

State of IDAHO



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022



Saint Maries River

On the front cover:
Salmon River

State of
IDAHO

Annual Comprehensive Financial Report



For the Fiscal Year Ended June 30, 2022

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



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State Controller

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Thanks and appreciation to the Bureaus of Accounting Operations,
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.



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022

IDAHO

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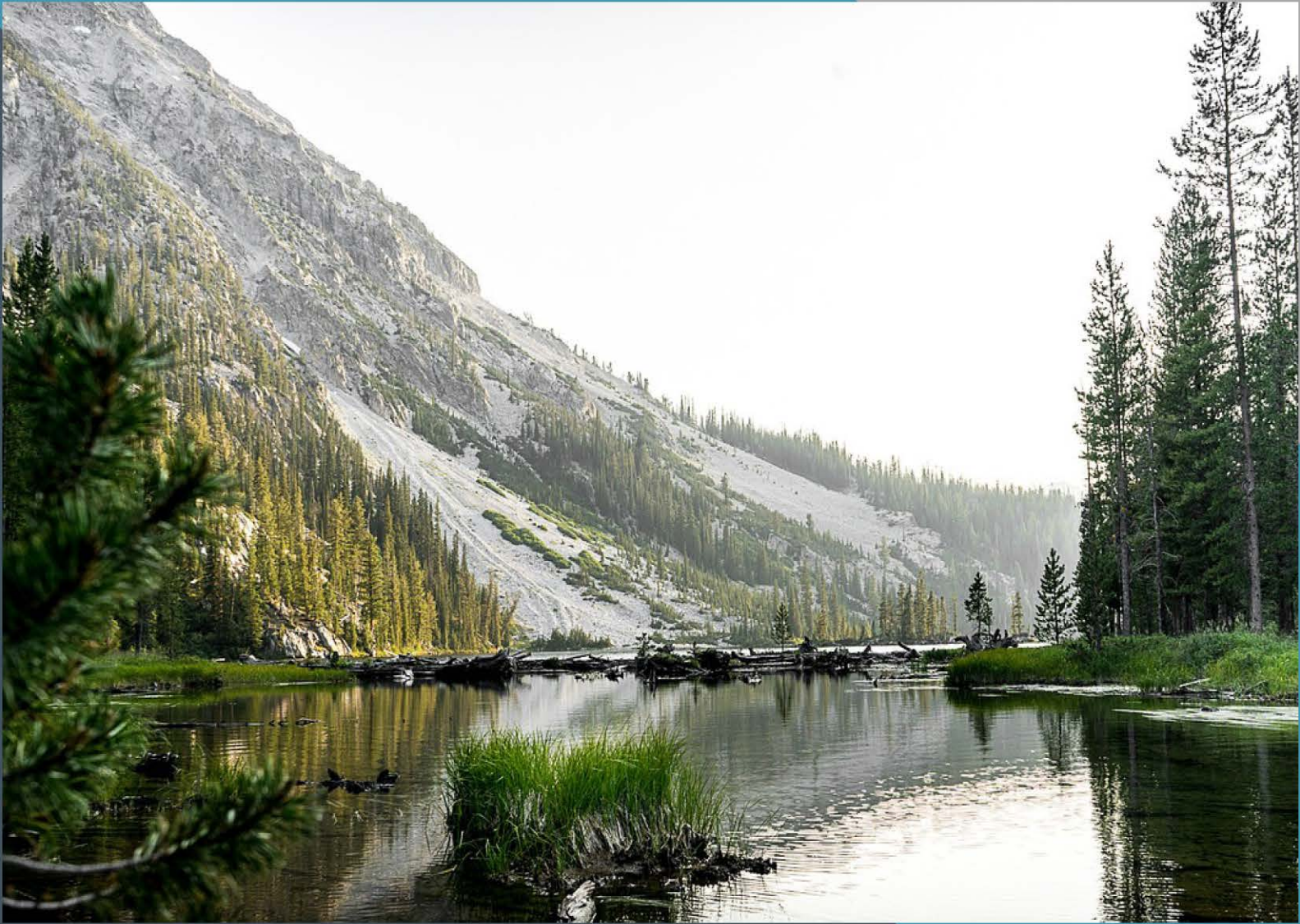
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Introductory Section





December 23, 2022

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

As the State's Chief Fiscal Officer, I am pleased to present the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022, 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, 2022. 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 43rd state in 1890. The State covers 83,569 square miles and has a population of 1.94 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 129 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, 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.

<u>Fund and Idaho Code</u>	<u>FY22 End Balances</u>	<u>Dollar Change</u>
Budget Stabilization (57-814)	\$706.54 M	\$ 64.63 M
Economic Recovery (67-3520)		
Public Education Stabilization (33-907)	124.61 M	28.98 M
Higher Education Stabilization (33-3726)	14.44 M	0.72 M
Totals	<u>\$845.59 M</u>	<u>\$ 94.33 M</u>

Note 14 contains additional detailed information regarding reserve funds.

Economy

Inflation has increased rapidly over the last two years, with levels that have not been seen in the United States since the 1980s. The western and mountain areas are experiencing higher prices than the rest of the country. This is likely driven by high levels of migration into the area, as well as higher average gas and other fuel prices. High levels of inflation in Idaho were one of the reasons cited for the passage of HB-1 during Idaho's special legislative session on September 1, 2022.

Idaho is the country's 39th largest economy by GDP according to 2022 estimates, however, Idaho was the country's 23rd largest agricultural exporter in 2017. Idahoans continue to take advantage of the opportunities of a global economy as evidenced by a recent Taiwanese delegation visit to foster deeper trade ties. The main recent outcome is a continues market for Idaho wheat.

Idaho nonfarm jobs and population are projected to grow three to four times faster than the nation overall. The national forecast expects job contraction nationally in 2023 and 2024, while Idaho's economic model expects Idaho's job market is expected to grow more in 2023 than in 2022. Population growth also brings with it additional personal income growth. The projected personal income growth in Idaho over the next five years is expected to be about two times higher than the projected total personal income for the United States.

The Chips and Science Act from the federal government has brought about announcements for computer/memory chip manufacturing and research facilities. Micron announced a Boise facility at a value of about \$50 billion, with 2,000 local jobs once it is fully operational. Lately mining has been a declining sector, but the opportunity for a new cobalt mine outside Salmon may reverse the trend. This will be the first mine opened in decades and the only cobalt mine in the United States.

Interest rate pressures are expected to slow the housing market. There has been substantial multi-family activity this year, and that raises the outlook for that subsector in the forecast. Multi-family may also benefit at the expense of single-family due to rising costs associated with financing. Boise crossed from being affordable to being unaffordable at the close of 2020, as median home prices rose above \$360 thousand locally. Affordability has remained more strenuous in Boise than for the nation overall since then.

The IHS Markit forecast sets its baseline, pessimistic, and optimistic forecasts to indicate reasonably likely economic outcomes. None of the three scenarios from IHS suggest, yet, that Idaho is likely to see a major disruption to economic activity.

Long-Term Financial Planning

This year the general fund brought in \$6.2 billion against a prediction of \$5.2 billion. Quite plainly: actual revenue beat estimate by \$1.0 billion. Revenue in 2021 and 2020 was \$5.0 billion and \$4.0 billion, respectively. Individual income tax brought \$2.6 billion to the state. It was predicted for \$2.3 billion. HB 436 again lowered tax rates, with the top rate falling from 6.5% to 6.0%, and the effect is from January 2022 going forward. Sales tax brought \$2.2 billion to the state general fund. It was predicted at \$2.1 billion, with the discrepancy being under \$35 million. Corporate sales tax revenue was \$1.0 billion this year. The prediction was for \$0.4 billion; the discrepancy was over \$0.6 billion.

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, 2022, \$1,199.6 million has been borrowed from issued bonds.

Major Initiatives

- The Department of Health and Welfare received an appropriation of \$4.9 billion in FY 23, an increase of 8.1 percent from the previous year. Medicaid spending represents 82.2 percent of the Department's total appropriation. Federal funding provided 68.5 percent of the Department's total appropriation. General Fund funding for Medicaid increased 4.5 percent.

- The Public Schools' appropriation is \$3.1 billion for FY 22, a General Fund increase of \$207.9 million and a \$78.9 million overall increase from FY 22. Some of the highlights of the increased appropriation include:
 - \$36.7 million for \$1,000 bonuses for all public-school staff
 - \$69.2 million for the net impact of all Career Ladder adjustments
 - \$9.1 million for pupil transportation
 - Added \$3.3 million for advanced opportunities
 - \$118.7 million for a 47.9% increase in health insurance and health benefit plans funding
 - \$547.3 million from COVID-19 Relief Funds
 - \$36.5 million in additional onetime instructional and pupil service staff compensation
 - \$46.7 million for literacy proficiency
 - \$19.5 million for a 7% increase in salaries for administrators and classified staff
 - \$75.5 million to cover the costs of school districts to join the state health insurance program
 - \$74.0 million for nutritional programs
 - \$1.1 million for new staff with the Educational Services for the Deaf and the Blind
- A total appropriation of \$343.7 million for the Department of Correction in FY 23 is an increase of 3.3 percent from the prior year.
- In total, the Legislature provided \$1.2 billion including deficiency warrants, to partially address the revenue surplus carried over from FY 21 into FY 22 by transferring from the General Fund into various dedicated funds. Of this amount, \$94.2 million was transferred out during the 2021 session for water projects, and other various dedicated funds including

the Fire Suppression Deficiency Fund, POST, Permanent Building Fund, the 27th Payroll Fund, the Business Information Infrastructure Fund, and the Tax Rebate Fund. Additionally, through Emergency Proclamation 02-2021, the Governor transferred \$25 million to the Disaster Emergency Fund in July for the National Guard to help fight fires during the historic fire season.

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 comprehensive report for the fiscal year ended June 30, 2021. This is the 25th 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 ACFR 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrell

Executive Director/CEO



Statewide Elected Officials

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*



G. Richard Bevan
*Chief Justice,
Idaho Supreme Court*



Chuck Winder
*President
Pro Tempore,
Idaho State Senate*



Financial Section



Greenbelt



Terri Kondeff
Director

Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

December 23, 2022

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 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	54.1%	10.2%
Business-Type Activities	65.3%	70.8%
Aggregate Discretely Presented Component Units	100.0%	100.0%
General Fund	84.2%	0.4%
Health and Welfare Fund	20.5%	0.0%
Transportation Fund	84.4%	0.0%
Federal Stimulus Fund	100%	3.8%
Land Endowments Fund	96.5%	100.0%
College and University Fund	100.0%	100.0%
Unemployment Compensation Fund	16.5%	6.8%
Loan Fund	33.6%	23%
Aggregate Remaining Fund Information	100.0%	76.3%

Paul Headlee, Deputy Director
Legislative Services Office

Kristin Ford, Manager
Research & Legislation

Keith Bybee, Manager
Budget & Policy Analysis

April Renfro, Manager
Legislative Audits

Glenn Harris, Manager
Information Technology

Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for those agencies and component units, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of Boise State University Foundation and Idaho State University Foundation were not audited in accordance with *Government Auditing Standards*.

We are required to be independent of the State of Idaho, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The State of Idaho's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 State of Idaho's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State of Idaho's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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.

Supplementary 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 combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, the combining financial statements are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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 dark ink, appearing to read "April Renfro". The signature is fluid and cursive, with the first name "April" and last name "Renfro" clearly distinguishable.

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, 2022. 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 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, 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 39) 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 124 and includes the following:

- Budgetary comparison schedules and note disclosure that show how the General, Health and Welfare, Transportation and Federal Stimulus 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 post-employment benefits to certain employees

Other Supplementary Information

Combining financial statements, starting on page 141, are presented to provide more detail for non-major 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 \$19.5 billion for the most recent fiscal year.

The State's combined net position increased \$2.0 billion over the course of this fiscal year's operations. Net position of governmental activities increased \$1.7 billion and business-type activities' net position increased \$231.6 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.

Net Position
June 30, 2022 and 2021
(dollars in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021*	2022	2021*	2022	2021*
Assets						
Current and Other Assets	\$ 11,635,541	\$ 9,851,137	\$ 2,961,875	\$ 2,792,354	\$ 14,597,416	\$ 12,643,491
Capital Assets	8,308,241	8,034,374	1,448,457	1,375,781	9,756,698	9,410,155
Total Assets	19,943,782	17,885,511	4,410,332	4,168,135	24,354,114	22,053,646
Deferred Outflows of Resources	335,457	219,833	90,987	74,469	426,444	294,302
Total Assets and Deferred Outflows of Resources	20,279,239	18,105,344	4,501,319	4,242,604	24,780,558	22,347,948
Liabilities						
Other Liabilities	2,118,388	1,747,770	180,703	201,727	2,299,091	1,949,497
Long-Term Liabilities	1,328,305	1,792,487	803,122	877,394	2,131,427	2,669,881
Total Liabilities	3,446,693	3,540,257	983,825	1,079,121	4,430,518	4,619,378
Deferred Inflows of Resources	590,510	70,843	214,659	92,277	805,169	163,120
Total Liabilities and Deferred Inflows of Resources	4,037,203	3,611,100	1,198,484	1,171,398	5,235,687	4,782,498
Net Position						
Net Investment in Capital Assets	7,413,188	7,163,909	958,560	903,315	8,371,748	8,067,224
Restricted	4,793,254	5,070,287	2,040,144	1,908,450	6,833,398	6,978,737
Unrestricted	4,035,594	2,260,054	304,131	259,441	4,339,725	2,519,495
Total Net position	\$ 16,242,036	\$ 14,494,250	\$ 3,302,835	\$ 3,071,206	\$ 19,544,871	\$ 17,565,456

*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, 42.8 percent (\$8.4 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 35.0 percent (\$6.8 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 22.2 percent (\$4.3 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:

Changes in Net Position For the Fiscal Years Ended June 30, 2022 and 2021 <i>(dollars in thousands)</i>							
	Governmental Activities		Business-Type Activities		Total Primary Government		Total Percent Change
	2022	2021*	2022	2021*	2022	2021*	
Revenues							
Program Revenues							
Charges for Services	\$ 1,009,555	\$ 1,241,127	\$1,393,211	\$1,329,084	\$ 2,402,766	\$ 2,570,211	(6.5)
Operating Grants and Contributions	4,424,318	5,456,397	428,409	908,896	4,852,727	6,365,293	(23.8)
Capital Grants and Contributions	24,598	13,743	56,889	17,706	81,487	31,449	159.1
General Revenues							
Sales Tax	2,951,911	2,529,066			2,951,911	2,529,066	16.7
Individual and Corporate Taxes	3,579,163	2,636,265			3,579,163	2,636,265	35.8
Other Taxes	671,766	652,385			671,766	652,385	3.0
Other	(20,297)	28,702			(20,297)	28,702	(170.7)
Total Revenues	12,641,014	12,557,685	1,878,509	2,255,686	14,519,523	14,813,371	(2.0)
Expenses							
General Government	1,224,316	1,400,506			1,224,316	1,400,506	(12.6)
Public Safety and Correction	530,620	518,541			530,620	518,541	2.3
Health and Human Services	4,275,448	4,051,272			4,275,448	4,051,272	5.5
Education	3,013,362	2,817,380			3,013,362	2,817,380	7.0
Economic Development	1,130,794	1,144,265			1,130,794	1,144,265	(1.2)
Natural Resources	407,124	364,499			407,124	364,499	11.7
Interest Expense	60,241	44,117			60,241	44,117	36.5
College and University			1,261,611	1,135,298	1,261,611	1,135,298	11.1
Unemployment Compensation			63,049	680,907	63,049	680,907	(90.7)
Loan			5,358	19,840	5,358	19,840	(73.0)
State Lottery			304,347	300,784	304,347	300,784	1.2
State Liquor			246,360	241,391	246,360	241,391	2.1
Correctional Industries			17,475	10,985	17,475	10,985	59.1
Total Expenses	10,641,905	10,340,580	1,898,200	2,389,205	12,540,105	12,729,785	(1.5)
Increase (Decrease) in Net Position before Transfers	1,999,109	2,217,105	(19,691)	(133,519)	1,979,418	2,083,586	(5.0)
Transfers	(251,320)	(487,436)	251,320	487,434			
Change in Net Position	1,747,789	1,729,669	231,629	353,915	1,979,418	2,083,586	(5.0)
Net Position, Beginning of Year, as Restated	14,494,192	12,764,523	3,070,512	2,716,597	17,564,704	15,481,120	13.5
Net Position, End of Year	\$16,241,981	\$14,494,192	\$3,302,141	\$3,070,512	\$19,544,122	\$17,564,706	11.3

*Amounts in these columns have been restated.

The Total Percent Change column shows the percentage change in operation from fiscal year 2021 to 2022 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., 36.5 percent increase for Interest Expense of \$16.1 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., 7.0 percent increase for Education of \$196.0 million).

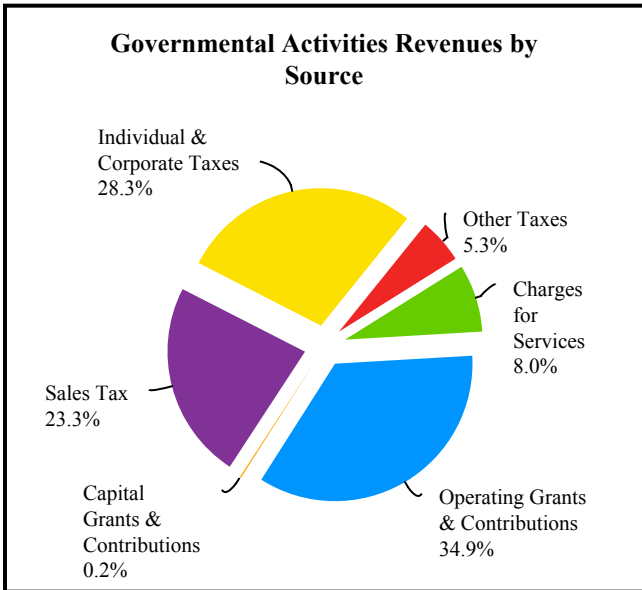
Governmental Activities

Revenues

The overall financial position for Governmental Activities significantly improved during the fiscal year, as evidenced by the 12.1 percent (\$1.7 billion) increase in net position. Revenues continued to outpace expenses in most categories. Individual and corporate income taxes revenue increased 35.8 percent (\$942.9 million). Primarily due to the substantial growth of corporate income tax receipts. Operating grant revenue decreased 18.9 percent (\$1.0 billion), primarily due to decreases in health and other federal grants and contributions. Decreased fair market value and other sales and services caused revenue from charges for services to fall 18.7 percent (\$231.6 million). Sales Tax revenue improved by 16.7 percent (\$422.8 million), as well as the Other Tax revenue with a rise of 3.0 percent (\$19.4 million).

Expenses
Overall expenses for the State increased 2.9 percent (\$0.3 billion). Education expenses rose 7.0 percent (\$196.0 million) primarily due to increase in the distribution of public school funds. Expenses for economic development fell 1.2 percent (\$13.5 million). Finally, health and human services expenses experienced a 5.5 percent (\$224.2 million) increase 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, 2022:

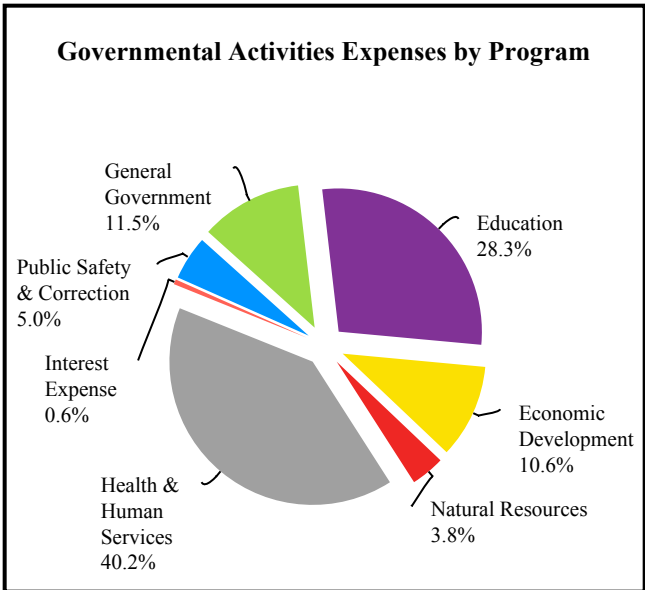


Total Revenues = \$12.6 billion

Business-Type Activities

Business-type activities' net position increased by 7.5 percent (\$231.6 million) during the fiscal year. The largest changes were seen in the following funds:

- The College and University fund net position increased by 9.9 percent (\$116.1 million) from the prior year to \$1.3 billion. Expenses increased 11.1 percent (\$126.3 million) due to an increase in the

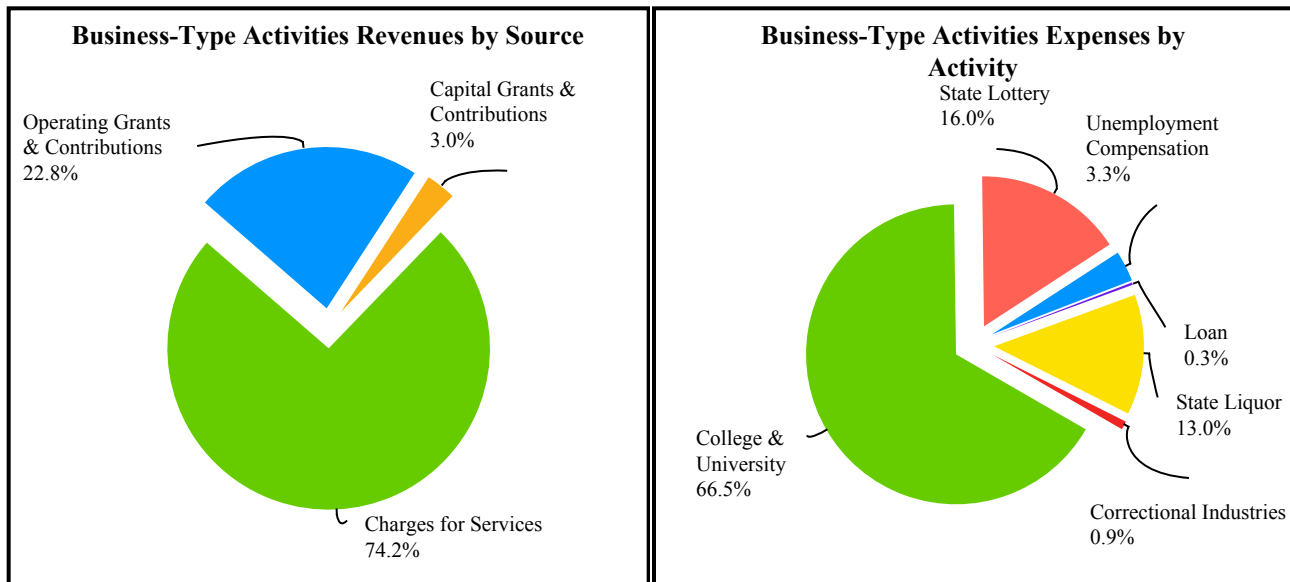


Total Expenses = \$10.6 billion

expenses for Services and Supplies or Benefits, Awards, and Premiums.

- Unemployment Compensation fund net position improved 9.4 percent (\$98.9 million) due largely to decreases in expenditures as a result of federal stimulus monies being spent in prior years.

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



Total Revenues = \$1.9 billion

Total Expenses = \$1.9 billion

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 \$8.8 billion, an increase of \$1.4 billion in comparison with fiscal year 2021. The governmental fund balance is classified as follows:

- *Nonspendable* either due to its form or legal constraints such as permanent trusts: \$2.2 billion (25.0 percent)
- *Restricted* for a specific purpose either by creditors, grantors, constitutional provisions, or enabling legislation: \$2.5 billion (28.4 percent)
- *Committed* for specific purposes by the Legislature or for satisfying contractual requirements: \$1,744.8 million (19.7 percent)
- *Assigned* for a specific purpose as that intent is expressed by the Legislature or by a governing body or official: \$132.1 million (1.5 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: \$2.2 billion (25.3 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 40.5 percent (\$1.3 billion) primarily due to a \$836.9 million increase in individual and corporate taxes.

- The Health and Welfare fund balance decreased 17.6 percent (\$10.1 million) during the fiscal year. The primary driver of the fund balance decline was due largely to decreased operating grants and contributions.
- The Transportation fund balance increased 56.4 percent (\$196.7 million) during the fiscal year primarily due to increased revenue from sales tax.
- The Federal stimulus fund is a major fund due to the Federal stimulus act and the state receiving \$1.3 billion of cash in FY20 to allocate for COVID needs. The Fund balance decreased \$3.9 million during the fiscal year with the largest expenditure portion focused on education.
- The Land Endowments fund balance decreased 12.1 percent (\$387.4) million from the prior year primarily due to decreased investment income.
- The Nonmajor Governmental fund balance increased 36.4 percent (\$266.2 million) during the fiscal year. Increases are largely due to rise in other income, investment income, and taxes other than individual and corporate.

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 were \$7.3 billion. Most of the General Fund revenue comes from various types of tax collections; these collections increased by 19.4 percent over 2021. The sum of the collections stem from three major revenue categories; individual income tax, sales tax, and corporate income tax. Individual income tax receipts (\$2.6 billion) rose above the forecast by 13.1 percent (\$301.9 million). Corporate income tax receipts (\$1.0 billion) came in 164.5 percent (\$646.3 million) above the forecast of \$392.8 million. Sales tax contributions (\$2.2 billion) also saw a gain above the projected by 1.6 percent (\$34.7 million). Product tax revenue (\$85.9 million) for the year fell short of the anticipated collections (\$89.1 million) by 3.6 percent (\$3.2 million). Miscellaneous sources (\$274.5 million) surpassed the projected \$247.0 million by 11.1 percent

(\$27.5 million). The cash balance carried over into fiscal year 2022 was \$305.2 million. Overall, General Fund receipts were \$1.3 billion more in fiscal year 2022 than in fiscal year 2021.

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 \$1.1 billion (16.7 percent). The natural resources function within the General Fund reported a negative variance of \$57.2 million in large part from the fire suppression warrant deficiency 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 2022 the State had \$9.8 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 \$214.2 million.

Capital Assets as of June 30, 2022 and 2021						
<i>(Net of depreciation, dollars in thousands)</i>						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021*	2022	2021*	2022	2021*
Land and Land Use Rights	\$ 1,295,681	\$ 1,253,066	\$ 175,370	\$ 175,304	\$ 1,471,051	\$ 1,428,370
Capital Assets in Progress	1,435,962	1,151,862	46,448	151,139	1,482,410	1,303,001
Infrastructure-not Depreciated	3,365,764	3,365,764			3,365,764	3,365,764
Historical Art and Collections	332	332	2,622	2,544	2,954	2,876
Buildings and Improvements	803,056	827,023	1,068,740	943,664	1,871,796	1,770,687
Improvements Other Than Buildings	122,253	116,957	30,292	25,408	152,545	142,365
Machinery, Equipment, and Other	279,452	307,413	87,852	77,417	367,304	384,830
Infrastructure-Depreciated	972,390	990,509			972,390	990,509
Intangible Right to Use Lease Assets	33,363		37,133		70,496	
Total	\$ 8,308,253	\$ 8,012,926	\$ 1,448,457	\$ 1,375,476	\$ 9,756,710	\$ 9,388,402

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

This year's major capital asset additions include \$296.9 million spent for infrastructure assets, which includes capital assets in progress (\$257.9 million) and rights-of-way (\$39.0 million).

The State uses the traditional method of depreciation for its 1,815 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

12,165 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 4.1 percent of its road surfaces in poor condition. During fiscal year 2022 the State spent \$101.5 million to maintain Idaho's road surfaces. This amount is 26.4 percent (\$36.3 million) less than the estimated amount of \$137.8 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 2022, the Idaho Housing Finance Association issued a new \$184.6 million Transportation Expansion and Congestion Mitigation (TECM) bond (2022 Series). The notes payable ending balance for highway projects was \$522.1 million.

Moody's Investors Service has assigned the State of Idaho an issuer rating of Aaa. Idaho currently has no general obligation debt outstanding. During fiscal year 2022, Idaho State Treasurer issued \$291.8 million State of Idaho Tax Anticipation Note (TAN) to meet the anticipated cash flow requirements due to the time lag between when state revenue is received and when state expenses are incurred. 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 was at 2.9 percent in October 2022. The State's labor force grew over the last year from 921,775 in October 2021 to 961,441 in October 2022. The national unemployment rate in October was 3.7 percent. Total state employment in October was 933,268, up from 892,027 in 2021.

Revenue for fiscal year 2023 is expected to be \$6.1 billion via individual income tax (\$2.4 billion), sales tax (\$2.4 billion), and corporate tax (\$0.9 billion). Tax collection to the general fund is likely to be among the highest in history. The growth in tax collection is associated with an increase in taxable income rather than tax rates.

The overall General Fund budget for fiscal year 2023 is \$4.6 billion (9.5 percent increase). Medicaid received

\$830.1 million (7.8 percent increase); and the Department of Correction received \$299.4 million (5.7 percent increase). Contributions to the State's budget reserves increased by \$94.2 million during fiscal year 2022.

For the eighth 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): 12.5 percent (\$258.0 million)
- College and Universities: 8.0 percent (\$25.0 million)
- Career Technical Education: 0.3 percent (\$0.2 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, acfr@sco.idaho.gov

Basic Financial Statements



Twin Falls

Statement of Net Position

June 30, 2022

(dollars in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 11,166	\$ 977,605	\$ 988,771	\$ 101,428
Pooled Cash and Investments	4,793,377	303,072	5,096,449	331
Investments	3,173,746	656,058	3,829,804	913,495
Accounts Receivable, Net	192,929	170,028	362,957	94,772
Taxes Receivable, Net	457,136		457,136	
Internal Balances	12,450	(12,450)		
Due from Other Entities	548,486		548,486	
Inventories and Prepaid Items	74,579	40,854	115,433	1,357
Due from Primary Government				568,391
Due from Component Unit		4,769	4,769	
Loans, Notes, Leases and Pledges Receivable, Net	28,460	507,234	535,694	1,072,464
Other Assets	148,748	75,346	224,094	227,678
Restricted Assets:				
Cash and Cash Equivalents	1,594,403	133,661	1,728,064	444,306
Investments	600,061	105,698	705,759	405,165
Capital Assets:				
Nondepreciable	6,097,738	224,440	6,322,178	13,112
Depreciable, Net	2,210,503	1,224,017	3,434,520	97,567
Total Assets	19,943,782	4,410,332	24,354,114	3,940,066
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows	335,457	90,987	426,444	12,569
Total Assets and Deferred Outflows of Resources	\$ 20,279,239	\$ 4,501,319	\$ 24,780,558	\$ 3,952,635
LIABILITIES				
Accounts Payable	\$ 320,893	\$ 48,258	\$ 369,151	\$ 7,039
Payroll and Related Liabilities	56,190	55,092	111,282	1,863
Medicaid Payable	179,610		179,610	
Due to Other Entities	164,321	11,655	175,976	
Unearned Revenue	1,265,033	48,474	1,313,507	32,748
Amounts Held in Trust for Others	28,100	2,434	30,534	235,257
Due to Primary Government				3,535
Due to Component Unit		917	917	
Other Accrued Liabilities	104,241	13,873	118,114	560,027
Long-Term Liabilities:				
Due Within One Year	363,102	62,817	425,919	143,530
Due in More Than One Year	965,203	740,305	1,705,508	1,454,188
Total Liabilities	3,446,693	983,825	4,430,518	2,438,187
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows	590,510	214,659	805,169	7,288
NET POSITION				
Net Investment in Capital Assets	7,413,188	958,560	8,371,748	37,915
Restricted for:				
Claims and Judgments	35,587		35,587	
Debt Service	190,827		190,827	55,974
Transportation	348,598		348,598	
Regulatory	117,834		117,834	
Natural Resources and Recreation	379,057		379,057	
Unemployment Compensation		1,146,272	1,146,272	
Permanent Trust - Expendable	695,625	87,673	783,298	245,288
Permanent Trust - Nonexpendable	2,566,074		2,566,074	475,426
Other Purposes	459,652	806,199	1,265,851	35,217
Unrestricted	4,035,594	304,131	4,339,725	657,340
Total Net Position	16,242,036	3,302,835	19,544,871	1,507,160
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 20,279,239	\$ 4,501,319	\$ 24,780,558	\$ 3,952,635

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



Statement of Activities

For the Fiscal Year Ended June 30, 2022

(dollars in thousands)

		Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
	Expenses			
FUNCTIONS				
Primary Government				
Governmental Activities				
General Government	\$ 1,224,305	\$ 63,577	\$ 407,180	\$ 62
Public Safety and Correction	530,618	120,422	12,375	13
Health and Human Services	4,275,448	97,825	3,276,748	
Education	3,013,362	57,964	546,139	350
Economic Development	1,130,795	400,635	483,170	24,159
Natural Resources	407,123	269,132	(301,294)	14
Interest Expense	60,241			
Total Governmental Activities	10,641,892	1,009,555	4,424,318	24,598
Business-Type Activities				
College and University	1,261,611	530,610	407,866	56,889
Unemployment Compensation	63,049	164,638	5,667	
Loan	5,358	5,438	14,876	
State Lottery	304,347	377,058		
State Liquor	246,360	300,085		
Correctional Industries	17,475	15,382		
Total Business-Type Activities	1,898,200	1,393,211	428,409	56,889
Total Primary Government	\$12,540,092	\$ 2,402,766	\$ 4,852,727	\$ 81,487
Component Units				
Idaho Housing and Finance Association	\$ 260,922	\$ 287,385	\$ 91,405	\$ 3
College and University Foundation	76,744	4,960	56,455	
Health Reinsurance	20,192	22,478		
Bond Bank Authority	6,208	6,196		
Health Insurance Exchange	10,304	10,077	906	
Total Component Units	\$ 374,370	\$ 331,096	\$ 148,766	\$ 3

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
\$ (753,486)		\$ (753,486)	
(397,808)		(397,808)	
(900,875)		(900,875)	
(2,408,909)		(2,408,909)	
(222,831)		(222,831)	
(439,271)		(439,271)	
(60,241)		(60,241)	
(5,183,421)		(5,183,421)	
	\$ (266,246)	(266,246)	
	107,256	107,256	
	14,956	14,956	
	72,711	72,711	
	53,725	53,725	
	(2,093)	(2,093)	
	(19,691)	(19,691)	
(5,183,421)	(19,691)	(5,203,112)	
			\$ 117,871
			(15,329)
			2,286
			(12)
			679
			105,495
2,951,911		2,951,911	
3,579,163		3,579,163	
386,307		386,307	
285,459		285,459	
22,215		22,215	
(42,512)		(42,512)	
(251,320)	251,320		
6,931,223	251,320	7,182,543	
1,747,802	231,629	1,979,431	105,495
14,494,234	3,071,206	17,565,440	1,401,665
\$ 16,242,036	\$ 3,302,835	\$ 19,544,871	\$ 1,507,160

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

Balance Sheet

Governmental Funds

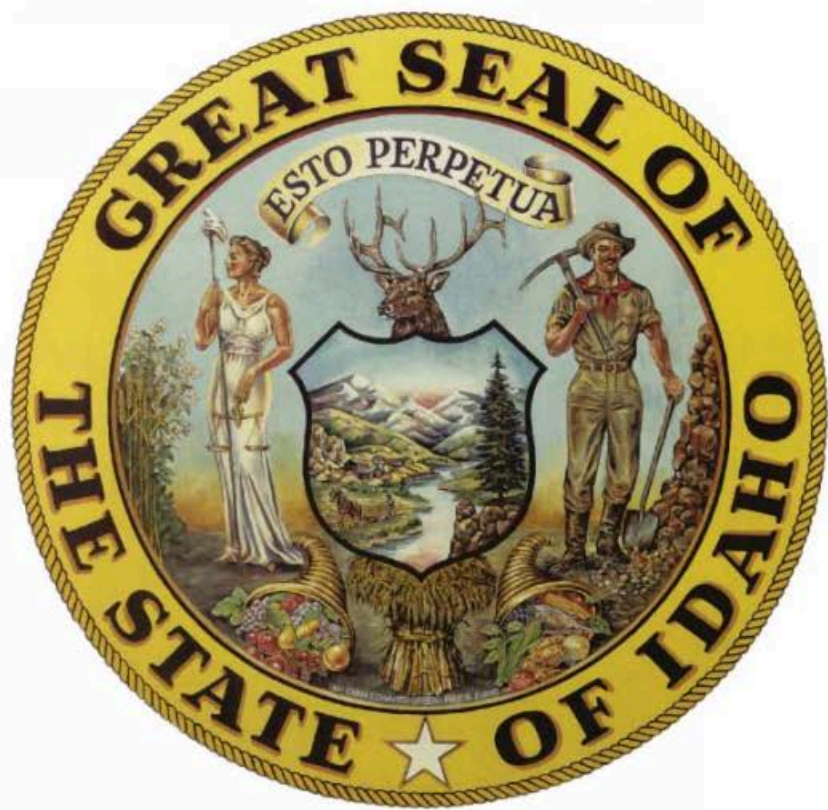
June 30, 2022

(dollars in thousands)

	General	Health and Welfare	Transportation
ASSETS			
Cash and Cash Equivalents	\$ 98		\$ 5
Pooled Cash and Investments	3,628,269	\$ 55,598	434,670
Investments	150,410		167,817
Accounts Receivable, Net	15,620	72,402	16,608
Taxes Receivable, Net	425,262	144	25,093
Interfund Receivables	9,974		
Due from Other Entities	61	368,260	42,592
Inventories and Prepaid Items	19,020	8,618	24,246
Loans, Notes, Leases and Pledges Receivable, Net	1,853	272	
Other Assets	8,438	219	1,568
Restricted Assets:			
Cash and Cash Equivalents	158,289	7,632	51,202
Investments	411,398	4,768	
Total Assets	\$ 4,828,692	\$ 517,913	\$ 763,801
LIABILITIES			
Accounts Payable	\$ 29,113	\$ 27,619	\$ 68,147
Payroll and Related Liabilities	21,422	11,388	6,153
Medicaid Payable		179,610	
Interfund Payables	1,385	6,001	427
Due to Other Entities	86,920		77,200
Unearned Revenue	35,536		29,144
Amounts Held in Trust for Others	15,570	9,091	
Other Accrued Liabilities	5,661	34,911	10,809
Total Liabilities	195,607	268,620	191,880
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows	164,170	202,195	26,303
FUND BALANCES			
Nonspendable:			
Permanent Trusts			
Inventories and Prepaid Items	19,020	8,618	24,246
Noncurrent Receivables	26		
Restricted	682,964	38,439	324,340
Committed	1,348,775	41	197,032
Assigned	130,802		
Unassigned	2,287,328		
Total Fund Balances	4,468,915	47,098	545,618
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,828,692	\$ 517,913	\$ 763,801

Federal Stimulus	Land Endowments	Nonmajor Governmental	Total
		\$ 11,063	\$ 11,166
\$ 9,996	\$ 107,818	494,884	4,731,235
	2,723,493	81,251	3,122,971
	60,036	27,942	192,608
		6,637	457,136
495		1,408	11,877
49,124		88,449	548,486
96		17,604	69,584
		2,889	5,014
2,548	6,585	2,153	21,511
1,119,342		222,351	1,558,816
		183,895	600,061
\$ 1,181,601	\$ 2,897,932	\$ 1,140,526	\$ 11,330,465
\$ 48,994	\$ 71,929	\$ 73,769	\$ 319,571
		15,832	54,795
			179,610
6		1,102	8,921
		102	164,222
1,167,512		11,346	1,243,538
		3,439	28,100
13	1	11,443	62,838
1,216,525	71,930	117,033	2,061,595
12,512		25,260	430,440
	2,130,377	8,488	2,138,865
96		17,604	69,584
			26
	695,625	771,873	2,513,241
		198,976	1,744,824
		1,292	132,094
(47,532)			2,239,796
(47,436)	2,826,002	998,233	8,838,430
\$ 1,181,601	\$ 2,897,932	\$ 1,140,526	\$ 11,330,465

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, 2022

(dollars in thousands)

Total Fund Balances - Governmental Funds \$ 8,838,430

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	\$ 1,295,681	
Capital Assets in Progress	1,435,962	
Infrastructure	4,715,144	
Historical Art and Collections	282	
Buildings and Improvements	1,353,672	
Improvements Other Than Buildings	231,539	
Machinery, Equipment, and Other	943,018	
Intangible Right to Use Lease Assets	47,393	
Accumulated Depreciation	(1,712,761)	
Accumulated Amortization	(15,282)	
Total Capital Assets		8,294,648

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds. 132,996

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

The deferred outflows of resources consist of the following:

Debt Defeasance	4,406	
Pension Related Deferrals	208,885	
Pension Contributions Subsequent to Measurement Date	90,613	
OPEB Related Deferrals	19,452	
OPEB Contributions Subsequent to Measurement Date	1,549	
Total Deferred Outflows of Resources		324,905

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. 114,350

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	(64,286)	
Bonds, Notes, and Leases Payable	(912,991)	
Accrued Interest on Bonds	(41,401)	
Claims and Judgments	(266,234)	
Other Long-Term Liabilities	(58,363)	
Total Long-Term Liabilities		(1,343,275)

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

The deferred inflows of resources consist of the following:

Unavailable Revenue	425,874	
Pension Related Deferrals	(506,824)	
OPEB Related Deferrals	(39,068)	
Total Deferred Inflows of Resources		(120,018)

Net Position - Governmental Activities \$ 16,242,036

Statement of Revenues, Expenditures, and Changes in Fund Balances

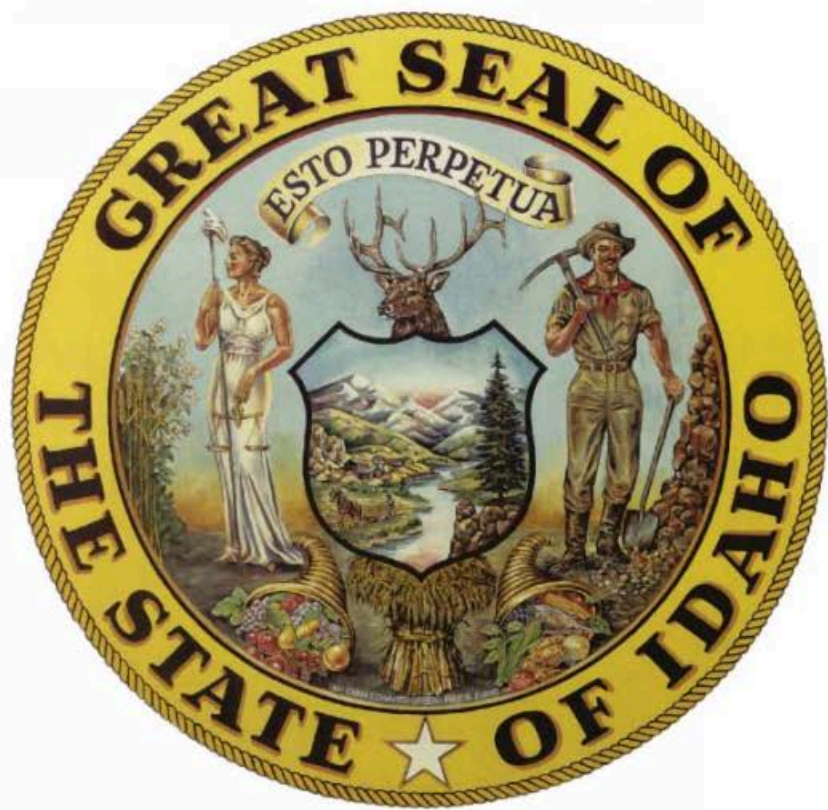
Governmental Funds

For the Fiscal Year Ended June 30, 2022

(dollars in thousands)

	General	Health and Welfare	Transportation
REVENUES			
Sales Tax	\$ 2,798,863		\$ 107,154
Individual and Corporate Taxes	3,572,980		
Other Taxes	62,942	\$ 29,882	369,695
Licenses, Permits, and Fees	33,397	24,723	208,391
Sale of Goods and Services	32,839	90,546	9,787
Grants and Contributions	127,753	3,312,145	373,302
Investment Income (Loss)	(86,246)	(1,533)	(13,455)
Tobacco Settlement	22,215		
Other Income	117,531	3,861	1,227
Total Revenues	6,682,274	3,459,624	1,056,101
EXPENDITURES			
Current:			
General Government	193,445		
Public Safety and Correction	401,312	2,591	
Health and Human Services	36,410	4,057,569	
Education	2,403,253		
Economic Development	50,690		220,183
Natural Resources	98,379		
Capital Outlay	115,800	40,678	424,867
Intergovernmental Revenue Sharing	850,294	180,571	249,372
Debt Service:			
Principal Retirement	3,584	5,249	55,304
Interest and Other Charges	8,987	183	30,128
Total Expenditures	4,162,154	4,286,841	979,854
Revenues Over (Under) Expenditures	2,520,120	(827,217)	76,247
OTHER FINANCING SOURCES (USES)			
Bonds and Notes Issued			
Capital Lease Acquisitions	15,243	13,208	1,138
Sale of Capital Assets	913	99	11,238
Transfers In	389,761	874,049	124,885
Transfers Out	(1,636,891)	(70,219)	(16,839)
Total Other Financing Sources (Uses)	(1,230,974)	817,137	120,422
Net Change in Fund Balances	1,289,146	(10,080)	196,669
Fund Balances - Beginning of Year, as Restated	3,179,769	57,178	348,949
Fund Balances - End of Year	\$ 4,468,915	\$ 47,098	\$ 545,618

Federal Stimulus	Land Endowments	Nonmajor Governmental	Total
		\$ 6,208	\$ 2,912,225
			3,572,980
		208,201	670,720
		221,272	487,783
	\$ 137,703	65,630	336,505
\$ 386,596		660,587	4,860,383
(15,941)	(394,682)	1,098	(510,759)
			22,215
12,635	1,599	70,365	207,218
383,290	(255,380)	1,233,361	12,559,270
762		62,330	256,537
79		73,082	477,064
			4,093,979
248,016		336,332	2,987,601
5,163		279,148	555,184
1,028	88,628	185,585	373,620
1,463	14	197,044	779,866
122,618		78,394	1,481,249
10		23,751	87,898
1		13,780	53,079
379,140	88,642	1,249,446	11,146,077
4,150	(344,022)	(16,085)	1,413,193
		80,286	80,286
43		13,773	43,405
	44,782	1,493	58,525
24,260		313,810	1,726,765
(32,318)	(88,202)	(127,114)	(1,971,583)
(8,015)	(43,420)	282,248	(62,602)
(3,865)	(387,442)	266,163	1,350,591
(43,571)	3,213,444	732,070	7,487,839
\$ (47,436)	\$ 2,826,002	\$ 998,233	\$ 8,838,430



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, 2022

(dollars in thousands)

Net Change in Fund Balances - Governmental Funds		\$ 1,350,591
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	\$ 464,548	
Depreciation Expense	(134,925)	
		329,623
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.		
		(44,168)
Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
		19,528
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	(80,286)	
Leases	(43,405)	
		(123,691)
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	75,386	
Leases	12,512	
		87,898
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	(8,188)	
Compensated Absences	(3,142)	
Claims and Judgments	43,888	
Other Long-Term Liabilities	114,094	
		146,652
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.		
		(18,631)
Change in Net Position - Governmental Activities		<u>\$ 1,747,802</u>

Statement of Net Position

Proprietary Funds

June 30, 2022

(dollars in thousands)

	Business-Type Activities - Enterprise Funds			
	College and University	Unemployment Compensation	Loan	Nonmajor Enterprise Funds
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 85,145	\$ 889,744		\$ 2,716
Pooled Cash and Investments	166,483	5,818	\$ 103,303	27,468
Investments	141,374			
Accounts Receivable, Net	100,932	66,236	8	2,852
Interfund Receivables	7,015			229
Inventories and Prepaid Items	13,069			27,785
Due from Component Unit	4,769			
Loans, Notes, Leases and Pledges Receivable, Net	12,077		19,168	
Other Current Assets	1,136	9	6,657	326
Total Current Assets	532,000	961,807	129,136	61,376
Noncurrent Assets				
Restricted Cash and Cash Equivalents	5,234		53,502	74,925
Investments	330,176	184,508		
Restricted Investments			105,698	
Loans, Notes, Leases and Pledges Receivable, Net	37,835		438,154	
Other Noncurrent Assets	65,097			2,121
Capital Assets, Net	1,372,920		51,467	24,070
Total Noncurrent Assets	1,811,262	184,508	648,821	101,116
Total Assets	2,343,262	1,146,315	777,957	162,492
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows	85,601			5,386
Total Assets and Deferred Outflows of Resources	\$ 2,428,863	\$ 1,146,315	\$ 777,957	\$ 167,878
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 32,196			\$ 16,062
Payroll and Related Liabilities	53,967			1,125
Interfund Payables	243			10,813
Due to Other Entities	884			10,771
Unearned Revenue	38,969		\$ 9,373	132
Amounts Held in Trust for Others	2,434			
Due to Component Unit	917			
Other Accrued Liabilities	8,638	\$ 43	35	5,157
Compensated Absences Payable	27,276			1,038
Bonds, Notes, and Leases Payable	23,708			3,209
Policy Claim Liabilities				
Other Long-Term Obligations - Current	7,586			
Total Current Liabilities	196,818	43	9,408	48,307
Noncurrent Liabilities				
Bonds, Notes, and Leases Payable	430,472			10,958
Policy Claim Liabilities				
Other Long-Term Obligations	298,503			372
Total Noncurrent Liabilities	728,975			11,330
Total Liabilities	925,793	43	9,408	59,637
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows	205,435			9,224
NET POSITION				
Net Investment in Capital Assets	897,193		51,467	9,900
Restricted for:				
Claims and Judgments		1,146,272		
Unemployment Compensation				
Permanent Trust - Expendable	87,673			
Other Purposes			717,082	89,117
Unrestricted	312,769			
Total Net Position	1,297,635	1,146,272	768,549	99,017
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 2,428,863	\$ 1,146,315	\$ 777,957	\$ 167,878

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 \$8,638 consolidation adjustment for internal service fund activities on the Government-wide statement.

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

		Governmental Activities	
Total		Internal Service Funds	
\$	977,605		
	303,072	\$	62,142
	141,374		
	170,028		321
	7,244		862
	40,854		4,996
	4,769		
	31,245		4,191
	8,128		391
	1,684,319		72,903
	133,661		35,587
	514,684		50,775
	105,698		
	475,989		19,255
	67,218		2,488
	1,448,457		13,593
	2,745,707		121,698
	4,430,026		194,601
	90,987		10,552
\$	4,521,013	\$	205,153
\$	48,258	\$	1,323
	55,092		1,395
	11,056		6
	11,655		99
	48,474		21,495
	2,434		
	917		
	13,873		2
	28,314		1,866
	26,917		571
			9,800
	7,586		
	254,576		36,557
	441,430		953
			12,619
	298,875		622
	740,305		14,194
	994,881		50,751
	214,659		40,052
	958,560		12,069
			35,587
	1,146,272		
	87,673		
	806,199		56,451
	312,769		10,243
	3,311,473		114,350
\$	4,521,013	\$	205,153

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, 2022

(dollars in thousands)

	Business-Type Activities - Enterprise Funds			
	College and University	Unemployment Compensation	Loan	Nonmajor Enterprise Funds
OPERATING REVENUES				
Assessments		\$ 156,524		
Licenses, Permits, and Fees	\$ 485,725		\$ 2,342	\$ 10
Scholarship Allowances	(86,763)			
Sale of Goods and Services	137,343		1,663	690,966
Grants and Contributions	168,634	5,667	14,876	
Other Income	18,753	2,134	2,293	1,767
Total Operating Revenues	723,692	164,325	21,174	692,743
OPERATING EXPENSES				
Personnel Costs	754,204			19,559
Services and Supplies	289,079	1	340	212,879
Benefits, Awards, and Premiums	115,555	63,034		257,122
Depreciation	72,616		187	4,903
Other Expenses	15,895		19	17,498
Total Operating Expenses	1,247,349	63,035	546	511,961
Operating Income (Loss)	(523,657)	101,290	20,628	180,782
NONOPERATING REVENUES (EXPENSES)				
Gifts and Grants	239,232			
Investment Income (Loss)	(30,029)	5,980	(860)	(265)
Interest Expense	(14,144)			(505)
Intergovernmental Distributions			(4,812)	(54,871)
Gain (Loss) on Sale of Capital Assets	(118)			(367)
Other Nonoperating Revenues (Expenses)	5,581			(445)
Total Nonoperating Revenues (Expenses)	200,522	5,980	(5,672)	(56,453)
Income (Loss) Before Contributions, Transfers, and Special Item	(323,135)	107,270	14,956	124,329
Capital Contributions	56,889			
Transfers In	383,023		6,000	
Transfers Out	(667)	(8,346)	(1,199)	(127,491)
Change in Net Position	116,110	98,924	19,757	(3,162)
Total Net Position - Beginning of Year, as Restated	1,181,525	1,047,348	748,792	102,179
Total Net Position - End of Year	\$ 1,297,635	\$ 1,146,272	\$ 768,549	\$ 99,017

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

		Governmental Activities	
Total		Internal Service Funds	
\$	156,524		
	488,077		
	(86,763)		
	829,972	\$	396,569
	189,177		163
	24,947		5,121
	1,601,934		401,853
	773,763		26,406
	502,299		28,999
	435,711		343,284
	77,706		1,558
	33,412		10,710
	1,822,891		410,957
	(220,957)		(9,104)
	239,232		
	(25,174)		(3,004)
	(14,649)		(19)
	(59,683)		
	(485)		
	5,136		(2)
	144,377		(3,025)
	(76,580)		(12,129)
	56,889		
	389,023		1,737
	(137,703)		(8,239)
	231,629		(18,631)
	3,079,844		132,981
\$	3,311,473	\$	114,350

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2022

(dollars in thousands)

	Business-Type	
	College and University	Unemployment Compensation
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Assessments		\$ 149,390
Receipts from Customers	\$ 512,699	35
Receipts from Interfund Services		
Receipts from Grants and Contributions	171,866	7,705
Payments to Employees	(772,392)	
Payments to Suppliers	(290,350)	(1)
Payments for Interfund Services		
Payments for Benefits, Awards, and Claims	(102,281)	(77,406)
Other Receipts	11,271	178
Other Payments	(11,266)	(2)
Net Cash Provided (Used) by Operating Activities	(480,453)	79,899
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Gifts, Grants, and Endowments Received	222,418	
Intergovernmental Distributions		
Transfers In	383,023	
Transfers Out	(667)	(8,346)
Proceeds from Bonds, Notes, and Loans	77,949	
Repayments of Bonds, Notes, and Loans	(79,400)	
Interest Payments		
Net Cash Provided (Used) by Noncapital Financing Activities	603,323	(8,346)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Grants and Contributions	21,806	
Proceeds from Bonds and Notes	49,696	
Principal Payments	(70,784)	
Interest Payments	(15,834)	
Proceeds from Disposition of Capital Assets		
Acquisition and Construction of Capital Assets	(75,121)	
Net Cash Provided (Used) by Capital and Related Financing Activities	(90,237)	0
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipt of Interest and Dividends	16,795	17,805
Purchase of Investments	(631,248)	(2,624)
Redemption of Investments	566,394	2,641
Other Investing Activities	(8,265)	
Net Cash Provided (Used) by Investing Activities	(56,324)	17,822
Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash	(23,691)	89,375
Beginning Cash, Cash Equivalents, and Pooled Cash	280,553	806,187
Ending Cash, Cash Equivalents, and Pooled Cash	\$ 256,862	\$ 895,562
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (523,657)	\$ 101,290
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	72,616	
Maintenance Costs Paid by Department of Public Works		
Net Changes in Assets and Liabilities:		
Accounts Receivable/Interfund Receivables	(11,791)	(18,756)
Inventories and Prepaid Items	1	
Notes Receivable	2,000	
Other Assets	(12,571)	
Accounts Payable/Interfund Payables	58	
Unearned Revenue		
Compensated Absences	854	
Policy Claim Liabilities		
Other Accrued Liabilities	(66,859)	(2,635)
Net Changes in Deferred Outflows/Inflows of Resources	58,896	
Net Cash (Used) by Operating Activities	\$ (480,453)	\$ 79,899
Noncash Transactions (dollars in thousands):		

Investments decreased in fair value by \$41,944 for colleges and universities, \$11,824 for Unemployment Compensation, \$6,750 for the Loan Fund, and \$3,243 for Internal Service funds. Colleges and universities acquired assets of \$29,508 through donations, \$13,401 through state capital appropriations, and amortization of deferred amounts on refunding and bond premiums of \$6,053.

Activities - Enterprise Funds			Governmental Activities	
Loan	Nonmajor Enterprise Funds	Total	Internal Service Funds	
		\$ 149,390		
\$ 4,734	\$ 688,667	1,206,135	\$ 30,172	
	3,681	3,681	372,121	
14,876		194,447	163	
	(21,077)	(793,469)	(1,893)	
(4,405)	(228,042)	(522,798)	(34,627)	
(36)	(5,211)	(5,247)	(3,585)	
	(258,734)	(438,421)	(341,928)	
6,435	2,023	19,907	3,852	
(58)	(8)	(11,334)	(734)	
21,546	181,299	(197,709)	23,541	
		222,418		
(4,812)	(61,431)	(66,243)	99	
6,000		389,023	1,737	
(1,199)	(134,075)	(144,287)	(8,239)	
		77,949		
		(79,400)		
			(19)	
(11)	(195,506)	399,460	(6,422)	
		21,806		
		49,696		
	(3,206)	(73,990)	(24,104)	
	(506)	(16,340)	(22)	
	46	46		
(74)	(523)	(75,718)	(471)	
(74)	(4,189)	(94,500)	(24,597)	
4,417	(216)	38,801	292	
(87,118)		(720,990)	(733)	
59,259		628,294		
28		(8,237)	(9)	
(23,414)	(216)	(62,132)	(450)	
(1,953)	(18,612)	45,119	(7,928)	
158,758	123,721	1,369,219	105,657	
\$ 156,805	\$ 105,109	\$ 1,414,338	\$ 97,729	
\$ 20,628	\$ 180,782	\$ (220,957)	\$ (9,104)	
187	4,903	77,706	1,558	
1,430	1,197	(27,920)	448	
	(3,970)	(3,969)	545	
		2,000		
(1)	(761)	(13,333)	(986)	
	433	491	657	
(700)	(43)	(743)	2,016	
	127	981	63	
			2,895	
2	(6,446)	(75,938)	25,449	
	5,077	63,973		
\$ 21,546	\$ 181,299	\$ (197,709)	\$ 23,541	

The Loan Fund had loan forgiveness in the amount of \$4,811 and capitalized interest of \$117. Nonmajor Enterprise funds acquired capital assets by lease for \$14,874, disposed of assets at a loss of \$858, and a prior period adjustment for capital assets for \$1,639. Nonmajor Enterprise funds recorded an interfund payable of \$6,584 due on July 1, 2022. Nonmajor Internal Service funds acquired capital assets by lease for \$1,529.

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2022

(dollars in thousands)

	Pension Trust	Investment Trust	Private-Purpose Trust	Custodial
ASSETS				
Cash and Cash Equivalents	\$ 7,086			\$ 14,637
Pooled Cash and Investments	18,512		\$ 1,103	33,564
Investments:				
Pooled Short Term	254,087	\$ 1,184,646		
Fixed Income Investments	5,392,869	2,922,796		358,135
Marketable Securities	11,188,526			
Mutual Funds and Private Equities	2,917,638			
Mortgages and Real Estate	2,018,970	63,215		
Other Investments			36,366	
Receivables:				
Investments Sold	76,589			
Contributions	8,183			
Interest and Dividends	66,947	6,689	137	358
Interfund Receivables	36			
Other Receivables	240		447	
Inventories and Prepaid Items			1	
Other Assets	95,828			
Capital Assets, Net	5,650			
Total Assets	22,051,161	4,177,346	38,054	406,694
LIABILITIES				
Accounts Payable	496	24		
Interfund Payables	36			
Due to Other Entities				1,976
Amounts Held in Trust for Others				408,641
Investments Purchased	125,616			
Policy Claim Liabilities	2,184		5,010	
Other Accrued Liabilities	17,621	3,035	109	82
Total Liabilities	145,953	3,059	5,119	410,699
NET POSITION				
Held in Trust For:				
Net Position Restricted for Pensions	21,246,680			
Net Position Restricted for OPEB	651,935			
External Investment Pool Participants		4,174,287		
Trust Beneficiaries	6,593		32,935	
Held on Behalf of Others				(4,005)
Total Net Position	\$ 21,905,208	\$ 4,174,287	\$ 32,935	\$ (4,005)

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, 2022

(dollars in thousands)

	Pension Trust	Investment Trust	Private-Purpose Trust	Custodial
ADDITIONS				
Contributions				
Member	\$ 399,457			
Employer	518,645			
Transfers In from Other Plans	16,231			
Participant Deposits		\$ 6,248,127		
Total Contributions	934,333	6,248,127	0	0
Investment Income:				
Net Increase (Decrease) In Fair Value of Investments	(2,686,807)	(47,071)	\$ (423)	\$ (3,528)
Interest, Dividends, and Other	380,781	32,317		867
Less Investment Expense				
Investment Activity Expense	(69,866)	(304)		
Administrative Fees				(24)
Net Investment Income	(2,375,892)	(15,058)	(423)	(2,685)
Funds Held on Behalf of Others				67
License, Permits, and Fees			2,801	235
Miscellaneous Income	410			1,666
Total Additions	(1,441,149)	6,233,069	2,378	(717)
DEDUCTIONS				
Benefits and Refunds Paid to Plan Members	1,305,786			
Policy Claims			1,624	
Administrative Expense	16,688			
Earnings Distribution		13,020		
Participant Withdrawals		5,789,220		
Liquidation Payments				
Disbursements to Others			1,368	24
Miscellaneous Deductions				(4,725)
Total Deductions	1,322,474	5,802,240	2,992	(4,701)
Change in Net Position:				
Held in Trust for:				
Employee Pension Benefits	(2,664,455)			
Employee Postemployment Healthcare Benefits	(102,106)			
External Investment Pool Participants		430,829		
Trust Beneficiaries	2,938		(614)	
Held on Behalf of Others				3,984
Net Position - Beginning of Year, as Restated	24,668,831	3,743,458	33,549	(7,989)
Net Position - End of Year	\$ 21,905,208	\$ 4,174,287	\$ 32,935	\$ (4,005)

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

Statement of Net Position

Component Units

June 30, 2022

(dollars in thousands)

	Idaho Housing and Finance Association	College and University Foundation	Health Reinsurance
ASSETS			
Cash and Cash Equivalents	\$ 56,834	\$ 27,907	\$ 6,265
Pooled Cash and Investments			
Investments	604,596	284,688	24,211
Accounts Receivable, Net	94,073		678
Inventories and Prepaid Items	1,117	85	
Due from Primary Government	567,474	917	
Loans, Notes, Leases and Pledges Receivable, Net	799,055	37,732	
Other Assets	221,274	3,829	23
Restricted Assets:			
Cash and Cash Equivalents	422,253	22,053	
Investments		405,165	
Capital Assets:			
Nondepreciable	10,163	1,236	
Depreciable, Net	91,742		
Total Assets	2,868,581	783,612	31,177
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows	12,569		
Total Assets and Deferred Outflows of Resources	\$ 2,881,150	\$ 783,612	\$ 31,177
LIABILITIES			
Accounts Payable	\$ 3,335	\$ 3,494	\$ 36
Payroll and Related Liabilities	1,592		
Unearned Revenue	31,029	1,719	
Amounts Held in Trust for Others	208,669	26,588	
Due to Primary Government		3,535	
Other Accrued Liabilities	557,278	15	19
Long-Term Liabilities:			
Due Within One Year	120,896		7,330
Due in More Than One Year	1,235,335	3,000	
Total Liabilities	2,158,134	38,351	7,385
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows		2,659	
NET POSITION			
Net Investment in Capital Assets	30,377		
Restricted for:			
Debt Service	55,974		
Permanent Trust - Expendable		245,288	
Permanent Trust - Nonexpendable		475,426	
Other Purposes	11,425		23,792
Unrestricted	625,240	21,888	
Total Net Position	723,016	742,602	23,792
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 2,881,150	\$ 783,612	\$ 31,177

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

Bond Bank Authority	Health Insurance Exchange	Total
	\$ 10,422	\$ 101,428
\$ 331		331
		913,495
	21	94,772
	155	1,357
		568,391
231,048	4,629	1,072,464
2,552		227,678
		444,306
		405,165
	1,713	13,112
	5,825	97,567
233,931	22,765	3,940,066
		12,569
\$ 233,931	\$ 22,765	\$ 3,952,635
	\$ 174	\$ 7,039
	271	1,863
		32,748
		235,257
		3,535
\$ 2,552	163	560,027
15,195	109	143,530
215,853		1,454,188
233,600	717	2,438,187
	4,629	7,288
	7,538	37,915
		55,974
		245,288
		475,426
		35,217
331	9,881	657,340
331	17,419	1,507,160
\$ 233,931	\$ 22,765	\$ 3,952,635

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, 2022

(dollars in thousands)

	Idaho Housing and Finance Association	College and University Foundation	Health Reinsurance
EXPENSES			
Personnel Costs	\$ 30,331	\$ 518	
Services and Supplies	27,139	10,094	\$ 307
Benefits, Awards, and Premiums	90,575	65,686	19,884
Interest Expense	103,157	120	1
Depreciation	6,606		
Other Expenses	3,114	326	
Total Expenses	260,922	76,744	20,192
PROGRAM REVENUES			
Charges for Services:			
Licenses, Permits, and Fees	73,780		
Sale of Goods and Services	8,581	107	7,876
Investment Income (Loss)	198,944		(219)
Other Income	6,080	1,958	
Operating Grants and Contributions	91,405	56,455	
Total Program Revenues	378,790	58,520	7,657
Net Revenues (Expenses)	117,868	(18,224)	(12,535)
GENERAL REVENUES			
Payments from State of Idaho			14,821
Total General Revenues	0	0	14,821
Capital Contributions	3		
Permanent Endowment Contributions		2,895	
Change in Net Position	117,871	(15,329)	2,286
Net Position - Beginning of Year, As Restated	605,145	757,931	21,506
Net Position - End of Year	\$ 723,016	\$ 742,602	\$ 23,792

Bond Bank Authority	Health Insurance Exchange	Total
	\$ 4,327	\$ 35,176
	5,271	42,811
		176,145
\$ 6,178		109,456
	706	7,312
30		3,470
6,208	10,304	374,370
	9,320	83,100
	575	17,139
6,178	172	205,075
18	10	8,066
	906	148,766
6,196	10,983	462,146
(12)	679	87,776
		14,821
0	0	14,821
		3
		2,895
(12)	679	105,495
343	16,740	1,401,665
\$ 331	\$ 17,419	\$ 1,507,160

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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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 2022, the State implemented the following GASB Guidance:

- GASB Statement No. 87, Leases
- GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- GASB Statement No. 92, Omnibus
- GASB Statement No. 93, Replacement of Interbank Offered Rates, paragraphs 11b, 13 and 14
- GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32
- GASB Statement No. 99, Omnibus 2022, paragraphs 26 through 32
- Implementation Guide No. 2020-1, Implementation Guidance Update - 2020
- Implementation Guide No. 2019-3, Leases

The financial statements are presented for the fiscal year ended June 30, 2022, 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); whose statements are for the fiscal year ended December 31, 2021. The Idaho Potato Commission (nonmajor special revenue fund) has a fiscal year that ended August 31, 2021.

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.

Notes to the Financial Statements**For the Fiscal Year Ended June 30, 2022**

The *Idaho Housing and Finance Association (IHFA)* 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 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/foundation-update>

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 50143, Boise ID 83705.

Fiduciary Component Unit

Component units that are fiduciary in nature are required by GAAP to be reported with the fiduciary funds of the primary government rather than as discretely presented component units. In accordance with GAAP, primary government fiduciary funds and component units that are fiduciary in nature are excluded from the government-wide financial statements, included only in the fund financial statements.

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.

Notes to the Financial Statements**For the Fiscal Year Ended June 30, 2022**

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.

The *Statement of Net Position* presents the State's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources with assets. Assets and deferred outflows of resources are added while liabilities and deferred inflows of resources are subtracted to report the 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 *Federal Stimulus* special revenue fund accounts for resources from federal grants that are used for expenditures related to the COVID-19 Emergency, upgrading infrastructure, and premium pay for essential workers.

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, and other employee benefits.

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 Petroleum Clean Water Trust Fund (PCWTF); the principal and interest of the trust benefits individuals of the respective trust. Financial statements for PCWTF may be obtained from the following address: Idaho Petroleum Clean Water Trust Fund, P.O. Box 83720, Boise, ID 83720.

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

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.

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.

Notes to the Financial Statements**For the Fiscal Year Ended June 30, 2022**

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 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.

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 custodial 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

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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:

<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 (ITD) 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

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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.

Leases Payable consists of lease contracts that convey control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. 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.

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, service concession

arrangements, lease related deferrals which is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods, and the State's proportionate share of the total pension and other postemployment benefit related deferred inflows of resources. See Notes 7, 8, 9, and 11 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

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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.

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: college and university foundations, some of the colleges' and universities' accounts, the Dairy Products Commission, some of the endowment fund accounts, the Idaho Bond Bank Authority, the Idaho Housing and Finance Association, the Idaho Individual High Risk Reinsurance Pool, the Idaho Small Employer Health Reinsurance Program, the Idaho State Building Authority, the Potato Commission, some of the Public Employee Retirement System of Idaho accounts, the State Bar, the Wheat Commission, and Your Health

Idaho. 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 500 days.

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, 2022*(dollars in thousands)*

	Governmental and Business- Type Activities	Fiduciary Funds	Component Units
Bank Value of Deposits	\$ 299,108	\$ 1,153,711	\$ 349,904
Uninsured and Uncollateralized Deposits	221,492	1,112,344	25,852
Uninsured Deposits Collateralized with Securities Held by the Pledging Financial Institution	63,402	30,140	—

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.

Millennium Permanent Endowment Fund is the settlement between the tobacco companies and several states, including Idaho. This fund is managed by STO under the Prudent Investor Act, Idaho Code Chapter 5, Title 68.

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

Notes to the Financial Statements**For the Fiscal Year Ended June 30, 2022**

- 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
- Obligations issued by public corporations of the State
- 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 approved investments types are as follows:

- Collateralized mortgage obligations
- Domestic and international equities and bank loans
- Non-investment grade bonds
- Exchange-traded funds
- Financial index futures, options, and certain derivative instruments 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, types of investments approved for PERSI funds are as follows:

- Derivative instruments, specifically, swaps, futures, options, and forward foreign currency contracts by a few selected managers
- Private equity real estate investments in open-end commingled real estate funds, private real estate, publicly traded real estate investment trusts (REITs), and REIT index collective funds
- Alternative investments upon the recommendation of a qualified consultant after due diligence and with approval by the Board or subcommittee appointed by the Board

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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, 2022:

Primary Government and Fiduciary Funds Fair Value of Investments at June 30, 2022 (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
Debt Securities:								
Money Market Funds	\$ 12,289	—	—	\$ 12,289	—	\$ 813	—	\$ 13,102
Certificates of Deposit*	—	—	—	—	—	102	\$ 5,250	5,352
Certificates of Deposit	243	\$ 7,688	—	7,931	—	—	—	7,931
Repurchase Agreements*	—	377,664	—	377,664	—	—	371,615	749,279
Commercial Paper	—	1,695,847	—	1,695,847	—	—	—	1,695,847
U.S. Gov't Obligations	3,911	5,108,919	—	5,112,830	—	—	346,819	5,459,649
U.S. Gov't Agency Obligations	45,992	1,596,431	—	1,642,423	—	—	—	1,642,423
U.S. Gov't Agency Mortgage-Backed Securities*	—	243,548	—	243,548	—	—	—	243,548
Asset-Backed Securities*	—	816,990	—	816,990	—	—	—	816,990
Commercial Mortgages*	—	17,196	—	17,196	—	—	—	17,196
Corporate Obligations	28,506	697,839	—	726,345	—	—	—	726,345
Municipal and Public Entity Obligations	—	465	—	465	\$ 735	—	11,316	12,516
Bond Mutual Funds and Other Pooled Fixed-Income Securities	372,233	59,528	—	431,761	—	—	—	431,761
External Investment Pools*	—	10,619	—	10,619	—	—	—	10,619
External Investment Pools	—	—	—	—	—	—	150,616	150,616
Total Debt Securities	463,174	10,632,734	0	11,095,908	735	915	885,616	11,983,174
Other Investments:								
Equity Securities and Mutual Funds	188,496	26,716	\$ 3,206	218,418	—	—	—	218,418
Real Estate and Perpetual Trusts	—	—	—	—	19,596	—	—	19,596
Real Estate and Perpetual Trusts	—	120	—	120	—	—	—	120
Commodities	—	5,381	—	5,381	—	—	—	5,381
Domestic Equities	2,461	—	—	2,461	—	—	—	2,461
Total	\$ 654,131	\$10,664,951	\$ 3,206	\$11,322,288	\$ 20,331	\$ 915	\$ 885,616	\$ 12,229,150

* 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, 2022

Endowment Funds Fair Value Measurements			
Investments and Derivative Instruments Measured at Fair Value at June 30, 2022			
(dollars in thousands)			
	June 30, 2022 (value before accruals)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level			
<u>Debt Securities:</u>			
Asset-Backed Securities	\$ 23,883		\$ 23,883
Bank Loans	633		633
Commercial Mortgage-Backed Securities	18,434		18,434
Corporate Bonds	163,892		163,892
Corporate Convertible Bonds	375		375
Funds - Corporate Bond	12,912		12,912
Funds - Government Agencies	1,676		1,676
Funds - Other Fixed Income	39,539		39,539
Government Agencies	10,649		10,649
Government Bonds	172,126		172,126
Government Mortgage Backed Securities	133,244		133,244
Gov't-issued Commercial Mortgage-Backed Securities	2,581		2,581
Municipal/Provincial Bonds	2,675		2,675
Non-Government Backed C.M.O.s	12,975		12,975
Total Debt Securities	595,594		595,594
<u>Equity Securities:</u>			
Communication Services	111,702	\$ 111,702	
Consumer Discretionary	183,323	183,323	
Consumer Staples	85,139	85,139	
Energy	70,386	70,386	
Financials	204,692	204,692	
Health Care	268,518	268,518	
Industrials	211,384	211,384	
Information Technology	351,508	351,508	
Materials	79,949	79,949	
Other	1,186	1,186	
Real Estate	32,668	32,668	
Utilities	27,633	27,633	
Common Stock Fund	79,334	79,334	
Equity ETFs	527	527	
Total Equity Securities	1,707,949	1,707,949	
<u>Derivatives:</u>			
Swaps	2,699	2,699	
Foreign Exchange Contracts	(320)	(320)	
Options on Futures	(149)	(149)	
Total Derivative Instruments	2,230	2,230	
<u>Preferred Stock Securities:</u>			
Consumer Discretionary	498	498	
Financials	658	658	
Materials	79		
Utilities	95	95	
Total Preferred Stock Securities	1,330	1,251	
Total Investments by Fair Value Level	2,307,103	\$ 1,711,430	\$ 595,594
Investments Measured at Amortized Cost			
Money Market Fund	82,630		
Investments Measured at the Net Asset Value (NAV)			
Real Estate (private)	333,760		
Total Investments Measured at Fair Value	\$ 2,723,493		

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

EFIB debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The EFIB has two real estate funds, UBS TPI and DB RAR II, primarily invested in U.S. commercial real estate and reported at Net Asset Value (NAV). 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, 2022					
(dollars in thousands)					
Investment Type	Fair Value at June 30, 2022	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	\$ 3,710,853	\$ 3,684,757	\$ 26,096		Market
Asset backed-Securitized	450,517		434,721	\$ 15,796	Market
Corporate	1,030,258		1,029,160	1,098	Market
Idaho Mortgages	830,429		830,429		Market
Non-U.S. Government	140,949		140,229	720	Market
Total Fixed Income Securities	6,163,006	3,684,757	2,460,635	17,614	
<u>Equities:</u>					
Domestic	6,763,095	6,763,080		15	Market
Developed Markets	2,944,471	2,942,945		1,526	Market
Emerging Markets	498,484	497,267		1,217	Market
Total Equities	10,206,050	10,203,292		2,758	
<u>Other Investments:</u>					
Preferred Securities	17,171	9,074	810	7,287	Market
Mutual Funds-Defined Contribution Investment Options	108,253	108,032	221		Market
Total investments by fair value level*	\$ 16,494,480	\$ 14,005,155	\$ 2,461,666	\$ 27,659	
* 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 Estate totals below.					
Investments measured at the net asset value (NAV)	Fair Value at June 30, 2022	Unfunded Commitments	Redemption Frequency	Redemption Notice	
<u>Private Equity Partnerships:</u>					
Growth Equity	\$ 64,401	\$ 132,340			
Corporate Finance/Buyout	1,366,570	765,978			
Distressed Debt	23,308	26,563			
Co/Direct Investment	119,955	44,441			
Secondaries	78,630	132,946			
Venture Capital	20,515	37,307			
<u>Private Real Estate:</u>					
Open Ended Co-mingled Insurance Company Separate Account	93,702				
Affordable Housing					
Multifamily properties (Olympic)	59,284				
Value Added Apartments	311,741				
Value Added Offices	20,642				
Value Added Retail	51,770				
Office/Industrial Properties	97,011				
Core Office	186,578				
Industrial	348,750				
Development Properties	123,933				
<u>Collective Funds:</u>					
REIT Index Collective Fund	4,931		Daily	Daily	

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Investments measured at the net asset value (NAV)	Fair Value at June 30, 2022	Unfunded Commitments	Redemption Frequency	Redemption Notice
TIPS Index Collective Fund	6,242		Daily	Daily
US Broad Equity Market Index Collective Fund	20,303		Daily	Daily
Emerging Equity Market Index Fund	3,044		Daily	Daily
US Large Cap Equity Market Index Collective Fund	53,947		Daily	Daily
US Bond Market Index Collective Fund	13,347		Daily	Daily
International Equity Index Collective Fund	9,671		Daily	Daily
US Small/Midcap Equity Index Collective Fund	24,807		Daily	Daily
BNYM DB NSL Emerging Market Stock Index Fund - Non-DC	833,946		Daily	2 days
Bernstein Emerging MV Delaware Business Trust	404,779		Weekly	5 days
<u>Utilitized Fund</u>				
Short Term investment Portfolio account	43,547		Daily	Daily
<u>Sick Leave Insurance Reserve Trust Fund:</u>				
Russell 3000 Index Co-Mingled Fund	232,133		Daily	Same day
Government Credit Bond Index Co-Mingled Fund	308,593		Daily	1 day
MSCI ACWI Ex-US Strategy Co-mingled Fund	58,185		Daily	3 days
Total investments measured at the NAV	4,984,265			
Total investments measured at fair value	\$ 21,478,745			

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

- Private Equity Partnerships 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 and one Defined Benefit Plan. For current fiscal year there was an additional converted collective fund in the Defined Benefit, 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

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

are valued at net asset value of units held at the end of the period based upon the fair value of the underlying

investments.

Component Unit Fair Value of Investments at June 30, 2022								
(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
Debt Securities:								
Money Market Funds	\$ 255,656			\$ 255,656				\$ 255,656
U.S. Gov't Obligations	249,471	\$ 11,410		260,881				260,881
U.S. Gov't Agency Obligations	57,286	32,561		89,847				89,847
U.S. Gov't Agency Mortgage-Backed Securities	51,434	—		51,434				51,434
Corporate Obligations	32,346	31,425		63,771				63,771
Municipal and Public Entity Obligations	1,900	—		1,900				1,900
Bond Mutual Funds and Other Pooled Fixed- Income Securities	28,359	25,200		53,559	\$ 17,340			70,899
Total Debt Securities	676,452	100,596	0	777,048	17,340	0	0	794,388
Other Investments:								
Cash Equivalents included with Investments	119			119				119
Domestic Equities	110,394			110,394				110,394
Foreign Equities	44,837			44,837				44,837
Private Equities	—				64,790			64,790
Equity and Income Mutual Funds	6,200	50,364		56,564	14,565			71,129
Mutual Funds	135,707			135,707				135,707
International Equity Funds	49,969			49,969				49,969
Real Estate and Perpetual Trusts	13,686	115		13,801				13,801
Insurance Annuities	299			299				299
Commingled Funds					23,126			23,126
Interest Rate Swaps*		542		542				542
Land Held by Endowment*		3,086		3,086	6,473			9,559
Total	\$ 1,037,663	\$ 154,703	\$0	\$ 1,192,366	\$ 126,294	\$0	\$0	\$ 1,318,660

* Investment valued at proprietary pricing.

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' March 31st capital 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 16.34 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 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 \$11.4 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 \$358.1 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 \$7.8 million held by various counterparties, not in the PERSI's name.
- The University of Idaho Retiree Benefits (RBT) Trust does not have a formal policy to limit its exposure to custodial credit risk. The Trust had \$50.0 million in investments and at December 31, 2021, all investments were held by the RBT or its counterparty in the RBT'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 \$160.8 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. At June 30, all Foundation funds 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, 2022.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Primary Government and Fiduciary Funds Investments and Maturities at June 30, 2022 (Except Endowment Funds and PERSI) (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^	\$ 13,102								\$ 13,102
Certificates of Deposit*^^	5,301	\$ 7,982							13,283
Repurchase Agreements*^^^	749,279								749,279
Commercial Paper	1,695,847								1,695,847
U.S. Gov't Obligations	3,204,135	2,138,658	\$ 116,856						5,459,649
U.S. Gov't Agency Obligations	1,416,462	223,022	2,625	\$ 172	\$ 29	\$ 34	\$ 79		1,642,423
U.S. Gov't Agency Mortgage-Backed Securities*	7,125	38,334	197,887	202					243,548
Asset -Backed Securities*	575,175	241,815							816,990
Commercial Mortgages*	1,246	11,134	3,264	521	1,031				17,196
Corporate Obligations	239,588	385,102	100,964	691					726,345
Municipal and Public Entity Obligations	11,382	626	262	246					12,516
Bond Mutual Funds and Other Pooled Fixed-Income Securities	323,690	26,261	21,312	3,272	5,568	1,547	4,228	\$ 232	386,110
External Investment Pools*^^^^	161,235								161,235
Total Debt Securities	\$ 8,403,566	\$ 3,072,934	\$ 443,170	\$ 5,104	\$ 6,628	\$ 1,581	\$ 4,307	\$ 232	11,937,523
<u>Other Investments:</u>									
Mutual Funds Without Maturity Dates									45,651
Equity Securities and Mutual Funds									218,418
Real Estate & Perpetual Trusts #									19,716
Commodities									5,381
Domestic Equities									2,461
Total									\$12,229,150
* Securities are reported using weighted-average life to more accurately reflect the projected term of the security, considering interest rates and repayment factors.									
^ \$1.1 million valued at cost									
^^ 5.3 million valued at cost									
^^^ Repurchase agreements valued at cost									
^^^^ 10.6 million valued at cost									
# Investment measured at NAV									

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Endowment Funds Interest Rate Risk at June 30, 2022

(dollars in thousands)

Investment Type	Fair Value	Modified Duration In Years
<u>Debt Securities:</u>		
Asset Backed Securities	\$ 23,883	2.5
Bank Loans	633	0.0
Commercial Mortgage-Backed	18,434	3.6
Corporate Bonds	163,892	7.1
Corporate Convertible Bonds	375	9.0
Funds - Corporate Bond	12,912	7.0
Funds - Government Agencies	1,676	2.0
Funds - Other Fixed Income	39,539	4.6
Government Agencies	10,649	3.9
Government Bonds	172,126	8.2
Government Mortgage Backed Securities	133,244	8.4
Gov't-issued Commercial Mortgage-Backed Securities	2,581	5.8
Municipal/Provincial Bonds	2,675	8.6
Non-Government Backed C.M.Os	12,975	3.8
Total Endowment Fund Debt Securities	595,594	
<u>Other Investments:</u>		
Equity Investments	1,913,938	
Money Market Funds	12,996	
Real Estate Investment Trust (Private)	190,544	
Total Other Endowment Fund Investments	2,117,478	
<u>Unsettled Trades:</u>		
Receivable for Investments Sold	(59,034)	
Payable for Investments Purchased	69,455	
Total Endowment Fund Investments	\$ 2,723,493	

PERSI Investments at June 30, 2022

(dollars in thousands)

Investment Type	Fair Value
Domestic Fixed-Income	\$ 5,059,212
Commingled Domestic Fixed-Income	308,593
International Fixed-Income	13,380
Idaho Commercial Mortgages	789,424
Short-Term Domestic Investments	213,217
Real Estate	1,229,546
Domestic Equities	8,177,079
Commingled Domestic Equity	232,133
International Equities	2,721,130
Commingled International Equity	58,185
Private Equity	1,590,751
Mutual Funds	1,322,458
Total PERSI Investments	\$ 21,715,108

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

PERSI Effective Duration of Fixed Income Assets by Security Type at June 30, 2022

(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	\$ 20,617	2.98			\$ 20,617
Asset -Backed Securities	4,455	*			4,455
Mortgages	26,812	3.29			26,812
Mortgages	562	*			562
Commercial Paper	114,426	0.17			114,426
Commercial Paper	80	*			80
Corporate Bonds	1,205,307	7.76			1,205,307
Corporate Bonds	1,733	*			
Fixed-Income Derivative Instruments	(1,541)	65.14			(1,541)
Fixed-Income Derivative Instruments	(642)	*			(642)
Government Agencies	84,700	8.20			84,700
Government Bonds	1,514,283	7.93	\$ 13,886	6.45	1,528,169
Government Mortgage-Backed Securities	212,478	5.81			212,478
Government Mortgage-Backed Securities	1,190	*			1,190
Pooled Investments	38,996				38,996
Pooled Investments-SLIRF Domestic Fixed Income	308,593	*			308,593
Private Placements	144,770	4.58			144,770
Private Placements	9,918	*			9,918
U.S. Treasury Inflation-Protected Securities	2,183,311	9.39			2,183,311
Idaho Mortgages	830,429				830,429
Total PERSI Fixed Income Securities	\$ 6,700,477		\$ 13,886		\$ 6,712,630

* Duration calculations for some securities are not available.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Component Units Maturity of Debt Investments at June 30, 2022									
(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	\$ 255,656								\$ 255,656
U.S. Gov't Obligations	134,342	\$ 122,415	\$ 4,124						260,881
U.S. Gov't Agency Obligations	545	36,802	6,242	\$ 7,394		\$ 15,009	\$ 23,855		89,847
U.S. Gov't Mortgage-Backed Securities	51,434								51,434
Corporate Obligations	10,981	41,889	10,340					\$ 561	63,771
Municipal Obligations						900	1,000		1,900
Bond Mutual Funds	3,176	12,572	36,263	18,201	\$ 147		506	34	70,899
Total Debt Securities	\$ 456,134	\$ 213,678	\$ 56,969	\$ 25,595	\$ 147	\$ 15,909	\$ 25,361	\$ 595	794,388
<u>Other Investments:</u>									
Cash Equivalents included with Investments									119
Domestic Equities									110,394
Foreign Equities									44,837
Private Equities^									64,790
Equity and Income Mutual Funds									71,129
Mutual Funds									135,707
International Equity Funds									49,969
Real Estate and Perpetual Trusts									13,801
Insurance Annuities									299
Commingled Funds^									23,126
Interest Rate Swaps*									542
Land Held by Endowment^									9,559
Component Units Investments									\$1,318,660
^ Investments measured at NAV									
* Proprietary Pricing									

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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, 2022

(Except Endowment Funds and PERSI)

(dollars in thousands)

Investment Type	Aaa	Aa	A	Baa	Ba	B	C	A1-P1	NP	Unrated	Fair Value
Money Market Funds [^]	\$ 1,565	\$ 119								\$ 11,418	\$ 13,102
Certificates of Deposit ^{^^}	214	953	\$ 1,002	\$ 499	\$ 250				\$ 1,500	8,865	13,283
Repurchase Agreements ^{^^^}										749,279	749,279
Commercial Paper								\$ 1,695,847			1,695,847
U.S. Gov't Agency Obligations	608,789	13,683	2,818					1,013,520		3,613	1,642,423
U.S. Gov't Agency Mortgage-Backed Securities	228,754	208								14,586	243,548
Asset-Backed Securities	757,934							59,056			816,990
Commercial Mortgages	15,415	1,781									17,196
Corporate Obligations	38,993	146,378	537,398	3,575							726,345
Municipal and Public Entity Obligations	76	820	304							11,316	12,516
Bond Mutual Funds and Other Pooled Fixed-Income Securities	12,566	39,070	7,218	3,695	995	\$ 400	\$ 300			321,866	386,110
External Investment ^{^^^^}										161,235	161,235
Total	\$1,664,306	\$ 203,012	\$ 548,740	\$ 7,769	\$ 1,245	\$ 400	\$ 300	\$ 2,768,423	\$ 1,500	\$ 1,282,178	\$ 6,477,874

[^] \$1.1 million valued at cost^{^^} \$5.3 million valued at cost^{^^^} Investment measured at cost^{^^^^} \$10.6 million valued at cost

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Endowment Funds
Credit Quality Ratings of Debt Investments at June 30, 2022
(dollars in thousands)

Investment Type	Aaa	Aa	A	Baa	Ba	B	Caa	Agy	Not Rated	Fair Value
Asset Backed Securities	\$ 983	\$ 1,813	\$ 2,582	\$ 10,622	\$ 1,731		\$ 4,065		\$ 2,087	\$ 23,883
Bank Loans					238	\$ 395				633
Commercial Mortgage-Backed	6,070	2,820	3,980	2,256	934	1,013	96		1,265	18,434
Corporate Bonds	3,073	5,710	54,641	81,999	12,043	4,425	1,177		824	163,892
Corporate Convertible Bonds			47		328					375
Funds - Corporate Bond		12,912								12,912
Funds - Government Agencies								\$ 1,676		1,676
Funds - Other Fixed Income					17,098	22,441				39,539
Government Agencies	7,475	905	357	882	165			459	406	10,649
Government Bonds	154,592	460	1,580	10,442	1,056	129		3,867		172,126
Government Mortgage Backed Securities	390							132,732	122	133,244
Gov't-issued Commercial Mortgage-Backed Securities								2,581		2,581
Municipal/Provincial Bonds	396	1,526	508	101					144	2,675
Non-Government Backed C.M.O.s	2,397		295	1,718	712		4,286		3,567	12,975
Total	\$ 175,376	\$ 26,146	\$ 63,990	\$ 108,020	\$ 34,305	\$ 28,403	\$ 9,624	\$ 141,315	\$ 8,415	\$ 595,594

PERSI Credit Quality Ratings of Fixed-Income Securities at June 30, 2022
(dollars in thousands)

S & P Rating Level	Investment Type		Fair Value
	Domestic Securities	International Securities	
A-1+	\$ 55,789		\$ 55,789
A-1	44,746		44,746
A-2	9,982		9,982
AAA	117,287		117,287
AA*	369,867		369,867
A	481,159		481,159
BBB	600,397	\$ 5,777	606,174
BB	27,319		27,319
B	2,749		2,749
CCC	5,234		5,234
CC	669		669
D**	216		216
Not Rated	125,683	8,109	133,792
Total	\$ 1,841,097	\$ 13,886	\$ 1,854,983

* Includes US Government Agencies implicitly guaranteed by US Government

** Active bond managers are allowed to invest a portion of their portfolios in non-investment grade securities. These positions are monitored on a regular basis.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Component Units Credit Quality Ratings of Debt Securities at June 30, 2022

(dollars in thousands)

Investment Type	Aaa	Aa	A	Baa	Ba	B	Caa	C	D	A1/P1	Unrated	Fair Value
Money Market Funds											\$ 255,656	\$ 255,656
U.S. Gov't Agency Obligations	\$ 58,230	\$ 31,072	\$ 545									89,847
U.S. Gov't Agency Mortgage Backed Securities											51,434	51,434
Corporate Obligations	1,972	7,837	38,090	\$ 15,226	\$ 449		\$ 15				182	63,771
Municipal Obligations											1,900	1,900
Bond Mutual Funds	6,806	38,014	7,040	5,098	7,998	\$ 1,686	472		\$ 12		3,773	70,899
Total	\$ 67,008	\$ 76,923	\$ 45,675	\$ 20,324	\$ 8,447	\$ 1,686	\$ 487	\$0	\$ 12	\$0	\$ 312,945	\$ 533,507

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, 2022

(dollars in thousands)

Portfolio	Issuer	Fair Value	Percent of Portfolio Investments
Idaho State Bar:	Federal Home Loan Bank	\$ 302	14.3
	Federal Farm Credit Bank	272	12.9
STO IDLE Pool:	Daiwa Capital	371,615	6.4
	Toyota Motor	327,208	5.7
Idaho State University:	Federal Farm Credit Banks Funding Corp	1,933	6.2
	Federal National Mortgage Association	9,791	31.4
University of Idaho:	Deutsche Bank	4,407	6.4
	JP Morgan Chase & Co.	4,392	6.4
	PFM Multi-Mgr Domestic EQ Fund-Inst CI	46,205	28.6
	PFM Multi-Mgr Fixed-Income Fund-Inst CI	42,897	26.6
	PMF Multi-Mgr Intnatl EQ Fund-Inst CL	20,366	12.6
Petroleum Clean Water Trust:	Federal National Mortgage Association	4,205	11.5

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Component Unit Concentration of Credit Risk at June 30, 2022

(dollars in thousands)

Component Unit	Issuer	Fair Value	Percent of Portfolio Investments
Health Reinsurance:	First Federal Community Bank	\$ 3,215	13.3
	Federal Home Loan Bank (FHLB)	17,050	70.4
	Federal Home Loan Mtg Corp	1,979	8.2
	Federal Home LN B	1,967	8.1
Idaho Housing and Finance Association:	Ginnie Mae	38,865	6.4
	Federal Home Loan	54,543	9.0
	Fidelity	255,149	42.2

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 securities.
- 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, 2022

Endowment Foreign Currency Risk at June 30, 2022

(dollars in thousands)

Currency	Investment Type	Fair Value in U.S. Dollars
Argentinian Peso	Equities	\$ 60
Australian Dollar	Equities	14,877
Brazilian Real	Equities	2,455
Canadian Dollar	Equities	23,583
Chilean Peso	Equities	69
Chinese Yuan	Equities	(1,068)
Chinese Yuan (HK)	Equities	547
Danish Krone	Equities	12,523
Euro	Equities	85,160
Hong Kong Dollar	Equities	38,330
Hungarian Forint	Equities	678
Indian Rupee	Equities	224
Indonesian Rupiah	Equities	2,812
Israeli Shekel	Equities	257
Japanese Yen	Equities	51,009
Malaysian Ringgit	Equities	358
Mexican Peso	Equities	5,900
New Zeland Dollar	Equities	53
Norwegian Krone	Equities	5,294
Polish Zloty	Equities	790
Russian Ruble	Equities	21
Singapore Dollar	Equities	1,987
South African Rand	Equities	2,230
South Korean Won	Equities	12,888
Swedish Krona	Equities	16,642
Swiss Franc	Equities	52,111
Taiwan Dollar	Equities	14,163
Thailand Thai Baht	Equities	1,990
Turkish Lira	Equities	149
U.K. Pound	Equities	53,462
Total		\$ 399,554

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

PERSI Foreign Currency Risk at June 30, 2022

(dollars in thousands)

Currency	Investment Type			Fair Value of Currency in U.S. Dollars
	Short-Term Investments	Equities	Fixed Income	
Argentina Peso	\$ 4			\$ 4
Australian Dollar	684	\$ 75,132	\$ (16)	75,800
Brazilian Real	71	16,501		16,572
Canadian Dollar	9,832	35,400		45,232
Chilean Peso	19	824		843
Chinese R Yuan HK	(2,038)			(2,038)
Chinese Yuan Renminbi	110		433	543
Danish Krone	2,831	145,134		147,965
Euro	19,604	954,008	(161)	973,451
Hong Kong Dollar	72	241,388		241,460
Hungarian Forint		2,498		2,498
Indian Rupee	609			609
Indonesian Rupiah	1,012	6,941	3,181	11,134
Israeli Shekel	111	7,425		7,536
Japanese Yen	2,797	356,518	836	360,151
Kenyan Shilling		1,866		1,866
Malaysian Ringgit		8,585		8,585
Mexican Peso	(3,484)	32,839	8,268	37,623
New Taiwan Dollar	72	48,231		48,303
New Zealand Dollar	12	1,115		1,127
Norwegian Krone	1,441	10,489		11,930
Philippine Peso		5,889		5,889
Polish Zloty	59			59
Romanian Leu		2,154		2,154
Russian New Ruble	30		886	916
Singapore Dollar	1	30,985		30,986
South African Rand		25,530		25,530
South Korean Won	763	68,912		69,675
Swedish Krona	348	43,016		43,364
Swiss Franc	9,831	232,621		242,452
Thailand Baht		7,958		7,958
Turkish Lira		1,727		1,727
U.K. Pound	(802)	522,859		522,057
Total	\$ 43,989	\$ 2,886,545	\$ 13,427	\$ 2,943,961

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

College and University Foundations
Foreign Currency Risk at June 30, 2022
(dollars in thousands)

<u>Currency</u>	<u>Investment Type</u>	<u>Fair Value in U.S. Dollars</u>
Australian Dollar	Equities	\$ 677
Brazilian Real	Equities	41
Canadian Dollar	Equities	781
Chilean Peso	Equities	7
Chinese Yuan	Equities	241
Colombian Peso	Equities	1
Czech Koruna	Equities	1
Danish Krone	Equities	1,156
Euro	Equities	3,908
Hong Kong Dollar	Equities	610
Hungarian Forint	Equities	2
Indian Rupee	Equities	108
Indonesian Rupiah	Equities	15
Israeli Shekel	Equities	10
Japanese Yen	Equities	2,294
Malaysian Ringgit	Equities	12
Mexican Peso	Equities	21
New Zealand Dollar	Equities	3
Norwegian Krone	Equities	11
Peruvian Nuevo Sol	Equities	3
Philippine Peso	Equities	8
Polish Zloty	Equities	3
Singapore Dollar	Equities	275
South African Rand	Equities	25
South Korean Won	Equities	50
Swedish Krona	Equities	34
Swiss Franc	Equities	1,923
Taiwan Dollar	Equities	114
Thai Baht	Equities	17
Turkish Lira	Equities	3
U.K. Pound	Equities	1,779
Other	Equities	104
Total		\$ 14,237

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 PERSI had investments in TIPS with a fair value of \$2.2 billion.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

IHFA is invested in pay-fixed, receive-variable interest rate swaps. The Association pays fixed rate payments between 3.5 percent and 5.0 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 \$9.7 million with Wells Fargo Bank.

STO is permitted to participate in repurchase agreements per the Idaho Code 67-1210 and 67-1210A. Repurchase agreements are secured by collateral which is held by a third party in the name of the STO in the amount of \$371.6 million, \$354.0 million, and \$37.5 million for IDLE, LGIP, and DBF respectfully.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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:

Primary Government and Component Units	
Restricted Assets at June 30, 2022	
(dollars in thousands)	
Purpose	Amount
<u>Governmental Activities:</u>	
Restricted Cash:	
Bond Covenants	\$ 140
Debt Service	241,918
Donations for Various Projects	7,682
Group Insurance Reserves	35,587
Juvenile Corrections Social Security Benefits	1,221
Legislation and Donations	220,075
Matching Fund Contributions	2,415
Millennium Permanent Endowment Fund	20
Petroleum Violation Escrow	3,116
Pollution Clean Up	12,656
The Idaho State Bar Client Assistance Fund	874
American Rescue Plan Act (ARPA)	1,065,968
CARES Act - COVID 19	2,340
Federal Grant	391
Restricted Investments:	
Donations for Various Projects	7,003
Legal Settlements	3,455
Legislation and Donations	52,225
Millennium Permanent Endowment Fund	409,164
Pollution Clean Up	128,215
Total Governmental Activities	\$ 2,194,464
<u>Business-Type Activities:</u>	
Restricted Cash:	
Debt Service	\$ 5,234
Idaho Lottery Dividends Payout	74,925
Wastewater Facility Loan Program and Drinking Water Systems Loan Program	53,501
Restricted Investments:	
Wastewater Facility Loan Program and Drinking Water Systems Loan Program	105,698
Total Business-Type Activities	\$ 239,359
<u>Component Units:</u>	
Restricted Cash:	
Donations for the College and University Foundations	\$ 22,053
Bond Indentures and Escrow and Reserve Deposits	422,253
Restricted Investments:	
Donations for the College and University Foundations	405,165
Total Component Units	\$ 849,471

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

NOTE 3. DERIVATIVE INSTRUMENTS

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

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 \$6.2 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 \$12.6 million and deferred inflow of resources of \$0.0 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 \$0.5 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, 2022							
(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			\$ (4)	11/6/2008	7/1/2021	5.25%	68% 1M (or SIFMA 1M<3.5%) +20
2001 Series D	\$ 195	\$ 3	(25)	11/6/2008	7/1/2022	4.73%	68% 1M (or SIFMA 1M<3.5%) +20
2001 Series E	195	3	(24)	11/6/2008	7/1/2022	4.53%	68% 1M (or SIFMA 1M<3.5%) +20
2002 Series D	150	2	(24)	11/6/2008	7/1/2022	4.71%	68% 1M (or SIFMA 1M<3.5%) +20
2002 Series E			(1)	11/6/2008	7/1/2021	4.48%	68% 1M (or SIFMA 1M<3.5%) +20
2002 Series F	770	1	(42)	11/6/2008	1/1/2024	3.79%	68% 1M (or SIFMA 1M<3.5%) +20
2002 Series G	770		(45)	11/6/2008	1/1/2024	4.14%	68% 1M (or SIFMA 1M<3.5%) +20
2003 Series A	2,205	(46)	(154)	11/6/2008	1/1/2026	4.52%	68% 1M (or SIFMA 1M<3.5%) +20
2003 Series B	1,230		(70)	11/6/2008	7/1/2024	4.04%	100% 1W SIFMA + 20 bp
2003 Series C	1,000	(6)	(58)	11/6/2008	7/1/2025	3.78%	100% 1W SIFMA + 20 bp
2003 Series D	1,910	(36)	(135)	11/6/2008	7/1/2025	4.84%	100% 1W SIFMA + 20 bp
2003 Series E		(59)	(65)	7/6/2016	7/1/2025	4.53%	100% 1W SIFMA + 20 bp
2004 Series A	2,000	(23)	(128)	7/6/2016	1/1/2026	4.03%	68% 1M (or SIFMA 1M<3.5%) +20
2004 Series B	2,510	(67)	(182)	7/6/2016	1/1/2027	4.37%	68% 1M (or SIFMA 1M<3.5%) +20
2004 Series C		(63)	(64)	7/6/2016	7/1/2025	4.33%	68% 1M (or SIFMA 1M<3.5%) +20
2004 Series D	3,515	(88)	(261)	7/6/2016	1/1/2028	3.85%	68% 1M (or SIFMA 1M<3.5%) +20
2005 Series A	3,795	(115)	(294)	7/6/2016	1/1/2029	3.90%	68% 1M (or SIFMA 1M<3.5%) +20
2005 Series B		71	17	11/7/2008	7/1/2028	3.99%	68% 1M (or SIFMA 1M<3.5%) +20
2005 Series C		68	16	11/7/2008	7/1/2028	3.73%	68% 1M (or SIFMA 1M<3.5%) +20
2005 Series D	3,780	(110)	(291)	7/6/2016	7/1/2028	3.87%	68% 1M (or SIFMA 1M<4.0%) +20
2005 Series E	3,900	(124)	(305)	7/6/2016	1/1/2029	3.93%	68% 1M (or SIFMA 1M<4.0%) +20
2005 Series F		83	20	11/7/2008	1/1/2029	4.10%	68% 1M (or SIFMA 1M<4.0%) +20
2006 Series A	4,145	(184)	(353)	11/7/2008	1/1/2029	4.10%	68% 1M (or SIFMA 1M<4.0%) +20
2006 Series B	1,740	(43)	(121)	11/7/2008	7/1/2025	4.35%	68% 1M (or SIFMA 1M<4.0%) +20
2006 Series C	1,600	(36)	(111)	11/7/2008	1/1/2025	4.36%	68% 1M (or SIFMA 1M<4.0%) +20
2006 Series D	1,865	(49)	(127)	11/7/2008	1/1/2025	4.45%	68% 1M (or SIFMA 1M<4.0%) +20
2007 Series D	3,630	(8)	(281)	7/1/2016	1/1/2026	4.89%	100% 1M LIBOR + 71 bp

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

2007 Series G	11,080	(667)	(1,117)	1/1/2013	7/1/2028	4.69%	100% 1M LIBOR + 5 bp
2007 Series H		(1,641)	(537)	7/1/2016	7/1/2030	5.20%	100% 1M LIBOR + 76 bp
2007 Series J	11,690	(658)	(1,163)	7/3/2017	7/1/2028	4.42%	100% 1M LIBOR + 5 bp
2007 Series K	11,035	(741)	(1,149)	7/3/2017	7/1/2030	4.23%	100% 1M LIBOR + 5 bp
2006 Series E		(40)	(56)	7/3/2017	1/1/2026	5.52%	100% 1M LIBOR + 75 bp
2006 Series F		(32)	(51)	7/3/2017	1/1/2026	5.29%	100% 1M LIBOR + 75 bp
2006 Series G	2,525	(31)	(198)	7/3/2017	1/1/2026	5.17%	100% 1M LIBOR + 75 bp
2007 Series A	3,130	(61)	(261)	7/3/2017	7/1/2026	5.03%	100% 1M LIBOR + 45 bp
2007 Series B	3,530	(73)	(296)	7/3/2017	1/1/2027	4.88%	100% 1M LIBOR + 45 bp
2007 Series C	3,810	(95)	(329)	7/3/2017	1/1/2027	4.97%	100% 1M LIBOR + 45 bp
2008 Series A		(939)	(257)	7/3/2017	7/1/2030	4.38%	100% 1M LIBOR + 5 bp
2008 Series B		(278)	(96)	7/3/2017	7/1/2029	4.23%	100% 1M LIBOR + 5 bp
2008 Series C	4,630	(66)	(370)	7/3/2017	7/1/2026	4.72%	100% 1M LIBOR + 45 bp
2008 Series D		(14)	(137)	7/3/2017	7/1/2026	4.44%	100% 1M LIBOR + 45 bp
	<u>\$ 92,335</u>	<u>\$ (6,162)</u>	<u>\$ (9,129)</u>				

Idaho Housing and Finance Association - Investment Derivative Instruments							
Interest Rate Swap Agreements at June 30, 2022							
(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 E	\$ 1,910	\$ 31	\$ 60	7/6/2016	7/1/2025	4.53%	100% 1W SIFMA + 20 bp
2004 Series C	2,020	35	66	7/6/2016	7/1/2025	4.33%	68% 1M (or SIFMA 1M<3.5%) +20
2005 Series B	3,635	(206)	307	11/7/2008	7/1/2028	3.99%	68% 1M (or SIFMA 1M<3.5%) +20
2005 Series C	3,685	(181)	305	11/7/2008	7/1/2028	3.73%	68% 1M (or SIFMA 1M<3.5%) +20
2005 Series F	4,120	(262)	367	11/7/2008	1/1/2029	4.10%	68% 1M (or SIFMA 1M<4.0%) +20
2007 Series H	15,615	967	979	7/1/2016	7/1/2030	5.20%	100% 1M LIBOR + 75 bp
2006 Series E	2,580	(4)	154	7/3/2017	1/1/2026	5.52%	100% 1M LIBOR + 75 bp
2006 Series F	2,615	(4)	156	7/3/2017	1/1/2026	5.29%	100% 1M LIBOR + 75 bp
2008 Series A	11,035	188	863	7/3/2017	7/1/2030	4.38%	100% 1M LIBOR + 5 bp
2008 Series B	9,055	(18)	733	7/3/2017	7/1/2029	4.23%	100% 1M LIBOR + 5 bp
2008 Series D	1,735	(3)	(3)	7/3/2017	7/1/2026	4.44%	100% 1M LIBOR + 45 bp
	<u>\$ 58,005</u>	<u>\$ 543</u>	<u>\$ 3,987</u>				

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+ (Fitch), A1 (Moody's), and A (S&P).

All but nineteen of the Association's swaps have a dual basis: the SIFMA Index plus 20 basis points when the one-month London InterBank Offered Rate (LIBOR) Index is less than either 3.5 percent or 4.0 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, five have a basis of LIBOR plus 5 basis points, five have a basis of LIBOR plus 45 basis points, three have a basis of LIBOR plus 75

basis points, one has a basis of LIBOR plus 71 basis points, and one has a basis of LIBOR plus 76 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, 2022, the SIFMA Index was 0.91 percent and the one-month LIBOR Index was 1.79 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

Notes to the Financial Statements**For the Fiscal Year Ended June 30, 2022**

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 derivative instruments.

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.

The swaps were entered into for the purpose of hedging the change in interest rates of specific series of variable rate bonds. From time to time, certain hedged bonds may be redeemed early, refinanced or reissued resulting in the termination of existing hedging relationships and the creation of new hedging relationships if permitted. The accounting rules provide that at the time such events occur, the swap's then fair value, or balance in the deferral account, for the related swap should be reduced to zero and offset by a new balance which shall be amortized on fixed rate interest expense basis over a

period equal to the shorter of the remaining term of the refunding bonds, refunded bonds, or swap. In future periods reductions in the amortizing balances are recorded as interest expense, and to the extent a new hedging relationship can be established by the swap, it is a hedging swap and future changes in fair value are recorded as deferred inflows/outflows. If no new hedging relationship can be established, it is an investment swap and the change in fair value for the swap is recognized as investment earnings in the current period.

At June 30, 2022, the Association had \$267.0 million in forward sales contracts ("To Be Announced" or "TBA" contracts) to issue GNMA securities in order to lock in the sales price for the securitization of single-family loans. These securities represent pools of qualified first mortgage loans originated by Association-approved lenders and brokers. Under this program, the Association periodically enters into forward contracts to sell GNMA Mortgage Backed Securities to investors before the securities are ready for delivery. The Association enters into TBA mortgage-backed security Contracts to hedge the interest rate risk for loan commitments made to originating mortgage lenders. These contracts are considered investment derivative instruments and are not rated.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Idaho Housing and Finance Association - Investment Derivative Instruments

TBA Forward Contracts at June 30, 2022

(dollars in thousands)

Contract	Notional Amount	Fair Value	Coupon Rate	Counterparty Credit Rating
September, 2022	\$ (1,500)	\$ 14	5.00%	Aaa
July, 2022	(2,000)	(36)	3.50%	Aaa
August, 2022	(2,000)	(9)	4.50%	Aaa
September, 2022	(2,000)	7	5.00%	Aaa
August, 2022	(2,500)	(27)	4.50%	Aaa
August, 2022	(3,000)	(35)	4.50%	Aaa
August, 2022	(3,000)	(12)	4.50%	Aaa
July, 2022	(4,000)	12	4.50%	Aaa
August, 2022	(4,000)	(7)	4.50%	Aaa
August, 2022	(4,000)	(17)	5.00%	Aaa
July, 2022	(5,000)	63	3.50%	Aaa
July, 2022	(5,000)	(44)	3.50%	Aaa
July, 2022	(5,000)	83	3.50%	Aaa
August, 2022	(7,000)	123	4.00%	Aaa
September, 2022	(7,000)	24	5.00%	Aaa
August, 2022	(8,000)	110	5.00%	Aaa
September, 2022	(8,000)	27	5.00%	Aaa
September, 2022	(9,000)	70	5.00%	Aaa
July, 2022	(10,000)	88	4.50%	Aaa
July, 2022	(10,000)	30	4.50%	Aaa
August, 2022	(12,000)	120	4.50%	Aaa
August, 2022	(13,000)	(101)	4.00%	Aaa
August, 2022	(19,000)	(89)	5.00%	Aaa
August, 2022	(20,000)	391	3.50%	Aaa
August, 2022	(27,000)	(207)	4.50%	Aaa
August, 2022	(29,000)	285	5.00%	Aaa
August, 2022	(45,000)	570	5.00%	Aaa
	<u>\$ (267,000)</u>	<u>\$ 1,433</u>		

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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	Federal Stimulus	Nonmajor Governmental	College and University	Nonmajor Enterprise	Internal Service	Pension Trust	Total
General Fund		\$ 72			\$ 120	\$ 207	\$ 9,574			\$ 9,973
Interfund Receivables										
Federal Stimulus		495								495
Nonmajor Governmental		116	\$ 25		30		1,238			1,409
College and University	\$ 810	5,313	6		886					7,015
Nonmajor Enterprise	45	5	178							228
Internal Service	530		217	\$ 6	67	37		\$ 6		863
Pension Trust									\$ 36	36
Total	\$ 1,385	\$ 6,001	\$ 426	\$ 6	\$ 1,103	\$ 244	\$ 10,812	\$ 6	\$ 36	\$ 20,019

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	Transportation	Federal Stimulus	Nonmajor Governmental	College and University	Loan	Internal Service	Total
General Fund		\$855,423	\$124,885	\$15,000	\$270,556	\$363,290	\$6,000	\$1,737	\$1,636,891
Health and Welfare	\$70,073				146				70,219
Transportation	385				16,454				16,839
Federal Stimulus		15,898			16,420				32,318
Land Endowments	68,569					19,633			88,202
Nonmajor Governmental	117,487	171		\$9,260	96	\$100			127,114
College and University	667								667
Unemployment Comp.					8,346				8,346
Loan	716				483				1,199
Nonmajor Enterprise	123,625	2,557			1,309				127,491
Internal Service	8,239								8,239
Total	\$389,761	\$874,049	\$124,885	\$24,260	\$313,810	\$383,023	\$6,000	\$1,737	\$2,117,525

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, 2022

During fiscal year 2022, the following non-routine transfers were made:

- \$14.8 million was transferred from the CARES Act fund to Cooperative Welfare Fund as determined by the Coronavirus Financial Advisory Committee for COVID-19 related expenditures.
- \$50.0 million was transferred from the American Rescue Plan Act (ARPA) Fund to the Idaho Workforce Housing Fund.
- \$124.9 million was appropriated and transferred from the General Fund to the following funds:
 - \$100.0 million to Transportation Expansion and Traffic Mitigation fund
 - \$6.4 million to the State Aeronautics Fund for the Idaho Airport Aid Program and capital improvements at ITD managed airfields
 - \$18.5 million to the GARVEE Debt Service Fund to pay off the 2012 callable bond

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 \$522.1 million to the IHFA for bonds issued on their behalf for transportation infrastructure projects.

During fiscal year 2022 the Idaho Health Insurance Exchange (IHIE) received assessment fees from Blue Cross of Idaho, represented on the IHIE Board, of \$3.3 million.

The Housing Company, a component unit of the IHFA, owes the IHFA \$3.2 million for notes payable secured by real property.

During fiscal year 2022 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 \$14.8 million to offset costs of the Pool.

During fiscal year 2022 the college and university foundations distributed \$65.9 million to the respective colleges and universities for support of academic and athletic programs.

During fiscal year 2022 the State purchased workers compensation insurance coverage from the State Insurance Fund, a related party, in the amount of \$15.2 million.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

NOTE 5. NONCURRENT RECEIVABLES

The Accounts Receivable, Taxes Receivable, Due from Other Entities, Due from Primary Government, and Loans, Notes, Leases 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							
<i>(dollars in thousands)</i>							
	Governmental Activities					Business-Type Activities	
	General Fund	Health and Welfare	Transportation	Nonmajor Governmental	Internal Service Fund	College and University	Loan
Accounts Receivable	\$ 45			\$ 12,488			
Taxes Receivable	105,387	\$ 35	\$ 6,058	929			
Leases Receivable	1,402	201		27	\$ 19,255	\$ 32,432	
Loans and Notes Receivable	165			2,364		7,277	\$ 438,154
Total Noncurrent Receivables	106,999	236	6,058	15,808	19,255	39,709	438,154
Less: Allowance for Doubtful Accounts							
Accounts Receivable	(45)			(10,062)			
Taxes Receivable	(172)			(1)			
Leases Receivable							
Loans and Notes Receivable						(1,873)	
Total Noncurrent Receivables, Net	<u>\$ 106,782</u>	<u>\$ 236</u>	<u>\$ 6,058</u>	<u>\$ 5,745</u>	<u>\$ 19,255</u>	<u>\$ 37,836</u>	<u>\$ 438,154</u>

Noncurrent Receivables - Component Units				
<i>(dollars in thousands)</i>				
	Idaho Housing and Finance Association	College and University Foundation	Idaho Health Insurance Exchange	Idaho Bond Bank Authority
Due from Primary Government	\$ 527,742			
Pledges Receivable		\$ 31,512		
Leases Receivable			\$ 4,104	
Loans and Notes Receivable	766,380			\$ 215,853
Total Noncurrent Receivables	1,294,122	31,512	4,104	215,853
Less: Allowance for Doubtful Accounts				
Due from Primary Government				
Pledges Receivable		(4,517)		
Loans and Notes Receivable	(19,191)			
Total Noncurrent Receivables, Net	<u>\$ 1,274,931</u>	<u>\$ 26,995</u>	<u>\$ 4,104</u>	<u>\$ 215,853</u>

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

NOTE 6. CAPITAL ASSETS

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

Primary Government	Balances at July 1, 2021 As Restated*	Increases	Decreases	Balances at June 30, 2022
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land and Land Use Rights	\$ 1,253,066	\$ 42,615		\$ 1,295,681
Capital Assets in Progress	1,151,862	297,785	\$ (13,685)	1,435,962
Infrastructure	3,365,764			3,365,764
Historical Art and Collections	332			332
Total Capital Assets not Being Depreciated	5,771,024	340,400	(13,685)	6,097,739
Capital Assets Being Depreciated:				
Buildings and Improvements	1,368,595	5,434	(114)	1,373,915
Improvements Other Than Buildings	218,019	13,710	(47)	231,682
Machinery, Equipment, and Other	954,651	48,569	(40,871)	962,349
Infrastructure	1,349,381			1,349,381
Total Capital Assets Being Depreciated	3,890,646	67,713	(41,032)	3,917,327
Intangible Right-to-Use Assets:				
Land	20	334	(40)	314
Buildings and Improvements	22,560	64,398	(45,120)	41,838
Machinery, Equipment, and Other	5,748	2,822	(1,800)	6,770
Total Intangible Right-to-Use Assets	28,328	67,554	(46,960)	48,922
Less Accumulated Depreciation for:				
Buildings and Improvements	(541,572)	(29,378)	91	(570,859)
Improvements Other Than Buildings	(101,062)	(8,400)	33	(109,429)
Machinery, Equipment, and Other	(647,238)	(65,136)	29,477	(682,897)
Infrastructure	(358,872)	(18,119)		(376,991)
Total Accumulated Depreciation	(1,648,744)	(121,033)	29,601	(1,740,176)
Less Accumulated Amortization for Intangible Right-to-Use Assets	(6,880)	(15,450)	6,771	(15,559)
Total Capital Assets Being Depreciated, Net	2,263,350	(1,216)	(51,620)	2,210,514
Governmental Activities Capital Assets, Net	\$ 8,034,374	\$ 339,184	\$ (65,305)	\$ 8,308,253

* Beginning balances were restated due to prior period adjustments and reclassifications due to the implementation of GASB 87.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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

Governmental Activities:	
General Government	\$ 23,017
Public Safety and Correction	18,760
Health and Human Services	27,311
Education	1,908
Economic Development	42,987
Natural Resources	20,942
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	1,558
Total Accumulated Depreciation Increase for Governmental Activities	\$ 136,483

Business-Type Activities:	Balances at July 1, 2021 As Restated*	Increases	Decreases	Balances at June 30, 2022
Capital Assets not Being Depreciated:				
Land and Land Use Rights	\$ 175,304	\$ 203	\$ (137)	\$ 175,370
Capital Assets in Progress	151,139	39,233	(143,924)	46,448
Historical Art and Collections	2,544	110	(32)	2,622
Total Capital Assets not Being Depreciated	328,987	39,546	(144,093)	224,440
Capital Assets Being Depreciated:				
Buildings and Improvements	1,714,856	172,762	(2,923)	1,884,695
Improvements Other Than Buildings	82,812	7,936	(302)	90,446
Machinery, Equipment, and Other	463,545	33,377	(9,726)	487,196
Total Capital Assets Being Depreciated	2,261,213	214,075	(12,951)	2,462,337
Intangible Right-to-Use Assets				
Land	326	104		430
Buildings and Improvements	2,417	38,476		40,893
Machinery, Equipment, and Other	628	1,151	(206)	1,573
Total Intangible Right-to-Use Assets	3,371	39,731	(206)	42,896
Less Accumulated Depreciation for:				
Buildings and Improvements	(771,192)	(46,941)	2,178	(815,955)
Improvements Other Than Buildings	(57,404)	(2,933)	183	(60,154)
Machinery, Equipment, and Other	(386,128)	(22,184)	8,968	(399,344)
Total Accumulated Depreciation	(1,214,724)	(72,058)	11,329	(1,275,453)
Less Accumulated Amortization for Intangible Right-to-Use Assets	(249)	(5,648)	134	(5,763)
Total Capital Assets Being Depreciated, Net	1,049,611	176,100	(1,694)	1,224,017
Business-Type Activities Capital Assets, Net	\$ 1,378,598	\$ 215,646	\$ (145,787)	\$ 1,448,457

* Beginning balances were restated due to prior period adjustments and reclassifications due to the implementation of GASB 87.

Interest incurred during construction is capitalized in enterprise funds. The total cost of interest incurred during the fiscal year was \$14.1 million, of that \$0 million was capitalized.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Component Units:	Balances at July 1, 2021 As Restated*	Increases	Decreases	Balances at June 30, 2022
Capital Assets not Being Depreciated:				
Land	\$ 10,193	\$ 2,149	\$ (1,329)	\$ 11,013
Capital Assets in Progress	726	2,240	(879)	2,087
Intangible Assets	12			12
Total Capital Assets not Being Depreciated	10,931	4,389	(2,208)	13,112
Capital Assets Being Depreciated:				
Buildings and Improvements	118,383	27,776	(3,945)	142,214
Improvements Other Than Buildings	1,126			1,126
Machinery, Equipment, and Other	61,945	1,441	(3,837)	59,549
Total Capital Assets Being Depreciated	181,454	29,217	(7,782)	202,889
Intangible Right-to-Use Assets				
Buildings and Improvements	3,137	468		3,605
Machinery, Equipment, and Other	321		(59)	262
Total Intangible Right-to-Use Assets	3,458	468	(59)	3,867
Less Accumulated Depreciation for:				
Buildings and Improvements	(47,340)	(4,899)	1,352	(50,887)
Improvements Other Than Buildings	(403)	(119)		(522)
Machinery, Equipment, and Other	(57,801)	(1,528)	3,719	(55,610)
Total Accumulated Depreciation	(105,544)	(6,546)	5,071	(107,019)
Less Accumulated Amortization for Intangible Right-to-Use Assets	(1,463)	(766)	59	(2,170)
Total Capital Assets Being Depreciated, Net	77,905	22,373	(2,711)	97,567
Component Unit Activities Capital Assets, Net	\$ 88,836	\$ 26,762	\$ (4,919)	\$ 110,679

* Beginning balances were restated due to prior period adjustments and reclassifications due to the implementation of GASB 87.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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.

See Note 3 for further details regarding derivative-related deferrals, Note 8 for pension-related deferrals, Note 9 for OPEB-related deferrals, and Note 11 for lease related deferrals.

The following tables disaggregate the deferrals:

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

	Primary Government		Component Units
	Governmental Activities	Business-Type Activities	
Debt Defeasance	\$ 4,406	\$ 9,445	
Hedging Derivative Instruments			
Interest Rate Swap Contracts - Amortized			\$ 10,270
Interest Rate Swap Contracts - Fair Value			2,299
Pension-Related			
Contributions Subsequent to Measurement Date	93,101	15,494	
Proportionate Share	216,473	34,339	
OPEB-Related			
Contributions Subsequent to Measurement Date	1,579	1,096	
Proportionate Share	19,898	23,316	
Asset Retirement Obligation		7,297	
Total Deferred Outflows of Resources	\$ 335,457	\$ 90,987	\$ 12,569

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

	Primary Government		Component Units
	Governmental Activities	Business-Type Activities	
Imposed Nonexchange Revenue	\$ 2,373		
Nonexchange Transactions		\$ 402	
Pension-Related			
Proportionate Share	520,098	93,214	
OPEB-Related			
Proportionate Share	39,456	40,733	
Service Concession Arrangement		38,992	
Lease Related Deferrals	28,581	31,604	\$ 4,629
Unavailable Revenue	2		
Other Deferred Inflows		9,714	2,659
Total Deferred Inflows of Resources	\$ 590,510	\$ 214,659	\$ 7,288

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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

	Governmental Funds				
	General	Health and Welfare	Transportation	Federal Stimulus	Nonmajor Governmental
Imposed Nonexchange Revenue					\$ 2,373
Lease Related Deferrals	\$ 1,754	\$ 341			96
Unavailable Revenue	162,415	201,854	\$ 26,303	\$ 12,512	22,791
Total	\$ 164,169	\$ 202,195	\$ 26,303	\$ 12,512	\$ 25,260

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 on their website: (<http://www.persi.idaho.gov/news>). The PERSI also provides a 'Schedule of Employer Allocations and Collective Pension Amounts' for the Base Plan and the FRF, which can be found on their website: (<http://www.persi.idaho.gov/employers-1/gasb/>).

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 (asset) 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 June 30, 2021, for the Base Plan, and FRF; and as of July 1, 2022, 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	2.30 %	2.30 %
Salary increases including inflation*	3.05 %	3.05%*
Investment rate of return**	6.35 %	6.35 %
Cost of Living (COLA) adjustments	1.00 %	***
*3.05 percent or 1.00 percent depending on whether the member was hired on or before July 1, 2012 and by whether the judge (if it was an option available) made an irrevocable election to use the PERSI COLA		
**Net of investment fees		
***There is an additional component of assumed salary grown (on top of the 3.05%) that varies for each individual member based on years of service		

Changes in assumptions for the Base Plan since the prior measurement date resulted from a change in the inflation rate from 3.00% to 2.30%; a change in the asset return (funding) from 7.00% to 6.30%; a change in the asset return (account) from 7.05% to 6.35%; a change in the average wage growth from 3.75% to 3.05%; and an update to the demographic assumptions per the experience study results.

Mortality Rates

Economic assumptions for the Base Plan, FRF, and JRF were studied in an experience study performed for the period 2015 through 2020. Demographic assumptions, including mortality, for the Base Plan and FRF were studied for the period 2011 through 2017. Demographic assumptions, including mortality, for JRF were studied for the period 2013 through 2018.

Several different sets of mortality rates were used in the valuation for contributing members, members retired for service and beneficiaries. These rates were adopted for

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

the valuation dated July 1, 2021:

**Contributing Members, Service Retirement Members,
and Beneficiaries - Base Plan and FRF Members**

General Employees and All Beneficiaries - Males	Pub-2010 General Tables, increased 11%
General Employees and All Beneficiaries - Females	Pub-2010 General Tables, increased 21%
Teachers - Males	Pub-2010 Teacher Tables, increased 12%
Teachers - Females	Pub-2010 Teacher Tables, increased 21%
Fire & Police - Males	Pub-2010 Safety Tables, increased 21%
Fire & Police - Females	Pub-2010 Safety Tables, increased 26%
Disabled Members - Males	Pub-2010 Disabled Tables, increased 38%
Disabled Members - Females	Pub-2010 Disabled Tables, increased 36%

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:

**Contributing Members, Service Retirement Members,
and Beneficiaries - Judicial Members**

Males - Pre-Commencement	General Pub-2010 Above Median tables for male employees
Males - Post-Commencement	General Pub-2010 Above Median tables for male healthy annuitants
Females - Pre-Commencement	General Pub-2010 Above Median tables for female employees
Females - Post-Commencement	General Pub-2010 Above Median tables for female healthy annuitants

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 2021 Callan Associates capital market assumptions, the November 2019 investment policy assumptions from PERSI, and the 2021 economic/demographic assumptions from Milliman for the Base Plan. The PERSI used the January 1, 2021 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:

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Base Plan 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 %	1.80 %	(0.20) %
Broad US Equities	55.00 %	8.00 %	6.00 %
Developed Foreign Equities	15.00 %	8.25 %	6.25 %
Actuarial Assumptions			
Assumed Inflation - Mean		2.00 %	2.00 %
Assumed Inflation - Standard Deviation		1.50 %	1.50 %
Portfolio Arithmetic Mean Return		6.18 %	4.18 %
Portfolio Standard Deviation		12.29 %	12.29 %
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55 %	3.46 %
Assumed Investment Expenses		0.40 %	0.40 %
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15 %	3.06 %
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.14 %
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			2.30 %
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			6.35 %

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 %	4.70 %
International Equity	MSCI World ex USA	15.00 %	4.50 %
Emerging Markets Equity	MSCI Emerging Markets	10.00 %	4.90 %
Domestic Fixed	Bloomberg Barclays Aggregate	20.00 %	(0.25) %
TIPS	Bloomberg Barclays TIPS	10.00 %	(0.30) %
Real Estate	NCREIF ODCE	8.00 %	3.75 %
Private Equity	Cambridge Private Equity	8.00 %	6.00 %
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			3.91 %
Portfolio Standard Deviation			12.84 %
Valuation Assumptions Chosen by PERSI Board			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.05 %
Assumed Inflation			2.30 %
Long-Term Expected Nominal Rate of Return, Net of Investment Expenses			6.35 %
*As outlined in PERSI's investment policy			
** Net of investment expenses			

Discount Rate

The actuary used a discount rate of 6.35 percent (a 0.70 percent decrease from the prior measurement date) to measure the total pension liability for the Base Plan and a discount rate of 6.35 percent (no change from the prior measurement date) 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 840 and 835 for the fiscal years ending June 30, 2022 and 2021, 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

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

higher cost of living increases 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 (asset) 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	11.94%	7.16%
Police and Fire	12.28%	9.13%

Employer contributions required and paid were \$108.7 million and \$103.7 million for the fiscal years ended June 30, 2022 and 2021, 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 24.69 percent from January 1, 2022 through June 30, 2022, and at 2.39 percent from July 1, 2021 through December 31, 2021. 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 (Asset), Pension Expense, and Deferrals

At June 30, 2022, the total net pension liability (asset) amount for all employers that contributed to the Base Plan was \$(79.0) million. At June 30, 2022, the State recognized a \$(16.9) million liability (asset) (23.3 percent proportion of the collective net pension liability (asset)), measured at June 30, 2021, a 0.8 percent decrease from its proportion measured at June 30, 2020. Employer proportionate shares were determined utilizing a single-period measure of contributions as of June 30, 2021. The State also recognized a \$(17.4) million pension expense (expense offset) and the following deferred outflows of resources and deferred inflows of resources:

PERSI Base Plan
as of June 30, 2022
(dollars in thousands)

	Deferred Outflows of Resources*	Deferred Inflows of Resources*
Difference between expected & actual experience	\$ 27,081	\$ 10,684
Changes of assumptions	210,983	
Changes in proportion	7,090	26,967
Net difference between projected & actual investment earnings		577,314
Contributions subsequent to the measurement date	108,730	
Total	\$ 353,884	\$ 614,965

*For fiscal year 2022, 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 \$108.7 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 (asset) in the year ended June 30, 2023. 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)
2023	\$ (90,278)
2024	(79,564)
2025	(69,242)
2026	(130,727)
2027	
Total	\$ (369,811)

Discount Rate Sensitivity

The following presents the net pension liability (asset) of the State calculated using the expected discount rate of 6.35 percent and discount rates based upon a 1 percent discount rate decrease and a 1 percent discount rate increase (*dollars in thousands*):

1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
\$ 638,941	\$ (18,380)	\$ (557,200)

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 113 retired members or beneficiaries collecting benefits, 1 terminated member entitled to, but not yet receiving benefits, and 55 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

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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 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 Base Plan. 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 62.5 percent and 11.6 percent, respectively, of annual covered payroll. The payroll for members covered by the JRF was approximately \$8.2 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, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was (9.61)% 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, 2022 (*dollars in thousands*):

Total Pension Liability	\$ 125,836
Plan Fiduciary Net Position	(103,936)
Net Pension Liability	<u>\$ 21,900</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.6 %
Covered Payroll	\$ 8,188
Net Pension Liability as a Percentage of Covered Payroll	267.5 %

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Changes in net pension liability for the fiscal year ended June 30, 2022 (*dollars in thousands*):

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning Balances	\$ 121,888	\$ 117,341	\$ 4,547
Changes for the Year			
Service Cost*	3,835		3,835
Interest**	7,728		7,728
Benefit Changes			
Economic/Demographic Gains (Losses)	552		552
Assumptions Changes			
Benefit Payments, Including Refunds	(8,167)	(8,167)	0
Contributions - Employer		5,120	(5,120)
Contributions - Employee		909	(909)
Net Investment Income		(11,162)	11,162
Other Income			
Administrative Expense		(106)	106
Net Changes	3,948	(13,406)	17,354
Ending Balances	\$ 125,836	\$ 103,935	\$ 21,901

*Service cost and interest are measured after reflecting the effect of plan changes but before reflecting the effect of assumption changes

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

There were no changes in assumptions from the prior measurement date.

*Pension Expense and Deferrals*The State recognized a \$4.4 million pension expense and the following deferrals for the fiscal year ended June 30, 2022 (*dollars in thousands*):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected & actual experience	\$ 362	\$ 33
Changes of assumptions	773	
Net difference between projected & actual investment earnings	4,893	
Contributions subsequent to the measurement date		
Total	\$ 6,028	\$ 33

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)
2023	\$ 1,481
2024	883
2025	(78)
2026	3,709
2027	0
	\$ 5,995

Discount Rate Sensitivity

The following presents the net pension liability of the JRF calculated using the discount rate of 6.35 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, 2022 (*dollars in thousands*):

1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
\$ 34,745	\$ 21,901	\$ 10,937

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 840 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 Base Plan.

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 some voluntary employer matching contributions at rates determined by the employers. Employers (participants) in the plans contributed \$8.5 (\$76.4) million, \$7.7 (\$68.3) million, and \$7.0 (\$63.9) million during fiscal years 2022, 2021, and 2020, 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 \$61.0 million, which consisted of \$34.8 million from the colleges and universities and \$26.2 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.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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.

Membership

As of September 30, 2021, the number of Idaho Department of Labor retired members and beneficiaries are as follows:

Currently Receiving Lifetime Benefits	243
Currently Receiving Guaranteed Payments Only	2
Total Currently Receiving Benefits	245

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, 2021, 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, 2021, the present value of future retirement benefits is \$77.1 million. The actuary assumed a 3.5 percent average rate of return in determining the actuarial present value of accumulated plan benefits. Net position available for benefits (at fair value) is \$185.9 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, 2021, consistent with recent actuarial valuations. The current valuation certified that the total contribution rate should remain at zero through September 30, 2023. Total employer contribution for federal fiscal year 2022 was zero.

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, 2020. 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 \$0.14 and \$0.05 per person per month for fiscal years 2021 and 2022, respectively. 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, 2021. 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, 2021.

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 Healthcare	Retiree Life Insurance Plan
Active Employees	6,089	20,041	5,680
Retired/Disabled Employees	549	18	1,432
Terminated, Vested Employees			116
Number of Participating Employers	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 increased from 69.4 percent in 2021 to 81.9 percent in 2022. In 2022, employers were charged \$8.16 per active employee per month towards the retiree premium cost, or 19.1 percent of the total cost of the retiree plan, compared to \$11.04 per active employee per month or 30.6 percent of the total cost of the retiree plan in 2021.

Notes to the Financial Statements**For the Fiscal Year Ended June 30, 2022**

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 2021 and 2022, employers were not charged to fund the reserve, as the medical continuation premiums were paid from the excess 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 \$6,000, whichever is less. The benefit does not increase with inflation and may be offset by benefits from Social Security, Workers' Compensation, or PERSI. Prior to July 1, 2020, the State was self-insured for employees who became disabled prior to July 1, 2003; the State paid 100 percent of the cost of this benefit. Effective July 1, 2020, employees disabled prior to July 1, 2003 who were included in previous valuations will no longer be included due to a change from self-insured to insured. As of July 1, 2020, all employees have an insured benefit and are not subject to GASB 75, because premium payments are made before a disabled member's separation from employment. 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 2021 and 2022 was 0.290 percent of payroll. The employers' current-year OPEB expense/expenditure was \$3.3 million and \$3.4 million in fiscal years 2021 and 2022, 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. The amount of life insurance will be reduced to 75% after the date the employee turns age 70, and will be reduced to 50% after the date the employee turns age 75. In addition, the plan provides a \$2,000 life insurance benefit for spouses and a \$1,000 life insurance benefit for dependent children of all certified officials who are in active status and who are elected members of Legislature (Class A), as well as all police officer members of the Idaho State Police (Class C) as defined in Section 59-1303(3) of Idaho Code. The plan provides a \$10,000 life insurance benefit for spouses and a \$5,000 life insurance benefit for dependent children of all other certified officials (Class B), not included in Class A, and certified employers in active status except for those individuals included in Class C. These benefits do not increase with inflation. Prior to July 1, 2020, the State was self-insured for employees who became disabled prior to July 1, 2012; the employer paid 100 percent of the cost. Effective July 1, 2020, employees disabled prior to July 1, 2012 who were included in previous valuations will no longer be included due to a change from self-insured to insured. As of July 1, 2020, all employees have an insured benefit and are not subject to GASB 75, because premium payments are made before a disabled member's separation from employment.

Principal Life Insurance Company insures disabled employees, 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. An employee of Boise State University must have completed at least 30 years of credited service with the University or be age 65 with 15 years of credited service with the University, or their age and years of credited service with the University must total at least 80. An employee of Idaho State University must retire from the University and the retiree's age and years of credited service with the University must total at least 80. An employee of Lewis-Clark State College must retire from the College and have worked 5 years for the College. 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.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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. Effective July 1, 2021, the Department of Labor Life benefit will no longer be offered to participants who retire after July 1, 2021. Department of Labor members who have terminated but previously could have been eligible for life benefits upon retirement, will no longer be eligible for life benefits if they retire after July 1, 2021.

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, 2020. Actuarial valuations are performed biennially as of July 1 for accounting purposes only.

There have been significant changes between the Valuation Date and Measurement Date:

The retiree healthcare claims were higher than expected. This caused a liability increase for retiree healthcare and LTD healthcare and is reflected as an economic/demographic change.

Effective July 1, 2020, the LTD Waiver of life premiums for employees disabled prior to July 1, 2012 is no longer included due to a change from self-insured to insured. Effective July 1, 2020, the LTD Income benefits for employees disabled prior to July 1, 2003 is also no longer included due to a change from self-insured to insured. Since they are now insured as allocated insurance contracts whereby irrevocable payments to Principal are used to purchase LTD Life and LTD Income benefits for individual employees, LTD Life and LTD Income sections are not included in the valuation report.

The total OPEB liability as of June 30, 2021 was based on the 2018 PERSI Experience study for demographic

assumptions. The economic and OPEB specific assumptions were based on the July 1, 2018 OPEB valuation and the FYE June 30, 2021 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:

	Retiree Healthcare Plan	Long-Term Disability Healthcare	Retiree Life Insurance Plan
Inflation	2.20%	2.20%	2.20%
Salary Increases	2.95% general wage growth plus increases due to promotions and longevity	2.95% general wage growth plus increases due to promotions and longevity	2.95% general wage growth plus increases due to promotions and longevity
Discount Rate	2.16%	2.16%	2.16%
Healthcare Cost Trend Rates	7.9% claims and 3.9% premiums from year ending June 30, 2021 to year ending June 30, 2022, grading to an ultimate rate of 3.7% after fiscal year ending June 30, 2075	7.9% claims and 3.9% premiums from year ending June 30, 2021 to year ending June 30, 2022, grading to an ultimate rate of 3.7% after fiscal year ending June 30, 2075	N/A
Retirees' Share of Benefit-Related Costs	69.4% of projected health insurance premiums for retirees	N/A	N/A

Mortality Rates

Mortality rates for the Retiree Healthcare, 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.

Discount Rate

The actuary used a discount rate of 2.16 percent to measure the total OPEB liability. The discount rate was based on 20 year Bond Buyer Go Index.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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, 2021 and recorded in fiscal year 2022. 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 91.1 percent, a 0.6 percent decrease from its proportion measured at June 30, 2020. The State's proportionate share of the collective

total OPEB liability for the colleges and universities portion of the Retiree Life Insurance plan is 98.7 percent, a 0.2 percent increase from its proportion measured at June 30, 2020. Employer proportionate shares were determined utilizing a single-period measure of benefit payments as of June 30, 2021.

The table illustrates the changes in total OPEB liability for the fiscal year ended June 30, 2022 (*dollars in thousands*):

	Increase (Decrease)			
	Retiree Healthcare Plan	Long-Term Disability Healthcare	Retiree Life Insurance Plan	Total
Beginning Balances	\$ 16,511	\$ 1,012	\$ 83,384	\$100,907
Effects of Change in Proportion	(112)	(7)	107	(12)
Adjusted Beginning Balances	16,399	1,005	83,491	100,895
Changes for the Year				
Service Cost	641	183	3,709	4,533
Interest on Total OPEB Liability	360	25	1,914	2,299
Effect of Plan Changes			(895)	(895)
Effect of Economic/Demographic Gains (Losses)	3,313	3		3,316
Effect of Assumptions Changes or Inputs	139	3	987	1,129
Expected Benefit Payments	(1,561)	(128)	(1,134)	(2,823)
Net Changes	2,892	86	4,581	7,559
Ending Balances	<u>\$ 19,291</u>	<u>\$ 1,091</u>	<u>\$ 88,072</u>	<u>\$108,454</u>

Changes in assumptions resulted from an update to per capita medical benefit costs and trends; updated rates for the discount rate, general wage scale, rate of inflation, retiree enrollment, and spouse enrollment; and the LTD Income benefit of employees and LTD Waiver of life premiums for employees are no longer included due to a change from self-insured to insured.

OPEB Expense and Deferrals

The State recognized the following OPEB expense and deferrals for the year ended June 30, 2022 (*dollars in thousands*):

	Increase (Decrease)			
	Retiree Healthcare Plan	Long-Term Disability Healthcare	Retiree Life Insurance Plan	Total
OPEB Expense	\$ (726)	\$ 248	\$ 6,574	\$ 6,096

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

	Increase (Decrease)*			
	Retiree Healthcare Plan	Long-Term Disability Healthcare	Retiree Life Insurance Plan	Total
Deferred Outflows				
Difference between Expected & Actual Experience	\$ 2,741	\$ 380	\$ 124	\$ 3,245
Changes of Assumptions	7,961	60	18,262	26,283
Changes in Proportion	1,728	77	1,001	2,806
Benefit Payments Subsequent to the Measurement Date	1,663	32	986	2,681
Total Deferred Outflows	\$ 14,093	\$ 549	\$ 20,373	\$ 35,015
Deferred Inflows				
Difference between Expected & Actual Experience	\$ 10,880	\$ 108	\$ 5,653	\$ 16,641
Changes of Assumptions	3,656	192	1,200	5,048
Changes in Proportion	1,885	84	489	2,458
Total Deferred Inflows	\$ 16,421	\$ 384	\$ 7,342	\$ 24,147
*For fiscal year 2022, 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 \$2.7 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, 2023. 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 Healthcare	Retiree Life Insurance Plan	Total
2023	\$ (1,728)	\$ 40	\$ 1,846	\$ 158
2024	(1,728)	40	1,895	207
2025	(131)	40	1,873	1,782
2026	(857)	33	1,761	937
2027	453	(9)	1,816	2,260
Thereafter	0	(12)	2,854	2,842
	\$ (3,991)	\$ 132	\$ 12,045	\$ 8,186

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 2.16 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 (1.16%) or 1 percent higher (3.16%) than the current rate (*dollars in thousands*):

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

	Retiree Healthcare Plan	Long-Term Disability Healthcare	Retiree Life Insurance Plan	Total
1% Decrease 1.16%	\$ 20,274	\$ 1,127	\$ 111,102	\$ 132,503
Discount Rate 2.16%	19,293	1,090	88,075	108,458
1% Increase 3.16%	18,321	1,051	70,927	90,299

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 Healthcare	Retiree Life Insurance Plan*	Total
1% Decrease	\$ 17,617	\$ 939		\$ 18,556
Current Trend Rate	19,293	1,090		20,383
1% Increase	21,200	1,259		22,459

*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 and the Death Benefits Trust (DBT) in 2019 to fund the future payments required for its OPEB obligation. The RBT and DBT are independent, irrevocable trusts administered on behalf of the University by Wells Fargo as trustee. Funding and payment of the annual, ongoing retiree medical and pharmaceutical benefits through the University's Health Benefits Trust (HBT) apply toward the ongoing annual funding required of the RBT and DBT. The HBT is administered by a board of 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 benefits to eligible retirees, disabled employees, spouses, and survivors; life insurance is provided only to eligible 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 benefits. Employees hired on or after January 1, 2002 are not eligible for this benefit.

Employees hired after January 1, 2002, but before June 30, 2020 are eligible to participate in the University's health insurance plan; however, the employee pays the entire cost of the premiums. For employees eligible to retire by January 1, 2021, once they reach Medicare age, the benefit phases out between 2021 and 2024. Employees are eligible to convert 50 percent of unused accrued sick time, up to 600 hours, to pay for their medical premiums.

The University offers a death benefit only to retirees who qualify for and are enrolled in the Tier I retiree health plan, and were hired by the University on or prior to January 1, 2002. The death benefit plan pays a benefit to a spouse or other designated beneficiary upon the death of a Tier I retiree. Retirees who are disabled, using sick leave conversion or are enrolled in the University's Retiree Health Plan on a self-pay basis or who retire under Tier II, III or IV eligibility criteria are not eligible for death benefits.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

The University makes an annual determination of funding needs for the OPEB liability. After the University has paid off the entire Net OPEB Liability, contributions will be equal to the annual normal cost.

The employer contributed \$2.4 million to the plan in fiscal year 2022.

The University's plan membership at December 31, 2021 is as follows:

	Medical	Life	Sick-Leave
Retired members or beneficiaries currently receiving benefits	807	564	64
Active members	535	13	1,463
Total	<u>1,342</u>	<u>577</u>	<u>1,527</u>

Summary of Significant Accounting Policies

The financial statements of the RBT and DBT are prepared using the accrual basis of accounting. University contributions are recorded and recognized in the period in which they are paid into the RBT and DBT. Investments are reported at fair value.

Actuarial Assumptions

The total OPEB liability was measured by an actuarial valuation as of December 31, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified. The actuarial assumptions were based on the results of an actuarial experience study conducted with actual plan experience for the period March 1, 2019 through February 28, 2021.

	University of Idaho Plan
Inflation	2.00 %
Salary Increases	3.00%, including inflation
Discount Rate	5.75 %
Healthcare Cost Trend Rates	
Non-Medicare Medical & Prescription Drugs	6.90% graded to 4.50% over 10 years
Medicare Medical	4.95% graded to 4.50% over 9 years
Medicare Prescription Drugs	7.70% graded to 4.50% over 12 years

Mortality Rates

Healthy	2006 table based on Headcount-Weighted RP-2014 Combined Healthy Annuitant, projected generationally with Scale MP-2021 from 2006
Disabled	2006 table based on Headcount-Weighted RP-2014 Disabled Retiree, projected generationally with Scale MP-2021 from 2006

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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:

University of Idaho Plan Long-Term Expected Rate of Return			
Asset Class	Allocation at December 31, 2021	Long-Term Expected Real Rate of Return	Money Weighted Real Rate of Return
Domestic Equity	41.25 %	6.70 %	2.76 %
International Equity, Developed Markets	11.00 %	7.10 %	0.78 %
International Equity, Emerging Markets	2.75 %	8.80 %	0.24 %
Fixed Income, Core	42.00 %	0.70 %	0.29 %
Short-term Governmental Money Market	3.00 %	0.20 %	0.01 %
Total	100.00 %		4.08 %
Inflation			2.00 %
Investment Rate of Return (Gross)			6.08 %
Investment Expenses			(0.25)%
Investment Rate of Return (Net)			5.83 %
Long-Term Expected Rate of Return Used in Valuation			5.75 %

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 5.75% 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, 2022 and under GASB Statement No. 74 is December 31, 2021. The Net OPEB Liability was measured as of December 31, 2021.

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, 2021 using standard actuarial techniques.

The University's net OPEB liability components as of the measurement date of December 31, 2021 (*dollars in thousands*):

Total OPEB Liability	\$ 40,876
Plan Fiduciary Net Position	(51,550)
Net OPEB Liability	<u>\$ (10,674)</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	126.11 %
Covered Payroll	\$ 137,069
Net OPEB Liability as a Percentage of Covered Payroll	(7.79)%

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Changes in net OPEB liability for the fiscal year ended June 30, 2022 (*dollars in thousands*):

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Beginning Balances	\$ 42,629	\$ 46,576	\$ (3,947)
Changes for the Year			
Service Cost	145		145
Interest	2,494		2,494
Change of Benefit Terms			
Difference Between Expected and Actual Experience	(798)		(798)
Change of Assumptions	(1,151)		(1,151)
Economic/Demographic Gains (Losses)			
Contributions - Employer		2,557	(2,557)
Contributions - Employee			
Net Investment Income		4,999	(4,999)
Benefit Payments, Including Refunds	(2,445)	(2,445)	
Administrative Expense		(137)	137
Other*			
Net Changes	(1,755)	4,974	(6,729)
Ending Balances	\$ 40,874	\$ 51,550	\$ (10,676)

*Includes Death Benefits

Changes in assumptions resulted from combined actuarial experience gains, which were comprised of gains due to differences between expected and actual experience on liabilities resulting from demographic changes and actual 2021 contributions and benefit payments that were different from expected, and gains due to differences between expected and actual earnings on investments; and valuation assumption changes, which was a net result of updating the valuation-year per capita health costs and retiree updating contributions rates, updating the mortality improvement scale, and decreasing the discount rate.

OPEB Expense and Deferrals

The University recognized a (\$3.7) million OPEB expense and the following deferrals for the fiscal year ended June 30, 2022 (*dollars in thousands*):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected & actual experience	\$ 1,731	\$ 1,909
Changes of assumptions		9,671
Net difference between projected & actual investment earnings		5,137
Contributions subsequent to the measurement date		
Total	\$ 1,731	\$ 16,717

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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

<u>Fiscal Year</u>	<u>Expense (Revenue)</u>
2023	\$ (3,304)
2024	(4,061)
2025	(3,183)
2026	(2,145)
2027	(1,335)
Thereafter	(958)
	<u>\$ (14,986)</u>

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 (4.75%) or 1 percent higher (6.75%) than the current rate (*dollars in thousands*):

<u>1% Decrease 4.75%</u>	<u>Discount Rate 5.75%</u>	<u>1% Increase 6.75%</u>
\$ (7,014)	\$ (10,674)	\$ (13,852)

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*):

<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
\$ (13,379)	\$ (10,674)	\$ (7,606)

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. The PERSI also provides a 'Schedule of Employer Allocations and Collective OPEB Amounts' for the SLIRF. This information is publically available and can be found by utilizing the search function on their website at <http://www.persi.idaho.gov>.

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.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

The number of participating employers and membership in the State SLIRF as of June 30, 2022 is as follows:

Active	20,919
Retirees and Beneficiaries	6,415
Total	27,334
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. Contribution percentages are based on the number of days of paid sick leave earned during the contract year. The PERSI Board approved an 18 month Sick Leave employer contribution holiday effective January 1, 2020 with an end date of June 30, 2021. In the November 2021 Board Meeting, the PERSI Board extended the rate holiday for employer contributions for State to June 30, 2031. There were no contributions received in the current fiscal year because of the holiday. Employer contributions required and paid were \$0 for the fiscal year ended June 30, 2022.

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, 2021. 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	2.30 percent
Salary Increases Including Inflation	3.05 percent
Investment Rate of Return (Net of OPEB plan investment expenses)	5.45 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.	

Changes in assumptions since the prior measurement date resulted from a change in the inflation rate from 3.00% to 2.30%; a change in the asset return (account) from 7.05% to 5.45%; a change in the average wage growth from 3.75% to 3.05%; and an update to the demographic assumptions per the experience study results.

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, 2021 and June 30, 2022, the annual money-weighted rate of return on SLIRF investments, net of investment expense was 23.2 percent and (12.8)% 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.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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.

Capital market assumptions is as follows:

SLIRF Long-Term Expected Rate of Return			
Capital Market Assumptions from Callan 2021			
Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	50.00 %	1.80 %	(0.20) %
US/Global Equity	39.30 %	8.00 %	6.00 %
International Equity	10.70 %	8.25 %	6.25 %
Actuarial Assumptions			
Assumed Inflation - Mean		2.00 %	2.00 %
Assumed Inflation - Standard Deviation		1.50 %	1.50 %
Portfolio Arithmetic Mean Return		6.18 %	4.18 %
Portfolio Standard Deviation		12.29 %	12.29 %
Portfolio Long-Term (Geometric) Expected Rate of Return		5.55 %	3.46 %
Assumed Investment Expenses		0.40 %	0.40 %
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15 %	3.06 %
Investment Policy Assumptions from PERSI November 2019			
Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses			4.14 %
Portfolio Standard Deviation			14.16 %
Economic/Demographic Assumptions from Milliman 2021			
Valuation Assumptions Chosen by PERSI Board			
Long-Term Expected Real Rate of Return, Net of Investment Expenses			3.15 %
Assumed Inflation			2.30 %
Long-Term Expected Geometric Rate of Return, Net of Investment Expenses			5.45 %

Discount Rate

The discount rate used to measure the OPEB liability (asset) was 5.45 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, 2022, the total net OPEB liability (asset) for all employers that contributed to the State's SLIRF was \$(182.0) million. At June 30, 2022, the State recognized a \$(161.8) million liability (asset) (88.9 percent proportion of the collective net OPEB liability (asset)), measured at June 30, 2021, no change from its proportion measured at June 30, 2020. Employer proportionate shares were determined utilizing a single-period measure of contributions as of June 30, 2020 as there were no contributions during fiscal year ending June 30, 2021, and it was determined that June 30, 2020 continues to be a reasonable allocation method based on the activity of the Fund.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

The components of the net OPEB liability (asset) as of the measurement date of June 30, 2021 (*dollars in thousands*):

Plan Total OPEB Liability	\$ 104,239
Plan Fiduciary Net Position	286,193
Net OPEB Liability (Asset)	<u><u>\$(181,954)</u></u>
Proportionate Share of Net OPEB Liability (Asset)	\$(161,793)
Plan Fiduciary Net Position as a Percentage of Plan Total OPEB Liability (Asset)	274.55 %

The State recognized a \$(13.8) million expense (expense offset) and the following deferrals for the fiscal year ended June 30, 2022 (*dollars in thousands*):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected & Actual Experience	\$ 774	\$ 5,202
Changes of Assumptions	6,415	6,652
Changes in Proportion	2,032	2,480
Net difference between projected & actual investment earnings		26,685
Contributions Subsequent to the Measurement Date		
Total	<u><u>\$ 9,221</u></u>	<u><u>\$ 41,019</u></u>

The \$0 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, 2022. 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)
2023	\$ (8,487)
2024	(7,778)
2025	(6,898)
2026	(7,864)
2027	(693)
Thereafter	(77)
	<u><u>\$ (31,797)</u></u>

The State net OPEB liability (asset) is calculated using a discount rate of 5.45%, 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 5.45% 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 (4.45%)	Current Discount Rate (5.45%)	1% Increase (6.45%)
\$ (155,131)	\$ (161,793)	\$ (167,899)

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 claims payments for fiscal year 2022 reflect increased healthcare costs. Unpaid claim liabilities at fiscal year-end of \$5.3 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), including outdoor property, limited to \$5.0 million for owned fine art and \$1.0 million for fine art of others, and are subject to an overall \$1.0 million per occurrence deductible. Energy systems are commercially insured up to \$500.0 million for equipment

breakdown, are subject to various sublimits, and are subject to an overall \$1.0 million per occurrence deductible. 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 self-insured up to \$500 thousand. Physical damages to covered vehicles are self-insured for actual cash value. Physical damages to covered inland marine are self-insured for replacement value at \$2.5 thousand or less. 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 \$18.6 million of unpaid claim liabilities for Risk Management are recorded at the present value of \$17.1 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	2021	\$ 1,347	\$ (6,974)	\$ 9,065	\$ 3,438
	2022	3,438	3,315	(1,481)	5,272
Risk Management	2021	16,144	5,492	(5,552)	16,084
	2022	16,084	9,231	(8,169)	17,146

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

NOTE 11. LEASES

A. State as Lessee

The State leases land, buildings, vehicles, and office equipment. Although the lease terms vary, 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.

Leases Payable

The State has entered into leases that are, in substance, financings of the right to use an underlying asset. At the commencement of the lease term the assets are valued on the balance sheet at the present value of the future

minimum lease payments, plus any payments made before the start of the lease term and initial direct costs, minus any lease incentives. Leased assets, interest liability, and lease liabilities are recorded in the respective funds. Amortization of the leased assets may be combined with depreciation expense related to capital assets for financial reporting purposes, but is disclosed separately from other capital assets in the schedule below.

The State entered into lease agreements for land, buildings, machinery, equipment, and other with various lease terms ranging from a couple years to 30 or more. The interest rates for each lease vary ranging from 0.5-7.22%.

Right-to-use assets under lease are as follows (*dollars in thousands*):

Asset Class	Governmental Activities	Business-Type Activities	Total Primary Government	Component Units
Land	\$ 906	\$ 430	\$ 1,336	
Buildings and Improvements	41,246	40,893	82,139	\$ 3,605
Machinery, Equipment, and Other	6,781	1,566	8,347	262
Accumulated Amortization	(15,365)	(5,810)	(21,175)	(2,170)
Total Assets under Lease	\$ 33,568	\$ 37,079	\$ 70,647	\$ 1,697

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

Fiscal Year	Leases Payable							
	Governmental Activities		Business-type Activities		Total Primary Government		Component Unit	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 9,355	\$ 770	\$ 4,994	\$ 1,137	\$ 14,349	\$ 1,907	\$ 579	\$ 21
2024	9,569	622	4,341	1,019	13,910	1,641	444	13
2025	5,022	430	3,222	910	8,244	1,340	358	5
2026	4,334	312	2,333	812	6,667	1,124	56	2
2027	2,292	210	1,936	753	4,228	963	57	1
2028-2032	3,948	478	3,480	3,391	7,428	3,869		
2033-2037	1,264	178	3,324	3,717	4,588	3,895		
2038-2042	338	23	3,991	3,314	4,329	3,337		
2043-2047	59	5	4,963	2,747	5,022	2,752		
2048-2052			5,197	1,987	5,197	1,987		
Total Present Value of Minimum Lease Payments	\$ 36,181	\$ 3,027	\$ 37,781	\$ 19,787	\$ 73,962	\$ 22,815	\$ 1,494	\$ 42

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

B. State as Lessor**Leases Receivable**

The State recognized a lease receivable and a deferred inflow of resources at the beginning of the lease term. The lease receivable is measured at the present value of lease payments expected to be received during the lease term, and the deferred inflow is measured at the value of the lease receivable plus any payments received at or before the start of the lease term.

The State leases land, buildings, machinery, and other with various lease terms ranging from a couple years to 50 or more. The interest rates for each lease vary ranging from 0.6-4.25%.

In FY22, under Governmental Activities \$446,220 was recognized for interest revenue and \$3,475,340 was recognized for lease revenue. For Business-type Activities \$732,399 was recognized for interest revenue and \$3,303,164 for lease revenue.

Component Units

Idaho Health Insurance Exchange is the only component unit of the State with a lease receivable. They lease office and storage space in their building under various long-term lease arrangements. The total lease receivable recognized for the year was \$4,629,218. Interest revenue was \$146,953 and lease revenue was \$575,302 for the year.

C. Service Concession Arrangement

Boise State University entered into a public/private partnership agreement with Greystar Real Estate Partners, LLC (formerly Education Realty Trust) in 2015 to develop and operate a residential Honors College and Sawtooth Hall a freshman housing facility. The \$37 million project was funded with developer equity and is on land owned by the University and leased to Greystar for a 50-year term. At the conclusion of the agreement, the building reverts to the University. Greystar pays fixed annual rent and a share of the project's gross rental revenue to the University. Greystar 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 table below displays the current capital asset, lease receivable and deferred inflow of resources for the year ended June 30, 2022. (*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	\$ 32,348		
Receivable for ground lease		\$ 9,033	
Deferred Inflows of Resources:			\$ 38,992

Total future minimum lease payments under SCA lease agreements are as follows:

Future Minimum Lease Payments To Be Received Under SCA Lease Agreements		
As of June 30, 2022		
(Dollars in Thousands)		
Year		
2023		\$200
2024		200
2025		200
2026		200
2027		200
2028-2068		8,033
Total minimum SCA lease receipts		\$9,033

On November 2, 2020, the University of Idaho's Board of Regents approved the University entering into a 50-year agreement, a public-private partnership (P3), to lease the University's utility system to Sacyr Plenary Utility Partners Idaho LLC (SPUPI), and grant it the exclusive right to operate the utility system and provide utility services to the University of Idaho campus. On December 30, 2020, the University received an upfront payment of \$225,000,000. The payment is reported as Advance from Concessionaire and is being amortized to lease income on a straight-line basis over the term of the agreement.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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 2022, the State anticipated that 47.1 percent of General Fund revenues would be received in the first six months; however, disbursements during the same period were expected to account for 65.8 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 1, 2021 and were redeemed on June 30, 2022.

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, 2022, the Association

has commercial paper outstanding, maturing within 7 to 34 days from date of issue, with a weighted average interest rate of 1.36 percent.

The borrowings at PNC Bank and Zions Bank are not backed by collateral. As of June 30, 2022, the Association had \$30.6 million of borrowings outstanding with PNC Bank maturing in May 2025 with a variable interest rate equal to the Bank Index Rate, which means the sum of the Daily BSBY Rate and sixty hundredths of a percent. As of June 30, 2022, the Association had \$30.6 million of borrowings outstanding with Zions Bank maturing in June 2023, with a variable interest rate of the sum of the AMERIBOR 30-Day Index and sixty-five hundredths of a percent.

The borrowings with the Federal Home Loan Bank are collateralized with pledged securities. As of June 30, 2022, the Association had \$43.0 million of short-term borrowing outstanding with Federal Home Loan Bank maturing in 222 to 252 days from date of issue, with weighted average interest rates of 1.26 percent.

The Idaho Small Employer Health Reinsurance Program had a \$0.5 million line-of-credit with a local bank. Interest on the advances is payable at prime rate plus 0.25 percent per annum and was 3.50 percent as of December 31, 2021. The line-of-credit matures July 10, 2022 and is not secured.

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

	Balances at July 1, 2021	Issued/Draws	Redeemed/ Repayments	Balances at June 30, 2022
Primary Government				
Governmental Activities:				
External Tax Anticipation Notes	\$ 0	\$ 291,795	\$ (291,795)	\$ 0
Component Units				
Commercial Paper	\$ 170,000	\$ 1,050,000	\$ (1,010,000)	\$ 210,000
Line of Credit	\$ 59	\$ 53	\$ (93)	\$ 19
Other Short Term Borrowings	\$ 139,977	\$ 779,505	\$ (815,320)	\$ 104,162

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, 2022 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 \$602.3 million in bonds

between 2004 and 2022. Annual principal and interest payments on the bonds are expected to require 8.2 percent of the revenues.

The total principal and interest payments remaining on the bonds are \$573.3 million, payable through 2050. For the current year, principal and interest payments and total pledged revenues were \$39.0 million and \$477.3 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 67-6227. 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 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, 2022

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
2023	\$ 18,745	\$ 13,079	\$ 20,213	\$ 16,999	\$ 38,958	\$ 30,078
2024	19,520	12,293	16,086	15,890	35,606	28,183
2025	15,555	11,582	16,835	15,113	32,390	26,695
2026	15,610	10,962	17,068	14,368	32,678	25,330
2027	12,190	10,433	16,812	13,571	29,002	24,004
2028-2032	65,315	45,710	87,227	56,582	152,542	102,292
2033-2037	76,995	32,579	102,217	35,133	179,212	67,712
2038-2042	59,915	18,338	61,112	16,464	121,027	34,802
2043-2047	44,995	8,374	33,715	6,406	78,710	14,780
2048-2052	19,530	789	10,685	805	30,215	1,594
Total	\$ 348,370	\$ 164,139	\$ 381,970	\$ 191,331	\$ 730,340	\$ 355,470
Interest Rate	1.7% to 5.98%		0.67% to 5.26%			

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
2023	\$ 84,844	\$ 36,364	\$ 15,195	\$ 8,421	\$ 100,039	\$ 44,785
2024	49,032	38,260	14,400	7,762	63,432	46,022
2025	56,482	35,910	14,545	7,102	71,027	43,012
2026	51,516	33,460	13,965	6,466	65,481	39,926
2027	52,839	30,976	13,865	5,852	66,704	36,828
2028-2032	245,698	114,306	68,055	20,484	313,753	134,790
2033-2037	192,885	69,175	48,220	8,387	241,105	77,562
2038-2042	141,225	29,334	15,915	2,786	157,140	32,120
2043-2047	67,785	11,180	6,720	809	74,505	11,989
2048-2052		1,248	1,005	17	1,005	1,265
2053-2057	5,970	466			5,970	466
Total	\$ 948,276	\$ 400,679	\$ 211,885	\$ 68,086	\$ 1,160,161	\$ 468,765
Interest Rate	0.50% to 6.32%		1.25% to 5.00%			

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.

Component Units

The Idaho Bond Bank Authority defeased bonds in the

amount of \$6.8 million. Multiple cities and counties throughout the State deposited \$7.0 million to purchase United States Treasury instruments and placed them into an irrevocable escrow to advance refund, \$6.8 million of various bonds (noted below).

As a result, the 2011 Series A Bonds and 2012 Series A Bonds are considered fully defeased and the receivables from the Cities and Counties and the liability for the defeased bonds have been reduced by the defeased amount. The Cities and Counties achieved cash flow savings of \$4.6 million and an economic gain of \$3.7 million as a result of the refundings.

The outstanding debt payable for each defeased debt 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
	2012 Series B Bonds		36,175		35,620
Idaho Bond Bank Authority	2012 Series B Bonds		7,940		7,940
	2012 Series D Bonds		26,320		26,320
	2013 Series A Bonds		1,000		1,000
	2013 Series B Bonds		7,800		7,800
	2014 Series A Bonds		12,690		12,690
	2014 Series B-1 Bonds		2,220		2,220
	2014 Series B-2 Bonds		1,675		1,675
	2014 Series C Bonds		1,210		1,210
	2017 Series A Bonds		3,230		2,530

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 \$946.9 million of a possible \$1.01 billion of bonds issued. 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 16.2 percent of the revenues. The total principal and interest payments remaining on the notes are \$677.9 million, payable through 2040. For the current year, principal and interest payments and total pledged revenues were \$83.2 million and \$512.6 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 Legislature has authorized the issuance of Transportation Expansion and Congestion Mitigation (TECM) bonds financed through borrowings from the Idaho Housing and Finance Association. The TECM 2022A bonds were issued for the purpose of financing six design projects and five construction projects, that expand the state system to address the improvement of traffic flow and mitigation of traffic times and transportation congestion. The TECM 2022A bonds have a final maturity date of 2047. Per Idaho Code Section 63-3638(16), the TECM 2022A bonds are to be repaid from up to \$80 million in continuously appropriated annual sales tax revenues. Total par amount for the bonds issued are \$184.6 million of which \$5.7

million has been borrowed by ITD. Annual principal and interest payments on the notes are expected to require 0.5 percent of the revenues. For the current year, interest payments and total pledged revenues were \$1.5 million and \$330.2 million, respectively.

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 \$0.2 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 \$3.0 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 entered into an agreement with the University to refinance its note payable to a commercial lender in the amount of \$3.5 million. In a subsequent written agreement with the Foundation and University, a donor amended their pledge agreement to redistribute a portion of the pledge to scholarship endowment funds. As a result, the Foundation recognized contributed revenue and a decrease in its payable to the University. The remaining liability at June 30, 2022 is \$3.0 million. .

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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
2023	\$ 39,732	\$ 37,323			\$ 228	\$ 5	\$ 39,960	\$ 37,328
2024	39,122	25,837					39,122	25,837
2025	38,473	23,978					38,473	23,978
2026	40,500	20,366					40,500	20,366
2027	42,726	12,071					42,726	12,071
2028-2032	185,731	35,409					185,731	35,409
2033-2037	118,145	15,394					118,145	15,394
2038-2042	17,696	449					17,696	449
Total	\$ 522,125	\$ 170,827			\$ 228	\$ 5	\$ 522,353	\$ 170,832
Interest Rate	2.11% to 4.73%				5.34%			

Fiscal Year Ending June 30	Business-Type Activities					
	College and University		Nonmajor Enterprise Funds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023						
2024	\$ 60	\$ 4			\$ 60	\$ 4
2025						
2026						
2027						
Total	\$ 60	\$ 4			\$ 60	\$ 4
Interest Rate	6.0%					

Fiscal Year Ending June 30	Component Units					
	Idaho Housing and Finance Association*		College and University Foundations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 13,286	\$ 1,470		\$ 30	\$ 13,286	\$ 1,500
2024	23,775	1,455		30	23,775	1,485
2025	1,269	1,420		30	1,269	1,450
2026	1,308	1,382		30	1,308	1,412
2027	2,385	1,327	\$ 3,000	30	5,385	1,357
2028-2032	6,458	5,729			6,458	5,729
2033-2037	7,577	4,368			7,577	4,368
2038-2042	10,382	2,135			10,382	2,135
2043-2047	1,476	1,231			1,476	1,231
2048-2052	6,012	728			6,012	728
2052-2056	3,084	358			3,084	358
2057-2061	2,055	50			2,055	50
Total	\$ 79,067	\$ 21,653	\$ 3,000	\$ 150	\$ 82,067	\$ 21,803
Interest Rate	0.00% to 6.71%		1%			

*IHFA netted unamortized debt issuance costs of \$1.07 million against their debt service requirements; however, the costs are not included in changes in Long-Term Liabilities schedule on page 114.

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 2022 but not reported at year end in the amount of \$211.5 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 \$1.1 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, 2022 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 \$16.9 million toward the required match leaving an overpayment of the match liability of \$2.5 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 \$3.9 million toward the required match, leaving a liability of \$27.1 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 Idaho Individual High-Risk Reinsurance Pool and the Idaho Small Employer Reinsurance Program had policy claim liabilities of \$7.3 million for unpaid claims.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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, 2021 As Restated*	Increases	Decreases	Balances at June 30, 2022	Amounts Due Within One Year
Primary Government					
Governmental Activities:					
Revenue Bonds	\$ 368,756		\$ (20,385)	\$ 348,371	\$ 18,745
(Premiums)/Discounts/Other	8,605		(994)	7,611	
Notes Payable	497,341	\$ 80,286	(55,275)	522,352	39,960
Total Bonds and Notes Payable	874,702	80,286	(76,654)	878,334	58,705
Leases Payable	16,022	44,934	(24,775)	36,181	9,826
Compensated Absences	62,947	71,524	(68,319)	66,152	66,152
Policy Claim Liabilities	19,524	12,546	(9,651)	22,419	9,800
Claims and Judgments	310,122	212,613	(256,501)	266,234	218,619
Net Pension Liability	476,327	18,073	(470,759)	23,641	
Total OPEB Liability	32,841	3,344	(841)	35,344	
Total Governmental Activity	<u>\$ 1,792,485</u>	<u>\$ 443,320</u>	<u>\$ (907,500)</u>	<u>\$ 1,328,305</u>	<u>\$ 363,102</u>
Business-Type Activities:					
Revenue Bonds	\$ 404,525	\$ 42,075	\$ (64,630)	\$ 381,970	\$ 20,213
(Premiums)/Discounts	47,443	7,622	(6,529)	48,536	1,711
Notes Payable	96	2	(38)	60	
Total Bonds and Notes Payable	452,064	49,699	(71,197)	430,566	21,924
Leases Payable	827	42,729	(5,775)	37,781	4,993
Compensated Absences	27,534	28,063	(27,283)	28,314	28,314
Net Pension Liability	87,680		(87,680)		
Total OPEB Liability	68,117	5,031		73,148	
Net OPEB Liability - U of I	16,482		(16,482)		
Other Long-Term Obligations	241,171	399	(8,257)	233,313	7,586
Total Business-Type Activity	<u>\$ 893,875</u>	<u>\$ 125,921</u>	<u>\$ (216,674)</u>	<u>\$ 803,122</u>	<u>\$ 62,817</u>
Component Units:					
Revenue Bonds	\$ 1,157,116	\$ 191,560	\$ (188,515)	\$ 1,160,161	\$ 100,039
(Premiums)/Discounts	112,188	38,798	(19,705)	131,281	22,187
Notes Payable	43,321	39,416	(1,740)	80,997	13,286
Total Bonds and Notes Payable	1,312,625	269,774	(209,960)	1,372,439	135,512
Leases Payable		1,995	(501)	1,494	579
Compensated Absences	133	258	(282)	109	109
Policy Claim Liabilities	8,610	19,897	(21,177)	7,330	7,330
Claims and Judgments		632		632	
Other Long-Term Obligations	324,694		(108,980)	215,714	
Total Component Unit Activity	<u>\$ 1,646,062</u>	<u>\$ 292,556</u>	<u>\$ (340,900)</u>	<u>\$ 1,597,718</u>	<u>\$ 143,530</u>

*Beginning balances were restated due to prior period adjustments. For FY22, 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, \$0.2 million of notes payable, \$1.9 million of compensated absences, \$22.4 million of policy claim liabilities, \$0.3 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

Notes to the Financial Statements**For the Fiscal Year Ended June 30, 2022**

claim liabilities will be liquidated through the State's Group 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 \$30.8 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. Fifty-seven series of bonds that meet the description of conduit debt obligations are outstanding with an aggregate principal amount payable of \$564.5 million.

NOTE 14. EQUITY**A. Restatement of Beginning Fund Balances and Net Position**

The beginning net position of the general fund increased by \$0.4 million due to an adjustment to unclaimed property and decreased by \$8.6 million due to an error taxes receivable reporting. The beginning net position of the transportation fund decreased by \$3.9 million due to an error in taxes receivable reporting.

The beginning net position of the college and university fund increased by \$0.2 million due to the implementation of GASB Statement 87. The beginning net position of the liquor fund increased by \$1.6 million due to an error in accounting for certain capital assets.

The beginning net position of the Component Units fund increased by \$13.0 million due to a derivative restatement and increased by \$2.0 million due to the implementation of GASB Statement 87 by IHFA.

The government-wide Statement of Activities includes the above restatements in the Governmental, Business-Type Activities and Component Unit columns. In addition, Governmental Activities beginning net position decreased by \$21.6 million due to adjustments to infrastructure and construction-in-progress and increased by \$40.6 million due to an error in accounting for certain capital assets.

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 \$4.8 billion for governmental activities, \$2.0 billion for business-type activities, and \$0.8 billion for component units. These amounts include \$837.8 million of net position restricted by enabling legislation for governmental activities and \$1.2 billion 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, 2022

The following schedule presents the nature and purpose of these fund balances at June 30, 2022:

Restricted, Committed, and Assigned Governmental Fund Balances (dollars in thousands)				
Funds	Restricted	Committed	Assigned	Total
General				
Courts		\$ 1,138		\$ 1,138
Economic Development	\$ 50	20,353	\$ 13,376	33,779
Education	18,248	217,441	2,428	238,117
Environmental Quality		39,731	(477)	39,254
Fire Suppression			70,890	70,890
General Government Administrative Costs	1,703	79,990	31,125	112,818
Health and Human Services	9,733	9,832	1,255	20,820
Millennium Endowment Fund	429,998			429,998
Municipal Revenue Sharing	68,775			68,775
Natural Resources			(305)	(305)
Opportunity College Scholarships		4,587		4,587
Public Safety	1,221		8,635	9,856
School Building Maintenance and Repair		40,415		40,415
State Building Construction and Maintenance		654,067		654,067
Transportation Projects		276,090		276,090
Veterans Recognition		2,675		2,675
Other Purposes	153,236	2,456	3,875	159,567
Total	\$ 682,964	\$ 1,348,775	\$ 130,802	\$ 2,162,541
Health and Welfare				
Health and Human Services	\$ 38,439	\$ 41		\$ 38,480
Total	\$ 38,439	\$ 41	\$ 0	\$ 38,480
Transportation and Transportation Infrastructure				
GARVEE Debt Service	\$ 49,493			\$ 49,493
TECM Debt Service	1,598			1,598
Transportation Programs	273,249	\$ 197,032		470,281
Total	\$ 324,340	\$ 197,032	\$ 0	\$ 521,372
Land Endowments				
Endowment Fund Beneficiaries	\$ 695,625			\$ 695,625
Total	\$ 695,625	\$ 0	\$ 0	\$ 695,625
Nonmajor Special Revenue				
Agricultural Programs	\$ 64,809			\$ 64,809
Corrections	10,848	\$ 1,523		12,371
Courts	2,309	8,770		11,079
Economic Development	11,277			11,277
Education		7,677		7,677
Employment Administration and Training Programs	9,287	26,604		35,891
Environmental Quality	140,347	60,056	\$ 1,292	201,695
Professional Licensing and Monitoring	117,185			117,185
Public Recreation	14,011	60,870		74,881
Public Safety	7,969	33,024		40,993
State Building Debt Service	193,822			193,822
State Land Management	23,363			23,363
Tourism and Promotion	16,292			16,292
Transportation Infrastructure - Capital Projects	12			12
Wildlife Management	128,002			128,002
Workers Compensation	26,694			26,694
Other Purposes	5,646	452		6,098
Total	\$ 771,873	\$ 198,976	\$ 1,292	\$ 972,141

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

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, 2022, the fund balance was \$14.4 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 prior fiscal year. A concurrent resolution by the majority of the Legislature can require the State Controller to reduce the transfer. Idaho Code requires the money in the Budget Stabilization Fund shall not exceed 15 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 for the fiscal year just ending. 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, 2022, the fund balance was \$706.5 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. Per Idaho Code Section 33-907, for the period July 1, 2021 through June 30, 2023, no moneys from the public education stabilization fund shall be withdrawn for any purpose, including those in the sections above.. 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, 2022, the fund balance was \$124.6 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, 2022, net depreciation on investments of the donor-restricted endowments available for expenditure for the Land Endowments fund was \$92.3 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 had net appreciation of \$0.1 million 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 \$1.7 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 \$3.7 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 \$2.3 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 depreciation of \$22.5 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 depreciation of \$8.8 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 depreciation of \$1.6 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 depreciation of \$17.2 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 2022, the spending rate was set at 4.3 percent of the three-year rolling average of the endowment's monthly fair market value.

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, 2022, the principal amount of qualified school district bonds outstanding was \$1.1 billion, and the interest amount outstanding was \$326.3 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, 2022, the Idaho Bond Bank Authority had a principal amount of qualified municipal bonds outstanding of \$211.9 million, and the interest amount outstanding was \$68.1 million. One water district, one sewer district, two hospital districts, and two fire districts 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 \$19.8 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.

During 2021, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act (ARPA) of 2021, to deliver aid to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and its economic impacts. The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each jurisdiction to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest-hit by the crisis. These funds also deliver resources that recipients can invest in building, maintaining, or upgrading their water, sewer, and broadband infrastructure. In 2022 the State of Idaho received \$53.9 million in ARPA dollars to assist in mitigating the health and economic impact of COVID-19. As of June 30, 2022, \$0.8 million was unallocated.

In *Cortez v. Tewalt* Plaintiffs are seeking injunctive relief to address their concerns about treatment of Hepatitis C in Idaho's prisons. The parties have reached a resolution that requires the Idaho Department of Correction to spend \$29.3 million over the next several fiscal years to address those concerns. Idaho Department of Corrections financial commitment will be handled through its budgeting process.

B. Commitments***Primary Government***

The Idaho Transportation Department (ITD) has a total of \$941.1 million in outstanding commitments for infrastructure and \$11.0 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 and the Transportation Expansion and Congestion Mitigation (TECM) program for construction costs to improve and enhance the State's highway infrastructure. To date, the ITD has borrowed \$952.6 million against the total; of that amount, \$430.5 million has been repaid, resulting in a \$522.1 million liability being recorded. Details can be found in Note 13.

The Department of Administration has a total of \$373.0 million in outstanding commitments for capital asset-related construction projects underway at year-end.

Notes to the Financial Statements**For the Fiscal Year Ended June 30, 2022**

The colleges and universities estimate costs of \$111.8 million to complete a variety of capital asset-related construction projects underway at year-end.

The Office of the State Controller has a total of \$15.0 million in outstanding commitments for software implementation projects underway at year-end.

The Department of Parks and Recreation has a total of \$11.8 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 \$140.6 million and the Drinking Water Loan fund had commitments of \$64.8 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 \$18.6 million

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

- 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 2023 through 2024 is \$17.7 million.
- A contract with CoreCivic for a 1200-bed maximum prison facility. The Department has committed to pay daily per diems based on offender count. The estimated cost for fiscal year 2023 is \$16.5 million.
- Medical services contract with Centurion Healthcare, Inc. had estimated costs for fiscal year 2023 of \$71.8 million.
- Hepatitis C Treatment contract with Family Medicine Residency of Idaho had estimated costs for fiscal year 2023 of \$5.3 million.
- Connection and intervention stations contract with GEO Intervention Stations had estimated costs for fiscal year 2023 of \$6.3 million
- Offender food services contract with Sysco had estimated costs for fiscal year 2023 of \$8.7 million
- Offender housing contracts with County jails throughout the state had estimated costs of \$11.5 million for fiscal year 2023
- Concessions contract with Keefe Group. The estimated annual contract value for fiscal year 2023

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 2022 commitment is \$16.1 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, 2022 is \$7.8 million.

The Public Employee Retirement System of Idaho has a total of \$1.1 billion in outstanding commitments for investments to private equity partnerships.

The Idaho State Tax Commission entered into a Software maintenance and Configuration Assistance Agreement to maintain the Commission's GENTAX application. The agreement is effective through June 30, 2030, with a remaining cost of \$39.7 million.

Asset Retirement Obligation (ARO)

Idaho State University (ISU) has ARO's related to radioactive material licenses and nuclear research facilities. The University has identified several legally enforceable liabilities associated with the retirement of tangible capital assets due to nuclear decommissioning requirements. The Nuclear Regulatory Commission (Nuclear Radiation Center) requires a decommissioning report valuing the cost of decommissioning the nuclear radiation centers.

As of June 30, 2022, the University has recorded an asset retirement obligation of \$8.2 million. The remaining useful life of the assets with retirement obligations are: nuclear reactor 47 years, EAMES building 38.9 years, CAES building 36.5 years, and Idaho Accelerator Center 27.5 years.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2022

Asset Retirement Obligations (in thousands)	Balance Outstanding June 30, 2021	Additions	Reductions	Balances Outstanding June 30, 2022	Due within 1 year
Idaho State University	\$ 8,166.0			\$ 8,166.0	

Component Unit

The Idaho Housing and Finance Association has commitments to purchase \$764.3 million of single-family mortgages. The Association has commitments to sell or secure \$77.1 million of single-family mortgages.

The University of Idaho Foundation has \$31.3 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	Federal Stimulus	Nonmajor Governmental
Encumbrances	\$ 50,905	\$ 9,675	\$ 38,885	\$ 308	\$ 38,485

NOTE 17. TAX ABATEMENTS

As of June 30, 2022, 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 and use 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 at least \$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 are put into service, but no later than December 31, 2030.

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.

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

- The retirement, disposition, or date transferred out of Idaho, or date no longer used in Idaho, if applicable.

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, 2022:

Tax Abatement Program	Taxes Abated (In Dollars)
Tax Reimbursement Incentive	\$ 187,220
Idaho Business Advantage	1,398,387
Broadband Income Tax Credit	2,776,720
Sales Tax Rebate	9,591,874

Notes to the Financial Statements**For the Fiscal Year Ended June 30, 2022**

NOTE 18. SUBSEQUENT EVENTS

Subsequent to June 30, 2022, the following events occurred:

Primary Government

On September 1, 2022, the Legislature passed House Bill 1 in an extraordinary session, which included a \$500.0 million transfer from the General Fund to the Idaho Tax Rebate Fund to provide State income tax rebates to individual taxpayers.

On July 20, 2022, the Idaho State Building Authority defeased the following bond issuances:

- 2018C, \$14.6 million
- 2012A, \$1.8 million
- 2012C, \$0.9 million
- 2012D, \$0.6 million
- 2012E, \$0.9 million
- 2012F, \$0.7 million
- 2012G, \$0.8 million
- 2012H, \$0.4 million
- 2012I, \$0.2 million
- 2005A and 2013B, \$2.7 million
- 2013A, \$5.7 million
- 2017A and 2017B, \$132.4 million

On September 29, 2022, Idaho State University issued Revenue Bonds, Series 2022A in the amount of \$9.8 million. The proceeds from the Series 2022A Bonds will be used to (i) finance certain renovations and improvements to the University's Holt Arena, and (ii) pay costs of issuing the 2022A Bonds.

Component Unit

The Idaho Bond Bank Authority (IBBA) had the following bond activity subsequent to June 30, 2022:

- On September, 15, 2022 the 2004A and 2013A bonds matured and were fully repaid

On July 1, 2022, the Idaho Housing Finance Association (IHFA) had special redemptions in the following:

Single-Family Mortgage Bonds

- 2000 indenture, \$1.8 million
- 2003 indenture, \$3.8 million
- 2006 indenture, \$7.8 million
- 2019 indenture, \$5.7 million

Grant Revenue and Revenue Anticipation Bonds

- 2012 Series A, \$18.5 million

Required Supplementary Information



Castle Rocks Trail
Photo by Nicholas Raymond



Required Supplementary Information
Budgetary Comparison Schedule
General Fund and Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2022

(dollars in thousands)

	General			
	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
REVENUES				
Sales Tax	\$ 2,779,674	\$ 2,779,674	\$ 2,779,674	
Individual and Corporate Taxes	4,030,033	4,030,033	4,030,033	
Other Taxes	64,285	64,285	64,285	
Licenses, Permits, and Fees	32,932	32,932	32,932	
Sale of Goods and Services	29,055	29,055	29,055	
Grants and Contributions	160,567	160,567	160,567	
Investment Income	46,960	46,960	46,960	
Tobacco Settlement	22,215	22,215	22,215	
Other Income	89,659	89,659	89,659	
Total Revenues	<u>\$ 7,255,380</u>	<u>\$ 7,255,380</u>	<u>7,255,380</u>	
EXPENDITURES				
General Government	\$ 1,751,789	\$ 2,423,308	1,833,299	\$ 590,009
Public Safety and Correction	438,317	469,518	422,786	46,732
Health and Human Services	38,136	38,136	37,689	447
Education	2,829,389	2,897,777	2,795,056	102,721
Economic Development	214,126	454,704	83,189	371,515
Natural Resources	45,569	45,594	102,751	(57,157)
Total Expenditures	<u>\$ 5,317,326</u>	<u>\$ 6,329,037</u>	<u>5,274,770</u>	<u>\$ 1,054,267</u>
Revenues Over (Under) Expenditures			<u>1,980,610</u>	
OTHER FINANCING SOURCES (USES)				
Lease Acquisitions			15,243	
Sale of Capital Assets			913	
Transfers In			389,761	
Transfers Out			(1,636,891)	
Total Other Financing Sources (Uses)			<u>(1,230,974)</u>	
Revenues and Other Financing Sources Over (Under)			<u>749,636</u>	
Expenditures and Other Financing Uses				
Reconciling Items				
Changes Affected by Accrued Revenues			(573,106)	
Changes Affected by Accrued Expenditures			1,112,616	
Fund Balances - Beginning of Year, as Restated			<u>3,179,769</u>	
Fund Balances - End of Year			<u>\$ 4,468,915</u>	

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

continued

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
				\$ 107,154	\$ 107,154	\$ 107,154	
\$ 29,900	\$ 29,900	\$ 29,900		376,133	376,133	376,133	
23,726	23,726	23,726		209,410	209,410	209,410	
394,292	394,292	394,292		8,885	8,885	8,885	
3,077,176	3,077,176	3,077,176		377,858	377,858	377,858	
180	180	180		1,160	1,160	1,160	
17,435	17,435	17,435		1,395	1,395	1,395	
<u>\$ 3,542,709</u>	<u>\$ 3,542,709</u>	<u>3,542,709</u>		<u>\$ 1,081,995</u>	<u>\$ 1,081,995</u>	<u>1,081,995</u>	
\$ 3,730	\$ 3,730	2,569	\$ 1,161				
4,601,904	4,663,162	4,375,476	287,686				
				\$ 1,362,883	\$ 1,369,628	967,022	\$ 402,606
<u>\$ 4,605,634</u>	<u>\$ 4,666,892</u>	<u>4,378,045</u>	<u>\$ 288,847</u>	<u>\$ 1,362,883</u>	<u>\$ 1,369,628</u>	<u>967,022</u>	<u>\$ 402,606</u>
		(835,336)				114,973	
		13,208				1,138	
		99				11,238	
		874,049				124,885	
		(70,219)				(16,839)	
		<u>817,137</u>				<u>120,422</u>	
		(18,199)				235,395	
		(83,085)				(25,894)	
		91,204				(12,832)	
		57,178				348,949	
		<u>\$ 47,098</u>				<u>\$ 545,618</u>	

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

Required Supplementary Information
Budgetary Comparison Schedule
General Fund and Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2022

(dollars in thousands)

	Federal Stimulus			
	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
REVENUES				
Sales Tax				
Individual and Corporate Taxes				
Other Taxes				
Licenses, Permits, and Fees				
Sale of Goods and Services				
Grants and Contributions	\$ 737,695	\$ 737,695	\$ 737,695	
Investment Income	2,945	2,945	2,945	
Tobacco Settlement				
Other Income	13,110	13,110	13,110	
Total Revenues	<u>\$ 753,750</u>	<u>\$ 753,750</u>	<u>753,750</u>	
EXPENDITURES				
General Government	\$ 702,036	\$ 822,649	228,738	\$ 593,911
Public Safety and Correction	3,980	3,992	339	3,653
Health and Human Services				
Education	774,218	862,449	232,608	629,841
Economic Development	29,112	38,323	23,289	15,034
Natural Resources	1,300	2,752	2,328	424
Total Expenditures	<u>\$ 1,510,646</u>	<u>\$ 1,730,165</u>	<u>487,302</u>	<u>\$ 1,242,863</u>
Revenues Over (Under) Expenditures			<u>266,448</u>	
OTHER FINANCING SOURCES (USES)				
Lease Acquisitions			43	
Sale of Capital Assets				
Transfers In			24,260	
Transfers Out			(32,318)	
Total Other Financing Sources (Uses)			<u>(8,015)</u>	
Revenues and Other Financing Sources Over (Under)			<u>258,433</u>	
Expenditures and Other Financing Uses				
Reconciling Items				
Changes Affected by Accrued Revenues			(370,460)	
Changes Affected by Accrued Expenditures			108,162	
Fund Balances - Beginning of Year, as Restated			<u>(43,571)</u>	
Fund Balances - End of Year			<u>\$ (47,436)</u>	

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

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 account categories 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

Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

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 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 under "Transparency," "Idaho Statewide Reports," and "Legal Basis Report."

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 12,156 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

Required Supplementary Information

For the Fiscal Year Ended June 30, 2022

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.

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	< 0.20 inches
Fair	95 - 170	79 - 60	0.20 - 0.40 inches
Poor	> 170	< 60	> 0.40 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 2022.

The ITD has established the condition level that no more than 30 percent of pavement shall be in poor condition. In calendar year 2021, the assessed level was maintained at 4.1 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.

Required Supplementary Information

For the Fiscal Year Ended June 30, 2022

Assessed Condition Ratings of State Roadways

Most Recent Five Complete Condition Assessments											
Percent of Total Lane Miles per Pavement Condition											
	2021		2020		2019		2018		2017		
Good	8,388	69.0 %	5,709	46.9 %	5,672	46.2 %	7,879	64.2 %	7,420	60.5 %	
Fair	3,275	26.9 %	4,838	39.8 %	5,637	45.9 %	3,252	26.5 %	3,417	27.8 %	
Poor*	493	4.1 %	1,618	13.3 %	963	7.9 %	1,142	9.3 %	1,248	10.2 %	
Very Poor*									188	1.5 %	
Total Lane Miles	12,156	100 %	12,165	100 %	12,272	100 %	12,273	100 %	12,273	100 %	

* Poor and Very Poor categories combined beginning Calendar Year 2018.

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*).

	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017
Estimated	\$ 225,331	\$ 137,758	\$ 114,875	\$ 134,408	\$ 128,923	\$ 100,691	\$ 112,537
Actual		\$ 101,458	\$ 94,469	\$ 124,559	\$ 184,973	\$ 179,193	\$ 128,776

PENSION

PERSI Base Plan

Schedule of Net Pension Liability (Asset) Proportionate Share*							
(dollars in thousands)							
	2016	2017	2018	2019	2020	2021	2022
Proportion of Net Pension Liability (NPL) / (Asset (NPA))	25.8 %	25.5 %	25.8 %	24.8 %	24.5 %	24.1 %	(23.3)%
Proportionate Share of NPL (NPA)	\$ 339,548	\$ 517,254	\$ 405,168	\$ 365,199	\$ 280,128	\$ 559,462	\$ (16,881)
Covered Payroll**	719,692	739,478	795,738	792,275	829,227	855,430	864,987
Proportionate Share of NPL (NPA) as a Percentage of Covered Payroll**	47.18 %	69.9 %	50.9 %	46.1 %	33.8 %	65.4 %	(2.0)%
Plan Fiduciary Net Position	\$ 13,956,663	\$ 13,884,164	\$ 15,296,682	\$ 16,274,830	\$ 17,239,461	\$ 17,392,061	\$ 21,770,659
Plan Total Pension Liability	\$ 15,273,500	\$ 15,911,317	\$ 16,868,511	\$ 17,749,848	\$ 18,380,934	\$ 19,714,193	\$ 21,691,681
Plan Fiduciary Net Position as a Percentage of Plan Total Pension Liability	91.4 %	87.3 %	90.7 %	91.7 %	93.8 %	88.2 %	100.4 %

*As of the Measurement Date of the Net Pension Liability.

**Revised based on updated information.

Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

Schedule of Contributions (dollars in thousands)					
Fiscal Year Ended June 30	(a) Statutorily Determined Contribution*	(b) Contributions in Relation to Statutorily 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	\$ —	\$ 719,692	11.36%
2016	84,555	84,555	—	739,478	11.43%
2017	90,555	90,555	—	795,738	11.38%
2018	90,161	90,161	—	792,275	11.38%
2019	94,267	94,267	—	829,227	11.37%
2020	102,566	102,566	—	855,430	11.99%
2021	103,712	103,712	—	864,987	11.99%
2022	108,730	108,730	—	906,842	11.99%

*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.

Notes to PERSI Base Plan RSI Schedules:

Changes in assumptions for the Base Plan since the prior measurement date resulted from a change in the inflation rate from 3.00% to 2.30%; a change in the asset return (funding) from 7.00% to 6.30%; a change in the asset return (account) from 7.05% to 6.35%; a change in the average wage growth from 3.75% to 3.05%; and an update to the demographic assumptions per the experience study results.

Required Supplementary Information

For the Fiscal Year Ended June 30, 2022

Judges' Retirement Fund

Schedule of Changes in Employer's Net Pension Liability								
(dollars in thousands)								
	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability								
Service Cost	\$ 3,251	\$ 3,111	\$ 3,179	\$ 2,963	\$ 3,178	\$ 3,344	\$ 3,490	\$ 3,835
Interest	6,590	6,889	7,056	7,329	7,502	7,930	8,127	7,728
Benefit Changes								
Economic/Demographic Gains (Losses)	285	(1,648)	266	(890)	(829)	(962)	(106)	552
Assumption Changes				489	3,456		2,490	
Benefit Payments, Including Refunds	(5,577)	(5,975)	(6,173)	(6,692)	(7,168)	(7,640)	(7,680)	(8,167)
Net Change in Total Pension Liability	4,549	2,377	4,328	3,199	6,139	2,672	6,321	3,948
Total Pension Liability - Beginning	92,303	96,852	99,229	103,557	106,756	112,895	115,567	121,888
Total Pension Liability - Ending (a)	96,852	99,229	103,557	106,756	112,895	115,567	121,888	125,836
Plan Net Position								
Contributions - Employer	3,596	3,371	3,947	4,279	4,689	4,879	5,067	5,120
Contributions - Employee	629	624	630	715	779	846	876	909
Net Investment Income	2,052	1,094	9,157	6,938	6,937	2,536	25,477	(11,162)
Other Income					13	13		
Transfer In								
Benefit Payments, Including Refunds	(5,577)	(5,975)	(6,173)	(6,692)	(7,168)	(7,640)	(7,680)	(8,167)
Administrative Expense	(96)	(133)	(74)	(105)	(121)	(127)	(104)	(106)
Net Change in Plan Net Position	604	(1,019)	7,487	5,135	5,129	507	23,636	(13,406)
Plan Fiduciary Net Position - Beginning	75,864	76,468	75,449	82,936	88,071	93,200	93,707	117,343
Plan Fiduciary Net Position - Ending (b)	76,468	75,449	82,936	88,071	93,200	93,707	117,343	103,937
Net Pension Liability - Ending (a) - (b)	\$ 20,384	\$ 23,780	\$ 20,621	\$ 18,685	\$ 19,695	\$ 21,860	\$ 4,545	\$ 21,899
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.95 %	76.04 %	80.09 %	82.50 %	82.55 %	81.08 %	96.27 %	82.60 %
Covered Payroll	\$ 6,149	\$ 6,097	\$ 6,162	\$ 6,178	\$ 6,732	\$ 7,802	\$ 8,103	\$ 8,188
Net Pension Liability as a Percentage of Covered Payroll	331.50 %	390.03 %	334.63 %	302.44 %	292.58 %	280.21 %	56.11 %	267.47 %

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, 2022

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)	
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%	
2020	3,897	4,879	(982)	7,802	62.54%	
2021	4,033	5,067	(1,034)	8,103	62.53%	
2022	3,368	5,120	(1,752)	8,188	62.53%	

Schedule of Investment Returns										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual Money Weighted Rate of Return, Net of Investment Expense	8.8 %	16.9 %	2.7 %	1.5 %	12.4 %	8.5 %	8.0 %	2.8 %	27.6 %	(9.6)%

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	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll - Open
Amortization Period	15.8 Years
Asset Valuation Method	Fair Market Value
Actuarial Assumptions:	
Investment Rate of Return - Net of Investment Expenses	6.35%
Projected Salary Increases, Including Inflation	3.05%
Post-retirement Cost of Living Allowance Increases	1.00% or 3.05%
Implied Price Inflation Rate	2.30%
Discount Rate	6.35%



Required Supplementary Information

For the Fiscal Year Ended June 30, 2022

OTHER POSTEMPLOYMENT BENEFITS

Plan Administered by the Idaho Department of Administration

Schedule of Changes in Employer's Total OPEB Liability					
Retiree Healthcare Plan					
(dollars in thousands)					
Proportionate Share of Total OPEB Liability	2018	2019	2020	2021	2022
Service Cost	\$ 1,264	\$ 1,292	\$ 738	\$ 1,161	\$ 641
Interest	1,166	1,142	780	1,001	360
Effect of Plan Changes					
Effect of Economic/Demographic Gains (Losses)		(145)		(16,644)	3,313
Effect of Assumption Changes		(10,711)	8,967	5,064	139
Expected Benefit Payments	(2,842)	(3,012)	(2,250)	(2,986)	(1,561)
Net Change in Total OPEB Liability	(412)	(11,434)	8,235	(12,404)	2,892
Total OPEB Liability - Beginning	32,738	32,326	20,666	28,772	16,511
Effects of Change in Proportion		(226)	(129)	143	(112)
Adjusted Total OPEB Liability - Beginning	32,738	32,100	20,537	28,915	16,399
Total OPEB Liability - Ending	\$ 32,326	\$ 20,666	\$ 28,772	\$ 16,511	\$ 19,291
Covered-Employee Payroll	\$ 1,007,857	\$ 1,004,716	\$ 1,097,044	\$ 1,147,186	\$ 1,157,363
Total OPEB Liability as a Percentage of Covered-Employee Payroll	3.21 %	2.06 %	2.62 %	1.44 %	1.67 %
State's Proportion of Total OPEB Liability	92.50 %	91.85 %	91.28 %	91.73 %	91.11 %

Schedule of Changes in Employer's Total OPEB Liability					
Long-Term Disability Healthcare Plan					
(dollars in thousands)					
Proportionate Share of Total OPEB Liability	2018	2019	2020	2021	2022
Service Cost	\$ 199	\$ 203	\$ 172	\$ 193	\$ 183
Interest	101	65	57	41	25
Effect of Plan Changes					
Effect of Economic/Demographic Gains (Losses)		774		(144)	3
Effect of Assumption Changes		(392)	14	67	3
Expected Benefit Payments	(1,515)	(1,042)	(874)	(244)	(128)
Net Change in Total OPEB Liability	(1,215)	(392)	(631)	(87)	86
Total OPEB Liability - Beginning	3,358	2,143	1,736	1,094	1,012
Effects of Change in Proportion		(15)	(11)	5	(7)
Adjusted Total OPEB Liability - Beginning	3,358	2,128	1,725	1,099	1,005
Total OPEB Liability - Ending	\$ 2,143	\$ 1,736	\$ 1,094	\$ 1,012	\$ 1,091
Covered-Employee Payroll	\$ 1,007,857	\$ 1,004,716	\$ 1,097,044	\$ 1,147,186	\$ 1,157,363
Total OPEB Liability as a Percentage of Covered-Employee Payroll	0.21 %	0.17 %	0.10 %	0.09 %	0.09 %
State's Proportion of Total OPEB Liability	92.50 %	91.85 %	91.28 %	91.73 %	91.11 %

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, 2022

Schedule of Changes in Employer's Total OPEB Liability

Retiree Life Insurance Plan

(dollars in thousands)

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service Cost	\$ 2,097	\$ 2,113	\$ 2,058	\$ 2,411	\$ 3,709
Interest	2,114	2,178	2,377	2,435	1,914
Effect of Plan Changes					(895)
Effect of Economic/Demographic Gains (Losses)		(659)		(6,706)	
Effect of Assumption Changes		(2,303)	4,701	18,794	987
Expected Benefit Payments	(1,136)	(1,210)	(1,293)	(1,402)	(1,134)
Net Change in Total OPEB Liability	3,075	119	7,843	15,532	4,581
Total OPEB Liability - Beginning	57,514	60,589	59,430	67,863	83,384
Effects of Change in Proportion		(1,278)	590	(11)	107
Adjusted Total OPEB Liability - Beginning	57,514	59,311	60,020	67,852	83,491
Total OPEB Liability - Ending	\$ 60,589	\$ 59,430	\$ 67,863	\$ 83,384	\$ 88,072
Covered-Employee Payroll	\$ 325,265	\$ 319,806	\$ 336,776	\$ 356,961	\$ 345,863
Total OPEB Liability as a Percentage of Covered-Employee Payroll	18.63 %	18.58 %	20.15 %	23.36 %	25.46 %
State's Proportion of Total OPEB Liability	100.00 %	98.25 %	98.56 %	98.54 %	98.70 %

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.

Notes to Plans Administered by the Idaho Department of Administration:

Changes in assumptions resulted from an update to per capita medical benefit costs and trends; updated rates for the discount rate, general wage scale, rate of inflation, retiree enrollment, and spouse enrollment; and the LTD Income benefit of employees and LTD Waiver of life premiums for employees are no longer included due to a change from self-insured to insured.

Required Supplementary Information

For the Fiscal Year Ended June 30, 2022

University of Idaho Plan

Schedule of Changes in Employer's Net OPEB Liability					
University of Idaho Plan					
(dollars in thousands)					
	2018	2019	2020	2021	2022
Total OPEB Liability					
Service Cost	\$ 505	\$ 505	\$ 579	\$ 569	\$ 145
Interest	3,606	3,698	3,837	3,347	2,494
Benefit Changes			(3,256)	(12,709)	
Economic/Demographic Gains (Losses)		3,654	(918)	(833)	(798)
Assumption Changes		(8,338)	(5,689)	(1,482)	(1,151)
Benefit Payments, Including Refunds	(2,676)	(3,189)	(2,549)	(2,916)	(2,445)
Net Change in Total OPEB Liability	1,435	(3,670)	(7,996)	(14,024)	(1,755)
Total OPEB Liability - Beginning	66,885	68,320	64,650	56,654	42,630
Total OPEB Liability - Ending ^(a)	68,320	64,650	56,654	42,630	40,875
Plan Net Position					
Contributions - Employer	2,961	3,895	2,660	3,041	2,557
Contributions - Employee					
Net Investment Income	3,528	(1,840)	6,414	6,367	4,999
Transfer In					
Benefit Payments, Including Refunds	(2,676)	(3,189)	(2,549)	(2,916)	(2,445)
Administrative Expense	(75)	(91)	(110)	(125)	(137)
Other*				35	
Net Change in Plan Net Position	3,738	(1,225)	6,415	6,402	4,974
Plan Fiduciary Net Position - Beginning	31,247	34,984	33,759	40,174	46,576
Plan Fiduciary Net Position - Ending ^(b)	34,984	33,759	40,174	46,576	51,550
Net OPEB Liability/(Asset) - Ending ^{(a) - (b)}	\$ 33,336	\$ 30,891	\$ 16,480	\$ (3,946)	\$ (10,675)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	51.21 %	52.22 %	70.91 %	109.26 %	126.12 %
Covered Payroll	\$ 159,935	\$ 165,468	\$ 170,118	\$ 153,291	\$ 137,069
Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	20.84 %	18.67 %	9.69 %	(2.57)%	(7.79)%
*Includes Death Benefits					

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, 2022

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	(c) Contributions Deficiency (Excess) (a) - (b)	(d) Covered Payroll	Contributions as a Percentage of Covered Payroll (b) : (d)
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	2,937	514	162,317	1.81%
2020	3,285	3,048	237	172,651	1.77%
2021	2,151	3,179	(1,028)	155,573	2.04%
2022	(442)	N/A	N/A	139,110	N/A

For years prior to the year ended June 30, 2017, the Actuarial Determined Contribution (ADC) was assumed to be equal to the Annual Required Contribution (ARC) as reported under GASB Statement No. 45 for each applicable year.

Notes to University of Idaho Plan Schedules:

Assumptions Used to Calculate Actuarially Determined Contributions	
Valuation Date	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age, Level Percentage of Payroll
Amortization Method	Level Dollar, Closed
Remaining Amortization Period:	19 years remaining for the year ending June 30, 2018 18 years remaining for the year ending June 30, 2019 17 years remaining for the year ending June 30, 2020 16 years remaining for the year ending June 30, 2021 15 years remaining for the year ending June 30, 2022
Asset Valuation Method	The market value of assets as of December 31, 2020 projected to the measurement date

Changes in assumptions resulted from combined actuarial experience gains, which were comprised of gains due to differences between expected and actual experience on liabilities resulting from demographic changes and actual 2021 contributions and benefit payments that were different from expected, and gains due to differences between expected and actual earnings on investments; and valuation assumption changes, which was a net result of updating the valuation-year per capita health costs and retiree updating contributions rates, updating the mortality improvement scale, and decreasing the discount rate.

Required Supplementary Information

For the Fiscal Year Ended June 30, 2022

Sick Leave Insurance Reserve Fund

Schedule of Net OPEB Liability (Asset) Proportionate Share*

(dollars in thousands)

	2018	2019	2020	2021	2022
Proportion of Net OPEB Liability (Asset)	89.0 %	88.4 %	88.3 %	88.9 %	88.9 %
Proportionate Share of Net OPEB Liability (Asset)	\$ (84,677)	\$ (101,454)	\$ (111,192)	\$ (125,513)	\$ (161,793)
Covered Payroll**	\$ 977,312	\$ 973,898	\$ 1,018,146	\$ 1,229,613	\$ 976,352
Proportionate Share of Net OPEB Liability (Asset) as a Percentage of Covered Payroll**	(8.7)%	(10.4)%	(10.9)%	(10.2)%	(16.6)%
Plan Fiduciary Net Position	\$ 186,498	\$ 206,260	\$ 225,186	\$ 234,449	\$ 286,193
Plan Total OPEB Liability	\$ 91,368	\$ 91,490	\$ 99,214	\$ 93,297	\$ 104,239
Plan Fiduciary Net Position as a Percentage of Plan Total OPEB Liability	204.1 %	225.4 %	227.0 %	251.3 %	274.6 %

*As of the Measurement Date of the Net OPEB Liability (Asset)

** Revised based on updated information.

Schedule of Employer Contributions

(dollars in thousands)

Fiscal Year Ended June 30*	(a) Statutorily Determined Contribution**	(b) Contributions in Relation to Statutorily Determined Contribution**	(c) Contribution Deficiency (Excess) (a) - (b)**	(d) Covered Payroll**	Contributions as a Percentage of Covered Payroll (b) : (d)
2017	\$ 6,353	\$ 6,353	\$ —	\$ 977,312	0.65%
2018	6,330	6,330	—	973,898	0.65%
2019	6,618	6,618	—	1,018,146	0.65%
2020	3,996	3,996	—	1,229,613	0.33%
2021	(1)	(1)	—	976,352	—%
2022	—	—	—	595,821	—%

*The PERSI Board approved a sick leave holiday effective January 1, 2020 with an end date of June 30, 2021. In the November 2021 Board Meeting, the PERSI Board extended the rate holiday for employer contributions for State to June 30, 2031. There were no contributions received in the current fiscal year because of the holiday. Any contributions shown during the holiday are due to adjustments made by PERSI.

**Revised based on updated information.

Schedules above intended to show information for 10 years. Information for additional years will be displayed as it becomes available.

Notes to SLIRF RSI Schedules:

Changes in assumptions since the prior measurement date resulted from a change in the inflation rate from 3.00% to 2.30%; a change in the asset return (account) from 7.05% to 5.45%; a change in the average wage growth from 3.75% to 3.05%; and an update to the demographic assumptions per the experience study results.



Combining Financial Statements





NONMAJOR GOVERNMENTAL FUNDS include nonmajor special revenue funds. The following provides a brief description of the nonmajor governmental funds.

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, 2022

(dollars in thousands)

	Special Revenue		
	Agriculture and Natural Resources	Regulatory	Fish and Game
ASSETS			
Cash and Cash Equivalents	\$ 2,930	\$ 1,695	\$ 3,435
Pooled Cash and Investments	196,206	97,785	52,712
Investments	24,979	23,817	16,688
Accounts Receivable, Net	4,086	2,598	1,524
Taxes Receivable, Net	3,628		
Interfund Receivables		29	
Due from Other Entities	1,714		11,532
Inventories and Prepaid Items	1,216	649	12,738
Loans, Notes, Leases and Pledges Receivable, Net	2,879		10
Other Assets	536	298	165
Restricted Assets:			
Cash and Cash Equivalents	18,593	1,014	9,111
Investments	131,670		52,225
Total Assets	\$ 388,437	\$ 127,885	\$ 160,140
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 3,401	\$ 491	\$ 2,951
Payroll and Related Liabilities	3,424	1,790	2,900
Interfund Payables		34	28
Due to Other Entities	102		
Unearned Revenue	9,441	1,411	7
Amounts Held in Trust for Others	3,276	158	5
Other Accrued Liabilities	2,614	3,745	4,437
Total Liabilities	22,258	7,629	10,328
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows	526	2,422	479
Fund Balances			
Nonspendable:			
Permanent Trusts			8,488
Inventories and Prepaid Items	1,216	649	12,738
Restricted	242,219	117,185	128,107
Committed	120,926		
Assigned	1,292		
Total Fund Balances	365,653	117,834	149,333
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 388,437	\$ 127,885	\$ 160,140

		Capital Projects		
Federal	Miscellaneous	Building Authority	Transportation Infrastructure	Total
		\$ 3,003		\$ 11,063
	\$ 148,174		\$ 7	494,884
	15,767			81,251
\$ 205	9,909		9,620	27,942
	3,009			6,637
133	1,246			1,408
75,203				88,449
664	2,337			17,604
				2,889
106	1,043		5	2,153
2,806		190,827		222,351
				183,895
\$ 79,117	\$ 181,485	\$ 193,830	\$ 9,632	\$ 1,140,526
\$ 51,362	\$ 6,001	\$ 8	\$ 9,555	\$ 73,769
4,983	2,735			15,832
915	125			1,102
				102
487				11,346
				3,439
555	92			11,443
58,302	8,953	8	9,555	117,033
11,636	10,132		65	25,260
				8,488
664	2,337			17,604
8,515	82,013	193,822	12	771,873
	78,050			198,976
				1,292
9,179	162,400	193,822	12	998,233
\$ 79,117	\$ 181,485	\$ 193,830	\$ 9,632	\$ 1,140,526

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**Nonmajor Governmental Funds****For the Fiscal Year Ended June 30, 2022***(dollars in thousands)*

	Special Revenue		
	Agriculture and Natural Resources	Regulatory	Fish and Game
REVENUES			
Sales Tax	\$ 4,763		
Other Taxes	43,135	\$ 122,898	
Licenses, Permits, and Fees	60,952	76,012	\$ 56,528
Sale of Goods and Services	8,720	1,774	5,336
Grants and Contributions	16,043	79	67,618
Investment Income (Loss)	(21,612)	(2,581)	(4,553)
Other Income	4,901	2,094	1,765
Total Revenues	116,902	200,276	126,694
EXPENDITURES			
Current:			
General Government	307	3,890	
Public Safety and Correction		3,397	
Education			
Economic Development	52,071	94,950	100
Natural Resources	68,985	1,395	110,247
Capital Outlay	20,996	677	23,201
Intergovernmental Revenue Sharing	10,871		
Debt Service:			
Principal Retirement	2,259	17	3,069
Interest and Other Charges	26		1,064
Total Expenditures	155,515	104,326	137,681
Revenues Over (Under) Expenditures	(38,613)	95,950	(10,987)
OTHER FINANCING SOURCES (USES)			
Bonds and Notes Issued			
Lease Acquisitions	10,527	87	
Sale of Capital Assets	159	18	902
Transfers In	70,120	24,999	13
Transfers Out	(220)	(115,006)	(379)
Total Other Financing Sources (Uses)	80,586	(89,902)	536
Net Changes in Fund Balances	41,973	6,048	(10,451)
Fund Balances - Beginning of Year	323,680	111,786	159,784
Fund Balances - End of Year	\$ 365,653	\$ 117,834	\$ 149,333

			Capital Projects	
Federal	Miscellaneous	Building Authority	Transportation Infrastructure	Total
	\$ 1,445			\$ 6,208
	42,168			208,201
\$ 1,024	26,756			221,272
252	19,365	\$ 30,183		65,630
576,599	248			660,587
(711)	(89)	30	\$ 30,614	1,098
36,163	24,767	486	189	70,365
613,327	114,660	30,699	30,803	1,233,361
54,292	3,344	497		62,330
8,764	60,921			73,082
331,373	4,959			336,332
101,860	29,625		542	279,148
4,933	25			185,585
31,672	5,815		114,683	197,044
49,585	17,938			78,394
734	197	17,475		23,751
17	7	12,666		13,780
583,230	122,831	30,638	115,225	1,249,446
30,097	(8,171)	61	(84,422)	(16,085)
			80,286	80,286
1,972	1,187			13,773
90	324			1,493
16,412	26,512	175,754		313,810
(11,117)	(392)			(127,114)
7,357	27,631	175,754	80,286	282,248
37,454	19,460	175,815	(4,136)	266,163
(28,275)	142,940	18,007	4,148	732,070
\$ 9,179	\$ 162,400	\$ 193,822	\$ 12	\$ 998,233

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance**Budget and Actual****Nonmajor Governmental Funds****For the Fiscal Year Ended June 30, 2022***(dollars in thousands)*

	Special Revenue			
	Agricultural and Natural Resources			
	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
REVENUES				
Sales Tax	\$ 4,800	\$ 4,800	\$ 4,800	
Other Taxes	43,258	43,258	43,258	
Licenses, Permits, and Fees	60,657	60,657	60,657	
Sale of Goods and Services	8,702	8,702	8,702	
Grants and Contributions	19,894	19,894	19,894	
Investment Income	475	475	475	
Other Income	8,206	8,206	8,206	
Total Revenues	<u>\$ 145,992</u>	<u>\$ 145,992</u>	<u>145,992</u>	
EXPENDITURES				
General Government	\$ 806	\$ 806	329	\$ 477
Public Safety and Correction				
Education				
Economic Development	60,369	60,434	53,375	7,059
Natural Resources	146,355	146,862	95,536	51,326
Total Expenditures	<u>\$ 207,530</u>	<u>\$ 208,102</u>	<u>149,240</u>	<u>\$ 58,862</u>
Revenues Over (Under) Expenditures			<u>(3,248)</u>	
OTHER FINANCING SOURCES (USES)				
Bonds and Notes Issued				
Lease Acquisitions			10,527	
Sale of Capital Assets			159	
Transfers In			70,120	
Transfers Out			(220)	
Total Other Financing Sources (Uses)			<u>80,586</u>	
Revenues and Other Financing Sources Over (Under)			<u>77,338</u>	
Expenditures and Other Financing Uses				
Reconciling Items				
Changes Affected by Accrued Revenues			(29,090)	
Changes Affected by Accrued Expenditures			(6,275)	
Fund Balances - Beginning of Year			<u>323,680</u>	
Fund Balances - End of Year			<u>\$ 365,653</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
\$ 130,267	\$ 130,267	\$ 130,267					
76,175	76,175	76,175		\$ 56,528	\$ 56,528	\$ 56,528	
1,772	1,772	1,772		5,336	5,336	5,336	
79	79	79		58,956	58,956	58,956	
28	28	28		1,376	1,376	1,376	
857	857	857		1,262	1,262	1,262	
<u>\$ 209,178</u>	<u>\$ 209,178</u>	<u>209,178</u>		<u>\$ 123,458</u>	<u>\$ 123,458</u>	<u>123,458</u>	
\$ 3,892	\$ 3,892	3,895	\$ (3)				
3,891	3,894	3,603	291				
111,983	111,999	103,295	8,704	\$ 100	\$ 100	100	
1,671	1,671	1,369	302	159,945	161,251	138,492	\$ 22,759
<u>\$ 121,437</u>	<u>\$ 121,456</u>	<u>112,162</u>	<u>\$ 9,294</u>	<u>\$ 160,045</u>	<u>\$ 161,351</u>	<u>138,592</u>	<u>\$ 22,759</u>
		97,016				(15,134)	
		87					
		18				902	
		24,999				13	
		(115,006)				(379)	
		<u>(89,902)</u>				<u>536</u>	
		7,114				(14,598)	
		(8,902)				3,236	
		7,836				911	
		111,786				159,784	
		<u>\$ 117,834</u>				<u>\$ 149,333</u>	

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance**Budget and Actual****Nonmajor Governmental Funds****For the Fiscal Year Ended June 30, 2022***(dollars in thousands)*

	Special Revenue			
	Federal			
	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
REVENUES				
Sales Tax				
Other Taxes				
Licenses, Permits, and Fees	\$ 1,024	\$ 1,024	\$ 1,024	
Sale of Goods and Services	252	252	252	
Grants and Contributions	579,250	579,250	579,250	
Investment Income	42	42	42	
Other Income	4,404	4,404	4,404	
Total Revenues	<u>\$ 584,972</u>	<u>\$ 584,972</u>	<u>584,972</u>	
EXPENDITURES				
General Government	\$ 138,871	\$ 138,871	105,543	\$ 33,328
Public Safety and Correction	16,603	17,190	12,227	4,963
Education	307,177	381,176	347,190	33,986
Economic Development	158,345	158,112	118,529	39,583
Natural Resources	23,786	23,786	10,705	13,081
Total Expenditures	<u>\$ 644,782</u>	<u>\$ 719,135</u>	<u>594,194</u>	<u>\$ 124,941</u>
Revenues Over (Under) Expenditures			<u>(9,222)</u>	
OTHER FINANCING SOURCES (USES)				
Bonds and Notes Issued				
Lease Acquisitions			1,972	
Sale of Capital Assets			90	
Transfers In			16,412	
Transfers Out			(11,117)	
Total Other Financing Sources (Uses)			<u>7,357</u>	
Revenues and Other Financing Sources Over (Under)			<u>(1,865)</u>	
Expenditures and Other Financing Uses				
Reconciling Items				
Changes Affected by Accrued Revenues			28,355	
Changes Affected by Accrued Expenditures			10,964	
Fund Balances - Beginning of Year			<u>(28,275)</u>	
Fund Balances - End of Year			<u>\$ 9,179</u>	

continued

Special Revenue

Miscellaneous

Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
\$ 1,495	\$ 1,495	\$ 1,495	
41,919	41,919	41,919	
26,079	26,079	26,079	
14,365	14,365	14,365	
2,059	2,059	2,059	
2,851	2,851	2,851	
24,259	24,259	24,259	
<u>\$ 113,027</u>	<u>\$ 113,027</u>	<u>113,027</u>	
\$ 20,743	\$ 20,743	13,190	\$ 7,553
80,547	80,854	66,377	14,477
7,307	7,307	4,923	2,384
47,411	47,434	36,464	10,970
38	38	26	12
<u>\$ 156,046</u>	<u>\$ 156,376</u>	<u>120,980</u>	<u>\$ 35,396</u>

(7,953)

1,187

324

26,512

(392)

27,631

19,678

1,633

(1,851)

142,940

\$ 162,400

Building Authority

Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
\$ 30,183	\$ 30,183	\$ 30,183	
30	30	30	
486	486	486	
<u>\$ 30,699</u>	<u>\$ 30,699</u>	<u>30,699</u>	
\$ 30,638	\$ 30,638	30,638	
<u>\$ 30,638</u>	<u>\$ 30,638</u>	<u>30,638</u>	

61

175,754

175,754

175,815

18,007

\$ 193,822

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance**Budget and Actual****Nonmajor Governmental Funds****For the Fiscal Year Ended June 30, 2022***(dollars in thousands)*

	Capital Projects			
	Transportation Infrastructure			
	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
REVENUES				
Sales Tax				
Other Taxes				
Licenses, Permits, and Fees				
Sale of Goods and Services				
Grants and Contributions				
Investment Income	\$ 30,652	\$ 30,652	\$ 30,652	
Other Income				
Total Revenues	<u>\$ 30,652</u>	<u>\$ 30,652</u>	<u>30,652</u>	
EXPENDITURES				
General Government				
Public Safety and Correction				
Education				
Economic Development	\$ 109,652	\$ 109,652	115,292	\$ (5,640)
Natural Resources				
Total Expenditures	<u>\$ 109,652</u>	<u>\$ 109,652</u>	<u>115,292</u>	<u>\$ (5,640)</u>
Revenues Over (Under) Expenditures			<u>(84,640)</u>	
OTHER FINANCING SOURCES (USES)				
Bonds and Notes Issued			80,286	
Lease Acquisitions				
Sale of Capital Assets				
Transfers In				
Transfers Out				
Total Other Financing Sources (Uses)			<u>80,286</u>	
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			<u>(4,354)</u>	
Reconciling Items				
Changes Affected by Accrued Revenues			151	
Changes Affected by Accrued Expenditures			67	
Fund Balances - Beginning of Year			<u>4,148</u>	
Fund Balances - End of Year			<u>\$ 12</u>	

Total			
Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
\$ 6,295	\$ 6,295	\$ 6,295	
215,444	215,444	215,444	
220,463	220,463	220,463	
60,610	60,610	60,610	
660,238	660,238	660,238	
35,454	35,454	35,454	
39,474	39,474	39,474	
<u>\$ 1,237,978</u>	<u>\$ 1,237,978</u>	<u>1,237,978</u>	
\$ 194,950	\$ 194,950	153,595	\$ 41,355
101,041	101,938	82,207	19,731
314,484	388,483	352,113	36,370
487,860	487,731	427,055	60,676
331,795	333,608	246,128	87,480
<u>\$ 1,430,130</u>	<u>\$ 1,506,710</u>	<u>1,261,098</u>	<u>\$ 245,612</u>
		(23,120)	
		80,286	
		13,773	
		1,493	
		313,810	
		(127,114)	
		<u>282,248</u>	
		259,128	
		(4,617)	
		11,652	
		732,070	
		<u>\$ 998,233</u>	

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

Major Permanent Fund

For the Fiscal Year Ended June 30, 2022

(dollars in thousands)

	Land Endowments			
	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
REVENUES				
Sale of Goods and Services	\$ 137,703	\$ 137,703	\$ 137,703	
Investment Income	(393,184)	(393,184)	(393,184)	
Total Revenues	<u>\$ (255,481)</u>	<u>\$ (255,481)</u>	<u>(255,481)</u>	
EXPENDITURES				
Natural Resources	\$ 48,251	\$ 48,654	41,758	\$ 6,896
Total Expenditures	<u>\$ 48,251</u>	<u>\$ 48,654</u>	<u>41,758</u>	<u>\$ 6,896</u>
Revenues Over (Under) Expenditures			<u>(297,239)</u>	
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets			44,782	
Transfers Out			(88,202)	
Total Other Financing Sources (Uses)			<u>(43,420)</u>	
Revenues and Other Financing Sources Over (Under)			<u>(340,659)</u>	
Expenditures and Other Financing Uses				
Reconciling Items				
Changes Affected by Accrued Revenues			101	
Changes Affected by Accrued Expenditures			(46,884)	
Fund Balances - Beginning of Year			<u>3,213,444</u>	
Fund Balances - End of Year			<u>\$ 2,826,002</u>	

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.

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, 2022

(dollars in thousands)

	State Lottery	State Liquor	Correctional Industries	Total
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 2,716			\$ 2,716
Pooled Cash and Investments		\$ 23,548	\$ 3,920	27,468
Accounts Receivable, Net	2,316		536	2,852
Interfund Receivables			229	229
Inventories and Prepaid Items	316	25,707	1,762	27,785
Other Current Assets		318	8	326
Total Current Assets	5,348	49,573	6,455	61,376
Noncurrent Assets				
Restricted Cash and Cash Equivalents	74,925			74,925
Other Noncurrent Assets	393	1,401	327	2,121
Capital Assets, Net	2,232	18,836	3,002	24,070
Total Noncurrent Assets	77,550	20,237	3,329	101,116
Total Assets	82,898	69,810	9,784	162,492
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows	916	3,624	846	5,386
Total Assets and Deferred Outflows of Resources	\$ 83,814	\$ 73,434	\$ 10,630	\$ 167,878
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 1,539	\$ 14,082	\$ 441	\$ 16,062
Payroll and Related Liabilities	206	778	141	1,125
Interfund Payables		10,080	733	10,813
Due to Other Entities		10,771		10,771
Unearned Revenue			132	132
Other Accrued Liabilities	5,157			5,157
Compensated Absences Payable	210	678	150	1,038
Bonds, Notes, and Leases Payable	361	2,698	150	3,209
Total Current Liabilities	7,473	39,087	1,747	48,307
Noncurrent Liabilities				
Bonds, Notes, and Leases Payable	1,665	8,969	324	10,958
Other Long-Term Obligations	84	250	38	372
Total Noncurrent Liabilities	1,749	9,219	362	11,330
Total Liabilities	9,222	48,306	2,109	59,637
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows	1,550	6,255	1,419	9,224
NET POSITION				
Net Investment in Capital Assets	205	7,167	2,528	9,900
Restricted for:				
Other Purposes	72,837	11,706	4,574	89,117
Total Net Position	73,042	18,873	7,102	99,017
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 83,814	\$ 73,434	\$ 10,630	\$ 167,878

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**Nonmajor Enterprise Funds****For the Fiscal Year Ended June 30, 2022***(dollars in thousands)*

	State Lottery	State Liquor	Correctional Industries	Total
OPERATING REVENUES				
Licenses, Permits, and Fees		\$ 10		\$ 10
Sale of Goods and Services	\$ 376,965	298,986	\$ 15,015	690,966
Other Income	51	1,322	394	1,767
Total Operating Revenues	377,016	300,318	15,409	692,743
OPERATING EXPENSES				
Personnel Costs	2,965	14,037	2,557	19,559
Services and Supplies	43,294	164,136	5,449	212,879
Benefits, Awards, and Premiums	257,122			257,122
Depreciation	500	3,822	581	4,903
Other Expenses	330	8,376	8,792	17,498
Total Operating Expenses	304,211	190,371	17,379	511,961
Operating Income (Loss)	72,805	109,947	(1,970)	180,782
NONOPERATING REVENUES (EXPENSES)				
Investment Income (Loss)	3	(228)	(40)	(265)
Interest Expense	(136)	(265)	(104)	(505)
Intergovernmental Distributions		(54,871)		(54,871)
Gain (Loss) on Sale of Capital Assets	39	(413)	7	(367)
Other Nonoperating Revenues (Expenses)		(445)		(445)
Total Nonoperating Revenues (Expenses)	(94)	(56,222)	(137)	(56,453)
Income (Loss) Before Transfers	72,711	53,725	(2,107)	124,329
Transfers Out	(72,500)	(54,991)		(127,491)
Change in Net Position	211	(1,266)	(2,107)	(3,162)
Total Net Position - Beginning of Year, as Restated	72,831	20,139	9,209	102,179
Total Net Position - End of Year	\$ 73,042	\$ 18,873	\$ 7,102	\$ 99,017

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2022

(dollars in thousands)

	State Lottery	State Liquor	Correctional Industries	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 378,603	\$ 298,988	\$ 11,076	\$ 688,667
Receipts from Interfund Services		4	3,677	3,681
Payments to Employees	(3,349)	(14,966)	(2,762)	(21,077)
Payments to Suppliers	(43,675)	(174,756)	(9,611)	(228,042)
Payments for Interfund Services		(717)	(4,494)	(5,211)
Payments for Benefits, Awards, and Claims	(258,734)			(258,734)
Other Receipts		1,733	290	2,023
Other Payments		(8)		(8)
Net Cash Provided (Used) by Operating Activities	72,845	110,278	(1,824)	181,299
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental Distributions		(61,431)		(61,431)
Transfers Out	(72,500)	(61,575)		(134,075)
Net Cash Provided (Used) by Noncapital Financing Activities	(72,500)	(123,006)	0	(195,506)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING				
Principal Payments	(344)	(2,613)	(249)	(3,206)
Interest Payments	(137)	(265)	(104)	(506)
Proceeds from Disposition of Capital Assets	39		7	46
Acquisition and Construction of Capital Assets	(54)	(295)	(174)	(523)
Net Cash Provided (Used) by Capital and Related Financing Activities	(496)	(3,173)	(520)	(4,189)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of Interest and Dividends	3	(186)	(33)	(216)
Net Cash Provided (Used) by Investing Activities	3	(186)	(33)	(216)
Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash	(148)	(16,087)	(2,377)	(18,612)
Beginning Cash, Cash Equivalents, and Pooled Cash	77,789	39,635	6,297	123,721
Ending Cash, Cash Equivalents, and Pooled Cash	\$ 77,641	\$ 23,548	\$ 3,920	\$ 105,109
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 72,805	\$ 109,947	\$ (1,970)	\$ 180,782
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by				
Depreciation and Amortization	500	3,822	581	4,903
Net Changes in Assets and Liabilities:				
Accounts Receivable/Interfund Receivables	1,588		(391)	1,197
Inventories and Prepaid Items		(3,668)	(302)	(3,970)
Other Assets	(201)	(458)	(102)	(761)
Accounts Payable/Interfund Payables	(1,399)	1,289	543	433
Unearned Revenue			(43)	(43)
Compensated Absences		87	40	127
Other Accrued Liabilities	(35)	(5,193)	(1,218)	(6,446)
Net Changes in Deferred Outflows/Inflows of Resources	(413)	4,452	1,038	5,077
Net Cash Provided (Used) by Operating Activities	\$ 72,845	\$ 110,278	\$ (1,824)	\$ 181,299
Noncash Transactions (dollars in thousands):				

State Liquor recorded an interfund payable of \$6,584 due on July 1, 2022, disposed of assets at a loss of \$858, a prior period adjustment on capital assets for \$1,639 and acquired capital assets by lease for \$14,280. Correctional Industries had acquired capital assets by lease for \$594.

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.

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, 2022

(dollars in thousands)

	Group Insurance	Risk Management	General Services	Data Processing Services	Total
ASSETS					
Current Assets					
Pooled Cash and Investments	\$ 31,093	\$ 8,196	\$ 18,709	\$ 4,144	\$ 62,142
Accounts Receivable, Net		1	320		321
Interfund Receivables			352	510	862
Inventories and Prepaid Items		80	3,059	1,857	4,996
Loans, Notes, Leases and Pledges Receivable, Net			4,191		4,191
Other Current Assets	290	48	45	8	391
Total Current Assets	31,383	8,325	26,676	6,519	72,903
Noncurrent Assets					
Restricted Cash and Cash Equivalents	35,587				35,587
Investments	42,372	8,403			50,775
Loans, Notes, Leases and Pledges Receivable, Net			19,255		19,255
Other Noncurrent Assets	58	152	1,874	404	2,488
Capital Assets, Net	2	3	13,130	458	13,593
Total Noncurrent Assets	78,019	8,558	34,259	862	121,698
Total Assets	109,402	16,883	60,935	7,381	194,601
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows	146	186	8,505	1,715	10,552
Total Assets and Deferred Outflows of Resources	\$ 109,548	\$ 17,069	\$ 69,440	\$ 9,096	\$ 205,153
LIABILITIES					
Current Liabilities					
Accounts Payable		\$ 199	\$ 1,124		\$ 1,323
Payroll and Related Liabilities	\$ 23	31	1,096	\$ 245	1,395
Interfund Payables	6				6
Due to Other Entities	99				99
Unearned Revenue	19,331		52	2,112	21,495
Other Accrued Liabilities	1		1		2
Compensated Absences Payable	37	39	1,441	349	1,866
Bonds, Notes, and Leases Payable			571		571
Policy Claim Liabilities	5,272	4,528			9,800
Total Current Liabilities	24,769	4,797	4,285	2,706	36,557
Noncurrent Liabilities					
Bonds, Notes, and Leases Payable			953		953
Policy Claim Liabilities		12,619			12,619
Other Long-Term Obligations	6	8	266	342	622
Total Noncurrent Liabilities	6	12,627	1,219	342	14,194
Total Liabilities	24,775	17,424	5,504	3,048	50,751
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows	242	330	36,972	2,508	40,052
NET POSITION					
Net Investment in Capital Assets	2	3	11,606	458	12,069
Restricted for:					
Claims and Judgments	35,587				35,587
Other Purposes	48,942	(688)	5,115	3,082	56,451
Unrestricted			10,243		10,243
Total Net Position	84,531	(685)	26,964	3,540	114,350
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 109,548	\$ 17,069	\$ 69,440	\$ 9,096	\$ 205,153

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**Internal Service Funds****For the Fiscal Year Ended June 30, 2022***(dollars in thousands)*

	Group Insurance	Risk Management	General Services	Data Processing Services	Total
OPERATING REVENUES					
Sale of Goods and Services	\$ 316,806	\$ 14,863	\$ 57,818	\$ 7,082	\$ 396,569
Grants and Contributions			163		163
Other Income	4,510	37	482	92	5,121
Total Operating Revenues	321,316	14,900	58,463	7,174	401,853
OPERATING EXPENSES					
Personnel Costs	395	655	21,191	4,165	26,406
Services and Supplies	409	4,098	21,281	3,211	28,999
Benefits, Awards, and Premiums	333,855	9,429			343,284
Depreciation	1	1	1,310	246	1,558
Other Expenses	22	197	10,465	26	10,710
Total Operating Expenses	334,682	14,380	54,247	7,648	410,957
Operating Income (Loss)	(13,366)	520	4,216	(474)	(9,104)
NONOPERATING REVENUES (EXPENSES)					
Investment Income (Loss)	(2,548)	(497)	92	(51)	(3,004)
Interest Expense			(19)		(19)
Other Nonoperating Revenues (Expenses)			(2)		(2)
Total Nonoperating Revenues (Expenses)	(2,548)	(497)	71	(51)	(3,025)
Income (Loss) Before Transfers	(15,914)	23	4,287	(525)	(12,129)
Transfers In			1,737		1,737
Transfers Out	(61)		(7,524)	(654)	(8,239)
Change in Net Position	(15,975)	23	(1,500)	(1,179)	(18,631)
Total Net Position - Beginning of Year	100,506	(708)	28,464	4,719	132,981
Total Net Position - End of Year	\$ 84,531	\$ (685)	\$ 26,964	\$ 3,540	\$ 114,350

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2022

(dollars in thousands)

	Group Insurance	Risk Management	General Services	Data Processing Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	\$ 21,705	\$ 433	\$ 8,034		\$ 30,172
Receipts from Interfund Services	299,131	14,454	50,379	\$ 8,157	372,121
Receipts from Grants and Contributions			163		163
Payments to Employees	(435)	(730)	3,851	(4,579)	(1,893)
Payments to Suppliers	(378)	(4,308)	(27,117)	(2,824)	(34,627)
Payments for Interfund Services	(48)	(221)	(3,257)	(59)	(3,585)
Payments for Benefits, Awards, and Claims	(333,758)	(8,170)			(341,928)
Other Receipts	3,293	245	237	77	3,852
Other Payments	(25)	(3)	(596)	(110)	(734)
Net Cash Provided (Used) by Operating Activities	(10,515)	1,700	31,694	662	23,541
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental Distributions	99				99
Transfers In			1,737		1,737
Transfers Out	(61)		(7,524)	(654)	(8,239)
Interest Payments			(19)		(19)
Net Cash Provided (Used) by Noncapital Financing Activities	38	0	(5,806)	(654)	(6,422)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal Payments			(24,104)		(24,104)
Interest Payments			(22)		(22)
Proceeds from Disposition of Capital Assets					
Acquisition and Construction of Capital Assets			(190)	(281)	(471)
Net Cash Provided (Used) by Capital and Related Financing	0	0	(24,316)	(281)	(24,597)
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipt of Interest and Dividends	213	40	92	(53)	292
Purchase of Investments	(610)	(123)			(733)
Other Investing Activities	(5)		(4)		(9)
Net Cash Provided (Used) by Investing Activities	(402)	(83)	88	(53)	(450)
Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash	(10,879)	1,617	1,660	(326)	(7,928)
Beginning Cash, Cash Equivalents, and Pooled Cash	77,559	6,579	17,049	4,470	105,657
Ending Cash, Cash Equivalents, and Pooled Cash	\$ 66,680	\$ 8,196	\$ 18,709	\$ 4,144	\$ 97,729
Reconciliation of Operating Income (Loss) to Net Cash					
Operating Income (Loss)	\$ (13,366)	\$ 520	\$ 4,216	\$ (474)	\$ (9,104)
Adjustments to Reconcile Operating Income to Net Cash Provided					
Depreciation and Amortization	1	1	1,310	246	1,558
Net Changes in Assets and Liabilities:					
Accounts Receivable/Interfund Receivables		15	390	43	448
Inventories and Prepaid Items		(20)	321	244	545
Other Assets		(114)	(876)	4	(986)
Accounts Payable/Interfund Payables	6	199	452		657
Unearned Revenue	1,051		(48)	1,013	2,016
Compensated Absences	12	5	28	18	63
Policy Claim Liabilities	1,834	1,061			2,895
Other Accrued Liabilities	(53)	33	25,901	(432)	25,449
Net Cash Provided (Used) by Operating Activities	\$ (10,515)	\$ 1,700	\$ 31,694	\$ 662	\$ 23,541
Noncash Transactions (dollars in thousands):					

Investments decreased in fair value by \$2,706 for Group Insurance and by \$537 for Risk Management. General Services acquired capital assets by lease for \$1,529.

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.

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 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.

Combining Statement of Fiduciary Net Position

Pension and Other Employee Benefit Trust Funds

June 30, 2022

(dollars in thousands)

	PERSI Base Plan	Firefighters' Retirement	Judges' Retirement	Defined Contribution 414(k)
ASSETS				
Cash and Cash Equivalents	\$ 1,539	\$ 36		\$ 122
Pooled Cash and Investments	17,510	407	\$ 570	
Investments:				
Pooled Short Term	205,312	4,772	1,103	
Fixed Income Investments	4,931,469	114,629	26,493	
Marketable Securities	10,595,014	246,275	56,920	
Mutual Funds and Private Equities	1,546,496	35,947	8,308	57,052
Mortgages and Real Estate	1,962,801	45,624	10,545	
Receivables:				
Investments Sold	74,468	1,721	400	
Contributions	6,744			10
Interest and Dividends	61,855	1,430	332	147
Interfund Receivables				
Other Receivables				
Other Assets	94,033			
Capital Assets, Net	5,650			
Total Assets	19,502,891	450,841	104,671	57,331
LIABILITIES				
Accounts Payable				
Interfund Payables	36			
Unearned Revenue				
Investments Purchased	122,088	2,872	656	
Policy Claim Liabilities				
Other Accrued Liabilities	16,577	349	79	14
Total Liabilities	138,701	3,221	735	14
NET POSITION				
Held in Trust for:				
Net Position Restricted for Pensions	19,364,190	447,620	103,936	57,317
Net Position Restricted for OPEB				
Trust Beneficiaries				
Total Net Position	\$ 19,364,190	\$ 447,620	\$ 103,936	\$ 57,317

Defined Contribution 401(k)	Sick Leave Insurance Reserve-State	Sick Leave Insurance Reserve-Schools	U of I Retiree Benefits Trust	U of I Death Benefits Trust	U of I Health Benefits Trust	Total
\$ 2,121			\$ 1,525	\$ 10	\$ 1,733	\$ 7,086
	\$ 1	\$ 24				18,512
2,030			40,870			254,087
	125,327	183,266	4,716		6,969	5,392,869
	118,710	171,607				11,188,526
1,265,406			4,429			2,917,638
						2,018,970
						76,589
1,429						8,183
3,157					26	66,947
		36				36
					240	240
	517	973			305	95,828
						5,650
1,274,143	244,555	355,906	51,540	10	9,273	22,051,161
					496	496
						36
						125,616
					2,184	2,184
526	52	24				17,621
526	52	24			2,680	145,953
1,273,617						21,246,680
	244,503	355,882	51,540	10		651,935
					6,593	6,593
\$ 1,273,617	\$ 244,503	\$ 355,882	\$ 51,540	\$ 10	\$ 6,593	\$ 21,905,208

Combining Statement of Changes in Fiduciary Net Position

Pension and Other Employee Benefit Trust Funds

For the Fiscal Year Ended June 30, 2022

(dollars in thousands)

	PERSI Base Plan	Firefighters' Retirement	Judges' Retirement	Define Contribution 414(k)
ADDITIONS				
Contributions:				
Member	\$ 315,161		\$ 909	
Employer	476,417	\$ 2,902	5,120	
Transfers In from Other Plans				
Total Contributions	791,578	2,902	6,029	
Investment Income:				
Net Increase (Decrease) in Fair Value of Investments	(2,364,562)	(54,660)	(12,703)	\$ (6,476)
Interest, Dividends, and Other	349,587	8,081	1,884	199
Less Investment Expense:				
Investment Activity Expense	(64,412)	(1,489)	(343)	(16)
Net Investment Income	(2,079,387)	(48,068)	(11,162)	(6,293)
Miscellaneous Income	407		2	
Total Additions	(1,287,402)	(45,166)	(5,131)	(6,293)
DEDUCTIONS				
Benefits and Refunds Paid to Plan Members	1,158,175	19,015	8,168	4,223
Administrative Expense	9,984	57	106	353
Total Deductions	1,168,159	19,072	8,274	4,576
Change in Net Position Held in Trust for:				
Employee Pension Benefits	(2,455,561)	(64,238)	(13,405)	(10,869)
Employee Postemployment Healthcare Benefits				
Trust Beneficiaries				
Net Position - Beginning of Year	21,819,751	511,858	117,341	68,186
Net Position - End of Year	\$ 19,364,190	\$ 447,620	\$ 103,936	\$ 57,317

Defined Contribution 401(k)	Sick Leave Insurance Reserve-State	Sick Leave Insurance Reserve- Schools	U of I Retiree Benefits Trust	U of I Death Benefits Trust	U of I Health Benefits Trust	Total
\$ 76,424					\$ 6,963	\$ 399,457
8,511		\$ (2)		\$ 240	25,457	518,645
16,231						16,231
101,166	0	(2)	0	240	32,420	934,333
(164,973)	\$ (36,072)	(52,439)	\$ 5,143		(65)	(2,686,807)
21,030						380,781
(3,356)	(110)	(140)				(69,866)
(147,299)	(36,182)	(52,579)	5,143	0	(65)	(2,375,892)
		1				410
(46,133)	(36,182)	(52,580)	5,143	240	32,355	(1,441,149)
72,055	5,459	12,738		266	25,687	1,305,786
2,194	49	71	144		3,730	16,688
74,249	5,508	12,809	144	266	29,417	1,322,474
(120,382)						(2,664,455)
	(41,690)	(65,389)	4,999	(26)		(102,106)
					2,938	2,938
1,393,999	286,193	421,271	46,541	36	3,655	24,668,831
\$ 1,273,617	\$ 244,503	\$ 355,882	\$ 51,540	\$ 10	\$ 6,593	\$ 21,905,208

Combining Statement of Fiduciary Net Position**Investment Trust Funds****June 30, 2022***(dollars in thousands)*

	Local Government Investment Pool	Diversified Bond Fund	Total
ASSETS			
Investments:			
Pooled Short Term	\$ 1,153,485	\$ 31,161	\$ 1,184,646
Fixed Income Investments	2,797,124	125,672	2,922,796
Mortgages and Real Estate		63,215	63,215
Receivables:			
Interest and Dividends	5,869	820	6,689
Total Assets	3,956,478	220,868	4,177,346
LIABILITIES			
Accounts Payable	22	2	24
Other Accrued Liabilities	2,746	289	3,035
Total Liabilities	2,768	291	3,059
NET POSITION			
Held in Trust for:			
External Investment Pool Participants	3,953,710	220,577	4,174,287
Total Net Position	\$ 3,953,710	\$ 220,577	\$ 4,174,287

Combining Statement of Changes in Fiduciary Net Position

Investment Trust Funds

For the Fiscal Year Ended June 30, 2022

(dollars in thousands)

	Local Government Investment Pool	Diversified Bond Fund	Total
ADDITIONS			
Contributions			
Participant Deposits	\$ 6,231,631	\$ 16,496	\$ 6,248,127
Total Contributions	6,231,631	16,496	6,248,127
Investment Income:			
Net Increase (Decrease) in Fair Value of Investments	(31,629)	(15,442)	(47,071)
Interest, Dividends, and Other	27,723	4,594	32,317
Less Investment Expense:			
Investment Activity Expense	(264)	(40)	(304)
Net Investment Income	(4,170)	(10,888)	(15,058)
Total Additions	6,227,461	5,608	6,233,069
DEDUCTIONS			
Earnings Distribution	9,860	3,160	13,020
Participant Withdrawals	5,774,867	14,353	5,789,220
Total Deductions	5,784,727	17,513	5,802,240
Change in Net Position Held in Trust for:			
External Investment Pool Participants	442,734	(11,905)	430,829
Total Net Position - Beginning of Year	3,510,976	232,482	3,743,458
Total Net Position - End of Year	\$ 3,953,710	\$ 220,577	\$ 4,174,287

Statistical Section



Sawtooth Wilderness

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Sources: Unless otherwise noted, the information in the following schedules is derived from the State's Annual Comprehensive 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 2013-2022

(accrual basis of accounting, dollars in thousands)

	2013 (as restated)	2014 (as restated)	2015 (as restated)	2016 (as restated)	2017 (as restated)	2018 (as restated)
Governmental Activities						
Net Investment in Capital Assets	\$ 5,325,732	\$ 5,447,960	\$ 5,638,703	\$ 5,777,987	\$ 6,018,594	\$ 6,215,298
Restricted ¹	2,291,548	2,619,433	2,885,392	3,043,809	3,406,489	3,767,494
Unrestricted ^{2,6}	748,869	737,576	893,542	947,045	1,122,934	1,229,977
Total Governmental Activities Net Position	\$ 8,366,149	\$ 8,804,969	\$ 9,417,637	\$ 9,768,841	\$ 10,548,017	\$ 11,212,769
Business-Type Activities						
Net Investment in Capital Assets	\$ 736,734	\$ 746,473	\$ 749,873	\$ 758,031	\$ 772,823	\$ 804,989
Restricted ³	986,730	1,130,154	1,222,537	1,353,036	1,449,554	1,544,643
Unrestricted ^{4,5}	261,432	226,545	291,420	303,825	239,141	237,345
Total Business-Type Activities Net Position	\$ 1,984,896	\$ 2,103,172	\$ 2,263,830	\$ 2,414,892	\$ 2,461,518	\$ 2,586,977
Primary Government						
Net Investment in Capital Assets	\$ 6,062,466	\$ 6,194,433	\$ 6,388,576	\$ 6,536,018	\$ 6,791,417	\$ 7,020,287
Restricted	3,278,278	3,749,587	4,107,929	4,396,845	4,856,043	5,312,137
Unrestricted	1,010,301	964,121	1,184,962	1,250,870	1,362,075	1,467,322
Total Primary Government Net Position	\$ 10,351,045	\$ 10,908,141	\$ 11,681,467	\$ 12,183,733	\$ 13,009,535	\$ 13,799,746

¹In fiscal year (FY) 2013-2017, net position increased primarily due to the increase in fair market value of investments, primarily related to the Land Endowment fund.

²Large 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.

³Increases 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.

⁴FY2015 net position increased primarily due to increased student tuition and fees for the colleges and universities.

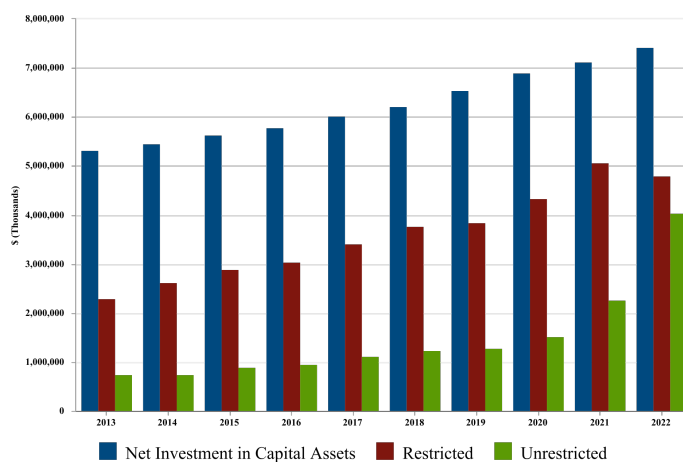
⁵FY2019 net position decreased due to removal of Eastern Idaho Technical College (EITC) from the reporting entity and prior period adjustments due to OPEB.

⁶FY2022 net position increased mainly due to higher than projected revenues, leaving a large cash balance at year end; a larger than usual year-end transfer due to market conditions; a new tax rebate and various transfers resulting from legislation; and the creation of a new fund related to the federal stimulus.

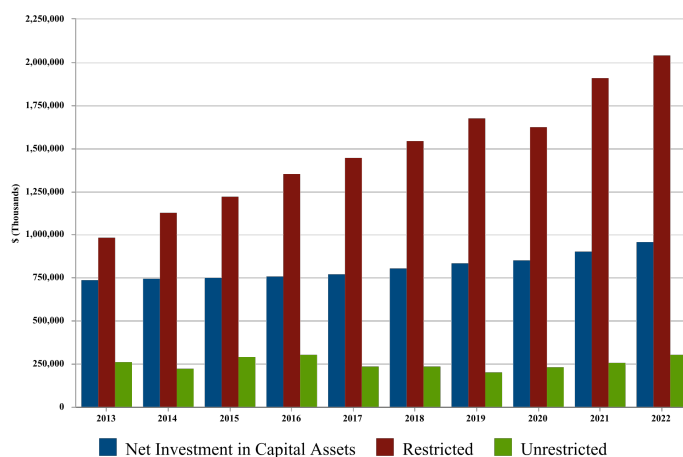
2019 (as restated)	2020 (as restated)	2021 (as restated)	2022
\$ 6,538,568	\$ 6,904,302	\$ 7,163,909	\$ 7,413,188
3,849,071	4,338,210	5,070,282	4,793,254
1,277,840	1,515,228	2,260,043	4,035,594
\$ 11,665,479	\$ 12,757,740	\$ 14,494,234	\$ 16,242,036
\$ 837,745	\$ 854,731	\$ 903,315	\$ 958,560
1,675,978	1,627,971	1,908,450	2,040,144
204,554	232,014	259,441	304,131
\$ 2,718,277	\$ 2,714,716	\$ 3,071,206	\$ 3,302,835

\$ 7,376,313	\$ 7,759,033	\$ 8,067,224	\$ 8,371,748
5,525,049	5,966,181	6,978,732	6,833,398
1,482,394	1,747,242	2,519,484	4,339,725
\$ 14,383,756	\$ 15,472,456	\$ 17,565,440	\$ 19,544,871

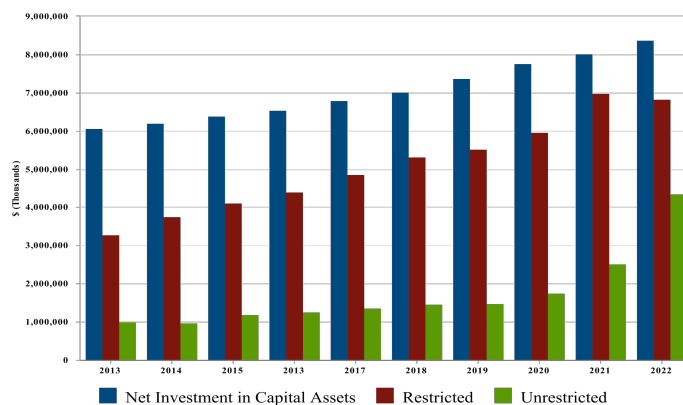
**Governmental Activities Net Position by Component
Fiscal Years 2013-2022**



**Business-Type Activities Net Position by Component
Fiscal Years 2013-2022**



**Primary Government Net Position by Component
Fiscal Years 2013-2022**



Schedule 2 - Changes in Net Position**Fiscal Years 2013-2022**

(accrual basis of accounting, dollars in thousands)

	2013 (as restated)	2014 (as restated)	2015 (as restated)	2016 (as restated)	2017 (as restated)	2018 (as restated)
Governmental Activities:						
Expenses						
General Government ¹	\$ 440,769	\$ 848,508	\$ 548,518	\$ 505,318	\$ 559,044	\$ 542,391
Public Safety and Correction	352,409	364,998	387,694	402,437	410,975	439,116
Health and Human Services ²	2,545,283	2,595,727	2,751,283	2,697,385	2,668,755	3,079,063
Education	1,707,233	1,756,231	1,845,144	1,956,032	2,090,661	2,229,172
Economic Development ⁶	806,801	810,023	761,384	866,345	903,462	1,068,663
Natural Resources	244,032	236,614	269,706	287,853	305,400	303,441
Interest Expense ⁹	49,961	51,600	46,860	45,271	15,879	52,271
Total Expenses	6,146,488	6,663,701	6,610,589	6,760,641	6,954,176	7,714,117
Program Revenues						
Charges for Services:						
General Government ⁷	104,973	90,314	227,915	178,132	252,281	103,489
Economic Development	252,221	271,894	287,525	333,616	343,285	384,872
Natural Resources	151,126	175,271	256,344	217,958	225,920	232,380
Other Activities	127,082	161,452	181,054	197,393	192,525	173,492
Operating Grants and Contributions ³	2,828,808	2,941,720	2,851,144	2,676,844	2,869,284	3,180,624
Capital Grants and Contributions	10,492	5,317	2,832	11,021	12,425	4,321
Total Program Revenues	3,474,702	3,645,968	3,806,814	3,614,964	3,895,720	4,079,178
Total Governmental Activities Net Program Expense	(2,671,786)	(3,017,733)	(2,803,775)	(3,145,677)	(3,058,456)	(3,634,939)
General Revenues and Other Changes in Net Position						
Taxes:						
Sales Tax ⁴	1,315,002	1,400,547	1,444,781	1,580,542	1,636,125	1,805,363
Individual and Corporate Taxes ⁴	1,533,850	1,739,957	1,686,455	1,518,740	1,848,281	2,091,958
Fuel Tax	237,647	262,479	243,826	357,858	331,399	350,134
Other Taxes	220,507	213,434	220,442	229,430	231,294	246,585
Tobacco Settlement	24,912	27,450	24,183	25,297	22,964	23,639
Unrestricted Investment Earnings	19,142	14,374	10,452	18,735	14,869	37,352
Transfers	(195,507)	(201,688)	(213,696)	(233,721)	(247,300)	(255,340)
Total General Revenues and Other Changes in Net Position	3,155,553	3,456,553	3,416,443	3,496,881	3,837,632	4,299,691
Total Governmental Activities Change in Net Position	\$ 483,767	\$ 438,820	\$ 612,668	\$ 351,204	\$ 779,176	\$ 664,752
Business-Type Activities:						
Expenses						
College and University	\$ 989,412	\$ 1,054,726	\$ 1,015,707	\$ 1,063,222	\$ 1,185,061	\$ 1,155,209
Unemployment Compensation ⁴	251,016	142,524	110,597	108,187	108,022	86,600
Loan	6,480	7,565	9,604	7,537	8,119	6,448
State Lottery	150,599	163,295	165,445	185,115	192,314	211,916
State Liquor	134,117	141,467	143,469	153,901	163,270	172,786
Correctional Industries	7,560	8,755	8,155	8,960	9,112	9,429
Total Expenses	1,539,184	1,518,332	1,452,977	1,526,922	1,665,898	1,642,388
Revenues						
Charges for Services:						
College and University	445,649	459,380	489,740	491,169	489,375	506,484
Unemployment Compensation ⁵	314,630	258,072	203,794	189,219	189,816	163,839
State Lottery ⁸	198,169	209,642	210,940	236,819	240,686	265,811
Other Activities ^{8,10}	180,645	185,082	196,043	218,024	227,837	231,065
Operating Grants and Contributions	383,575	305,150	282,646	291,830	293,977	301,757
Capital Grants and Contributions	38,364	17,594	16,776	17,200	23,533	43,551
Total Revenues	1,561,032	1,434,920	1,399,939	1,444,261	1,465,224	1,512,507
Total Business-Type Activities Net Program Revenue (Expense)	21,848	(83,412)	(53,038)	(82,661)	(200,674)	(129,881)
General Revenues and Other Changes in Net Position						
Special Item						
Transfers	195,507	201,688	213,696	233,723	247,300	255,340
Total General Revenues and Other Changes in Net Position	195,507	201,688	213,696	233,723	247,300	255,340
Total Business-Type Activities Change in Net Position	\$ 217,355	\$ 118,276	\$ 160,658	\$ 151,062	\$ 46,626	\$ 125,459
Total Primary Government Change in Net Position	\$ 701,122	\$ 557,096	\$ 773,326	\$ 502,266	\$ 825,802	\$ 790,211

¹In fiscal year (FY) 2014 prior period adjustments were made due to the implementation of GASB Statements No. 68 & 71 in FY2015.²In FY2013-2016 expenses for health and human services fluctuated due to changes in medical assistance payments related to Medicaid and rehabilitation services payments.³In 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.

2019 (as restated)	2020 (as restated)	2021 (as restated)	2022
\$ 645,031	\$ 747,921	\$ 1,413,067	\$ 1,224,305
466,263	495,324	518,530	530,618
3,057,179	3,434,555	4,051,255	4,275,448
2,325,261	2,461,028	2,817,353	3,013,362
1,050,489	1,057,366	1,358,094	1,130,795
314,839	317,428	364,495	407,123
87,846	57,873	44,117	60,241
7,946,908	8,571,495	10,566,911	10,641,892

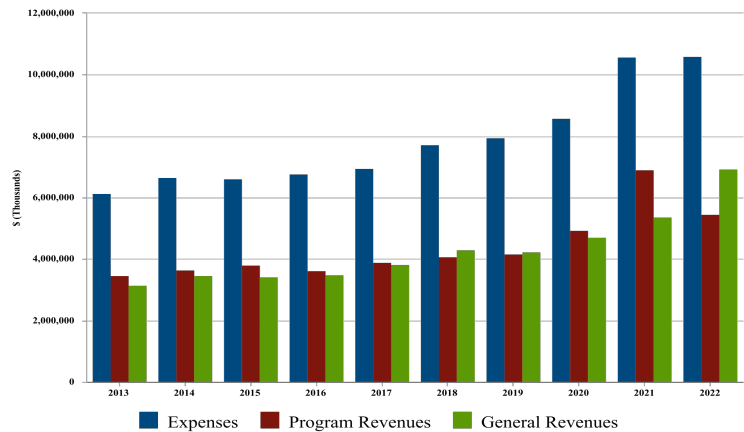
149,788	162,654	300,954	63,577
386,778	431,684	548,386	400,635
244,634	237,268	300,769	269,132
132,319	141,519	324,180	276,211
3,250,723	3,964,622	5,456,387	4,424,318
3,144	7,445	13,743	24,598
4,167,386	4,945,192	6,944,419	5,458,471
(3,779,522)	(3,626,303)	(3,622,492)	(5,183,421)

\$ 1,899,088	2,107,259	2,529,066	2,951,911
1,958,640	2,175,241	2,636,267	3,579,163
341,559	361,831	383,026	386,307
249,696	254,686	269,359	285,459
21,014	20,643	22,100	22,215
42,239	49,641	6,602	(42,512)
(280,004)	(250,737)	(487,434)	(251,320)
4,232,232	4,718,564	5,358,986	6,931,223
\$ 452,710	\$ 1,092,261	\$ 1,736,494	\$ 1,747,802

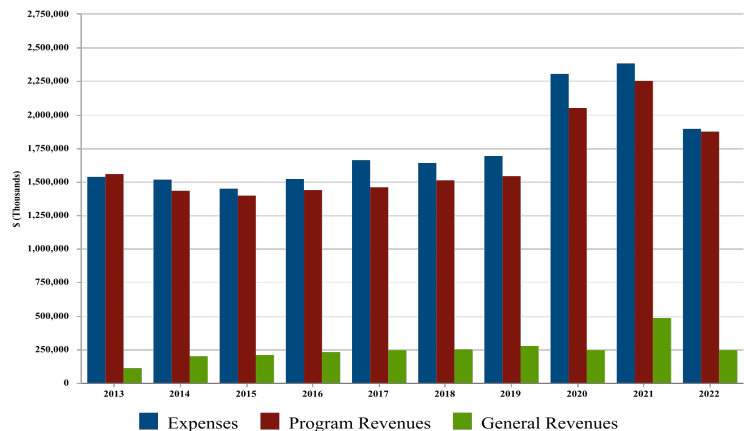
\$ 1,169,944	\$ 1,178,320	\$ 1,135,298	\$ 1,261,611
89,446	684,692	680,883	63,049
10,122	5,245	19,840	5,358
228,352	222,955	300,784	304,347
187,256	204,941	241,387	246,360
12,145	13,710	10,985	17,475
1,697,265	2,309,863	2,389,177	1,898,200

515,194	519,082	489,518	530,610
150,267	165,124	154,228	164,638
288,617	278,296	372,750	377,058
259,557	286,368	314,472	320,905
305,727	769,593	908,896	428,409
29,199	37,102	17,706	56,889
1,548,561	2,055,565	2,257,570	1,878,509
(148,704)	(254,298)	(131,607)	(19,691)
280,004	250,737	487,434	251,320
280,004	250,737	488,097	251,320
\$ 131,300	\$ (3,561)	\$ 356,490	\$ 231,629
\$ 584,010	\$ 1,088,700	\$ 2,092,984	\$ 1,979,431

**Expenses and Revenues - Governmental Activities
Fiscal Years 2013-2022**



**Expenses and Revenues - Business-Type Activities
Fiscal Years 2013-2022**



⁴Increases and decreases are due to the degradation and improvement of economic conditions and the changes in employment and personal income levels.

⁵In FY2013-2014 revenues decreased due to a lower employer contribution rate.

⁶In FY2016 economic development expenses rose primarily due to an increased number of state and local highway infrastructure improvements.

⁷In 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.

⁸In FY2016 nonmajor enterprise funds net position improved primarily in consequence of increased lottery ticket and liquor sales.

⁹In FY2019 interest expense increased due to recording of the current interest payable for GARVEE notes payable.

¹⁰In FY2019 revenues increased primarily due to liquor sales.

Schedule 3 - Fund Balances - Governmental Funds**Fiscal Years 2013-2022***(modified accrual basis of accounting, dollars in thousands)*

	2013 (as restated)	2014 (as restated)	2015 (as restated)	2016 (as restated)	2017 (as restated)	2018 (as restated)
General Fund						
Nonspendable	\$ 9,292	\$ 12,012	\$ 10,294	\$ 10,580	\$ 11,307	\$ 19,289
Restricted ¹	219,270	252,627	274,121	298,798	349,697	399,972
Committed ²	195,479	263,443	339,169	337,231	332,704	369,516
Assigned ⁷	63,806	53,086	51,357	111,168	115,618	92,124
Unassigned ³	412,738	387,161	489,495	557,280	666,848	864,625
Total General Fund	900,585	968,329	1,164,436	1,315,057	1,476,174	1,745,526
All Other Governmental Funds						
Nonspendable ⁴	1,255,497	1,443,868	1,503,337	1,435,060	1,519,909	1,686,989
Restricted ⁵	742,849	851,410	1,027,465	1,208,118	1,453,421	1,562,178
Committed	77,505	76,970	87,298	99,202	110,143	144,873
Assigned	2,689	5,271	2,201	1,949	1,655	1,507
Unassigned ⁶	(4,262)	(6,533)	(18,822)	(13,597)	(26,550)	(63,860)
Total All Other Governmental Funds	2,074,278	2,370,986	2,601,479	2,730,732	3,058,578	3,331,687
Total Fund Balances - Governmental Funds	\$ 2,974,863	\$ 3,339,315	\$ 3,765,915	\$ 4,045,789	\$ 4,534,752	\$ 5,077,213

¹Increases 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.

²Fluctuations 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.

³Increases and decreases in the General Fund unassigned fund balance resulted from surging and weakening economic conditions.

⁴Large changes in the Governmental Funds nonspendable fund balance occurred primarily because of significant variances in Land Endowment fund fair market value.

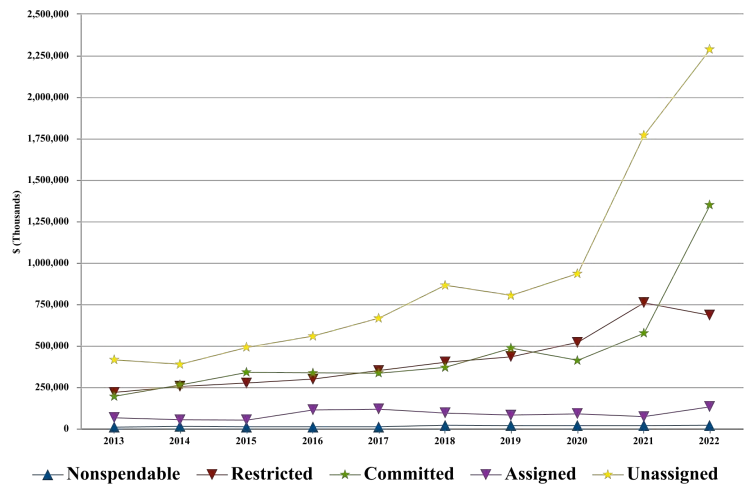
⁵In FY2016 the fund balance increased primarily due to mandated increases to personal and commercial vehicle registration fees and in the motor fuels tax rate as a result of House Bill 312 passing in 2015.

⁶In FY2013-2019 the Department of Health and Welfare reported a negative unassigned fund balance due to increased expenditures for health and human services.

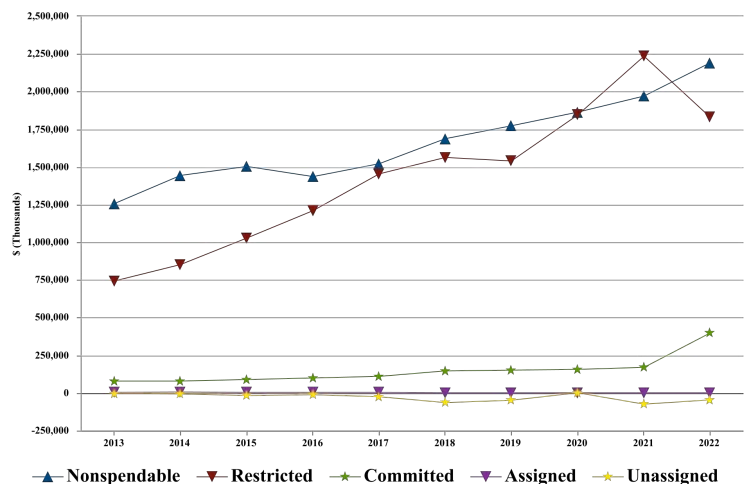
⁷In FY2016 the assigned fund balance increased primarily due to significant amount of funds that were allocated to the Fire Suppression - Deficiency fund. In FY2019, the assigned fund balance decreased primarily due to a decrease in the Fire Suppression - Deficiency fund.

2019 (as restated)	2020 (as restated)	2021 (as restated)	2022
\$ 18,791	\$ 16,619	\$ 17,686	\$ 19,046
432,728	520,570	749,161	682,964
484,934	411,403	575,159	1,348,775
80,404	88,109	71,181	130,802
803,277	934,101	1,766,582	2,287,328
1,820,134	1,970,802	3,179,769	4,468,915
1,773,347	1,862,277	1,970,155	2,189,429
1,539,416	1,844,479	2,243,800	1,830,277
150,335	157,030	167,928	396,049
1,087	842	257	1,292
(49,507)	0	(74,070)	(47,532)
3,414,678	3,864,628	4,308,070	4,369,515
\$ 5,234,812	\$ 5,835,430	\$ 7,487,839	\$ 8,838,430

**Fund Balances - General Funds
Fiscal Years 2013-2022**



**Fund Balances - All Other Governmental Funds
Fiscal Years 2013-2022**



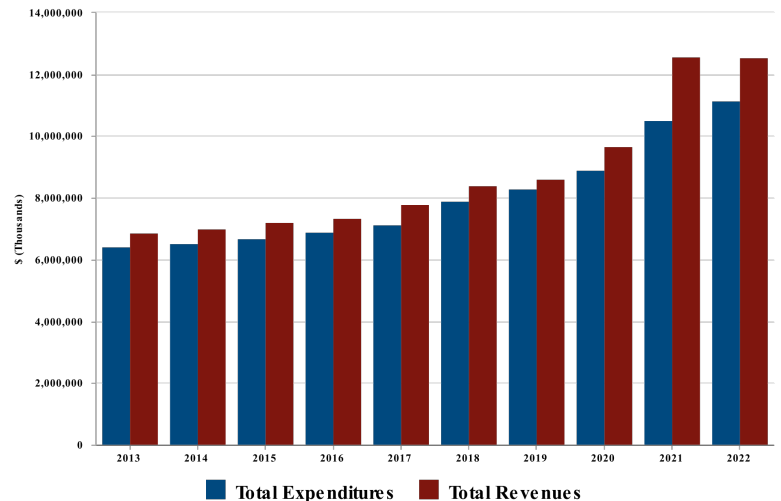
Schedule 4 - Changes in Fund Balances - Governmental Funds**Fiscal Years 2013-2022***(modified accrual basis of accounting, dollars in thousands)*

	2013 (as restated)	2014 (as restated)	2015 (as restated)	2016 (as restated)	2017 (as restated)	2018 (as restated)
Revenues						
Sales Tax ¹	\$ 1,318,383	\$ 1,379,105	\$ 1,462,022	\$ 1,579,729	\$ 1,637,840	\$ 1,805,640
Individual and Corporate Taxes ²	1,531,975	1,497,935	1,684,680	1,696,834	1,854,375	2,086,130
Other Taxes ⁶	458,291	470,226	469,780	587,439	562,787	596,308
Licenses, Permits, and Fees	317,854	325,172	354,894	390,258	405,663	418,807
Sale of Goods and Services	237,268	260,489	288,388	272,024	250,403	263,897
Grants and Contributions	2,695,371	2,658,143	2,706,506	2,678,121	2,703,724	2,884,057
Investment Income ³	217,357	324,835	78,412	34,552	311,974	259,196
Tobacco Settlement	24,912	27,450	24,183	25,297	22,964	23,639
Other Income	69,185	61,016	151,062	88,132	54,481	66,367
Total Revenues	6,870,596	7,004,371	7,219,927	7,352,386	7,804,211	8,404,041
Expenditures						
General Government	168,253	197,639	195,667	203,783	208,067	224,707
Public Safety and Correction	324,717	338,865	359,132	369,982	383,070	407,550
Health and Human Services ⁴	2,544,890	2,561,572	2,573,782	2,622,307	2,672,573	2,858,524
Education	1,685,252	1,733,263	1,821,633	1,938,123	2,064,432	2,210,786
Economic Development	420,668	418,525	414,307	425,407	445,357	491,977
Natural Resources	210,376	223,017	237,478	248,671	256,845	271,792
Capital Outlay ^{6,10}	497,087	468,817	485,276	441,430	443,857	699,051
Intergovernmental Revenue Sharing	471,269	488,585	505,017	547,772	580,565	637,531
Debt Service:						
Principal	49,679	52,334	48,362	38,946	40,564	41,680
Interest	49,100	48,926	48,458	47,409	44,397	52,855
Total Expenditures	6,421,291	6,531,543	6,689,112	6,883,830	7,139,727	7,896,453
Revenues Over (Under) Expenditures	449,305	472,828	530,815	468,556	664,484	507,588
Other Financing Sources (Uses)						
Bonds and Notes Issued ^{7,9}	61,347	65,457	53,935	12,270		229,040
Issuance of Refunding Bonds						
Premium/(Discount) on Bonds Issued						
Payment to Refunded Bond Escrow Agent ⁵						
Capital Lease Acquisitions	178	9	90	7	19	292
Sale of Capital Assets ⁸	15,414	30,382	57,988	47,642	73,498	60,858
Transfers In	858,585	855,318	872,222	902,365	977,802	1,007,860
Transfers Out	(1,056,427)	(1,059,542)	(1,088,450)	(1,150,966)	(1,226,840)	(1,264,942)
Total Other Financing Sources (Uses)	(120,095)	(108,376)	(104,215)	(188,682)	(175,521)	34,873
Net Changes in Fund Balances	\$ 329,210	\$ 364,452	\$ 426,600	\$ 279,874	\$ 488,963	\$ 542,461
Debt Service as a Percentage of Noncapital Expenditures	1.6	1.6	1.5	1.3	1.2	1.3

¹Sales tax revenue changed in response to fluctuating levels of employment and personal income.²Individual and corporate income tax revenues increased and decreased due to the relative strengthening and weakening of the economy.³Investment income increased and decreased primarily due to changes in the fair values of investments in the Land Endowment fund.⁴In FY2013 health and human services expenditures increased and decreased due to changes in medical assistance payments related to Medicaid and rehabilitation services.

2019 (as restated)	2020 (as restated)	2021 (as restated)	2022
\$ 1,898,996	\$ 2,106,159	\$ 2,493,537	\$ 2,912,225
2,001,934	2,136,040	2,736,064	3,572,980
592,109	616,336	643,293	670,720
442,549	456,271	483,727	487,783
203,106	215,154	310,370	336,505
3,087,193	3,813,723	4,713,961	4,860,383
288,921	210,099	871,934	(510,759)
21,014	20,643	22,100	22,215
79,893	89,602	291,577	207,218
8,615,715	9,664,027	12,566,563	12,559,270
238,615	220,923	448,042	256,537
436,675	476,004	470,705	477,064
2,945,767	3,308,948	3,868,516	4,093,979
2,307,345	2,442,745	2,786,096	2,987,601
464,392	474,472	574,781	555,184
279,452	283,668	330,115	373,620
799,927	800,607	687,976	779,866
707,365	775,512	1,242,489	1,481,249
42,961	48,574	54,948	87,898
62,143	61,076	44,573	53,079
8,284,642	8,892,529	10,508,241	11,146,077
331,073	771,498	2,058,322	1,413,193
73,914	80,061	47,293	80,286
	2,680		
5,442	13		43,405
38,733	27,401	27,216	58,525
1,122,930	1,209,961	1,409,994	1,726,765
(1,387,649)	(1,453,262)	(1,890,416)	(1,971,583)
(173,474)	(170,880)	(405,913)	(62,602)
\$ 157,599	\$ 600,618	\$ 1,652,409	\$ 1,350,591

Revenues and Expenditures - Governmental Funds Fiscal Years 2013-2022



⁵In FY2013 the Idaho State Building Authority defeased bond debt to achieve better interest rates.

⁶In 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.

⁷In FY2016 the decrease in bonds and notes issued is primarily due to a large decrease in issued GARVEE bonds revenue.

⁸In 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.

⁹In FY2019 ISBA decreased the amount of bonds issued.

¹⁰In FY2019 capital outlay expenditures increased primarily due to land endowments.

State of Idaho

Schedule 5 - Revenue Base

Fiscal/Calendar Years 2013-2022 (dollars in thousands)

Taxable Sales by Industry ¹	Fiscal Year					
	2013	2014	2015	2016	2017	2018
Commercial Farms ²	\$ 11,733	\$ 11,756	\$ 16,197			
Agricultural/Forestry, Fishing, and Other	106,731	112,719	124,776	\$ 82,925	\$ 74,482	\$ 91,049
Mining	52,671	55,851	53,947	59,177	44,035	57,534
Construction	434,218	422,849	490,734	464,888	242,718	515,407
Manufacturing	807,950	844,024	924,586	1,101,280	884,684	1,256,853
Transportation and Public Utilities	705,692	543,205	555,498	166,992	49,072	218,973
Wholesale Trade	2,033,097	2,281,830	2,573,395	2,995,810	3,000,366	3,290,114
Retail Trade	14,568,624	15,057,644	16,080,503	14,000,015	14,576,989	16,058,752
Information ³				518,717	507,973	564,405
Finance, Insurance, and Real Estate	142,282	157,134	183,317	608,493	653,214	724,105
Services	2,225,229	2,367,364	2,584,259	4,975,587	5,094,919	5,550,830
State and Local Government	751,309	811,377	868,951	861,772	953,088	1,058,807
Unclassified				148,683	62,257	112,950
Unpermitted ⁴				14,739	231	2,470
Total Taxable Sales	\$ 21,839,536	\$ 22,665,753	\$ 24,456,163	\$ 25,999,078	\$ 26,144,028	\$ 29,502,249
Direct Sales Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Personal Income by Industry ⁵	Calendar Year					
	2013	2014	2015	2016	2017	2018
Farm Earnings	\$ 2,364,823	\$ 2,451,814	\$ 2,306,346	\$ 2,070,571	\$ 1,655,041	\$ 1,660,394
Agricultural/Forestry, Fishing, and Other	454,523	476,689	499,700	468,186	484,822	568,649
Mining	506,360	464,521	383,397	314,109	239,799	271,713
Construction/Utilities	2,787,455	3,124,165	3,368,946	3,629,128	4,025,362	4,221,517
Manufacturing	4,371,537	4,851,561	4,888,490	5,054,671	5,837,375	6,082,973
Transportation	1,271,597	1,358,091	1,465,471	1,474,728	1,572,014	1,721,896
Wholesale Trade	1,837,311	1,909,022	2,039,626	2,123,918	2,226,351	2,416,075
Retail Trade	3,325,557	3,514,383	3,716,852	3,773,844	3,953,693	4,226,149
Finance, Insurance, and Real Estate	2,248,488	2,260,506	2,582,469	2,819,261	2,907,961	3,162,460
Services	13,125,559	13,764,881	14,623,583	15,387,617	16,508,097	17,842,141
Federal, Civilian	1,097,979	1,114,508	1,167,825	1,220,238	1,263,107	1,329,637
Military	485,981	472,455	451,080	475,509	485,056	518,530
State and Local Government	5,087,358	5,109,962	5,462,520	5,613,722	5,938,966	6,255,046
Other ⁶	19,439,186	20,928,803	22,519,348	23,583,834	24,790,791	26,157,983
Total Personal Income	\$ 58,403,714	\$ 61,801,361	\$ 65,475,653	\$ 68,009,336	\$ 71,888,435	\$ 76,435,163
Total Direct Personal Income Tax Rate⁸	7.3%	7.3%	7.3%	7.4%	7.4%	6.9%
Corporate Income by Category ^{7,8}	Calendar Year					
	2013	2014	2015	2016	2017	2018
Corporations	\$ 316,558	\$ 124,853	\$ 1,145,583	\$ 785,071	\$ 469,660	\$ 1,565,970
Sub-S Corporations	49,630	54,694	125,936	135,698	159,298	132,004
Partnerships	(127,839)	(29,224)	2,769	31,080	55,851	76,994
Fiduciary	(14,541)	(10,847)	(3,278)	(43,298)	16,271	73,933
Total Corporate Income	\$ 223,808	\$ 139,476	\$ 1,271,010	\$ 908,551	\$ 701,080	\$ 1,848,901
Direct Corporate Income Tax Rate	7.4%	7.4%	7.4%	7.4%	7.4%	6.9%
Vehicle Fuel Sales by Category (in thousands of gallons)	Fiscal Year					
	2013	2014	2015	2016	2017	2018
Diesel	\$ 250,299	\$ 255,171	\$ 267,381	\$ 273,136	\$ 291,576	\$ 295,988
Gasoline	631,697	643,806	691,065	712,309	706,415	763,344
Propane	61	151	115	221	(21)	26
Natural Gas ⁸	97	1,392	2,916	2,312	1,698	1,576
Aviation	1,720	1,678	1,592	1,696	1,495	1,653
Jet	28,995	27,389	15,537	19,818	33,496	23,626
Total Fuel Sales	\$ 912,869	\$ 929,587	\$ 978,606	\$ 1,009,492	\$ 1,034,659	\$ 1,086,213
Total Direct Fuel Tax Rate (per gallon of fuel)	\$ 0.244	\$ 0.244	\$ 0.247	\$ 0.314	\$ 0.311	\$ 0.314

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.
¹In 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.

²Under the NAICS, commercial farming is combined with agriculture/forestry, fishing, and other.

³The information sector includes the publishing industries, the motion picture and sound recording industries, the broadcasting industries, and data processing, hosting, and related services.

⁴Taxable sales by individuals and businesses without a sales and use tax permit.

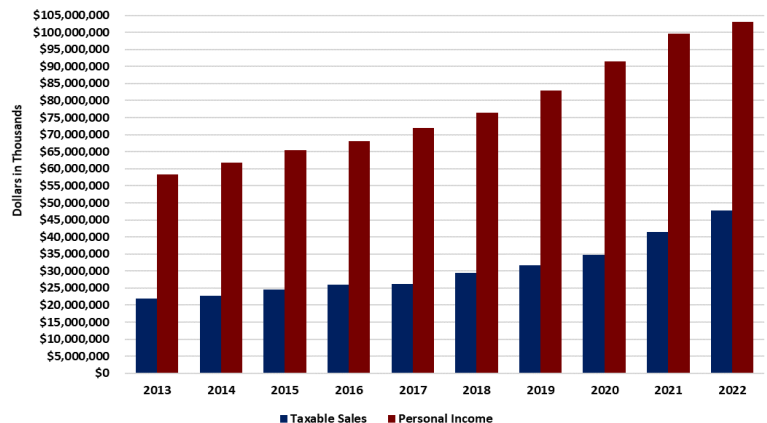
2019	2020	2021	2022
\$ 98,077	\$ 107,938	\$ 831	\$ 147,975
59,340	62,018	122,659	88,207
589,035	611,554	33,888	815,047
1,414,472	1,533,350	1,679,425	2,165,858
201,361	229,745	8,656,308	383,296
3,588,765	3,959,246	866,986	6,069,709
17,054,413	19,465,778	19,956,363	26,132,210
580,011	588,864	112,865	751,797
831,961	864,251	757,100	1,184,368
6,007,029	6,023,508	6,674,943	8,000,623
1,109,683	1,094,140	807,771	1,966,178
105,911	138,512	1,649,847	108,435
2,473	2,748	102,215	8
\$ 31,642,531	\$ 34,681,652	\$ 41,421,201	\$ 47,813,711
6.0%	6.0%	6.0%	6.0%

2019	2020	2021	2022
\$ 2,135,100	\$ 2,354,384	\$ 1,698,757	\$ 2,484,944
541,838	640,188	598,877	619,634
248,272	255,905	297,006	338,725
4,756,837	5,292,740	5,906,160	6,759,787
5,855,092	6,175,271	6,448,370	6,991,095
1,788,266	1,850,303	2,116,934	2,214,066
2,614,724	2,806,702	3,132,234	3,453,860
4,797,638	5,377,441	5,995,906	6,361,595
3,612,143	4,484,705	4,965,068	5,442,996
19,329,256	20,568,613	23,040,567	25,358,586
1,362,053	1,410,550	1,489,693	1,497,444
535,335	562,624	583,537	581,073
6,480,246	6,718,350	6,937,271	7,251,199
28,974,733	32,950,684	36,339,207	33,814,809
\$ 83,031,533	\$ 91,448,460	\$ 99,549,587	\$ 103,169,813
6.9%	6.9%	6.5%	NA

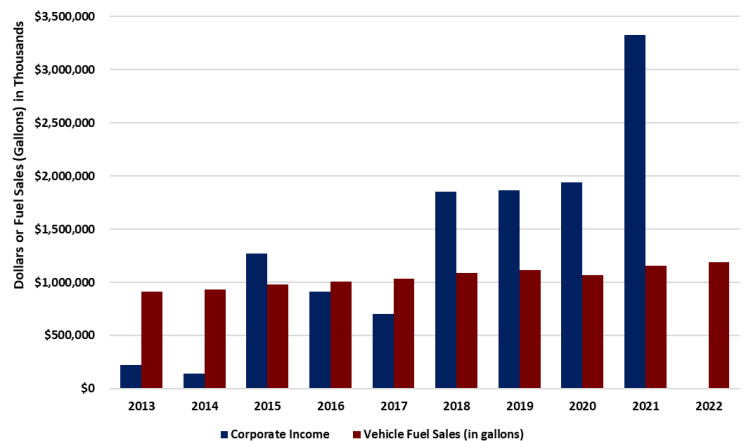
2019	2020	2021	2022
\$ 1,611,821	\$ 1,596,837	\$ 2,733,307	NA
174,205	225,065	232,694	NA
83,236	87,242	117,965	NA
(2,197)	31,000	237,889	NA
\$ 1,867,065	\$ 1,940,144	\$ 3,321,855	NA
6.9%	6.9%	6.9%	6.9%

2019	2020	2021	2022
\$ 313,640	\$ 326,058	\$ 349,613	\$ 358,107
755,165	732,609	773,262	778,190
67	104	99	97
1,945	1,847	2,142	2,171
1,666	398	1,734	1,693
41,464	6,970	30,637	48,022
\$ 1,113,947	\$ 1,067,986	\$ 1,157,487	\$ 1,188,280
\$ 0.310	\$ 0.318	\$ 0.313	\$ 0.309

**Taxable Sales and Personal Income
Fiscal/Calendar Years 2013-2022**



**Corporate Income and Vehicle Fuel Sales
Calendar/Fiscal Years 2013-2022**



⁵Personal income data for calendar years 2013-2022 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.

⁶Other personal income includes dividends, interest, rental income, residence adjustment, government transfers to individuals, and deductions for social insurance.

⁷The 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 year 2022.

⁸Data for calendar years 2017-2021 are revised based on updated information from the Tax Commission.

Schedule 6 - Revenue Rates

Fiscal/Calendar Years 2013-2022

Personal Income Tax Rates¹

	Calendar Year					
	2013	2014	2015	2016	2017	2018
Tax Rate	1.6%	1.6%	1.6%	1.6%	1.6%	1.1%
Income Levels (S, MFS) ²	\$0-1,408	\$0-1,428	\$0-1,451	\$0-1,453	\$0-1,471	\$0-1,503
Income Levels (MFJ, HoH, QW) ²	\$0-2,817	\$0-2,857	\$0-2,903	\$0-2,907	\$0-2,943	\$0-3,007
Tax Rate	3.6%	3.6%	3.6%	3.6%	3.6%	3.1%
Income Levels (S, MFS)	\$1,409-2,817	\$1,429-2,857	\$1,452-2,903	\$1,454-2,907	\$1,472-2,944	\$1,504-3,007
Income Levels (MFJ, HoH, QW)	\$2,818-5,635	\$2,858-5,715	\$2,904-5,807	\$2,908-5,815	\$2,944-5,889	\$3,008-6,015
Tax Rate	4.1%	4.1%	4.1%	4.1%	4.1%	3.6%
Income Levels (S, MFS)	\$2,818-4,226	\$2,858-4,286	\$2,904-4,355	\$2,908-4,361	\$2,945-4,416	\$3,008-4,510
Income Levels (MFJ, HoH, QW)	\$5,636-8,453	\$5,716-8,573	\$5,808-8,711	\$5,816-8,723	\$5,890-8,833	\$6,016-9,021
Tax Rate	5.1%	5.1%	5.1%	5.1%	5.1%	4.6%
Income Levels (S, MFS)	\$4,227-5,635	\$4,287-5,715	\$4,356-5,807	\$4,362-5,815	\$4,417-5,889	\$4,511-6,014
Income Levels (MFJ, HoH, QW)	\$8,454-11,271	\$8,574-11,431	\$8,712-11,615	\$8,724-11,631	\$8,834-11,779	\$9,022-12,029
Tax Rate	6.1%	6.1%	6.1%	6.1%	6.1%	5.6%
Income Levels (S, MFS)	\$5,636-7,044	\$5,716-7,144	\$5,808-7,259	\$5,816-7,269	\$5,890-7,361	\$6,015-7,518
Income Levels (MFJ, HoH, QW)	\$11,272-14,089	\$11,432-14,289	\$11,616-14,519	\$11,632-14,539	\$11,780-14,723	\$12,030-15,037
Tax Rate	7.1%	7.1%	7.1%	7.1%	7.1%	6.6%
Income Levels (S, MFS)	\$7,045-10,567	\$7,145-10,717	\$7,260-10,889	\$7,270-10,904	\$7,362-11,042	\$7,519-11,278
Income Levels (MFJ, HoH, QW)	\$14,090-21,135	\$14,290-21,435	\$14,520-21,779	\$14,540-21,809	\$14,724-22,085	\$15,038-22,557
Tax Rate	7.4%	7.4%	7.4%	7.4%	7.4%	6.9%
Income Levels (S, MFS)	\$10,568+	\$10,718+	\$10,890+	\$10,905+	\$11,043+	\$11,279+
Income Levels (MFJ, HoH, QW)	\$21,136+	\$21,436+	\$21,780+	\$21,810+	\$22,086+	\$22,558+
Total Direct Rate⁴	7.3%	7.3%	7.3%	7.4%	7.4%	7.4%

Vehicle Fuel Tax Rates per Gallon

	Fiscal Year					
	2013	2014	2015	2016	2017	2018
Diesel	\$0.250	\$0.250	\$0.250	\$0.320	\$0.320	\$0.320
Gasoline	0.250	0.250	0.250	0.320	0.320	0.320
Propane	0.181	0.181	0.181	0.232	0.232	0.232
Natural Gas	0.197	0.197	0.197	0.349	0.349	0.349
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
Total Direct Rate (per gallon of fuel)	\$0.244	\$0.244	\$0.247	\$0.314	\$0.311	\$0.314

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.

¹Idaho's personal income tax brackets are adjusted each year for inflation.²Income categories are as follows: S = Single, MFS = Married Filing Separately, MFJ = Married Filing Jointly, HoH = Head of Household, QW = Qualifying Widower.³Fiscal year 2012 legislative action reduced the top personal income tax rate from 7.8% to 7.4%.⁴Personal Income data is currently not available for calendar year 2022. Data for calendar years 2018-2021 are revised based on updated information from the Tax Commission.⁵In calendar year 2022, the Idaho State Legislature passed House Bill No. 436 which revised the income tax rates.

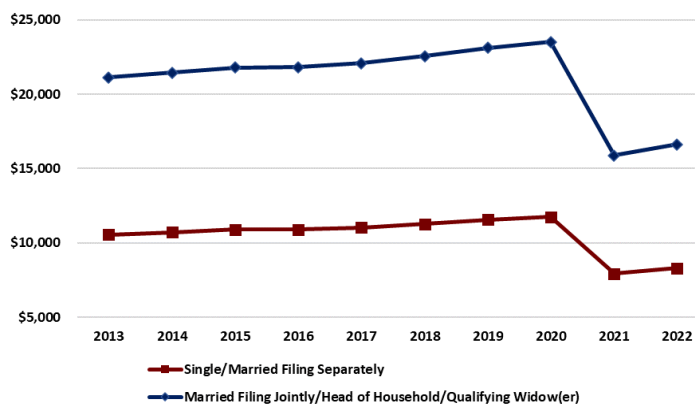
2019	2020	2021	2022 ⁵
1.1% \$0-1,540 \$0-3,081	1.1% \$0-1,548 \$0-3,136	1% \$0-1,587 \$0-3,175	1% \$0-1,661 \$0-3,323
3.1% \$1,541-3,081 \$3,082-6,161	3.1% \$1,549-3,136 \$3,137-6,272	3.1% \$1,588-4,762 \$3,136-9,525	3% \$1,662-4,986 \$3,324-9,973
3.6% \$3,082-4,621 \$6,162-9,243	3.6% \$3,137-4,704 \$6,273-9,408	4.5% \$4,763-6,350 \$9,526-12,701	4.5% \$4,987-8,310 \$9,974-16,621
4.6% \$4,622-6,161 \$9,244-12,323	4.6% \$4,705-6,272 \$9,409-12,544	5.5% \$6,351-7,938 \$12,702-15,877	6% \$8,311+ \$16,622+
5.6% \$6,162-7,702 \$12,324-15,405	5.6% \$6,273-7,840 \$12,545-15,680	6.5% \$7,939+ \$15,878+	
6.6% \$7,703-11,553 \$15,406-23,107	6.6% \$7,841-11,760 \$15,681-23,520		
6.9% \$11,554+ \$23,108+	6.9% \$11,761+ \$23,520+		

6.9% 6.9% 6.5% NA

2019	2020	2021	2022
\$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

\$0.310 \$0.320 \$0.320 \$0.309

**Personal Taxable Income Level
Top Rate Payers Calendar Years 2013-2022**



State of Idaho

Schedule 7 - Revenue Payers by Industry/Category

Historical Comparison and Most Current Fiscal/Calendar Year

(dollars in thousands)

Sales Tax³

	As of June 30, 2013				As June 30, 2022			
	Number of Filers	Percent of Total	Tax Liability	Percent of Total	Number of Filers	Percent of Total	Tax Liability	Percent of Total
Farm Earnings ³	543	0.8	\$ 678	0.1				
Agricultural/Forestry, Fishing, and Other	1,062	1.7	6,429	0.5	1,498	2.0	\$ 8,869	0.3
Mining	161	0.3	3,004	0.2	174	0.2	5,363	0.2
Construction	3,964	6.2	23,349	1.8	3,771	4.9	48,600	1.7
Manufacturing	5,716	8.9	48,640	3.7	8,225	10.7	129,652	4.5
Transportation & Public Utilities	1,245	1.9	43,918	3.4	597	0.8	22,977	0.8
Wholesale trade	3,998	6.2	119,805	9.2	6,044	7.9	364,109	12.7
Retail trade	23,279	36.3	868,955	66.6	22,328	29.1	1,567,442	54.7
Information	0	0	0	0	1,660	2.2	45,103	1.6
Finance, Insurance, and Real Estate	848	1.3	8,592	0.7	2,271	3.0	71,045	2.5
Services	20,437	31.9	134,574	10.3	24,004	31.2	479,705	16.7
State and Local Government	2,867	4.5	45,587	3.5	374	0.5	117,970	4.1
Unclassified	0	0	0	0	5714	7.5	6,494	0.2
Unpermitted ⁴	0	0	0	0	3	0	1	0.0
Total	64,120	100.0	\$ 1,303,531	100.0	76,663	100.0	\$ 2,867,330	100.0

Personal Income Tax⁵

Income Level	As of December 31, 2012				As of December 31, 2021			
	Number of Filers	Percent of Total	Tax Liability	Percent of Total	Number of Filers	Percent of Total	Tax Liability	Percent of Total
Under \$50,000	603,626	84.3	\$ 385,399	27.9	689,584	73.9	\$ 422,049	15.0
\$50,000 - \$99,999	77,938	10.9	360,913	26.2	139,609	15.0	540,557	19.2
\$100,000 - \$249,999	27,210	3.8	270,854	19.7	78,862	8.5	670,275	23.8
\$250,000 - \$999,999	6,040	0.9	185,512	13.5	21,106	2.3	531,241	18.8
\$1,000,000 and higher	912	0.1	175,635	12.7	3,231	0.3	657,492	23.2
Total	715,726	100.0	\$ 1,378,313	100.0	932,392	100.0	\$ 2,821,614	100.0

Corporate Income Tax⁵

	As of December 31, 2012				As of December 31, 2021			
	Number of Filers	Percent of Total	Tax Liability	Percent of Total	Number of Filers	Percent of Total	Tax Liability	Percent of Total
Corporations	13,979	16.4	\$ 122,588	82.1	15,650	13.4	\$ 261,594	29.4
Sub-S Corporations	30,387	35.7	10,386	7.1	44,249	37.9	376,242	42.4
Partnerships	30,764	36.1	4,984	3.3	44,182	37.9	208,229	23.5
Fiduciary	10,005	11.8	11,379	7.6	12,618	10.8	41,443	4.7
Total	85,135	100.0	\$ 149,337	100.1	116,699	100.0	\$ 887,508	100.0

Vehicle Fuel Tax

	As of June 30, 2013				As of June 30, 2022			
	Number of Filers ¹	Percent of Total	Tax Liability	Percent of Total	Number of Filers ²	Percent of Total	Tax Liability	Percent of Total
Diesel	103	40.7	\$ 62,575	28.1	88	40.7	\$ 114,594	31.2
Gasoline	106	41.9	157,924	71.0	90	41.7	249,021	67.8
Propane	18	7.1	26	0	9	4.2	22	0
Natural Gas	3	0	35	0	3	1.4	699	0.2
Aviation	7	2.8	120	0.1	7	3.2	119	0
Jet	19	7.5	1,740	0.8	19	8.8	2,881	0.8
Total	253	100.0	\$ 222,420	100.0	216	100.0	\$ 367,336	100.0

Source: Idaho State Tax Commission.

Note: Due to confidentiality, 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 2021.

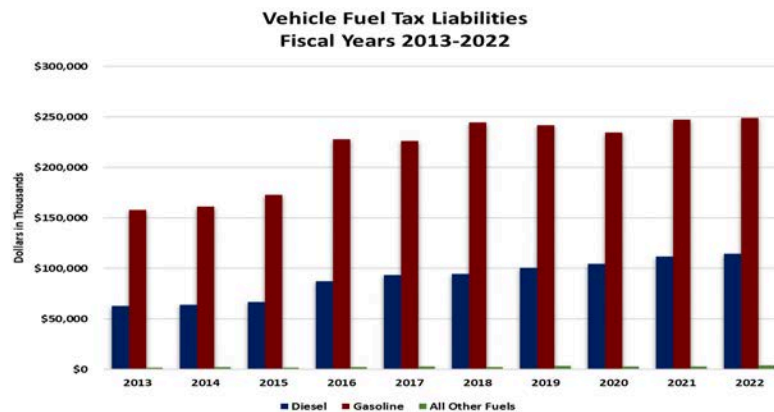
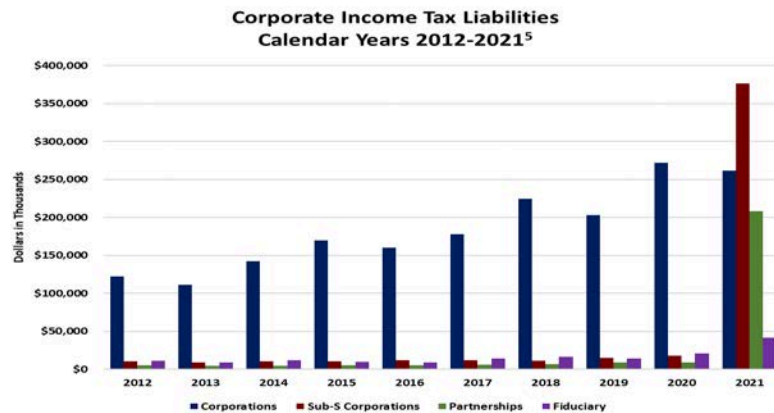
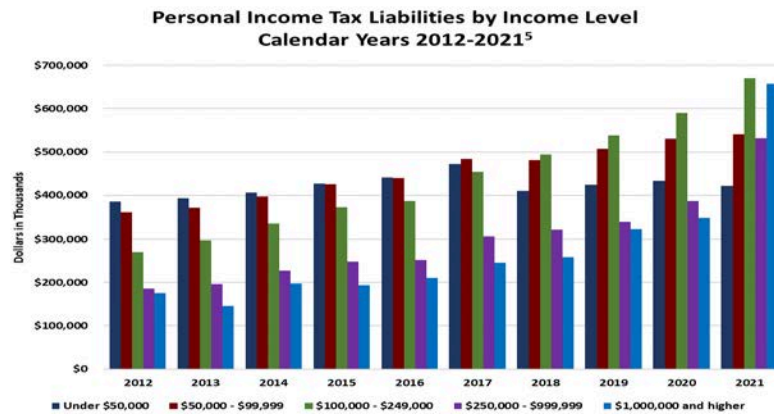
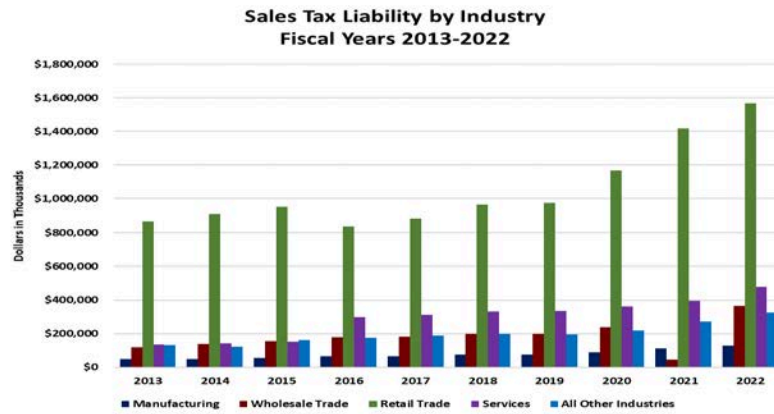
¹The total number of filers for vehicle fuel tax may contain the same filers counted more than once as some filers distribute more than one type of fuel.

²In 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.

³Under the NAICS, commercial farming is combined with agriculture/forestry, fishing, and other.

⁴Taxable sales by individuals and businesses without a sales and use tax permit.

⁵Data for calendar Years 2017-2021 are revised based on updated information from the Tax Commission.



Schedule 8 - Outstanding Debt Ratios

Fiscal Years 2013-2022

(dollars in thousands, except per capita amount)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	
Governmental Activities										
Revenue Bonds ^{1,2}	\$ 197,624	\$ 170,640	\$ 150,379	\$ 146,516	\$ 136,844	\$ 356,334	\$ 388,896	\$ 8,605	\$ 377,361	\$ 355,982
Capital Leases	27,394	25,862	24,319	17,462	16,419	15,594	19,426	16,022	16,022	36,181
Notes Payable ³	554,892	595,362	621,767	595,116	564,331	524,263	496,460	497,341	497,341	522,352
Total Governmental Activities	\$ 779,910	\$ 791,864	\$ 796,465	\$ 759,094	\$ 717,594	\$ 896,191	\$ 904,782	\$ 521,968	\$ 890,724	\$ 914,515
Business-Type Activities										
Revenue Bonds ⁴	\$ 197,624	\$ 445,651	\$ 477,546	\$ 462,572	\$ 474,094	\$ 472,714	\$ 448,905	\$ 451,968	\$ 451,968	\$ 430,506
Capital Leases ⁵	27,394	1,158	780	4,995	4,148	302	393	827	827	37,781
Notes Payable ⁶	554,892	105,919	55,117	2,157	73	64	0	96	96	60
Total Business-Type Activities	\$ 779,910	\$ 552,728	\$ 533,443	\$ 469,724	\$ 478,315	\$ 473,080	\$ 449,298	\$ 452,891	\$ 452,891	\$ 468,347
Total Primary Government	\$1,559,820	\$1,344,592	\$1,329,908	\$1,228,818	\$1,195,909	\$1,369,271	\$1,354,080	\$ 974,859	\$1,343,615	\$1,382,862
Debt as a Percentage of Personal Income⁷	2.8%	2.3%	2.2%	1.9%	1.8%	1.9%	1.7%	1.2%	1.5%	1.5%
Amount of Debt Per Capita⁷	\$ 977.8	\$ 834.5	\$ 815.3	\$ 744.2	\$ 710.8	\$ 797.2	\$ 773.5	\$ 545.5	\$ 737.7	\$ 746.7

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.

¹ 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.

² In FY2020 the Idaho Fish and Wildlife Foundation issued revenue bonds for a new 72,000 square foot, multi-story headquarters for Idaho Fish and Game programs and employees, and to enhance the entry to the MK Nature Center.

³ From FY2013-FY2015 the Idaho Transportation Department issued notes payable to the Idaho Housing and Finance Association for road and infrastructure improvements.

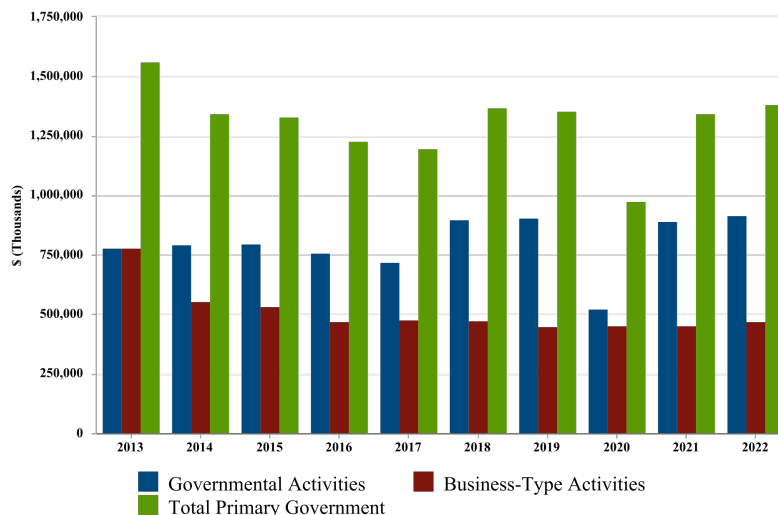
⁴ From FY2013-FY2018 the colleges and universities issued revenue bonds for various projects.

⁵ 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. In FY2022 the increase is due to the implementation of GASB 87.

⁶ From FY2013-FY2017 the changes in notes payable resulted from repayment of loans from the Idaho Housing and Financing Association.

⁷ 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 2013-2022



Schedule 9 - Other Long-Term Liabilities

Fiscal Years 2013-2022

(dollars in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	(as restated)	
Governmental Activities										
Compensated Absences	\$ 56,470	\$ 49,466	\$ 49,874	\$ 54,058	\$ 55,172	\$ 57,321	\$ 55,756	\$ 55,242	\$ 62,947	\$ 66,152
Policy Claim Liabilities	17,963	14,305	11,304	10,804	11,138	15,213	19,382	17,491	19,524	22,419
Claims and Judgments ¹	96,324	69,495	170,841	169,115	72,812	195,016	204,262	244,574	310,122	266,234
Net Pension Obligation ³	13,989	14,271								
Net Pension Liability ²			176,577	306,439	452,474	357,313	325,734	257,027	476,326	23,641
Net OPEB Obligation	24,520	24,491	25,458	25,917						
Total OPEB Liability					43,185	42,103	33,446	39,293	32,841	35,344
Other Long-Term Liabilities		6,114	5,468	5,633	3,756	2,400				
Total Governmental Activities	\$ 209,266	\$ 178,142	\$ 439,522	\$ 571,966	\$ 638,537	\$ 669,366	\$ 638,580	\$ 613,627	\$ 901,760	\$ 413,790
Business-Type Activities										
Compensated Absences	\$ 22,239	\$ 20,844	\$ 21,640	\$ 21,373	\$ 22,670	\$ 23,616	\$ 24,143	\$ 26,739	\$ 27,534	\$ 28,314
Net Pension Liability ^{2,5}			31,898	56,602	85,399	65,526	59,160	44,962	87,680	
Net OPEB Obligation	17,143	18,847	20,982	22,973						
Total OPEB Liability ⁴					55,643	55,838	52,150	61,715	68,117	73,148
Net OPEB Liability - U of I ⁴					34,737	33,336	30,891	16,482	16,482	
Other Long-Term Liabilities	968	1,309	1,139	928	785	596	8,625	13,741	241,171	233,313
Total Business-Type Activities	\$ 40,350	\$ 41,000	\$ 75,659	\$ 101,876	\$ 199,234	\$ 178,912	\$ 174,969	\$ 163,639	\$ 440,984	\$ 334,775
Total Primary Government	\$ 249,616	\$ 219,142	\$ 515,181	\$ 673,842	\$ 837,771	\$ 848,278	\$ 813,549	\$ 777,266	\$ 1,342,744	\$ 748,565

Note: Details regarding the liabilities listed above can be found in Note 13 to the financial statements.

¹ For FY2013-FY2015 claims and judgments include arbitrage liabilities. The decrease in claims and judgments during FY2013-FY2014 resulted from a decrease in Medicaid claims. In FY2015 the increase was due to a change in calculation method by the Department of Health and Welfare. For FY2016-FY2017 there was a timing difference for Medicaid payments which resulted in a decrease in reported claims and judgments. In FY2020 the increase was primarily due to increases in Medicaid Medical and Pharmacy Children's Health Insurance Program (CHIP) claims and Non-Chip claims.

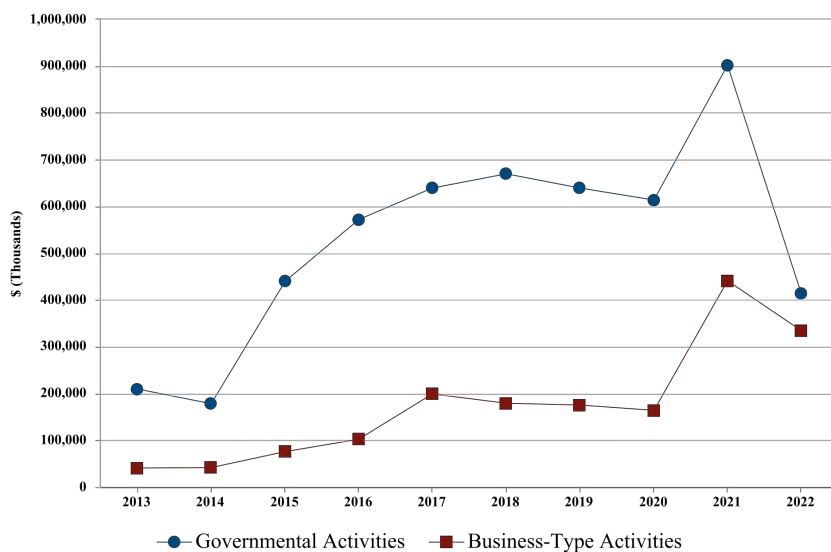
² Net pension liability was not required to be reported prior to FY2015.

³ Due to the implementation of GASB Statement No. 68 in FY2015, the net pension obligation was removed and a net pension liability recorded.

⁴ 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.

⁵ In FY22 pension was in an asset position.

Other Long-Term Liabilities - Primary Government Fiscal Years 2013-2022



Schedule 10 - Pledged Revenue Coverage

Fiscal Years 2013-2022

(dollars in thousands)

	2013	2014	2015	2016	2017	2018
Governmental Activities						
Notes Payable - Idaho Transportation Department¹						
Revenue:						
Federal Highway Grants ²	\$ 292,619	\$ 294,620	\$ 324,598	\$ 297,093	\$ 294,499	\$ 313,887
State Funds	4,033	4,329	4,598	4,540		
Available Revenue	\$ 296,652	\$ 298,949	\$ 329,196	\$ 301,633	\$ 294,499	\$ 313,887
Debt Service:						
Principal	\$ 21,975	\$ 24,203	\$ 27,180	\$ 29,186	\$ 30,365	\$ 31,061
Interest	\$ 28,188	\$ 28,417	\$ 30,740	\$ 29,207	\$ 27,810	\$ 24,955
Coverage	5.9	5.7	5.7	5.2	5.1	5.6
Business-Type Activities						
Revenue Bonds - Colleges and Universities³						
Revenue:						
Student Fees Pledged	\$ 268,014	\$ 276,964	\$ 295,818	\$ 301,659	\$ 305,823	\$ 321,224
Sale of Goods and Services Pledged	93,356	89,031	94,327	88,135	88,847	78,686
Other Income Pledged ⁴	35,828	38,158	45,505	45,051	49,951	54,682
Less: Operating Expenses	(69,901)	(69,339)	(66,212)	(68,803)	(65,110)	(77,481)
Net Available Revenue	\$ 327,297	\$ 334,814	\$ 369,438	\$ 366,042	\$ 379,511	\$ 377,111
Debt Service:						
Principal	\$ 16,585	\$ 16,714	\$ 17,704	\$ 20,682	\$ 18,002	\$ 18,109
Interest	\$ 19,440	\$ 20,018	\$ 18,836	\$ 16,450	\$ 19,852	\$ 20,329
Coverage	9.1	9.1	10.1	9.9	10.0	9.8
Revenue Bonds - Idaho Water Resources Board^{7,8}						
Revenue:						
Sale of Goods and Services	\$ 993	\$ 983	\$ 1,261	\$ 897		
Less: Operating Expenses	(161)	(123)	(214)	(292)		
Net Available Revenue	\$ 832	\$ 860	\$ 1,047	\$ 605	\$ 0	\$ 0
Debt Service:						
Principal	\$ 400	\$ 425	\$ 450	\$ 2,065		
Interest	\$ 198	\$ 175	\$ 151	\$ 125		
Coverage	1.4	1.4	1.7	0.3		
Notes Payable - Colleges and Universities⁵						
Revenue:						
Student Fees Pledged	\$ 1,062	\$ 1,108	\$ 1,085	\$ 1,031		
Housing Fees Pledged	441	469	468	489		
Other Income Pledged	101	81	88	87		
Less: Operating Expenses	(402)	(442)	(428)	(480)		
Net Available Revenue	\$ 1,202	\$ 1,216	\$ 1,213	\$ 1,127	\$ 0	\$ 0
Debt Service:						
Principal ⁶	\$ 786	\$ 1,366	\$ 900	\$ 1,284		
Interest	\$ 171	\$ 118	\$ 84	\$ 60		
Coverage	1.3	0.8	1.2	0.8		

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.

¹ For fiscal years (FY) 2013-2015 and 2019 the Idaho Transportation Department issued notes payable to the Idaho Housing and Finance Association to finance road and infrastructure improvements.

² In FY2013 grants decreased due to the near-term completion of the American Recovery and Reinvestment Act stimulus program. In FY2022 TECM bonds were added to this line.

³ In connection with the issuance of the 2019 bonds, the Idaho State University 2019 supplemental resolution amended the resolution to add other University revenues to pledged revenues resulting in a restatement. Additional details can be found in the Idaho State University's 2020 Annual Financial Report.

⁴ In FY2015 other pledged income increased due to an increase in student tuition and fees by the University of Idaho.

⁵ In FY2013 LCSC issued notes payable to refinance Student Fee Refunding Revenue Bonds. The LCSC issued notes payable were paid in full in FY2017.

⁶ In FY2013-2014 the increase resulted from LCSC's principal only payments.

⁷ The Series 2006 Refunding Bonds were paid in full in FY2016.

⁸ The Idaho Water Resources Board revenue bonds were paid in full in FY2017.

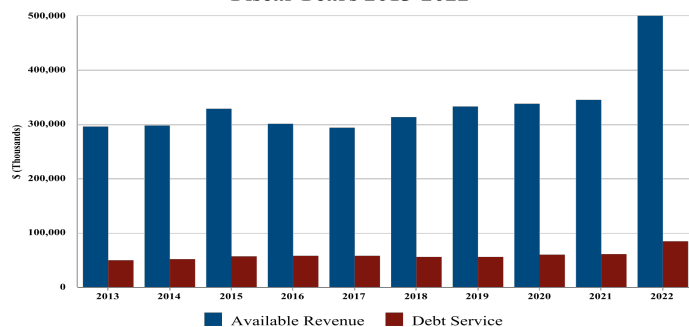
2019	2020	2021	2022
\$ 334,095	\$ 339,194	\$ 345,651	\$ 842,828
\$ 334,095	\$ 339,194	\$ 345,651	\$ 842,828
\$ 32,559	\$ 34,028	\$ 34,654	\$ 54,842
\$ 24,392	\$ 26,608	\$ 26,949	\$ 29,960
5.9	5.6	5.6	9.9

\$ 355,942	\$ 368,458	\$ 407,540	\$ 407,540
103,680	94,857	113,338	113,338
58,666	55,978	68,975	68,975
(104,644)	(101,561)	(86,944)	(112,566)
\$ 413,644	\$ 417,732	\$ 502,909	\$ 477,287
\$ 20,135	\$ 19,765	\$ 21,295	\$ 21,760.921
\$ 20,338	\$ 19,759	\$ 20,425	\$ 17,258
10.2	10.6	12.1	12.2

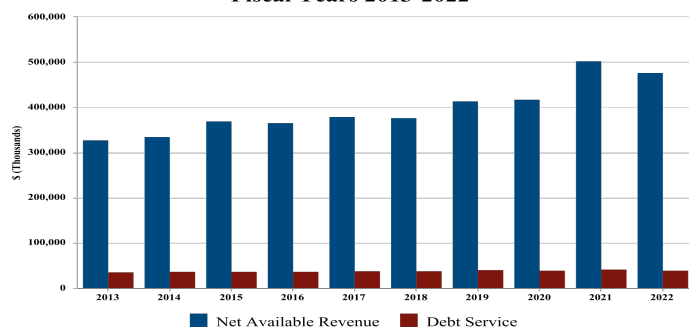
\$ 0	\$ 0	\$ 0	\$ 0
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\$ 0	\$ 0	\$ 0	\$ 0
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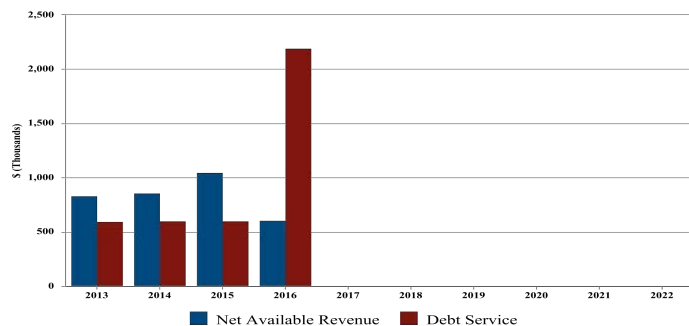
**Idaho Transportation Department, Notes Payable
Revenue and Debt Service
Fiscal Years 2013-2022**



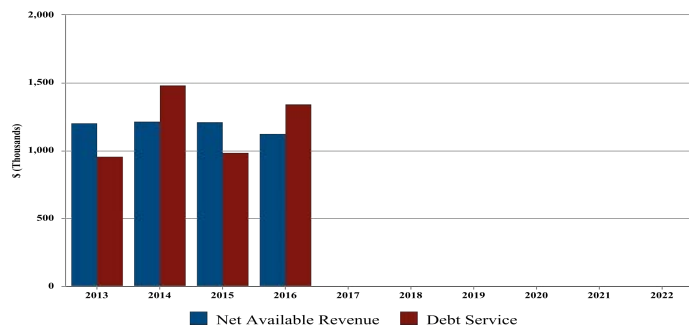
**Colleges and Universities, Revenue Bonds
Revenue and Debt Service
Fiscal Years 2013-2022**



**Idaho Water Resources Board, Revenue Bonds
Revenue and Debt Service
Fiscal Years 2013-2022**



**Colleges and Universities, Notes Payable
Revenue and Debt Service
Fiscal Years 2013-2022**



Schedule 11 - Demographic and Economic Indicators

Calendar Years 2013-2022

	2013	2014	2015	2016	2017	2018
Population						
Idaho (<i>in thousands</i>)	1,612	1,632	1,652	1,684	1,720	1,752
Change	1.0%	1.3%	1.2%	1.9%	2.1%	1.9%
National (<i>in thousands</i>)	317,368	319,880	322,408	324,900	327,113	329,025
Change	0.8%	0.8%	0.8%	0.8%	0.7%	0.6%
Total Personal Income ¹						
Idaho (<i>in billions</i>)	\$ 58	\$ 62	\$ 65	\$ 68	\$ 72	\$ 76
Change	4.0%	5.8%	5.9%	3.9%	5.7%	6.3%
National (<i>in billions</i>)	\$ 14,194	\$ 14,977	\$ 15,685	\$ 16,097	\$ 16,840	\$ 17,684
Change	1.3%	5.5%	4.7%	2.6%	4.6%	5.0%
Per Capita Personal Income						
Idaho	\$ 36,229	\$ 37,863	\$ 39,622	\$ 40,385	\$ 41,802	\$ 43,626
Change	2.9%	4.5%	4.6%	1.9%	3.5%	4.4%
National	\$ 44,723	\$ 46,819	\$ 48,650	\$ 49,544	\$ 51,480	\$ 53,746
Change	0.5%	4.7%	3.9%	1.8%	3.9%	4.4%
Median Age - Idaho ²						
	35.7	35.9	35.8	36.1	35.7	35.9
Educational Attainment ³						
8th Grade or Less	4.3%	3.9%	3.7%	3.2%	3.3%	3.6%
Some High School, No Diploma	6.3%	6.0%	6.3%	6.4%	5.9%	5.5%
High School Diploma	27.4%	28.2%	27.5%	27.9%	28.2%	27.8%
Some College, No Degree	26.7%	27.6%	27.0%	25.3%	26.3%	25.5%
Associate, Bachelor or Graduate Degree	35.3%	34.4%	35.6%	37.2%	36.4%	37.6%
Resident Civilian Labor Force and Employment in Idaho						
Civilian Labor Force	777,606	776,937	795,014	812,921	839,776	862,513
Employed	724,545	742,805	764,121	783,180	812,875	837,514
Unemployed	53,061	34,132	30,893	29,741	26,901	24,999
Unemployment Rate	6.8%	4.4%	3.9%	3.7%	3.2%	2.9%
Nonfarm Wage and Salary Workers Employed in Idaho						
Goods Producing Industries						
Mining	2,629	2,519	2,451	2,468	2,215	2,249
Logging and Wood Products	7,034	7,048	7,331	7,697	7,853	8,137
Computer and Electronics	11,266	11,425	11,899	12,124	12,232	12,728
Construction	33,645	35,863	38,265	41,642	45,009	49,229
Manufacturing-Durable Goods ⁴	35,762	36,060	37,490	38,674	39,579	41,067
Manufacturing-Nondurable Goods	25,256	25,531	26,121	27,106	28,108	28,610
Total Goods Producing Industries	115,592	118,446	123,557	129,711	134,996	142,020
Non-Goods Producing Industries						
Trade	106,156	108,417	111,728	114,156	115,718	117,176
Service	316,188	326,721	336,146	348,747	361,470	375,451
State and Local Government	104,988	105,848	106,614	108,293	110,117	111,806
Federal Government	12,412	12,337	12,584	12,833	12,976	13,079
Total Non-Goods Producing Industries	539,744	553,323	567,072	584,029	600,281	617,512
Total Nonfarm Wage and Salary Employment	655,336	671,769	690,629	713,740	735,277	759,532

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: Prior year amounts may change due to revisions by the U.S. Bureau of Economic Analysis, the U.S. Census Bureau, or the Idaho Division of Financial Management.

¹ Total personal income is comprised of earned income, dividends, interest, rents, and government transfer payments.

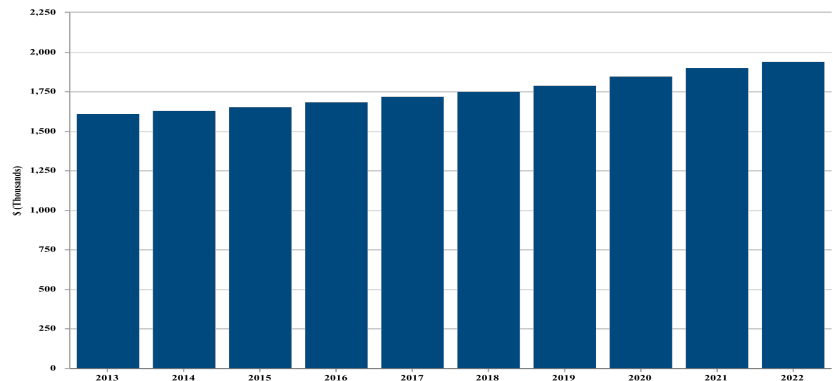
² Median age data for Idaho is not currently available for calendar year 2020 or 2022.

³ Educational attainment information is not currently available for calendar year 2022.

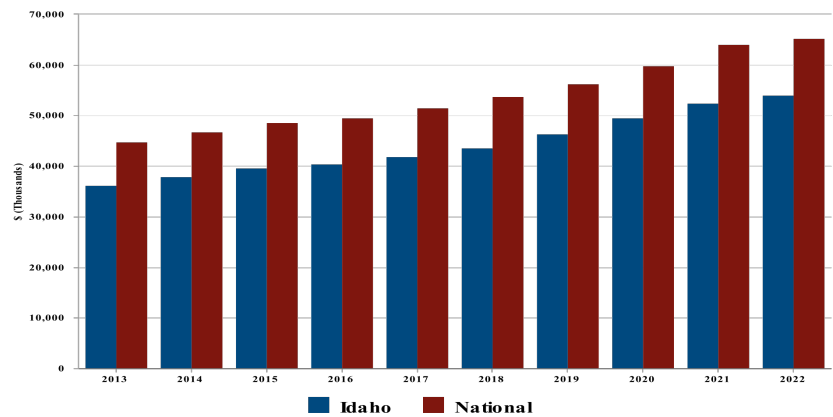
⁴ "Manufacturing-Durable Goods" amounts are net of "Logging and Wood Products" and "Computer and Electronics" amounts, which are presented separately in this schedule.

2019	2020	2021	2022
1,789	1,848	1,901	1,941
2.1%	3.3%	2.9%	2.1%
330,651	331,760	332,222	333,105
0.5%	0.3%	0.1%	0.3%
\$ 83	\$ 91	\$ 100	\$ 105
8.6%	10.1%	8.9%	5.3%
\$ 18,587	\$ 19,832	\$ 21,295	\$ 21,746
5.1%	6.7%	7.4%	2.1%
\$ 46,411	\$ 49,491	\$ 52,369	\$ 54,021
6.4%	6.6%	5.8%	3.2%
\$ 56,213	\$ 59,779	\$ 64,098	\$ 65,282
4.6%	6.3%	7.2%	1.8%
36.9	NA	37.3	NA
3.0%	3.3%	3.2%	NA
5.5%	5.4%	5.6%	NA
26.1%	24.7%	26.9%	NA
26.0%	25.8%	23.6%	NA
39.4%	40.8%	40.8%	NA
889,194	897,739	917,056	961,441
862,864	848,741	884,328	933,268
26,330	48,998	32,728	28,173
3.0%	5.5%	3.6%	2.9%
2,312	2,543	2,827	2,893
8,379	7,897	8,234	8,282
12,202	11,421	10,896	11,086
52,952	56,057	60,359	65,293
41,106	39,946	41,639	43,397
29,216	29,446	30,379	31,392
146,167	147,310	154,334	162,343
118,753	119,467	126,145	129,474
389,444	388,123	411,910	430,106
113,447	110,682	111,634	113,522
13,199	13,678	13,296	13,008
634,843	631,950	662,985	686,110
781,010	779,260	817,319	848,453

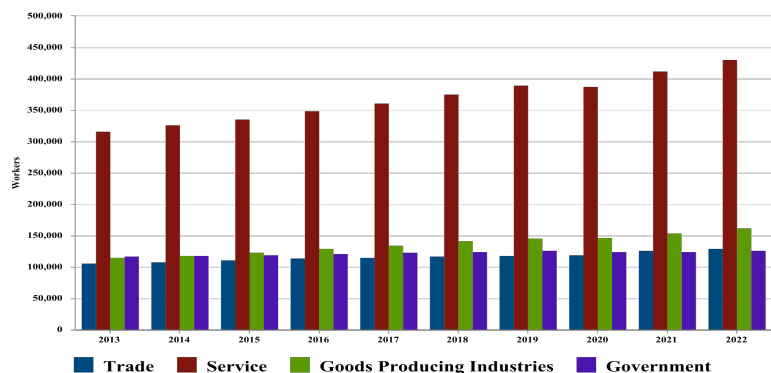
**Idaho Population
Calendar Years 2013-2022**



**Per Capita Personal Income
Calendar Years 2013-2022**



**Nonfarm Wage and Salary Workers
Employed in Idaho
Calendar Years 2013-2022**



Schedule 12 - Principal Employers
Current Year and Nine Years Ago

	As of June 30, 2013			As of June 30, 2022		
	Number of Employees	Rank	Percent of Total State Employment	Number of Employees	Rank	Percent of Total State Employment
Major Idaho Employers						
State of Idaho ¹	18,500-19,000	1	2.6	26,000-26,999	1	2.8
St. Luke's Regional Medical Center	10,500-11,000	3	1.5	15,000-15,999	2	1.7
Federal Government	12,000-12,500	2	1.7	13,000-13,999	3	1.4
Wal-Mart Associates, Inc.	6,500-7,000	4	0.9	9,000-9,999	4	1.0
Micron Technology, Inc.	5,500-6,000	5	0.8	5,500-5,999	5	0.6
St. Alphonsus Regional Medical Center	3,000-3,500	10	0.4	5,000-5,499	6	0.6
Albertsons (Supervalu)	3,000-3,500	12	0.4	5,000-5,499	7	0.6
Batelle Energy Alliance	3,500-4,000	9	0.5	5,000-5,499	8	0.6
West Ada School District #2				4,500-4,999	9	0.5
Boise Independent School District #1	3,500-4,000	8	0.5	3,500-3,999	10	0.4
Brigham Young University-Idaho	4,500-5,000	6	0.7			
Meridian Joint School District #2	4,000-4,500	7	0.6			
J.R. Simplot Co.	3,000-3,500	11	0.4			
Total	80,500		11.0	95,000		10.2

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.

¹Number of state employees includes only full-time personnel.

Schedule 13 - Education Enrollment

Public School Enrollment Grades K-12

Academic Years 2012/2013-2021/2022

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Elementary	156,715	157,554	161,015	162,131	163,519	164,180	166,060	167,214	162,338	166,586
Secondary	127,526	128,651	130,007	132,340	135,268	138,289	141,168	144,777	148,315	149,573
Total All Grades	284,241	286,205	291,022	294,471	298,787	302,469	307,228	311,991	310,653	316,159

Source: Idaho Department of Education

Public Higher Education Enrollment

Student Headcount¹ (Calendar Years 2013-2022)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Boise State University	21,981	22,239	22,086	23,854	24,121	25,504	26,216	24,067	25,793	26,115
Idaho State University	13,351	13,455	13,032	12,928	12,505	12,372	12,425	11,786	12,157	12,319
University of Idaho	11,884	11,534	11,372	11,780	12,072	11,841	11,926	10,791	11,303	11,507
Lewis-Clark State College	3,585	3,616	3,635	3,909	3,733	3,677	3,748	3,856	3,710	3,783
Eastern Idaho Technical College (EITC) ²	725	686	687	676	809	1,288				
Total Colleges and Universities	51,526	51,530	50,812	53,147	53,240	54,682	54,315	50,500	52,963	53,724

Source: Idaho State Board of Education

Note: Total headcount includes academic full-time, academic part-time, and vocational students.

¹Figures are based on fall enrollment numbers for each year.

²In FY19 EITC became a community college (College of Eastern Idaho) and is no longer a state entity.

Schedule 14 - State Employees by Function

Fiscal Years 2013-2022

Full-Time Employees

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Tax Commission	426	425	425	422	436	428	429	425	404	394
Department of Administration	136	137	136	128	132	109	111	115	109	113
All Other	1,091	1,127	1,139	1,132	1,171	1,207	1,255	1,410	1,517	1,547
Public Safety and Correction										
Department of Correction	1,550	1,544	1,879	1,928	1,897	1,840	1,877	1,935	1,896	1,749
Idaho State Police	479	480	488	490	518	514	535	525	540	529
Department of Juvenile Corrections	384	387	398	391	405	398	400	400	392	369
All Other	373	566	417	428	421	437	440	457	461	452
Health and Human Services										
Department of Health and Welfare	2,611	2,647	2,614	2,650	2,648	2,668	2,670	2,725	2,693	2,716
Education										
Colleges and Universities	6,548	6,721	6,842	6,984	7,396	7,318	7,342	7,375	6,972	7,012
All Other	371	376	362	384	401	401	401	402	406	402
Economic Development										
Idaho Transportation Department	1,683	1,642	1,581	1,516	1,479	1,550	1,559	1,564	1,631	1,604
Department of Labor	547	547	539	497	477	459	459	473	550	515
Department of Agriculture	253	261	257	269	272	293	297	302	295	305
All Other	992	990	999	1,011	1,078	1,092	1,094	1,090	1,073	1,038
Natural Resources										
Department of Environmental Quality	332	328	322	329	337	353	353	351	335	328
Department of Fish and Game	534	534	533	530	528	547	546	542	522	517
Department of Lands	239	238	253	252	269	276	276	277	281	276
Department of Parks and Recreation	136	132	135	135	135	139	136	141	132	139
All Other	167	162	159	161	174	172	174	170	160	160
State Total	18,852	19,244	19,478	19,637	20,174	20,201	20,354	20,679	20,369	20,165

Part-Time and Temporary Employees¹

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	342	349	323	440	420	368	392	415	592	391
Public Safety and Correction	178	203	206	162	173	179	171	183	176	199
Health and Human Services	257	243	253	255	263	258	266	257	277	263
Education	2,655	2,514	2,441	2,578	2,742	2,377	2,176	2,115	1,219	1,327
Economic Development	732	705	643	632	647	548	507	509	495	482
Natural Resources ²	431	465	477	476	888	581	430	485	418	450
State Total	4,595	4,479	4,343	4,543	5,133	4,311	3,942	3,964	3,177	3,112

Source: Office of the Idaho State Controller.

¹ Part-time and temporary employees are those working less than full-time, including board and commission members.² 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 2013-2022

	2013	2014	2015	2016	2017	2018
General Government						
Tax Commission						
Number of Returns Filed (<i>in thousands</i>)	2,350	2,390	2,415	2,484	2,531	2,680
Number of Returns Filed Electronically (<i>in thousands</i>)	587	616	695	731	764	797
Department of Administration						
Construction Projects Administered	293	296	311	366	359	428
Employees Covered by Benefit Plans	19,247	19,592	19,831	20,019	20,549	20,557
Public Safety and Correction						
Department of Correction ¹						
Incarcerated Offenders	8,221	8,120	8,157	7,715	8,212	8,645
Supervised Offenders	14,705	15,433	15,970	17,162	17,205	17,814
Idaho State Police						
Drug Related Arrests ²	1,411	1,559	1,456	1,389	1,948	2,098
DUI Arrests ²	1,659	1,304	1,197	1,089	1,316	1,410
All Other Arrests ²	1,101	1,071	876	702	710	826
Department of Juvenile Corrections						
Number of Juveniles Served	550	498	467	433	444	447
Rate of Recombitment to DJC Custody	18.2%	13.0%	14.0%	14.0%	15.0 %	14.0 %
Health and Human Services						
Department of Health and Welfare ¹						
Medicaid Enrollees	247,151	261,639	289,303	299,611	314,584	306,459
Percent of Population	15.3%	16.0%	17.5%	17.8%	18.3 %	17.5 %
Food Stamp Recipients	229,586	217,553	201,094	189,910	175,644	161,694
Percent of Population	14.2%	13.3%	12.2%	11.3%	10.2 %	9.2 %
Education						
Colleges and Universities¹						
Enrollment	51,526	51,530	50,812	53,147	53,240	54,778
Number of Certificates and Degrees Awarded	10,382	10,356	10,518	10,648	10,983	11,386
Economic Development						
Idaho Transportation Department						
Percent of Pavement Which is Deficient ¹	14.0%	14.0%	14.0%	16.0%	15.0 %	12.0 %
Vehicles Weighed (<i>in thousands</i>)	2,281	2,433	2,514	2,078	3,108	3,452
Department of Labor						
Individuals Registered for Employment ^{4,5}	277,111	255,891	200,771	121,672	84,933	75,310
Job Openings Received ⁷	80,283	101,897	107,353	279,856	165,004	178,129
Department of Agriculture						
Conduct Disease Tests on Animals	110,944	105,090	99,276	102,251	132,236	432,002
Inspections of Dairy Farms	8,786	8,854	8,688	8,419	7,378	7,535
Natural Resources						
Department of Environmental Quality						
Air Quality Sites Monitored	40	40	40	39	39	35
Water Sites Monitored ⁶	237	290	231	284	230	264
Department of Fish and Game						
Citations and Warnings Issued	3,480	4,868	4,348	2,635	3,387	3,752
Hatchery Fish Raised (<i>in thousands</i>) ²	23,837	35,253	30,774	33,573	33,853	30,042
Hunting and Fishing Licenses Sold ²	566,460	576,063	600,328	584,871	569,563	588,632
Department of Lands¹						
Forest Products Harvested (<i>in million board feet</i>)	290	274	222	201	173	179
Fires Responded to on IDL Land	322	351	321	168	213	259
Department of Parks and Recreation						
Park Visitation (<i>in thousands</i>) ^{1, 2, 3}	4,777	4,821	4,465	4,819	5,426	5,726
Recreational Registrations (<i>in thousands</i>) ³	275	270	277	288	282	290

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) 2021 and FY2022 are estimates unless otherwise noted below

¹ Operating indicators for FY2021 are actual amounts, not estimates.

² Operating indicators are reported on a calendar year basis.

³ Park visitation is counted in visitor days. Recreational registrations include boats, snowmobiles, all-terrain vehicles, and Park N' Ski permits.

2019	2020	2021	2022
2,844	2,919	3,361	4,412
831	844	883	966
473	446	202	530
20,768	20,995	20,660	20,454
9,030	8,775	8,518	9,060
19,115	19,790	18,969	18,695
2,224	2,043	1,061	1,200
1,518	1,555	545	666
911	865	3,207	3,137
421	358	314	282
16.0 %	7.0 %	11.0 %	17.0 %

291,990	313,884	414,152	448,491
16.3 %	17.0 %	21.8 %	23.1 %
149,537	147,054	130,699	123,278
8.4 %	8.0 %	6.9 %	6.5 %

54,315	50,500	52,963	53,724
11,341	12,119	12,163	12,462
9.3 %	7.9 %	13.3 %	4.1 %
2,947	2,947	3,239	2,953

61,431	66,827	45,588	41,707
197,022	150,881	159,851	285,728

480,418	497,318	481,143	536,736
7,518	8,059	7,804	7,098

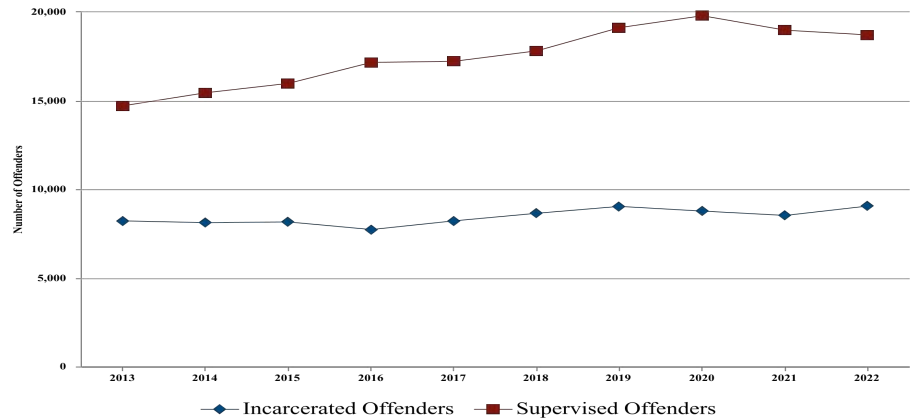
35	34	34	33
260	0	265	258

4,060	3,727	3,110	3,464
29,011	29,700	28,948	29,997
593,782	651,511	653,889	547,861

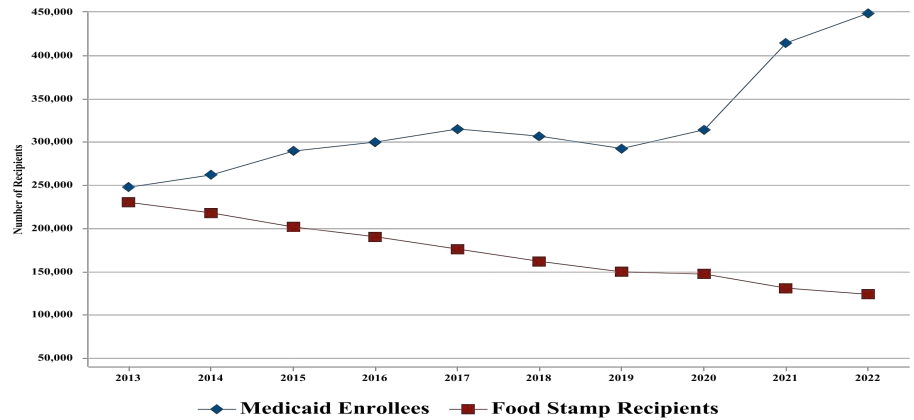
191	247	302	NA
239	257	408	NA

5,797	7,024	6,846	NA
301	NA	312	296

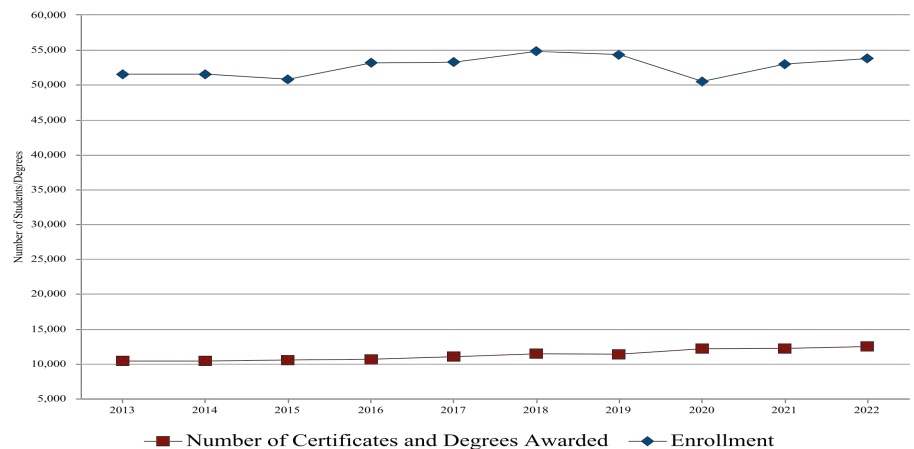
Department of Correction - Adult Offenders Fiscal Years 2013-2022



Department of Health and Welfare Medicaid Enrollees and Food Stamp Recipients Fiscal Years 2013-2022



Colleges and Universities - Enrollment and Degrees Awarded Fiscal Years 2013-2022



⁴ 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.

⁵ 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.

⁶ Due to COVID budgeting decreases DEQ had to postpone monitoring water sites in FY20.

⁷ In FY2022, Idaho's job growth outpaced its population growth.

Schedule 16 - Capital Assets by Function

Fiscal Years 2013-2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Department of Administration										
Buildings (square footage in thousands) ¹	728	719	754	754	754	754	754	754	754	754
Public Safety and Correction										
Department of Correction										
Buildings	80	84	87	84	80	83	84	83	93	85
Vehicles	401	394	402	457	455	477	491	489	537	529
Idaho State Police										
Vehicles ²	430	466	493	497	514	538	574	604	633	578
Machinery and Equipment ²	886	1,084	1,138	1,210	1,288	1,312	1,677	1,688	1,729	1,786
Department of Juvenile Corrections										
Buildings (square footage in thousands)	224	224	224	242	244	244	244	244	244	244
Vehicles	56	60	56	62	64	60	60	59	58	58
Health and Human Services										
Department of Health and Welfare										
Buildings (square footage in thousands) ³	1,715	1,726	1,487	1,487	1,463	1,463	1,260	1,260	1,280	1,158
Vehicles	431	494	501	492	487	498	506	506	450	435
Education										
Colleges and Universities										
Buildings (square footage in thousands)	15,098	15,161	15,117	15,252	15,382	15,414	15,311	15,515	15,826	15,831
Economic Development										
Idaho Transportation Department										
Highway Lane Miles ⁴	12,222	12,236	12,269	12,271	12,274	12,273	12,273	12,272	12,165	12,156
Vehicles ⁵	823	766	748	680	705	712	705	860	907	890
Heavy Equipment ⁵	1,407	1,192	1,098	898	838	836	872	1,172	1,214	1,111
Department of Agriculture										
Scientific and Laboratory Equipment ⁶	152	156	100	106	112	114	112	105	108	148
Vehicles ⁶	203	223	206	210	237	237	237	213	223	228
Natural Resources										
Department of Environmental Quality										
Air Monitoring Instruments ⁶	185	185	156	148	158	165	177	190	194	198
Water Sampling/Quality Equipment ⁶	81	81	27	29	33	39	43	49	49	51
Department of Fish and Game										
Hatcheries	23	23	23	23	22	22	23	23	23	23
Vehicles	682	704	707	702	730	768	751	757	782	776
Boats ⁶	287	284	84	83	82	85	86	90	91	98
Wildlife Management Areas	32	32	32	32	31	31	31	31	31	31
Department of Lands										
Acres of Land (in thousands) ⁴	2,448	2,442	2,442	2,442	2,442	2,445	2,445	2,477	2,478	2,478
Vehicles	359	371	375	412	415	422	435	440	469	468
Department of Parks and Recreation										
State Parks	30	30	30	30	30	30	30	30	30	30
Acres of State Park Land (in thousands) ⁷	60	60	60	60	60	60	60	60	60	60
Buildings	368	372	348	356	364	366	372	390	392	392
Vehicles	327	318	314	317	322	321	337	332	339	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.

¹ In FY2015, a new 35,000 square foot parking garage was built in Boise to provide additional parking for state employees.

² In FY2014-2021, Idaho State Police ordered more vehicles and related equipment than in prior years.

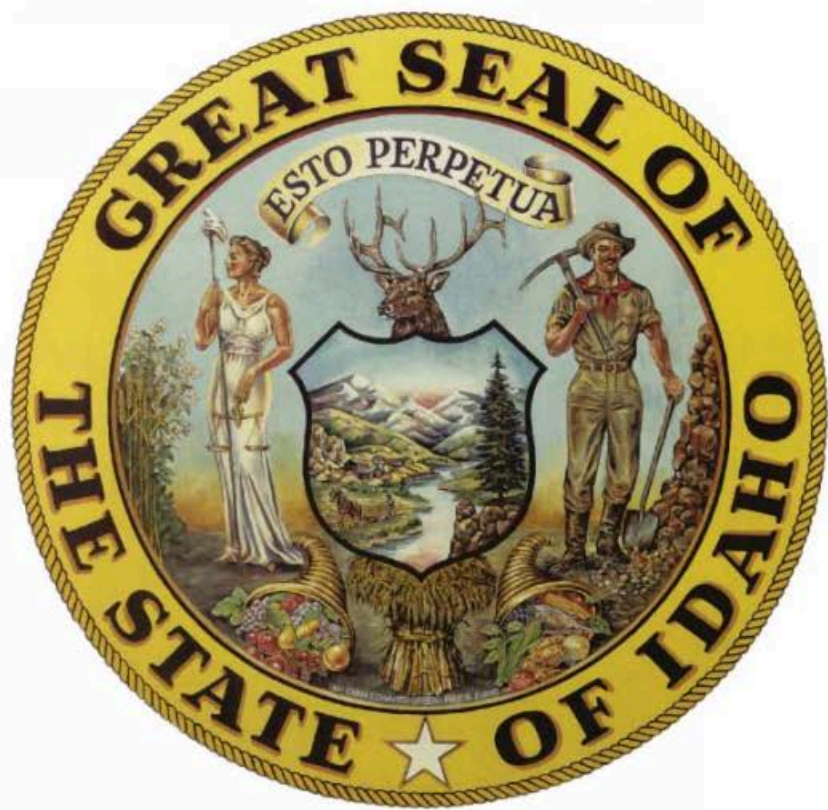
³ Leased buildings are included.

⁴ Highway lane miles and acres of land for FY2019-2022 are based on estimates.

⁵ Idaho Department of Transportation (ITD) vehicles and heavy equipment have been restated for FY2012-2013. During FY2014 ITD actively reduced the amount of heavy equipment.

⁶ For FY2015-2022, assets under \$5,000 are not included in capital assets.

⁷ Includes land under water.



Schedule 17 - Assets, Liabilities, and Fund Balances

General Fund Accounts

June 30, 2022

(dollars in thousands)

	State General Account	Permanent Building	Budget Stabilization	Millennium	Income Earnings
ASSETS					
Cash and Cash Equivalents	\$ 3				
Pooled Cash and Investments	1,332,634	\$ 549,320	\$ 719,559	\$ 70,596	\$ 181,509
Investments		143,252			
Accounts Receivable, Net	535	152		12,500	
Taxes Receivable, Net	339,971	1,115			349
Interfund Receivables	9,569	207			30
Due from Other Entities					
Inventories and Prepaid Items	6,886			441	
Loans, Notes, Leases and Pledges Receivable, Net					
Other Assets	4,610	535	1,423	326	360
Restricted Assets:					
Cash and Cash Equivalents				20	
Investments				409,164	
Total Assets	\$ 1,694,208	\$ 694,581	\$ 720,982	\$ 493,047	\$ 182,248
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 19,552			\$ 158	\$ 1,294
Payroll and Related Liabilities	18,697	\$ 115		9	24
Interfund Payables	553				810
Due to Other Entities					
Unearned Revenue		35,386			
Amounts Held in Trust for Others	2,299				
Other Accrued Liabilities	1,091	4,420	\$ 8	2	2
Total Liabilities	42,192	39,921	8	169	2,130
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows	119,029	593		12,630	119
Fund Balances					
Nonspendable:					
Inventories and Prepaid Items	6,886			441	
Noncurrent Receivables					
Restricted				429,998	
Committed		654,067			179,999
Assigned	9,556				
Unassigned	1,516,545		720,974	49,809	
Total Fund Balances	1,532,987	654,067	720,974	480,248	179,999
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,694,208	\$ 694,581	\$ 720,982	\$ 493,047	\$ 182,248

Sales Tax	Income Tax Refunds	Catastrophic Health Care	Legislative	Warrant Deficiency	Miscellaneous	Total
					\$ 95	\$ 98
\$ 105,149	\$ 2,372	\$ 9,534	\$ 6,135	\$ 72,398	579,063	3,628,269
					7,158	150,410
				1,040	1,393	15,620
58,336	24,977				514	425,262
					168	9,974
					61	61
			88	9,317	2,288	19,020
					1,853	1,853
					1,184	8,438
156,982					1,287	158,289
					2,234	411,398
\$ 320,467	\$ 27,349	\$ 9,534	\$ 6,223	\$ 82,755	\$ 597,298	\$ 4,828,692
	\$ 145			\$ 1,408	\$ 6,556	\$ 29,113
			\$ 152	585	1,840	21,422
\$ 17					5	1,385
\$ 86,920						86,920
					150	35,536
					13,271	15,570
					138	5,661
86,937	145	0	152	1,993	21,960	195,607
19,883	8,972			1,001	1,943	164,170
			88	9,317	2,288	19,020
					26	26
213,647	18,232				21,087	682,964
		\$ 9,534			505,175	1,348,775
			5,983	70,444	44,819	130,802
						2,287,328
213,647	18,232	9,534	6,071	79,761	573,395	4,468,915
\$ 320,467	\$ 27,349	\$ 9,534	\$ 6,223	\$ 82,755	\$ 597,298	\$ 4,828,692

Schedule 18 - Revenues, Expenditures, and Changes in Fund Balances**General Fund Accounts****For the Fiscal Year Ended June 30, 2022***(dollars in thousands)*

	State General Account	Permanent Building	Budget Stabilization	Millennium	Income Earnings
REVENUES					
Sales Tax	\$ 2,190,757	\$ 5,275			
Individual and Corporate Taxes	3,184,976	8,506			\$ 619
Other Taxes	29,185	6,341			4,163
Licenses, Permits, and Fees	15,238				1,152
Sale of Goods and Services	248	292			3,976
Grants and Contributions	115				
Investment Income (Loss)	(19,566)	(3,901)	\$ (10,493)	\$ (42,812)	(1,703)
Tobacco Settlement				22,215	
Other Income	62,882	25	6,467		648
Total Revenues	5,463,835	16,538	(4,026)	(20,597)	8,855
EXPENDITURES					
Current:					
General Government	73,307	17,185	(18,608)	186	12
Public Safety and Correction	387,997				2,142
Health and Human Services				19,197	8,143
Education	186,172				2,159,682
Economic Development	31,931				929
Natural Resources	23,639				
Capital Outlay	37,790	50,221			1,576
Intergovernmental Revenue Sharing	32,798			468	
Debt Service:					
Principal Retirement	3,584				
Interest and Other Charges	8,987				
Total Expenditures	786,205	67,406	(18,608)	19,851	2,172,484
Revenues Over (Under) Expenditures	4,677,630	(50,868)	14,582	(40,448)	(2,163,629)
OTHER FINANCING SOURCES (USES)					
Lease Acquisitions	15,243				
Sale of Capital Assets	875				4
Transfers In	6,228,308	540,511	50,762	39,299	2,367,510
Transfers Out	(10,461,985)	(36,448)		(39,298)	(153,612)
Total Other Financing Sources (Uses)	(4,217,559)	504,063	50,762	1	2,213,902
Net Change in Fund Balances	460,071	453,195	65,344	(40,447)	50,273
Fund Balances - Beginning of Year, as Restated	1,072,916	200,872	655,630	520,695	129,726
Fund Balances - End of Year	\$ 1,532,987	\$ 654,067	\$ 720,974	\$ 480,248	\$ 179,999

Sales Tax	Income Tax Refunds	Catastrophic Health Care	Legislative	Warrant Deficiency	Miscellaneous	General Account Transfer Eliminations	Total
\$ 587,973	\$ 11,217				\$ 3,641		\$ 2,798,863
	373,494				5,385		3,572,980
	17,186				6,067		62,942
		\$ 37		\$ 45	16,925		33,397
				37	28,286		32,839
					127,638		127,753
391		41			(8,203)		(86,246)
							22,215
		4,951	\$ 2	7,905	34,651		117,531
588,364	401,897	5,029	2	7,987	214,390		6,682,274
718			7,707	13	112,925		193,445
					11,173		401,312
		8,779			291		36,410
					57,399		2,403,253
				448	17,382		50,690
				64,469	10,271		98,379
					26,213		115,800
788,120	619			14	28,275		850,294
							3,584
							8,987
788,838	619	8,779	7,707	64,944	263,929		4,162,154
(200,474)	401,278	(3,750)	(7,705)	(56,957)	(49,539)		2,520,120
							15,243
					34		913
609,311	3,125	8,501	8,511	100,405	429,293	\$ (9,995,775)	389,761
(399,204)	(412,355)				(129,764)	9,995,775	(1,636,891)
210,107	(409,230)	8,501	8,511	100,405	299,563	0	(1,230,974)
9,633	(7,952)	4,751	806	43,448	250,024		1,289,146
204,014	26,184	4,783	5,265	36,313	323,371		3,179,769
\$ 213,647	\$ 18,232	\$ 9,534	\$ 6,071	\$ 79,761	\$ 573,395	\$ 0	\$ 4,468,915

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	1,940,666
Highest Elevation Point	Mt. Borah
	12,662 Feet Above Sea Level
Lowest Elevation Point	Snake River at Lewiston
	770 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, 2021-2022

Idaho Fiscal Facts, 2022

Land Area and Use
(in square miles)

Land Area	83,569
Water Area	926
Federal Land	52,500
Total Non-Federal Land	31,025
Total Rural Land	79,348
Agricultural Land	12,529
Range Land	34,245
Forest Land	32,574

Land Area and Use amounts were converted from square acres to square miles at 640 acres to the mile.

Source: Idaho Blue Book, 2021-2022

Idaho Fiscal Facts, 2022

Twenty Largest

Communities in Idaho

	2010 Census	2020 Census
Boise	205,671	235,684
Meridian	75,092	117,635
Nampa	81,557	100,200
Idaho Falls	56,813	64,818
Caldwell	46,237	59,996
Pocatello	54,255	56,320
Coeur d'Alene	44,137	54,628
Twin Falls	44,125	51,807
Rexburg	25,484	39,409
Post Falls	27,574	38,485
Lewiston	31,894	34,203
Eagle	19,908	30,346
Moscow	23,800	25,435
Kuna	15,210	24,011
Ammon	13,816	17,694
Mountain Home	14,206	15,979
Chubbuck	13,922	15,570
Hayden	13,294	15,570
Jerome	10,890	12,349
Blackfoot	11,899	12,346

Source: Idaho Blue Book, 2021-2022

Idaho Commodity Rankings

Commodity	U.S. Rank	U.S. %
Peppermint oil	1	40
Potatoes	1	32
Barley	1	32
Hay, alfalfa	1	9
Sugarbeets	2	20
Hops	2	17
Onion, dry	4	14
Wheat, spring	4	8
Lentils	4	5
Dry edible peas	4	4
Wheat, all	5	6
Wheat, winter	5	6
Dry edible beans	5	5
Corn silage	6	6
Haylage	8	5
Hay, all	9	4

Source: Idaho Agriculture Facts, 2021



Snake River
Photo by Nicholas Raymond

On the back cover:
Idaho Capitol



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