understand the health of the State and the underlying economy. This section contains 10-year trend tables of financial, economic, and demographic data. The statistical section is often of interest to investors and creditors because the trends and non-financial factors it identifies can provide crucial insights to assess the State's creditworthiness.

How You Can Use the Financial Statements

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

- **Sales Tax Revenue** - Sales tax revenues of \$1.9 billion for 2019 are presented on pages 16-17 of the CAFR. The MD&A has information about sales tax revenues on CAFR pages 8-9. Additional sales tax data may be found on Schedules 2, 4, 5, and 7 of the Statistical Section (CAFR pages 172-173, 176-179, and 182-183).
- **Individual and Corporate Income Tax Revenues** - Income tax revenues of \$2.0 billion for 2019, along with other state tax revenues, are presented on pages 16-17 of the CAFR. Income tax revenues decreased \$133.3 million from the previous fiscal year. Additional data may be found on Schedules 2, 4, 5, 6, and 7 of the Statistical Section (CAFR pages 172-173 and 176-183).
- **Health and Human Services Spending** - Health and human services had \$3.0 billion in expenses in fiscal year 2019, a decrease of 1 percent over the prior fiscal year, primarily due to medical assistance vendor payments. You can see health and human services revenues and expenses on CAFR pages 16-17 and 22-23. More information on health and human services expenses can be found in the MD&A (CAFR pages 8-10). The Department of Health and Welfare's budget is discussed in the transmittal letter (CAFR page viii).
- **Education** - Our policy makers debate education spending extensively each year. You can see on CAFR pages 16-17 that education expenses (for kindergarten through 12th grade only) were \$2.3 billion in fiscal year 2019. You can also see that colleges and universities spent \$1.2 billion. Looking a bit further, you can see that colleges and universities generated revenues (over \$827.7 million—primarily from fees and federal grants) that offset their expenses, leaving a net expense of \$342.2 million, which was supported by general revenues. K through 12 education had less capacity to generate revenues, approximately \$273.4 million in total revenues, leaving a net expense of \$2.1 billion to be supported by general revenues. More detailed college and university financial statements can be found on CAFR pages 26-31. Financial analysis of the college and university activity can be found in the MD&A on CAFR pages 9-10.
- **PERSI** - If you are a public employer or public employee, you may be interested in the pension trust funds which are part of the fiduciary funds (CAFR pages 32-33 and 160-163). Net position for the pension trust funds increased \$1.1 billion in fiscal year 2019. You can see on CAFR pages 162-163 that additions to these funds came from a variety of sources, most significantly: employer contributions (\$458.0 million); member contributions (\$341.2 million); increase in fair value of investments (\$1.1 billion) and an increase in interest, dividends, and other (\$379.2 million). Deductions were

primarily for benefits and refunds paid to members (\$1.0 billion). At \$19.9 billion, the net position balance of the pension trust funds is one of the largest balances in the financial statements. As stated earlier, fiduciary funds account for resources the State manages or holds on behalf of others, which are not available to support the State's programs. Additional details about the pension trust funds can be found in the Notes to the Financial Statements (CAFR pages 79-87).

Budgetary Compliance - Idaho Constitution Article VII stipulates that agencies cannot spend more money than they have been appropriated, unless specifically authorized. Budgetary controls are incorporated into the statewide accounting and reporting system to ensure expenditures do not exceed authorized appropriations. You can compare Idaho's approved budget with the actual expenditures for the General, Health and Welfare, and Transportation funds on CAFR pages 122-123. In fiscal year 2019, the General Fund had a negative variance stemming from fire suppression deficiency warrants. This deficit is allowed by statute and will be funded with future appropriations. Required Supplementary Information about budgetary reporting can be found on CAFR pages 124-125. Comparisons between budget and actual amounts for the nonmajor governmental and major permanent funds are on CAFR pages 144-150. Complete details about the budget process can be found in the Legal Basis report available online at www.sco.idaho.gov. General Fund budgetary highlights can be found in the MD&A (CAFR page 11).



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

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

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

Governmental Activities

ASSETS

Cash and Cash Equivalents	\$ 16,294
Pooled Cash and Investments	1,775,249
Investments	2,717,521
Securities Lending Collateral	
Accounts Receivable, Net	157,034
Taxes Receivable, Net	529,576
Internal Balances	24,295
Due from Other Entities	402,698
Inventories and Prepaid Items	71,078
Due from Primary Government	
Due from Component Unit	—
Loans, Notes, and Pledges Receivable, Net	3,956
Other Assets	81,605
Restricted Assets:	
Cash and Cash Equivalents	198,362
Investments	509,174
Capital Assets:	
Nondepreciable	5,431,339
Depreciable, Net	1,907,883
Total Assets	13,826,064

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

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

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

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

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

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

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

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

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

Total assets + total deferred outflows of resources - total liabilities - total deferred inflows of resources = total net position \$13,826,064 + \$157,962 - \$2,260,223 - \$92,566 = \$11,631,237.

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows	157,962
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Total Assets and Deferred Outflows of Resources

\$ 13,984,026

LIABILITIES

Accounts Payable	\$ 236,499
Payroll and Related Liabilities	38,885
Medicaid Payable	199,811
Due to Other Entities	104,141
Unearned Revenue	62,446
Amounts Held in Trust for Others	21,675
Due to Primary Government	
Due to Component Unit	—
Other Accrued Liabilities	53,450
Long-Term Liabilities:	
Due Within One Year	293,028
Due in More Than One Year	1,250,288
Total Liabilities	2,260,223

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows	92,566
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NET POSITION

Net Investment in Capital Assets	6,504,003
Restricted for:	
Claims and Judgments	32,248
Debt Service	267
Transportation	282,961
Regulatory	103,542
Natural Resources and Recreation	302,702
Unemployment Compensation	
Permanent Trust - Expendable	713,959
Permanent Trust - Nonexpendable	2,084,250
Other Purposes	329,465
Unrestricted	1,277,840
Total Net Position	11,631,237

Total Liabilities, Deferred Inflows of Resources, and Net Position

\$ 13,984,026

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

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

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

Primary Government

Business-Type Activities	Total	Component Units
\$ 738,244	\$ 754,538	\$ 72,370
232,091	2,007,340	1,404
434,678	3,152,199	566,336
117,332	274,366	51,730
—	529,576	—
(24,295)	—	—
—	402,698	—
29,448	100,526	663
—	—	537,943
11,941	11,941	—
426,570	430,526	905,182
39,784	121,389	605,480
129,156	327,518	270,764
118,818	627,992	336,747
265,040	5,696,379	8,059
1,030,087	2,937,970	49,592
<u>3,548,894</u>	<u>17,374,958</u>	<u>3,406,270</u>
43,551	201,513	36,048
<u>\$ 3,592,445</u>	<u>\$ 17,576,471</u>	<u>\$ 3,442,318</u>
\$ 49,451	\$ 285,950	\$ 13,064
39,322	78,207	1,396
—	199,811	—
9,380	113,521	—
52,381	114,827	9,866
4,213	25,888	167,463
—	—	10,081
232	232	—
—	—	—
12,301	65,751	299,401
46,324	339,352	109,986
577,979	1,828,267	1,767,960
<u>791,583</u>	<u>3,051,806</u>	<u>2,379,217</u>
81,946	174,512	6,098
838,384	7,342,387	29,537
—	32,248	—
—	267	161,299
—	282,961	—
—	103,542	—
—	302,702	—
909,588	909,588	—
78,509	792,468	172,288
—	2,084,250	398,133
687,881	1,017,346	226,117
204,554	1,482,394	69,629
<u>\$ 2,718,916</u>	<u>\$ 14,350,153</u>	<u>\$ 1,057,003</u>
<u>\$ 3,592,445</u>	<u>\$ 17,576,471</u>	<u>\$ 3,442,318</u>

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

The Statement of Activities contains information about costs of providing services (expenses) and resources obtained to finance services (revenues) during the current fiscal year.

Program revenues display the extent to which program are self-funded. Program revenues are categorized as charges for services and grants and contributions. Program revenues reduce the net expense of functions/programs.

State of Idaho
Statement of Activities
For the Fiscal Year Ended June 30, 2019
(dollars in thousands)

This column shows the full cost of the program.

Program Revenues

FUNCTIONS

Primary Government

- Governmental Activities
 - General Government
 - Public Safety and Correction
 - Health and Human Services
 - Education
 - Economic Development
 - Natural Resources
 - Interest Expense
 - Total Governmental Activities
- Business-Type Activities
 - College and University
 - Unemployment Compensation
 - Loan
 - State Lottery
 - State Liquor
 - Correctional Industries
 - Total Business-Type Activities

Total Primary Government Component Units

- Idaho Housing and Finance Association
- College and University Foundation
- Petroleum Clean Water Trust
- Health Reinsurance
- Bond Bank Authority
- Health Insurance Exchange

Total Component Units

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
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
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
Total Primary Government	\$ 9,629,906	\$ 2,079,284	\$ 3,556,450	\$ 32,343
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	12,386,000	—	—
Total Component Units	\$ 316,725	\$ 220,164	\$ 135,417	\$ 300

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

An example of how this statement works: The total cost of the State's Health and Human Services activities was \$3,048.3 million. The State raised \$61.6 million from charges for services, and received \$2,111.1 million from operating grants and contributions, most in the form of federal aid. When program revenues are subtracted from expenses for Health and Human Services, a net expense of \$875.6 million is left. This is the portion of Health and Human Services costs financed with taxes and other general revenues, rather than being financed by the revenues generated by the services themselves

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

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

GENERAL REVENUES

- Sales Tax
- Individual and Corporate Taxes
- Fuel Tax
- Other Taxes
- Tobacco Settlement
- Unrestricted Investment Earnings
- Payments from State of Idaho

Permanent Endowment Contributions

Transfers

Total General Revenues, Contributions, and Change in Net Position
Net Position - Beginning of Year, as Restated
Net Position - End of Year

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

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

Are programs self-supporting?

Governmental Activities	Business-Type Activities	Total	Component Units
\$ (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)	
<u>(3,813,764)</u>		<u>(3,813,764)</u>	
	\$ (342,235)	(342,235)	
	63,628	63,628	
	27,403	27,403	
	60,265	60,265	
	41,899	41,899	
	975	975	
	<u>(148,065)</u>	<u>(148,065)</u>	
\$ <u>(3,813,764)</u>	\$ <u>(148,065)</u>	\$ <u>(3,961,829)</u>	
			\$ 35,425
			13,165
			268
			(3,113)
			(20)
			<u>(6,569)</u>
			<u>39,156</u>

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

1,899,088		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	
			—
			—
<u>(280,004)</u>	<u>280,004</u>	<u>—</u>	<u>—</u>
<u>4,232,232</u>	<u>280,004</u>	<u>4,512,236</u>	<u>—</u>
418,468	131,939	550,407	39,156
<u>11,212,769</u>	<u>2,586,977</u>	<u>13,799,746</u>	<u>1,017,847</u>
\$ <u>11,631,237</u>	\$ <u>2,718,916</u>	\$ <u>14,350,153</u>	\$ <u>1,057,003</u>

Did the State's financial position improve or deteriorate during the fiscal year? The change in net position indicates whether sufficient resources were raised during the year to cover the costs. The net position of governmental activities increased by \$418.5 million, and business-type activities' net position increased by \$131.9 million.

State of Idaho

**Balance Sheet
Governmental Funds
June 30, 2019**

(dollars in thousands)

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

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

Fund balance is the difference between assets and deferred outflow of resources, and liabilities and deferred inflow of resources. The definitions of the five fund balances can be found on page 2 of this document. Additional information about the nature and purpose of these fund balances can be found on CAFR pages 112-113.

	General	Health and Welfare
ASSETS		
Cash and Cash Equivalents	\$ 1,194	—
Pooled Cash and Investments	1,060,983	\$ 22,518
Investments	124,715	—
Accounts Receivable, Net	31,260	35,420
Taxes Receivable, Net	484,470	154
Interfund Receivables	22,170	—
Due from Other Entities		282,778
Inventories and Prepaid Items	18,741	8,108
Loans, Notes, and Pledges Receivable, Net	665	—
Other Assets	1,395	50
Restricted Assets:		
Cash and Cash Equivalents	8,838	7,270
Investments	345,131	4,765
Total Assets	\$ 2,099,562	\$ 361,063
LIABILITIES		
Accounts Payable	\$ 24,354	\$ 17,897
Payroll and Related Liabilities	15,281	7,384
Medicaid Payable		199,811
Interfund Payables	1,085	1,578
Due to Other Entities	58,625	—
Unearned Revenue	12,610	—
Amounts Held in Trust for Others	11,281	8,928
Obligations Under Securities Lending		
Other Accrued Liabilities	4,075	7,182
Total Liabilities	127,311	242,780
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows	152,117	159,627
FUND BALANCES		
Nonspendable:		
Permanent Trusts		—
Inventories and Prepaid Items	18,741	8,108
Noncurrent Receivables	50	—
Restricted	432,728	—
Committed	484,934	55
Assigned	80,404	—
Unassigned	803,277	(49,507)
Total Fund Balances	1,820,134	(41,344)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,099,562	\$ 361,063

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

This statement presents the State's most significant or 'major' funds individually and aggregates nonmajor funds in a single column.

To see the detail of the different funds that make up Nonmajor Governmental, turn to the combining financial statements on CAFR pages 140-141.

Transportation	Land Endowments	Nonmajor Governmental	Total
\$ 6	—	\$ 15,094	\$ 16,294
184,894	\$ 111,324	322,749	1,702,468
139,047	2,322,739	80,003	2,666,504
15,201	47,781	26,902	156,564
38,292	—	6,660	529,576
7	—	1,063	23,240
46,942	—	72,978	402,698
21,665	—	18,305	66,819
155	—	3,136	3,956
732	7,556	1,495	11,228
45,166	—	104,840	166,114
—	—	159,278	509,174
\$ 492,107	\$ 2,489,400	\$ 812,503	\$ 6,254,635
\$ 74,022	\$ 55,934	\$ 63,096	\$ 235,303
4,288	—	11,198	38,151
—	—	—	199,811
379	—	4,895	7,937
45,471	—	46	104,142
26,347	—	6,958	45,915
—	—	1,466	21,675
5,996	3	4,571	21,827
156,503	55,937	92,230	674,761
6,461	—	26,534	344,739
—	1,719,504	5,765	1,725,269
21,665	—	18,305	66,819
—	—	—	50
261,289	713,959	564,491	1,972,467
46,189	—	104,091	635,269
—	—	1,087	81,491
—	—	—	753,770
329,143	2,433,463	693,739	5,235,135
\$ 492,107	\$ 2,489,400	\$ 812,503	\$ 6,254,635

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

Reconciliation of the Governmental Funds Balance Sheet

To the Statement of Net Position

June 30, 2019

(dollars in thousands)

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

Total Fund Balances - Governmental Funds

\$ 5,235,135

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

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	<p>The largest difference between the government-wide and governmental fund statement is that fund statements do not report capital assets, such as land, buildings, etc.</p>
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	(1,438,712)	
Total Capital Assets	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

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	7,043	
Total Deferred Outflows of Resources		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

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)	<p>The government-wide Statement of Net Position reports long-term liabilities; the Governmental Funds Balance Sheet does not.</p>
Bonds, Notes, and Capital Leases Payable	(903,395)	
Accrued Interest on Bonds	(31,548)	
Claims and Judgments	(204,262)	
Other Long-Term Liabilities	(353,972)	
Total Long-Term Liabilities		(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	(13,445)	
Total Deferred Inflows of Resources		253,554

Net Position - Governmental Activities

\$ 11,631,237

The governmental funds total fund balance of 5,235.1 million (see CAFR page 19) reconciles to the \$11,631.2 million total of the governmental activities net position reported on the government-wide Statement of Net Position (see CAFR page 14). The difference between these numbers can be seen on this reconciliation which primarily shows that the governmental funds report short-term financial information, whereas the government-wide statements report both short-term and long-term information.

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



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

State of Idaho

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019**
(dollars in thousands)

	General	Health and Welfare
REVENUES		
Sales Tax	\$ 1,875,892	—
Individual and Corporate Taxes	2,001,914	—
Other Taxes	62,670	\$ 27,649
Licenses, Permits, and Fees	33,615	20,673
Sale of Goods and Services	27,546	54,055
Grants and Contributions	23,405	2,116,527
Investment Income	72,419	398
Tobacco Settlement	21,014	—
Other Income	56,766	47
Total Revenues	<u>4,175,241</u>	<u>2,219,349</u>
EXPENDITURES		
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	—
Natural Resources	68,358	—
Capital Outlay	77,504	23,198
Intergovernmental Revenue Sharing	347,501	73,611
Debt Service:		
Principal Retirement	1,442	138
Interest and Other Charges	22,335	48
Total Expenditures	<u>3,177,232</u>	<u>3,007,765</u>
Revenues Over (Under) Expenditures	<u>998,009</u>	<u>(788,416)</u>
OTHER FINANCING SOURCES (USES)		
Bonds and Notes Issued		—
Issuance of Refunding Bonds		—
Premium on Bonds Issued		—
Payment to Refunded Bond Excrow Agent		—
Capital Lease Acquisitions	3,837	1,587
Sale of Capital Assets	677	86
Transfers In	265,502	808,923
Transfers Out	(1,193,417)	(7,009)
Total Other Financing Sources (Uses)	<u>(923,401)</u>	<u>803,587</u>
Net Change in Fund Balances	74,608	15,171
Fund Balances - Beginning of Year, as Restated	<u>1,745,526</u>	<u>(56,515)</u>
Fund Balances - End of Year	<u>\$ 1,820,134</u>	<u>\$ (41,344)</u>

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

REVENUES
Sales Tax
Individual and Corporate Taxes
Other Taxes
Licenses, Permits, and Fees
Sale of Goods and Services
Grants and Contributions
Investment Income
Tobacco Settlement
Other Income

Total Revenues
EXPENDITURES

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

Current:
General Government
Public Safety and Correction
Health and Human Services
Education
Economic Development
Natural Resources
Capital Outlay
Intergovernmental Revenue Sharing
Debt Service:
Principal Retirement
Interest and Other Charges

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

Total Expenditures
Revenues Over (Under) Expenditures
OTHER FINANCING SOURCES (USES)

Bonds and Notes Issued
Issuance of Refunding Bonds
Premium on Bonds Issued
Payment to Refunded Bond Excrow Agent
Capital Lease Acquisitions
Sale of Capital Assets
Transfers In
Transfers Out

Total Other Financing Sources (Uses)

Net Change in Fund Balances
Fund Balances - Beginning of Year, as Restated
Fund Balances - End of Year

Several funds make up the Nonmajor Governmental column. To see greater detail of the individual funds summarized in this column, turn to the combining financial statements on CAFR pages 142 and 143.

Transportation	Land Endowments	Nonmajor Governmental	Total
\$ 16,725	—	\$ 6,379	\$ 1,898,996
—	—	20	2,001,934
332,647	—	169,143	592,109
194,962	—	193,299	442,549
7,115	\$ 72,053	42,337	203,106
375,231	—	572,030	3,087,193
11,396	171,041	33,667	288,921
—	—	—	21,014
1,516	(131)	21,695	79,893
<u>939,592</u>	<u>242,963</u>	<u>1,038,570</u>	<u>8,615,715</u>
—	—	89,785	238,615
—	—	70,456	436,675
—	—	—	2,945,767
—	—	248,986	2,307,345
204,531	—	207,851	464,069
—	37,893	173,201	279,452
492,186	43,389	163,650	799,927
210,490	—	75,763	707,365
32,559	—	8,822	42,961
24,278	—	15,482	62,143
<u>964,044</u>	<u>81,282</u>	<u>1,053,996</u>	<u>8,284,319</u>
<u>(24,452)</u>	<u>161,681</u>	<u>(15,426)</u>	<u>331,396</u>
—	—	73,914	73,914
—	—	(30,850)	(30,850)
—	—	4,326	4,326
—	—	(320)	(320)
—	—	18	5,442
7,646	29,006	1,318	38,733
—	—	48,505	1,122,930
<u>(19,160)</u>	<u>(78,456)</u>	<u>(89,607)</u>	<u>(1,387,649)</u>
<u>(11,514)</u>	<u>(49,450)</u>	<u>7,304</u>	<u>(173,474)</u>
<u>(35,966)</u>	<u>112,231</u>	<u>(8,122)</u>	<u>157,922</u>
<u>365,109</u>	<u>2,321,232</u>	<u>701,861</u>	<u>5,077,213</u>
<u>\$ 329,143</u>	<u>\$ 2,433,463</u>	<u>\$ 693,739</u>	<u>\$ 5,235,135</u>

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

These fund balances appear on the Governmental Funds Balance Sheet.

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

State of Idaho

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

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

Net Change in Fund Balances - Governmental Funds \$ 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	<u>(119,061)</u>	
		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	<u>(5,442)</u>	
		(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	<u>1,603</u>	
		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	<u>24,633</u>	
		(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)

Change in Net Position - Governmental Activities

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

\$ 418,468

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

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



State of Idaho
Statement of Net Position
Proprietary Funds
June 30, 2019
(dollars in thousands)

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

	Business-Type Activities--Enterprise Funds		
	College and University	Unemployment Compensation	Loan
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 64,922	\$ 670,267	—
Pooled Cash and Investments	143,840	5,194	\$ 48,952
Investments	104,278	—	—
Restricted Investments			
Accounts Receivable, Net	71,171	42,045	1,375
Interfund Receivables	3,078	86	—
Inventories and Prepaid Items	10,979	—	—
Due from Component Unit	11,941	—	—
Loans, Notes, and Pledges Receivable, Net	4,603	—	18,253
Other Current Assets	1,109	2	4,445
Total Current Assets	415,921	717,594	73,025
Noncurrent Assets			
Restricted Cash and Cash Equivalents	18,775	—	48,409
Investments	136,438	193,962	—
Restricted Investments	—	—	118,818
Due from Component Unit			
Loans, Notes, and Pledges Receivable, Net	24,361	—	379,353
Other Noncurrent Assets	32,891	—	—
Capital Assets, Net	1,231,676	—	51,180
Total Noncurrent Assets	1,444,141	193,962	597,760
Total Assets	1,860,062	911,556	670,785
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows	41,198	—	—
Total Assets and Deferred Outflows of Resources	\$ 1,901,260	\$ 911,556	\$ 670,785
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 36,040	—	\$ 219
Payroll and Related Liabilities	38,647	—	—
Interfund Payables	10,135	—	—
Due to Other Entities			
Unearned Revenue	40,701	—	11,473
Amounts Held in Trust for Others	4,213	—	—
Due to Component Unit	232	—	—
Obligations Under Securities Lending			
Other Accrued Liabilities	6,097	\$ 1,968	6
Compensated Absences Payable	23,323	—	—
Bonds, Notes, and Capital Leases Payable	20,487	—	—
Policy Claim Liabilities	—	—	—
Other Long-Term Obligations - Current	1,624	—	—
Total Current Liabilities	181,499	1,968	11,698
Noncurrent Liabilities			
Bonds, Notes, and Capital Leases Payable	428,621	—	—
Policy Claim Liabilities	—	—	—
Other Long-Term Obligations	143,881	—	—
Total Noncurrent Liabilities	572,502	—	—
Total Liabilities	754,001	1,968	11,698
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows	80,576	—	—
NET POSITION			
Net Investment in Capital Assets	775,125	—	51,178
Restricted for:			
Claims and Judgments			
Debt Service			
Unemployment Compensation	—	909,588	—
Permanent Trust - Expendable	78,509	—	—
Other Purposes	—	—	607,909
Unrestricted	213,049	—	—
Total Net Position	1,066,683	909,588	659,087
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 1,901,260	\$ 911,556	\$ 670,785

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

Additional details on capital assets and infrastructure can be found in the Notes to the Financial Statements (CAFR pages 43-44 and 75-76) and the Required Supplementary Information (CAFR pages 125-127)

Additional details on noncurrent (long-term) liabilities can be found in the Notes to the Financial Statements (CAFR pages 44-45 and 105-111).

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.

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

Several Funds make up the Nonmajor Enterprise Funds column. To see greater detail of the individual funds included in this column, turn to the combining financial statements (CAFR page 140-143).

Internal service funds are included with governmental activities in the government-wide statements. To see greater detail of the individual funds included in this column, turn to the combining Statements (CAFR page 156-158).

		Governmental Activities	
Nonmajor Enterprise Funds	Total	Internal Service Funds	
\$ 3,055	\$ 738,244		
34,105	232,091	\$ 72,781	
	104,278		
	—		
	—		
2,741	117,332	470	
183	3,347	497	
18,469	29,448	4,258	
	11,941		
	22,856		
210	5,766	280	
<u>58,763</u>	<u>1,265,303</u>	<u>78,286</u>	
61,972	129,156	32,248	
	330,400	51,017	
	118,818		
	—		
	403,714		
1,127	34,018	1,213	
<u>12,271</u>	<u>1,295,127</u>	<u>13,595</u>	
<u>75,370</u>	<u>2,311,233</u>	<u>98,073</u>	
<u>134,133</u>	<u>3,576,536</u>	<u>176,359</u>	
2,353	43,551	2,434	
<u>\$ 136,486</u>	<u>\$ 3,620,087</u>	<u>\$ 178,793</u>	
\$ 13,192	\$ 49,451	\$ 1,187	
675	39,322	734	
9,012	19,147	—	
9,380	9,380		
207	52,381	16,531	
	4,213		
	232		
	—		
4,230	12,301	75	
820	24,143	932	
70	20,557	353	
	—	8,754	
	1,624		
<u>37,586</u>	<u>232,751</u>	<u>28,566</u>	
120	428,741	1,041	
	—	10,628	
<u>5,357</u>	<u>149,238</u>	<u>5,155</u>	
<u>5,477</u>	<u>577,979</u>	<u>16,824</u>	
<u>43,063</u>	<u>810,730</u>	<u>45,390</u>	
1,370	81,946	1,381	
12,081	838,384	12,203	
	—	32,248	
	909,588		
	78,509		
79,972	687,881	73,564	
	213,049	14,007	
<u>92,053</u>	<u>2,727,411</u>	<u>132,022</u>	
<u>\$ 136,486</u>	<u>\$ 3,620,087</u>	<u>\$ 178,793</u>	

As a general rule, current assets and liabilities on the proprietary fund statements are those assets and liabilities expected to mature within one year of the end of the fiscal period (June 30). Noncurrent assets and liabilities are those assets and liabilities expected to mature in more than one year from the end of the fiscal period.

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

This total net position amount is typically the same amount for business-type activities in the government-wide Statement of Net Position (CAFR page 14) and the ending net position shown on the Statement of Activities (CAFR page 17). See the bottom of CAFR, page 26 for an explanation as to why the amounts are not equal.

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

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

State of Idaho

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

Proprietary Funds

For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

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

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

Business-Type Activities--Enterprise

	College and University	Unemployment Compensation	Loan
OPERATING REVENUES			
Assessments	—	\$ 130,709	—
Licenses, Permits, and Fees	\$ 450,162	—	\$ 2,619
Scholarship Allowances	(89,075)	—	—
Sale of Goods and Services	129,358	—	1,870
Grants and Contributions	153,907	2,807	19,604
Other Income	11,443	(6)	(128)
Total Operating Revenues	655,795	133,510	23,965
OPERATING EXPENSES			
Personnel Costs	744,282	—	—
Services and Supplies	253,017	1	4,151
Benefits, Awards, and Premiums	61,852	89,460	—
Depreciation	65,868	—	187
Other Expenses	20,909	(14)	669
Total Operating Expenses	1,145,928	89,447	5,007
Operating Income (Loss)	(490,133)	44,063	18,958
NONOPERATING REVENUES (EXPENSES)			
Gifts and Grants	129,409	—	—
Investment Income	11,966	19,564	13,561
Interest Expense	(15,399)	—	—
InterOS Detail Distributions	—	—	(5,115)
Gain (Loss) on Sale of Capital Assets	(408)	—	—
Other Nonoperating Revenues (Expenses)	(6,869)	—	—
Total Nonoperating Revenues (Expenses)	118,699	19,564	8,446
Income (Loss) Before Contributions and Transfers	(371,434)	63,627	27,404
Capital Contributions	29,199	—	—
Transfers In	357,387	48	26,558
Transfers Out	(2,277)	(5,899)	(1,825)
Change in Net Position	12,875	57,776	52,137
Total Net Position - Beginning of Year, as Restated	1,053,808	851,812	606,950
Total Net Position - End of Year	\$ 1,066,683	\$ 909,588	\$ 659,087

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

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

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

Funds		Governmental Activities	
Nonmajor Enterprise Funds	Total	Internal Service Funds	
	\$ 130,709		
\$ 3	452,784	\$ —	
	(89,075)	—	
526,719	657,947	349,919	
	176,318	224	
707	12,016	(158)	
527,429	1,340,699	349,985	
17,788	762,070	16,836	
165,990	423,159	33,777	
190,047	341,359	298,152	
1,219	67,274	1,356	
9,716	31,280	5,747	
384,760	1,625,142	355,868	
142,669	(284,443)	(5,883)	
	129,409		
943	46,034	8,683	
(7)	(15,406)	(115)	
(40,480)	(45,595)		
15	(393)	161	
(1)	(6,870)	15	
(39,530)	107,179	8,744	
103,139	(177,264)	2,861	
	29,199		
	383,993	1,828	
(93,988)	(103,989)	(17,113)	
9,151	131,939	(12,424)	
82,902	2,595,472	144,446	
\$ 92,053	\$ 2,727,411	\$ 132,022	

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

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

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

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

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

Several funds make up the Nonmajor Enterprise Funds column. To see greater detail of the individual funds included in this column, turn to the combining financial statements (CAFR pages 152-154).

The State has several internal service funds. To see greater detail of the individual funds aggregated in this column, turn to the combining financial statements (CAFR page 156-158).

State of Idaho

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

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

	Business- College and University
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Assessments	—
Receipts from Customers	\$ 484,950
Receipts from Interfund Services	—
Receipts from Grants and Contributions	152,756
Payments to Employees	(740,700)
Payments to Suppliers	(256,755)
Payments for Interfund Services	—
Payments for Benefits, Awards, and Claims	(49,775)
Other Receipts	12,242
Other Payments	(8,689)
Net Cash Provided (Used) by Operating Activities	(405,971)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Gifts, Grants, and Endowments Received	120,500
Intergovernmental Distributions	—
Transfers In	357,387
Transfers Out	(2,277)
Proceeds from Bonds, Notes, and Loans	176,081
Repayments of Bonds, Notes, and Loans	(171,478)
Interest Payments	—
Other Receipts	—
Net Cash Provided (Used) by Noncapital Financing Activities	480,213
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grants and Contributions	22,174
Proceeds from Bonds and Notes	—
Principal Payments	(20,833)
Interest Payments	(18,033)
Proceeds from Disposition of Capital Assets	—
Acquisition and Construction of Capital Assets	(97,087)
Net Cash Provided (Used) by Capital and Related Financing Activities	(113,779)
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipt of Interest and Dividends	7,207
Purchase of Investments	(563,844)
Redemption of Investments	605,232
Other Investing Activities	(2,094)
Net Cash Provided (Used) by Investing Activities	46,501
Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash	6,964
Beginning Cash, Cash Equivalents, and Pooled Cash	220,573
Ending Cash, Cash Equivalents, and Pooled Cash	\$ 227,537
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating	
Operating Income (Loss)	\$ (490,133)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating	
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)
Accounts Payable/Interfund Payables	8,042
Unearned Revenue	—
Compensated Absences	5,938
Policy Claim Liabilities	—
Other Accrued Liabilities	(8,697)
Net Changes in Deferred Outflows/Inflows of Resources	10,867
Net Cash Provided (Used) by Operating Activities	\$ (405,971)

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

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

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

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

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

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

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 change in reporting entity.

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

Several funds make up the Nonmajor Enterprise Funds column. To see greater detail of the individual funds aggregated in this column, turn to the combining financial statements (CAFR page 152).

The State has several internal service funds. To find greater detail of the individual funds aggregated in this column, turn to the combining financial statements (CAFR page 156).

Type Activities--Enterprise Funds				Governmental Activities	
Unemployment Compensation	Loan	Nonmajor Enterprise Funds	Total	Internal Service Funds	
132,536	—		132,536		
—	4,422	521,792	1,011,164	36,005	
—	—	4,774	4,774	312,321	
2,807	19,604		175,167	224	
—	—	(17,822)	(758,522)	(17,074)	
(1)	(3,913)	(174,007)	(434,676)	(36,754)	
—	(35)	(767)	(802)	(2,694)	
(84,084)	—	(189,528)	(323,387)	(293,983)	
14	—	49	12,305	487	
(7)	(652)	(64)	(9,412)	(163)	
51,265	19,426	144,427	(190,853)	(1,631)	
—	—		120,500		
—	(5,115)	(39,005)	(44,120)	1,828	
48	26,558		383,993	(17,113)	
(5,899)	(1,825)	(92,585)	(102,586)		
—	—		176,081		
—	—		(171,478)		
—	—		—	(20)	
—	—		—	—	
(5,851)	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	
15,221	10,201	951	33,580	7,648	
(4,288)	(39,869)		(608,001)	(1,144)	
4,360	45,875		655,467	245	
—	1	—	(2,093)	(8)	
15,293	16,208	951	78,953	6,741	
60,707	43,652	12,488	123,811	(3,510)	
614,754	53,709	86,644	975,680	108,539	
\$ 675,461	\$ 97,361	\$ 99,132	\$ 1,099,491	\$ 105,029	
44,063	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		
5,636	—	(426)	4,324	(220)	
—	219	1,192	9,453	508	
—	(700)	(57)	(757)	(2,618)	
—	—	47	5,985	66	
—	—			4,169	
1,566	1	(664)	(7,794)	(63)	
—	—	224	11,091		
\$ 51,265	\$ 19,426	\$ 144,427	\$ (190,853)	\$ (1,631)	

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

Noncash Transactions (dollars in thousands):

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.

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

State of Idaho

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019**

(dollars in thousands)

The Investment Trust fund reports the portion of the State's investment pools that belongs to other governments, allowing localities to earn income from spare cash until it is needed. To learn more about the different funds combined in this column, turn to the Notes to the Financial Statements (CAFR page 47) and the combining financial statements (CAFR page 164).

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

	Pension Trust	Investment Trust	College Savings Private-Purpose Trust	Agency
ASSETS				
Cash and Cash Equivalents	\$ 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			
Total Assets	<u>20,115,732</u>	<u>3,020,921</u>	<u>517,418</u>	<u>\$ 501,807</u>
LIABILITIES				
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)
Total Liabilities	<u>206,521</u>	<u>5,993</u>	<u>431</u>	<u>\$ 501,807</u>
NET POSITION				
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	
Total Net Position	<u>\$ 19,909,211</u>	<u>\$ 3,014,928</u>	<u>\$ 516,987</u>	

Pension Trust funds report resources held in trust for the members and beneficiaries of employee benefit plans. To learn more about the different funds combined in this column, turn to the Notes to the Financial Statements (CAFR pages 79-87) and the combining financial statements (CAFR pages 160-161).

The College Savings Private-Purpose Trust Fund accounts for the activities of the Idaho College Savings Program, Which helps individuals save for higher education costs.

Agency funds contain resources held on a temporary, purely custodial basis. Every resource held by these funds is due to be passed along to the individuals or organizations to which it belongs; therefore, assets equal liabilities at all times and the fund has no net assets. To learn more about the different funds combined in this column, turn to the combining financial statements (CAFR page 166).

State of Idaho

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2019

(dollars in thousands)

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

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

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

ADDITIONS

Contributions:

Member
Employer
Transfers In from Other Plans
Participant Deposits

Total Contributions

Investment Income:

Net Increase (Decrease) in Fair Value of Investments
Interest, Dividends, and Other
Less Investment Expense:
Investment Activity Expense
Securities Lending Interest Expense

Net Investment Income

Miscellaneous Income

Total Additions

DEDUCTIONS

Benefits and Refunds Paid to Plan Members
Transfers Out to Other Plans
Administrative Expense
Earnings Distribution
Participant Withdrawals

Total Deductions

Change in Net Position Held in Trust for:

Employee Pension Benefits
Employee Postemployment Healthcare Benefits
External Investment Pool Participants
Trust Beneficiaries

Net Position - Beginning of Year, as Restated

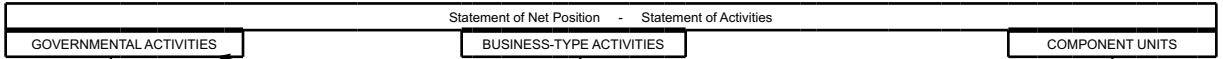
Net Position - End of Year

	Pension Trust	Investment Trust	College Savings Private-Purpose Trust
Member	\$ 341,245		
Employer	457,983		
Transfers In from Other Plans	21,161		
Participant Deposits		\$ 5,477,056	\$ 73,325
Total Contributions	820,389	5,477,056	73,325
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			
Net Investment Income	1,447,355	46,295	30,630
Miscellaneous Income	348	8,128	
Total Additions	2,268,092	5,531,479	103,955
Benefits and Refunds Paid to Plan Members	1,091,205		
Transfers Out to Other Plans			2,162
Administrative Expense	16,109		
Earnings Distribution		65,183	
Participant Withdrawals	24,398	5,052,697	45,674
Total Deductions	1,131,712	5,117,880	47,836
Employee Pension Benefits	1,090,293		
Employee Postemployment Healthcare Benefits	46,821		
External Investment Pool Participants		413,599	
Trust Beneficiaries	(734)		56,119
Net Position - Beginning of Year, as Restated	18,772,831	2,601,329	460,868
Net Position - End of Year	\$ 19,909,211	\$ 3,014,928	\$ 516,987

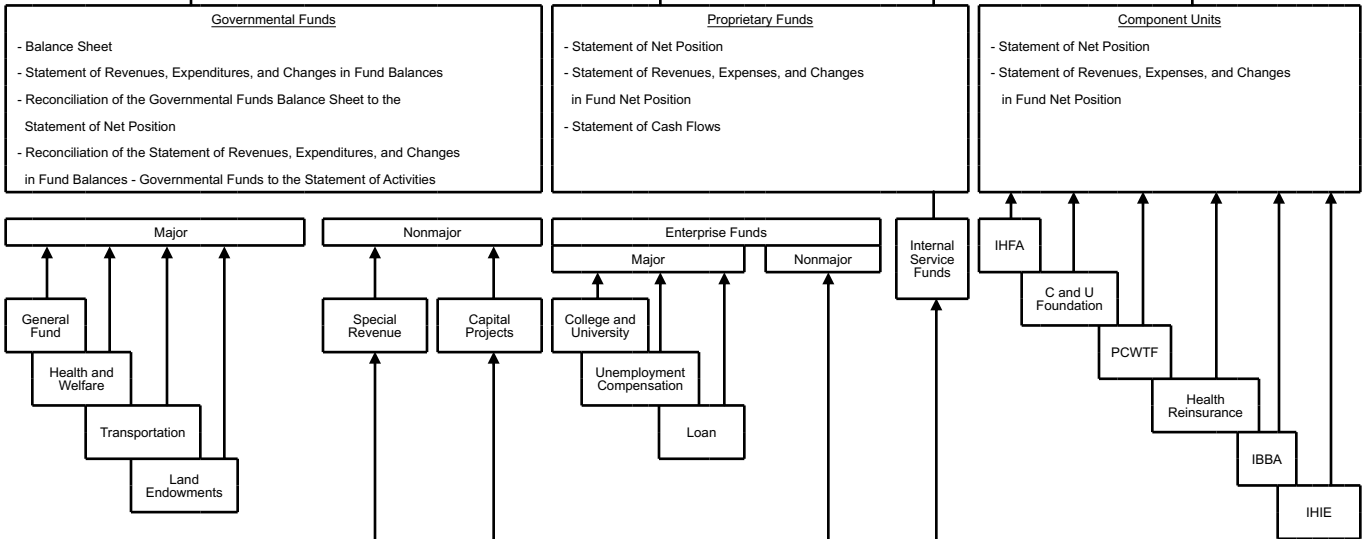
With the data in this statement, as well as the Notes (CAFR pages 79-87) and the Required Supplementary Information (CAFR pages 128-130), you can begin to assess the fiscal health of the pension plan. Are the assets growing or declining? How much are the earnings from investments? Is the State making the necessary contributions as an employer? This column includes several Pension Trust funds. To find greater detail of the individual funds aggregated in this column, turn to the combining financial statements (CAFR pages 160-161).

CAFR Fund Structure

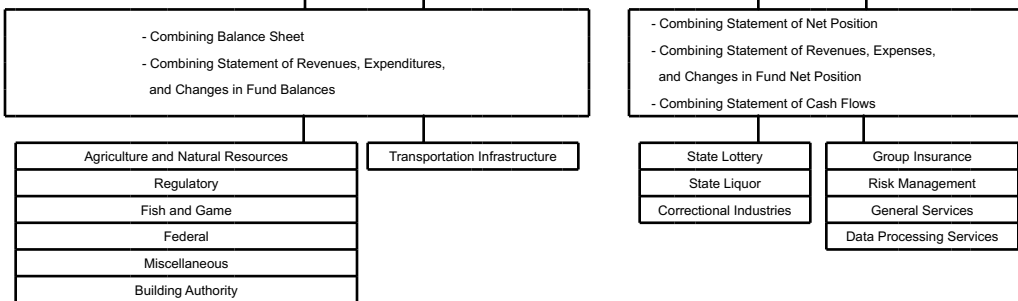
GOVERNMENT-WIDE LEVEL



FUND LEVEL



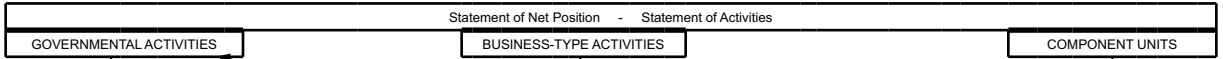
COMBINING LEVEL



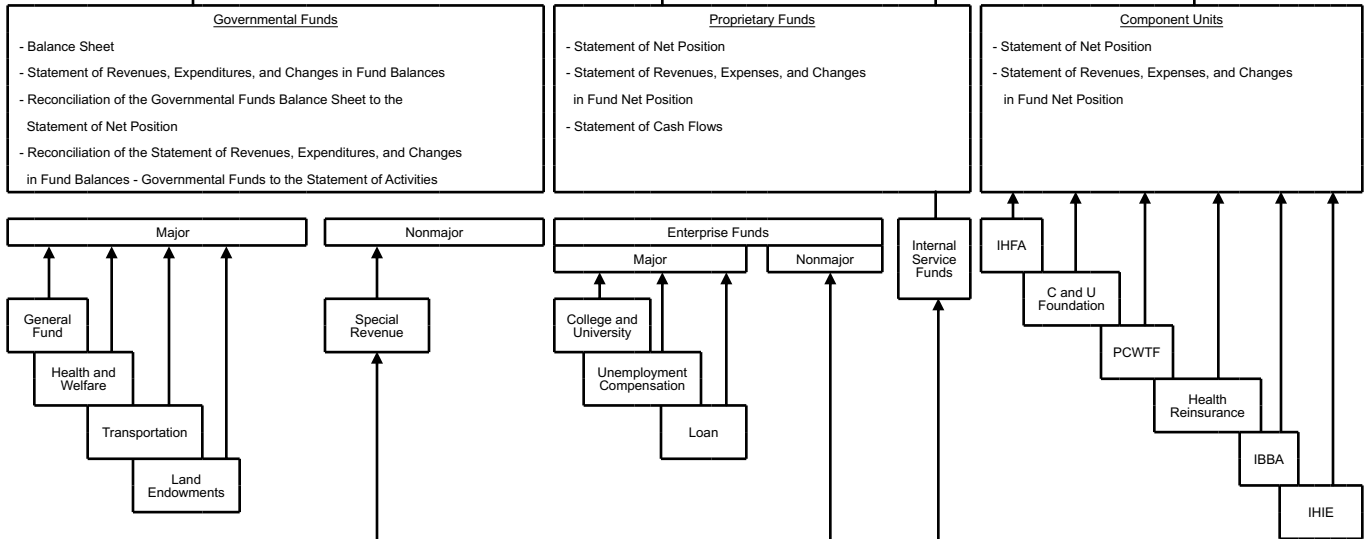
IHFA - Idaho Housing and Finance Association, including its component unit, The Housing Company
 C and U Foundation - College and University Foundation
 PCWTF - Petroleum Clean Water Trust Fund
 Health Reinsurance - Idaho Individual High Risk Reinsurance Pool and Idaho Small Employer Health Reinsurance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

CAFR Fund Structure

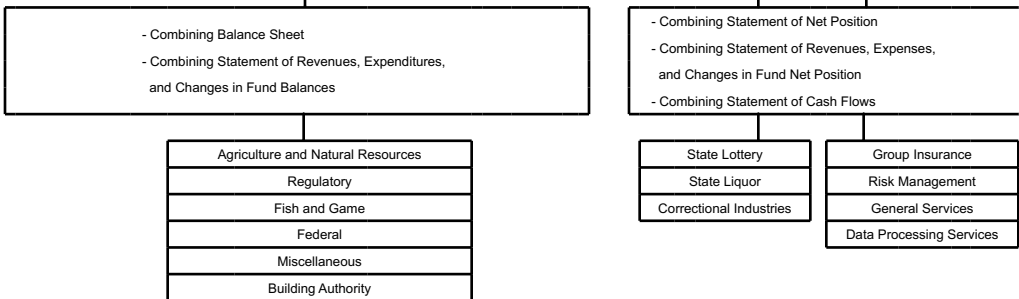
GOVERNMENT-WIDE LEVEL



FUND LEVEL



COMBINING LEVEL



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