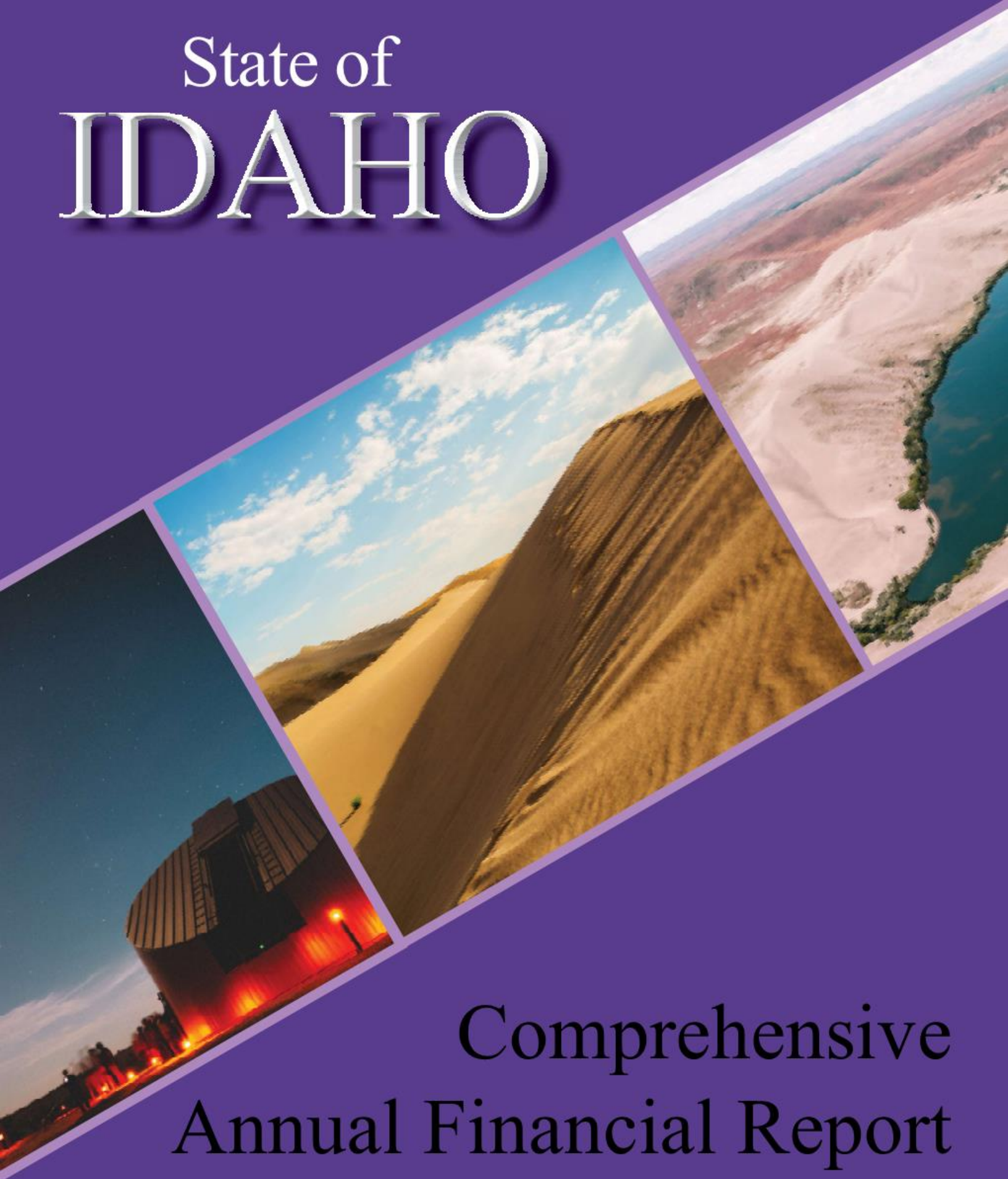
State of

# IDAHO



# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

# Castle Rocks State Park

All photos courtesy of Idaho Tourism




## On the Cover:
## Bruneau Dunes State Park

All photos courtesy of Idaho Tourism

State of

# IDAHO

## Comprehensive Annual Financial Report




For the Fiscal Year Ended June 30, 2019

Brad Little
Governor

Brandon D Woolf
State Controller

Prepared by the Office of the State Controller
*This document and related information are available at www.sco.idaho.gov*

Brandon D Woolf, MBA
State Controller

# ACKNOWLEDGMENTS:

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Bureau Chief
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Sandra Tisdale, CFE

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

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

# Table of Contents

*Introductory Section*

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

*Financial Section*

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

**Basic Financial Statements**

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

**Required Supplementary Information**

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

**Combining Financial Statements**

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

Nonmajor Enterprise Funds
Narrative 151
Statement of Net Position 152
Statement of Revenues, Expenses, and Changes in Fund Net Position 153
Statement of Cash Flows 154
Internal Service Funds
Narrative 155
Statement of Net Position 156
Statement of Revenues, Expenses, and Changes in Fund Net Position 157
Statement of Cash Flows 158
Fiduciary Funds
Narrative 159
Statement of Fiduciary Net Position - Pension and Other Employee Benefit Trust Funds 160
Statement of Changes in Fiduciary Net Position - Pension and Other Employee Benefit Trust Funds 162
Statement of Fiduciary Net Position - Investment Trust Funds 164
Statement of Changes in Fiduciary Net Position - Investment Trust Funds 165
Statement of Assets and Liabilities - Agency Fund 166
Statement of Changes in Assets and Liabilities - Agency Fund 167

***Statistical Section***

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

# Introductory Section



Old Mission State Park

STATE OF IDAHO
CONTROLLER'S OFFICE
BRANDON D WOOLF

December 20, 2019

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

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

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

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

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

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

## PROFILE OF THE GOVERNMENT

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

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

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

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

## ECONOMIC CONDITION

### Financial Policies

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

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

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

Note 14 contains additional detailed information regarding reserve funds.

### Economy

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

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

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

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

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

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

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

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

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

### Long-Term Financial Planning

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

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

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

**Major Initiatives**

- The Department of Health and Welfare received an appropriation of $3.4 billion in FY 2020, an increase of 10.2 percent from the previous year. Medicaid spending represents 82.8 percent of the Department's total appropriation. Federal funding provided 65.0 percent of the Department's total appropriation. General Fund funding for Medicaid increased 17.5 percent.

- The Public Schools' appropriation is $2.3 billion for FY 2020, a General Fund increase of $113.1 million and a $127.2 million overall increase from FY 2019. Some of the highlights of the increased appropriation include:

    - $49.7 million for teacher compensation

    - $3.8 million for increase to minimum starting teacher pay

    - $7.3 million for 3.0 percent base salary increase for administrators and classified staff

    - $21.8 million for operational support

    - $13.1 million for K-3 literacy initiative

- A total appropriation of $276.7 million for the Department of Correction in FY 2020 is a reduction of 0.4 percent from the prior year.

- House Bill 246 provided $3.4 million for the first phase of the Governor's technology modernization and consolidation initiatives. When netted across all the agencies, the initiative removed 16.00 FTP and $1.0 million in personnel costs to consolidate information technology positions from eight agencies into the Office of Information Technology Services. The IT Modernization is planned to take five years and may include all executive agencies except constitutional officers; some agencies may retain an embedded IT component.

## AWARDS AND ACKNOWLEDGEMENTS

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

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

Respectfully submitted,



Brandon D Woolf
Idaho State Controller

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## State of Idaho

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

**June 30, 2018**

Christopher P. Morrill

Executive Director/CEO

# State Government Organization
IDAHO

## Citizens of Idaho

| LEGISLATIVE BRANCH | EXECUTIVE BRANCH | JUDICIAL BRANCH |
|---|---|---|
| **Senate** | **Governor** | **Supreme Court** |
| **House of Representatives** | **Lieutenant Governor** | **Court of Appeals** |
| **Legislative Services** | **Attorney General** | **District Court** |
| | **Secretary of State** | **Magistrate Court** |
| | **State Controller** | |
| | **State Treasurer** | |
| | **Superintendent of Public Instruction** | |

## State Entities by Function

### General Government

- Board of Tax Appeals
- Commissions:
  - Aging
  - Arts
  - Blind and Visually Impaired
  - Idaho Code
  - Tax
  - Uniform Laws
- Department of Administration
- Division of:
  - Financial Management
  - Human Resources
  - Liquor
  - Military
- Offices of:
  - Drug Policy
  - Information Technology Services
  - Performance Evaluations
  - Species Conservation
- Public Employee
  - Retirement System
- State Bar
- State Building Authority
- STEM Action Center

### Education

- Boise State University
- Career and Technical Education
- Idaho State University
- Lewis-Clark State College
- Public Broadcasting
- State Board of Education
- University of Idaho
- Vocational Rehabilitation

### Public Safety

- Brand Inspector
- Commissions:
  - Pardons and Parole
  - Racing
- Correctional Industries
- Departments of:
  - Correction
  - Juvenile Corrections
- Idaho State Police

### Natural Resources

- Departments of:
  - Environmental Quality
  - Fish and Game
  - Lands
  - Parks and Recreation
  - Water Resources
- Endowment Fund
  - Investment Board
- Fish and Wildlife Foundation
- Lava Hot Springs Foundation
- Office of Energy Resources
- Wolf Control Board

### Health and Human Services

- Catastrophic Health Care
- Department of Health and Welfare

### Economic Development

- Appellate Public Defender
- Boards of:
  - Accountancy
  - Dentistry
  - Engineers and Surveyors
  - Medicine
  - Nursing
  - Outfitters and Guides
  - Pharmacy
  - Veterinary Medicine
- Bureau of Occupational Licenses
- Commissions:
  - Dairy Products
  - Hispanic Affairs
  - Industrial
  - Libraries
  - Lottery
  - Potato
  - Public Defender
  - Public Utilities
  - Real Estate
  - Soil and Water Conservation
  - Wheat
- Departments of:
  - Agriculture
  - Commerce
  - Finance
  - Insurance
  - Labor
  - Transportation
- Divisions of:
  - Building Safety
  - Veterans Services
- Historical Society
- Workforce Development Council

# Statewide Elected Officials
IDAHO



**Brad Little**
*Governor*



**Lawerence Denney**
*Secretary of State*



**Brandon D Woolf**
*State Controller*



**Janice McGeachin**
*Lieutenant Governor*



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



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



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



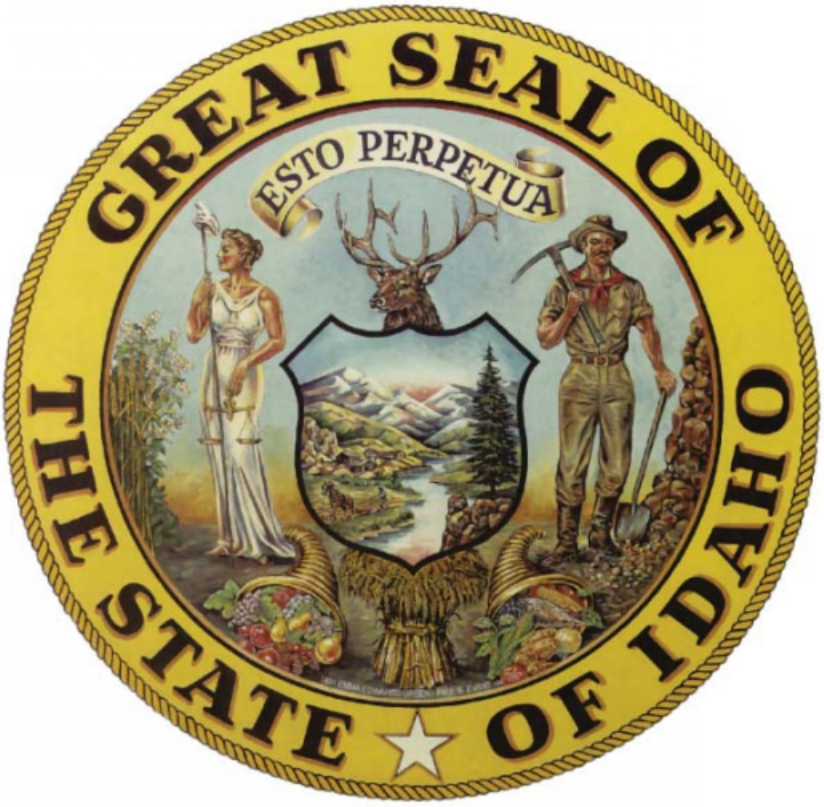
**Scott Bedke**
*Speaker, Idaho House of Representatives*



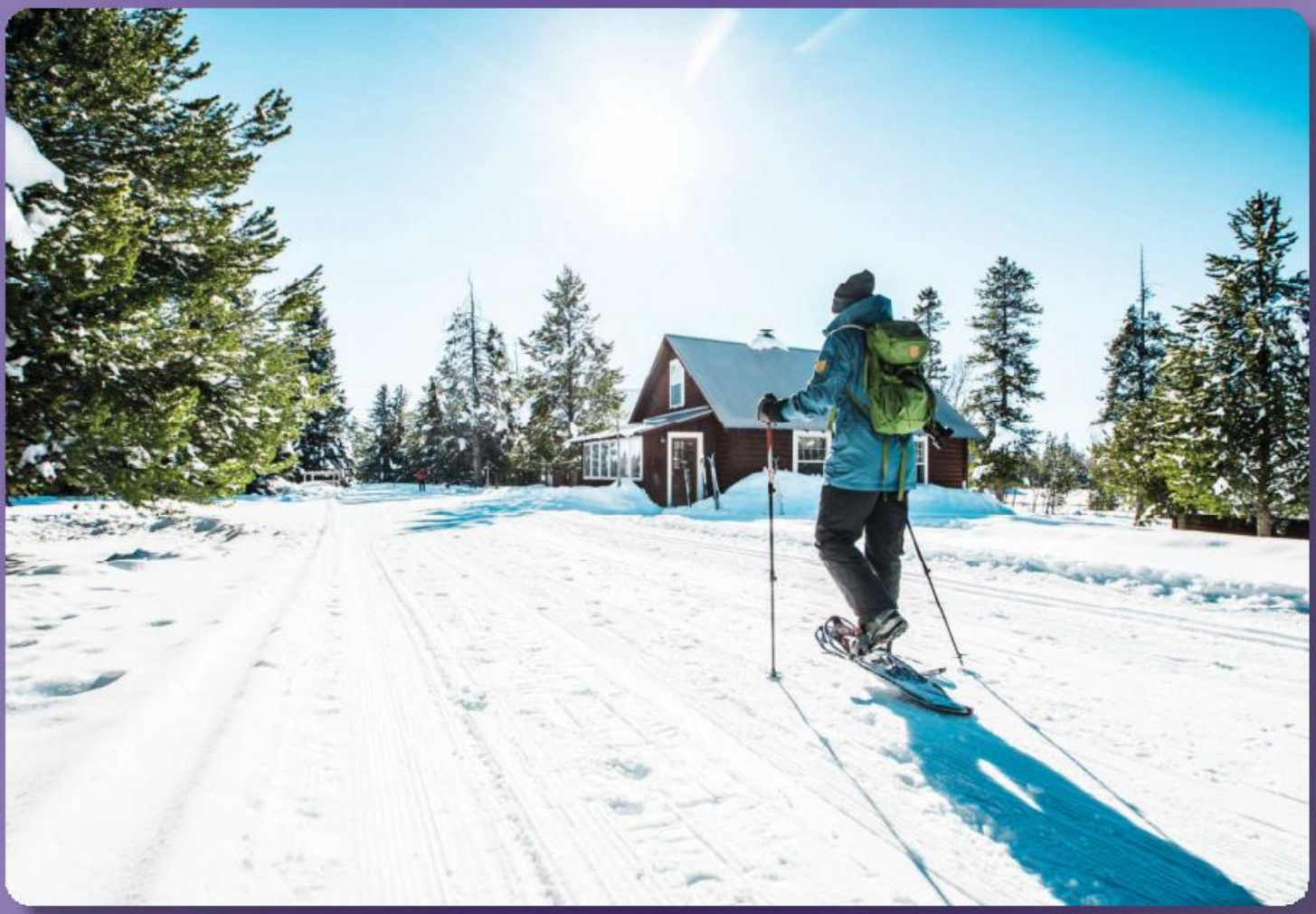
**Roger S. Burdick**
*Chief Justice, Idaho Supreme Court*



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


GREAT SEAL OF
THE STATE OF IDAHO
ESTO PERPETUA

# Financial Section



Harriman State Park



# Legislative Services Office
## Idaho State Legislature

Eric Milstead
Director

*Serving Idaho's Citizen Legislature*

December 20, 2019

Independent Auditor's Report

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

**Report on the Financial Statements**

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

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

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

***Auditor's Responsibility***

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

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

**Kristin Ford, Manager**
**Research & Legislation**

**Paul Headlee, Manager**
**Budget & Policy Analysis**

**April Renfro, Manager**
**Legislative Audits**

**Glenn Harris, Manager**
**Information Technology**

**Statehouse, P.O. Box 83720**
**Boise, Idaho 83720-0054**

**Tel: 208-334-2475**
**www.legislature.idaho.gov**

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

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

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

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

***Opinions***

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

***Other Matters***

*Required Supplementary Information*

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

*Other Information*

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

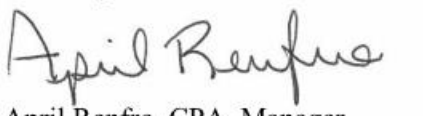
The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures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

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

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

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

Sincerely,



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

## INTRODUCTION

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

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

### Government-Wide Financial Statements

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

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

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

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

*Governmental activities* encompass most of the State's basic services such as general government, public safety and correction, health and human services, education, economic development, and natural resources. Taxes and federal grants are the major funding sources for most of these activities.

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

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

### Fund Financial Statements

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

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

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

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

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

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

**Notes to the Financial Statements**

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

**Required Supplementary Information**

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

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

**Other Supplementary Information**

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

## FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

**Net Position**

Net position measures the difference between assets and deferred outflows of resources versus liabilities and deferred inflows of resources. Net position may serve over time as a useful indicator of the State's financial position. The State's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $14.4 billion for the most recent fiscal year. The State's combined net position increased $550.4 million over the course of this fiscal year's operations. Net position of governmental activities increased $418.5 million and business-type activities' net position increased $131.9 million. Net position changes between the current and prior fiscal year are described in the governmental activities and business-type activities sections on page 9.

**Net Position**
**June 30, 2019 and 2018**
(*dollars in thousands)*

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

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

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

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

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

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

**Change in Net Position**

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

**Changes in Net Position**
**For the Fiscal Years Ended June 30, 2019 and 2018**
*(dollars in thousands)*

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

*Amounts in these columns have been restated.

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

### Governmental Activities

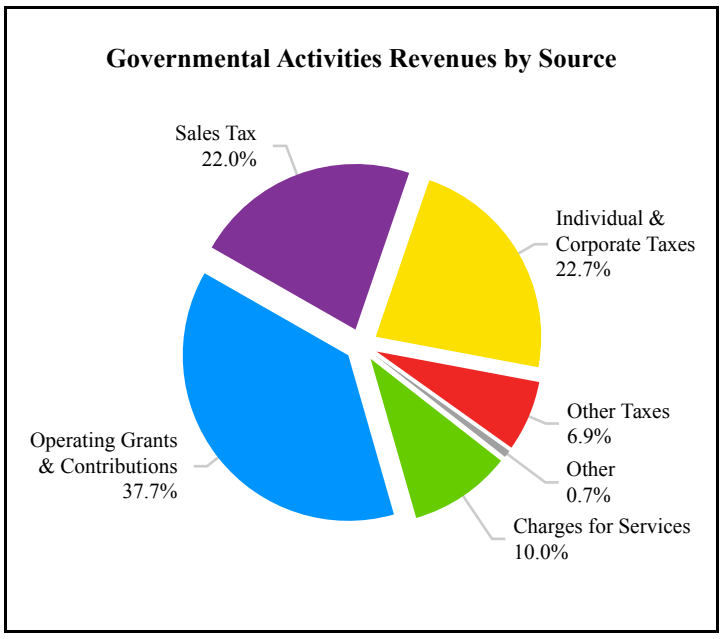
*Revenues*

The overall financial position for Governmental Activities significantly improved during the fiscal year, as evidenced by the 3.7 percent ($418.5 million) increase in net position. Revenues continued to outpace expenses in most categories. Individual and corporate income taxes revenue decreased 6.4 percent ($133.3 million). Operating grant revenue increased 2.2 percent ($70.1 million), primarily due to large increases in health and other federal grants and contributions. Increased collection mainly in technical services along with increases in interest income and across the board increases to the fair value of investments caused revenue from charges for services to rise 6 percent ($49.2 million). Sales Tax revenue improved by 5.2 percent ($93.7 million), while Other Tax revenue experienced a fall of 0.9 percent ($(5.5) million). Individual and corporate income tax decrease was due mainly to the first-year impacts of cross the board individual and corporate income tax rate reductions that were introduced in 2018.

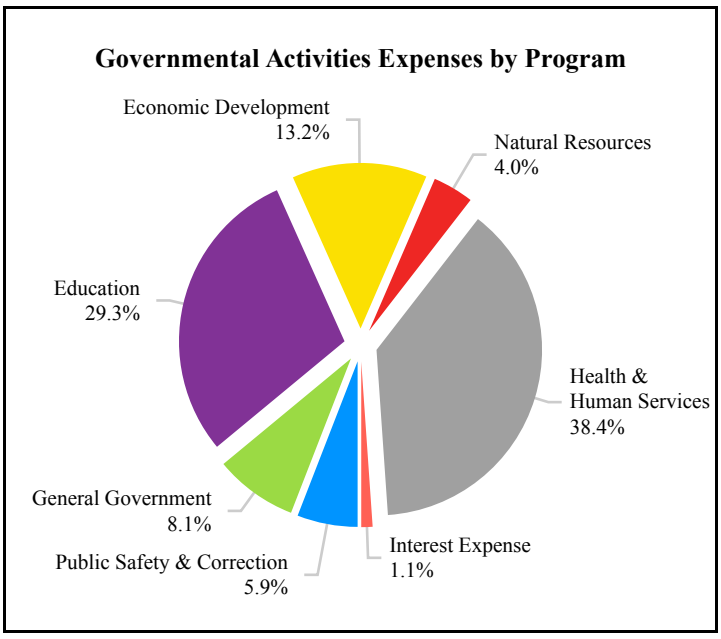
*Expenses*

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

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




*Total Revenues = $8.6 billion*



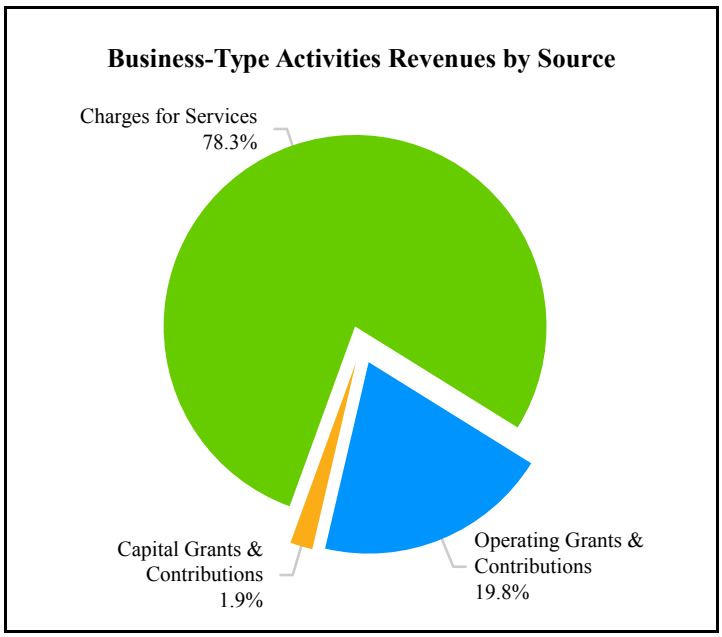

*Total Expenses = $7.9 billion*

### Business-Type Activities

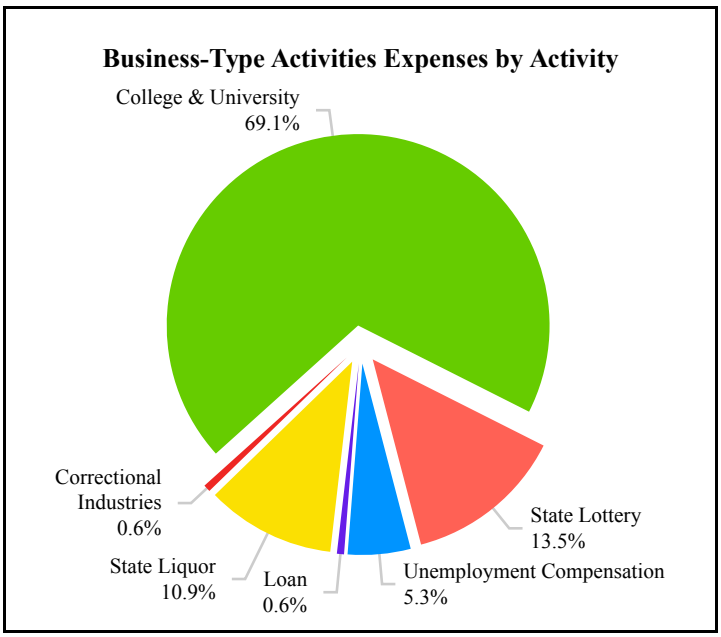
Business-type activities' net position increased by 5.1 percent ($131.9 million) during the fiscal year. The largest changes were seen in the following funds:

- The College and University fund net position increased by 1.2 percent ($12.9 million) from the prior year to $1.1 billion. Expenses grew 1.3 percent ($14.7 million) due in combination of increase in both salary and institutional services costs along with the loss of Perkins Federal Capital Contribution funding totaling just over $17 million.
- Unemployment Compensation fund net position improved 6.8 percent ($57.8 million) due to Idaho's continued low unemployment rate.

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




*Total Revenues = $1.5 billion*




*Total Expenses = $1.7 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 $5.2 billion, an increase of $157.9 million in comparison with fiscal year 2018. The governmental fund balance is classified as follows:

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

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

- The General Fund is the chief operating fund of the State. During the fiscal year the fund balance increased 4.3 percent ($74.6 million) primarily due to a $92.4 million increase in sales tax revenue.
- The Health and Welfare fund balance increased 26.8 percent ($15.2 million) during the fiscal year. The primary driver of the fund balance incline was in combination of increased operating grants and contributions along with decrease in uncollected medical assistance payments for Medicaid and rehabilitation services.
- The Transportation fund balance decreased 9.9 percent ($36.0 million) during the fiscal year primarily due to decrease in other taxes collected and increased expenditure in capital outlay.
- The Land Endowments fund balance increased 4.8 percent ($112.2 million) from the prior year primarily due to the ongoing sales of endowment land.
- The Nonmajor Governmental fund balance decreased 1.2 percent ($(8.1) million) during the fiscal year. Decreases are largely due to bonds and notes issued for various projects.

### Proprietary Funds

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

## GENERAL FUND BUDGETARY HIGHLIGHTS

The State does not adopt a revenue budget; therefore, the Budgetary Comparison Schedule reflects budgeted revenues as being equal to actual revenues. General Fund revenues for the fiscal year ended slightly lower than anticipated at $4.4 billion. Most of the General Fund revenue comes from various types of tax collections; these collections increased only 0.1 percent over 2018. The sum of the collections were below the projected 0.5 percent growth stemming from reductions in three major revenue categories; individual income tax, corporate income tax rate, and the new Idaho Child Income Tax Credit. Individual income tax receipts ($1.7 billion) fell short of the forcast by (6.4) percent ($(112.7) million). In contrast Corporate income tax receipts ($283.2 million) came in 26.9 percent ($60 million) above forecast $223.2 million. Sales tax contributions ($1.6 billion) exceeded projections by 1.4 percent ($22.1 million). Product tax revenue ($64.3 million) for the year also fell short of the anticipated collections ($64.8 million) by -0.8 percent ($0.5 million). Miscellaneous sources ($128.3 million) surpassed the projected $113 million by 13.6 percent ($15.3 million). The cash balance carried over into fiscal year 2019 was $52.2 million. Overall, General Fund receipts were $3 million more in fiscal year 2019 than in fiscal year 2018.

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

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

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

**Capital Assets as of June 30, 2019 and 2018**

*(Net of depreciation, dollars in thousands)*

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

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

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

The State uses the traditional method of depreciation for its 1,814 bridges, 29 rest areas, 12 ports of entry, and 10 weigh stations. The State adopted the modified approach for reporting roads. Under this alternative method certain maintenance and preservation costs are expensed, and depreciation expense is not reported. Approximately 12,273 lane miles of roads are accounted for under the modified approach. The State manages its roadway network using its Pavement Management System to monitor road surface condition. The roadway surface condition is determined using three pavement condition data elements: International Roughness Index (IRI), rutting depth, and Overall Condition Index (OCI). Developed as part of refinements to the Transportation Asset Management System (TAMS), the OCI is unique to Idaho. Roadway surface is categorized as good, fair, or poor. The State's established condition

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

**Long-Term Debt**

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

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

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

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

## ECONOMIC FACTS AND NEXT YEAR'S BUDGET

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

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

The overall General Fund budget for fiscal year 2020 is $3.9 billion (7.1 percent increase). Medicaid received $687.4 million (17.5 percent increase); and the Department of Correction received $249.9 million (3.8 percent increase). Contributions to the State's budget reserves increased by $45.1 million during fiscal year 2019.

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

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

## CONTACTING THE STATE'S FINANCIAL MANAGEMENT

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

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

# Basic Financial Statements

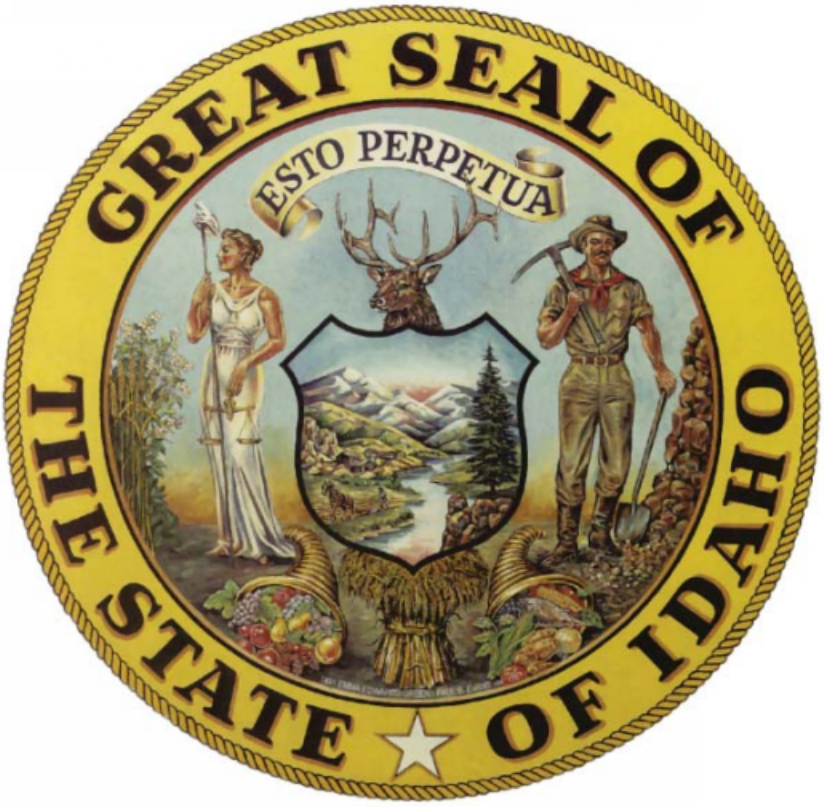


Farragut State Park

# Statement of Net Position
## June 30, 2019
***(dollars in thousands)***

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

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


GREAT SEAL OF
THE STATE OF IDAHO
ESTO PERPETUA

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

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

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

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

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

# Balance Sheet
# Governmental Funds
# June 30, 2019

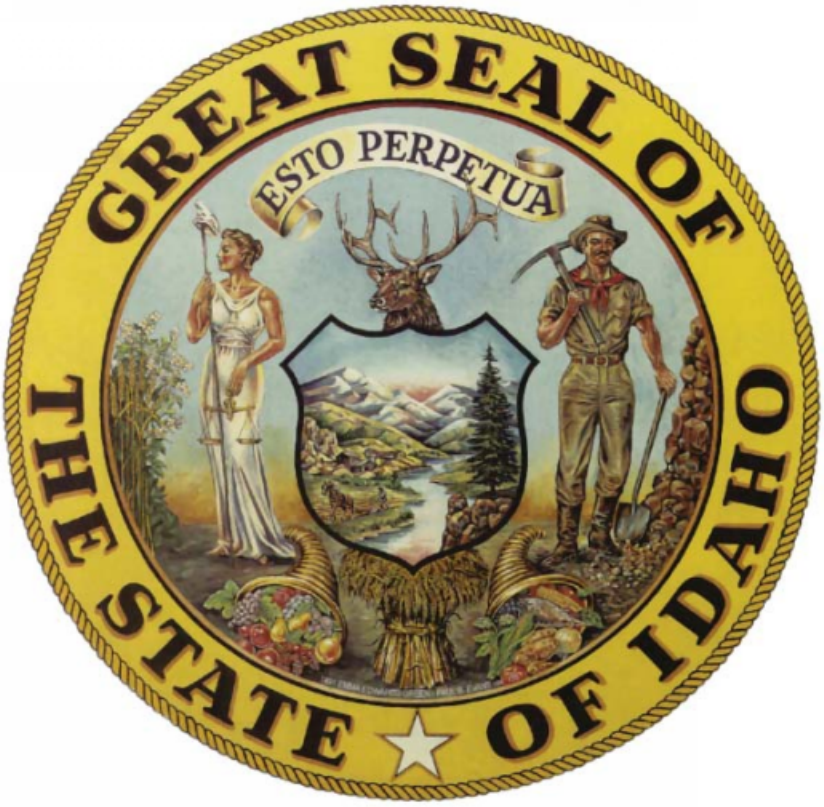
***(dollars in thousands)***

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

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

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

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


GREAT SEAL OF
THE STATE OF IDAHO
ESTO PERPETUA

# Reconciliation of the Governmental Funds Balance Sheet
# To the Statement of Net Position
# June 30, 2019

***(dollars in thousands)***

| | | |
|---|---|---|
| **Total Fund Balances - Governmental Funds** | | $ 5,235,135 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of the following: | | |
| Land and Land Use Rights | $ 1,187,998 | |
| Capital Assets in Progress | 1,227,580 | |
| Infrastructure | 4,187,654 | |
| Historical Art and Collections | 72 | |
| Buildings and Improvements | 1,151,467 | |
| Improvements Other Than Buildings | 183,152 | |
| Machinery, Equipment, and Other | 826,416 | |
| Accumulated Depreciation | (1,438,712) | |
| Total Capital Assets | | 7,325,627 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds. | | 77,372 |
| Deferred Outflows of Resources benefit future periods and are not reported in the funds. | | |
| The deferred outflows of resources consist of the following: | | |
| Debt Defeasance | 3,771 | |
| Pension Related Deferrals | 64,288 | |
| Pension Contributions Subsequent to Measurement Date | 77,814 | |
| OPEB Related Deferrals | 2,612 | |
| OPEB Contributions Subsequent to Measurement Date | 7,043 | |
| Total Deferred Outflows of Resources | | 155,528 |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position. | | 132,022 |
| Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | |
| These liabilities consist of the following: | | |
| Compensated Absences Payable | (54,824) | |
| Bonds, Notes, and Capital Leases Payable | (903,395) | |
| Accrued Interest on Bonds | (31,548) | |
| Claims and Judgments | (204,262) | |
| Other Long-Term Liabilities | (353,972) | |
| Total Long-Term Liabilities | | (1,548,001) |
| Deferred Inflows of Resources benefit future periods. | | |
| The deferred inflows of resources consist of the following: | | |
| Unavailable Revenue | 342,000 | |
| Pension Related Deferrals | (75,001) | |
| OPEB Related Deferrals | (13,445) | |
| Total Deferred Inflows of Resources | | 253,554 |
| **Net Position - Governmental Activities** | | $ 11,631,237 |

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

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

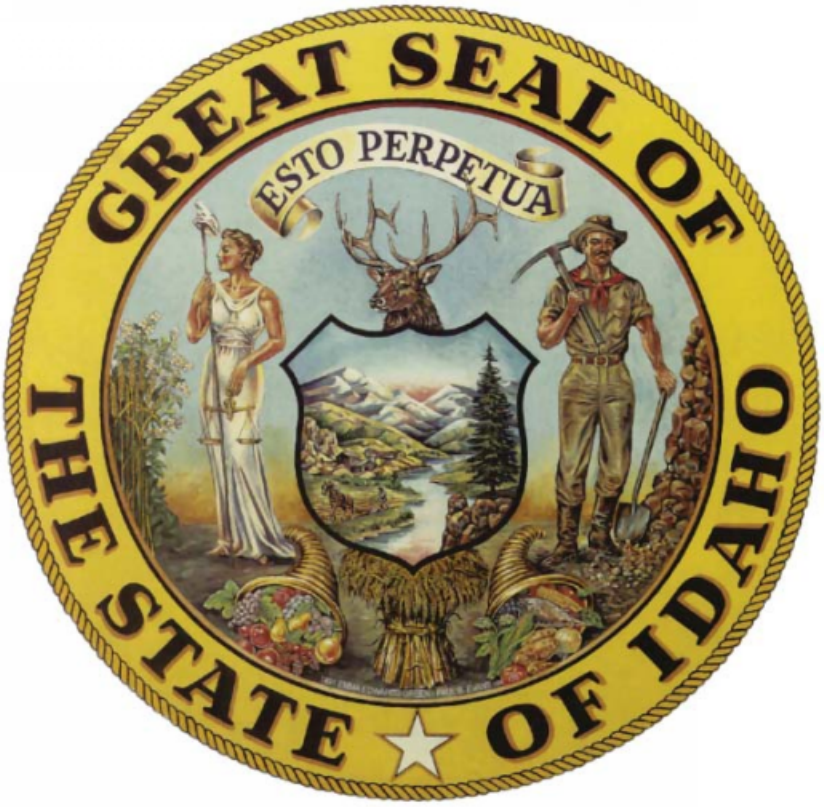
***(dollars in thousands)***

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

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

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

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


GREAT SEAL OF
THE STATE OF IDAHO
ESTO PERPETUA

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

***(dollars in thousands)***

| | | |
|---|---|---|
| **Net Change in Fund Balances - Governmental Funds** | | $ 157,922 |
| Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, these costs are allocated as depreciation expense. Capital outlays exceeded depreciation expense in the current year by the following amount: | | |
| Capital Outlay | $ 477,141 | |
| Depreciation Expense | (119,061) | |
| | | 358,080 |
| Miscellaneous transactions involving capital assets such as sales (gain/loss) and donations are reported in the Statement of Activities but only proceeds from sales are reported in the governmental funds. | | (13,984) |
| Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. | | (50,169) |
| The issuance of long-term debt provides current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position. In the current year the following debt was incurred: | | |
| Bonds and Notes | (43,064) | |
| Premium on Bonds Issued | (4,326) | |
| Capital Leases | (5,442) | |
| | | (52,832) |
| Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consisted of: | | |
| Bond and Note Principal | 41,358 | |
| Refunding Bond Payment | 320 | |
| Capital Leases | 1,603 | |
| | | 43,281 |
| Reduction in note principal not reported as an expenditure in governmental funds | | 90 |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Some expenditures reported in the governmental funds either increase or decrease long-term liabilities reported in the Statement of Net Position. In the current year these amounts consisted of: | | |
| Accrued Interest and Amortization | (28,514) | |
| Compensated Absences | 1,631 | |
| Claims and Judgments | (9,246) | |
| Other Long-Term Liabilities | 24,633 | |
| | | (11,496) |
| Internal service funds are reported separately from governmental funds in the fund statements. In the government-wide statements, internal service funds are included with governmental activities. | | (12,424) |
| **Change in Net Position - Governmental Activities** | | $ 418,468 |

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

# Statement of Net Position
# Proprietary Funds
# June 30, 2019

***(dollars in thousands)***

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

The amount reported for the total net position on this statement differs from the amount reported for Business-Type Activities on the Government-wide Statement of Net Position because of an $8,495 consolidation adjustment for internal service fund activities on the Government-wide statement.

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

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

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

# Statement of Revenues, Expenses, and Changes in Fund Net Position
## Proprietary Funds
## For the Fiscal Year Ended June 30, 2019
***(dollars in thousands)***

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

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

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

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

# Statement of Cash Flows
# Proprietary Funds
# For the Fiscal Year Ended June 30, 2019

***(dollars in thousands)***

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

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

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

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

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

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

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

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

***(dollars in thousands)***

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

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

# Statement of Changes in Fiduciary Net Position
# Fiduciary Funds
# For the Fiscal Year Ended June 30, 2019

***(dollars in thousands)***

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

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

# Statement of Net Position
# Component Units
# June 30, 2019

***(dollars in thousands)***

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

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

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

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

# Statement of Revenues, Expenses, and Changes in Fund Net Position
## Component Units
## For the Fiscal Year Ended June 30, 2019
***(dollars in thousands)***

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

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

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

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

## INDEX FOR NOTES TO THE FINANCIAL STATEMENTS


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

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

### A. Reporting Entity

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

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

***Blended Component Unit***

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

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

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

***Discretely Presented Component Units***

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

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

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

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

*Boise State University Foundation, Inc.*
https://www.boisestate.edu/giving/about/foundation/policies/

*Idaho State University Foundation, Inc.*
https://www.isu.edu/foundation/about/financial-statements/

*Lewis-Clark State College Foundation, Inc.*
http://www.lcsc.edu/giving/

*University of Idaho Foundation, Inc.*
https://www.uidaho.edu/uidahofoundation/financial-highlights

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

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

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

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

***Related Organizations***

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

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

***Government-Wide Statements***

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

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

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

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

***Fund Statements***

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

The State reports the following major governmental funds:

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

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

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

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

The State reports the following major proprietary funds:

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

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

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

Additionally, the State reports the following fund types:

***Governmental Fund Types***

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

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

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

***Proprietary Fund Types***

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

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

***Fiduciary Fund Types***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**D. Financial Statement Elements**

***Assets***

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

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

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

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

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

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

*Other Assets*
Other assets include interest receivable, and other miscellaneous items.

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

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

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

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

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

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

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

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

See Note 6 for more information on capital assets.

***Deferred Outflows of Resources***

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

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

***Liabilities***

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

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

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

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

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

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

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

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

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

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

***Deferred Inflows of Resources***

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

**E. Net Position / Fund Balance**

***Net Position***

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

Net position is displayed in the following three categories:

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

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

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

***Fund Balance***

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

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

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

*Committed* fund balances consist of amounts that are constrained by statutes enacted by the Legislature and approved by the Governor. The committed amounts cannot be used for any other purposes unless subsequent legislation changes or removes the specified purposes. The legislation that constrains the use of the resources is separate from the authorization to raise the underlying revenue.

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

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

See Note 14 for more information.

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

### A. Deposits

Cash and cash equivalents are deposited with various financial institutions. Legal provisions regarding deposits are found throughout Idaho Code Title 67. The State Treasurer's Office (STO) acts as the State's bank, receiving and disbursing all monies except for the following: the State Bar, the Potato Commission, the Dairy Products Commission, the Wheat Commission, some of the endowment fund accounts, the Idaho State Building Authority, some of the colleges' and universities' accounts, the Idaho Housing and Finance Association, the college and university foundations, the Idaho Individual High Risk Reinsurance Pool, the Idaho Small Employer Health Reinsurance Program, the Idaho Bond Bank Authority, some of the Public Employee Retirement System of Idaho accounts, Your Health Idaho, and the Idaho Public Employees' Deferred Compensation Plan. In accordance with Idaho Code Sections 67-1210 and 67-1210A the STO invests the pooled cash not needed to meet immediate obligations in various types of investments. The pool balances are available on demand to the participants. Interest received on the pooled cash and investments is paid into the General Fund, unless Idaho statute requires allocation of interest to specific funds. The weighted average maturity of pooled cash and investments held by the STO was 1.2 years.

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

**Custodial Credit Risk at June 30, 2019**

*(dollars in thousands)*

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

**B. Investments**

***General Investment Policies***

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

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

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

***Types of Investments***

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

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

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

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

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

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

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

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

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

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

### *Fair Value of Investments*

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

**Primary Government and Fiduciary Funds Fair Value of Investments at June 30, 2019**
**(Except Endowment Funds and PERSI)**
(dollars in thousands)

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

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

**Endowment Funds Fair Value Measurements**
**Investments and Derivative Instruments Measured at Fair Value at June 30, 2019**
*(dollars in thousands)*

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

The EFIB has two real estate funds, UBS TPI and DB RAR II, reported at Net Asset Value (NAV) and invested primarily in U.S. commercial real estate. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) in accordance with accounting principles generally accepted in the United States, NCREIF Real Estate Information Standard, and market-based accounting rules where appropriate and applicable. NAV is based on the fund's gross asset value less the value of any debt or other outstanding liabilities, whether held directly or indirectly through another entity or entities, anticipated distributions and similar items, as determined by the Advisor at its discretion.

**PERSI Fair Value Measurements**

**Investments and Derivative Instruments Measured at Fair Value at June 30, 2019**

*(dollars in thousands)*

| Investment Type | Fair Value at June 30, 2019 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Valuation Technique |
|---|---|---|---|---|---|
| Fixed Income Securities: | | | | | |
| U.S. Government | $ 2,770,521 | $ 2,748,386 | $ 22,135 | | Market |
| Asset backed-Securitized | 427,185 | | 391,766 | $ 35,419 | Market |
| Corporate | 865,251 | | 865,002 | 249 | Market |
| Idaho Mortgages | 823,647 | | 823,647 | | Market |
| Non-U.S. Government | 131,847 | | 131,847 | | Market |
| Total Fixed Income Securities | 5,018,451 | 2,748,386 | 2,234,397 | 35,668 | |
| Equities: | | | | | |
| Domestic | 6,616,013 | 6,616,013 | | | Market |
| Developed Markets | 2,999,687 | 2,998,411 | | 1,276 | Market |
| Emerging Markets | 821,329 | 784,023 | | 37,306 | Market |
| Total Equities | 10,437,029 | 10,398,447 | | 38,582 | |
| Other Investments: | | | | | |
| Preferred Securities | 72,683 | 64,720 | 4,023 | 3,940 | Market |
| Convertible or Exchangeable Securities | 151 | | | 151 | Market |
| Futures | | | | | Market |
| Mutual Funds-Defined Contribution Investment Options | 86,421 | 86,421 | | | Market |
| **Total investments by fair value level*** | **$ 15,614,735** | **$ 13,297,974** | **$ 2,238,420** | **$ 78,341** | |

* The Total Return Fund and Short Term Investment Portfolio are unitized Defined Contribution investment options included with the Equity and Fixed Income totals above and Private Equity Partnerships and Private Real totals below.

| Investments measured at the net asset value (NAV) | Fair Value at June 30, 2019 | Unfunded Commitments | Redemption Frequency | Redemption Notice |
|---|---|---|---|---|
| Private Equity Partnerships: | | | | |
| Growth Equity | $ 17,910 | $ 38,939 | | |
| Corporate Finance/Buyout | 889,062 | 678,987 | | |
| Distressed Debt | 27,843 | 17,084 | | |
| Co/Direct Investment | 73,686 | 40,808 | | |
| Secondaries | 36,803 | 35,751 | | |
| Venture Capital | 38,161 | 10,970 | | |
| Private Real Estate: | | | | |
| Open Ended Co-mingled Insurance Company Separate | 69,371 | | | |
| Multifamily properties (Olympic) | 73,241 | | | |
| Value Added Apartments | 198,949 | | | |
| Value Added Offices | 28,843 | | | |
| Value Added Retail | 46,857 | | | |
| Office/Industrial Properties | 135,664 | | | |
| Core Office | 177,719 | | | |
| Industrial | 50,280 | | | |
| Development Properties | 67,789 | | | |
| Collective Funds: | | | | |
| REIT Index Collective Fund | 3,808 | | Daily | 4pm EST |
| TIPS Index Collective Fund | 2,050 | | Daily | 4pm EST |
| US Broad Equity Market Index Collective Fund | 13,231 | | Daily | 4pm EST |
| Emerging Equity Market Index Fund | 2,220 | | Daily | 4pm EST |

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

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

- Private Equity Partnerships are reported at the NAV and include limited partnerships invested in the following strategies: Growth Equity, Corporate Finance/Buyout, Distressed Debt, Co/Direct Investments, Secondaries, and Venture Capital. Fair value is obtained by using a valuation provided by the General Partner, adjusting for interim cash flows and rolling forward to the measurement date of the Plan. A gatekeeper is used to monitor values, cash flows, and provide due diligence for new investments. The fair values presented may differ from actual amounts realized from these investments.
- Real Estate Investment Trust (REITs) are publicly traded securities and are included with Equities: Domestic, level 1, as those securities are traded in an active market. Private Real Estate are investments owned directly or with other partnership interests and are in several general categories to include Affordable Housing, Multifamily properties, Value added apartments, Office/Industrial Properties, and Development Properties and are listed with investments measured at the NAV. Each property in the Portfolio is externally appraised at a minimum every year. Appraisals are completed by third-party MAI certified appraisers. For properties not subject to an external appraisal during a quarter, internal valuations are completed by AEW (the Plan's private real estate consultant) (or Pinnacle and reviewed by AEW), based on updated operational performance at the subject property and any relevant sale comparable. A discounted cash flow analysis is utilized to determine asset value. Prior to finalizing the values, Altus (an independent professional advisory with expertise in appraisals) reviews every valuation quarterly and communicates its questions/findings to AEW before approval. The valuation of the Affordable Housing properties is calculated by a third party valuation and accounting specialist in the affordable housing industry once a year at December 31st. Development properties are initially valued at their accumulated cost amounts until completion, upon which an appraisal is done. Prudential is an open ended co-mingled insurance company separate account comprised primarily of real estate investments either directly owned or through partnership interests and mortgage and other loans on income producing real estate. Fair value is generally determined through an appraisal process that is conducted by independent appraisers within a reasonable amount of time following acquisition and no less frequently than annual thereafter.
- Collective Trust Funds are eight trust funds offered as investment options in the Defined Contribution Plan, reported at the Net Asset Value. The NAV is based on the value of the underlying investments. Collective Trusts are regulated, but not registered investment vehicles.
- Co-Mingled Funds are the investment vehicle used for the Plan's Sick Leave Insurance Reserve Trust Fund where funds are pooled from numerous plans. They are valued at net asset value of units held at the end of the period based upon the fair value of the underlying investments.

**Component Unit Fair Value of Investments at June 30, 2019**

*(dollars in thousands)*

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

* Includes $3.1 million valued at cost

The private equity shown at NAV above are invested in real estate, venture funds, and international funds. The fair values have been determined using the NAV per share. The fair value of the private equity limited partnerships have no readily ascertainable market prices. Similar to real estate, costs closely approximate fair value of recent acquisitions. Therefore, the fair value of private equity limited partnership investments are based on the valuations as presented in the funds' December 31st audited financial statements. Generally, the companies within a fund are valued by the general partner, taking into account many factors such as the purchase price, estimated liquidation value, significant events like initial public offerings, bankruptcies, additional rounds of financing, and other relevant factors. The fair value may differ significantly from the values that would have been used had a ready market for the investments existed. Although these differences could be material to the individual values, private equity only represents 7.99 percent of total investments.

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

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

***Custodial Credit Risk of Investments***

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

- The Idaho Fish and Wildlife Foundation does not have a formal policy that would limit its exposure to custodial credit risk. The Foundation has $8.6 million in investments that were uninsured and held in the name of the counterparty.
- The Idaho Workers' Compensation Law (Idaho Code Title 72) requires sureties to maintain a security deposit with the STO in order to write workers' compensation insurance or to be self insured. The amount of sureties that are held by the bank in the name of the insurance company and subject to custodial credit risk was $448.1 million.
- The PERSI investment policy mitigates custodial credit risk by requiring that investments, to the extent possible, be registered in the name of the PERSI and be delivered to a third-party custodian. Short-term investments are created through daily sweeps of excess cash. The PERSI had various short-term investments of $9.3 million held by various counterparties, not in the PERSI's name.
- The University of Idaho Retiree Benefits Trust does not have a formal policy to to limit its exposure to custodial credit risk. The Trust had $32.6 million in investments that were uninsured and held by the counterparty's trust department or agent but not in the State's name.
- The Boise State University Foundation does not have a formal policy that would limit its exposure to custodial credit risk. The Foundation had various investments of $146.1 million that were uninsured and held in the name of the broker.
- The University of Idaho Foundation minimizes exposure to custodial credit risk by requiring that investments, to the extent possible, be clearly marked as to Foundation ownership and further to the extent possible, be held in the Foundation's name. The Foundation had various investments of $159.5 million that were held in the name of the counterparty for benefit of the Foundation.

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

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

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

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

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

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

** $5.1 million valued at cost

*** $742.1million valued at cost

**** $9.9 million valued at cost

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

*(dollars in thousands)*

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

**PERSI Investments at June 30, 2019**

*(dollars in thousands)*

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

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

*(dollars in thousands)*

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

* Duration calculations for some securities are not available.

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

*(dollars in thousands)*

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

* Investments may be subject to foreign currency risk.

**All investments are valued at market unless otherwise disclosed

***Includes $11.3 million that is not rated

**Deferred Compensation Plan Investments at December 31, 2018**
*(dollars in thousands)*

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

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

**Component Units Maturity of Debt Investments at June 30, 2019**

*(dollars in thousands)*

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

* Includes $3.1 million valued at cost

** Includes $4.9 million valued at cost

### *Credit Risk of Debt Securities*

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

- The State Board of Education policy allows colleges and universities to invest in corporate bonds and mortgage-backed securities of A grade or better and commercial paper of prime or equivalent grade without prior Board approval.
- The EFIB investment policy states that the average credit quality of the fixed income portfolio must be investment grade or higher. Individual fixed income securities may be rated below investment grade, and money market funds shall contain securities with an absolute minimum of investment grade by Standard & Poor's (S&P) or Moody's.
- The PERSI has no strict limitations for credit risk exposures. Each PERSI portfolio is managed in accordance with operational guidelines that outline expected portfolio characteristics which usually, but not always, include credit quality and exposure levels. Per the PERSI policy, these characteristics are established and monitored within each portfolio, with variances reported by the manager.
- The Idaho Housing and Finance Association policies permit investments for each bond issue in accordance with the various bond indentures, bond resolutions, and trust resolutions adopted by the Association. Program account investments are restricted to those allowed by Idaho Code Section 67-6215B or by federal regulations. The Association has adopted resolutions as policy for authorized investments in the Affordable Housing Investment Trust and the Loan Guaranty Trust. The Association has not adopted a formal policy related to the Association's business operations investments.

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

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

* $5.1 million valued at cost

** $742.1 million valued at cost

*** $9.9 million valued at cost

**Endowment Funds**

**Credit Quality Ratings of Debt Investments at June 30, 2019**

*(dollars in thousands)*

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

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

*(dollars in thousands)*

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

* Includes US Government Agencies implicitly guaranteed by US Government

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

*(dollars in thousands)*

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

* Includes $3.1 million valued at cost

***Concentration of Credit Risk***

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

- The State and the colleges and universities have not adopted a formal policy to address concentration of credit risk.
- The STO investment policy limits the amount that can be invested in any one issuer. The policy may be obtained from their website at http://sto.idaho.gov.
- The Idaho Housing and Finance Association places no limit on the amount the Association may invest in one issuer.
- The Idaho Individual High Risk Reinsurance Pool's policy provides that no more than 10 percent of the short-term fund balance may be invested in the securities of any one issuer. The policy exempts the following types of investments: obligations of the U.S. government or its agencies, repurchase agreements collateralized by obligations of the U.S. government or its agencies, federally insured certificates of deposit, mutual funds, and money market mutual funds.

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

*(dollars in thousands)*

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

*Valued at Cost

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

*(dollars in thousands)*

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

***Foreign Currency Denominated Investments***

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

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

**Endowment Foreign Currency Risk at June 30, 2019**

*(dollars in thousands)*

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

**PERSI Foreign Currency Risk at June 30, 2019**

*(dollars in thousands)*

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

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

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

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

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

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

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

***Repurchase Agreements***

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

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

***IDLE Payable / LGIP Receivable***

STO determined that in FY19, Long-term Government Investment Pool (LGIP) investment portfolio was not credited on two deposits. Two events occurred that were outside of the normal course of banking operations (December 5, 2018 and February 8, 2019), and while records reflected correct participant balances, the cash was swept into the IDLE pool's investment portfolio. All LGIP participant balances were correct and the money earned interest at the same rate it would have in the LGIP investment portfolio. The combined principal from the two deposits totaling $8.4 million was transferred from the IDLE investment pool to the LGIP investment pool on August 1, 2019.

**C. Restricted Assets**

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

**Primary Government and Component Units**
**Restricted Assets at June 30, 2019**
*(dollars in thousands)*

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

## NOTE 3. DERIVATIVE INSTRUMENTS

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

### *Primary Government*

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

### *Component Units*

The Idaho Housing and Finance Association has entered into multiple interest rate swap agreements to reduce the Association's overall cost of borrowing long-term capital and protect against the risk of rising interest rates. The fair value of the swaps was a negative $24.4 million and reported in other accrued liabilities on the Statement of Net Position. The Association has determined that a substantial portion of its interest rate swaps effectively hedge against changes in variable interest rates. Changes in fair value for hedge swaps are reported on the Statement of Net Position as deferred outflows of resources of $36.1 million and deferred inflow of resources of $0.3 million. A portion of the interest rate swaps are considered non-effective for hedging purposes and are reported in the Statement of Revenues, Expenses, and Changes in Net Position at $1.9 million. The Association has the following interest rate swap agreements:

**Idaho Housing and Finance Association - Hedging Derivative Instruments**

**Interest Rate Swap Agreements at June 30, 2019**

*(dollars in thousands)*

| | | | | | | Terms | |
|---|---|---|---|---|---|---|---|
| Series | Notional Amount | Fair Value | Change in Fair Value | Inception Date | Termination Date | Fixed Rate Paid | Variable Rate Received |
| 2000 Series G | $ 2,745 | $ (51) | $ 230 | 11/6/2008 | 7/1/2021 | 5.25% | SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR |
| 2001 Series A | 560 | (2) | 56 | 11/6/2008 | 1/1/2020 | 4.76% | SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR |
| 2001 Series B | 965 | (7) | 82 | 11/6/2008 | 7/1/2020 | 4.87% | SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR |
| 2001 Series C | 835 | (5) | 74 | 11/6/2008 | 7/1/2020 | 4.86% | SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR |

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

**Idaho Housing and Finance Association - Investment Derivative Instruments**

**Interest Rate Swap Agreements at June 30, 2019**

*(dollars in thousands)*

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

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

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

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

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

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

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

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

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

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

**Idaho Housing and Finance Association - Investment Derivative Instruments**

**TBA Forward Contracts at June 30, 2019**

*(dollars in thousands)*

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

## 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 | Trans-portation | Nonmajor Govern-mental | College and University | Nonmajor Enterprise | Pension Trust | Total |
| Interfund Receivables | General Fund | | $ 56 | | $ 3,831 | $ 10,103 | $ 8,180 | | **$ 22,170** |
| | Transportation | $ 7 | | | | | | | **7** |
| | Nonmajor Governmental | | 141 | $ 66 | 37 | | 819 | | **1,063** |
| | College and University | 875 | 1,202 | 68 | 933 | | | | **3,078** |
| | Unemployment Compensation | 86 | | | | | | | **86** |
| | Nonmajor Enterprise | 12 | 5 | 137 | 16 | | 13 | | **183** |
| | Internal Service | 105 | 174 | 108 | 78 | 32 | | | **497** |
| | Pension Trust | | | | | | | $ 2,113 | **2,113** |
| | **Total** | **$ 1,085** | **$ 1,578** | **$ 379** | **$ 4,895** | **$ 10,135** | **$ 9,012** | **$ 2,113** | **$ 29,197** |

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

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

### B. Interfund Transfers

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

| | | Transfers In | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | General Fund | Health and Welfare | Nonmajor Govern-mental | College and University | Unemploy - ment Comp. | Loan | Internal Service | Total |
| Transfers Out | General Fund | | $ 806,193 | $ 20,862 | $ 340,844 | | $ 23,690 | $ 1,828 | **$ 1,193,417** |
| | Health and Welfare | $ 6,691 | | | | | 318 | | **7,009** |
| | Transportation | | | 19,160 | | | | | **19,160** |
| | Land Endowments | 62,013 | | | 16,443 | | | | **78,456** |
| | Nonmajor Governmental | 86,558 | | 351 | 100 | $ 48 | 2,550 | | **89,607** |
| | College and University | 2,277 | | | | | | | **2,277** |
| | Unemployment Comp. | | | 5,899 | | | | | **5,899** |
| | Loan | 720 | | 1,105 | | | | | **1,825** |
| | Nonmajor Enterprise | 90,130 | 2,730 | 1,128 | | | | | **93,988** |
| | Internal Service | 17,113 | | | | | | | **17,113** |
| | **Total** | **$ 265,502** | **$ 808,923** | **$ 48,505** | **$ 357,387** | **$ 48** | **$ 26,558** | **$ 1,828** | **$ 1,508,751** |

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.

During fiscal year 2019 the following nonroutine transfer was made:

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

**C. Significant Transactions with Related Parties**

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

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

During fiscal year 2019 the Idaho Health Insurance Exchange (IHIE) received assessment fees from Blue Cross of Idaho, represented on the IHIE Board, of $5.2 million.

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

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

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

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

## NOTE 5. NONCURRENT RECEIVABLES

The Accounts Receivable, Taxes Receivable, Due from Other Entities, Due from Primary Government, and Loans, Notes, and Pledges Receivable line items on the government-wide Statement of Net Position contain aggregated current and noncurrent receivable balances net of allowances for doubtful accounts. The following tables disaggregate the noncurrent receivables balances for the primary government and component units.

Noncurrent interfund receivables are discussed in Note 4.

**Noncurrent Receivables - Primary Government**

*(dollars in thousands)*

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

**Noncurrent Receivables - Component Units**

*(dollars in thousands)*

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

## NOTE 6. CAPITAL ASSETS

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

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

* Beginning balances were restated due to prior period adjustments.

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

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

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

* Beginning balances were restated due to prior period adjustments.

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

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

* Beginning balances were restated due to prior period adjustments.

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

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

The following tables disaggregate the deferrals.

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

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

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

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

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

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

| | Governmental Funds | | | |
|---|---|---|---|---|
| | General | Health and Welfare | Transportation | Nonmajor Governmental |
| **Imposed Nonexchange Revenue** | | | | $ 2,739 |
| **Unavailable Revenue** | $ 152,117 | $ 159,627 | $ 6,461 | 23,795 |
| **Total** | **$ 152,117** | **$ 159,627** | **$ 6,461** | **$ 26,534** |

## NOTE 8. PENSION PLANS

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

***General***

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

***Summary of Significant Accounting Policies***

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

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

***Actuarial Assumptions***

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

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

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

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

**Net of pension plan investment expense.

*Mortality Rates*

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

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

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

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

*Long-term Expected Rate of Return*

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

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

**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 % | 3.05 % | 0.80 % |
| Broad US Equities | 55.00 % | 8.30 % | 6.05 % |
| Developed Foreign Equities | 15.00 % | 8.45 % | 6.20 % |
| **Actuarial Assumptions** | | | |
| Assumed Inflation - Mean | | 2.25 % | 2.25 % |
| Assumed Inflation - Standard Deviation | | 1.50 % | 1.50 % |
| Portfolio Arithmetic Mean Return | | 6.75 % | 4.50 % |
| Portfolio Standard Deviation | | 12.54 % | 12.54 % |
| Portfolio Long-Term (Geometric) Expected Rate of Return | | 6.13 % | 3.77 % |
| Assumed Investment Expenses | | 0.40 % | 0.40 % |
| Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses | | 5.73 % | 3.37 % |
| Portfolio Long-Term Expected Real Rate of Return, Net of Investment Expenses | | | 4.19 % |
| Portfolio Standard Deviation | | | 14.16 % |
| **Valuation Assumptions Chosen by PERSI Board** | | | |
| Long-Term Expected Real Rate of Return, Net of Investment Expenses | | | 4.05 % |
| Assumed Inflation | | | 3.00 % |
| **Long-Term Expected Geometric Rate of Return, Net of Investment Expenses** | | | **7.05%** |

**JRF Long-Term Expected Rate of Return**

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

*As outlined in PERSI's investment policy.

**Net of investment expenses.

***Discount Rate***

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

**1. PERSI Base Plan**

***Plan Description***

*Organization and Purpose*

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

*Membership*

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

*Benefits*

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

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

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

***Funding Policy***

*Funding and Contributions*

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

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

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

Contribution rates for the year:

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

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

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

*Vesting*

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

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

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

**PERSI Base Plan**
**as of June 30, 2019**
*(dollars in thousands)*

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

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

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

**Amortized Deferrals**

| Fiscal Year | Expense (Revenue) |
|---|---|
| 2020 | $ 27,503 |
| 2021 | 925 |
| 2022 | (32,305) |
| 2023 | (9,997) |
| 2024 | |
| **Total** | **$ (13,874)** |

***Discount Rate Sensitivity***

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

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

**2. Judges' Retirement Fund**

***Plan Description***

*Organization and Purpose*

The Judges' Retirement Fund (JRF) is a single-employer defined benefit retirement plan, which provides retirement benefits for Idaho Supreme Court justices, court of appeals judges, and district court judges. The JRF is managed by the PERSI and is governed in accordance with Idaho Code Title 1 Chapter 20.

*Membership and Vesting*

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

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

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

*Benefits*

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

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

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

In addition to the above benefits, Option B includes:

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

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

***Summary of Significant Accounting Policies***

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

***Contribution Requirements***

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

Members and the Department contribute to the JRF during the members' first 20 years of employment. Member and Department contributions are a percentage of member compensation as defined by state law. The JRF policy provides for Department and member contributions at 55.3 percent and 10.2 percent, respectively, of annual covered payroll. The payroll for members covered by the JRF was approximately $6.7 million for the fiscal year.

***Investments***

*Policies and Procedures*

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

*Rate of Return*

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

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

*Net Pension Liability*

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

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

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

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

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

*Pension Expense and Deferrals*

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

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

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

| Year | Expense (Revenue) |
|---|---|
| 2020 | $ 458 |
| 2021 | (280) |
| 2022 | (383) |
| 2023 | (161) |
| 2024 | 0 |
| | **$ (366)** |

***Discount Rate Sensitivity***

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

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

**3. Firefighters' Retirement Fund**

***Plan Description***

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

**4. Defined Contribution Retirement Plans**

***Plan Description***

*Organization and Purpose*

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

*Membership*

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

***Summary of Significant Accounting Policies***

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

***Funding Policy***

*Contributions*

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

**B. Other State-Sponsored Retirement Plans**

**1. College and University Optional Retirement Plan**

***Plan Description***

*Organization and Purpose*

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

*Membership*

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

***Funding Policy***

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

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

**2. Department of Labor Retirement Plan**

***Plan Description***

*Organization and Purpose*

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

***Membership***

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

| | |
|---|---|
| Retirees and Beneficiaries | 284 |
| Inactive Participants | |
| Current Active Employees | 4 |
| Total | 288 |

*Benefits*

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

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

***Funding Policy***

*Contributions*

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

## NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

### A. Summary of Plans

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

The Public Employee Retirement System of Idaho (PERSI) administers the Sick Leave Insurance Reserve Fund (SLIRF) which is subject to the guidance of GASB Statements No. 74, 75, and 85.

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

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

**Classes of Employees and Number of Participating Employers**

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

### 1. State OPEB Plans

***Plan Descriptions and Funding Policy***

*Retiree Healthcare Plan*

A retired officer or employee of a state agency, department, institution, or other political subdivision, including an elected official, who receives monthly retirement benefits from the Public Employee Retirement System of Idaho (PERSI) may elect to purchase retiree health insurance coverage for themselves and eligible dependents. Additionally, the retiree must be under age 65, receiving monthly PERSI pension benefits at the time of retirement, and must have 10 or more years (20,800 or more hours) of credited service. An officer or employee must have been an active employee on or before June 30, 2009, and must retire directly from state service. Retirees eligible for medical health insurance pay the majority of the premium cost; however, the retiree plan costs are subsidized by the active employee plan. The benefit is at least $1,860 per retiree per year. The retired plan members contribution percentage of the total premium cost decreased from 83.9 percent in 2018 to 70.6 percent in 2019. In 2019, employers were charged $11.60 per active employee per month towards the retiree premium cost, or 29.3 percent of the total cost of the retiree plan, compared to $15.92 per active employee per month or 16.1 percent of the total cost of the retiree plan in 2018.

*Long-Term Disability Plan*

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

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

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

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

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

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

*Retiree Life Insurance Plan*

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

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

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

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

***Summary of Significant Accounting Policies***

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

***Actuarial Assumptions***

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

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

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

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

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

*Mortality Rates*

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

***Discount Rate***

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

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

*Total OPEB Liability*

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

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

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

*OPEB Expense and Deferrals*

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

| | Increase (Decrease) | | | | | |
|---|---|---|---|---|---|---|
| | | Long-Term Disability Plan | | | | |
| | Retiree Healthcare Plan | Healthcare | Life Insurance | Income | Retiree Life Insurance Plan | Total |
| **OPEB Expense** | $ 649 | $ 317 | $ 43 | $ 83 | $ 3,937 | $ 5,029 |

| | Increase (Decrease)* | | | | | |
|---|---|---|---|---|---|---|
| | | Long-Term Disability Plan | | | | |
| | Retiree Healthcare Plan | Healthcare | Life Insurance | Income | Retiree Life Insurance Plan | Total |
| **Deferred Outflows** | | | | | | |
| Difference between Expected & Actual Experience | | $ 676 | | | $ 259 | $ 935 |
| Changes of Assumptions | | | | | | |
| Changes in Proportion | $ 274 | 19 | | | 180 | 473 |
| Benefit Payments Subsequent to the Measurement Date | 2,004 | 659 | $ 394 | $ 263 | 852 | 4,172 |
| **Total Deferred Outflows** | $ 2,278 | $ 1,354 | $ 394 | $ 263 | $ 1,291 | $ 5,580 |
| **Deferred Inflows** | | | | | | |
| Difference between Expected & Actual Experience | $ 121 | | | | $ 836 | $ 957 |
| Changes of Assumptions | 8,955 | $ 343 | | | 2,023 | 11,321 |
| Changes in Proportion | 301 | 21 | | | 123 | 445 |
| **Total Deferred Inflows** | $ 9,377 | $ 364 | $ 0 | $ 0 | $ 2,982 | $ 12,723 |

*For fiscal year 2019, the total deferred outflows and total deferred inflows in this table do not tie to the OPEB deferred outflows and deferred inflows in Note 7. This is primarily due to State Bar, the Dairy Commission, and the Potato Commission reporting on a different year-end than the State.

The total of $4.2 million reported as deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020. Other amounts reported above as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows (*dollars in thousands*):

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

***Discount Rate Sensitivity***

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

The following presents the total OPEB liability of the State calculated using the discount rate of 3.87 percent, as well as what the State's total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (2.87%) or 1 percent higher (4.87%) than the current rate (*dollars in thousands*):

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

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

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

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

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

**2. University of Idaho OPEB Plan**

***Plan Description***

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

The University plan provides medical and dental benefits to eligible retirees, disabled employees, spouses, and survivors; life insurance is provided only to retirees. In general, the employee must have completed at least 30 years of credited service or the sum of his/her age and years of credited service must total at least 80 to qualify for these benefits. The University pays a portion of the coverage for retirees and disabled employees; the retiree or disabled employee pays the remainder. Spouses and survivors are required to pay 100 percent of the cost for the medical and dental benefits.

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

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

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

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

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

***Summary of Significant Accounting Policies***

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

***Actuarial Assumptions***

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

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

*Mortality Rates*

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

*Long-term Expected Rate of Return*

The long-term expected rate of return on OPEB plan assets was determined using the building block method in which best estimate ranges of expected future rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The current allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized as follows:

**University of Idaho Plan Long-Term Expected Rate of Return**

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

***Discount Rate***

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

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

*Net OPEB Liability*

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

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

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

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

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

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

*OPEB Expense and Deferrals*

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

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

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

| **Fiscal Year** | **Expense (Revenue)** |
|---|---|
| 2020 | $ (221) |
| 2021 | (221) |
| 2022 | (221) |
| 2023 | 140 |
| 2024 | (616) |
| Thereafter | (986) |
| | **$ (2,125)** |

***Discount Rate Sensitivity***

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

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

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

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

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

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

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

***Plan Description***

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

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

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

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

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

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

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

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

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

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

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

***Summary of Significant Accounting Policies***

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

***Actuarial Assumptions***

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

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

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

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

***Long-term Expected Rate of Return***

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

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

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

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

Capital market assumptions is as follows:

**SLIRF Long-Term Expected Rate of Return**

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

***Discount Rate***

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

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

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

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

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

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

| Fiscal Year | Expense (Revenue) |
|---|---|
| 2020 | $ (1,480) |
| 2021 | (1,480) |
| 2022 | (1,480) |
| 2023 | (1,480) |
| 2024 | (774) |
| Thereafter | (155) |
| | **$ (6,849)** |

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

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

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

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

## NOTE 10. RISK MANAGEMENT

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

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

The Risk Management fund manages property and general liability risk. The Fund also finances and accounts for other risks not covered by Group Insurance and various outside entity insurance providers. General liability claims are self-insured up to the Idaho Tort Claims Act maximum of $500 thousand for each occurrence. Property damage claims are commercially insured up to $500.0 million for all risk (subject to various sub-limits), $100.0 million for earthquake, and $100.0 million for flood, and are subject to an overall $250 thousand per occurrence deductible with the exception of fine art which has a $500 deductible. Energy systems are commercially insured up to $100.0 million for equipment breakdown, $5.0 million for demolition, $2.5 million for perishable goods, $5.0 million for service interruption, and $2.5 million for hazardous substances, and are subject to an underlying deductible of $50 thousand. Employee bond/crime is commercially insured up to $10.0 million for public employee dishonesty, $10.0 million for computer fraud, $10.0 million for wire transfer fraud, $1.0 million for theft, disappearance and destruction, $1.0 million for faithful performance, and $1.0 million for robbery and safe burglary, and is subject to a $175 thousand per occurrence deductible. Cyber liability is commercially insured up to $25.0 million, $500 thousand for payment card industry (PCI) fines and penalties in the aggregate for all cyber coverages, and is subject to a $1.0 million per occurrence deductible. Physical damages to covered vehicles are self-insured for actual cash value. Physical damages to covered inland marine are self-insured for replacement value. The State purchases commercial insurance for claims not self-insured by the above coverages and for other identified risks of loss, including workers' compensation insurance.

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

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

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

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

## NOTE 11. LEASES

### A. State as Lessee

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

***Operating Leases***

Operating leases do not qualify for capitalization. Therefore, the lease agreements are not reflected as assets in the State's balance sheet. Operating lease payments are recorded as expenditures or expenses of the related funds when paid or incurred. The total operating lease expenditures/expenses for fiscal year 2019 were $30.6 million for the primary government. Operating leases contain various renewal options, as well as some purchase options.

***Capital Leases***

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

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

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

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

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

**B. State as Lessor**

***Operating Leases***

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

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

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

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

***Service Concession Arrangements***

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

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

**Value of Assets and Deferred Inflows Related to the Honors College**

| | Capital Asset | Lease Receivable | Deferred Inflow of Resources |
|---|---|---|---|
| Honors College, net of depreciation | $ 35,107 | | |
| Receivable for ground lease | | $ 9,633 | |
| Deferred Inflows of Resources: | | | $ 41,586 |

## NOTE 12. SHORT-TERM DEBT

***Primary Government***

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

***Component Units***

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

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

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

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

## NOTE 13. BONDS, NOTES, AND OTHER LONG-TERM LIABILITIES

### A. Compensated Absences

***Primary Government***

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

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

### B. Revenue Bonds

***Primary Government***

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

The State's colleges and universities have a number of outstanding bonds for the primary purpose of funding various construction projects. University bonds are secured by student fees, the sale of goods and services, grants, contributions, and certain other revenues. The colleges and universities issued $548.1 million in bonds between 2004 and 2018. Annual principal and interest payments on the bonds are expected to require 10 percent of the revenues.

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

***Component Units***

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

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

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

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

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

### C. Advance and Current Refundings

***Primary Government***

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

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

***Component Units***

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

As a result, the Series 2017A Bonds are considered partially defeased and the receivable from the District and the liability for the defeased bonds have been reduced by the defeased amount. The District achieved cash flow savings of $439,000 and an economic loss of $1,074 as a result of the refunding.

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

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

**D. Notes Payable**

***Primary Government***

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

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

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

***Component Units***

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

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

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

pharmacies in neighboring communities, expanding health center operations to serve students, faculty, and administrators. The remaining liability at June 30, 2019 is $0.2 million.

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

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

| Fiscal Year Ending June 30 | Business-Type Activities | | | |
|---|---|---|---|---|
| | Nonmajor Enterprise Funds | | Total | |
| | Principal | Interest | Principal | Interest |
| 2020 | $ 32 | $ 3 | **$ 32** | **$ 3** |
| 2021 | 24 | 1 | **24** | **1** |
| 2022 | 7 | | **7** | |
| 2023 | 2 | | **2** | |
| **Total** | **$ 65** | **$ 4** | **$ 65** | **$ 4** |
| Interest Rate | 6% | | | |

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

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

### E. Claims and Judgments

***Primary Government***

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

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

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

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

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

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

***Component Units***

The component units recorded the following claims and judgments:

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

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

### F. Changes in Long-Term Liabilities

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

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

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

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

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

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

**G. Conduit Debt**

***Primary Government***

The Idaho Water Resource Board has outstanding revenue bonds for the promotion, construction, rehabilitation, and repair of water projects. The bonds are secured by the financed property and are payable solely from revenue of the projects. Upon payment of the bonds, ownership of the acquired facilities transfers to the entity served by the bond issuance. Such bonds do not constitute a debt or obligation of the State or any political subdivision, agency thereof, or of the Board except to the extent of the revenues pledged under the indenture. Accordingly, these bonds are not reported in the accompanying financial statements. Seven series of Water Resource bonds that qualified as conduit debt are outstanding with an aggregate principal amount payable of $35.3 million.

***Component Unit***

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

## NOTE 14. EQUITY

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

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

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

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

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

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

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

### B. Net Position Restricted by Enabling Legislation

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

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

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

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

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

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

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

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

**Restricted, Committed, and Assigned Governmental Fund Balances**
*(dollars in thousands)*

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

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

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

- The *Higher Education Budget Stabilization Fund* can only be used for the maintenance, use, and support of the colleges and universities subject to appropriation by the Legislature. Idaho Code Section 33-3726 requires interest earnings from the College and University Fund and other amounts provided for by law to be transferred into the Higher Education Budget Stabilization Fund. As of June 30, 2019, the fund balance was $7.7 million.
- The *Budget Stabilization Fund* was created to cover General Fund revenue shortfalls, expenses incurred because of a major disaster declared by the Governor, or to provide any appropriated one-time tax relief payments to the citizens of Idaho. Idaho Code Section 57-814 requires that receipts to the General Fund for the fiscal year just ending that have exceeded the previous fiscal year's receipts by more than 4 percent be transferred to the Budget Stabilization Fund. The transfers should not be more than 1 percent of actual General Fund receipts for the fiscal year just ended. A concurrent resolution by the majority of the Legislature can require the State Controller to reduce the transfer. Until May 31, 2019, Idaho Code required the transfer of 50 percent of any excess cash balance from the General Fund to the Budget Stabilization fund at the close of the current fiscal year. As of May 31, 2019, Idaho Code requires the money in the Budget Stabilization Fund shall not exceed 10 percent of the total General Fund receipts for the fiscal year just ending. Appropriations from the Budget Stabilization Fund are limited to 50 percent after the fund balance has reached the 10 percent of General Fund receipts. Idaho Code Section 57-814A authorizes the Board of Examiners to transfer unencumbered moneys from the Budget Stabilization Fund to the General Fund, should General Fund moneys be insufficient to meet General Fund appropriations for that same fiscal year. Such transfers are limited to the amount of the insufficiency or one-half of 1 percent, whichever is less. As of June 30, 2019, the fund balance was $369.9 million.
- The Public Education Stabilization Fund may be used to offset declining distributions from the public school earnings reserve, declining endowment distributions, and shortfalls in discretionary funding as spelled out in Idaho Code Section 33-1018. According to Idaho Code Sections 33-1018A and 33-1018B, the fund may also be used to cover any proportional share of the public schools' General Fund budgetary holdbacks, for state matching funds for the School District Building Fund, or for other purposes as stated in appropriation bills. Any accumulated balance greater than 8.334 percent of the current year's appropriation must be transferred to the Bond Levy Equalization Fund per Idaho Code Section 33-907. Additions to the Public Education Stabilization Fund are from interest, transfers, and appropriations. Idaho Code Section 33-905 requires any excess balance over the amount needed for school building maintenance and discretionary spending be transferred to the Public Education Stabilization Fund. As of June 30, 2019, the fund balance was $81.7 million.
- Idaho Code Section 26-31-110 requires that the *Mortgage Recovery Fund*, part of the Regulatory nonmajor special revenue fund, maintain a minimum balance of $1.5 million. The Mortgage Recovery Fund account, as defined in Idaho Code Section 26-31-109, is used to reimburse persons who have been awarded damages resulting from violations of the Idaho Residential Mortgage Practices Act.

## NOTE 15. DONOR-RESTRICTED ENDOWMENTS

***Primary Government***

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

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

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

***Component Units***

Endowments for the Boise State University Foundation, Idaho State University Foundation, Lewis-Clark State College Foundation, and University of Idaho Foundation are managed in accordance with Idaho Code Title 33 Chapter 50 and rules adopted by their boards as specified below.

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

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

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

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

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

### A. Litigation and Contingencies

***Primary Government***

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

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

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

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

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

### B. Commitments

***Primary Government***

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

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

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

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

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

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

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

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

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

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

The Dairy Products Commission has entered into a contract for services with the Dairy and Food Nutrition Council of the Southeast, Inc. dba Dairy West, a jointly governed organization, for Dairy West to provide dairy program and administrative services for the Commission. The Commission's 2019 commitment is $13.6 million.

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

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

***Component Unit***

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

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

**C. Encumbrances**

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

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

## NOTE 17. TAX ABATEMENTS

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

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

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

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

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

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

***Idaho Business Advantage***

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

The following incentives are available through this program: an enhanced investment tax credit of 3.75 percent up to $750,000 or 62.5 percent of corporate income tax liability in any one year, a new jobs tax credit from $1,500-$3,000 for new jobs paying $24.04 per hour or more, and a 2.5 percent real property improvement corporate income tax credit up to $125,000 in any one year along with a 25 percent rebate on sales tax paid on construction materials for the new facilities.

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

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

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

***Broadband Income Tax Credit***

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

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

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

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

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

***Sales Tax Rebate***

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

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

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

To obtain the rebate provided by Idaho Code Section 63-3641, the developer of a retail complex shall file a written claim within two (2) years of the developer's last expenditure on approved transportation improvements, with the state tax commission. The claim shall:

- Identify the location and boundaries of the retail complex.
- Identify the qualified retailers making retail sales within the complex.
- Include verification that the developer has met the expenditure requirements of a minimum of $4.0 million.
- Include certification from the Idaho Transportation Department or political subdivision of the amount expended on the approved transportation improvements related to the retail complex.
- Contain such additional information as the State Tax Commission may require by rule.

Upon approval by the State Tax Commission, the developer is entitled to receive a rebate of 60 percent of all sales and use taxes imposed by this chapter and remitted to the State Tax Commission after the date of approval by qualified retailers in the retail complex. Once a total of thirty-five million dollars ($35,000,000) has been paid in as a rebate on a particular approved transportation improvement, no additional rebates shall be paid in regard to that approved transportation improvement.

The following table displays the total amount of taxes abated per program for the year ended June 30, 2019:

| **Tax Abatement Program** | **Amount of Taxes Abated** *(In Dollars)* |
|---|---|
| Tax Reimbursement Incentive | $ 1,132,795 |
| Idaho Business Advantage | 763,980 |
| Broadband Income Tax Credit | 1,151,793 |
| Sales Tax Rebate | 3,047,223 |

## NOTE 18. SUBSEQUENT EVENTS

Subsequent to June 30, 2019, the following events occurred:

***Primary Government***

On July 1, 2019, the Office of the State Treasurer issued tax anticipation notes in the amount of $546.2 million. The notes were issued to finance the State's daily operations in anticipation of certain tax revenues of the State to be collected during the fourth quarter of the 2020 fiscal year. The notes mature on June 30, 2020.

On December 5, 2019 The Idaho State Building Authority (ISBA) issued $39.2 million in Refunding Revenue Bonds, Series 2019A. The bonds will be used to refund the outstanding ISBA Refunding Revenue Bonds, Series 2012B and to pay the costs of issuing the 2019A bonds.

***Component Unit***

On September 15, 2019, the Idaho Bond Bank Authority's 2008C bond matured and was fully repaid.

On July 1, 2019, the Idaho Housing Finance Association (IHFA) issued the 2019AB Single Family Mortgage Bonds to currently refund the 2009C and a portion of the 2013A Single Family Mortgage Bonds.

The 2019AB Bond is intended as a restructuring to provide an adequate asset base and meet indenture parity requirements to maintain the investment grade quality of IHFA's Single Family Mortgage Bond Program. No economic savings are intended to be achieved by this restructuring. The 2019 Series AB Bonds (2019 Indenture) was used to refund all of the 2009C issue for $1.7 million, and a portion of the 2013A issue for $11.0 million. Additionally, $30.1 million in proceeds were used to purchase new mortgage-backed securities. In connection with such refunding, the issuer and Barclays Bank PLC (the "Interest Rate Contract Provider") have agreed to allocate and transfer the interest rate contracts related to such refunded variable rate bonds to the 2019 Series AB bonds. Bonds are intended as a restructuring to provide a better match of loan prepayment speeds and swap contract fixed rates and maturation dates.

# Required Supplementary Information



Ponderosa State Park

# Required Supplementary Information
# Budgetary Comparison Schedule
# General Fund and Major Special Revenue Funds
# For the Fiscal Year Ended June 30, 2019

***(dollars in thousands)***

| | General | | | |
|---|---|---|---|---|
| | **Original Budget** | **Final Budget** | **Actual Amounts Budgetary Basis** | **Variance with Final Budget** |
| **REVENUES** | | | | |
| Sales Tax | $ 1,880,253 | $ 1,880,253 | $ 1,880,253 | |
| Individual and Corporate Taxes | 2,311,601 | 2,311,601 | 2,311,601 | |
| Other Taxes | 62,994 | 62,994 | 62,994 | |
| Licenses, Permits, and Fees | 33,704 | 33,704 | 33,704 | |
| Sale of Goods and Services | 24,302 | 24,302 | 24,302 | |
| Grants and Contributions | 22,407 | 22,407 | 22,407 | |
| Investment Income | 58,104 | 58,104 | 58,104 | |
| Tobacco Settlement | 21,014 | 21,014 | 21,014 | |
| Other Income | 32,740 | 32,740 | 32,740 | |
| **Total Revenues** | $ 4,447,119 | $ 4,447,119 | 4,447,119 | |
| **EXPENDITURES** | | | | |
| General Government | $ 1,085,311 | $ 1,087,475 | 947,301 | $ 140,174 |
| Public Safety and Correction | 395,678 | 398,375 | 379,314 | 19,061 |
| Health and Human Services | 37,309 | 41,367 | 39,876 | 1,491 |
| Education | 2,501,652 | 2,501,654 | 2,424,020 | 77,634 |
| Economic Development | 101,907 | 165,215 | 102,816 | 62,399 |
| Natural Resources | 51,855 | 51,885 | 71,274 | (19,389) |
| **Total Expenditures** | $ 4,173,712 | $ 4,245,971 | 3,964,601 | $ 281,370 |
| **Revenues Over (Under) Expenditures** | | | 482,518 | |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Capital Lease Acquisitions | | | 3,837 | |
| Sale of Capital Assets | | | 677 | |
| Transfers In | | | 265,502 | |
| Transfers Out | | | (1,193,417) | |
| **Total Other Financing Sources (Uses)** | | | (923,401) | |
| **Revenues and Other Financing Sources Over (Under)** | | | (440,883) | |
| **Expenditures and Other Financing Uses** | | | | |
| **Reconciling Items** | | | | |
| Changes Affected by Accrued Revenues | | | (271,878) | |
| Changes Affected by Accrued Expenditures | | | 787,369 | |
| **Fund Balances - Beginning of Year, as Restated** | | | 1,745,526 | |
| **Fund Balances - End of Year** | | | $ 1,820,134 | |

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

| Health and Welfare | | | | Transportation | | | |
|---|---|---|---|---|---|---|---|
| Original Budget | Final Budget | Actual Amounts Budgetary Basis | Variance with Final Budget | Original Budget | Final Budget | Actual Amounts Budgetary Basis | Variance with Final Budget |
| | | | | $ 16,725 | $ 16,725 | $ 16,725 | |
| $ 27,685 | $ 27,685 | $ 27,685 | | 352,083 | 352,083 | 352,083 | |
| 22,136 | 22,136 | 22,136 | | 194,272 | 194,272 | 194,272 | |
| 188,363 | 188,363 | 188,363 | | 6,331 | 6,331 | 6,331 | |
| 1,955,872 | 1,955,872 | 1,955,872 | | 363,438 | 363,438 | 363,438 | |
| 329 | 329 | 329 | | 2,566 | 2,566 | 2,566 | |
| 13,116 | 13,116 | 13,116 | | 1,160 | 1,160 | 1,160 | |
| $ 2,207,501 | $ 2,207,501 | 2,207,501 | | $ 936,575 | $ 936,575 | 936,575 | |
| $ 3,717 | $ 3,717 | 3,713 | $ 4 | | | | |
| 3,039,219 | 3,091,714 | 2,987,150 | 104,564 | | | | |
| | | | | $ 1,328,603 | $ 1,420,165 | 949,345 | $ 470,820 |
| $ 3,042,936 | $ 3,095,431 | 2,990,863 | $ 104,568 | $ 1,328,603 | $ 1,420,165 | 949,345 | $ 470,820 |
| | | (783,362) | | | | (12,770) | |
| | | 1,587 | | | | | |
| | | 86 | | | | 7,646 | |
| | | 808,923 | | | | | |
| | | (7,009) | | | | (19,160) | |
| | | 803,587 | | | | (11,514) | |
| | | 20,225 | | | | (24,284) | |
| | | 11,848 | | | | 3,017 | |
| | | (16,902) | | | | (14,699) | |
| | | (56,515) | | | | 365,109 | |
| | | $ (41,344) | | | | $ 329,143 | |

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 objects within a fund and program, with the exception of personnel costs. Appropriations for personnel costs may be transferred to other objects, but appropriations for other costs may not be transferred to personnel. Per Idaho Code Section 67-3511(3), appropriations for capital outlay may not be used for any other purpose, but appropriations for other objects may be transferred to capital outlay. The SBE must approve object transfers.

Idaho Code Section 67-3511(2) allows agencies to transfer spending authority from one program to another within an agency, provided the transfer is not more than 10 percent cumulative change from the appropriated amount for any program affected by the transfer. The DFM and the SBE must approve these transfers. The Legislature must approve transfers above 10 percent cumulative change.

Should any change occur that is not within the described limitations, legal compliance is not achieved.

The General Fund's natural resources function had a negative variance stemming from fire suppression deficiency warrants. This deficit is allowed by statute and will be funded with future appropriations. All other appropriated budgets of the State were within their authorized spending levels.

### Budgetary Basis of Accounting

The State's legal budget is prepared using cash basis records. Revenues are generally recognized when cash is received. Expenditures are recorded when the related cash disbursement occurs. Encumbrances are allowed for budgetary control purposes. Fund balances are restricted or committed for obligations incurred for goods or services that have not been received. Encumbrances may be carried over to the next fiscal year with the approval of the DFM. The Budgetary Comparison Schedule is prepared on the budgetary basis and includes this variation from generally accepted accounting principles (GAAP). The original budget amount represents the original appropriation, prior year reappropriations, and continuous appropriations. The final budget amount includes the original budget plus

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" 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 12,273 lane miles.

**Measurement Scale**

The Idaho Transportation Department (ITD) determines the State's roadway surface condition by use of the Pavement Management System. Idaho uses three measures to quantify performance: International Roughness Index (IRI), rutting depth, and Overall Condition Index (OCI). Developed as part of refinements to ITD's Transportation Asset Management System (TAMS), the OCI is unique to Idaho. The roadway surface condition data is collected as follows:

*The International Roughness Index* (IRI) is a primary indicator of pavement serviceability or the ability of a pavement to meet the demands and expectations of motorists. IRI is measured in inches per mile. With IRI, the higher the value, the rougher the pavement.

*Rutting Depth* is a primary indicator of pavement distress caused by fatigue in the roadway wheelpath. The ITD annually collects longitudinal profiles and rutting depths of all pavement management sections statewide.

The ITD uses a Class II-type profilometer to measure IRI and rutting depth. A profiler van mounted with a profilometer, laser sensors, and personal computers travels at normal posted speeds and collects and stores road-profile information at one-tenth of a foot intervals.

Pavement distress (cracking) is the final important indicator of pavement condition. The profiler van used to collect roughness and rutting information also collects video of the entire state highway system each year. The video equipment records images of both the forward facing view and a downward facing view so that pavement distress is easily seen. New and innovative technology is in use at ITD that takes advantage of the data collected by the profiler van to automate the process of crack identification and classification. This process offers substantial advantages over traditional pavement rating methods. Among these are: improved safety because rating personnel are not required to enter roadway to survey cracks; reduced collection time because data and photos of the roadway are collected at up to 60 mph; improved crack detection, as the profiler van collects over 2.5-million data points from the roadway surface per second and can detect 0.5mm crack widths and depths which are not readily visible to the naked eye. The Auto Classification software offers improved consistency as its algorithm is not subject to personal interpretation and judgment, as is the visual survey. It is not inferred or implied that auto detection and auto classification will run as a "black box" solution; that is to say, autonomously with results accepted blindly, rather the Asset Management Engineer reviews and verifies the results.

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** | $\leq$ 95 | $\geq$ 80 | $\leq$ 0.2 inches |
| **Fair** | 96 - 170 | 79 - 60 | 0.21 - 0.4 inches |
| **Poor** | $\geq$ 171 | $\leq$ 59 | > 0.4 inches |

**Established Condition Level**

Beginning in calendar year 2018, the ITD changed the rating system they use to measure surface condition, which included combining Poor and Very Poor categories. The effect of the change in the rating system served to make the evaluations more conservative and improves consistency and reduces variance due to interpretation and judgment. The new rating system was used to determine the condition assessments for 2018, as well as the estimated costs to preserve and maintain the roads at, or above, the established condition level for fiscal year 2020.

The ITD has established the condition level that no more than 30 percent of pavement shall be in poor condition. In calendar year 2018, the assessed level was maintained at 9.3 percent. Infrastructure preservation and restoration is a priority for the State. As a result of this focus, the ITD has provided all available funds to meet these goals.

**Assessed Condition Ratings of State Roadways**

**Most Recent Five Complete Condition Assessments**

**Percent of Total Lane Miles per Pavement Condition**

| | 2018 | | 2017 | | 2016 | | 2015 | | 2014 | |
|---|---|---|---|---|---|---|---|---|---|---|
| Good | 7,879 | 64.2 % | 7,420 | 60.5 % | 7,080 | 57.7 % | 7,301 | 59.5 % | 7,507 | 61.2 % |
| Fair | 3,252 | 26.5 % | 3,417 | 27.8 % | 3,304 | 26.9 % | 2,992 | 24.4 % | 3,016 | 24.5 % |
| Poor* | 1,142 | 9.3 % | 1,248 | 10.2 % | 1,688 | 13.8 % | 1,736 | 14.1 % | 1,480 | 12.1 % |
| Very Poor* | | | 188 | 1.5 % | 202 | 1.6 % | 242 | 2.0 % | 266 | 2.2 % |
| **Total Lane Miles** | **12,273** | **100%** | **12,273** | **100%** | **12,274** | **100%** | **12,271** | **100%** | **12,269** | **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)*.

| | FY2020 | FY2019 | FY2018 | FY2017 | FY2016 | FY2015 | FY2014 |
|---|---|---|---|---|---|---|---|
| Estimated | $ 134,408 | $ 128,923 | $ 100,691 | $ 112,537 | $ 111,475 | $ 90,905 | $ 122,831 |
| Actual | | $ 184,973 | $ 179,193 | $ 128,776 | $ 73,499 | $ 89,972 | $ 107,718 |

# Required Supplementary Information
# For the Fiscal Year Ended June 30, 2019

## PENSION

### PERSI Base Plan

**Schedule of Net Pension Liability Proportionate Share***

*(dollars in thousands)*

| | 2015 | 2016 | 2017 | 2018** | 2019 |
|---|---|---|---|---|---|
| Proportion of Net Pension Liability (NPL) | 25.5% | 25.8% | 25.5% | 25.8% | 24.8% |
| Proportionate Share of NPL | $ 187,540 | $ 339,548 | $ 517.254 | $ 405,168 | $ 365,199 |
| Covered Payroll | $ 690,168 | $ 722,235 | $ 746,952 | $ 799,956 | $ 796,476 |
| Proportionate Share of NPL as a Percentage of Covered Payroll | 27.2% | 47.0% | 69.2% | 50.6% | 45.9% |
| Plan Fiduciary Net Position | $ 13,833,143 | $ 13,956,663 | $ 13,884,164 | $ 15,296,682 | $ 16,274,830 |
| Plan Total Pension Liability | $ 14,569,300 | $ 15,273,500 | $ 15,911,317 | $ 16,868,511 | $ 17,749,848 |
| Plan Fiduciary Net Position as a Percentage of Plan Total Pension Liability | 94.9% | 91.4% | 87.3% | 90.7% | 91.7% |

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

**'Covered payroll' and 'proportionate share of NPL as a percentage of covered payroll' figures are revised.

**Schedule of Contributions**

*(dollars in thousands)*

| Fiscal Year Ended June 30 | (a) Actuarially Determined Contribution* | (b) Contributions in Relation to Actuarially Determined Contribution* | (c) Contribution Deficiency (Excess) (a) - (b) | (d) Covered Payroll* | Contributions as a Percentage of Covered Payroll (b) : (d) |
|---|---|---|---|---|---|
| 2015 | $ 81,757 | $ 81,757 | $ 0 | $ 722,235 | 11.32% |
| 2016 | 84,555 | 84,555 | 0 | 746,952 | 11.32% |
| 2017 | 90,555 | 90,555 | 0 | 799,956 | 11.32% |
| 2018 | 90,161 | 90,161 | 0 | 796,476 | 11.32% |
| 2019 | 94,206 | 94,206 | 0 | 832,204 | 11.32% |

*Contributions and covered payroll for 2017 and 2018 are revised based on updated information.

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

# Required Supplementary Information
# For the Fiscal Year Ended June 30, 2019

**Judges' Retirement Fund**

**Schedule of Changes in Employer's Net Pension Liability**

*(dollars in thousands)*

| | | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|
| Total Pension Liability | | | | | | |
| Service Cost | | $ 3,251 | $ 3,111 | $ 3,179 | $ 2,963 | $ 3,178 |
| Interest | | 6,590 | 6,889 | 7,056 | 7,329 | 7,502 |
| Benefit Changes | | | | | | |
| Economic/Demographic Gains (Losses) | | 285 | (1,648) | 266 | (890) | (829) |
| Assumption Changes | | | | | 489 | 3,456 |
| Benefit Payments, Including Refunds | | (5,577) | (5,975) | (6,173) | (6,692) | (7,168) |
| Net Change in Total Pension Liability | | 4,549 | 2,377 | 4,328 | 3,199 | 6,139 |
| Total Pension Liability - Beginning | | 92,303 | 96,852 | 99,229 | 103,557 | 106,756 |
| Total Pension Liability - Ending | (a) | 96,852 | 99,229 | 103,557 | 106,756 | 112,895 |
| Plan Net Position | | | | | | |
| Contributions - Employer | | 3,596 | 3,371 | 3,947 | 4,279 | 4,689 |
| Contributions - Employee | | 629 | 624 | 630 | 715 | 779 |
| Net Investment Income | | 2,052 | 1,094 | 9,157 | 6,938 | 6,937 |
| Other Income | | | | | | 13 |
| Transfer In | | | | | | |
| Benefit Payments, Including Refunds | | (5,577) | (5,975) | (6,173) | (6,692) | (7,168) |
| Administrative Expense | | (96) | (133) | (74) | (105) | (121) |
| Net Change in Plan Net Position | | 604 | (1,019) | 7,487 | 5,135 | 5,129 |
| Plan Fiduciary Net Position - Beginning | | 75,864 | 76,468 | 75,449 | 82,936 | 88,071 |
| Plan Fiduciary Net Position - Ending | (b) | 76,468 | 75,449 | 82,936 | 88,071 | 93,200 |
| Net Pension Liability - Ending | (a) - (b) | $ 20,384 | $ 23,780 | $ 20,621 | $ 18,685 | $ 19,695 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | | 78.95% | 76.04% | 80.09% | 82.50% | 82.55% |
| Covered Payroll | | $ 6,149 | $ 6,097 | $ 6,162 | $ 6,178 | $ 6,732 |
| Net Pension Liability as a Percentage of Covered Payroll | | 331.50% | 390.03% | 334.63% | 302.44% | 292.58% |

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

**Schedule of Employer Contributions**

*(dollars in thousands)*

| Fiscal Year Ended June 30 | (a) Actuarially Determined Contribution | (b) Contributions in Relation to Actuarially Determined Contribution | (c) Contribution Deficiency (Excess) (a) - (b) | (d) Covered Payroll | Contributions as a Percentage of Covered Payroll (b) : (d) |
|---|---|---|---|---|---|
| 2009 | $ 4,156 | $ 2,007 | $ 2,149 | $ 5,960 | 33.67% |
| 2010 | 3,735 | 2,023 | 1,712 | 5,645 | 35.84% |
| 2011 | 3,286 | 2,028 | 1,258 | 5,700 | 35.58% |
| 2012 | 2,979 | 1,973 | 1,006 | 5,847 | 33.74% |
| 2013 | 2,939 | 2,662 | 277 | 5,868 | 45.36% |
| 2014 | 2,949 | 2,717 | 232 | 5,634 | 48.23% |
| 2015 | 3,493 | 3,595 | (102) | 6,149 | 58.46% |
| 2016 | 3,463 | 3,370 | 93 | 6,097 | 55.27% |
| 2017 | 3,604 | 3,947 | (343) | 6,162 | 64.05% |
| 2018 | 3,273 | 4,279 | (1,006) | 6,178 | 69.26% |
| 2019 | 3,307 | 4,689 | (1,382) | 6,732 | 69.65% |

**Schedule of Investment Returns**

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|
| Annual Money Weighted Rate of Return, Net of Investment Expense | 8.8% | 16.9% | 2.7% | 1.5% | 12.4% | 8.5% | 8.0% |

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

***Note to the Judges' Retirement Fund Schedules*:**

**Assumptions Used to Calculate Actuarially Determined Contributions**

| | |
|---|---|
| Valuation Date | July 1, 2019 |
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percent of Payroll - Open |
| Amortization Period | 11.4 Years |
| Actuarial Assumptions: | |
| Investment Rate of Return - Gross | 7.00% |
| Projected Salary Increases, Including Inflation | 3.75% |
| Post-retirement Cost of Living Allowance Increases | 1.00% or 3.75% |
| Implied Price Inflation Rate | 3.00% |

## OTHER POSTEMPLOYMENT BENEFITS

**Schedule of Changes in Employer's Total OPEB Liability**
**Retiree Healthcare Plan**
*(dollars in thousands)*

| Proportionate Share of Total OPEB Liability | 2018 | 2019 |
|---|---|---|
| Service Cost | $ 1,264 | $ 1,292 |
| Interest | 1,166 | 1,142 |
| Benefit Changes | | |
| Economic/Demographic Gains (Losses) | | (145) |
| Assumption Changes | | (10,711) |
| Expected Benefit Payments | (2,842) | (3,012) |
| Net Change in Total OPEB Liability | (412) | (11,434) |
| Total OPEB Liability - Beginning | 32,738 | 32,326 |
| Effects of Change in Proportion | | (226) |
| Adjusted Total OPEB Liability - Beginning | 32,738 | 32,100 |
| Total OPEB Liability - Ending | $ 32,326 | $ 20,666 |
| Covered-Employee Payroll | $ 1,007,857 | $ 1,004,716 |
| Total OPEB Liability as a Percentage of Covered-Employee Payroll | 3.21% | 2.06% |
| State's Proportion of Total OPEB Liability | 92.50% | 91.85% |

**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 |
|---|---|---|
| Service Cost | $ 199 | $ 203 |
| Interest | 101 | 65 |
| Benefit Changes | | |
| Economic/Demographic Gains (Losses) | | 774 |
| Assumption Changes | | (392) |
| Expected Benefit Payments | (1,515) | (1,042) |
| Net Change in Total OPEB Liability | (1,215) | (392) |
| Total OPEB Liability - Beginning | 3,358 | 2,143 |
| Effects of Change in Proportion | | (15) |
| Adjusted Total OPEB Liability - Beginning | 3,358 | 2,128 |
| Total OPEB Liability - Ending | $ 2,143 | $ 1,736 |
| Covered-Employee Payroll | $ 1,007,857 | $ 1,004,716 |
| Total OPEB Liability as a Percentage of Covered-Employee Payroll | 0.21% | 0.17% |
| State's Proportion of Total OPEB Liability | 92.50% | 91.85% |

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

**Schedule of Changes in Employer's Total OPEB Liability**
**Long-Term Disability Life Insurance Plan**
*(dollars in thousands)*

| Proportionate Share of Total OPEB Liability | 2018 | 2019 |
|---|---|---|
| Service Cost | | |
| Interest | $ 99 | $ 84 |
| Benefit Changes | | |
| Economic/Demographic Gains (Losses) | | (1) |
| Assumption Changes | | (37) |
| Expected Benefit Payments | (561) | (468) |
| Net Change in Total OPEB Liability | (462) | (422) |
| Total OPEB Liability - Beginning | 3,050 | 2,588 |
| Effects of Change in Proportion | | (19) |
| Adjusted Total OPEB Liability - Beginning | 3,050 | 2,569 |
| Total OPEB Liability - Ending | $ 2,588 | $ 2,147 |
| Covered-Employee Payroll | $ 1,007,857 | $ 1,004,716 |
| Total OPEB Liability as a Percentage of Covered-Employee Payroll | 0.26% | 0.21% |
| State's Proportion of Total OPEB Liability | 92.50% | 91.85% |

**Schedule of Changes in Employer's Total OPEB Liability**
**Long-Term Disability Income Plan**
*(dollars in thousands)*

| Proportionate Share of Total OPEB Liability | 2018 | 2019 |
|---|---|---|
| Service Cost | | |
| Interest | $ 71 | $ 61 |
| Benefit Changes | | |
| Economic/Demographic Gains (Losses) | | 46 |
| Assumption Changes | | (22) |
| Expected Benefit Payments | (366) | (330) |
| Net Change in Total OPEB Liability | (295) | (245) |
| Total OPEB Liability - Beginning | 2,168 | 1,873 |
| Effects of Change in Proportion | | (13) |
| Adjusted Total OPEB Liability - Beginning | 2,168 | 1,860 |
| Total OPEB Liability - Ending | $ 1,873 | $ 1,615 |
| Covered-Employee Payroll | $ 1,007,857 | $ 1,004,716 |
| Total OPEB Liability as a Percentage of Covered-Employee Payroll | 0.19% | 0.16% |
| State's Proportion of Total OPEB Liability | 92.50% | 91.85% |

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

**Schedule of Changes in Employer's Total OPEB Liability**
**Retiree Life Insurance Plan**
*(dollars in thousands)*

| Total OPEB Liability | 2018 | 2019 |
|---|---|---|
| Service Cost | $ 2,097 | $ 2,113 |
| Interest | 2,114 | 2,178 |
| Benefit Changes | | |
| Economic/Demographic Gains (Losses) | | (659) |
| Assumption Changes | | (2,303) |
| Expected Benefit Payments | (1,136) | (1,210) |
| Net Change in Total OPEB Liability | 3,075 | 119 |
| Total OPEB Liability - Beginning | 57,514 | 60,589 |
| Effects of Change in Proportion | | (1,278) |
| Adjusted Total OPEB Liability - Beginning | 57,514 | 59,311 |
| Total OPEB Liability - Ending | $ 60,589 | $ 59,430 |
| Covered-Employee Payroll | $ 325,265 | $ 319,806 |
| Total OPEB Liability as a Percentage of Covered-Employee Payroll | 18.63% | 18.58% |
| State's Proportion of Total OPEB Liability | 100.00% | 98.25% |

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

For the above OPEB plans, no assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4; these benefits are funded on a pay-as-you-go basis.

**Schedule of Changes in Employer's Net OPEB Liability**
**University of Idaho Plan**
*(dollars in thousands)*

| | | 2018 | 2019 |
|---|---|---|---|
| **Total OPEB Liability** | | | |
| Service Cost | | $ 505 | $ 505 |
| Interest | | 3,606 | 3,698 |
| Benefit Changes | | | |
| Economic/Demographic Gains (Losses) | | | 3,654 |
| Assumption Changes | | | (8,338) |
| Benefit Payments, Including Refunds | | (2,676) | (3,189) |
| Net Change in Total OPEB Liability | | 1,435 | (3,670) |
| Total OPEB Liability - Beginning | | 66,885 | 68,320 |
| Total OPEB Liability - Ending | (a) | 68,320 | 64,650 |
| **Plan Net Position** | | | |
| Contributions - Employer | | 2,961 | 3,895 |
| Contributions - Employee | | | |
| Net Investment Income | | 3,528 | (1,840) |
| Transfer In | | | |
| Benefit Payments, Including Refunds | | (2,676) | (3,189) |
| Administrative Expense | | (75) | (91) |
| Net Change in Plan Net Position | | 3,738 | (1,225) |
| Plan Fiduciary Net Position - Beginning | | 31,247 | 34,984 |
| Plan Fiduciary Net Position - Ending | (b) | 34,984 | 33,759 |
| Net OPEB Liability/(Asset) - Ending | (a) - (b) | $ 33,336 | $ 30,891 |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | | 51.21% | 52.22% |
| Covered-Employee Payroll | | $ 159,935 | $ 165,468 |
| Net OPEB Liability/(Asset) as a Percentage of Covered-Employee Payroll | | 20.84% | 18.67% |

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

**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[1] | (c) Contributions Deficiency (Excess) (a) - (b) | (d) Covered Payroll | Contributions as a Percentage of Covered Payroll (b) : (d) |
|---|---|---|---|---|---|
| 2010 | $ 5,863 | $ 6,801 | $ (938) | $ 124,584 | 5.46% |
| 2011 | 5,250 | 5,618 | (368) | 121,834 | 4.61% |
| 2012 | 4,806 | 5,201 | (395) | 123,237 | 4.22% |
| 2013 | 3,723 | 4,404 | (681) | 123,592 | 3.56% |
| 2014 | 3,368 | 3,178 | 190 | 132,777 | 2.39% |
| 2015 | 3,177 | 3,233 | (56) | 140,728 | 2.30% |
| 2016 | 2,711 | 2,751 | (40) | 150,995 | 1.82% |
| 2017 | 3,321 | 3,157 | 164 | 152,999 | 2.06% |
| 2018 | 3,537 | 3,592 | (55) | 157,589 | 2.28% |
| 2019 | 3,451 | N/A | N/A | 162,317 | N/A |

[1] For the years ending June 30, 2010 through 2011, the amount of actual contributions in relation to the Actuarially Determined Contribution were estimated based on the percentage contributed as shown in the footnotes of the University's Financial Statements for the years ended June 30, 2014 and 2013 and Report of Independent Auditors

## Sick Leave Insurance Reserve Fund

**Schedule of Net OPEB Liability Proportionate Share***

*(dollars in thousands)*

| | 2018 | 2019 |
|---|---|---|
| Proportion of Net OPEB Liability (Asset) | 89.01 % | 88.40 % |
| Proportionate Share of Net OPEB Liability (Asset) | $ (84,677) | $ (101,454) |
| Covered-employee Payroll | $ 977,312 | $ 980,674 |
| Proportionate Share of Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll | (8.66)% | (10.35)% |
| Plan Fiduciary Net Position | $ 186,498 | $ 206,260 |
| Plan Total OPEB Liability | $ 91,368 | $ 91,490 |
| Plan Fiduciary Net Position as a Percentage of Plan Total OPEB Liability | 204.12 % | 225.45 % |

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

**Schedule of Employer Contributions**

*(dollars in thousands)*

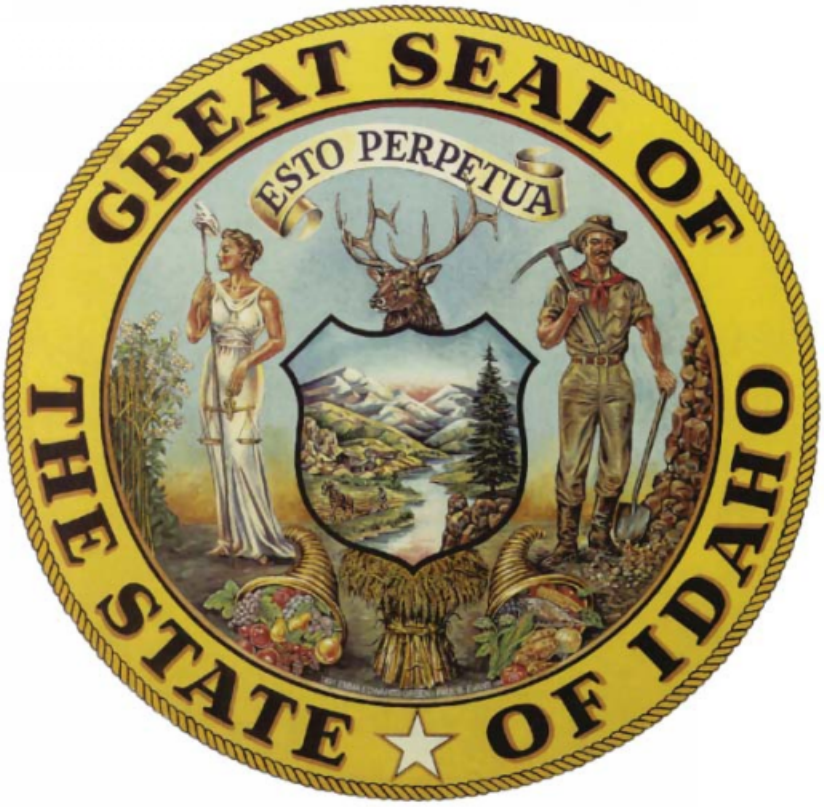
| Fiscal Year Ended June 30 | (a) Actuarially Determined Contribution | (b) Contributions in Relation to Actuarially Determined Contribution | (c) Contribution Deficiency (Excess) (a) - (b) | (d) Covered-Employee Payroll | Contributions as a Percentage of Covered-Employee Payroll (b) : (d) |
|---|---|---|---|---|---|
| 2017 | $ 3,812 | $ 6,353 | $ (2,541) | $ 977,312 | 0.65% |
| 2018 | 3,727 | 6,374 | (2,647) | 980,674 | 0.65% |
| 2019 | 3,875 | 6,628 | (2,753) | 1,019,651 | 0.65% |

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

# Combining Financial Statements



Priest Lake State Park


GREAT SEAL OF
THE STATE OF IDAHO
ESTO PERPETUA

**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, 2019

***(dollars in thousands)***

| | Special Revenue | | |
|---|---|---|---|
| | **Agriculture and Natural Resources** | **Regulatory** | **Fish and Game** |
| **ASSETS** | | | |
| Cash and Cash Equivalents | $ 6,489 | $ 1,168 | $ 4,546 |
| Pooled Cash and Investments | 110,631 | 80,577 | 26,652 |
| Investments | 21,506 | 22,773 | 12,735 |
| Accounts Receivable, Net | 6,024 | 3,562 | 1,476 |
| Taxes Receivable, Net | 4,566 | | |
| Interfund Receivables | 5 | 28 | 15 |
| Due from Other Entities | 3,326 | | 7,814 |
| Inventories and Prepaid Items | 3,016 | 589 | 9,786 |
| Loans, Notes, and Pledges Receivable, Net | 3,126 | | 10 |
| Other Assets | 242 | 138 | 68 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | 10,464 | 1,031 | 6,526 |
| Investments | 118,323 | | 40,955 |
| **Total Assets** | $ 287,718 | $ 109,866 | $ 110,583 |
| **LIABILITIES AND FUND BALANCES** | | | |
| **Liabilities** | | | |
| Accounts Payable | $ 4,218 | $ 130 | $ 1,977 |
| Payroll and Related Liabilities | 2,388 | 1,249 | 2,050 |
| Interfund Payables | 26 | 39 | 75 |
| Due to Other Entities | 46 | | |
| Unearned Revenue | 4,280 | 992 | 1 |
| Amounts Held in Trust for Others | 1,325 | 136 | 5 |
| Other Accrued Liabilities | 1,410 | 804 | 1,734 |
| **Total Liabilities** | 13,693 | 3,350 | 5,842 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Deferred Inflows | 339 | 2,974 | 380 |
| **Fund Balances** | | | |
| Nonspendable: | | | |
| Permanent Trusts | | | 5,765 |
| Inventories and Prepaid Items | 3,016 | 589 | 9,786 |
| Restricted | 216,105 | 102,953 | 88,810 |
| Committed | 53,478 | | |
| Assigned | 1,087 | | |
| **Total Fund Balances** | 273,686 | 103,542 | 104,361 |
| **Total Liabilities, Deferred Inflows of Resources, and Fund Balances** | $ 287,718 | $ 109,866 | $ 110,583 |

| | | | Capital Projects | | |
|---|---|---|---|---|---|
| Federal | Miscellaneous | Building Authority | Transportation Infrastructure | Total |
| | | $ 2,891 | | $ 15,094 |
| $ 42 | $ 104,840 | | $ 7 | 322,749 |
| | 22,989 | | | 80,003 |
| 362 | 14,246 | | 1,232 | 26,902 |
| | 2,094 | | | 6,660 |
| 135 | 880 | | | 1,063 |
| 61,838 | | | | 72,978 |
| 813 | 4,101 | | | 18,305 |
| | | | | 3,136 |
| 18 | 1,029 | | | 1,495 |
| | | | | |
| 15,239 | 845 | 70,735 | | 104,840 |
| | | | | 159,278 |
| $ 78,447 | $ 151,024 | $ 73,626 | $ 1,239 | $ 812,503 |
| | | | | |
| $ 48,595 | $ 1,251 | $ 5,693 | $ 1,232 | $ 63,096 |
| 3,281 | 2,230 | | | 11,198 |
| 4,676 | 79 | | | 4,895 |
| | | | | 46 |
| 1,570 | 115 | | | 6,958 |
| | | | | 1,466 |
| 535 | 88 | | | 4,571 |
| 58,657 | 3,763 | 5,693 | 1,232 | 92,230 |
| | | | | |
| 9,508 | 13,333 | | | 26,534 |
| | | | | |
| | | | | |
| | | | | 5,765 |
| 813 | 4,101 | | | 18,305 |
| 9,469 | 79,214 | 67,933 | 7 | 564,491 |
| | 50,613 | | | 104,091 |
| | | | | 1,087 |
| 10,282 | 133,928 | 67,933 | 7 | 693,739 |
| $ 78,447 | $ 151,024 | $ 73,626 | $ 1,239 | $ 812,503 |

# Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
## Nonmajor Governmental Funds
## For the Fiscal Year Ended June 30, 2019

***(dollars in thousands)***

| | Special Revenue | | |
|---|---|---|---|
| | Agriculture and Natural Resources | Regulatory | Fish and Game |
| **REVENUES** | | | |
| Sales Tax | $ 4,800 | | |
| Individual and Corporate Taxes | 20 | | |
| Other Taxes | 41,030 | $ 95,187 | |
| Licenses, Permits, and Fees | 49,097 | 64,600 | $ 49,662 |
| Sale of Goods and Services | 4,970 | 1,953 | 2,894 |
| Grants and Contributions | 26,896 | 194 | 56,043 |
| Investment Income | 10,088 | 1,734 | 11,354 |
| Other Income | 6,016 | 1,317 | 843 |
| **Total Revenues** | 142,917 | 164,985 | 120,796 |
| **EXPENDITURES** | | | |
| Current: | | | |
| General Government | | 3,948 | |
| Public Safety and Correction | | 2,890 | |
| Education | | | |
| Economic Development | 49,563 | 61,692 | 100 |
| Natural Resources | 70,305 | 950 | 97,383 |
| Capital Outlay | 8,731 | 1,787 | 16,694 |
| Intergovernmental Revenue Sharing | 17,667 | | |
| Debt Service: | | | |
| Principal Retirement | | 5 | 2,303 |
| Interest and Other Charges | | 1 | 312 |
| **Total Expenditures** | 146,266 | 71,273 | 116,792 |
| **Revenues Over (Under) Expenditures** | (3,349) | 93,712 | 4,004 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Bonds and Notes Issued | | | 9,654 |
| Issuance of Refunding Bonds | | | |
| Premium on Bonds Issued | | | |
| Payment to Refunded Bond Escrow Agent | | | |
| Capital Lease Acquisitions | | 11 | |
| Sale of Capital Assets | 96 | 131 | 870 |
| Transfers In | 21,622 | 37 | 408 |
| Transfers Out | (2,561) | (86,546) | (141) |
| **Total Other Financing Sources (Uses)** | 19,157 | (86,367) | 10,791 |
| **Net Changes in Fund Balances** | 15,808 | 7,345 | 14,795 |
| **Fund Balances - Beginning of Year, as Restated** | 257,878 | 96,197 | 89,566 |
| **Fund Balances - End of Year** | $ 273,686 | $ 103,542 | $ 104,361 |

| | | | Capital Projects | | |
|---|---|---|---|---|---|
| Federal | Miscellaneous | Building Authority | Transportation Infrastructure | Total |
| | $ 1,579 | | | $ 6,379 |
| | | | | 20 |
| | 32,926 | | | 169,143 |
| $ 3,230 | 26,710 | | | 193,299 |
| 99 | 17,974 | $ 14,447 | | 42,337 |
| 488,025 | 872 | | | 572,030 |
| 581 | 7,660 | 2,247 | $ 3 | 33,667 |
| 171 | 12,945 | 403 | | 21,695 |
| 492,106 | 100,666 | 17,097 | 3 | 1,038,570 |
| | | | | |
| 78,124 | 7,288 | 425 | | 89,785 |
| 8,143 | 59,423 | | | 70,456 |
| 243,719 | 5,267 | | | 248,986 |
| 71,028 | 25,247 | | 221 | 207,851 |
| 4,556 | 7 | | | 173,201 |
| 49,347 | 6,142 | | 6,430 | 163,650 |
| 42,539 | 15,557 | 74,519 | | 75,763 |
| | | | | |
| 16 | | 6,498 | | 8,822 |
| 1 | | 15,168 | | 15,482 |
| 497,473 | 118,931 | 96,610 | 6,651 | 1,053,996 |
| (5,367) | (18,265) | (79,513) | (6,648) | (15,426) |
| | | | | |
| | | 57,605 | 6,655 | 73,914 |
| | | (30,850) | | (30,850) |
| | | 4,326 | | 4,326 |
| | | (320) | | (320) |
| | 7 | | | 18 |
| 42 | 179 | | | 1,318 |
| | 26,438 | | | 48,505 |
| (339) | (20) | | | (89,607) |
| (297) | 26,604 | 30,761 | 6,655 | 7,304 |
| (5,664) | 8,339 | (48,752) | 7 | (8,122) |
| 15,946 | 125,589 | 116,685 | | 701,861 |
| $ 10,282 | $ 133,928 | $ 67,933 | $ 7 | $ 693,739 |

# Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
# Budget and Actual
# Nonmajor Governmental Funds
# For the Fiscal Year Ended June 30, 2019

***(dollars in thousands)***

| | Special Revenue | | | |
|---|---|---|---|---|
| | Agricultural and Natural Resources | | | |
| | Original Budget | Final Budget | Actual Amounts Budgetary Basis | Variance with Final Budget |
| **REVENUES** | | | | |
| Sales Tax | $ 4,800 | $ 4,800 | $ 4,800 | |
| Other Taxes | 41,493 | 41,493 | 41,493 | |
| Licenses, Permits, and Fees | 49,910 | 49,910 | 49,910 | |
| Sale of Goods and Services | 5,008 | 5,008 | 5,008 | |
| Grants and Contributions | 25,751 | 25,751 | 25,751 | |
| Investment Income | 1,083 | 1,083 | 1,083 | |
| Other Income | 2,381 | 2,381 | 2,381 | |
| **Total Revenues** | $ 130,426 | $ 130,426 | 130,426 | |
| **EXPENDITURES** | | | | |
| General Government | | | | |
| Public Safety and Correction | | | | |
| Health and Human Services | | | | |
| Education | | | | |
| Economic Development | $ 56,878 | $ 56,973 | 50,525 | $ 6,448 |
| Natural Resources | 134,924 | 134,963 | 96,267 | 38,696 |
| **Total Expenditures** | $ 191,802 | $ 191,936 | 146,792 | $ 45,144 |
| **Revenues Over (Under) Expenditures** | | | (16,366) | |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Bonds and Notes Issued | | | | |
| Issuance of Refunding Bonds | | | | |
| Premium on Bonds Issued | | | | |
| Payment to Refunded Bond Escrow Agent | | | | |
| Capital Lease Acquisitions | | | | |
| Sale of Capital Assets | | | 96 | |
| Transfers In | | | 21,622 | |
| Transfers Out | | | (2,561) | |
| **Total Other Financing Sources (Uses)** | | | 19,157 | |
| **Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses** | | | 2,791 | |
| **Reconciling Items** | | | | |
| Changes Affected by Accrued Revenues | | | 12,491 | |
| Changes Affected by Accrued Expenditures | | | 526 | |
| **Fund Balances - Beginning of Year, as Restated** | | | 257,878 | |
| **Fund Balances - End of Year** | | | $ 273,686 | |

*continued*

| Special Revenue | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Regulatory | | | | Fish and Game | | | |
| Original Budget | Final Budget | Actual Amounts Budgetary Basis | Variance with Final Budget | Original Budget | Final Budget | Actual Amounts Budgetary Basis | Variance with Final Budget |
| $ 100,617 | $ 100,617 | $ 100,617 | | | | | |
| 64,524 | 64,524 | 64,524 | | $ 49,662 | $ 49,662 | $ 49,662 | |
| 1,736 | 1,736 | 1,736 | | 2,894 | 2,894 | 2,894 | |
| 103 | 103 | 103 | | 52,701 | 52,701 | 52,701 | |
| 158 | 158 | 158 | | 270 | 270 | 270 | |
| 1,271 | 1,271 | 1,271 | | 913 | 913 | 913 | |
| $ 168,409 | $ 168,409 | 168,409 | | $ 106,440 | $ 106,440 | 106,440 | |
| $ 3,950 | $ 3,950 | 3,950 | | | | | |
| 3,522 | 3,525 | 3,046 | $ 479 | | | | |
| 69,667 | 72,501 | 65,215 | 7,286 | $ 100 | $ 100 | 100 | |
| 1,592 | 1,592 | 961 | 631 | 128,214 | 131,836 | 116,360 | $ 15,476 |
| $ 78,731 | $ 81,568 | 73,172 | $ 8,396 | $ 128,314 | $ 131,936 | 116,460 | $ 15,476 |
| | | 95,237 | | | | (10,020) | |
| | | | | | | 9,654 | |
| | | 11 | | | | | |
| | | 131 | | | | 870 | |
| | | 37 | | | | 408 | |
| | | (86,546) | | | | (141) | |
| | | (86,367) | | | | 10,791 | |
| | | 8,870 | | | | 771 | |
| | | (3,424) | | | | 14,356 | |
| | | 1,899 | | | | (332) | |
| | | 96,197 | | | | 89,566 | |
| | | $ 103,542 | | | | $ 104,361 | |

# Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
# Budget and Actual
# Nonmajor Governmental Funds
# For the Fiscal Year Ended June 30, 2019

***(dollars in thousands)***

| | Special Revenue | | | |
|---|---|---|---|---|
| | Federal | | | |
| | Original Budget | Final Budget | Actual Amounts Budgetary Basis | Variance with Final Budget |
| **REVENUES** | | | | |
| Sales Tax | | | | |
| Other Taxes | | | | |
| Licenses, Permits, and Fees | $ 3,230 | $ 3,230 | $ 3,230 | |
| Sale of Goods and Services | 84 | 84 | 84 | |
| Grants and Contributions | 482,187 | 482,187 | 482,187 | |
| Investment Income | 349 | 349 | 349 | |
| Other Income | 181 | 181 | 181 | |
| **Total Revenues** | $ 486,031 | $ 486,031 | 486,031 | |
| **EXPENDITURES** | | | | |
| General Government | $ 162,829 | $ 214,926 | 131,289 | $ 83,637 |
| Public Safety and Correction | 15,353 | 16,786 | 11,523 | 5,263 |
| Health and Human Services | | | | |
| Education | 323,400 | 323,399 | 263,465 | 59,934 |
| Economic Development | 122,199 | 123,620 | 83,543 | 40,077 |
| Natural Resources | 19,759 | 19,759 | 8,870 | 10,889 |
| **Total Expenditures** | $ 643,540 | $ 698,490 | 498,690 | $ 199,800 |
| **Revenues Over (Under) Expenditures** | | | (12,659) | |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Bonds and Notes Issued | | | | |
| Issuance of Refunding Bonds | | | | |
| Premium on Bonds Issued | | | | |
| Payment to Refunded Bond Escrow Agent | | | | |
| Capital Lease Acquisitions | | | | |
| Sale of Capital Assets | | | 42 | |
| Transfers In | | | | |
| Transfers Out | | | (339) | |
| **Total Other Financing Sources (Uses)** | | | (297) | |
| **Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses** | | | (12,956) | |
| **Reconciling Items** | | | | |
| Changes Affected by Accrued Revenues | | | 6,075 | |
| Changes Affected by Accrued Expenditures | | | 1,217 | |
| **Fund Balances - Beginning of Year** | | | 15,946 | |
| **Fund Balances - End of Year** | | | $ 10,282 | |

*continued*

| Special Revenue | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Miscellaneous | | | | | Building Authority | | | |
| Original Budget | Final Budget | Actual Amounts Budgetary Basis | Variance with Final Budget | | Original Budget | Final Budget | Actual Amounts Budgetary Basis | Variance with Final Budget |
| $ 1,592 | $ 1,592 | $ 1,592 | | | | | | |
| 30,571 | 30,571 | 30,571 | | | | | | |
| 26,857 | 26,857 | 26,857 | | | | | | |
| 13,330 | 13,330 | 13,330 | | | $ 14,447 | $ 14,447 | $ 14,447 | |
| 1,644 | 1,644 | 1,644 | | | | | | |
| 5,568 | 5,568 | 5,568 | | | 2,247 | 2,247 | 2,247 | |
| 13,057 | 13,057 | 13,057 | | | 403 | 403 | 403 | |
| $ 92,619 | $ 92,619 | 92,619 | | | $ 17,097 | $ 17,097 | 17,097 | |
| $ 16,244 | $ 16,244 | 12,795 | $ 3,449 | | $ 96,610 | $ 96,610 | 96,610 | |
| 75,728 | 75,926 | 70,157 | 5,769 | | | | | |
| 7,113 | 7,113 | 5,206 | 1,907 | | | | | |
| 43,609 | 44,462 | 32,160 | 12,302 | | | | | |
| 37 | 37 | 7 | 30 | | | | | |
| $ 142,731 | $ 143,782 | 120,325 | $ 23,457 | | $ 96,610 | $ 96,610 | 96,610 | |
| | | (27,706) | | | | | (79,513) | |
| | | | | | | | 57,605 | |
| | | | | | | | (30,850) | |
| | | | | | | | 4,326 | |
| | | | | | | | (320) | |
| | | 7 | | | | | | |
| | | 179 | | | | | | |
| | | 26,438 | | | | | | |
| | | (20) | | | | | | |
| | | 26,604 | | | | | 30,761 | |
| | | (1,102) | | | | | (48,752) | |
| | | 8,047 | | | | | | |
| | | 1,394 | | | | | | |
| | | 125,589 | | | | | 116,685 | |
| | | $ 133,928 | | | | | $ 67,933 | |

# Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
# Budget and Actual
# Nonmajor Governmental Funds
# For the Fiscal Year Ended June 30, 2019

***(dollars in thousands)***

| | Capital Projects | | | |
|---|---|---|---|---|
| | Transportation Infrastructure | | | |
| | Original Budget | Final Budget | Actual Amounts Budgetary Basis | Variance with Final Budget |
| **REVENUES** | | | | |
| Sales Tax | | | | |
| Other Taxes | | | | |
| Licenses, Permits, and Fees | | | | |
| Sale of Goods and Services | | | | |
| Grants and Contributions | | | | |
| Investment Income | | | | |
| Other Income | | | | |
| **Total Revenues** | | | | |
| **EXPENDITURES** | | | | |
| General Government | | | | |
| Public Safety and Correction | | | | |
| Health and Human Services | | | | |
| Education | | | | |
| Economic Development | $ 6,645 | $ 6,645 | $ 6,645 | |
| Natural Resources | | | | |
| **Total Expenditures** | $ 6,645 | $ 6,645 | 6,645 | |
| **Revenues Over (Under) Expenditures** | | | (6,645) | |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Bonds and Notes Issued | | | 6,655 | |
| Issuance of Refunding Bonds | | | | |
| Premium on Bonds Issued | | | | |
| Payment to Refunded Bond Escrow Agent | | | | |
| Capital Lease Acquisitions | | | | |
| Sale of Capital Assets | | | | |
| Transfers In | | | | |
| Transfers Out | | | | |
| **Total Other Financing Sources (Uses)** | | | 6,655 | |
| **Revenues and Other Financing Sources Over (Under)** | | | 10 | |
| **Expenditures and Other Financing Uses** | | | | |
| **Reconciling Items** | | | | |
| Changes Affected by Accrued Revenues | | | 3 | |
| Changes Affected by Accrued Expenditures | | | (6) | |
| **Fund Balances - Beginning of Year** | | | | |
| **Fund Balances - End of Year** | | | $ 7 | |

*continued*

| Total | | | |
|---|---|---|---|
| Original Budget | Final Budget | Actual Amounts Budgetary Basis | Variance with Final Budget |
| $ 6,392 | $ 6,392 | $ 6,392 | |
| 172,681 | 172,681 | 172,681 | |
| 194,183 | 194,183 | 194,183 | |
| 37,499 | 37,499 | 37,499 | |
| 562,386 | 562,386 | 562,386 | |
| 9,675 | 9,675 | 9,675 | |
| 18,206 | 18,206 | 18,206 | |
| $ 1,001,022 | $ 1,001,022 | 1,001,022 | |
| $ 279,633 | $ 331,730 | 244,644 | $ 87,086 |
| 94,603 | 96,237 | 84,726 | 11,511 |
| 330,513 | 330,512 | 268,671 | 61,841 |
| 299,098 | 304,301 | 238,188 | 66,113 |
| 284,526 | 288,187 | 222,465 | 65,722 |
| $ 1,288,373 | $ 1,350,967 | 1,058,694 | $ 292,273 |
| | | (57,672) | |
| | | 73,914 | |
| | | (30,850) | |
| | | 4,326 | |
| | | (320) | |
| | | 18 | |
| | | 1,318 | |
| | | 48,505 | |
| | | (89,607) | |
| | | 7,304 | |
| | | (50,368) | |
| | | 37,548 | |
| | | 4,698 | |
| | | 701,861 | |
| | | $ 693,739 | |

# Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual
## Major Permanent Fund
## For the Fiscal Year Ended June 30, 2019

***(dollars in thousands)***

| | Land Endowments | | | |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual Amounts Budgetary Basis | Variance with Final Budget |
| **REVENUES** | | | | |
| Sale of Goods and Services | $ 72,053 | $ 72,053 | $ 72,053 | |
| Investment Income | 170,126 | 170,126 | 170,126 | |
| **Total Revenues** | $ 242,179 | $ 242,179 | 242,179 | |
| **EXPENDITURES** | | | | |
| Natural Resources | $ 86,289 | $ 86,289 | 82,340 | $ 3,949 |
| **Total Expenditures** | $ 86,289 | $ 86,289 | 82,340 | $ 3,949 |
| **Revenues Over (Under) Expenditures** | | | 159,839 | |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Sale of Capital Assets | | | 29,006 | |
| Transfers In | | | | |
| Transfers Out | | | (78,456) | |
| **Total Other Financing Sources (Uses)** | | | (49,450) | |
| **Revenues and Other Financing Sources Over (Under)** | | | 110,389 | |
| **Expenditures and Other Financing Uses** | | | | |
| **Reconciling Items** | | | | |
| Changes Affected by Accrued Revenues | | | 784 | |
| Changes Affected by Accrued Expenditures | | | 1,058 | |
| **Fund Balances - Beginning of Year, as Restated** | | | 2,321,232 | |
| **Fund Balances - End of Year** | | | $ 2,433,463 | |

**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, 2019
***(dollars in thousands)***

| | State Lottery | State Liquor | Correctional Industries | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current Assets** | | | | |
| Cash and Cash Equivalents | $ 3,055 | | | $ 3,055 |
| Pooled Cash and Investments | | $ 25,635 | $ 8,470 | 34,105 |
| Accounts Receivable, Net | 2,034 | | 707 | 2,741 |
| Interfund Receivables | | | 183 | 183 |
| Inventories and Prepaid Items | 207 | 17,050 | 1,212 | 18,469 |
| Other Current Assets | | 206 | 4 | 210 |
| **Total Current Assets** | 5,296 | 42,891 | 10,576 | 58,763 |
| **Noncurrent Assets** | | | | |
| Restricted Cash and Cash Equivalents | 61,972 | | | 61,972 |
| Other Noncurrent Assets | 230 | 760 | 137 | 1,127 |
| Capital Assets, Net | 383 | 8,775 | 3,113 | 12,271 |
| **Total Noncurrent Assets** | 62,585 | 9,535 | 3,250 | 75,370 |
| **Total Assets** | 67,881 | 52,426 | 13,826 | 134,133 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Deferred Outflows | 447 | 1,587 | 319 | 2,353 |
| **Total Assets and Deferred Outflows of Resources** | $ 68,328 | $ 54,013 | $ 14,145 | $ 136,486 |
| **LIABILITIES** | | | | |
| **Current Liabilities** | | | | |
| Accounts Payable | $ 1,415 | $ 11,641 | $ 136 | $ 13,192 |
| Payroll and Related Liabilities | 130 | 452 | 93 | 675 |
| Interfund Payables | | 8,566 | 446 | 9,012 |
| Due to Other Entities | | 9,380 | | 9,380 |
| Unearned Revenue | | | 207 | 207 |
| Other Accrued Liabilities | 4,229 | 1 | | 4,230 |
| Compensated Absences Payable | 152 | 564 | 104 | 820 |
| Bonds, Notes, and Capital Leases Payable | 51 | | 19 | 70 |
| **Total Current Liabilities** | 5,977 | 30,604 | 1,005 | 37,586 |
| **Noncurrent Liabilities** | | | | |
| Bonds, Notes, and Capital Leases Payable | 33 | | 87 | 120 |
| Other Long-Term Obligations | 1,079 | 3,637 | 641 | 5,357 |
| **Total Noncurrent Liabilities** | 1,112 | 3,637 | 728 | 5,477 |
| **Total Liabilities** | 7,089 | 34,241 | 1,733 | 43,063 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Deferred Inflows | 215 | 903 | 252 | 1,370 |
| **NET POSITION** | | | | |
| Net Investment in Capital Assets | 299 | 8,775 | 3,007 | 12,081 |
| Restricted for: | | | | |
| Other Purposes | 60,725 | 10,094 | 9,153 | 79,972 |
| **Total Net Position** | 61,024 | 18,869 | 12,160 | 92,053 |
| **Total Liabilities, Deferred Inflows of Resources, and Net Position** | $ 68,328 | $ 54,013 | $ 14,145 | $ 136,486 |

# Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
## Nonmajor Enterprise Funds
## For the Fiscal Year Ended June 30, 2019
***(dollars in thousands)***

| | State Lottery | State Liquor | Correctional Industries | Total |
|---|---|---|---|---|
| **OPERATING REVENUES** | | | | |
| Licenses, Permits, and Fees | | $ 3 | | $ 3 |
| Sale of Goods and Services | $ 288,555 | 225,608 | $ 12,556 | 526,719 |
| Other Income | 35 | 361 | 311 | 707 |
| **Total Operating Revenues** | 288,590 | 225,972 | 12,867 | 527,429 |
| **OPERATING EXPENSES** | | | | |
| Personnel Costs | 2,943 | 12,617 | 2,228 | 17,788 |
| Services and Supplies | 34,834 | 124,396 | 6,760 | 165,990 |
| Benefits, Awards, and Premiums | 190,047 | | | 190,047 |
| Depreciation | 150 | 737 | 332 | 1,219 |
| Other Expenses | 373 | 6,520 | 2,823 | 9,716 |
| **Total Operating Expenses** | 228,347 | 144,270 | 12,143 | 384,760 |
| **Operating Income (Loss)** | 60,243 | 81,702 | 724 | 142,669 |
| **NONOPERATING REVENUES (EXPENSES)** | | | | |
| Investment Income | 7 | 683 | 253 | 943 |
| Interest Expense | (5) | | (2) | (7) |
| Intergovernmental Distributions | | (40,480) | | (40,480) |
| Gain (Loss) on Sale of Capital Assets | 20 | (5) | | 15 |
| Other Nonoperating Revenues (Expenses) | | (1) | | (1) |
| **Total Nonoperating Revenues (Expenses)** | 22 | (39,803) | 251 | (39,530) |
| **Income (Loss) Before Transfers** | 60,265 | 41,899 | 975 | 103,139 |
| Transfers Out | (53,500) | (40,488) | | (93,988) |
| **Change in Net Position** | 6,765 | 1,411 | 975 | 9,151 |
| **Total Net Position - Beginning of Year, as Restated** | 54,259 | 17,458 | 11,185 | 82,902 |
| **Total Net Position - End of Year** | $ 61,024 | $ 18,869 | $ 12,160 | $ 92,053 |

# Combining Statement of Cash Flows
# Nonmajor Enterprise Funds
# For the Fiscal Year Ended June 30, 2019

***(dollars in thousands)***

| | State Lottery | State Liquor | Correctional Industries | Total |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Receipts from Customers | $ 288,477 | $ 225,354 | $ 7,961 | $ 521,792 |
| Receipts from Interfund Services | | 1 | 4,773 | 4,774 |
| Payments to Employees | (3,259) | (12,256) | (2,307) | (17,822) |
| Payments to Suppliers | (35,380) | (129,568) | (9,059) | (174,007) |
| Payments for Interfund Services | | (550) | (217) | (767) |
| Payments for Benefits, Awards, and Claims | (189,528) | | | (189,528) |
| Other Receipts | | 26 | 23 | 49 |
| Other Payments | | (54) | (10) | (64) |
| **Net Cash Provided (Used) by Operating Activities** | 60,310 | 82,953 | 1,164 | 144,427 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | | |
| Intergovernmental Distributions | | (39,005) | | (39,005) |
| Transfers Out | (53,500) | (39,085) | | (92,585) |
| **Net Cash Provided (Used) by Noncapital Financing Activities** | (53,500) | (78,090) | | (131,590) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING** | | | | |
| Proceeds from Bonds and Notes | | | | |
| Principal Payments | (43) | | (2) | (45) |
| Interest Payments | (5) | | (2) | (7) |
| Proceeds from Disposition of Capital Assets | 20 | | | 20 |
| Acquisition and Construction of Capital Assets | (87) | (420) | (761) | (1,268) |
| **Net Cash Provided (Used) by Capital and Related Financing Activities** | (115) | (420) | (765) | (1,300) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Receipt of Interest and Dividends | 7 | 698 | 246 | 951 |
| **Net Cash Provided (Used) by Investing Activities** | 7 | 698 | 246 | 951 |
| **Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash** | 6,702 | 5,141 | 645 | 12,488 |
| **Beginning Cash, Cash Equivalents, and Pooled Cash** | 58,325 | 20,494 | 7,825 | 86,644 |
| **Ending Cash, Cash Equivalents, and Pooled Cash** | $ 65,027 | $ 25,635 | $ 8,470 | $ 99,132 |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities** | | | | |
| Operating Income (Loss) | $ 60,243 | $ 81,702 | $ 724 | $ 142,669 |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by | | | | |
| Depreciation and Amortization | 150 | 737 | 332 | 1,219 |
| Net Changes in Assets and Liabilities: | | | | |
| Accounts Receivable/Interfund Receivables | (111) | 91 | (101) | (121) |
| Inventories and Prepaid Items | | 192 | 152 | 344 |
| Other Assets | (118) | (186) | (122) | (426) |
| Accounts Payable/Interfund Payables | 463 | 551 | 178 | 1,192 |
| Unearned Revenue | | | (57) | (57) |
| Compensated Absences | | 26 | 21 | 47 |
| Other Accrued Liabilities | (258) | (416) | 10 | (664) |
| Net Changes in Deferred Outflows/Inflows of Resources | (59) | 256 | 27 | 224 |
| **Net Cash Provided (Used) by Operating Activities** | $ 60,310 | $ 82,953 | $ 1,164 | $ 144,427 |

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

State Liquor recorded an interfund payable of $1,409 due on July 1, 2019. Disposal of capital assets at a loss of $6 in State Liquor. Restated net position by $633 for State Liquor and by $121 for Correctional Industries due to a correction to the allocation of the proportionate share of the State Sick Leave Reserve Fund asset.

**INERNAL 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, 2019

***(dollars in thousands)***

| | Group Insurance | Risk Management | General Services | Data Processing Services | Total |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current Assets** | | | | | |
| Pooled Cash and Investments | $ 47,703 | $ 1,974 | $ 19,562 | $ 3,542 | $ 72,781 |
| Accounts Receivable, Net | | | 470 | | 470 |
| Interfund Receivables | 27 | | 348 | 122 | 497 |
| Inventories and Prepaid Items | | 101 | 2,262 | 1,895 | 4,258 |
| Other Current Assets | 229 | 39 | 10 | 2 | 280 |
| **Total Current Assets** | 47,959 | 2,114 | 22,652 | 5,561 | 78,286 |
| **Noncurrent Assets** | | | | | |
| Restricted Cash and Cash Equivalents | 32,248 | | | | 32,248 |
| Investments | 42,625 | 8,392 | | | 51,017 |
| Other Noncurrent Assets | 35 | 43 | 803 | 332 | 1,213 |
| Capital Assets, Net | 5 | 7 | 13,041 | 542 | 13,595 |
| **Total Noncurrent Assets** | 74,913 | 8,442 | 13,844 | 874 | 98,073 |
| **Total Assets** | 122,872 | 10,556 | 36,496 | 6,435 | 176,359 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | | |
| Deferred Outflows | 71 | 77 | 1,594 | 692 | 2,434 |
| **Total Assets and Deferred Outflows of Resources** | $ 122,943 | $ 10,633 | $ 38,090 | $ 7,127 | $ 178,793 |
| **LIABILITIES** | | | | | |
| **Current Liabilities** | | | | | |
| Accounts Payable | | $ 1 | $ 1,186 | | $ 1,187 |
| Payroll and Related Liabilities | $ 17 | 22 | 534 | $ 161 | 734 |
| Unearned Revenue | 15,888 | | | 643 | 16,531 |
| Other Accrued Liabilities | 3 | | 72 | | 75 |
| Compensated Absences Payable | 29 | 31 | 650 | 222 | 932 |
| Bonds, Notes, and Capital Leases Payable | | | 353 | | 353 |
| Policy Claim Liabilities | 4,995 | 3,759 | | | 8,754 |
| **Total Current Liabilities** | 20,932 | 3,813 | 2,795 | 1,026 | 28,566 |
| **Noncurrent Liabilities** | | | | | |
| Bonds, Notes, and Capital Leases Payable | | | 1,041 | | 1,041 |
| Policy Claim Liabilities | | 10,628 | | | 10,628 |
| Other Long-Term Obligations | 171 | 162 | 3,256 | 1,566 | 5,155 |
| **Total Noncurrent Liabilities** | 171 | 10,790 | 4,297 | 1,566 | 16,824 |
| **Total Liabilities** | 21,103 | 14,603 | 7,092 | 2,592 | 45,390 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Deferred Inflows | 36 | 40 | 848 | 457 | 1,381 |
| **NET POSITION** | | | | | |
| Net Investment in Capital Assets | 6 | 7 | 11,648 | 542 | 12,203 |
| Restricted for: | | | | | |
| Claims and Judgments | 32,248 | | | | 32,248 |
| Other Purposes | 69,550 | (4,017) | 4,495 | 3,536 | 73,564 |
| Unrestricted | | | 14,007 | | 14,007 |
| **Total Net Position** | 101,804 | (4,010) | 30,150 | 4,078 | 132,022 |
| **Total Liabilities, Deferred Inflows of Resources, and Net Position** | $ 122,943 | $ 10,633 | $ 38,090 | $ 7,127 | $ 178,793 |

# Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
## Internal Service Funds
## For the Fiscal Year Ended June 30, 2019
***(dollars in thousands)***

| | Group Insurance | Risk Management | General Services | Data Processing Services | Total |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Sale of Goods and Services | $ 289,452 | $ 10,091 | $ 43,040 | $ 7,336 | $ 349,919 |
| Grants and Contributions | | | 224 | | 224 |
| Other Income | (91) | 23 | (115) | 25 | (158) |
| **Total Operating Revenues** | 289,361 | 10,114 | 43,149 | 7,361 | 349,985 |
| **OPERATING EXPENSES** | | | | | |
| Personnel Costs | 458 | 587 | 11,439 | 4,352 | 16,836 |
| Services and Supplies | 351 | 3,860 | 26,818 | 2,748 | 33,777 |
| Benefits, Awards, and Premiums | 290,352 | 7,800 | | | 298,152 |
| Depreciation | 1 | 1 | 1,038 | 316 | 1,356 |
| Other Expenses | (427) | 138 | 6,025 | 11 | 5,747 |
| **Total Operating Expenses** | 290,735 | 12,386 | 45,320 | 7,427 | 355,868 |
| **Operating Income (Loss)** | (1,374) | (2,272) | (2,171) | (66) | (5,883) |
| **NONOPERATING REVENUES (EXPENSES)** | | | | | |
| Investment Income | 7,472 | 526 | 578 | 107 | 8,683 |
| Interest Expense | | | (115) | | (115) |
| Gain (Loss) on Sale of Capital Assets | | | 161 | | 161 |
| Other Nonoperating Revenues (Expenses) | | | 15 | | 15 |
| **Total Nonoperating Revenues (Expenses)** | 7,472 | 526 | 639 | 107 | 8,744 |
| **Income (Loss) Before Transfers** | 6,098 | (1,746) | (1,532) | 41 | 2,861 |
| Transfers In | | | 1,828 | | 1,828 |
| Transfers Out | (13,139) | | (3,974) | | (17,113) |
| **Change in Net Position** | (7,041) | (1,746) | (3,678) | 41 | (12,424) |
| **Total Net Position - Beginning of Year, as Restated** | 108,845 | (2,264) | 33,828 | 4,037 | 144,446 |
| **Total Net Position - End of Year** | $ 101,804 | $ (4,010) | $ 30,150 | $ 4,078 | $ 132,022 |

# Combining Statement of Cash Flows
# Internal Service Funds
# For the Fiscal Year Ended June 30, 2019

***(dollars in thousands)***

| | Group Insurance | Risk Management | General Services | Data Processing Services | Total |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Receipts from Customers | $ 21,457 | $ 269 | $ 14,278 | $ 1 | $ 36,005 |
| Receipts from Interfund Services | 265,157 | 9,858 | 29,400 | 7,906 | 312,321 |
| Receipts from Grants and Contributions | | | 224 | | 224 |
| Payments to Employees | (464) | (592) | (11,485) | (4,533) | (17,074) |
| Payments to Suppliers | (422) | (3,891) | (29,984) | (2,457) | (36,754) |
| Payments for Interfund Services | (61) | (168) | (2,394) | (71) | (2,694) |
| Payments for Benefits, Awards, and Claims | (287,730) | (6,253) | | | (293,983) |
| Other Receipts | 466 | 21 | | | 487 |
| Other Payments | (96) | (2) | (60) | (5) | (163) |
| **Net Cash Provided (Used) by Operating Activities** | (1,693) | (758) | (21) | 841 | (1,631) |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | | | |
| Transfers In | | | 1,828 | | 1,828 |
| Transfers Out | (13,139) | | (3,974) | | (17,113) |
| Interest Payments | | | (20) | | (20) |
| **Net Cash Provided (Used) by Noncapital Financing Activities** | (13,139) | | (2,166) | | (15,305) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | | |
| Principal Payments | | | (320) | | (320) |
| Interest Payments | | | (113) | | (113) |
| Proceeds from Disposition of Capital Assets | | | 171 | | 171 |
| Acquisition and Construction of Capital Assets | | | 7,166 | (219) | 6,947 |
| **Net Cash Provided (Used) by Capital and Related Financing** | 0 | 0 | 6,904 | (219) | 6,685 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Receipt of Interest and Dividends | 6,618 | 345 | 575 | 110 | 7,648 |
| Purchase of Investments | (954) | (190) | | | (1,144) |
| Redemption of Investments | 245 | | | | 245 |
| Other Investing Activities | | | (8) | | (8) |
| **Net Cash Provided (Used) by Investing Activities** | 5,909 | 155 | 567 | 110 | 6,741 |
| **Net Increase (Decrease) in Cash, Cash Equivalents, and Pooled Cash** | (8,923) | (603) | 5,284 | 732 | (3,510) |
| **Beginning Cash, Cash Equivalents, and Pooled Cash** | 88,874 | 2,577 | 14,278 | 2,810 | 108,539 |
| **Ending Cash, Cash Equivalents, and Pooled Cash** | $ 79,951 | $ 1,974 | $ 19,562 | $ 3,542 | $ 105,029 |
| **Reconciliation of Operating Income (Loss) to Net Cash** | | | | | |
| Operating Income (Loss) | $ (1,374) | $ (2,272) | $ (2,171) | $ (66) | $ (5,883) |
| Adjustments to Reconcile Operating Income to Net Cash Provided | | | | | |
| Depreciation and Amortization | 1 | 1 | 1,038 | 316 | 1,356 |
| Net Changes in Assets and Liabilities: | | | | | |
| Accounts Receivable/Interfund Receivables | 91 | 11 | 708 | 231 | 1,041 |
| Inventories and Prepaid Items | | (41) | 358 | (304) | 13 |
| Other Assets | 28 | (8) | (198) | (42) | (220) |
| Accounts Payable/Interfund Payables | (93) | 1 | 70 | 530 | 508 |
| Unearned Revenue | (2,934) | | | 316 | (2,618) |
| Compensated Absences | | 4 | 83 | (21) | 66 |
| Policy Claim Liabilities | 2,622 | 1,547 | | | 4,169 |
| Other Accrued Liabilities | (34) | (1) | 91 | (119) | (63) |
| **Net Cash Provided (Used) by Operating Activities** | $ (1,693) | $ (758) | $ (21) | $ 841 | $ (1,631) |

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

Investments increased in fair value by $942 for Group Insurance and by $184 for Risk Management. Restated net position by $28 for Group Insurance, $35 for Risk Management, $584 for General Services, and $291 for Data Processing due to a correction to the allocation of the proportionate share of the State Sick Leave Reserve Fund asset. Restated net position by $7,575 for General Services due to a correction in capital assets.

**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 Deferred Compensation Plan** is an IRS Section 457(b) tax-advantaged trust fund that accounts for the resources contributed by individuals to fund their retirement.

**The 414(k) Plan and the 401(k) Plan** are defined contribution retirement plans that consist of gain sharing allocations, voluntary employee contributions, rollover contributions, and some employer matching contributions.

**The Sick Leave Insurance Reserve-State Fund** and **the Sick Leave Insurance Reserve-Schools Fund** provide payment of health insurance premiums on behalf of retired employees based on accumulated unused sick leave at the time of retirement.

**The University of Idaho Retiree Benefit Trust Fund** provides medical and dental benefits to eligible University of Idaho retirees, disabled employees, spouses, and survivors. Employees hired prior to January 1, 2002, are eligible to participate in this plan.

**The University of Idaho Health Benefit Trust Fund** provides medical, mental health, dental, and vision benefits to active and retired University of Idaho employees.

**INVESTMENT TRUST FUNDS** account for assets invested by the State on behalf of other governmental entities. The following provide brief descriptions of the State's investment trust funds:

**The Local Government Investment Pool** is an external investment pool sponsored by the State Treasurer's Office for Local Government Investment Pool participants. The purpose of the Pool is to provide a safe liquid vehicle for investing monies not needed to meet immediate operating obligations and to obtain the best interest rate available at the time of investment.

**The Diversified Bond Fund** is an external investment pool sponsored by the State Treasurer's Office for Diversified Bond Fund participants. The purpose of the Fund is to provide an investment vehicle with a reasonable level of current income and potential capital appreciation as measured on a long-term basis.

**AGENCY FUNDS** account for resources held by the State in a purely custodial capacity. The following provides a brief description of the State's agency fund:

**The Custodial Fund** accounts for residual idle cash and investments held by the State on behalf of other governmental entities and administered by the State Treasurer's Office. The fund also accounts for the receipts and disbursements of monies collected by the State and distributed to entities or individuals. This includes deposits of securities by banks and insurance companies doing business in the State.

# Combining Statement of Fiduciary Net Position
# Pension and Other Employee Benefit Trust Funds
# June 30, 2019

***(dollars in thousands)***

| | PERSI Base Plan | Firefighters' Retirement | Judges' Retirement | Deferred Compensation 457(b) | Defined Contribution 414 (k) |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and Cash Equivalents | $ 1,391 | $ 34 | | | $ 62 |
| Pooled Cash and Investments | 8,430 | 204 | $ 546 | | |
| Investments: | | | | | |
| Pooled Short Term | 308,644 | 7,474 | 1,665 | | |
| Fixed Income Investments | 3,902,261 | 94,500 | 21,045 | $ 216,578 | |
| Marketable Securities | 10,438,791 | 252,794 | 56,298 | | |
| Mutual Funds and Private Equities | 1,005,801 | 24,357 | 5,424 | 246,758 | 58,249 |
| Mortgages and Real Estate | 1,552,483 | 37,596 | 8,373 | | |
| Other Investments | | | | 1,963 | |
| Receivables: | | | | | |
| Investments Sold | 104,741 | 2,568 | 565 | 3,169 | |
| Contributions | 8,722 | 62 | | 205 | 11 |
| Interest and Dividends | 61,464 | 1,507 | 332 | | 147 |
| Interfund Receivables | 11 | | | | |
| Other Receivables | | | | | |
| Other Assets | 75,996 | | | | |
| Capital Assets, Net | 10,018 | | | | |
| **Total Assets** | 17,478,753 | 421,096 | 94,248 | 468,673 | 58,469 |
| **LIABILITIES** | | | | | |
| Accounts Payable | 438 | 11 | | | |
| Interfund Payables | 2,052 | 50 | | | 1 |
| Unearned Revenue | | | | | |
| Investments Purchased | 182,322 | 4,414 | 984 | | |
| Policy Claim Liabilities | | | | | |
| Other Accrued Liabilities | 12,508 | 295 | 65 | | 8 |
| **Total Liabilities** | 197,320 | 4,770 | 1,049 | 0 | 9 |
| **NET POSITION** | | | | | |
| Held in Trust for: | | | | | |
| Net Position Restricted for Pensions | 17,281,433 | 416,326 | 93,199 | 468,673 | 58,460 |
| Net Position Restricted for OPEB | | | | | |
| Trust Beneficiaries | | | | | |
| **Total Net Position** | $ 17,281,433 | $ 416,326 | $ 93,199 | $ 468,673 | $ 58,460 |

| Defined Contribution 401 (k) | Sick Leave Insurance Reserve-State | Sick Leave Insurance Reserve-Schools | U of I Retiree Benefits Trust | U of I Health Benefits Trust | Total |
|---|---|---|---|---|---|
| $ 861 | | | $ 1,190 | $ 144 | $ 3,682 |
| | $ 29 | $ 45 | | | 9,254 |
| 1,762 | | | 26,314 | | 345,859 |
| | 73,398 | 99,607 | 3,581 | 5,183 | 4,416,153 |
| | 150,784 | 242,490 | | | 11,141,157 |
| 978,604 | | | 2,673 | | 2,321,866 |
| | | | | | 1,598,452 |
| | | | | | 1,963 |
| | | | | | 111,043 |
| 1,645 | | | | | 10,645 |
| 2,780 | | | 2 | 37 | 66,269 |
| | 615 | 1,487 | | | 2,113 |
| | 379 | 883 | | | 77,258 |
| | | | | | 10,018 |
| 985,652 | 225,205 | 344,512 | 33,760 | 5,364 | 20,115,732 |
| | | | | 596 | 1,045 |
| 10 | | | | | 2,113 |
| | | | | | 187,720 |
| | | | | 2,443 | 2,443 |
| 276 | 19 | 29 | | | 13,200 |
| 286 | 19 | 29 | | 3,039 | 206,521 |
| 985,366 | | | | | 19,303,457 |
| | 225,186 | 344,483 | 33,760 | | 603,429 |
| | | | | 2,325 | 2,325 |
| $ 985,366 | $ 225,186 | $ 344,483 | $ 33,760 | $ 2,325 | $ 19,909,211 |

# Combining Statement of Changes in Fiduciary Net Position
# Pension and Other Employee Benefit Trust Funds
# For the Fiscal Year Ended June 30, 2019

***(dollars in thousands)***

| | PERSI Base Plan | Firefighters' Retirement | Judges' Retirement | Deferred Compensation 457(b) | Define Contribution 414(k) |
|---|---|---|---|---|---|
| **ADDITIONS** | | | | | |
| **Contributions:** | | | | | |
| Member | $ 257,061 | $ 5 | $ 779 | $ 18,324 | |
| Employer | 390,081 | 8,248 | 4,689 | | |
| Transfers In from Other Plans | | | | 7,212 | |
| **Total Contributions** | 647,142 | 8,253 | 5,468 | 25,536 | |
| **Investment Income:** | | | | | |
| Net Increase (Decrease) in Fair Value of Investments | 1,009,441 | 24,806 | 5,357 | (16,312) | $ 4,308 |
| Interest, Dividends, and Other | 342,388 | 8,414 | 1,846 | 8,357 | 129 |
| Less Investment Expense: | | | | | |
| Investment Activity Expense | (49,259) | (1,210) | (266) | | (11) |
| **Net Investment Income** | 1,302,570 | 32,010 | 6,937 | (7,955) | 4,426 |
| Miscellaneous Income | 330 | | 13 | | |
| **Total Additions** | 1,950,042 | 40,263 | 12,418 | 17,581 | 4,426 |
| **DEDUCTIONS** | | | | | |
| Benefits and Refunds Paid to Plan Members | 975,232 | 18,931 | 7,169 | | 3,839 |
| Administrative Expense | 9,277 | 55 | 121 | 302 | 344 |
| Participant Withdrawals | | | | 24,398 | |
| **Total Deductions** | 984,509 | 18,986 | 7,290 | 24,700 | 4,183 |
| **Change in Net Position Held in Trust for:** | | | | | |
| Employee Pension Benefits | 965,533 | 21,277 | 5,128 | (7,119) | 243 |
| Employee Postemployment Healthcare Benefits | | | | | |
| Trust Beneficiaries | | | | | |
| **Net Position - Beginning of Year** | 16,315,900 | 395,049 | 88,071 | 475,792 | 58,217 |
| **Net Position - End of Year** | $ 17,281,433 | $ 416,326 | $ 93,199 | $ 468,673 | $ 58,460 |

| Defined Contribution 401 (k) | Sick Leave Insurance Reserve-State | Sick Leave Insurance Reserve-Schools | U of I Retiree Benefits Trust | U of I Health Benefits Trust | Total |
|---|---|---|---|---|---|
| $ 59,427 | | | | $ 5,649 | $ 341,245 |
| 6,517 | $ 7,498 | $ 16,433 | $ 615 | 23,902 | 457,983 |
| 13,949 | | | | | 21,161 |
| 79,893 | 7,498 | 16,433 | 615 | 29,551 | 820,389 |
| 54,408 | 16,172 | 24,824 | (1,734) | 99 | 1,121,369 |
| 18,039 | | | | | 379,173 |
| (2,218) | (88) | (135) | | | (53,187) |
| 70,229 | 16,084 | 24,689 | (1,734) | 99 | 1,447,355 |
| | 2 | 3 | | | 348 |
| 150,122 | 23,584 | 41,125 | (1,119) | 29,650 | 2,268,092 |
| 43,320 | 4,611 | 11,933 | | 26,170 | 1,091,205 |
| 1,571 | 47 | 72 | 106 | 4,214 | 16,109 |
| | | | | | 24,398 |
| 44,891 | 4,658 | 12,005 | 106 | 30,384 | 1,131,712 |
| 105,231 | | | | | 1,090,293 |
| | 18,926 | 29,120 | (1,225) | | 46,821 |
| | | | | (734) | (734) |
| 880,135 | 206,260 | 315,363 | 34,985 | 3,059 | 18,772,831 |
| $ 985,366 | $ 225,186 | $ 344,483 | $ 33,760 | $ 2,325 | $ 19,909,211 |

# Combining Statement of Fiduciary Net Position
## Investment Trust Funds
## June 30, 2019
***(dollars in thousands)***

| | Local Government Investment Pool | Diversified Bond Fund | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Investments: | | | |
| Pooled Short Term | $ 720,307 | $ 31,946 | $ 752,253 |
| Fixed Income Investments | 2,113,832 | 73,658 | 2,187,490 |
| Mortgages and Real Estate | | 67,317 | 67,317 |
| Receivables: | | | |
| Interest and Dividends | 4,880 | 772 | 5,652 |
| Other Receivables | 8,209 | | 8,209 |
| **Total Assets** | 2,847,228 | 173,693 | 3,020,921 |
| **LIABILITIES** | | | |
| Accounts Payable | 26 | 4 | 30 |
| Other Accrued Liabilities | 5,670 | 293 | 5,963 |
| **Total Liabilities** | 5,696 | 297 | 5,993 |
| **NET POSITION** | | | |
| Held in Trust for: | | | |
| External Investment Pool Participants | 2,841,532 | 173,396 | 3,014,928 |
| **Total Net Position** | $ 2,841,532 | $ 173,396 | $ 3,014,928 |

# Combining Statement of Changes in Fiduciary Net Position
# Investment Trust Funds
# For the Fiscal Year Ended June 30, 2019

***(dollars in thousands)***

| | Local Government Investment Pool | Diversified Bond Fund | Total |
|---|---|---|---|
| **ADDITIONS** | | | |
| **Contributions** | | | |
| Participant Deposits | $ 5,462,932 | $ 14,124 | $ 5,477,056 |
| **Total Contributions** | 5,462,932 | 14,124 | 5,477,056 |
| **Investment Income:** | | | |
| Net Increase (Decrease) in Fair Value of Investments | 34,089 | (14,239) | 19,850 |
| Interest, Dividends, and Other | 21,972 | 4,831 | 26,803 |
| Less Investment Expense: | | | |
| Investment Activity Expense | (297) | (61) | (358) |
| **Net Investment Income** | 55,764 | (9,469) | 46,295 |
| Miscellaneous Income | 8,128 | | 8,128 |
| **Total Additions** | 5,526,824 | 4,655 | 5,531,479 |
| **DEDUCTIONS** | | | |
| Earnings Distribution | 60,962 | 4,221 | 65,183 |
| Participant Withdrawals | 5,035,751 | 16,946 | 5,052,697 |
| **Total Deductions** | 5,096,713 | 21,167 | 5,117,880 |
| **Change in Net Position Held in Trust for:** | | | |
| External Investment Pool Participants | 430,111 | (16,512) | 413,599 |
| **Total Net Position - Beginning of Year** | 2,411,421 | 189,908 | 2,601,329 |
| **Total Net Position - End of Year** | $ 2,841,532 | $ 173,396 | $ 3,014,928 |

# Combining Statement of Assets and Liabilities
# Agency Fund
# June 30, 2019

***(dollars in thousands)***

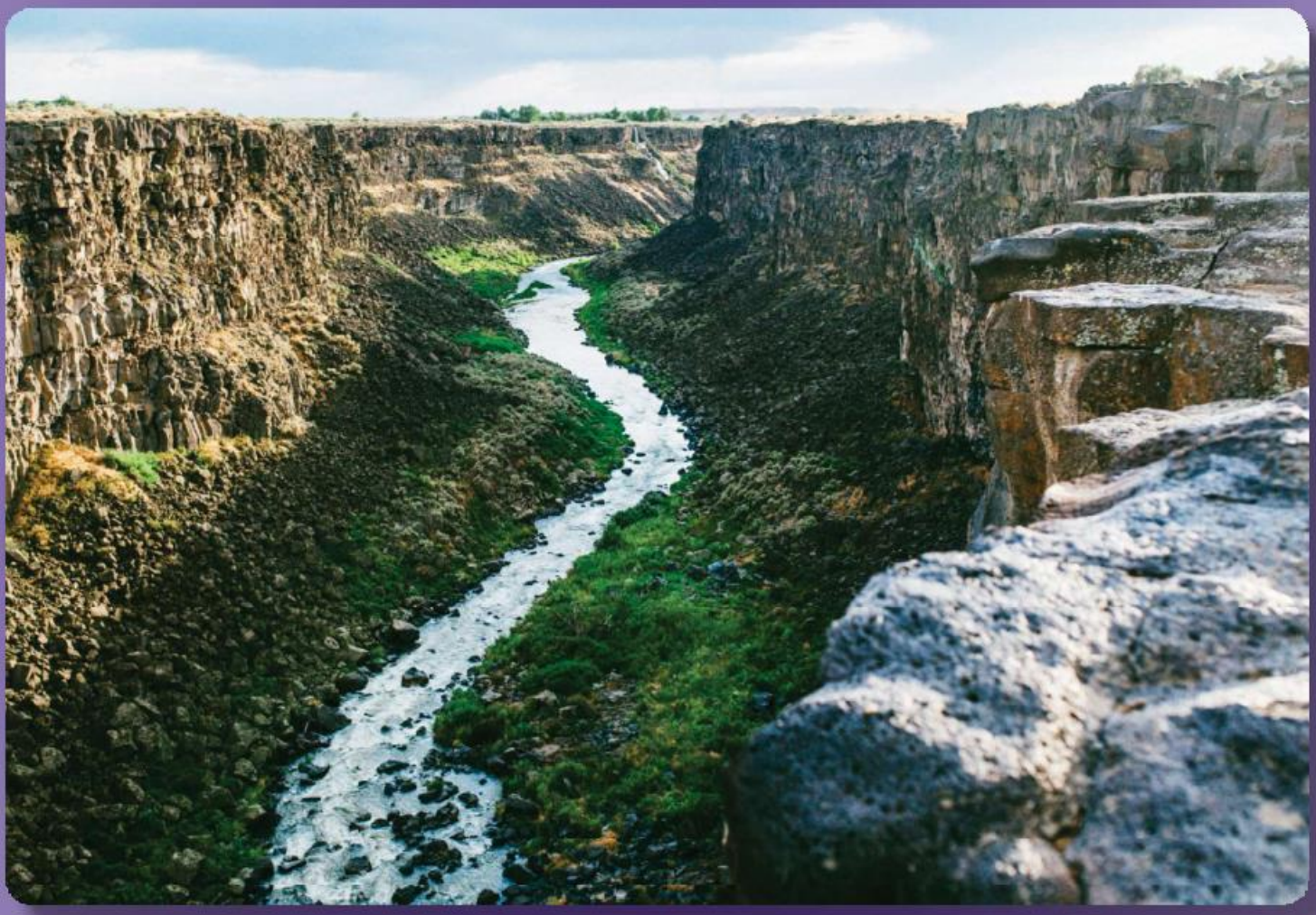
| | | Custodial |
|---|---|---|
| **ASSETS** | | |
| Cash and Cash Equivalents | $ | 23,491 |
| Pooled Cash and Investments | | 30,245 |
| Investments: | | |
| Fixed Income Investments | | 448,056 |
| Receivables: | | |
| Interest and Dividends | | 15 |
| **Total Assets** | $ | 501,807 |
| **LIABILITIES** | | |
| Accounts Payable | $ | 2,367 |
| Due to Other Entities | | 2,245 |
| Amounts Held in Trust to Others | | 493,066 |
| Amounts Held for Project Beneficiaries | | 5,374 |
| Other Accrued Liabilities | | (1,245) |
| **Total Liabilities** | $ | 501,807 |

# Combining Statement of Changes in Assets and Liabilities
# Agency Fund
# For the Fiscal Year Ended June 30, 2019

***(dollars in thousands)***

| | Balances June 30, 2018 As Restated | Additions | Deductions | Balances June 30, 2019 |
|---|---|---|---|---|
| **CUSTODIAL** | | | | |
| **Assets** | | | | |
| Cash and Cash Equivalents | $ 27,343 | $ 26,798 | $ 30,650 | $ 23,491 |
| Pooled Cash and Investments | 29,083 | 80,500 | 79,338 | 30,245 |
| Investments: | | | | |
| Fixed Income Investments | 428,854 | 448,056 | 428,854 | 448,056 |
| Receivables: | | | | |
| Unsettled Trades Receivable | 57 | | 57 | |
| Interest and Dividends | 60 | 135 | 180 | 15 |
| Interfund Receivables | | 12 | 12 | |
| Due from Other Entities | | 149 | 149 | |
| **Total Assets** | $ 485,397 | $ 555,650 | $ 539,240 | $ 501,807 |
| **Liabilities** | | | | |
| Accounts Payable | $ 446 | $ 2,367 | $ 446 | $ 2,367 |
| Due to Other Entities | 2,170 | 8,704 | 8,629 | 2,245 |
| Amounts Held for Others | 471,579 | 512,864 | 491,377 | 493,066 |
| Amounts Held for Project Beneficiaries | 12,477 | 8,564 | 15,667 | 5,374 |
| Other Accrued Liabilities | (1,275) | 23,383 | 23,353 | (1,245) |
| **Total Liabilities** | $ 485,397 | $ 555,882 | $ 539,472 | $ 501,807 |

# Statistical Section



Malad Gorge State Park

# INDEX TO THE STATISTICAL SECTION

Financial Trends - These schedules assist the reader in understanding the State's financial performance and well being over time.


Schedule 1 - Net Position by Component ..... 170
Schedule 2 - Changes in Net Position ..... 172
Schedule 3 - Fund Balances - Governmental Funds ..... 174
Schedule 4 - Changes in Fund Balances - Governmental Funds ..... 176


Revenue Capacity Information - These schedules assist the reader in evaluating the State's capacity to raise revenue to cover expenditures.


Schedule 5 - Revenue Base ..... 178
Schedule 6 - Revenue Rates ..... 180
Schedule 7 - Revenue Payers by Industry/Category ..... 182


Debt Capacity Information - These schedules assist the reader in evaluating the State's outstanding debt, the capacity to repay that debt, and the ability to issue additional debt in the future.


Schedule 8 - Outstanding Debt Ratios ..... 184
Schedule 9 - Other Long-Term Liabilities ..... 185
Schedule 10 - Pledged Revenue Coverage ..... 186


Demographic and Economic Information - These schedules provide the reader with trend information on the size and economic health of the State.


Schedule 11 - Demographic and Economic Indicators ..... 188
Schedule 12 - Principal Employers ..... 190
Schedule 13 - Education Enrollment ..... 190


Operating Information - These schedules assist the reader in evaluating the size and productivity of the state government.


Schedule 14 - State Employees by Function ..... 191
Schedule 15 - Operating Indicators by Function ..... 192
Schedule 16 - Capital Assets by Function ..... 194


Miscellaneous Statistics - This information may provide the reader with more insight into the State's financial and demographic status.


Schedule 17 - Assets, Liabilities, and Fund Balances - General Fund Accounts ..... 196
Schedule 18 - Revenues, Expenditures, and Changes in Fund Balances - General Fund Accounts ..... 198
Schedule 19 - Miscellaneous Statistics ..... 200


Sources: Unless otherwise noted, the information in the following schedules is derived from the State's Comprehensive Annual Financial Report.

Note: The schedules presented in the Statistical Section are not audited, and component unit data is not included.

## Schedule 1 - Net Position by Component

### Fiscal Years 2010-2019

*(accrual basis of accounting, dollars in thousands)*

| | 2010 (as restated) | 2011 (as restated) | 2012 (as restated) | 2013 (as restated) | 2014 (as restated) | 2015 (as restated) |
|---|---|---|---|---|---|---|
| **Governmental Activities** | | | | | | |
| Net Investment in Capital Assets | $ 4,883,824 | $ 5,115,567 | $ 5,218,008 | $ 5,325,732 | $ 5,447,960 | $ 5,638,703 |
| Restricted[1] | 1,783,407 | 2,086,004 | 2,134,426 | 2,291,548 | 2,619,433 | 2,885,392 |
| Unrestricted[2] | 576,666 | 444,322 | 529,948 | 748,869 | 737,576 | 893,542 |
| **Total Governmental Activities Net Position** | **$ 7,243,897** | **$ 7,645,893** | **$ 7,882,382** | **$ 8,366,149** | **$ 8,804,969** | **$ 9,417,637** |
| **Business-Type Activities** | | | | | | |
| Net Investment in Capital Assets | $ 607,694 | $ 656,020 | $ 695,405 | $ 736,734 | $ 746,473 | $ 749,873 |
| Restricted[3] | 604,851 | 769,555 | 901,322 | 986,730 | 1,130,154 | 1,222,537 |
| Unrestricted[4,5] | 193,029 | 194,366 | 251,804 | 261,432 | 226,545 | 291,420 |
| **Total Business-Type Activities Net Position** | **$ 1,405,574** | **$ 1,619,941** | **$ 1,848,531** | **$ 1,984,896** | **$ 2,103,172** | **$ 2,263,830** |
| **Primary Government** | | | | | | |
| Net Investment in Capital Assets | $ 5,491,518 | $ 5,771,587 | $ 5,913,413 | $ 6,062,466 | $ 6,194,433 | $ 6,388,576 |
| Restricted | 2,388,258 | 2,855,559 | 3,035,748 | 3,278,278 | 3,749,587 | 4,107,929 |
| Unrestricted | 769,695 | 638,688 | 781,752 | 1,010,301 | 964,121 | 1,184,962 |
| **Total Primary Government Net Position** | **$ 8,649,471** | **$ 9,265,834** | **$ 9,730,913** | **$ 10,351,045** | **$ 10,908,141** | **$ 11,681,467** |

[1]In fiscal year (FY) 2010 and FY2011, net position increased primarily due to the increase in federal grant revenue from the American Recovery and Reinvestment Act. In FY2012, net position increased due to lower Medicaid and rehabilitation service costs. In FY2013-2017, net position increased primarily due to the increase in fair market value of investments, primarily related to the Land Endowment fund.

[2]Large fluctuations in governmental activities unrestricted net position balances occurred primarily as income tax and sales tax revenues increased and decreased due to significant changes in economic conditions.

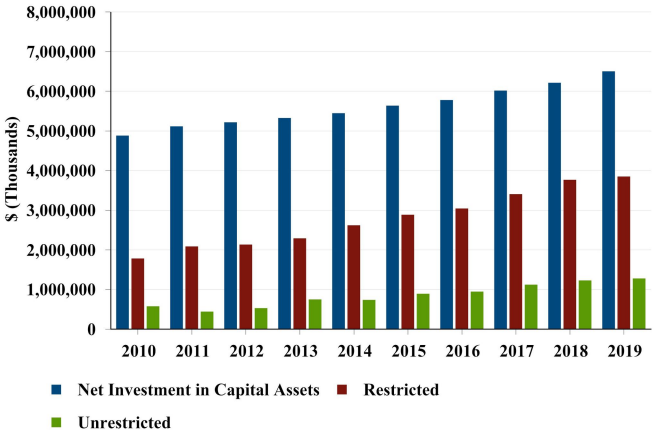
[3]Increases and decreases of business-type activities restricted net position were primarily due to increases in unemployment compensation assessment collections and/or decreases in unemployment claims related to changes in economic conditions.

[4]FY2012 and FY2015 net position increased primarily due to increased student tuition and fees for the colleges and universities.

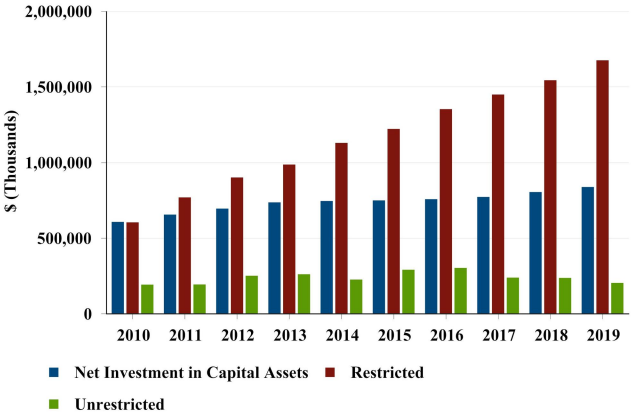
[5]FY2019 net position decreased due to removal of Eastern Idaho Technical College (EITC) from the reporting entity and prior period adjustments due to OPEB.

| 2016 (as restated) | 2017 (as restated) | 2018 (as restated) | 2019 |
|---|---|---|---|
| $ 5,777,987 | $ 6,018,594 | $ 6,215,298 | $ 6,504,003 |
| 3,043,809 | 3,406,489 | 3,767,494 | 3,849,394 |
| 947,045 | 1,122,934 | 1,229,977 | 1,277,840 |
| **$ 9,768,841** | **$ 10,548,017** | **$ 11,212,769** | **$ 11,631,237** |
| $ 758,031 | $ 772,823 | $ 804,989 | $ 838,384 |
| 1,353,036 | 1,449,554 | 1,544,643 | 1,675,978 |
| 303,825 | 239,141 | 237,345 | 204,554 |
| **$ 2,414,892** | **$ 2,461,518** | **$ 2,586,977** | **$ 2,718,916** |
| $ 6,536,018 | $ 6,791,417 | $ 7,020,287 | $ 7,342,387 |
| 4,396,845 | 4,856,043 | 5,312,137 | 5,525,372 |
| 1,250,870 | 1,362,075 | 1,467,322 | 1,482,394 |
| **$ 12,183,733** | **$ 13,009,535** | **$ 13,799,746** | **$ 14,350,153** |

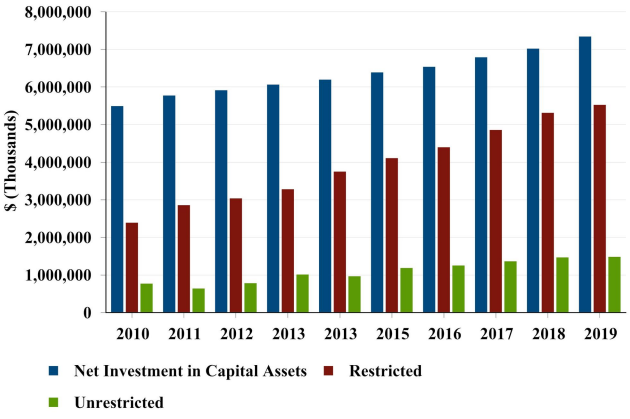
**Governmental Activities Net Position by Component**
**Fiscal Years 2010-2019**




**Business-Type Activities Net Position by Component**
**Fiscal Years 2010-2019**




**Primary Government Net Position by Component**
**Fiscal Years 2010-2019**



## Schedule 2 - Changes in Net Position

### Fiscal Years 2010-2019

*(accrual basis of accounting, dollars in thousands)*

| | 2010 (as restated) | 2011 (as restated) | 2012 (as restated) | 2013 (as restated) | 2014 (as restated) | 2015 (as restated) |
|---|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | | |
| **Expenses** | | | | | | |
| General Government[1,2] | $ 548,757 | $ 426,506 | $ 413,832 | $ 440,769 | $ 848,508 | $ 548,518 |
| Public Safety and Correction[1] | 320,423 | 296,034 | 335,493 | 352,409 | 364,998 | 387,694 |
| Health and Human Services[3] | 2,092,319 | 2,577,700 | 2,396,437 | 2,545,283 | 2,595,727 | 2,751,283 |
| Education[1] | 1,830,608 | 1,777,026 | 1,712,567 | 1,707,233 | 1,756,231 | 1,845,144 |
| Economic Development[9] | 799,054 | 829,130 | 820,530 | 806,801 | 810,023 | 761,384 |
| Natural Resources | 241,508 | 241,203 | 264,080 | 244,032 | 236,614 | 269,706 |
| Interest Expense[12] | 45,782 | 50,773 | 50,372 | 49,961 | 51,600 | 46,860 |
| Total Expenses | 5,878,451 | 6,198,372 | 5,993,311 | 6,146,488 | 6,663,701 | 6,610,589 |
| **Program Revenues** | | | | | | |
| Charges for Services: | | | | | | |
| General Government[10] | 79,833 | 109,387 | 97,411 | 104,973 | 90,314 | 227,915 |
| Economic Development | 239,107 | 248,199 | 266,320 | 252,221 | 271,894 | 287,525 |
| Natural Resources | 127,037 | 133,317 | 159,633 | 151,126 | 175,271 | 256,344 |
| Other Activities[4] | 76,575 | 163,505 | 118,255 | 127,082 | 161,452 | 181,054 |
| Operating Grants and Contributions[5] | 2,935,393 | 3,160,919 | 2,664,743 | 2,828,808 | 2,941,720 | 2,851,144 |
| Capital Grants and Contributions | 4,660 | 6,058 | 2,568 | 10,492 | 5,317 | 2,832 |
| Total Program Revenues | 3,462,605 | 3,821,385 | 3,308,930 | 3,474,702 | 3,645,968 | 3,806,814 |
| **Total Governmental Activities Net Program Expense** | (2,415,846) | (2,376,987) | (2,684,381) | (2,671,786) | (3,017,733) | (2,803,775) |
| **General Revenues and Other Changes in Net Position** | | | | | | |
| Taxes: | | | | | | |
| Sales Tax[6] | 1,127,013 | 1,165,095 | 1,213,623 | 1,315,002 | 1,400,547 | 1,444,781 |
| Individual and Corporate Taxes[6] | 1,242,032 | 1,296,558 | 1,390,226 | 1,533,850 | 1,739,957 | 1,686,455 |
| Fuel Tax | 221,142 | 231,732 | 216,249 | 237,647 | 262,479 | 243,826 |
| Other Taxes | 186,130 | 227,075 | 240,757 | 220,507 | 213,434 | 220,442 |
| Tobacco Settlement | 26,120 | 24,576 | 21,103 | 24,912 | 27,450 | 24,183 |
| Unrestricted Investment Earnings | 16,800 | 18,516 | 17,365 | 19,142 | 14,374 | 10,452 |
| Transfers | (206,246) | (184,569) | (178,453) | (195,507) | (201,688) | (213,696) |
| Total General Revenues and Other Changes in Net Position | 2,612,991 | 2,778,983 | 2,920,870 | 3,155,553 | 3,456,553 | 3,416,443 |
| **Total Governmental Activities Change in Net Position** | **$ 197,145** | **$ 401,996** | **$ 236,489** | **$ 483,767** | **$ 438,820** | **$ 612,668** |
| **Business-Type Activities:** | | | | | | |
| **Expenses** | | | | | | |
| College and University | $ 898,012 | $ 923,760 | $ 969,419 | $ 989,412 | $ 1,054,726 | $ 1,015,707 |
| Unemployment Compensation[6] | 666,808 | 482,087 | 358,283 | 251,016 | 142,524 | 110,597 |
| Loan | 9,624 | 14,571 | 7,112 | 6,480 | 7,565 | 9,604 |
| State Lottery | 110,204 | 112,003 | 134,055 | 150,599 | 163,295 | 165,445 |
| State Liquor | 118,022 | 117,039 | 123,656 | 134,117 | 141,467 | 143,469 |
| Correctional Industries | 6,553 | 6,727 | 8,030 | 7,560 | 8,755 | 8,155 |
| Total Expenses | 1,809,223 | 1,656,187 | 1,600,555 | 1,539,184 | 1,518,332 | 1,452,977 |
| **Revenues** | | | | | | |
| Charges for Services: | | | | | | |
| College and University | 368,504 | 405,450 | 436,208 | 445,649 | 459,380 | 489,740 |
| Unemployment Compensation[7] | 255,278 | 337,479 | 351,781 | 314,630 | 258,072 | 203,794 |
| State Lottery[11] | 147,931 | 147,849 | 176,547 | 198,169 | 209,642 | 210,940 |
| Other Activities[11,13] | 156,407 | 160,749 | 175,435 | 180,645 | 185,082 | 196,043 |
| Operating Grants and Contributions[8] | 637,456 | 606,597 | 485,777 | 383,575 | 305,150 | 282,646 |
| Capital Grants and Contributions | 44,094 | 27,861 | 24,944 | 38,364 | 17,594 | 16,776 |
| Total Revenues | 1,609,670 | 1,685,985 | 1,650,692 | 1,561,032 | 1,434,920 | 1,399,939 |
| **Total Business-Type Activities Net Program Revenue (Expense)** | (199,553) | 29,798 | 50,137 | 21,848 | (83,412) | (53,038) |
| **General Revenues and Other Changes in Net Position** | | | | | | |
| Special Item | | | | (80,990) | | |
| Transfers | 206,246 | 184,569 | 178,453 | 195,507 | 201,688 | 213,696 |
| Total General Revenues and Other Changes in Net Position | 206,246 | 184,569 | 178,453 | 114,517 | 201,688 | 213,696 |
| **Total Business-Type Activities Change in Net Position** | **$ 6,693** | **$ 214,367** | **$ 228,590** | **$ 136,365** | **$ 118,276** | **$ 160,658** |
| **Total Primary Government Change in Net Position** | **$ 203,838** | **$ 616,363** | **$ 465,079** | **$ 620,132** | **$ 557,096** | **$ 773,326** |

[1]In fiscal year (FY) 2011 most expenses decreased due to effects of the national recession.

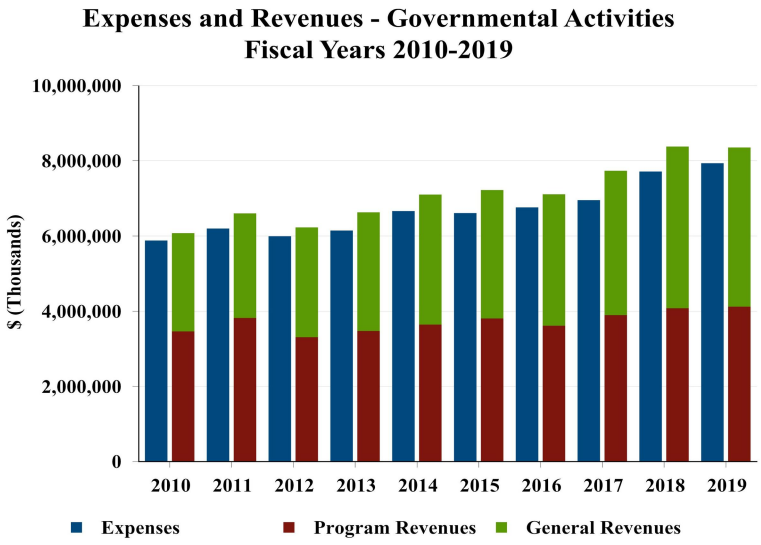
[2]In FY2013 expenses increased primarily due to an increase in lease payments to the Idaho State Building Authority. In FY2014 prior period adjustments were made due to the implementation of GASB Statements No. 68 & 71 in FY2015.

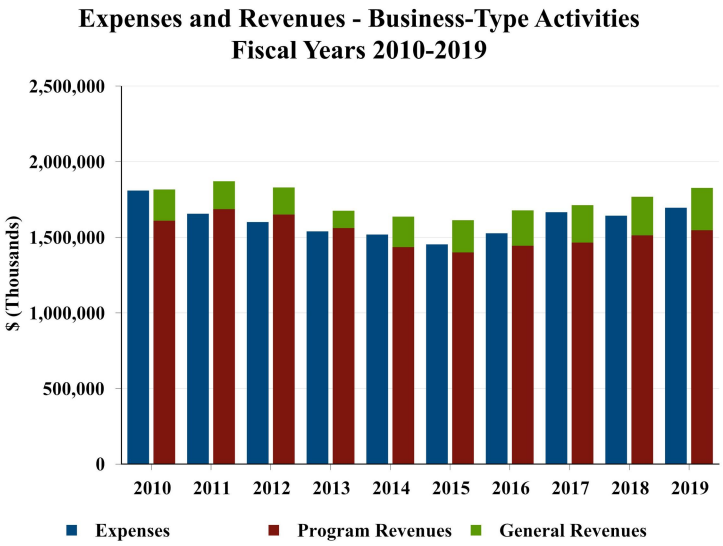
[3]In FY2011-2016 expenses for health and human services fluctuated due to changes in medical assistance payments related to Medicaid and rehabilitation services payments.

[4]In FY2010 and FY2011 fluctuations in other activities revenue were caused by a change in the way revenue is recorded. In FY2012 Department of Health & Welfare grant revenue decreased due to a reduction in American Recovery and Reinvestment Act funding.

[5]In FY2010-2012 amounts shifted primarily because of changes in the American Recovery and Reinvestment Act stimulus funding. In FY2013 revenues from operating grants and contributions increased primarily due to an increase in the fair market value of Endowment Fund Investment Board investments and interest income. In FY2016 operating grant revenue decreased primarily due to decreased federal highway funds, slippages in the fair market value of Endowment Fund Investment Board investments, and decreased health and human services grant revenue due to the timing of federal reimbursements for expenses.

| 2016 (as restated) | 2017 (as restated) | 2018 (as restated) | 2019 |
|---|---|---|---|
| $ 505,318 | $ 559,044 | $ 542,391 | $ 644,708 |
| 402,437 | 410,975 | 439,116 | 466,263 |
| 2,697,385 | 2,668,755 | 3,079,063 | 3,048,267 |
| 1,956,032 | 2,090,661 | 2,229,172 | 2,325,261 |
| 866,345 | 903,462 | 1,068,663 | 1,047,957 |
| 287,853 | 305,400 | 303,441 | 314,839 |
| 45,271 | 15,879 | 52,271 | 87,846 |
| 6,760,641 | 6,954,176 | 7,714,117 | 7,935,141 |
| | | | |
| 178,132 | 252,281 | 103,489 | 149,788 |
| 333,616 | 343,285 | 384,872 | 348,716 |
| 217,958 | 225,920 | 232,380 | 244,634 |
| 197,393 | 192,525 | 173,492 | 124,372 |
| 2,676,844 | 2,869,284 | 3,180,624 | 3,250,723 |
| 11,021 | 12,425 | 4,321 | 3,144 |
| 3,614,964 | 3,895,720 | 4,079,178 | 4,121,377 |
| (3,145,677) | (3,058,456) | (3,634,939) | (3,813,764) |
| | | | |
| 1,580,542 | 1,636,125 | 1,805,363 | 1,899,088 |
| 1,518,740 | 1,848,281 | 2,091,958 | 1,958,640 |
| 357,858 | 331,399 | 350,134 | 341,559 |
| 229,430 | 231,294 | 246,585 | 249,696 |
| 25,297 | 22,964 | 23,639 | 21,014 |
| 18,735 | 14,869 | 37,352 | 42,239 |
| (233,721) | (247,300) | (255,340) | (280,004) |
| 3,496,881 | 3,837,632 | 4,299,691 | 4,232,232 |
| **$ 351,204** | **$ 779,176** | **$ 664,752** | **$ 418,468** |
| | | | |
| $ 1,063,222 | $ 1,185,061 | $ 1,155,209 | $ 1,169,944 |
| 108,187 | 108,022 | 86,600 | 89,446 |
| 7,537 | 8,119 | 6,448 | 10,122 |
| 185,115 | 192,314 | 211,916 | 228,352 |
| 153,901 | 163,270 | 172,786 | 184,756 |
| 8,960 | 9,112 | 9,429 | 12,145 |
| 1,526,922 | 1,665,898 | 1,642,388 | 1,694,765 |
| | | | |
| 491,169 | 489,375 | 506,484 | 515,194 |
| 189,219 | 189,816 | 163,839 | 150,267 |
| 236,819 | 240,686 | 265,811 | 288,617 |
| 218,024 | 227,837 | 231,065 | 257,696 |
| 291,830 | 293,977 | 301,757 | 305,727 |
| 17,200 | 23,533 | 43,551 | 29,199 |
| 1,444,261 | 1,465,224 | 1,512,507 | 1,546,700 |
| (82,661) | (200,674) | (129,881) | (148,065) |
| | | | |
| 233,723 | 247,300 | 255,340 | 280,004 |
| 233,723 | 247,300 | 255,340 | 280,004 |
| **$ 151,062** | **$ 46,626** | **$ 125,459** | **$ 131,939** |
| **$ 502,266** | **$ 825,802** | **$ 790,211** | **$ 550,407** |




[6]Increases and decreases are due to the degradation and improvement of economic conditions and the changes in employment and personal income levels.
[7]In FY2010-2012 unemployment compensation revenues increased due to increased assessment collections for unemployment benefits. In FY2013-2014 revenues decreased due to a lower employer contribution rate.
[8]In FY2010 operating grants and contributions grew because of increased federal grant revenue for unemployment benefits.
[9]In FY2016 economic development expenses rose primarily due to an increased number of state and local highway infrastructure improvements.
[10]In FY2015 the increase was due, in part, to a building transfer from the Idaho State Building Authority to the Idaho Department of Administration and due to the state receiving significant revenue from court settlements. In FY2016 the decrease in general government program revenues are due, in part, to falling revenue from charges for services.
[11]In FY2016 nonmajor enterprise funds net position improved primarily in consequence of increased lottery ticket and liquor sales.
[12]In FY2019 interest expense increased due to recording of the current interest payable for GARVEE notes payable.
[13]In FY2019 revenues increased primarily due to liquor sales.

## Schedule 3 - Fund Balances - Governmental Funds

### Fiscal Years 2010-2019

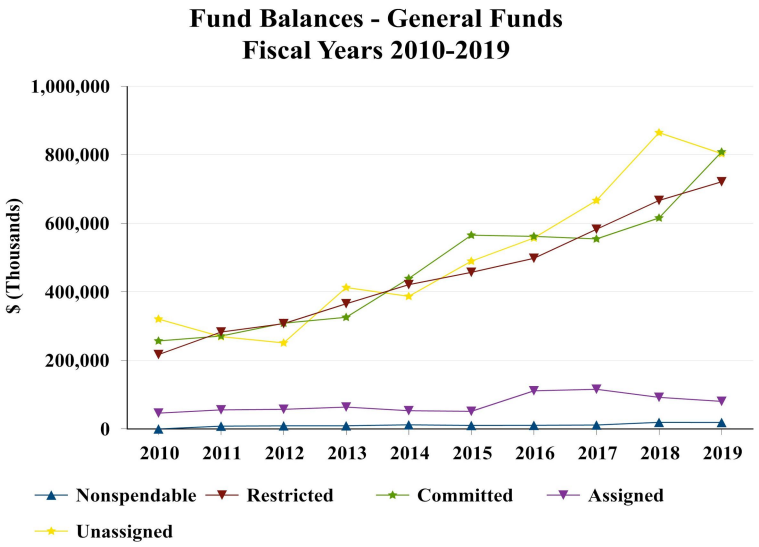
*(modified accrual basis of accounting, dollars in thousands)*

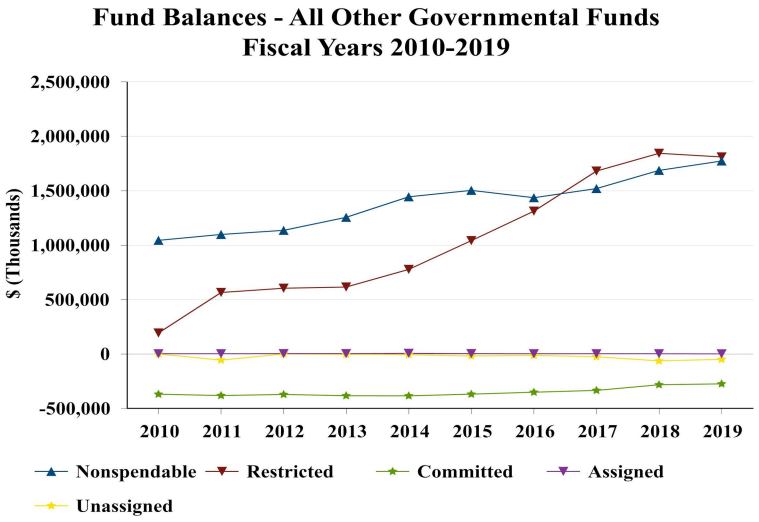
| | 2010 (as restated) | 2011 (as restated) | 2012 (as restated) | 2013 (as restated) | 2014 (as restated) | 2015 (as restated) |
|---|---|---|---|---|---|---|
| **General Fund** | | | | | | |
| Nonspendable | | $ 7,922 | $ 8,837 | $ 9,292 | $ 12,012 | $ 10,294 |
| Restricted[1] | $ 130,261 | 169,753 | 184,437 | 219,270 | 252,627 | 274,121 |
| Committed[2] | 154,168 | 162,583 | 185,098 | 195,479 | 263,443 | 339,169 |
| Assigned[7] | 45,936 | 55,778 | 57,271 | 63,806 | 53,086 | 51,357 |
| Unassigned[3] | 320,487 | 269,251 | 251,023 | 412,738 | 387,161 | 489,495 |
| **Total General Fund** | 650,852 | 665,287 | 686,666 | 900,585 | 968,329 | 1,164,436 |
| | | | | | | |
| **All Other Governmental Funds** | | | | | | |
| Nonspendable[4] | 1,043,787 | 1,097,816 | 1,135,746 | 1,255,497 | 1,443,868 | 1,503,337 |
| Restricted[5] | 462,036 | 709,985 | 735,879 | 742,849 | 851,410 | 1,027,465 |
| Committed | 86,434 | 78,794 | 85,124 | 77,505 | 76,970 | 87,298 |
| Assigned | 1,320 | 1,651 | 2,238 | 2,689 | 5,271 | 2,201 |
| Unassigned[6] | | (57,026) | | (4,262) | (6,533) | (18,822) |
| **Total All Other Governmental Funds** | 1,593,577 | 1,831,220 | 1,958,987 | 2,074,278 | 2,370,986 | 2,601,479 |
| **Total Fund Balances - Governmental Funds** | **$ 2,244,429** | **$ 2,496,507** | **$ 2,645,653** | **$ 2,974,863** | **$ 3,339,315** | **$ 3,765,915** |

Note: GASB Statement No. 54 was implemented in fiscal year 2011. The standard required the reclassification of fund balances. Prior years have been restated.

[1]Increases and decreases in the General Fund restricted fund balance in each fiscal year occurred primarily due to changes in sales tax revenue caused by prevailing economic conditions.
[2]Fluctuations in the General Fund committed fund balance in each fiscal year resulted primarily from changes in personal and corporate income tax revenue. Significant variances occurred in response to prevailing economic conditions.
[3]Increases and decreases in the General Fund unassigned fund balance resulted from surging and weakening economic conditions.
[4]Large changes in the Governmental Funds nonspendable fund balance occurred primarily because of significant variances in Land Endowment fund fair market value.
[5]In FY2011 the fund balance increased largely due to receiving American Recovery and Reinvestment Act funds for the Idaho Transportation Department. In FY2016 the fund balance increased primarily due to mandated increases to personal and commercial vehicle registration fees and in the motor fuels tax rate as a result of House Bill 312 passing in 2015.
[6]In FY2011 and FY2013-2019 the Department of Health and Welfare reported a negative unassigned fund balance due to increased expenditures for health and human services.
[7]In FY2016 the assigned fund balance increased primarily due to significant amount of funds that were allocated to the Fire Suppression - Deficiency fund. In FY2019, the assigned fund balance decreased primarily due to a decrease in the Fire Suppression - Deficiency fund.

| 2016 (as restated) | 2017 (as restated) | 2018 (as restated) | 2019 |
|---|---|---|---|
| $ 10,580 | $ 11,307 | $ 19,289 | $ 18,791 |
| 298,798 | 349,697 | 399,972 | 432,728 |
| 337,231 | 332,704 | 369,516 | 484,934 |
| 111,168 | 115,618 | 92,124 | 80,404 |
| 557,280 | 666,848 | 864,625 | 803,277 |
| 1,315,057 | 1,476,174 | 1,745,526 | 1,820,134 |
| | | | |
| 1,435,060 | 1,519,909 | 1,686,989 | 1,773,347 |
| 1,208,118 | 1,453,421 | 1,562,178 | 1,539,739 |
| 99,202 | 110,143 | 144,873 | 150,335 |
| 1,949 | 1,655 | 1,507 | 1,087 |
| (13,597) | (26,550) | (63,860) | (49,507) |
| 2,730,732 | 3,058,578 | 3,331,687 | 3,415,001 |
| **$ 4,045,789** | **$ 4,534,752** | **$ 5,077,213** | **$ 5,235,135** |



## Schedule 4 - Changes in Fund Balances - Governmental Funds

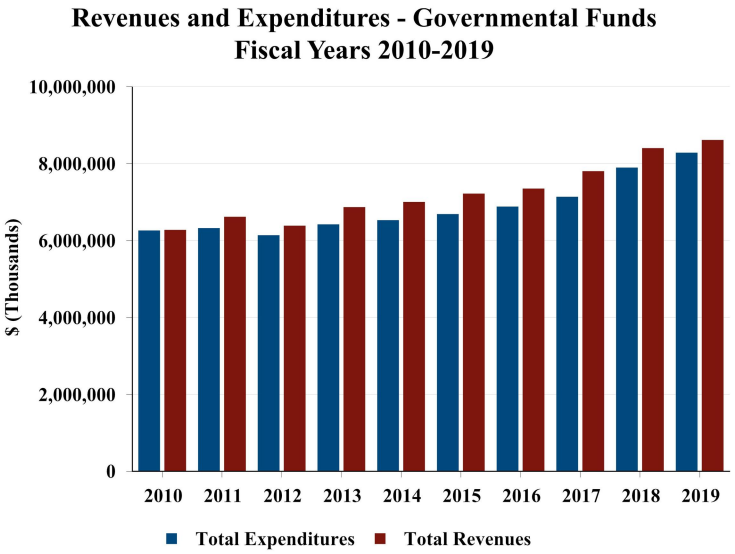
### Fiscal Years 2010-2019

*(modified accrual basis of accounting, dollars in thousands)*

| | 2010 (as restated) | 2011 (as restated) | 2012 (as restated) | 2013 (as restated) | 2014 (as restated) | 2015 (as restated) |
|---|---|---|---|---|---|---|
| **Revenues** | | | | | | |
| Sales Tax[1] | $ 1,122,384 | $ 1,163,526 | $ 1,214,491 | $ 1,318,383 | $ 1,379,105 | $ 1,462,022 |
| Individual and Corporate Taxes[2] | 1,228,463 | 1,288,869 | 1,389,291 | 1,531,975 | 1,497,935 | 1,684,680 |
| Other Taxes[9] | 409,924 | 459,162 | 456,720 | 458,291 | 470,226 | 469,780 |
| Licenses, Permits, and Fees | 275,018 | 296,827 | 310,828 | 317,854 | 325,172 | 354,894 |
| Sale of Goods and Services | 137,947 | 168,369 | 198,438 | 237,268 | 260,489 | 288,388 |
| Grants and Contributions[3] | 2,808,307 | 2,850,294 | 2,638,570 | 2,695,371 | 2,658,143 | 2,706,506 |
| Investment Income[4] | 191,596 | 302,488 | 51,264 | 217,357 | 324,835 | 78,412 |
| Tobacco Settlement | 25,990 | 24,445 | 24,922 | 24,912 | 27,450 | 24,183 |
| Other Income | 78,565 | 65,361 | 101,828 | 69,185 | 61,016 | 151,062 |
| Total Revenues | 6,278,194 | 6,619,341 | 6,386,352 | 6,870,596 | 7,004,371 | 7,219,927 |
| **Expenditures** | | | | | | |
| General Government[5] | 208,784 | 172,779 | 157,283 | 168,253 | 197,639 | 195,667 |
| Public Safety and Correction | 284,457 | 284,208 | 302,809 | 324,717 | 338,865 | 359,132 |
| Health and Human Services[6] | 2,111,265 | 2,346,165 | 2,329,848 | 2,544,890 | 2,561,572 | 2,573,782 |
| Education[5] | 1,810,276 | 1,768,616 | 1,687,084 | 1,685,252 | 1,733,263 | 1,821,633 |
| Economic Development | 416,776 | 418,866 | 392,242 | 420,668 | 418,525 | 414,307 |
| Natural Resources | 214,291 | 213,912 | 215,354 | 210,376 | 223,017 | 237,478 |
| Capital Outlay[5,7,13] | 677,097 | 574,305 | 501,522 | 497,087 | 468,817 | 485,276 |
| Intergovernmental Revenue Sharing | 459,716 | 448,249 | 453,799 | 471,269 | 488,585 | 505,017 |
| Debt Service: | | | | | | |
| Principal | 33,222 | 45,871 | 47,954 | 49,679 | 52,334 | 48,362 |
| Interest | 46,648 | 51,689 | 50,804 | 49,100 | 48,926 | 48,458 |
| Total Expenditures | 6,262,532 | 6,324,660 | 6,138,699 | 6,421,291 | 6,531,543 | 6,689,112 |
| Revenues Over (Under) Expenditures | 15,662 | 294,681 | 247,653 | 449,305 | 472,828 | 530,815 |
| **Other Financing Sources (Uses)** | | | | | | |
| Bonds and Notes Issued[10,12] | 163,562 | 125,862 | 146,219 | 61,347 | 65,457 | 53,935 |
| Issuance of Refunding Bonds | | | | 10,945 | | |
| Premium/(Discount) on Bonds Issued | | | 7,219 | 1,304 | | |
| Payment to Refunded Bond Escrow Agent[8] | | | (88,044) | (11,441) | | |
| Capital Lease Acquisitions | 23,745 | 2,603 | | 178 | 9 | 90 |
| Sale of Capital Assets[11] | 13,436 | 14,462 | 16,871 | 15,414 | 30,382 | 57,988 |
| Transfers In | 630,563 | 678,794 | 815,041 | 858,585 | 855,318 | 872,222 |
| Transfers Out | (836,960) | (864,324) | (995,813) | (1,056,427) | (1,059,542) | (1,088,450) |
| Total Other Financing Sources (Uses) | (5,654) | (42,603) | (98,507) | (120,095) | (108,376) | (104,215) |
| **Net Changes in Fund Balances** | **$ 10,008** | **$ 252,078** | **$ 149,146** | **$ 329,210** | **$ 364,452** | **$ 426,600** |
| Debt Service as a Percentage of Noncapital Expenditures | 1.3 | 1.7 | 1.7 | 1.6 | 1.6 | 1.5 |

[1]Sales tax revenue changed in response to fluctuating levels of employment and personal income.
[2]Individual and corporate income tax revenues increased and decreased due to the relative strengthening and weakening of the economy.
[3]In FY2010-2011 grants and contributions increased primarily due to American Recovery and Reinvestment Act funds for health, transportation, and education.
[4]Investment income increased and decreased primarily due to changes in the fair values of investments in the Land Endowment fund.
[5]In FY2011 and FY2012 decreases in expenditures were necessary to balance the State's budget.
[6]In FY2010-2013 health and human services expenditures increased and decreased due to changes in medical assistance payments related to Medicaid and rehabilitation services.

| 2016 (as restated) | 2017 (as restated) | 2018 (as restated) | 2019 |
|---|---|---|---|
| $ 1,579,729 | $ 1,637,840 | $ 1,805,640 | $ 1,898,996 |
| 1,696,834 | 1,854,375 | 2,086,130 | 2,001,934 |
| 587,439 | 562,787 | 596,308 | 592,109 |
| 390,258 | 405,663 | 418,807 | 442,549 |
| 272,024 | 250,403 | 263,897 | 203,106 |
| 2,678,121 | 2,703,724 | 2,884,057 | 3,087,193 |
| 34,552 | 311,974 | 259,196 | 288,921 |
| 25,297 | 22,964 | 23,639 | 21,014 |
| 88,132 | 54,481 | 66,367 | 79,893 |
| 7,352,386 | 7,804,211 | 8,404,041 | 8,615,715 |
| | | | |
| 203,783 | 208,067 | 224,707 | 238,615 |
| 369,982 | 383,070 | 407,550 | 436,675 |
| 2,622,307 | 2,672,573 | 2,858,524 | 2,945,767 |
| 1,938,123 | 2,064,432 | 2,210,786 | 2,307,345 |
| 425,407 | 445,357 | 491,977 | 464,069 |
| 248,671 | 256,845 | 271,792 | 279,452 |
| 441,430 | 443,857 | 699,051 | 799,927 |
| 547,772 | 580,565 | 637,531 | 707,365 |
| | | | |
| 38,946 | 40,564 | 41,680 | 42,961 |
| 47,409 | 44,397 | 52,855 | 62,143 |
| 6,883,830 | 7,139,727 | 7,896,453 | 8,284,319 |
| 468,556 | 664,484 | 507,588 | 331,396 |
| | | | |
| 12,270 | | 229,040 | 73,914 |
| | | | (30,850) |
| | | 1,765 | 4,326 |
| | | | (320) |
| 7 | 19 | 292 | 5,442 |
| 47,642 | 73,498 | 60,858 | 38,733 |
| 902,365 | 977,802 | 1,007,860 | 1,122,930 |
| (1,150,966) | (1,226,840) | (1,264,942) | (1,387,649) |
| (188,682) | (175,521) | 34,873 | (173,474) |
| **$ 279,874** | **$ 488,963** | **$ 542,461** | **$ 157,922** |
| 1.3 | 1.2 | 1.2 | 1.3 |




[7]In FY2010 capital outlay expenditures increased mainly due to transportation infrastructure and state building expenses.
[8]In FY2012 and FY2013 the Idaho State Building Authority defeased bond debt to achieve better interest rates.
[9]In FY2016 other taxes increased mainly due to an increase in the motor fuels tax rate as a result of the passage of House Bill 312 in 2015. The additional funds are to be used exclusively for the maintenance of bridges and roads and replacement projects at the state and local levels.
[10]In FY2016 the decrease in bonds and notes issued is primarily due to a large decrease in issued GARVEE bonds revenue.
[11]In FY2017 the increase in sale of capital assets is primarily due to the sale of state owned commercial properties. In FY2019 the decrease is primarily due to the state slowing the sale of its commercial properties.
[12]In FY2019 ISBA decreased the amount of bonds issued.
[13]In FY2019 capital outlay expenditures increased primarily due to land endowments.

## Schedule 5 - Revenue Base

**Fiscal/Calendar Years 2010-2019** *(dollars in thousands)*

| **Taxable Sales by Industry**[1] | **Fiscal Year** | | | | | |
|---|---|---|---|---|---|---|
| | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** |
| Commercial Farms[2] | $ 9,005 | $ 10,847 | $ 14,204 | $ 11,733 | $ 11,756 | $ 16,197 |
| Agricultural/Forestry, Fishing, and Other | 101,936 | 94,138 | 100,206 | 106,731 | 112,719 | 124,776 |
| Mining | 43,224 | 43,947 | 47,130 | 52,671 | 55,851 | 53,947 |
| Construction | 427,769 | 409,010 | 489,893 | 434,218 | 422,849 | 490,734 |
| Manufacturing | 755,948 | 996,988 | 819,403 | 807,950 | 844,024 | 924,586 |
| Transportation and Public Utilities | 361,995 | 700,557 | 546,466 | 705,692 | 543,205 | 555,498 |
| Wholesale Trade | 1,632,262 | 1,641,485 | 1,765,478 | 2,033,097 | 2,281,830 | 2,573,395 |
| Retail Trade | 13,360,965 | 12,752,289 | 13,221,360 | 14,568,624 | 15,057,644 | 16,080,503 |
| Information[3] | | | | | | |
| Finance, Insurance, and Real Estate | 136,907 | 133,522 | 136,687 | 142,282 | 157,134 | 183,317 |
| Services | 2,213,003 | 2,099,385 | 2,101,112 | 2,225,229 | 2,367,364 | 2,584,259 |
| State and Local Government | 680,446 | 657,345 | 646,121 | 751,309 | 811,377 | 868,951 |
| Unclassified | | | | | | |
| Unpermitted[4] | | | | | | |
| **Total Taxable Sales** | **$ 19,723,460** | **$ 19,539,513** | **$ 19,888,060** | **$ 21,839,536** | **$ 22,665,753** | **$ 24,456,163** |
| **Direct Sales Tax Rate** | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |
| **Personal Income by Industry**[5] | **Calendar Year** | | | | | |
| | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** |
| Farm Earnings | $ 1,420,080 | $ 2,040,643 | $ 2,061,286 | $ 2,357,028 | $ 2,446,452 | $ 2,274,358 |
| Agricultural/Forestry, Fishing, and Other | 384,458 | 383,019 | 410,976 | 454,523 | 476,689 | 502,537 |
| Mining | 531,304 | 565,870 | 541,288 | 506,360 | 464,521 | 384,509 |
| Construction/Utilities | 2,361,747 | 2,298,462 | 2,407,101 | 2,787,455 | 3,124,165 | 3,379,855 |
| Manufacturing | 3,464,004 | 3,588,720 | 3,817,700 | 4,371,537 | 4,851,561 | 4,913,024 |
| Transportation | 1,065,976 | 1,144,504 | 1,237,328 | 1,271,597 | 1,358,091 | 1,471,471 |
| Wholesale Trade | 1,536,841 | 1,604,406 | 1,700,530 | 1,837,311 | 1,909,022 | 2,053,007 |
| Retail Trade | 3,004,178 | 2,938,835 | 3,119,842 | 3,325,557 | 3,514,383 | 3,728,293 |
| Finance, Insurance, and Real Estate | 1,869,484 | 2,058,931 | 2,080,909 | 2,248,488 | 2,260,506 | 2,594,773 |
| Services | 11,901,292 | 12,148,133 | 12,501,932 | 13,125,559 | 13,764,881 | 14,680,468 |
| Federal, Civilian | 1,104,979 | 1,105,101 | 1,119,263 | 1,097,979 | 1,114,508 | 1,174,028 |
| Military | 531,786 | 501,634 | 499,131 | 485,981 | 472,455 | 448,710 |
| State and Local Government | 4,861,937 | 4,788,200 | 4,884,810 | 5,087,358 | 5,109,962 | 5,532,332 |
| Other[6] | 16,158,518 | 17,916,167 | 19,757,741 | 19,381,240 | 20,959,854 | 22,687,872 |
| **Total Personal Income** | **$ 50,196,584** | **$ 53,082,625** | **$ 56,139,837** | **$ 58,337,973** | **$ 61,827,050** | **$ 65,825,237** |
| **Total Direct Personal Income Tax Rate** | 7.6% | 7.6% | 7.3% | 7.3% | 7.3% | 7.3% |
| **Corporate Income by Category**[7] | **Calendar Year** | | | | | |
| | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** |
| Corporations | $ (28,603) | $ 49,806 | $ 502,747 | $ 316,558 | $ 124,853 | $ 1,145,583 |
| Sub-S Corporations | 43,487 | 24,196 | 106,971 | 49,630 | 54,694 | 125,936 |
| Partnerships | (115,646) | (287,303) | (352,035) | (127,839) | (29,224) | 2,769 |
| Fiduciary | 6,843 | (28,687) | 61,134 | (14,541) | (10,847) | (3,278) |
| **Total Corporate Income** | **$ (93,919)** | **$ (241,988)** | **$ 318,817** | **$ 223,808** | **$ 139,476** | **$ 1,271,010** |
| **Direct Corporate Income Tax Rate** | 7.6% | 7.6% | 7.4% | 7.4% | 7.4% | 7.4% |
| **Vehicle Fuel Sales by Category** *(in thousands of gallons)* | **Fiscal Year** | | | | | |
| | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** |
| Diesel | $ 236,002 | $ 239,708 | $ 242,617 | $ 250,299 | $ 255,171 | $ 267,381 |
| Gasoline | 632,004 | 633,337 | 629,252 | 631,697 | 643,806 | 691,065 |
| Propane | 32 | 79 | 23 | 61 | 151 | 115 |
| Natural Gas[8] | | | 33 | 97 | 1,392 | 2,916 |
| Aviation | 1,814 | 1,797 | 1,811 | 1,720 | 1,678 | 1,592 |
| Jet | 23,347 | 23,225 | 25,903 | 28,995 | 27,389 | 15,537 |
| **Total Fuel Sales** | **$ 893,199** | **$ 898,146** | **$ 899,639** | **$ 912,869** | **$ 929,587** | **$ 978,606** |
| **Total Direct Fuel Tax Rate** *(per gallon of fuel)* | $ 0.245 | $ 0.245 | $ 0.244 | $ 0.244 | $ 0.244 | $ 0.247 |

Sources: Taxable sales, corporate income, and vehicle fuel sales--Idaho State Tax Commission; Personal income--U.S. Bureau of Economic Analysis and the Idaho State Tax Commission.

[1]In 2016, the Tax Commission changed from using U.S. Standard Industrial Classification System (SIC) codes to using North American Industry Classification System (NAICS) codes. The change provides industry groupings that are more meaningful and useful for economic analysis. Some industry categories shown have significant variances due to the change in classification codes.

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

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

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

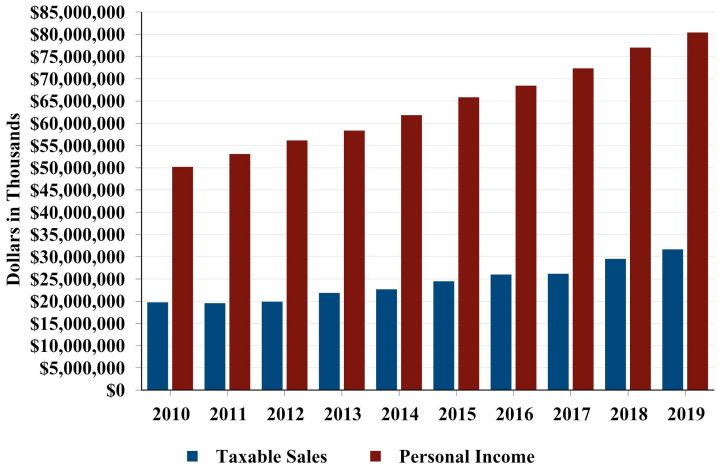
| 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|
| $ 82,925 | $ 74,482 | $ 91,049 | $ 98,077 |
| 59,177 | 44,035 | 57,534 | 59,340 |
| 464,888 | 242,718 | 515,407 | 589,035 |
| 1,101,280 | 884,684 | 1,256,853 | 1,414,472 |
| 166,992 | 49,072 | 218,973 | 201,361 |
| 2,995,810 | 3,000,366 | 3,290,114 | 3,588,765 |
| 14,000,015 | 14,576,989 | 16,058,752 | 17,054,413 |
| 518,717 | 507,973 | 564,405 | 580,011 |
| 608,493 | 653,214 | 724,105 | 831,961 |
| 4,975,587 | 5,094,919 | 5,550,830 | 6,007,029 |
| 861,772 | 953,088 | 1,058,807 | 1,109,683 |
| 148,683 | 62,257 | 112,950 | 105,911 |
| 14,739 | 231 | 2,470 | 2,473 |
| **$ 25,999,078** | **$ 26,144,028** | **$ 29,502,249** | **$ 31,642,531** |
| 6.0% | 6.0% | 6.0% | 6.0% |

| 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|
| $ 2,012,410 | $ 1,675,319 | $ 1,615,093 | $ 1,823,745 |
| 473,513 | 496,069 | 521,762 | 539,329 |
| 315,710 | 241,598 | 252,441 | 250,097 |
| 3,653,904 | 4,006,010 | 4,373,791 | 4,680,073 |
| 5,103,066 | 5,830,407 | 6,066,232 | 6,022,121 |
| 1,487,178 | 1,571,540 | 1,672,739 | 1,729,877 |
| 2,147,913 | 2,225,933 | 2,275,112 | 2,404,481 |
| 3,793,290 | 3,948,641 | 4,050,494 | 4,129,301 |
| 2,846,522 | 2,916,233 | 3,110,875 | 3,313,930 |
| 15,504,199 | 16,417,585 | 17,666,453 | 18,605,773 |
| 1,227,137 | 1,276,838 | 1,343,453 | 1,379,918 |
| 456,893 | 462,019 | 490,718 | 508,616 |
| 5,679,405 | 5,932,746 | 6,224,331 | 6,436,350 |
| 23,743,400 | 25,354,211 | 27,348,810 | 28,593,981 |
| **$ 68,444,540** | **$ 72,355,149** | **$ 77,012,304** | **$ 80,417,592** |
| 7.4% | 7.4% | NA | NA |

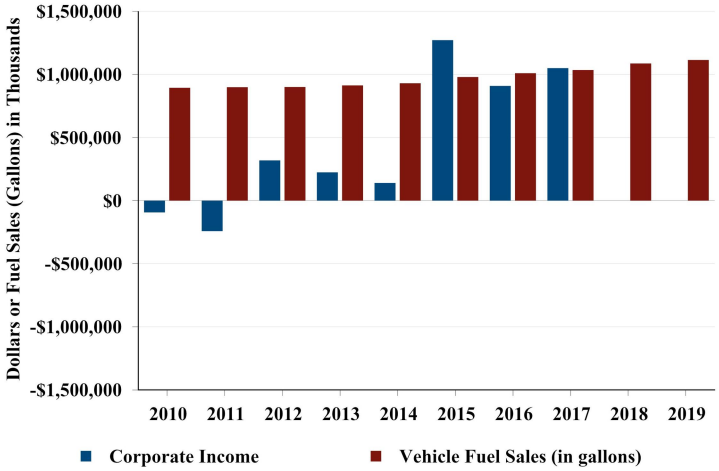
| 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|
| $ 785,071 | $ 853,242 | NA | NA |
| 135,698 | 136,752 | NA | NA |
| 31,080 | 49,732 | NA | NA |
| (43,298) | 10,056 | NA | NA |
| **$ 908,551** | **$ 1,049,782** | **NA** | **NA** |
| 7.4% | 7.4% | 6.9% | 6.9% |

| 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|
| $ 273,136 | $ 291,576 | $ 295,988 | $ 313,640 |
| 712,309 | 706,415 | 763,344 | 755,165 |
| 221 | (21) | 26 | 67 |
| 2,312 | 1,698 | 1,576 | 1,945 |
| 1,696 | 1,495 | 1,653 | 1,666 |
| 19,818 | 33,496 | 23,626 | 41,464 |
| **$ 1,009,492** | **$ 1,034,659** | **$ 1,086,213** | **$ 1,113,947** |
| $ 0.314 | $ 0.311 | $ 0.314 | $ 0.310 |

**Taxable Sales and Personal Income**
**Fiscal/Calendar Years 2010-2019**




**Corporate Income and Vehicle Fuel Sales**
**Calendar/Fiscal Years 2010-2019**




[5]Personal income data for calendar years 2010-2019 are estimates. The U.S. Bureau of Economic Analysis revised personal income amounts for all calendar years shown to reflect revisions to the national income and product accounts and to incorporate newly available state-level source data.
[6]Other personal income includes dividends, interest, rental income, residence adjustment, government transfers to individuals, and deductions for social insurance.
[7]The large increase in corporate income in 2015 is primarily due to more corporate entities reporting positive taxable income rather than losses as a result of an improving economy. Corporate income data is currently not available for calendar years 2018 and 2019.
[8]The natural gas distributors reported no vehicle fuel sales for fiscal years (FY) 2007-2011. FY14 through FY16 saw a shift towards using/producing cleaner fuel types.

## Schedule 6 - Revenue Rates

### Fiscal/Calendar Years 2010-2019

| Personal Income Tax Rates[1] | Calendar Year | | | | | |
|---|---|---|---|---|---|---|
| | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** |
| Tax Rate | 1.6% | 1.6% | 1.6% | 1.6% | 1.6% | 1.6% |
| Income Levels (S, MFS)[2] | $0-1,315 | $0-1,337 | $0-1,379 | $0-1,408 | $0-1,428 | $0-1,451 |
| Income Levels (MFJ, HoH, QW)[2] | $0-2,632 | $0-2,675 | $0-2,759 | $0-2,817 | $0-2,857 | $0-2,903 |
| Tax Rate | 3.6% | 3.6% | 3.6% | 3.6% | 3.6% | 3.6% |
| Income Levels (S, MFS) | $1,316-2,631 | $1,338-2,675 | $1,380-2,759 | $1,409-2,817 | $1,429-2,857 | $1,452-2,903 |
| Income Levels (MFJ, HoH, QW) | $2,633-5,264 | $2,676-5,351 | $2,760-5,519 | $2,818-5,635 | $2,858-5,715 | $2,904-5,807 |
| Tax Rate | 4.1% | 4.1% | 4.1% | 4.1% | 4.1% | 4.1% |
| Income Levels (S, MFS) | $2,632-3,947 | $2,676-4,013 | $2,760-4,139 | $2,818-4,226 | $2,858-4,286 | $2,904-4,355 |
| Income Levels (MFJ, HoH, QW) | $5,265-7,896 | $5,352-8,027 | $5,520-8,279 | $5,636-8,453 | $5,716-8,573 | $5,808-8,711 |
| Tax Rate | 5.1% | 5.1% | 5.1% | 5.1% | 5.1% | 5.1% |
| Income Levels (S, MFS) | $3,948-5,263 | $4,014-5,351 | $4,140-5,519 | $4,227-5,635 | $4,287-5,715 | $4,356-5,807 |
| Income Levels (MFJ, HoH, QW) | $7,897-10,528 | $8,028-10,703 | $8,280-11,039 | $8,454-11,271 | $8,574-11,431 | $8,712-11,615 |
| Tax Rate | 6.1% | 6.1% | 6.1% | 6.1% | 6.1% | 6.1% |
| Income Levels (S, MFS) | $5,264-6,579 | $5,352-6,689 | $5,520-6,899 | $5,636-7,044 | $5,716-7,144 | $5,808-7,259 |
| Income Levels (MFJ, HoH, QW) | $10,529-13,160 | $10,704-13,379 | $11,040-13,799 | $11,272-14,089 | $11,432-14,289 | $11,616-14,519 |
| Tax Rate | 7.1% | 7.1% | 7.1% | 7.1% | 7.1% | 7.1% |
| Income Levels (S, MFS) | $6,580-9,869 | $6,690-10,034 | $6,900-10,349 | $7,045-10,567 | $7,145-10,717 | $7,260-10,889 |
| Income Levels (MFJ, HoH, QW) | $13,161-19,740 | $13,380-20,069 | $13,800-20,699 | $14,090-21,135 | $14,290-21,435 | $14,520-21,779 |
| Tax Rate | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% |
| Income Levels (S, MFS) | $9,870-26,319 | $10,035-26,759 | $10,350+ | $10,568+ | $10,718+ | $10,890+ |
| Income Levels (MFJ, HoH, QW) | $19,741-52,640 | $20,070-53,519 | $20,700+ | $21,136+ | $21,436+ | $21,780+ |
| Tax Rate[3] | 7.8% | 7.8% | | | | |
| Income Levels (S, MFS) | $26,320+ | $26,760+ | | | | |
| Income Levels (MFJ, HoH, QW) | $52,641+ | $53,520+ | | | | |
| **Total Direct Rate**[4] | 7.6% | 7.6% | 7.3% | 7.3% | 7.3% | 7.3% |

| Vehicle Fuel Tax Rates per Gallon | Fiscal Year | | | | | |
|---|---|---|---|---|---|---|
| | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** |
| Diesel | $0.250 | $0.250 | $0.250 | $0.250 | $0.250 | $0.250 |
| Gasoline | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 |
| Propane | 0.181 | 0.181 | 0.181 | 0.181 | 0.181 | 0.181 |
| Natural Gas | 0.197 | 0.197 | 0.197 | 0.197 | 0.197 | 0.197 |
| Aviation | 0.070 | 0.070 | 0.070 | 0.070 | 0.070 | 0.070 |
| Jet | 0.060 | 0.060 | 0.060 | 0.060 | 0.060 | 0.060 |
| **Total Direct Rate** (*per gallon of fuel* ) | $0.245 | $0.245 | $0.244 | $0.244 | $0.244 | $0.247 |

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.

[1]Idaho's personal income tax brackets are adjusted each year for inflation.

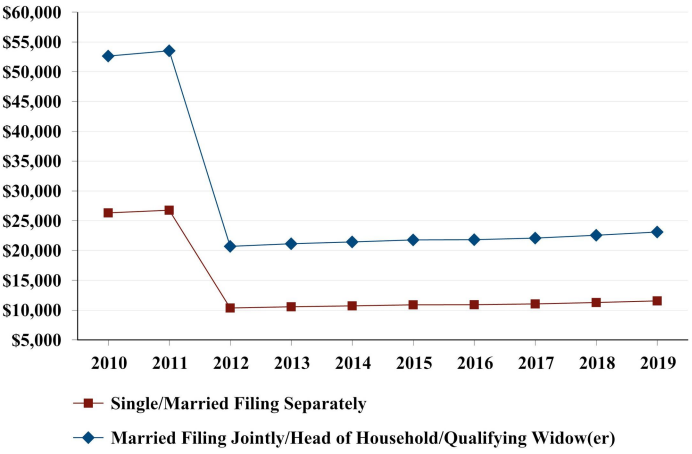
[2]Income categories are as follows: S = Single, MFS = Married Filing Separately, MFJ = Married Filing Jointly, HoH = Head of Household, QW = Qualifying Widower.

[3]Fiscal year 2012 legislative action reduced the top personal income tax rate from 7.8% to 7.4%.

[4]Personal Income data is currently not available for calendar years 2018 and 2019.

| 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|
| 1.6%<br>$0-1,453<br>$0-2,907 | 1.6%<br>$0-1,471<br>$0-2,943 | 1.1%<br>$0-1,503<br>$0-3,007 | 1.1%<br>$0-1,540<br>$0-3,081 |
| 3.6%<br>$1,454-2,907<br>$2,908-5,815 | 3.6%<br>$1,472-2,944<br>$2,944-5,889 | 3.1%<br>$1,504-3,007<br>$3,008-6,015 | 3.1%<br>$1,541-3,081<br>$3,082-6,161 |
| 4.1%<br>$2,908-4,361<br>$5,816-8,723 | 4.1%<br>$2,945-4,416<br>$5,890-8,833 | 3.6%<br>$3,008-4,510<br>$6,016-9,021 | 3.6%<br>$3,082-4,621<br>$6,162-9,243 |
| 5.1%<br>$4,362-5,815<br>$8,724-11,631 | 5.1%<br>$4,417-5,889<br>$8,834-11,779 | 4.6%<br>$4,511-6,014<br>$9,022-12,029 | 4.6%<br>$4,622-6,161<br>$9,244-12,323 |
| 6.1%<br>$5,816-7,269<br>$11,632-14,539 | 6.1%<br>$5,890-7,361<br>$11,780-14,723 | 5.6%<br>$6,015-7,518<br>$12,030-15,037 | 5.6%<br>$6,162-7,702<br>$12,324-15,405 |
| 7.1%<br>$7,270-10,904<br>$14,540-21,809 | 7.1%<br>$7,362-11,042<br>$14,724-22,085 | 6.6%<br>$7,519-11,278<br>$15,038-22,557 | 6.6%<br>$7,703-11,553<br>$15,406-23,107 |
| 7.4%<br>$10,905+<br>$21,810+ | 7.4%<br>$11,043+<br>$22,086+ | 6.9%<br>$11,279+<br>$22,558+ | 6.9%<br>$11,554+<br>$23,108+ |

**Personal Taxable Income Level for Top Rate Payers Calendar Years 2010-2019**




| | | | |
|---|---|---|---|
| 7.4% | 7.4% | NA | NA |

| 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|
| $0.320 | $0.320 | $0.320 | $0.320 |
| 0.320 | 0.320 | 0.320 | 0.320 |
| 0.232 | 0.232 | 0.232 | 0.232 |
| 0.349 | 0.349 | 0.349 | 0.349 |
| 0.070 | 0.070 | 0.070 | 0.070 |
| 0.060 | 0.060 | 0.060 | 0.060 |
| $0.314 | $0.311 | $0.314 | $0.310 |

## Schedule 7 - Revenue Payers by Industry/Category

### Historical Comparison and Most Current Fiscal/Calendar Year

*(dollars in thousands)*

| Sales Tax[1,4] | As of June 30, 2010 | | | | As June 30, 2019 | | | |
|---|---|---|---|---|---|---|---|---|
| | Number of Filers | Percent of Total | Tax Liability | Percent of Total | Number of Filers | Percent of Total | Tax Liability | Percent of Total |
| Farm Earnings[5] | 487 | 0.8 | $ 517 | 0.0 | | | | |
| Agricultural/Forestry, Fishing, and Other | 1,059 | 1.7 | 5,552 | 0.5 | 1,349 | 1.9 | $ 5,428 | 0.3 |
| Mining | 157 | 0.3 | 2,437 | 0.2 | 166 | 0.2 | 3,467 | 0.2 |
| Construction | 4,215 | 6.8 | 21,916 | 2.0 | 3,669 | 5.2 | 29,939 | 1.7 |
| Manufacturing | 5,273 | 8.5 | 41,651 | 3.8 | 6,746 | 9.5 | 75,420 | 4.2 |
| Transportation & Public Utilities | 1,235 | 2.0 | 21,656 | 2.0 | 543 | 0.8 | 12,481 | 0.7 |
| Wholesale trade | 3,675 | 6.0 | 93,195 | 8.4 | 4,531 | 6.4 | 199,701 | 11.2 |
| Retail trade | 23,954 | 38.8 | 754,152 | 68.1 | 17,882 | 25.2 | 972,889 | 54.6 |
| Information | 0 | 0 | 0 | 0 | 1,511 | 2.1 | 33,594 | 1.9 |
| Finance, Insurance, and Real Estate | 836 | 1.4 | 7,738 | 0.7 | 2,431 | 3.4 | 43,969 | 2.5 |
| Services | 19,906 | 32.2 | 122,857 | 11.1 | 23,390 | 33.0 | 335,810 | 18.9 |
| State and Local Government | 933 | 1.5 | 35,662 | 3.2 | 381 | 0.5 | 61,617 | 3.5 |
| Unclassified | 0 | 0 | 0 | 0 | 8,381 | 11.8 | 5,218 | 0.3 |
| Unpermitted[6] | 0 | 0 | 0 | 0 | 3 | 0 | 3 | 0 |
| **Total** | **61,730** | **100.0** | **$ 1,107,333** | **100.0** | **70,983** | **100.0** | **$ 1,779,536** | **100.0** |

| Personal Income Tax | As of December 31, 2008 | | | | As of December 31, 2017 | | | |
|---|---|---|---|---|---|---|---|---|
| Income Level | 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 | 597,728 | 85.9 | $ 412,653 | 32.5 | 667,981 | 81.1 | $ 462,779 | 24.3 |
| $50,000 - $99,999 | 70,785 | 10.2 | 337,262 | 26.6 | 101,679 | 12.3 | 474,610 | 24.9 |
| $100,000 - $249,999 | 21,801 | 3.1 | 227,801 | 17.9 | 44,056 | 5.3 | 442,546 | 23.3 |
| $250,000 - $999,999 | 5,056 | 0.7 | 160,088 | 12.6 | 9,805 | 1.2 | 295,279 | 15.5 |
| $1,000,000 and higher | 667 | 0.1 | 132,476 | 10.4 | 1,223 | 0.1 | 228,073 | 12.0 |
| **Total** | **696,037** | **100.0** | **$ 1,270,280** | **100.0** | **824,744** | **100.0** | **$ 1,903,287** | **100.0** |

| Corporate Income Tax | As December 31, 2008 | | | | As December 31, 2017 | | | |
|---|---|---|---|---|---|---|---|---|
| | Number of Filers | Percent of Total | Tax Liability[2] | Percent of Total | Number of Filers | Percent of Total | Tax Liability | Percent of Total |
| Corporations | 13,783 | 17.0 | $ (759,563) | 84.6 | 155,373 | 64.9 | $ 155,422 | 83.4 |
| Sub-S Corporations | 29,893 | 36.8 | (35,677) | 4.0 | 35,984 | 15.0 | 11,780 | 6.3 |
| Partnerships | 28,075 | 34.6 | (125,039) | 13.9 | 36,520 | 15.3 | 5,486 | 2.9 |
| Fiduciary | 9,449 | 11.6 | 22,495 | (2.5) | 11,449 | 4.8 | 13,884 | 7.4 |
| **Total** | **81,200** | **100.0** | **$ (897,784)** | **100.0** | **239,326** | **100.0** | **$ 186,572** | **100.0** |

| Vehicle Fuel Tax | As of June 30, 2010 | | | | As of June 30, 2019 | | | |
|---|---|---|---|---|---|---|---|---|
| | Number of Filers[3] | Percent of Total | Tax Liability | Percent of Total | Number of Filers[3] | Percent of Total | Tax Liability | Percent of Total |
| Diesel | 109 | 42.9 | $ 59,000 | 27.0 | 87 | 41.4 | $ 100,372 | 29.0 |
| Gasoline | 103 | 40.6 | 158,001 | 72.3 | 86 | 41.0 | 241,655 | 70.1 |
| Propane | 19 | 7.5 | 26 | 0 | 10 | 4.8 | 15 | 0 |
| Natural Gas | | 0 | 7 | 0 | 3 | 1.4 | 629 | 0.2 |
| Aviation | 8 | 3.1 | 127 | 0.1 | 7 | 3.3 | 117 | 0 |
| Jet | 15 | 5.9 | 1,401 | 0.6 | 17 | 8.1 | 2,488 | 0.7 |
| **Total** | **254** | **100.0** | **$ 218,562** | **100.0** | **210** | **100.0** | **$ 345,276** | **100.0** |

Source: Idaho State Tax Commission.

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue. The most current period for personal and corporate income tax information is calendar year 2017.

[1]In 2019, the Idaho State Tax Commission provided the sales tax liability data for July 1, 2018 to June 30, 2019.

[2]The corporate tax liability amounts for tax years 2006 through 2010 are revised due to updated data provided by the Idaho State Tax Commission.

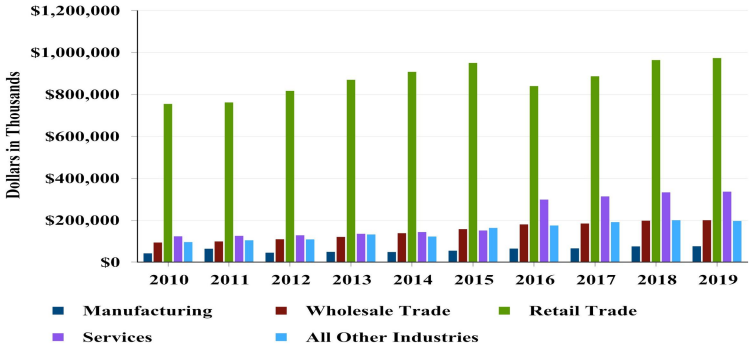
[3]The total number of filers for vehicle fuel tax may contain the same filers counted more than once as some filers distribute more than one type of fuel.

[4]In 2016, the Tax Commission changed from using U.S. Standard Industrial Classification System (SIC) codes to using North American Industry Classification System (NAICS) codes. The change provides industry groupings that are more meaningful and useful for economic analysis. Some industry categories shown have significant variances due to the change in classification codes.

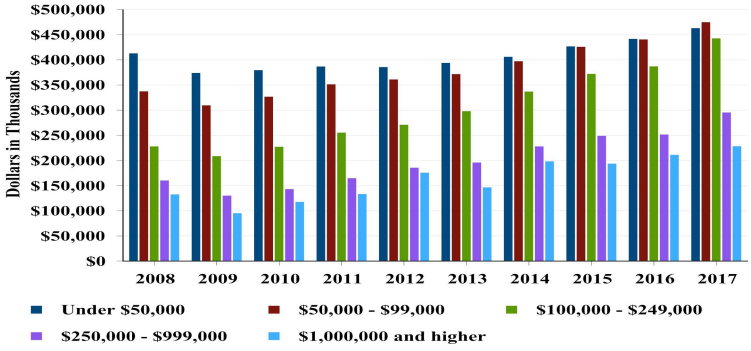
[5]Under the NAICS, commercial farming is combined with agriculture/forestry, fishing, and other.

[6]Taxable sales by individuals and businesses without a sales and use tax permit.

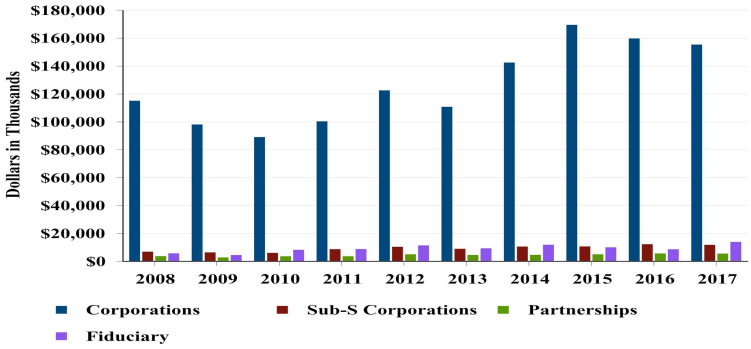
**Sales Tax Liabilities by Industry**
**Fiscal Years 2010-2019**



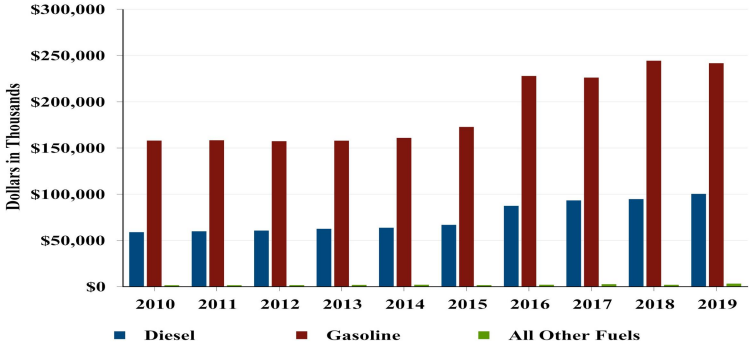

**Personal Income Tax Liabilities by Income Level**
**Calendar Years 2008-2017**




**Corporate Income Tax Liabilities**
**Tax Years 2008 - 2017**




**Vehicle Fuel Tax Liabilities**
**Fiscal Years 2010 - 2019**



## Schedule 8 - Outstanding Debt Ratios

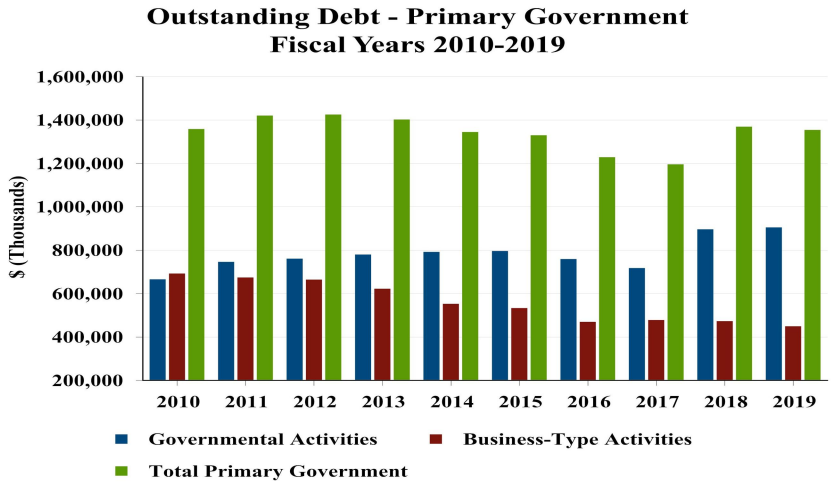
### Fiscal Years 2010-2019

*(dollars in thousands, except per capita amount)*

| | 2010 (as restated) | 2011 (as restated) | 2012 (as restated) | 2013 (as restated) | 2014 (as restated) | 2015 (as restated) | 2016 (as restated) | 2017 (as restated) | 2018 (as restated) | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Governmental Activities** | | | | | | | | | | |
| Revenue Bonds[1] | $ 257,088 | $ 233,246 | $ 207,106 | $ 197,624 | $ 170,640 | $ 150,379 | $ 146,516 | $ 136,844 | $ 356,334 | $ 388,896 |
| Capital Leases | 33,229 | 32,761 | 28,967 | 27,394 | 25,862 | 24,319 | 17,462 | 16,419 | 15,594 | 19,433 |
| Notes Payable[2] | 375,344 | 480,064 | 524,813 | 554,892 | 595,362 | 621,767 | 595,116 | 564,331 | 524,263 | 496,460 |
| **Total Governmental Activities** | **$ 665,661** | **$ 746,071** | **$ 760,886** | **$ 779,910** | **$ 791,864** | **$ 796,465** | **$ 759,094** | **$ 717,594** | **$ 896,191** | **$ 904,789** |
| **Business-Type Activities** | | | | | | | | | | |
| Revenue Bonds[3] | $ 473,667 | $ 457,631 | $ 457,113 | $ 464,334 | $ 445,651 | $ 477,546 | $ 462,572 | $ 474,094 | $ 472,714 | $ 448,905 |
| Capital Leases[4] | 2,845 | 2,353 | 2,316 | 1,663 | 1,158 | 780 | 4,995 | 4,148 | 302 | 328 |
| Notes Payable[5] | 216,183 | 214,144 | 204,745 | 156,449 | 105,919 | 55,117 | 2,157 | 73 | 64 | 65 |
| **Total Business-Type Activities** | **$ 692,695** | **$ 674,128** | **$ 664,174** | **$ 622,446** | **$ 552,728** | **$ 533,443** | **$ 469,724** | **$ 478,315** | **$ 473,080** | **$ 449,298** |
| **Total Primary Government** | **$ 1,358,356** | **$ 1,420,199** | **$ 1,425,060** | **$ 1,402,356** | **$ 1,344,592** | **$ 1,329,908** | **$ 1,228,818** | **$ 1,195,909** | **$ 1,369,271** | **$1,354,087** |
| **Debt as a Percentage of Personal Income[6]** | 2.7% | 2.7% | 2.5% | 2.4% | 2.2% | 2.0% | 1.8% | 1.7% | 1.8% | 1.7% |
| **Amount of Debt Per Capita[6]** | $ 864.8 | $ 896.7 | $ 893.2 | $ 870.2 | $ 824.1 | $ 805.3 | $ 730.2 | $ 695.7 | $ 780.6 | $ 758.5 |

Note: The Idaho Constitution Article VIII Section 1 amended in 1998 specifies that the Legislature shall not create any debts or liabilities, except in extreme emergencies, unless authorized by law and then approved by the people at a general election. This does not apply to liabilities incurred for ordinary operating expenses, nor debts or liabilities that are repaid by the end of the fiscal year. The debts or liabilities of independent public bodies corporate and politic created by law and which have no power to levy taxes or obligate the General Fund of the State are not debts or liabilities of the State of Idaho. Details regarding the State's debt can be found in Note 13 to the financial statements.

[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] From FY2010-FY2015 the Idaho Transportation Department issued notes payable to the Idaho Housing and Finance Association for road and infrastructure improvements.
[3] From FY2010-FY2018 the colleges and universities issued revenue bonds for various projects.
[4] 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.
[5] From FY2012-FY2017 the changes in notes payable resulted from repayment of loans from the Idaho Housing and Financing Association.
[6] These ratios are calculated using personal income and population for the current calendar year. See Schedule 11 for personal income and population data.



## Schedule 9 - Other Long-Term Liabilities

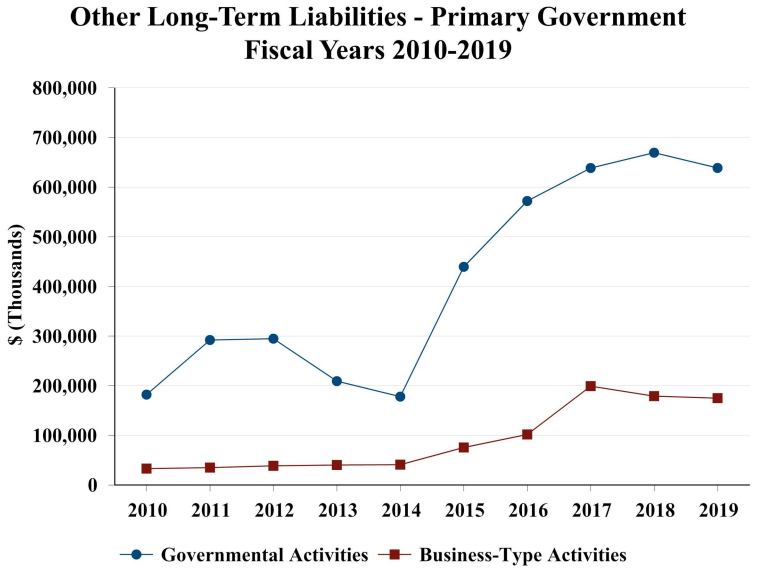
### Fiscal Years 2010-2019

*(dollars in thousands)*

| | 2010 (as restated) | 2011 (as restated) | 2012 (as restated) | 2013 (as restated) | 2014 (as restated) | 2015 (as restated) | 2016 (as restated) | 2017 (as restated) | 2018 (as restated) | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Governmental Activities** | | | | | | | | | | |
| Compensated Absences | $ 51,996 | $ 61,095 | $ 62,775 | $ 56,470 | $ 49,466 | $ 49,874 | $ 54,058 | $ 55,172 | $ 57,321 | $ 55,756 |
| Policy Claim Liabilities | 16,956 | 13,869 | 15,450 | 17,963 | 14,305 | 11,304 | 10,804 | 11,138 | 15,213 | 19,382 |
| Claims and Judgments[1, 2] | 79,970 | 180,773 | 178,173 | 96,324 | 69,495 | 170,841 | 169,115 | 72,812 | 195,016 | 204,262 |
| Net Pension Obligation[3, 6] | 11,140 | 12,508 | 13,596 | 13,989 | 14,271 | | | | | |
| Net Pension Liability[4] | | | | | | 176,577 | 306,439 | 452,474 | 357,313 | 325,734 |
| Net OPEB Obligation | 22,169 | 23,851 | 24,720 | 24,520 | 24,491 | 25,458 | 25,917 | | | |
| Total OPEB Liability | | | | | | | | 43,185 | 42,103 | 33,446 |
| Other Long-Term Liabilities | | | | | 6,114 | 5,468 | 5,633 | 3,756 | 2,400 | 0 |
| **Total Governmental Activities** | **$ 182,231** | **$ 292,096** | **$ 294,714** | **$ 209,266** | **$ 178,142** | **$ 439,522** | **$ 571,966** | **$ 638,537** | **$ 669,366** | **$ 638,580** |
| **Business-Type Activities** | | | | | | | | | | |
| Compensated Absences | $ 20,882 | $ 21,041 | $ 22,648 | $ 22,239 | $ 20,844 | $ 21,640 | $ 21,373 | $ 22,670 | $ 23,616 | $ 24,143 |
| Claims and Judgments[2] | 1 | | | | | | | | | |
| Net Pension Liability[4] | | | | | | 31,898 | 56,602 | 85,399 | 65,526 | 59,160 |
| Net OPEB Obligation | 11,267 | 13,707 | 15,513 | 17,143 | 18,847 | 20,982 | 22,973 | | | |
| Total OPEB Liability[7] | | | | | | | | 55,643 | 55,838 | 52,150 |
| Net OPEB Liability - U of I[7] | | | | | | | | 34,737 | 33,336 | 30,891 |
| Voluntary Termination Benefits[5] | 894 | | | | | | | | | |
| Other Long-Term Liabilities | 124 | 416 | 633 | 968 | 1309 | 1139 | 928 | 785 | 596 | 8625 |
| **Total Business-Type Activities** | **$ 33,168** | **$ 35,164** | **$ 38,794** | **$ 40,350** | **$ 41,000** | **$ 75,659** | **$ 101,876** | **$ 199,234** | **$ 178,912** | **$ 174,969** |
| **Total Primary Government** | **$ 215,399** | **$ 327,260** | **$ 333,508** | **$ 249,616** | **$ 219,142** | **$ 515,181** | **$ 673,842** | **$ 837,771** | **$ 848,278** | **$ 813,549** |

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

[1] Changes between fiscal year (FY) 2010-FY2011 are due to fluctuations in payment cycles caused by budget shortfalls and migrating to a new payment system.
[2] Claims and judgments include arbitrage liabilities for FY2010-FY2015. Decrease to claims and judgments resulted from a decrease in Medicaid claims, and between FY2016 and FY2017 there was a timing difference of Medicaid payments. In FY2015 there was an increase due to a change in calculation method by the Department of Health and Welfare.
[3] In FY2010 the increase in the net pension obligation is mainly attributable to a restatement of the Idaho Judges' Retirement Fund due to a new actuarial valuation.
[4] Net pension liability was not required to be reported prior to FY2015.
[5] In FY2010 the University of Idaho established a voluntary Exit Incentive Program for eligible employees to leave University employment with an economic incentive.
[6] Due to the implementation of GASB Statement No. 68 in FY2015, the net pension obligation was removed and a net pension liability recorded.
[7] 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.



## Schedule 10 - Pledged Revenue Coverage

### Fiscal Years 2010-2019

*(dollars in thousands)*

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|
| **Governmental Activities** | | | | | | |
| **Notes Payable - Idaho Transportation Department**[1] | | | | | | |
| Revenue: | | | | | | |
| Federal Highway Grants[2] | $ 355,288 | $ 399,049 | $ 334,747 | $ 292,619 | $ 294,620 | $ 324,598 |
| State Funds | 3,255 | 3,509 | 3,829 | 4,033 | 4,329 | 4,598 |
| Available Revenue | $ 358,543 | $ 402,558 | $ 338,576 | $ 296,652 | $ 298,949 | $ 329,196 |
| Debt Service: | | | | | | |
| Principal | $ 8,176 | $ 20,936 | $ 19,957 | $ 21,975 | $ 24,203 | $ 27,180 |
| Interest | $ 19,074 | $ 25,862 | $ 26,836 | $ 28,188 | $ 28,417 | $ 30,740 |
| Coverage | 13.2 | 8.6 | 7.2 | 5.9 | 5.7 | 5.7 |
| **Business-Type Activities** | | | | | | |
| **Revenue Bonds - Colleges and Universities** | | | | | | |
| Revenue: | | | | | | |
| Student Fees Pledged | $ 212,768 | $ 236,690 | $ 257,850 | $ 268,014 | $ 276,964 | $ 295,818 |
| Sale of Goods and Services Pledged | 91,258 | 84,978 | 90,136 | 93,356 | 89,031 | 94,327 |
| Other Income Pledged[3] | 22,641 | 36,803 | 35,990 | 35,828 | 38,158 | 45,505 |
| Less: Operating Expenses | (61,226) | (61,342) | (65,802) | (69,901) | (69,339) | (66,212) |
| Net Available Revenue | $ 265,441 | $ 297,129 | $ 318,174 | $ 327,297 | $ 334,814 | $ 369,438 |
| Debt Service: | | | | | | |
| Principal | $ 13,190 | $ 15,085 | $ 14,090 | $ 16,585 | $ 16,714 | $ 17,704 |
| Interest | $ 20,339 | $ 20,243 | $ 21,524 | $ 19,440 | $ 20,018 | $ 18,836 |
| Coverage | 7.9 | 8.4 | 8.9 | 9.1 | 9.1 | 10.1 |
| **Revenue Bonds - Idaho Water Resources Board**[6,7] | | | | | | |
| Revenue: | | | | | | |
| Sale of Goods and Services | $ 983 | $ 990 | $ 1,059 | $ 993 | $ 983 | $ 1,261 |
| Less: Operating Expenses | (117) | (124) | (136) | (161) | (123) | (214) |
| Net Available Revenue | $ 866 | $ 866 | $ 923 | $ 832 | $ 860 | $ 1,047 |
| Debt Service: | | | | | | |
| Principal | $ 340 | $ 360 | $ 380 | $ 400 | $ 425 | $ 450 |
| Interest | $ 259 | $ 240 | $ 220 | $ 198 | $ 175 | $ 151 |
| Coverage | 1.4 | 1.4 | 1.5 | 1.4 | 1.4 | 1.7 |
| **Notes Payable - Colleges and Universities**[4] | | | | | | |
| Revenue: | | | | | | |
| Student Fees Pledged | $ 142 | $ 169 | $ 1,001 | $ 1,062 | $ 1,108 | $ 1,085 |
| Housing Fees Pledged | 445 | 430 | 429 | 441 | 469 | 468 |
| Other Income Pledged | | 76 | 110 | 101 | 81 | 88 |
| Less: Operating Expenses | (154) | (107) | (410) | (402) | (442) | (428) |
| Net Available Revenue | $ 433 | $ 568 | $ 1,130 | $ 1,202 | $ 1,216 | $ 1,213 |
| Debt Service: | | | | | | |
| Principal[5] | $ 114 | $ 366 | $ 334 | $ 786 | $ 1,366 | $ 900 |
| Interest | $ 25 | $ 176 | $ 138 | $ 171 | $ 118 | $ 84 |
| Coverage | 3.1 | 1.0 | 2.4 | 1.3 | 0.8 | 1.2 |

Note: Details regarding the State's outstanding bonds can be found in Note 13 to the financial statements. Operating expenses do not include interest or depreciation expense. Coverage equals net available revenue divided by debt service.

[1] For fiscal years (FY) 2010-2015 and 2019 the Idaho Transportation Department issued notes payable to the Idaho Housing and Finance Association to finance road and infrastructure improvements.

[2] In FY2012 and FY2013 grants decreased due to the near-term completion of the American Recovery and Reinvestment Act stimulus program.

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

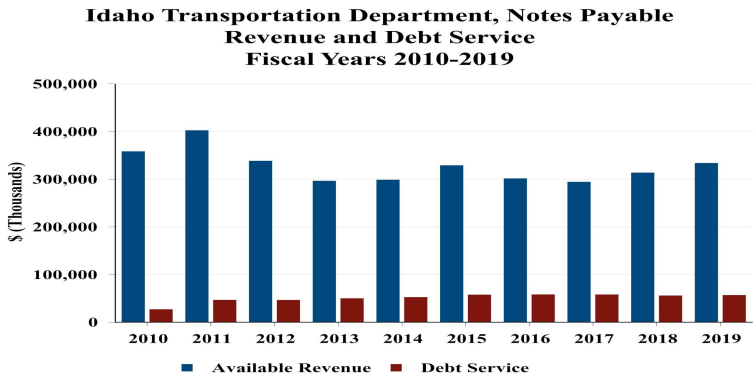
[4] In FY2012 and FY2013 LCSC issued notes payable to refinance Student Fee Refunding Revenue Bonds. The LCSC issued notes payable were paid in full in FY2017.

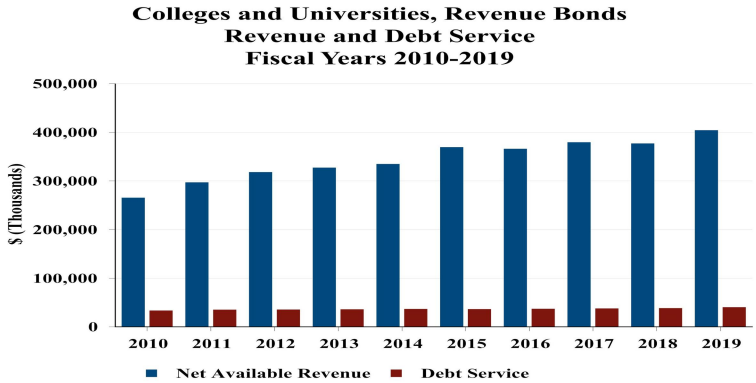
[5] In FY2013-2014 the increase resulted from LCSC's principal only payments.

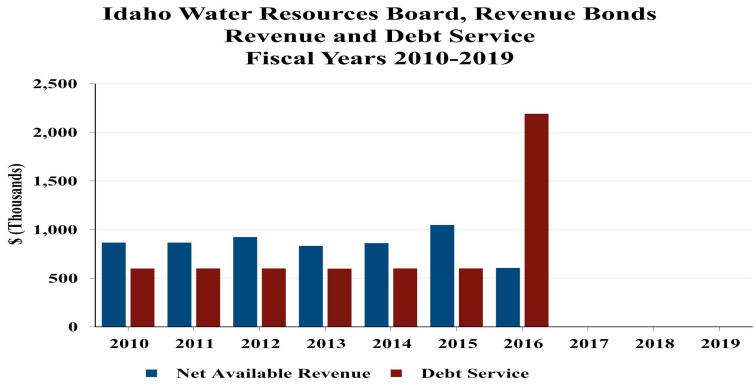
[6] The Series 2006 Refunding Bonds were paid in full in FY2016.

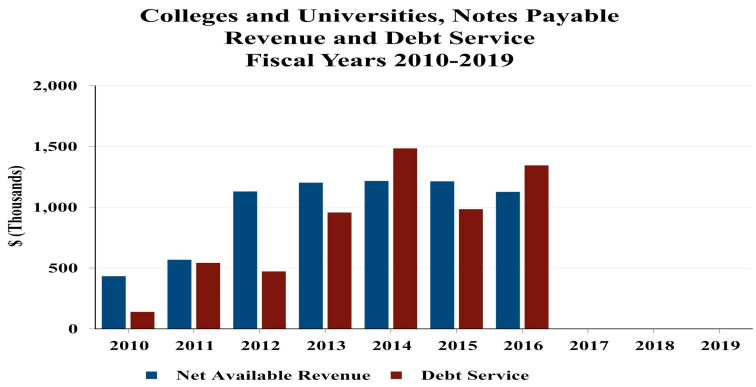
[7] The Idaho Water Resources Board revenue bonds were paid in full in FY2017.

| 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|
| | | | |
| $ 297,093 | $ 294,499 | $ 313,887 | $ 334,095 |
| 4,540 | | | |
| $ 301,633 | $ 294,499 | $ 313,887 | $ 334,095 |
| | | | |
| $ 29,186 | $ 30,365 | $ 31,061 | $ 32,559 |
| $ 29,207 | $ 27,810 | $ 24,955 | $ 24,392 |
| 5.2 | 5.1 | 5.6 | 5.9 |
| | | | |
| $ 301,659 | $ 305,823 | $ 321,224 | $ 342,944 |
| 88,135 | 88,847 | 78,686 | 82,971 |
| 45,051 | 49,951 | 54,682 | 53,563 |
| (68,803) | (65,110) | (77,481) | (75,270) |
| $ 366,042 | $ 379,511 | $ 377,111 | $ 404,208 |
| | | | |
| $ 20,682 | $ 18,002 | $ 18,109 | $ 20,135 |
| $ 16,450 | $ 19,852 | $ 20,329 | $ 20,338 |
| 9.9 | 10.0 | 9.8 | 10.0 |
| | | | |
| $ 897 | | | |
| (292) | | | |
| $ 605 | $ 0 | $ 0 | $ 0 |
| | | | |
| $ 2,065 | | | |
| $ 125 | | | |
| 0.3 | | | |
| | | | |
| $ 1,031 | | | |
| 489 | | | |
| 87 | | | |
| (480) | | | |
| $ 1,127 | $ 0 | $ 0 | $ 0 |
| | | | |
| $ 1,284 | | | |
| $ 60 | | | |
| 0.8 | | | |



## Schedule 11 - Demographic and Economic Indicators

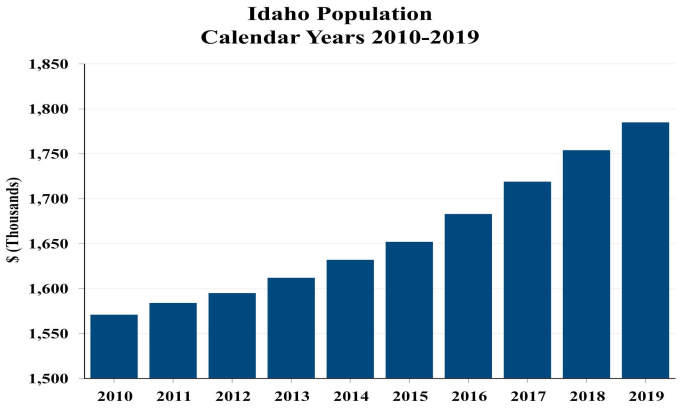
**Calendar Years 2010-2019**

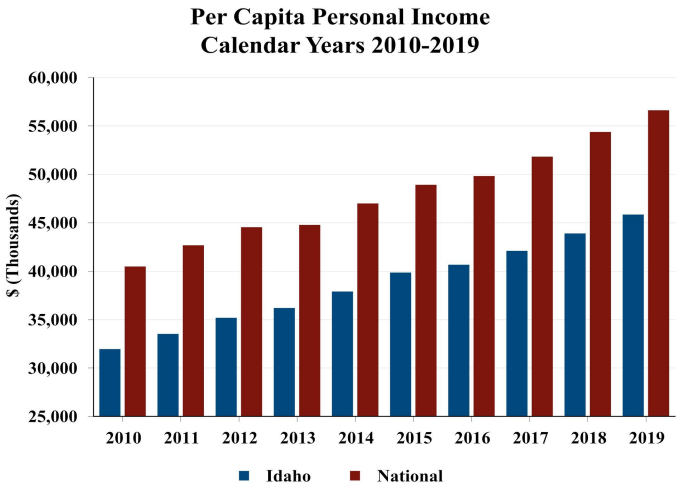
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|
| **Population** | | | | | | |
| Idaho *(in thousands)* | 1,571 | 1,584 | 1,595 | 1,612 | 1,632 | 1,652 |
| Change | 1.1% | 0.8% | 0.7% | 1.0% | 1.2% | 1.2% |
| National *(in thousands)* | 310,072 | 312,315 | 314,530 | 316,698 | 319,008 | 321,317 |
| Change | 0.8% | 0.7% | 0.7% | 0.7% | 0.7% | 0.7% |
| **Total Personal Income** [1] | | | | | | |
| Idaho *(in billions)* | $ 50 | $ 53 | $ 56 | $ 58 | $ 62 | $ 66 |
| Change | 3.5% | 5.7% | 5.8% | 3.9% | 6.0% | 6.5% |
| National *(in billions)* | $ 12,552 | $ 13,327 | $ 14,010 | $ 14,181 | $ 14,992 | $ 15,718 |
| Change | 4.1% | 6.2% | 5.1% | 1.2% | 5.7% | 4.8% |
| **Per Capita Personal Income** | | | | | | |
| Idaho | $ 31,955 | $ 33,515 | $ 35,186 | $ 36,199 | $ 37,894 | $ 39,856 |
| Change | 2.5% | 4.9% | 5.0% | 2.9% | 4.7% | 5.2% |
| National | $ 40,479 | $ 42,670 | $ 44,542 | $ 44,777 | $ 46,993 | $ 48,916 |
| Change | 3.2% | 5.4% | 4.4% | 0.5% | 4.9% | 4.1% |
| **Median Age - Idaho** [2] | 34.7 | 35.0 | 35.2 | 35.7 | 35.9 | 35.8 |
| **Educational Attainment** [3] | | | | | | |
| 8th Grade or Less | 4.2% | 4.5% | 4.1% | 4.3% | 3.9% | 3.7% |
| Some High School, No Diploma | 7.5% | 6.9% | 6.1% | 6.3% | 6.0% | 6.3% |
| High School Diploma | 28.6% | 27.5% | 27.7% | 27.4% | 28.2% | 27.5% |
| Some College, No Degree | 27.0% | 26.9% | 27.6% | 26.7% | 27.6% | 27.0% |
| Associate, Bachelor or Graduate Degree | 32.7% | 34.2% | 34.5% | 35.3% | 34.4% | 35.6% |
| **Resident Civilian Labor Force and Employment in Idaho** | | | | | | |
| Civilian Labor Force | 761,056 | 765,178 | 769,256 | 770,833 | 779,631 | 795,983 |
| Employed | 692,826 | 701,466 | 713,704 | 723,636 | 742,636 | 762,279 |
| Unemployed | 68,230 | 63,712 | 55,552 | 47,197 | 37,684 | 33,704 |
| Unemployment Rate | 9% | 8.3% | 7.2% | 6.1% | 4.8% | 4.2% |
| **Nonfarm Wage and Salary Workers Employed in Idaho** | | | | | | |
| **Goods Producing Industries** | | | | | | |
| Mining | 2,294 | 2,623 | 2,779 | 2,629 | 2,519 | 2,451 |
| Logging and Wood Products | 5,732 | 6,120 | 6,408 | 7,034 | 7,048 | 7,332 |
| Computer and Electronics | 10,574 | 11,191 | 11,625 | 11,266 | 11,425 | 11,899 |
| Construction | 31,297 | 30,361 | 31,432 | 33,644 | 35,863 | 38,263 |
| Manufacturing-Durable Goods [4] | 14,805 | 15,281 | 16,080 | 17,462 | 17,587 | 18,260 |
| Manufacturing-Nondurable Goods | 23,261 | 23,364 | 24,019 | 25,256 | 25,531 | 26,123 |
| **Total Goods Producing Industries** | **87,963** | **88,940** | **92,343** | **97,291** | **99,973** | **104,328** |
| **Non-Goods Producing Industries** | | | | | | |
| Trade | 99,639 | 100,623 | 103,623 | 106,155 | 108,415 | 111,725 |
| Service | 296,759 | 303,156 | 308,056 | 316,182 | 326,723 | 336,157 |
| State and Local Government | 104,900 | 104,563 | 104,576 | 104,991 | 105,852 | 106,621 |
| Federal Government | 13,691 | 12,654 | 12,640 | 12,411 | 12,337 | 12,583 |
| **Total Non-Goods Producing Industries** | **514,989** | **520,996** | **528,895** | **539,739** | **553,327** | **567,086** |
| **Total Nonfarm Wage and Salary Employment** | **602,952** | **609,936** | **621,238** | **637,030** | **653,300** | **671,414** |

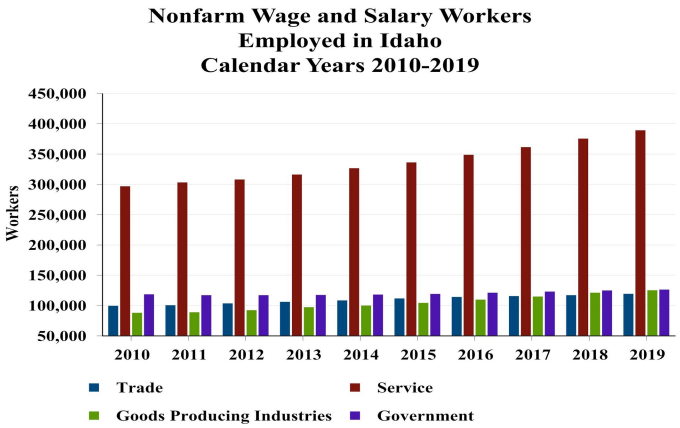
Sources: Idaho Division of Financial Management, Idaho Department of Labor, Idaho State Board of Education, U.S. Bureau of Economic Analysis, and U.S. Census Bureau.

Note: Amounts for calendar years 2017-2019 are estimates. Prior year amounts may change due to revisions by the U.S. Bureau of Economic Analysis and the U.S. Census Bureau.
[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 2019.
[3] Educational attainment information is not currently available for calendar year 2019.
[4] "Manufacturing-Durable Goods" amounts are net of "Logging and Wood Products" and "Computer and Electronics" amounts, which are presented separately in this schedule.

| 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|
| 1,683 | 1,719 | 1,754 | 1,785 |
| 1.9% | 2.1% | 2.1% | 1.8% |
| 323,593 | 325,662 | 327,716 | 330,051 |
| 0.7% | 0.6% | 0.6% | 0.7% |
| | | | |
| $ 68 | $ 72 | $ 77 | $ 80 |
| 4.0% | 5.7% | 6.4% | 6.3% |
| $ 16,121 | $ 16,879 | $ 17,819 | $ 18,684 |
| 2.6% | 4.7% | 5.6% | 4.9% |
| | | | |
| $ 40,669 | $ 42,091 | $ 43,900 | $ 45,843 |
| 2.0% | 3.5% | 4.3% | 4.4% |
| $ 49,819 | $ 51,828 | $ 54,373 | $ 56,609 |
| 1.8% | 4.0% | 4.9% | 4.1% |
| 36.1 | 35.7 | 35.9 | NA |
| | | | |
| 3.2% | 3.3% | 3.6% | N/A |
| 6.4% | 5.9% | 5.5% | N/A |
| 27.9% | 28.2% | 27.8% | N/A |
| 25.3% | 26.3% | 25.5% | N/A |
| 37.2% | 36.4% | 37.6% | N/A |
| | | | |
| 815,077 | 834,698 | 857,049 | 873,886 |
| 784,172 | 807,819 | 832,732 | 848,905 |
| 30,905 | 26,879 | 24,317 | 24,981 |
| 3.8% | 3.2% | 2.8% | 2.9% |
| | | | |
| 2,467 | 2,216 | 2,249 | 2,316 |
| 7,699 | 7,854 | 8,139 | 8,339 |
| 12,124 | 12,232 | 12,728 | 12,380 |
| 41,636 | 44,993 | 49,208 | 52,445 |
| 18,852 | 19,495 | 20,203 | 20,576 |
| 27,108 | 28,111 | 28,614 | 29,204 |
| **109,886** | **114,901** | **121,141** | **125,260** |
| | | | |
| 114,152 | 115,714 | 117,173 | 119,423 |
| 348,757 | 361,482 | 375,468 | 389,186 |
| 108,301 | 110,128 | 111,820 | 112,949 |
| 12,832 | 12,974 | 13,078 | 13,384 |
| **584,042** | **600,298** | **617,539** | **634,942** |
| **693,928** | **715,199** | **738,680** | **760,202** |



## Schedule 12 - Principal Employers

### Current Year and Nine Years Ago

| | As of June 30, 2010 | | | As of June 30, 2019 | | |
|---|---|---|---|---|---|---|
| **Major Idaho Employers** | **Number of Employees** | **Rank** | **Percent of Total State Employment** | **Number of Employees** | **Rank** | **Percent of Total State Employment** |
| State of Idaho[1] | 18,500-19,000 | 1 | 2.7 | 30,200-30,299 | 1 | 3.5 |
| Federal Government | 13,000-13,500 | 2 | 1.9 | 13,100-13,199 | 2 | 1.5 |
| St Luke's Health System | 7,500-8,000 | 3 | 1.1 | 13,500-13,599 | 3 | 1.6 |
| Walmart | 6,500-7,000 | 4 | 1.0 | 8,100-8,199 | 4 | 0.9 |
| Micron Technology, Inc. | 5,500-6,000 | 5 | 0.8 | 6,500-6,599 | 5 | 0.8 |
| Brigham Young University -Idaho | 3,500-4,000 | 10 | 0.5 | 5,400-5,499 | 6 | 0.6 |
| St Alphonsus Regional Medical Center | | | | 5,400-5,499 | 7 | 0.6 |
| West Ada School District #2 | 4,500-5,000 | 6 | 0.7 | 4,600-4,699 | 8 | 0.5 |
| Albertsons | 4,000-4,500 | 7 | 0.6 | 4,400-4,499 | 9 | 0.5 |
| Battelle Energy Alliance | 3,500-4,000 | 8 | 0.5 | 4,400-4,499 | 10 | 0.5 |
| Independent School District of Boise City | 3,500-4,000 | 9 | 0.5 | | | |
| **Total** | **72,500** | | **10.3** | **96,100** | | **11.0** |

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.

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

## Schedule 13 - Education Enrollment

### Public School Enrollment Grades K-12

**Academic Years 2009/2010-2018/2019**

| | **2009/10** | **2010/11** | **2011/12** | **2012/13** | **2013/14** | **2014/15** | **2015/16** | **2016/17** | **2017/18** | **2018/19** |
|---|---|---|---|---|---|---|---|---|---|---|
| Elementary | 154,333 | 153,262 | 154,671 | 156,715 | 157,554 | 161,015 | 162,131 | 163,519 | 164,180 | 166,060 |
| Secondary | 124,189 | 125,193 | 126,094 | 127,526 | 128,651 | 130,007 | 132,340 | 135,268 | 138,289 | 141,168 |
| **Total All Grades** | **278,522** | **278,455** | **280,765** | **284,241** | **286,205** | **291,022** | **294,471** | **298,787** | **302,469** | **307,228** |

Source: Idaho Department of Education

### Public Higher Education Enrollment

**Student Headcount[1] (Calendar Years 2010-2019)**

| | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** |
|---|---|---|---|---|---|---|---|---|---|---|
| Boise State University | 19,993 | 19,664 | 22,638 | 21,981 | 22,239 | 22,086 | 23,854 | 24,121 | 25,504 | 26,216 |
| Idaho State University | 12,595 | 12,587 | 13,860 | 13,351 | 13,455 | 13,032 | 12,928 | 12,505 | 12,372 | 12,425 |
| University of Idaho | 12,302 | 12,312 | 12,493 | 11,884 | 11,534 | 11,372 | 11,780 | 12,072 | 11,841 | 11,926 |
| Lewis-Clark State College | 3,822 | 3,761 | 3,830 | 3,585 | 3,616 | 3,635 | 3,909 | 3,733 | 3,677 | 3,748 |
| Eastern Idaho Technical College (EITC)[2] | 862 | 829 | 709 | 725 | 686 | 687 | 676 | 809 | 1,384 | |
| **Total Colleges and Universities** | **49,574** | **49,153** | **53,530** | **51,526** | **51,530** | **50,812** | **53,147** | **53,240** | **54,778** | **54,315** |

Source: Idaho State Board of Education

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

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

[2]In 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 2010-2019

### Full-Time Employees

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Government** | | | | | | | | | | |
| Tax Commission | 368 | 373 | 406 | 426 | 425 | 425 | 422 | 436 | 428 | 429 |
| Department of Administration | 139 | 141 | 137 | 136 | 137 | 136 | 128 | 132 | 109 | 111 |
| All Other | 1,133 | 1,098 | 1,058 | 1,091 | 1,127 | 1,139 | 1,132 | 1,171 | 1,207 | 1,255 |
| **Public Safety and Correction** | | | | | | | | | | |
| Department of Correction | 1,543 | 1,529 | 1,517 | 1,550 | 1,544 | 1,879 | 1,928 | 1,897 | 1,840 | 1,877 |
| Idaho State Police | 465 | 452 | 458 | 479 | 480 | 488 | 490 | 518 | 514 | 535 |
| Department of Juvenile Corrections | 381 | 382 | 387 | 384 | 387 | 398 | 391 | 405 | 398 | 400 |
| All Other | 327 | 362 | 354 | 373 | 566 | 417 | 428 | 421 | 437 | 440 |
| **Health and Human Services** | | | | | | | | | | |
| Department of Health and Welfare | 2,887 | 2,642 | 2,606 | 2,611 | 2,647 | 2,614 | 2,650 | 2,648 | 2,668 | 2,670 |
| **Education** | | | | | | | | | | |
| Colleges and Universities | 6,242 | 6,093 | 6,436 | 6,548 | 6,721 | 6,842 | 6,984 | 7,396 | 7,318 | 7,342 |
| All Other | 469 | 473 | 361 | 371 | 376 | 362 | 384 | 401 | 401 | 401 |
| **Economic Development** | | | | | | | | | | |
| Idaho Transportation Department | 1,772 | 1,742 | 1,714 | 1,683 | 1,642 | 1,581 | 1,516 | 1,479 | 1,550 | 1,559 |
| Department of Labor | 506 | 532 | 514 | 547 | 547 | 539 | 497 | 477 | 459 | 459 |
| Department of Agriculture | 279 | 245 | 249 | 253 | 261 | 257 | 269 | 272 | 293 | 297 |
| All Other | 909 | 981 | 966 | 992 | 990 | 999 | 1,011 | 1,078 | 1,092 | 1,094 |
| **Natural Resources** | | | | | | | | | | |
| Department of Environmental Quality | 340 | 328 | 331 | 332 | 328 | 322 | 329 | 337 | 353 | 353 |
| Department of Fish and Game | 504 | 535 | 545 | 534 | 534 | 533 | 530 | 528 | 547 | 546 |
| Department of Lands | 235 | 227 | 231 | 239 | 238 | 253 | 252 | 269 | 276 | 276 |
| Department of Parks and Recreation | 147 | 131 | 132 | 136 | 132 | 135 | 135 | 135 | 139 | 136 |
| All Other | 182 | 174 | 171 | 167 | 162 | 159 | 161 | 174 | 172 | 174 |
| **State Total** | **18,828** | **18,440** | **18,573** | **18,852** | **19,244** | **19,478** | **19,637** | **20,174** | **20,201** | **20,354** |

### Part-Time and Temporary Employees[1]

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Government | 385 | 362 | 388 | 342 | 349 | 323 | 440 | 420 | 368 | 392 |
| Public Safety and Correction | 159 | 174 | 202 | 178 | 203 | 206 | 162 | 173 | 179 | 171 |
| Health and Human Services | 286 | 256 | 229 | 257 | 243 | 253 | 255 | 263 | 258 | 266 |
| Education | 2,532 | 2,509 | 2,587 | 2,655 | 2,514 | 2,441 | 2,578 | 2,742 | 2,377 | 2,176 |
| Economic Development | 838 | 884 | 774 | 732 | 705 | 643 | 632 | 647 | 548 | 507 |
| Natural Resources[2] | 518 | 440 | 433 | 431 | 465 | 477 | 476 | 888 | 581 | 430 |
| **State Total** | **4,718** | **4,625** | **4,613** | **4,595** | **4,479** | **4,343** | **4,543** | **5,133** | **4,311** | **3,942** |

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 2010-2019

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|
| **General Government** | | | | | | |
| **Tax Commission** | | | | | | |
| Number of Returns Filed *(in thousands)* | 2,226 | 2,260 | 2,316 | 2,350 | 2,390 | 2,415 |
| Number of Returns Filed Electronically *(in thousands)* | 492 | 543 | 568 | 587 | 616 | 695 |
| **Department of Administration** | | | | | | |
| Construction Projects Administered | 431 | 399 | 345 | 293 | 296 | 311 |
| Employees Covered by Benefit Plans | 19,343 | 18,942 | 19,018 | 19,247 | 19,592 | 19,831 |
| **Public Safety and Correction** | | | | | | |
| **Department of Correction**[1] | | | | | | |
| Incarcerated Offenders | 7,504 | 7,578 | 8,097 | 8,221 | 8,120 | 8,157 |
| Supervised Offenders | 13,902 | 14,595 | 14,530 | 14,705 | 15,433 | 15,970 |
| **Idaho State Police** | | | | | | |
| Drug Related Arrests[2] | 982 | 1,021 | 1,454 | 1,411 | 1,559 | 1,456 |
| DUI Arrests[2] | 2,441 | 2,003 | 1,845 | 1,659 | 1,304 | 1,197 |
| All Other Arrests[2] | 1,163 | 1,262 | 1,145 | 1,101 | 1,071 | 876 |
| **Department of Juvenile Corrections** | | | | | | |
| Number of Juveniles in the System | 568 | 529 | 553 | 550 | 498 | 467 |
| Rate of Recommitment to DJC Custody | 17.0% | 15.0% | 12.0% | 18.2% | 13.0% | 14.0% |
| **Health and Human Services** | | | | | | |
| **Department of Health and Welfare**[1] | | | | | | |
| Medicaid Enrollees | 209,126 | 227,991 | 238,165 | 247,151 | 261,639 | 289,303 |
| Percent of Population | 13.3% | 14.4% | 14.9% | 15.3% | 16.0% | 17.5% |
| Food Stamp Recipients | 179,074 | 223,370 | 235,502 | 229,586 | 217,553 | 201,094 |
| Percent of Population | 11.4% | 14.1% | 14.8% | 14.2% | 13.3% | 12.2% |
| **Education** | | | | | | |
| **Colleges and Universities**[1] | | | | | | |
| Enrollment | 49,574 | 49,153 | 53,530 | 51,526 | 51,530 | 50,812 |
| Number of Certificates and Degrees Awarded | 8,760 | 9,306 | 9,980 | 10,382 | 10,356 | 10,518 |
| **Economic Development** | | | | | | |
| **Idaho Transportation Department** | | | | | | |
| Percent of Pavement Which is Deficient[1] | 18.0% | 16.0% | 13.0% | 14.0% | 14.0% | 14.0% |
| Vehicles Weighed *(in thousands)* | 2,400 | 2,400 | 2,314 | 2,281 | 2,433 | 2,514 |
| **Department of Labor** | | | | | | |
| Individuals Registered for Employment [5,6] | 334,896 | 331,449 | 301,338 | 277,111 | 255,891 | 200,771 |
| Job Openings Received | 47,956 | 69,323 | 57,189 | 80,283 | 101,897 | 107,353 |
| **Department of Agriculture** | | | | | | |
| Conduct Disease Tests on Animals[3] | 362,905 | 676,604 | 100,454 | 110,944 | 105,090 | 99,276 |
| Inspections of Dairy Farms | 6,932 | 7,653 | 8,024 | 8,786 | 8,854 | 8,688 |
| **Natural Resources** | | | | | | |
| **Department of Environmental Quality** | | | | | | |
| Air Quality Sites Monitored | 41 | 43 | 39 | 40 | 40 | 40 |
| Water Sites Monitored | 128 | 101 | 237 | 237 | 290 | 231 |
| **Department of Fish and Game** | | | | | | |
| Citations and Warnings Issued | 4,799 | 4,053 | 4,175 | 3,480 | 4,868 | 4,348 |
| Hatchery Fish Raised *(in thousands)*[2] | 27,085 | 32,351 | 23,007 | 23,837 | 35,253 | 30,774 |
| Hunting and Fishing Licenses Sold [2] | 548,949 | 523,698 | 573,714 | 566,460 | 576,063 | 600,328 |
| **Department of Lands**[1] | | | | | | |
| Forest Products Harvested *(in million board feet)* | 212 | 273 | 287 | 290 | 274 | 222 |
| Fires Responded to on IDL Land | 183 | 249 | 187 | 322 | 351 | 321 |
| **Department of Parks and Recreation** | | | | | | |
| Park Visitation *(in thousands)* [1, 2, 4] | 4,389 | 4,783 | 4,638 | 4,777 | 4,821 | 4,465 |
| Recreational Registrations *(in thousands)* [4] | 272 | 268 | 262 | 275 | 270 | 277 |

Sources: Idaho Division of Financial Management, Idaho State Tax Commission, Office of the Idaho State Controller, Idaho State Police, Idaho State Board of Education, Idaho Departments of Administration, Correction, Juvenile Corrections, Health and Welfare, Transportation, Labor, Agriculture, Environmental Quality, Fish and Game, Lands, and Parks and Recreation

Note: Operating indicators for fiscal years (FY) 2018 and FY2019 are estimates unless otherwise noted below

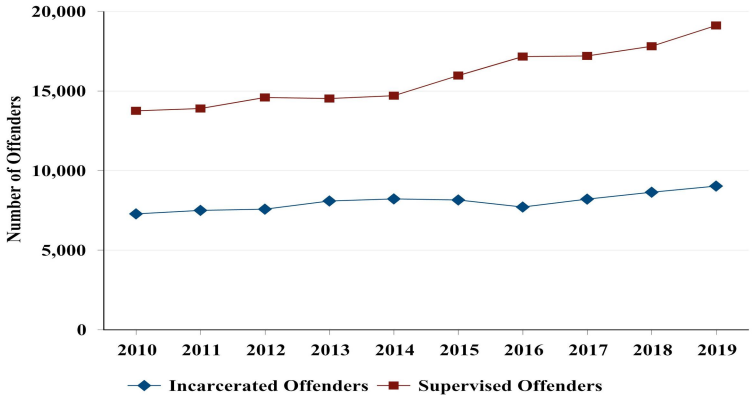
[1] Operating indicators for FY2019 are actual amounts, not estimates.

[2] Operating indicators are reported on a calendar year basis.

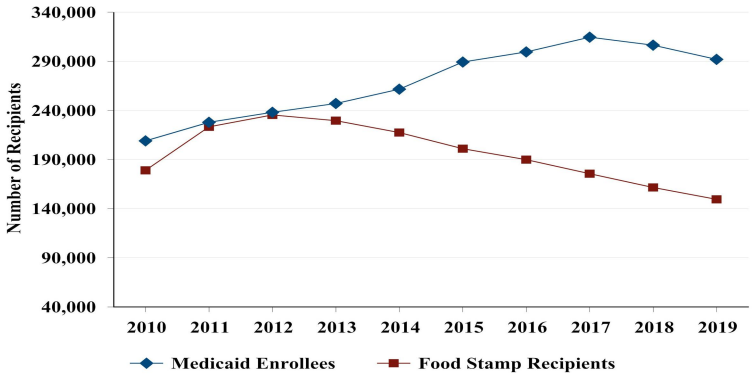
[3] In FY2011 and FY2012 the increase and decrease in disease testing on animals is attributed to brucellosis testing.

| 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|
| | | | |
| 2,484 | 2,531 | 2,680 | 2,844 |
| 731 | 764 | 797 | 831 |
| | | | |
| 366 | 359 | 428 | 473 |
| 20,019 | 20,549 | 20,557 | 20,768 |
| | | | |
| 7,715 | 8,212 | 8,645 | 9,030 |
| 17,162 | 17,205 | 17,814 | 19,115 |
| | | | |
| 1,389 | 1,948 | 2,098 | 2,224 |
| 1,089 | 1,316 | 1,410 | 1,518 |
| 702 | 710 | 826 | 911 |
| | | | |
| 433 | 444 | 447 | 421 |
| 14.0% | 15.0% | 14.0% | 16.0% |
| | | | |
| 299,611 | 314,584 | 306,459 | 291,990 |
| 17.8% | 18.3% | 17.5% | 16.4% |
| 189,910 | 175,644 | 161,694 | 149,537 |
| 11.3% | 10.2% | 9.2% | 8.4% |
| | | | |
| 53,147 | 53,240 | 54,778 | 54,315 |
| 10,648 | 10,983 | 11,386 | 11,341 |
| | | | |
| 16.0% | 15.0% | 12.0% | 9.3% |
| 2,078 | 3,108 | 3,452 | 2,947 |
| | | | |
| 121,672 | 84,933 | 75,310 | 61,431 |
| 279,856 | 165,004 | 178,129 | 197,022 |
| | | | |
| 102,251 | 132,236 | 432,002 | 480,418 |
| 8,419 | 7,378 | 7,535 | 7,518 |
| | | | |
| 39 | 39 | 35 | 35 |
| 284 | 230 | 264 | 260 |
| | | | |
| 2,635 | 3,387 | 3,752 | 4,060 |
| 33,573 | 33,853 | 30,042 | 29,011 |
| 584,871 | 569,563 | 588,632 | 593,782 |
| | | | |
| 201 | 173 | 179 | NA |
| 168 | 213 | 259 | NA |
| | | | |
| 4,819 | 5,426 | 5,726 | NA |
| 288 | 282 | 290 | NA |

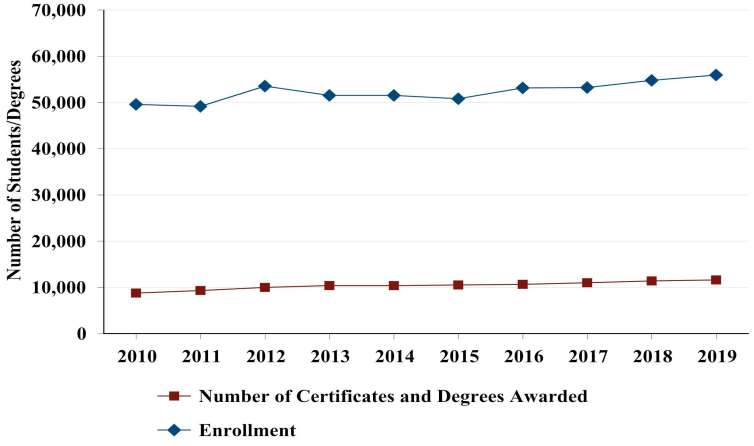
**Department of Correction - Adult Offenders**
**Fiscal Years 2010-2019**




**Department of Health and Welfare**
**Medicaid Enrollees and Food Stamp Recipients**
**Fiscal Years 2010-2019**




**Colleges and Universities - Enrollment and Degrees Awarded**
**Fiscal Years 2010-2019**



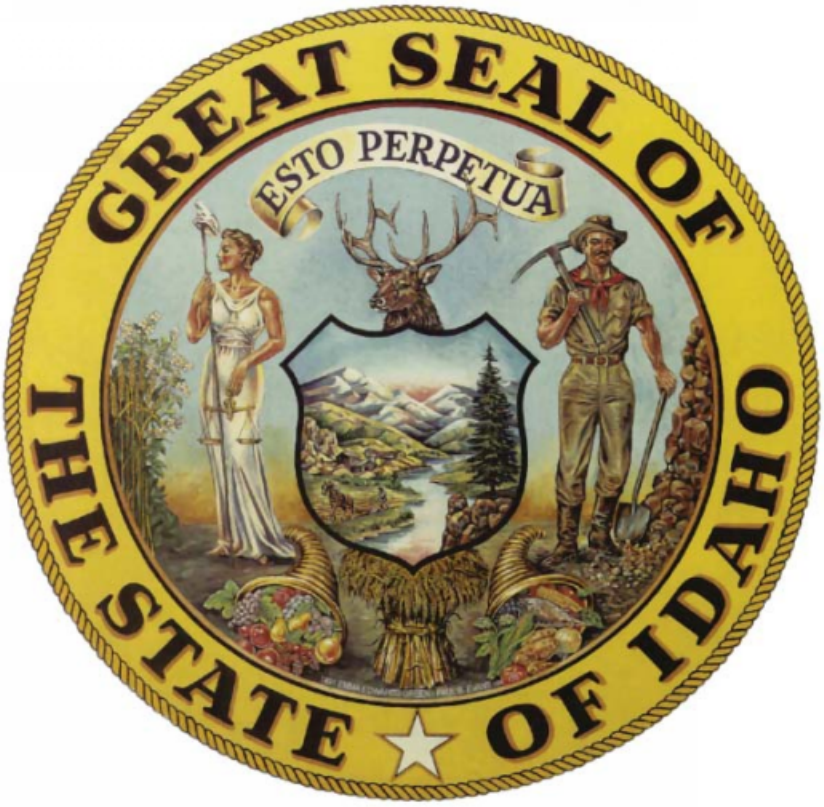

[4]Park visitation is counted in visitor days. Recreational registrations include boats, snowmobiles, all-terrain vehicles, and Park N' Ski permits.
[5]In FY2016, the increase in job openings is due to an improving Idaho economy. A substantial decrease in unemployment has contributed to a decrease in the number of individuals registered for employment.
[6]A new federal program was implemented in federal fiscal year 2016 which significantly changed the way the department reports Employment Service (ES) job seekers. The department now divides ES job seekers into two groups, those that use self-services (reportable individuals) and those receiving staff assisted services (participants). For FY2018 and FY2019, the count shown is the assumed total of the two groups.

## Schedule 16 - Capital Assets by Function

**Fiscal Years 2010-2019**

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|
| **General Government** | | | | | | | | | | |
| **Department of Administration** | | | | | | | | | | |
| Buildings (square footage in thousands)[1] | 728 | 728 | 728 | 728 | 719 | 754 | 754 | 754 | 754 | 754 |
| **Public Safety and Correction** | | | | | | | | | | |
| **Department of Correction** | | | | | | | | | | |
| Buildings | 101 | 104 | 105 | 80 | 84 | 87 | 84 | 80 | 83 | 84 |
| Vehicles | 359 | 367 | 384 | 401 | 394 | 402 | 457 | 455 | 477 | 491 |
| **Idaho State Police** | | | | | | | | | | |
| Vehicles[2] | 431 | 459 | 419 | 430 | 466 | 493 | 497 | 514 | 538 | 574 |
| Machinery and Equipment [2] | 810 | 915 | 857 | 886 | 1084 | 1,138 | 1,210 | 1,288 | 1,312 | 1,677 |
| **Department of Juvenile Corrections** | | | | | | | | | | |
| Buildings (square footage in thousands) | 239 | 239 | 242 | 224 | 224 | 224 | 242 | 244 | 244 | 244 |
| Vehicles | 56 | 56 | 54 | 56 | 60 | 56 | 62 | 64 | 60 | 60 |
| **Health and Human Services** | | | | | | | | | | |
| **Department of Health and Welfare** | | | | | | | | | | |
| Buildings (square footage in thousands)[3] | 1705 | 1,700 | 1,698 | 1,715 | 1,726 | 1,487 | 1,487 | 1,463 | 1,463 | 1,260 |
| Vehicles | 501 | 485 | 480 | 431 | 494 | 501 | 492 | 487 | 498 | 506 |
| **Education** | | | | | | | | | | |
| **Colleges and Universities** | | | | | | | | | | |
| Buildings (square footage in thousands) | 13,931 | 14,198 | 15,024 | 15,098 | 15,161 | 15,117 | 15,252 | 15,382 | 15,414 | 15,311 |
| **Economic Development** | | | | | | | | | | |
| **Idaho Transportation Department** | | | | | | | | | | |
| Highway Lane Miles [4] | 11,989 | 11,998 | 12,222 | 12,222 | 12,236 | 12,269 | 12,271 | 12,274 | 12,273 | 12,273 |
| Vehicles [5] | 848 | 823 | 841 | 823 | 766 | 748 | 680 | 705 | 712 | 705 |
| Heavy Equipment [5] | 1,536 | 1,532 | 1,543 | 1,407 | 1,192 | 1,098 | 898 | 838 | 836 | 872 |
| **Department of Agriculture** | | | | | | | | | | |
| Scientific and Laboratory Equipment [6] | 165 | 153 | 160 | 152 | 156 | 100 | 106 | 112 | 114 | 112 |
| Vehicles[6] | 196 | 177 | 195 | 203 | 223 | 206 | 210 | 237 | 237 | 237 |
| **Natural Resources** | | | | | | | | | | |
| **Department of Environmental Quality** | | | | | | | | | | |
| Air Monitoring Instruments[6] | 167 | 171 | 196 | 185 | 185 | 156 | 148 | 158 | 165 | 177 |
| Water Sampling/Quality Equipment[6] | 78 | 78 | 80 | 81 | 81 | 27 | 29 | 33 | 39 | 43 |
| **Department of Fish and Game** | | | | | | | | | | |
| Hatcheries | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 22 | 22 | 23 |
| Vehicles | 636 | 638 | 665 | 682 | 704 | 707 | 702 | 730 | 768 | 751 |
| Boats [6] | 281 | 280 | 279 | 287 | 284 | 84 | 83 | 82 | 85 | 86 |
| Wildlife Management Areas | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 31 | 31 | 31 |
| **Department of Lands** | | | | | | | | | | |
| Acres of Land (in thousands) [4] | 2,446 | 2,449 | 2,448 | 2,448 | 2,442 | 2,442 | 2,442 | 2,442 | 2,445 | 2,445 |
| Vehicles | 356 | 343 | 362 | 359 | 371 | 375 | 412 | 415 | 422 | 435 |
| **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 | 351 | 349 | 365 | 368 | 372 | 348 | 356 | 364 | 366 | 372 |
| Vehicles | 329 | 320 | 313 | 327 | 318 | 314 | 317 | 322 | 321 | 337 |

Sources: Office of the Idaho State Controller, Idaho Departments of Juvenile Corrections, Health and Welfare, Transportation, Environmental Quality, Fish and Game, Lands, Parks and Recreation, and Idaho colleges and universities.
Note: The Idaho State Tax Commission, the Department of Commerce, and the Department of Labor are not capital-asset intensive
Note: In fiscal year (FY) 2015 a change in methodology for calculating capital assets resulted in a variance from FY2014
[1] In FY2015, a new 35,000 square foot parking garage was built in Boise to provide additional parking for state employees.
[2] In FY2014-2019, Idaho State Police ordered more vehicles and related equipment than in prior years.
[3] Beginning in FY2010, leased buildings are included.
[4] Highway lane miles and acres of land for FY2019 are based on estimates.
[5] Idaho Department of Transportation (ITD) vehicles and heavy equipment have been restated for FY2008-2013. During FY2014 ITD actively reduced the amount of heavy equipment.
[6] For FY2015-2019, assets under $5,000 are not included in capital assets.
[7] Includes land under water.


GREAT SEAL OF
THE STATE OF IDAHO
ESTO PERPETUA

# Schedule 17 - Assets, Liabilities, and Fund Balances
## General Fund Accounts
## June 30, 2019

*(dollars in thousands)*

| | State General Account | Permanent Building | Budget Stabilization | Millennium | Income Earnings |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and Cash Equivalents | $ 2 | | | | |
| Pooled Cash and Investments | 112,108 | $ 40,968 | $ 377,505 | $ 62,296 | $ 128,015 |
| Investments | | 103,687 | | | 38 |
| Accounts Receivable, Net | 247 | 58 | | 12,500 | |
| Taxes Receivable, Net | 398,278 | 2,765 | | | 359 |
| Interfund Receivables | 11,952 | 10,073 | | | 22 |
| Inventories and Prepaid Items | 3,664 | | | 280 | 57 |
| Loans, Notes, and Pledges Receivable, Net | | | | | |
| Other Assets | 157 | 466 | 177 | 315 | 60 |
| Restricted Assets: | | | | | |
| Cash and Cash Equivalents | | | | 37 | |
| Investments | | | | 343,662 | |
| **Total Assets** | $ 526,408 | $ 158,017 | $ 377,682 | $ 419,090 | $ 128,551 |
| **LIABILITIES AND FUND BALANCES** | | | | | |
| **Liabilities** | | | | | |
| Accounts Payable | $ 18,828 | | | $ 532 | $ 252 |
| Payroll and Related Liabilities | 13,614 | $ 83 | | 4 | 13 |
| Interfund Payables | 124 | | | 9 | 952 |
| Due to Other Entities | | | | | |
| Unearned Revenue | | 12,410 | | | |
| Amounts Held in Trust for Others | 2,254 | | | | |
| Other Accrued Liabilities | 420 | 3,553 | $ 10 | 2 | 3 |
| **Total Liabilities** | 35,240 | 16,046 | 10 | 547 | 1,220 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Deferred Inflows | 102,286 | 193 | | 12,607 | 20 |
| **Fund Balances** | | | | | |
| Nonspendable: | | | | | |
| Inventories and Prepaid Items | 3,664 | | | 280 | 57 |
| Noncurrent Receivables | | | | | |
| Restricted | | | | 359,721 | |
| Committed | | 141,778 | | | 127,254 |
| Assigned | 5,508 | | 40 | | |
| Unassigned | 379,710 | | 377,632 | 45,935 | |
| **Total Fund Balances** | 388,882 | 141,778 | 377,672 | 405,936 | 127,311 |
| **Total Liabilities, Deferred Inflows of Resources, and Fund Balances** | $ 526,408 | $ 158,017 | $ 377,682 | $ 419,090 | $ 128,551 |

| Sales Tax | Income Tax Refunds | Catastrophic Health Care | Legislative | Warrant Deficiency | Miscellaneous | Total |
|---|---|---|---|---|---|---|
| | | | | | $ 1,192 | $ 1,194 |
| $ 58,479 | $ 2,259 | $ 10,193 | $ 3,417 | $ 32,437 | 233,306 | 1,060,983 |
| | | | | | 20,990 | 124,715 |
| | | | | 17,033 | 1,422 | 31,260 |
| 23,279 | 59,234 | | | | 555 | 484,470 |
| | | | | | 123 | 22,170 |
| | | | | 8,331 | 6,409 | 18,741 |
| | | | | | 665 | 665 |
| | | | | | 220 | 1,395 |
| 7,284 | | | | | 1,517 | 8,838 |
| | | | | | 1,469 | 345,131 |
| $ 89,042 | $ 61,493 | $ 10,193 | $ 3,417 | $ 57,801 | $ 267,868 | $ 2,099,562 |
| | $ 91 | | | $ 217 | $ 4,434 | $ 24,354 |
| | | | $ 108 | 235 | 1,224 | 15,281 |
| | | | | | | 1,085 |
| $ 58,625 | | | | | | 58,625 |
| | | | | | 200 | 12,610 |
| | | | | | 9,027 | 11,281 |
| | | | | | 87 | 4,075 |
| 58,625 | 91 | 0 | 108 | 452 | 14,972 | 127,311 |
| 1,931 | 21,797 | | | 13,251 | 32 | 152,117 |
| | | | | 8,331 | 6,409 | 18,741 |
| | | | | | 50 | 50 |
| 28,486 | 39,605 | | | | 4,916 | 432,728 |
| | | $ 10,193 | | | 205,709 | 484,934 |
| | | | 3,309 | 35,767 | 35,780 | 80,404 |
| | | | | | | 803,277 |
| 28,486 | 39,605 | 10,193 | 3,309 | 44,098 | 252,864 | 1,820,134 |
| $ 89,042 | $ 61,493 | $ 10,193 | $ 3,417 | $ 57,801 | $ 267,868 | $ 2,099,562 |

# Schedule 18 - Revenues, Expenditures, and Changes in Fund Balances
## General Fund Accounts
## For the Fiscal Year Ended June 30, 2019

*(dollars in thousands)*

| | State General Account | Permanent Building | Budget Stabilization | Millennium | Income Earnings |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Sales Tax | $ 1,589,030 | $ 5,000 | | | |
| Individual and Corporate Taxes | 1,892,368 | 8,097 | | | $ 414 |
| Other Taxes | 33,061 | 6,444 | | $ 30 | 4,300 |
| Licenses, Permits, and Fees | 12,961 | | | | 1,123 |
| Sale of Goods and Services | 53 | 275 | | | 3,623 |
| Grants and Contributions | 47 | | $ 1 | | 21 |
| Investment Income | 26,870 | 13,817 | 3,334 | 14,541 | 6,649 |
| Tobacco Settlement | | | | 21,014 | |
| Other Income | 298 | 15 | (451) | | (92) |
| **Total Revenues** | 3,554,688 | 33,648 | 2,884 | 35,585 | 16,038 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| General Government | 111,349 | 9,576 | (818) | 251 | 67 |
| Public Safety and Correction | 348,168 | | 93 | 2,392 | 2,356 |
| Health and Human Services | | | | 7,424 | 6,246 |
| Education | 161,896 | | | | 1,846,502 |
| Economic Development | 30,315 | | | | 857 |
| Natural Resources | 22,413 | | | | |
| Capital Outlay | 16,199 | 35,761 | 393 | 5 | 1,071 |
| Intergovernmental Revenue Sharing | 29,648 | | | 23 | |
| Debt Service: | | | | | |
| Principal Retirement | 1,442 | | | | |
| Interest and Other Charges | 22,335 | | | | |
| **Total Expenditures** | 743,765 | 45,337 | (332) | 10,095 | 1,857,099 |
| **Revenues Over (Under) Expenditures** | 2,810,923 | (11,689) | 3,216 | 25,490 | (1,841,061) |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Capital Lease Acquisitions | 3,837 | | | | |
| Sale of Capital Assets | 254 | 1 | | | 7 |
| Transfers In | 3,779,420 | 94,458 | 62,725 | 29,068 | 2,008,466 |
| Transfers Out | (6,687,455) | (28,048) | (40,807) | (29,068) | (138,954) |
| **Total Other Financing Sources (Uses)** | (2,903,944) | 66,411 | 21,918 | 0 | 1,869,519 |
| **Net Change in Fund Balances** | (93,021) | 54,722 | 25,134 | 25,490 | 28,458 |
| **Fund Balances - Beginning of Year** | 481,903 | 87,056 | 352,538 | 380,446 | 98,853 |
| **Fund Balances - End of Year** | $ 388,882 | $ 141,778 | $ 377,672 | $ 405,936 | $ 127,311 |

| Sales Tax | Income Tax Refunds | Catastrophic Health Care | Legislative | Warrant Deficiency | Miscellaneous | General Account Transfer Eliminations | Total |
|---|---|---|---|---|---|---|---|
| $ 270,104 | $ 5,766 | | | | $ 5,992 | | $ 1,875,892 |
| | 96,904 | | | | 4,131 | | 2,001,914 |
| | 12,874 | | | | 5,961 | | 62,670 |
| | | $ 59 | | $ 94 | 19,378 | | 33,615 |
| | | | | 28 | 23,567 | | 27,546 |
| | | | | | 23,336 | | 23,405 |
| | | 379 | | | 6,829 | | 72,419 |
| | | | | | | | 21,014 |
| | | 3,517 | | 11,552 | 41,927 | | 56,766 |
| 270,104 | 115,544 | 3,955 | | 11,674 | 131,121 | | 4,175,241 |
| | | | $ 7,890 | 34 | 20,481 | | 148,830 |
| | | | | | 9,491 | | 362,500 |
| | | 17,710 | | | 7,336 | | 38,716 |
| | | | | | 49,961 | | 2,058,359 |
| | | | | 128 | 20,387 | | 51,687 |
| | | | | 26,295 | 19,650 | | 68,358 |
| | | | | | 24,075 | | 77,504 |
| 270,357 | 414 | | | | 47,059 | | 347,501 |
| | | | | | | | 1,442 |
| | | | | | | | 22,335 |
| 270,357 | 414 | 17,710 | 7,890 | 26,457 | 198,440 | | 3,177,232 |
| (253) | 115,130 | (13,755) | (7,890) | (14,783) | (67,319) | | 998,009 |
| | | | | | | | 3,837 |
| | | | | | 415 | | 677 |
| | | 12,000 | 6,755 | 167 | 193,622 | $ (5,921,179) | 265,502 |
| | (102,399) | | | | (87,865) | 5,921,179 | (1,193,417) |
| 0 | (102,399) | 12,000 | 6,755 | 167 | 106,172 | 0 | (923,401) |
| (253) | 12,731 | (1,755) | (1,135) | (14,616) | 38,853 | | 74,608 |
| 28,739 | 26,874 | 11,948 | 4,444 | 58,714 | 214,011 | | 1,745,526 |
| $ 28,486 | $ 39,605 | $ 10,193 | $ 3,309 | $ 44,098 | $ 252,864 | $ 0 | $ 1,820,134 |

## Schedule 19 - Miscellaneous Statistics

### State Facts

| | |
|---|---|
| State Capital | Boise |
| Admitted to the Union | July 3, 1890 |
| Nickname | The Gem State |
| Motto | Esto Perpetua (Let It Be Perpetual) |
| Population | 1,785,000 |
| Highest Elevation Point | Mt. Borah |
| | 12,662 Feet Above Sea Level |
| Lowest Elevation Point | Snake River at Lewiston |
| | 710 Feet Above Sea Level |
| Number of Lakes | More Than 2,000 |
| State Bird | Mountain Bluebird |
| State Dance | Square Dance |
| State Fish | Cutthroat Trout |
| State Flower | Syringa |
| State Fossil | Hagerman Horse |
| State Fruit | Huckleberry |
| State Gem Stone | Idaho Star Garnet |
| State Horse | Appaloosa |
| State Insect | Monarch Butterfly |
| State Raptor | Peregrine Falcon |
| State Amphibian | Idaho Giant Salamander |
| State Song | "Here We Have Idaho" |
| State Tree | Western White Pine |
| State Vegetable | Potato |

*Source: Idaho Blue Book, 2019-2020*
*Idaho Fiscal Facts, 2019*
*Idaho Economic Forecast, Oct. 2018*

### Twenty Largest Communities in Idaho

| | 2010 | 2019 |
|---|---|---|
| Boise | 205,707 | 228,790 |
| Meridian | 68,516 | 106,804 |
| Nampa | 81,241 | 96,252 |
| Idaho Falls | 55,312 | 61,535 |
| Caldwell | 43,281 | 56,541 |
| Pocatello | 55,076 | 56,266 |
| Coeur d'Alene | 43,805 | 51,303 |
| Twin Falls | 42,741 | 49,764 |
| Post Falls | 26,909 | 34,691 |
| Lewiston | 31,887 | 32,817 |
| Rexburg | 28,856 | 28,687 |
| Eagle | 19,668 | 28,363 |
| Moscow | 24,338 | 25,766 |
| Kuna | 13,909 | 20,746 |
| Ammon | 13,942 | 16,475 |
| Chubbuck | 12,483 | 15,316 |
| Hayden | 13,190 | 15,166 |
| Mountain Home | 12,266 | 14,451 |
| Blackfoot | 11,153 | 11,946 |
| Garden City | 11,891 | 11,911 |

*Source: Idaho Fiscal Facts, 2010 & 2019*

### Land Area and Use
*(in square miles)*

| | |
|---|---|
| Land Area | 83,569 |
| Water Area | 880 |
| Federal Land | 52,535 |
| Total Non-Federal Land | 31,034 |
| Total Rural Land | 79,391 |
| Agricultural Land | 12,535 |
| Range Land | 34,263 |
| Forest Land | 32,592 |

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

*Source: Idaho Blue Book, 2019-2020*
*Idaho Fiscal Facts, 2019*

### Idaho Commodity Rankings

| Commodity | U.S. Rank | U.S. % |
|---|---|---|
| Potatoes | 1 | 34 |
| Austrian Winter Peas | 1 | 43 |
| Barley | 1 | 34 |
| Alfalfa Hay | 2 | 8 |
| Sugar beets | 2 | 18 |
| Peppermint | 2 | 29 |
| Wrinkled Seed Peas | 2 | 30 |
| Hops | 2 | 13 |
| Lentils | 4 | 4 |
| Spring Wheat | 4 | 8 |
| Dry Edible Beans | 5 | 8 |
| Dry Edible Peas | 6 | 2 |
| Canola | 7 | 1 |
| Winter Wheat | 7 | 4 |
| All Hay | 8 | 4 |

*Source: Idaho Agriculture Facts, 2018*

# Bear Lake State Park



On the back: City of Rocks State Park




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