OFFICIAL STATEMENT DATED JUNE 24, 2014

NEW ISSUE—BOOK ENTRY ONLY

This Official Statement has been prepared by the State of Idaho (the "State") to provide information on the State of Idaho Tax Anticipation Notes, Series 2014 (the "Notes"). Selected information is provided on this cover for the convenience of the reader. A prospective investor should read this Official Statement in its entirety in order to make an informed decision regarding the Notes. Unless otherwise indicated, capitalized terms used on this cover have the meanings given in this Official Statement.

$475,000,000
STATE OF IDAHO
TAX ANTICIPATION NOTES, SERIES 2014

Coupon: 2.00%, Yield: 0.11%, CUSIP: 451434BU7

Dated: Date of Initial Delivery (July 1, 2014) **Due: June 30, 2015**

RATINGS Moody's MIG-1, Standard & Poor's SP-1+, Fitch F1+.

PURPOSE The Notes are being issued to fund the State's anticipated cash flow shortfalls during the fiscal year commencing on July 1, 2014, and ending June 30, 2015 ("Fiscal Year 2015"), and to pay the costs of issuing the Notes.

AUTHORITY The Notes are being issued pursuant to Article VII, Section 11, and Article VIII, Section 1, of the Constitution of the State of Idaho, and Chapter 32, Title 63, of the Idaho Code, and pursuant to a Resolution of the Board of Examiners of the State of Idaho adopted on March 18, 2014, and a Plan of Financing approved by the State Treasurer.

SECURITY The Notes are payable from and secured by an irrevocable pledge of so much of the General Tax Revenues to be received during the fourth quarter of Fiscal Year 2015 as may be necessary to pay the principal of and interest on the Notes, the State Treasurer's covenant to transfer, if necessary, any Borrowable Cash Resources to the Note Payment Account established for the payment of the Notes in an amount required to fully pay the principal of and interest on the Notes at maturity, and the solemn pledge of the faith and credit of the State for the payment in full of the principal of and interest on the Notes.

REGISTRATION The Notes initially will be issued in registered form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Notes. Purchases of beneficial interests in the Notes will be made in book-entry form in denominations of $5,000, or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interests in the Notes purchased. The Notes will be dated the date of delivery, and will not be subject to redemption prior to maturity. Principal and interest will be payable when due to DTC or its nominee by The Bank of New York Mellon Trust Company, N.A., Seattle, Washington, as Escrow/Paying Agent. Interest on the Notes is payable at maturity.

TAX MATTERS In the opinion of Moore Smith Buxton & Turcke, Chartered, Bond Counsel, under currently existing laws, regulations, decisions and interpretations and assuming, among other things, compliance with certain covenants, interest on the Notes is excluded from gross income subject to federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, but such interest is included in earnings and profits in computing the federal alternative minimum taxes imposed on certain corporations. The Notes are not private activity bonds. Bond Counsel is also of the opinion that, under the laws of the State of Idaho, as enacted and construed as of the date hereof, interest on the Notes is excluded from gross income for purposes of income taxation by the State of Idaho, to the extent that such interest is excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. See "Legal and Tax Information—Tax Matters" herein.

PiperJaffray

STATE OFFICIALS

The Honorable Ron G. Crane
STATE TREASURER

The Honorable C. L. “Butch” Otter	Governor
The Honorable Brad Little	Lieutenant Governor
The Honorable Ben Ysursa	Secretary of State
The Honorable Brandon Woolf	State Controller
The Honorable Lawrence Wasden	Attorney General
The Honorable Tom Luna	Superintendent of Public Instruction

FINANCIAL ADVISOR

C^2 Financial, LLC

BOND COUNSEL

Moore Smith Buxton & Turcke, Chartered

UNDERWRITER

Piper Jaffray & Co.

ESCROW/PAYING AGENT

The Bank of New York Mellon Trust Company, N.A.
Seattle, Washington

No dealer, broker, sales representative, or other person has been authorized by the State of Idaho (the "State") to give any information or to make any representations with respect to the Notes not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained by the State from State records and from other sources that the State believes to be reliable, but the State does not guarantee the accuracy or completeness of such information. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the State since the date hereof.

The State makes no representation regarding the accuracy or completeness of the information provided in Appendix D—DTC and the Book-Entry Only System, which has been furnished by DTC.

This Official Statement is not to be construed as a contract or agreement between the State and purchasers or owners of any of the Notes.

Certain statements contained in this Official Statement, including the appendices, reflect not historical facts but forecasts and "forward-looking statements." No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe," and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions, and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANYTIME.

CUSIP Number

The CUSIP[(1)] number is included on the front cover of this Official Statement for convenience of the holders and potential holders of the Notes. No assurance can be given that the CUSIP number for the Notes will remain the same after the date of issuance and delivery of the Notes.

Websites

The websites provided herein are not part of this Official Statement, and investors should not rely on information which is presented in the State's websites in determining whether to purchase Notes. Inactive textual reference to the State's websites are not hyperlinks and do not incorporate the State's websites by reference.

(1) CUSIP is a trademark of the American Bankers Association. The CUSIP number is provided by Standard and Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This number is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service.

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OFFICIAL STATEMENT

$475,000,000
STATE OF IDAHO
TAX ANTICIPATION NOTES, SERIES 2014

INTRODUCTION

This Official Statement of the State of Idaho (the "State") presents certain information in connection with the issuance by the State of $475,000,000 aggregate principal amount of Tax Anticipation Notes, Series 2014 (the "Notes"). None of the references to or summaries of the laws of the State or of any documents referred to in this Official Statement purport to be complete, and all such references are qualified in their entirety by reference to the complete provisions thereof.

The Notes are being issued to fund the State's anticipated cash flow shortfalls during the fiscal year commencing on July 1, 2014, and ending June 30, 2015 ("Fiscal Year 2015"). The proceeds of the sale of the Notes will be deposited in the General Fund of the State (the "General Fund") and will be used to alleviate temporary cash flow shortfalls and to finance the State's daily operations in anticipation of certain tax revenues (the "General Tax Revenues") of the State to be collected during the fourth quarter of Fiscal Year 2015 (see "General Tax Revenues"). General Tax Revenues consist primarily of individual income tax, corporate income tax and sales tax. The Notes are payable from and secured by: (i) an irrevocable pledge of so much of the General Tax Revenues to be received during the fourth quarter of Fiscal Year 2015 as may be necessary to pay the principal of and interest on the Notes; (ii) the State Treasurer's covenant to transfer, if necessary, from cash balances in other borrowable funds in the State Treasury (the "Borrowable Cash Resources") to the Note Payment Account established for the payment of the Notes, an amount required to fully pay the principal of and interest on the Notes at maturity; and (iii) the solemn pledge of the faith and credit of the State for the payment in full of the principal of and interest on the Notes.

THE NOTES

Description of the Notes

The Notes will be dated the date of delivery, and will mature June 30, 2015. The Notes will bear interest at 2.00% per *annum*, payable at maturity, calculated on the basis of a 30-day month, 360-day year. The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Notes. The ownership of not more than two fully registered global Notes for the entire aggregate principal amount of the Notes will be registered in the name of Cede & Co. as nominee of DTC. See Appendix D—DTC and the Book-Entry Only System. The Notes are not subject to redemption prior to maturity. Principal of and interest on the Notes will be payable at maturity by The Bank of New York Mellon Trust Company, N.A., Seattle, Washington, Escrow/Paying Agent (the "Escrow/Paying Agent"), to DTC or its nominee in lawful money of the United States for distribution to the Participants, Indirect Participants and Beneficial Owners.

Authorization

The Notes are being issued pursuant to Article VII, Section 11, and Article VIII, Section 1, of the Constitution of the State of Idaho (the "Constitution"), and Chapter 32, Title 63, of the Idaho Code (the "Act"), and pursuant to a Resolution of the Board of Examiners of the State of Idaho adopted on March 18, 2014 (the "Resolution"), and a Plan of Financing approved by the State Treasurer. See Appendix B—Plan of Financing.

The Act allows the State Treasurer, with approval of the State Board of Examiners (the "Board"), a constitutionally established board comprised of the Governor, the Secretary of State and the Attorney General, with the State Controller as *ex officio* Secretary, to borrow monies in anticipation of General Tax Revenues in a principal sum not to exceed 75% of the income or revenue from such taxes that the State reasonably anticipates to be collected during the fiscal year. In the Resolution, the Board approved such borrowings during Fiscal Year 2015 in an amount not to exceed $2,112,675,000. At the time the Board adopted the Resolution, General Tax Revenues anticipated to be collected during Fiscal Year 2015 were expected to be not less than $2,816,900,000, thereby imposing a limit of $2,112,675,000 on such borrowings for Fiscal Year 2015.

Pursuant to the Act, all tax anticipation notes ("TANs") issued by the State must mature no later than the end of the then current fiscal year. The State does not currently plan to issue additional TANs during Fiscal Year 2015, but reserves the right to do so (see "Security and Sources of Payment for the Notes—Tax Anticipation Notes").

The Plan of Financing (see Appendix B) adopted by the State Treasurer calls for the issuance of $475,000,000 Tax Anticipation Notes, Series 2014, in anticipation of the income and revenues from taxes to be received during the fourth quarter of Fiscal Year 2015 (April, May and June 2015). These monies may include specific, *ad valorem*, excise, income, franchise or license revenues. The State anticipates receiving a total of $978,917,000 in the fourth quarter of Fiscal Year 2015. The $475,000,000 in Notes to be issued is equal to 48.52% of anticipated Fiscal Year 2015 fourth quarter revenues and is within the 75% issuance test set forth in the Act. Set forth in Table 2 is a description of the specific revenue and amounts that the State estimates will be received in the fourth quarter of Fiscal Year 2015. The revenues anticipated for Fiscal Year 2015 are shown on a monthly basis in Table 4 and on a quarterly basis in Table 5. See "General Tax Revenues."

Use of Proceeds

Timing differences between revenue collections and disbursements have caused the State to engage in inter-fund borrowing to fund General Fund expenditures (see "Security and Sources of Payment for the Notes—Internal Borrowing"). The State Treasurer has determined to issue the Notes to meet the anticipated cash flow requirements for Fiscal Year 2015 resulting from the imbalance in timing between receipts and expenditures.

The State's major General Fund revenue sources include individual income tax, corporate income tax and sales tax. Together, these three categories comprise 95.17% of total General Fund revenues. General Fund revenues are received in relatively uneven amounts throughout the fiscal year because of various factors regarding the timing of individual income tax collections and refunds, large sales tax receipts in January as a result of holiday shopping, and quarterly collections of corporate income tax. As a result, the State anticipates that it will receive 44.73% of General Fund revenues/receipts in the first six months of Fiscal Year 2015. However, disbursements during the same period account for 63.03% of total expenditures.

The single largest item of expenditure in the State's budget is for public school aid, which totals $1,374,598,500, or 46.63% of total spending in Fiscal Year 2015. School aid payments are disbursed in five payments, three of which occur in the first five months of the fiscal year for a total of $994,838,780, or 72.37% of total school aid payments. Senate Bill 1323, enacted in 2014 by the Idaho State Legislature (the "Legislature"), amended Section 33-1009, Idaho Code, to change the distribution schedule of formula funds for public schools. This legislation changed the percentage paid for each disbursement made to the public school districts by the State Board of Education. The July payment is for annual appropriated special distributions. The August payment was increased to 50% from 30%; the October payment was eliminated; the November payment remained at 20%; the February payment was increased to 20% from 10%; and the May payment remained at 10%. Payments made directly to the school districts in Fiscal Year 2015 are currently scheduled as follows:

TABLE 1
PAYMENTS TO SCHOOL DISTRICTS

Month	Amount
July 2014	$ 114,983,000
August 2014	626,682,700
November 2014	253,173,080
February 2015	253,173,080
May 2015	126,586,540
Total	$ 1,374,598,400

Health and Welfare expenditures, the second largest single expenditure item, total $637,514,000, or 21.63% of the budget. The third largest expenditure item is aid to higher education, for a total of $331,358,000, which is 11.24% of the total Fiscal Year 2015 budget (see Table 14—General Fund Summary of the Fiscal Year 2015 Budget).

Proceeds received by the State from the sale of the Notes will be deposited in the General Fund and used to meet expenses required to be paid from the General Fund during Fiscal Year 2015.

The State has covenanted to comply with the provisions of the Internal Revenue Code of 1986 (the "IRC") which are necessary for interest paid on the Notes to be excluded from gross income for purposes of federal income taxation. The State has projected that the cumulative cash flow deficit to be financed by the Notes will exceed 90% of the proceeds of the Notes within six months of the date of the Notes. In the event that the gross proceeds of the Notes are not expended (within the meaning of Section 148(f)(4)(B) of the IRC) within six months of the date of issuance of the Notes, the State will cause to be rebated to the United States an amount equal to the excess earnings on all non-purpose investments, if any, over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Notes, plus any income attributable to such excess.

SECURITY AND SOURCES OF PAYMENT

Each Note, when duly issued and paid for, will constitute a valid and binding obligation of the State. The Notes are payable from and secured by: (i) an irrevocable pledge of so much of the General Tax Revenues to be received during the fourth quarter of Fiscal Year 2015 as may be necessary to pay the principal of and interest on the Notes; (ii) the State Treasurer's covenant to transfer, if necessary, any Borrowable Cash Resources to the Note Payment Account established for the payment of the Notes, in an amount required to fully pay the principal of and interest on the Notes at maturity; and (iii) the solemn pledge of the faith and credit of the State for the payment in full of the principal of and interest on the Notes.

There is established in the "Tax Anticipation Note Redemption Fund" created by Section 63-3203, Idaho Code, a special fund and account known as the "Tax Anticipation Notes, Series 2014, Note Payment Account" (the "Note Payment Account"). The Note Payment Account will be held and invested at the direction of the State Treasurer by the Escrow/Paying Agent, pursuant to the provisions of an escrow agreement. Monies in the Note Payment Account will be invested in direct obligations of the Federal Government and in certain fully collateralized investments permitted under Section 67-1210, Idaho Code. The State Treasurer has covenanted to invest all monies in the Note Payment Account in securities that mature no later than June 30, 2015. The State Treasurer also has covenanted not to invest monies in the Note Payment Account in debt obligations of the State, its political subdivisions, or taxing districts or authorities.

In accordance with the Act, the Notes are payable from pledged fourth quarter General Tax Revenues and, to the extent necessary, from Borrowable Cash Resources of the State. All income and revenues from the taxes collected during the fourth quarter of Fiscal Year 2015 (April, May and June 2015) will be deposited into the Note Payment Account as received until the monies therein together with investment earnings earned or to be earned thereon shall be sufficient to pay principal of and interest on the Notes at maturity (see Table 4—State of Idaho Projected General Fund Cash Flow for the Fiscal Year Ending June 30, 2015, and "General Tax Revenues"). The State Treasurer may, but is not required to by the Plan of Financing, deposit any income and revenues from taxes received prior to the fourth quarter of Fiscal Year 2015 into the Note Payment Account, and any monies so deposited into the Note Payment Account are irrevocably appropriated and set aside solely for payment of principal of and interest on the Notes. The State has projected the receipt of revenues as shown in Table 2 to pay principal of and interest on the Notes.

TABLE 2
ESTIMATED FOURTH QUARTER REVENUES BY SOURCE
FOR FISCAL YEAR JUNE 30, 2015
(000s omitted)

	April	May	June	Total
Individual Income Tax	$ 330,906	$ 84,030	$ 95,799	$ 510,735
Corporate Income Tax	40,375	9,347	43,107	92,829
Sales Tax	101,205	98,768	106,915	306,888
Product Taxes	3,148	3,127	3,298	9,573
Miscellaneous Revenues	1,769	1,779	55,344	58,892
Non-Revenue Receipts	-	-	-	-
Total Tax Revenues	$ 477,403	$ 197,051	$ 304,463	$ 978,917

Source: Division of Financial Management

The State Treasurer has covenanted that, in the event there are not on deposit in the Note Payment Account on or before June 30, 2015, tax revenues, together with investment earnings thereon, fully sufficient to pay the principal of and interest on the Notes at maturity, the State Treasurer will borrow from Borrowable Cash Resources, subject to the requirement that such amounts be repaid when General Fund monies are available, or take any or all other legally available actions to cause to be deposited in the Note Payment Account amounts sufficient to pay the principal of and interest on the Notes at maturity. See “Borrowable Cash Resources.” Fiscal Year 2015 fourth quarter revenues of $978.9 million provide 2.06X coverage for the Notes. Borrowable Cash Resources of $3,178 million provide 6.69X in additional coverage for the Notes.

General Fund Cash Flow

Table 3 presents the actual to-date and projected June cash flow of the General Fund for Fiscal Year 2014, and Tables 4 and 5 present the projected cash flow for Fiscal Year 2015, by major categories of receipts and disbursements. The Fiscal Year 2015 cash flow table evidences that all proceeds of the Notes are expected to have been expended within six months of their receipt. The cash flows in Tables 4 and 5 should be read in conjunction with other information concerning the Fiscal Year 2015 budget. Certain assumptions regarding the Fiscal Year 2015 cash flow statements are set forth below and on the page following Table 5 (see “Assumptions Underlying the Monthly Allocation of Fiscal Year 2015 General Fund Disbursements”).

Fiscal Year 2015 Cash Flow Deficit. Fiscal Year 2015 General Fund cash flow (before borrowing) is estimated to have a negative balance at the end of the months of July through May with the November month-end cash deficit estimated to be $620,561,000 (see Table 4—Projected General Fund Cash Flow). A primary factor in the heavy percentage of first half expenditures is the required dates for General Fund transfers to the public schools. Senate Bill 1323 enacted by the 2014 Legislature amended Section 33-1009, Idaho Code, to provide for a change in the distribution of funds to public schools, which resulted in a reduction in the November mid-month and month-end cash deficit.

Most months’ mid-month cash deficit is estimated to be greater than the end-of-the-month deficit balance. This situation occurs because only approximately 20% of the month’s revenues are received during the first two weeks while, on average, 80% of the month’s expenditures occur during the same period. The majority of taxes are received during the second half of the month because of statutorily established dates for tax payments. The mid-month deficit projected for November in Fiscal Year 2015 is $737,064,000, occurring on November 15, 2014.

The State is choosing to take a conservative external borrowing approach during Fiscal Year 2015 and intends to use internal borrowing resources to cover any month-end deficits not covered by the external borrowing amount.

TABLE 3
STATE OF IDAHO
GENERAL FUND CASH FLOW
FOR THE FISCAL YEAR ENDING JUNE 30, 2014

	Actual											Projected	
(000 Omitted)	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**June**	**Total**
BEGINNING CASH BALANCE BEFORE BORROWING	**$ 91,104**	**$ (5,719)**	**$ (307,508)**	**$ (563,737)**	**$ (468,660)**	**$ (637,483)**	**$ (544,551)**	**$ (436,689)**	**$ (492,697)**	**$ (415,119)**	**$ (85,272)**	**$ (115,662)**	**$ 91,104**
REVENUES AND RECEIPTS													
Revenues													
Individual Income Tax	$ 77,825	$ 78,507	$ 91,353	$ 94,431	$ 86,065	$ 107,941	$ 126,437	$ 86,629	$ 98,791	$ 299,566	$ 80,170	$ 92,082	$ 1,319,797
Corporate Income Tax	6,812	4,701	29,770	7,934	5,353	22,960	7,477	4,311	15,806	35,741	6,690	46,276	193,831
Sales Tax	101,105	99,995	104,478	97,538	89,566	91,670	109,163	79,006	81,461	96,434	93,043	104,611	1,148,070
Product Taxes	8,475	3,641	3,423	3,169	3,132	3,051	3,226	3,014	3,082	3,121	3,100	3,542	43,976
Miscellaneous Revenues	21,733	1,188	11,990	1,567	1,165	8,118	1,306	6,533	5,313	1,933	1,702	42,830	105,378
Total Revenues	$ 215,950	$ 188,032	$ 241,014	$ 204,639	$ 185,281	$ 233,740	$ 247,609	$ 179,493	$ 204,453	$ 436,795	$ 184,705	$ 289,341	$ 2,811,052
Non-Revenue Transfers to GF	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Revenue Receipts	1,828	733	931	1,162	1,448	672	529	644	1,498	1,808	688	-	11,941
TAN - Interest (offset Int Exp)	-	-	-	-	-	-	-	-	-	-	-	9,972	9,972
TOTAL REVENUES AND RECEIPTS	**$ 217,778**	**$ 188,765**	**$ 241,945**	**$ 205,801**	**$ 186,729**	**$ 234,412**	**$ 248,138**	**$ 180,137**	**$ 205,951**	**$ 438,603**	**$ 185,393**	**$ 299,313**	**$ 2,832,965**
EXPENDITURES AND DISBURSEMENTS													
Expenditures													
Personnel Costs	$ 37,995	$ 56,877	$ 44,223	$ 44,159	$ 44,025	$ 44,517	$ 61,562	$ 37,835	$ 31,183	$ 24,419	$ 22,701	$ 33,058	$ 482,554
Operating Costs	21,460	20,113	20,133	7,435	14,193	8,462	9,267	11,048	11,689	14,910	14,941	26,049	179,700
Capital Outlay	4,464	900	2,742	2,360	1,572	2,227	431	702	990	1,214	2,247	44	19,893
Trustee and Benefit Payments	39,607	6,609	8,271	8,048	4,551	13,432	8,510	5,169	8,021	9,156	7,068	2,254	120,696
Operating Transfers - Public Schools	109,271	351,427	362,918	-	241,945	-	-	120,973	-	-	120,973	857	1,308,364
Operating Transfers - All Others	100,653	53,814	58,953	47,942	47,942	72,293	59,755	59,817	74,118	57,476	46,930	75,256	754,949
Total Expenditures	$ 313,450	$ 489,740	$ 497,240	$ 109,944	$ 354,228	$ 140,931	$ 139,525	$ 235,544	$ 126,001	$ 107,175	$ 214,860	$ 137,518	$ 2,866,156
Non-Operating disbursements	$ 1,151	$ 814	$ 934	$ 780	$ 1,324	$ 549	$ 751	$ 601	$ 2,372	$ 1,581	$ 923	$ -	$ 11,780
TAN - Interest Expense	-	-	-	-	-	-	-	-	-	-	-	9,972	9,972
TOTAL EXPENDITURES AND DISBURSEMENTS	**$ 314,601**	**$ 490,554**	**$ 498,174**	**$ 110,724**	**$ 355,552**	**$ 141,480**	**$ 140,276**	**$ 236,145**	**$ 128,373**	**$ 108,756**	**$ 215,783**	**$ 147,490**	**$ 2,887,908**
ENDING CASH BALANCE BEFORE BORROWING	**$ (5,719)**	**$ (307,508)**	**$ (563,737)**	**$ (468,660)**	**$ (637,483)**	**$ (544,551)**	**$ (436,689)**	**$ (492,697)**	**$ (415,119)**	**$ (85,272)**	**$ (115,662)**	**$ 36,161**	**$ 36,161**
Beginning After-Borrowing Cash Balance	$ 91,104	$ 494,281	$ 192,492	$ (63,737)	$ 31,340	$ (137,483)	$ (44,551)	$ 63,311	$ 7,303	$ 34,889	$ (85,272)	$ (115,662)	$ 91,104
Borrowing													
Receipt	500,000	-	-	-	-	-	-	-	-	-	-	-	500,000
(Repayment)	-	-	-	-	-	-	-	-	(49,992)	(450,008)	-	-	(500,000)
Total Net Borrowing	$ 500,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (49,992)	$ (450,008)	$ -	$ -	$ -
NET RECEIPTS OVER (UNDER) DISBURSEMENT	(96,823)	(301,789)	(256,229)	95,077	(168,823)	92,932	107,862	(56,008)	77,578	329,847	(30,390)	151,823	(54,943)
ENDING AFTER-BORROWING CASH BALANCE (1)	**$ 494,281**	**$ 192,492**	**$ (63,737)**	**$ 31,340**	**$ (137,483)**	**$ (44,551)**	**$ 63,311**	**$ 7,303**	**$ 34,889**	**$ (85,272)**	**$ (115,662)**	**$ 36,161**	**$ 36,161**

Note: Mid-month deficit for Fiscal Year 2014 at November 13, 2013, was $(781,634,000).

(1) Borrowable Cash Resources and internal notes were used to cover negative balance.

Source: Division of Financial Management

TABLE 4
STATE OF IDAHO
PROJECTED GENERAL FUND CASH FLOW
FOR THE FISCAL YEAR ENDING JUNE 30, 2015

(000 Omitted)	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
BEGINNING CASH BALANCE BEFORE BORROWING [1]	**$ 36,161**	**$ (37,811)**	**$ (646,302)**	**$ (562,587)**	**$ (448,065)**	**$ (620,561)**	**$ (489,042)**	**$ (349,801)**	**$ (531,582)**	**$ (443,288)**	**$ (72,398)**	**$ (112,147)**	**$ 36,161**
REVENUES AND RECEIPTS													
Revenues													
Individual Income Tax	$ 85,729	$ 87,339	$ 87,963	$ 100,564	$ 86,786	$ 114,622	$ 146,975	$ 81,011	$ 97,314	$ 330,906	$ 84,030	$ 95,799	$ 1,399,038
Corporate Income Tax	7,042	2,863	28,775	11,082	3,754	27,966	11,608	4,646	15,945	40,375	9,347	43,107	206,510
Sales Tax	110,278	106,064	107,484	110,718	98,744	97,492	120,862	81,867	87,208	101,205	98,768	106,915	1,227,605
Product Taxes	8,812	3,295	3,354	3,145	3,200	3,156	3,091	3,003	3,015	3,148	3,127	3,298	43,644
Miscellaneous Revenues	8,083	1,639	10,149	1,328	1,150	8,336	1,327	3,957	5,964	1,769	1,779	55,344	100,825
Total Revenues	219,944	201,200	237,725	226,837	193,634	251,572	283,863	174,484	209,446	477,403	197,051	304,463	2,977,622
Transfers to General Fund	2,000	-	-	-	-	-	-	-	-	-	-	-	2,000
Non-Revenue Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES AND RECEIPTS	**$ 221,944**	**$ 201,200**	**$ 237,725**	**$ 226,837**	**$ 193,634**	**$ 251,572**	**$ 283,863**	**$ 174,484**	**$ 209,446**	**$ 477,403**	**$ 197,051**	**$ 304,463**	**$ 2,979,622**
EXPENDITURES AND DISBURSEMENTS													
Expenditures													
Personnel Costs	$ 41,471	$ 62,206	$ 41,471	$ 41,471	$ 41,471	$ 41,471	$ 62,206	$ 41,471	$ 41,471	$ 41,471	$ 41,471	$ 41,469	$ 539,120
Operating Costs	22,857	21,138	20,023	12,505	13,185	9,577	12,241	9,275	12,581	9,709	12,278	33,528	188,897
Capital Outlay	7,793	3,257	2,396	2,402	3,266	3,137	2,083	(857)	1,465	921	1,897	3,529	31,289
Trustee and Benefit Payments	15,465	40,070	9,845	5,687	4,786	6,407	5,748	2,954	4,432	4,163	4,319	5,442	109,318
Operating Transfers - Public Schools	114,983	626,683	-	-	253,173	-	-	253,173	-	-	126,586	-	1,374,598
Operating Transfers - All Others	93,347	56,337	80,275	50,250	50,249	59,461	62,344	50,249	61,203	50,249	50,249	40,390	704,603
Total Expenditures	$ 295,916	$ 809,691	$ 154,010	$ 112,315	$ 366,130	$ 120,053	$ 144,622	$ 356,265	$ 121,152	$ 106,513	$ 236,800	$ 124,358	$ 2,947,825
Non-Operating Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES AND DISBURSEMENTS	**$ 295,916**	**$ 809,691**	**$ 154,010**	**$ 112,315**	**$ 366,130**	**$ 120,053**	**$ 144,622**	**$ 356,265**	**$ 121,152**	**$ 106,513**	**$ 236,800**	**$ 124,358**	**$ 2,947,825**
ENDING CASH BALANCE BEFORE BORROWING	**$ (37,811)**	**$ (646,302)**	**$ (562,587)**	**$ (448,065)**	**$ (620,561)**	**$ (489,042)**	**$ (349,801)**	**$ (531,582)**	**$ (443,288)**	**$ (72,398)**	**$ (112,147)**	**$ 67,958**	**$ 67,958**
Beginning After-Borrowing Cash Balance	$ 36,161	$ 437,189	$ (171,302)	$ (87,587)	$ 26,935	$ (145,561)	$ (14,042)	$ 125,199	$ (56,582)	$ 31,712	$ 402,602	$ 362,853	$ 36,161
Borrowing													
Internal Notes	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
External Notes:	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipts	475,000	-	-	-	-	-	-	-	-	-	-	-	475,000
(Repayment)	-	-	-	-	-	-	-	-	-	-	-	(475,000)	(475,000)
Total Net Borrowing	$ 475,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (475,000)	$ -
NET RECEIPTS OVER (UNDER) DISBURSEMENT	(73,972)	(608,491)	83,715	114,522	(172,496)	131,519	139,241	(181,781)	88,294	370,890	(39,749)	180,105	31,797
ENDING AFTER-BORROWING CASH BALANCE [2]	**$ 437,189**	**$ (171,302)**	**$ (87,587)**	**$ 26,935**	**$ (145,561)**	**$ (14,042)**	**$ 125,199**	**$ (56,582)**	**$ 31,712**	**$ 402,602**	**$ 362,853**	**$ 67,958**	**$ 67,958**

Note: Maximum cash flow deficit for Fiscal Year 2015 is projected to occur mid-month on November 15, 2014, and be $(737,064,000).

(1) Beginning cash balance includes an encumbrance reserve of $10 million.

(2) Borrowable Cash Resources will be used to cover negative balances.

Source: Division of Financial Management

TABLE 5
STATE OF IDAHO
CASH FLOW SUMMARY BY QUARTER
FOR THE FISCAL YEAR ENDING JUNE 30, 2015

(000 omitted)	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total
BEGINNING CASH BALANCE	**$ 36,161**	**$ (87,587)**	**$ (14,042)**	**$ 31,712**	**$ 36,161**
REVENUES AND RECEIPTS					
Revenues					
Individual Income Tax	$ 261,031	$ 301,972	$ 325,300	$ 510,735	$ 1,399,038
Corporate Income Tax	38,680	42,802	32,199	92,829	206,510
Sales Tax	323,826	306,954	289,937	306,888	1,227,605
Product Taxes	15,461	9,501	9,109	9,573	43,644
Miscellaneous Revenues	19,871	10,814	11,248	58,892	100,825
Total Revenues	$ 658,869	$ 672,043	$ 667,793	$ 978,917	$ 2,977,622
Non-revenue Receipts	2,000	-	-	-	2,000
TOTAL REVENUES AND RECEIPTS	**$ 660,869**	**$ 672,043**	**$ 667,793**	**$ 978,917**	**$ 2,979,622**
EXPENDITURES AND DISBURSEMENTS					
Expenditures					
Personnel Costs	$ 145,148	$ 124,413	$ 145,148	$ 124,411	$ 539,120
Operating Expense	64,018	35,267	34,097	55,515	188,897
Capital Outlay	13,446	8,805	2,691	6,347	31,289
Trustee and Benefit Payments	65,380	16,880	13,134	13,924	109,318
Operating Transfers-Public Schools	741,666	253,173	253,173	126,586	1,374,598
Operating Transfers-All Other	229,959	159,960	173,796	140,888	704,603
Total Appropriated Expenditures	$ 1,259,617	$ 598,498	$ 622,039	$ 467,671	$ 2,947,825
Non-Operating Disbursements	-	-	-	-	-
Net Interest Revenues/Expenditures on TAN	-	-	-	-	-
TOTAL EXPENDITURES AND DISBURSEMENTS	**$ 1,259,617**	**$ 598,498**	**$ 622,039**	**$ 467,671**	**$ 2,947,825**
TAX ANTICIPATION NOTES:					
Receipt	$ 475,000	$ -	$ -	$ -	$ 475,000
Repayment	-	-	-	(475,000)	(475,000)
ENDING CASH BALANCE [(1)]	**$ (87,587)**	**$ (14,042)**	**$ 31,712**	**$ 67,958**	**$ 67,958**

(1) Borrowable Cash Resources will be used to cover negative balances.

Source: Division of Financial Management

Assumptions Underlying the Monthly Allocation of Fiscal Year 2015 General Fund Disbursements

The Fiscal Year 2015 General Fund disbursements shown in Table 4 are classified as Personnel Costs, Operating Costs, Capital Outlay, Trustee and Benefit Payments, Operating Transfers—Public Schools and Operating Transfers—All Other. The total amount allocated to each classification was determined by consolidating all the Fiscal Year 2015 appropriations. Once the total classifications were determined, the monthly allocations were made in the following manner:

(i) *Personnel Costs:* The total personnel cost appropriation was based on a per-pay-period cost with the cost assigned to the number of paydays in each month.

(ii) *Operating Costs, Capital Outlay, Trustee and Benefit Payments.* These costs were allocated on the basis of the average of the five previous fiscal years' monthly expenditure pattern.

(iii) *Operating Transfers—Public Schools.* Public School aid payments were allocated to the months in which the payments are to be made per Idaho Code (see "The Notes—Use of Proceeds").

(iv) *Operating Transfers—All Other.* The agencies receiving authority to transfer funds from the General Fund were consulted as to timing of transfers.

Interest Expense on Tax Anticipation Notes

Since the decision to issue or not to issue TANs is made subsequent to the legislative session, legislative revenue estimates do not include interest earnings on unexpended TAN proceeds, nor do expenditure estimates include the related interest expense. Net interest expense on the 2013 Notes is $1,277,422. Net interest expense on the 2014 Notes is $828,899. However, since the Fiscal Year 2015 legislative revenue estimate did not include a provision for interest earnings on the Notes, TAN interest revenues and expenses have been netted to zero on Tables 3, 4, and 5.

THE ESTIMATES OF AMOUNTS AND TIMING FOR RECEIPTS AND DISBURSEMENTS FOR THE FISCAL YEAR 2015 CASH FLOW STATEMENT ARE BASED ON CERTAIN ASSUMPTIONS AND SHOULD NOT BE CONSTRUED AS STATEMENTS OF FACT. THE ASSUMPTIONS ARE BASED ON PRESENT CIRCUMSTANCES AND CURRENTLY AVAILABLE INFORMATION AND ARE BELIEVED TO BE REASONABLE. THE ASSUMPTIONS MAY BE AFFECTED BY NUMEROUS FACTORS AND THERE CAN BE NO ASSURANCE THAT SUCH ESTIMATES WILL BE ACHIEVED.

Borrowable Cash Resources

Pursuant to Section 67-1212, Idaho Code, as amended, the State Treasurer is authorized to engage in short-term internal borrowings from cash balances in other funds in the State Treasury as identified in Table 8 to meet cash flow shortfalls in the General Fund. Such amounts must be repaid when General Fund monies are available, subject to the pledge of General Fund revenues to pay the State's tax anticipation notes. Cash balances in the various funds maintained in the State Treasury that comprise the Borrowable Cash Resources are estimated to be $3,178 million at June 30, 2015.

Section 67-1212, Idaho Code, was amended by the 2010 Legislature (House Bill No. 664) to update the statutory language confirming and clarifying the State Treasurer's existing authority to pay State obligations when a particular fund has insufficient moneys. As amended, Section 67-1212 authorizes the State Treasurer to pay State warrants out of any available moneys and to allow the fund against which the warrants were drawn to remain negative for up to 30 days. If moneys are not sufficient in the fund after 30 days, the State Treasurer is required to make inter-fund transfers, subject to the following requirements: (i) all transfers must be identified by the available funds from which moneys are borrowed, the fund to which the moneys are transferred, the amount of the transfer, the anticipated interest rate consistent with the available funds' current rate of return, if applicable, the anticipated repayment date, and the reason for the transfer; (ii) interest, if applicable, must be paid on any transfer where required by law; and (iii) the State Treasurer is required to maintain an annual report of all such inter-fund transfers. Alternatively, the State Treasurer may issue TANs.

In the opinion of both bond counsel to the State and the Idaho Attorney General, the State Treasurer is fully authorized to borrow from the Borrowable Cash Resources of the State, if necessary, to pay the Notes when due, and such internal borrowings can, if necessary, be carried over into the next fiscal year of the State.

Historical and projected balances available at fiscal year-end in other funds controlled by the State Treasurer that comprise the Borrowable Cash Resources at fiscal year end and monthly are shown in the Tables 6, 7, and 8.

TABLE 6
BORROWABLE CASH RESOURCES

Fiscal Year	Year-End Balance
2010	2.562 billion
2011	2.758 billion
2012	2.986 billion
2013	3.268 billion
2014 (1)	3.115 billion
2015 (2)	3.178 billion

(1) June estimated.

(2) Estimated. See Table 8.

Source: Division of Financial Management

TABLE 7
STATE OF IDAHO
BORROWABLE CASH RESOURCES
FISCAL YEARS 2010-2015

(000 omitted)	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
ACTUAL												
Fiscal Year 2010	2,907,959	3,066,765	2,956,966	3,027,988	2,833,931	2,860,330	3,169,486	3,150,539	2,824,869	2,650,547	2,528,491	2,562,495
Fiscal Year 2011	2,405,400	2,556,386	2,803,678	2,533,489	2,698,822	2,712,606	2,804,725	2,875,629	2,689,035	2,587,870	2,672,399	2,758,931
Fiscal Year 2012	2,447,208	2,884,115	2,865,531	2,708,094	2,795,550	3,081,802	2,987,871	3,004,978	2,871,844	2,734,411	2,736,791	2,986,511
Fiscal Year 2013	2,804,340	3,017,131	3,232,173	3,146,601	3,197,072	3,291,465	3,383,904	3,396,174	3,244,283	3,132,461	2,890,311	3,268,639
Fiscal Year 2014 (1)	3,088,833	3,281,966	3,518,298	3,310,253	3,389,061	3,638,226	3,433,247	3,451,724	3,492,407	3,362,007	3,178,720	3,115,146
ESTIMATE												
Fiscal Year 2015	2,734,311	3,061,056	3,178,191	3,053,256	3,124,972	3,310,310	3,309,415	3,323,244	3,176,046	2,917,122	2,927,892	3,177,830

(1) June estimated.

Source: Division of Financial Management

TABLE 8
STATE OF IDAHO
ESTIMATED AVAILABLE BORROWABLE CASH RESOURCES
FISCAL YEAR 2015

(000's Omitted)	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
NON-INTEREST BEARING												
Lottery	$ 1,761	$ 4,799	$ 5,150	$ 12,690	$ 15,356	$ 23,251	$ 23,750	$ 27,050	$ 29,962	$ 35,869	$ 40,514	$ 42,372
Co-Op Welfare	(26,723)	(22,266)	8,398	6,656	14,570	3,441	(13,719)	13,054	46,842	(7,915)	170	11,530
Co-Op DEQ	2,765	3,278	3,259	3,287	4,636	5,536	5,030	5,048	3,229	3,633	3,051	1,418
Tax Commission Refunds	16,765	31,410	53,726	66,912	71,351	94,818	124,510	75,323	22,739	51,460	22,701	1,620
Circuit Breaker/Sales Tax	19,045	34,379	50,016	23,312	37,401	41,819	21,543	34,313	47,604	24,342	38,729	43,509
Department of Lands	13,418	13,112	13,203	13,048	12,956	13,372	15,765	16,043	15,684	15,854	15,447	15,057
State Regulatory Agency Accounts	42,098	40,805	40,332	40,155	42,073	42,199	46,410	48,122	50,000	50,089	52,733	52,814
All Other Non-Interest Bearing Funds	201,442	198,653	337,533	181,044	219,838	136,926	225,990	229,053	227,661	247,476	142,139	218,834
TOTAL NON-INTEREST BEARING	$ 270,571	$ 304,170	$ 511,617	$ 347,104	$ 418,181	$ 361,362	$ 449,279	$ 448,006	$ 443,721	$ 287,351	$ 315,484	$ 387,154
INTEREST BEARING												
Permanent Building	$ 3,442	$ 3,133	$ 2,824	$ 2,515	$ 2,206	$ 1,897	$ 1,588	$ 1,279	$ 970	$ 661	$ 364	$ 55
Water Pollution Control	1,171	1,572	1,973	2,259	1,468	978	1,238	1,638	2,039	1,883	2,284	2,215
Endowments	28,414	28,471	34,660	35,453	34,884	34,347	34,494	34,358	34,387	34,247	33,591	44,315
Public School Income	90,165	90,340	85,686	84,644	67,500	69,801	72,554	64,872	66,201	68,778	52,315	47,351
Unemployment Clearing	30,870	120,199	19,624	42,383	17,992	21,859	30,145	19,209	16,690	27,171	19,478	15,960
Group Insurance	64,530	66,101	64,437	66,106	59,538	59,926	58,564	56,629	51,009	48,967	46,453	52,149
State Highway Accounts	59,044	57,033	84,752	49,928	67,905	70,404	59,774	72,657	79,468	68,705	80,725	78,982
Budget Reserve	161,514	161,514	161,514	161,514	161,514	161,514	161,514	161,514	161,514	161,514	161,514	161,514
Risk Management	3,923	3,539	4,203	7,055	7,026	6,671	6,332	5,947	6,619	6,052	5,534	4,923
Idaho Millennium Fund	19,786	19,751	19,716	19,681	19,646	19,611	19,576	19,541	19,506	24,471	24,436	24,402
Land Improvement	21,218	23,238	21,414	18,254	21,220	20,218	19,882	23,212	19,501	17,811	22,875	19,052
Liquor Control	14,658	6,890	10,636	8,294	12,407	13,018	12,580	13,147	15,141	12,806	15,028	11,470
Petroleum Price	4,148	4,136	4,150	4,163	4,160	4,152	4,154	4,150	4,159	4,167	4,160	4,160
Interagency Billing Accounts	6,347	6,774	6,241	6,133	5,801	5,612	7,714	8,488	7,487	7,377	6,885	7,444
Joint Exercise of Powers	1,247,864	1,483,407	1,487,570	1,522,266	1,547,017	1,741,301	1,623,304	1,667,573	1,541,789	1,418,481	1,403,306	1,585,320
Catastrophic Health Care	26,425	23,610	21,982	18,571	15,931	13,380	13,141	10,867	13,379	9,668	5,921	118
All Other Interest Bearing funds	680,221	657,178	635,192	656,933	660,576	704,259	733,582	710,157	692,466	717,012	727,539	731,246
TOTAL INTEREST BEARING	$ 2,463,740	$ 2,756,886	$ 2,666,574	$ 2,706,152	$ 2,706,791	$ 2,948,948	$ 2,860,136	$ 2,875,238	$ 2,732,325	$ 2,629,771	$ 2,612,408	$ 2,790,676
TOTAL INTERNAL CASH BORROWING RESOURCES	$ 2,734,311	$ 3,061,056	$ 3,178,191	$ 3,053,256	$ 3,124,972	$ 3,310,310	$ 3,309,415	$ 3,323,244	$ 3,176,046	$ 2,917,122	$ 2,927,892	$ 3,177,830

Source: Division of Financial Management

Internal Borrowing

If General Fund cash flow shortages exist for more than 30 days, the State Treasurer may issue internal notes or registered warrants to correct the shortfall. Internal notes or registered warrants are notes issued by the General Fund to borrow monies from other available State funds or accounts that comprise the Borrowable Cash Resources. They are subject to the requirement that such amounts be repaid when General Fund monies are available, but are subordinate to the pledge of fourth quarter General Tax Revenues pledged to the repayment of the Notes. The following table provides information on the internal borrowings that existed for more than 30 days issued by the State Treasurer since Fiscal Year 2007.

TABLE 9
INTERNAL BORROWINGS OVER 30 DAYS

Fiscal Year	Par Amount	Issued	Repaid
2007	$ 170,000,000	12/12/2006	04/25/2007
2008	49,300,000	12/27/2007	03/18/2008
2009	41,569,000	12/24/2008	01/21/2009
2009	184,144,000	06/11/2009	06/15/2009
2010	280,717,000	11/12/2009	01/13/2010
2010	125,000,000	03/19/2010	06/30/2010
2010	65,000,000	06/04/2010	06/30/2010
2011	67,233,755	06/17/2011	06/30/2011
2012	64,478,000	06/05/2012	06/29/2012
2013	176,709,500	12/17/2012	01/29/2013
2013	178,859,250	05/14/2013	06/28/2013
2014	188,844,450	12/17/2013	03/24/2014
2014	239,542,100	05/13/2014	06/30/2014[(1)]

(1) Expected.

Source: Idaho State Treasurer

Tax Anticipation Notes

In the past ten fiscal years the State Treasurer has issued TANs which were sold in the open market. Table 10 sets forth the TANs issued by the State Treasurer for the past ten fiscal years.

TABLE 10
TAX ANTICIPATION NOTES
Fiscal Years 2005-2014

Fiscal Year	External Notes ($000)	Note Payment Account Fully Funded
2005	$ 230,000	04/21/2005
2006	260,000	04/21/2006
2007	100,000	04/24/2007
2008	400,000	05/07/2008
2009	600,000	06/06/2009
2010	500,000	04/23/2010
2011	500,000	05/05/2011
2012	500,000	04/24/2012
2013	500,000	04/16/2013
2014	500,000	04/21/2014

Source: Idaho State Treasurer

Series 2013 Notes

The State issued $500 million in Tax Anticipation Notes, Series 2013 (the "2013 Notes"), on July 1, 2013, to mature on June 30, 2014. The 2013 Notes were issued in anticipation of the income and revenues and taxes to be received by the General Fund during the fourth quarter of Fiscal Year 2014. In accordance with the Act, all income and revenues from the taxes collected during the fourth quarter of Fiscal Year 2014 were deposited into the Series 2013 Note Payment Account as received until the monies therein, together with investment earnings, were sufficient to pay principal of and interest on the 2013 Notes at maturity.

Sufficient monies to redeem the 2013 Notes with full payment of interest at maturity have been deposited into the Series 2013 Note Payment Account held by the Escrow/Paying Agent and irrevocably set aside solely for the June 30, 2014, payment of the principal of and interest on the 2013 Notes. The State Treasurer began funding the Series 2013 Note Payment Account on March 25, 2014, and had deposited into the Series 2013 Note Payment Account as of April 21, 2014, a total of $509,972,222, fully funding the Series 2013 Note Payment Account.

Authorized Investments

State law, Idaho Code Section 67-1210, and the State Treasurer's Investment Policy direct the investment of State funds in direct obligations of the Federal Government, FDIC-insured certificates of deposit from banks located in the State, collateralized repurchase agreements, or other investment instruments as specified in the Code. The average maturity of the State's investment portfolio was 327 days as of April 22, 2014.

Monies in the Note Payment Account will be invested in direct obligations of the Federal Government and in certain fully collateralized investments permitted under Section 67-1210, Idaho Code. The State Treasurer has covenanted not to invest monies in the Note Payment Account in debt obligations of the State, its political subdivisions, or taxing districts or authorities. The State Treasurer has also covenanted to invest all monies in the Note Payment Account in securities that mature no later than June 30, 2015.

STATE FINANCES

Annual Balanced Budget Requirement

Article VII, Section11, of the Constitution requires the State of Idaho to have a balanced budget annually and reads as follows.

"*Expenditure not to exceed appropriation.* No appropriation shall be made, nor any expenditure authorized by the legislature, whereby the expenditure of the state during any fiscal year shall exceed the total tax then provided for by law, and applicable to such appropriation or expenditure, unless the legislature making such appropriation shall provide for levying a sufficient tax, not exceeding the rates allowed in section nine of this article, to pay such appropriation of expenditure within such fiscal year. This provision shall not apply to appropriations or expenditures to suppress insurrection, defend the state, or assist in defending the United States in time of war." In addition to the constitutional requirement for a balanced budget, Sections 67-3512 and 67-3512A, Idaho Code, provide authority to the Governor and the Board of Examiners to reduce appropriations in order to meet the constitutional balanced budget requirement.

State statutes further provide the following:

"*67-3512 Reduction of legislative appropriations.* Any legislative appropriation made for any department, office or institution of the state may be reduced in amount by the state board of examiners upon investigation and report of the administrator of the division of financial management; provided, that before such reduction is ordered the head of such department, office or institution shall be allowed a hearing before said state board of examiners and may at such hearing present such evidence as he may see fit. No reduction of legislative appropriations made to executive department agencies shall be made without hearing unless and until the head of such department, office or institution shall file his consent in writing thereto. No reduction of legislative appropriations for the elected officers in the executive department shall be made to a level which prohibits the discharge of constitutional duties. No reduction of legislative appropriations for the legislative and judicial departments shall be made without the permission in writing of the head of such department."

"*67-3512A Temporary reduction of spending authority.* Whenever the governor as chief budget officer of the state may determine that the expenditures authorized by the Legislature for the current fiscal year shall exceed anticipated moneys available to meet those expenditures, the governor by executive order may reduce the spending authority on file in the office of the state controller for any department, office or institution of the state; provided, that no reduction of spending authority for the elected officers in the executive department shall be made to a level which prohibits the discharge of constitutional duties and provided that no reduction of spending authority for the legislative and judicial departments shall be made without the permission in writing of the head of such department. The head of any executive department, office or institution of the state may appeal the temporary reduction of spending authority to the state board of examiners, and the state board of examiners may, after hearing and consideration of evidence, restore said spending authority to its original level or to such lesser level as may be required to assist the state in maintaining a balanced budget. The governor may not temporarily reduce spending authority to a level lower than that required to insure that state expenditures do not exceed revenues. A temporary reduction of spending authority pursuant to this section shall not result in a reduction of appropriation. The governor at any time by executive order may restore spending authority which has been temporarily reduced to its original level."

Statewide Accounting Policies and Practices

The Statewide Accounting and Reporting System is an accounting, financial reporting, and budgetary control system; it is the accounting system of record for the State and is maintained by the State Controller. The State maintains records on a budgetary (cash) basis during the fiscal year and records accrual entries for financial reporting purposes at fiscal year end.

The State Treasurer is responsible for the receiving and disbursement of all State monies, management of all bank accounts, and investments of cash not required to meet immediate needs. Some funds are invested separately, and the remaining cash balances are combined for investment purposes. All interest earned is credited to the General Fund unless otherwise required by law or policy.

Financial Reporting and Budgeting

The State produces a Comprehensive Annual Financial Report ("CAFR") in accordance with generally accepted accounting principles as defined by the Government Accounting Standards Board. The State's CAFR can be viewed at *http://www.sco.idaho.gov*. The CAFR has received unqualified audit opinions from the State's Legislative Service auditors and the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association every year since 1997.

The State Division of Financial Management ("DFM") prepares the Governor's Executive Budget, monitors legislative action involving the budget, and produces the revenue and economic forecasts. The Governor's Executive Budget, the Budget Activity Summary, which includes legislative action taken through the 2014 session and delineates changes to the Governor's budget, and the General Fund Revenue Book are all available at *http://www.dfm.idaho.gov*.

Revenue Projection Process

The Legislature has not produced its own revenue forecast since 1993. However, the Legislature's Joint Economic Outlook and Revenue Assessment Committee (the "EORAC") meets at the beginning of the legislative session to review the executive revenue forecast and advise legislative leadership concerning the viability of that forecast.

The Legislature and the Governor have a constitutional responsibility to achieve a balanced budget. In January 2014, the EORAC recommended that the Governor's FY 2014 General Fund revenue projection of $2,808.2 million was reasonable. Further, the EORAC concluded that, although the median of the projections of its members was lower than the Governor's Fiscal Year 2015 projection, the Governor's Fiscal Year 2015 General Fund revenue projection of $2,987.8 million was reasonable to begin the Fiscal Year 2015 budgeting process.

Executive Revenue Forecasts

The executive branch forecast**s** General Fund revenues for use in the development of the Executive Budget and for management of current year fiscal operations. Official executive revenue forecasts are released two times each year, and monthly revenues are monitored year-round on an on-going basis. The semiannual forecast update cycle results in three separate executive revenue forecasts for each fiscal year. The first occurs in January, six months before the start of the fiscal year in question. The second is in August, at the beginning of the fiscal year in question. The third and final forecast is in January, midway through the fiscal year in question.

In 2008 and 2009, there were mid-session *ad hoc* executive General Fund revenue forecast updates that were necessitated by rapidly changing economic and revenue circumstances. In both cases, these updated executive revenue forecasts were subsequently adopted by the Legislature for budgeting purposes.

Unobligated Cash Balances

The General Fund unobligated cash balance for the past ten years is listed below. These figures represent the ending cash balance less encumbrances.

TABLE 11
UNOBLIGATED CASH BALANCES

Fiscal Year	Unobligated Cash Balance
2004	100,244,000
2005	211,041,000
2006	298,659,000
2007	247,274,000
2008	223,925,000
2009	13,500
2010	37,500
2011	68,618,000
2012	99,604,600
2013	79,952,900
2014 (est.)	26,161,000

Source: Division of Financial Management

STATE RESERVE FUNDS

The balances in the Budget Stabilization Fund, the Economic Reserve Fund, the Public Education Stabilization Fund, and the Higher Education Stabilization Fund at fiscal year-end are shown below. A full description of each fund is included in this section.

TABLE 12
STATE RESERVE FUNDS

Fiscal Year	Budget Stabilization Fund	Economic Recovery Reserve Fund	Public Education Stabilization Fund	Higher Education Stabilization Fund
2010	$ 30,820,000	$ 48,846,700	$ 23,174,100	$ -
2011	99,672	53,743	11,153,960	-
2012	23,869,018	55,890	36,967,877	367,129
2013	135,138,343	56,537	49,049,315	942,475
2014 (est.)	161,514,000	56,681	72,820,416	3,227,076
2015 (est.)	161,514,000	56,831	72,910,416	3,229,476

Source: Division of Financial Management

Budget Stabilization Fund

Section 57-814, Idaho Code, creates in the State Treasury the Budget Stabilization Fund (the "BSF") for the purpose of meeting General Fund revenue shortfalls and to meet expenses incurred as the result of a major disaster declared by the Governor. Interest earnings from the investment of moneys in this fund by the State Treasurer will be credited to the Permanent Building Account subject to the provisions of Section 67-1210, Idaho Code.

If the State Controller certifies that the receipts to the General Fund for the fiscal year just ending have exceeded the receipts of the previous fiscal year by more than 4%, then the State Controller will transfer all General Fund collections in excess of 4% to the BSF, up to a maximum of 1% of the actual General Fund collections of the fiscal year just ending. The amount of money in the BSF may not exceed 10% of the total General Fund receipts for the fiscal year just ending. Appropriations of moneys from the BSF in any year will be limited to 50% after the fund balance has reached 10% of the total General Fund receipts for that fiscal year.

House Bill 635, passed in the 2014 legislative session, specifies that any excess cash balance in the General Fund up to $24,000,000 will be transferred to the Budget Stabilization Fund upon the financial close of Fiscal Year 2014. When calculating any excess cash balance, the State Controller will first provide for a minimum of $26,000,000 from the General Fund to be carried over into Fiscal Year 2015.

Economic Recovery Reserve Fund

Section 67-3520, Idaho Code, creates in the State Treasury the Economic Recovery Reserve Fund (the "ERRF") for the purpose of meeting General Fund revenue shortfalls, meeting expenses incurred as the result of a major disaster declared by the Governor, or providing one-time tax relief payments to the citizens of the State. Moneys in the ERRF consist of moneys remitted pursuant to Section 63-2520, Idaho Code. Interest earnings from the investment of moneys in this fund by the State Treasurer will be retained in the ERRF.

Public Education Stabilization Fund

The Public Education Stabilization Fund (the "PESF") has been created in the State Treasury as a fund detail of the Public School Income Fund. The PESF consists of moneys transferred to the fund according to the provisions of Sections 33-905 and 33-1018, Idaho Code, and any other moneys made available through legislative transfers or appropriations. Moneys in the PESF are continuously appropriated for the purposes stated in Sections 33-1018 and 33-1018B, Idaho Code, and may only be expended for the purposes stated in Sections 33-1018, 33-1018A and 33-1018B, Idaho Code. Interest earned from the investment of moneys in the PESF will be retained in the PESF. Any accumulated balances in the PESF that are in excess of 8.334% of the current fiscal year's total appropriation of State funds for public school support will be transferred to the State Bond Levy Equalization Support Program (the "Bond Levy Program") Fund.

House Bill 635, passed in the 2014 legislative session, specifies that any excess cash balance in the General Fund up to $10,000,000 will be transferred to the Public Education Stabilization Fund upon the financial close of Fiscal Year 2014. When calculating any excess cash balance, the State Controller will first provide for a minimum of $ 26,000,000 from the General Fund to be carried over into Fiscal Year 2015.

Higher Education Stabilization Fund

The Higher Education Stabilization Fund (the "HESF") has been created in the State Treasury. The HESF creates a strategic reserve to be utilized as a mitigation tool to minimize the impact of economic downturns on higher education in the State. Funding for the HESF is generated from two revenue sources, flowing into three accounts. The first account is established through the interest generated from the submission of tuition and fees to the State General Account. The second and third accounts are funded through the appropriation of surplus monies in times of economic abundance.

House Bill 635, passed in the 2014 legislative session, specifies that any excess cash balance in the General Fund up to $2,000,000 will be transferred to the Public Education Stabilization Fund upon the financial close of Fiscal Year 2014. When calculating any excess cash balance the State Controller will first provide for a minimum of $ 26,000,000 from the General Fund to be carried over into Fiscal Year 2015.

RECENT DEVELOPMENTS

State Treasurer Investment Advisory Board

The 2014 Legislature enacted and the Governor signed into law Senate Bill 1350 establishing an investment advisory board to the State Treasurer. The members of the five-person board will be appointed by the governor and must be knowledgeable and experienced in financial management.

Statutory Cap for Budget Stabilization Fund

The 2014 Legislature enacted and the Governor signed into law Senate Bill 1408 to increase the statutory cap for the Budget Stabilization Fund from 5% of the previous year's General Fund revenues to 10% beginning in Fiscal Year 2015.

State Takeover of Privately Run Prison

The 2014 Legislature enacted and the Governor signed into law Senate Bill 1245 authorizing an additional 90 full-time positions to transition the operation of the State-owned Idaho Correctional Center from a privately-operated facility to a State-operated facility.

Idaho Reimbursement Incentive Act

The 2014 Legislature enacted and the Governor signed into law House Bill 546 to provide a performance-based economic development tool that provides a tax credit up to 30% for up to 15 years on new corporate income tax, sales tax and payroll taxes paid as a result of a new qualifying project. The tax credit will be available to both existing and new companies seeking expansion in the State. The tax percentage and project term will be negotiated based upon the quality of jobs created, regional economic impact and return on investment for the State. All incentives will be approved by the Idaho Economic Advisory Council and will be governed by detailed agreements between the State and incented companies.

Financial Reporting Requirements for Local Governments

The 2014 Legislature enacted and the Governor signed into law House Bill 560 which enacted legislation to improve public accountability and transparency of all special purpose governmental entities in the State for the benefit of the people whom these entities serve. This legislation established a Local Governing Entities Central Registry and established the reporting information required and penalties for failure to report.

Fund for Collecting Voluntary Sales Tax Collections for Internet Retailers

The 2014 Legislature enacted and the Governor signed into law House Bill 593 which created a savings account from sales tax collected and remitted from retailers that are not engaged in business in the State and are not currently required to collect sales taxes. Moneys in the account are directed to be used for tax relief.

Medicaid Expansion

The State is still in the process of evaluating additional information, including private pay models, in order to make a policy recommendation on this subject.

Idaho Public Schools

The 2014 Legislature enacted and the Governor signed a general fund increase of 5.1 % for public schools. Included in the 5.1% increase were several of the Task Force for Improving Education's recommendations.

State Workers Pay

Funding was provided for a Change in Employee Compensation that included a 1% ongoing and 1% one-time increase for State employees based on merit. Funding was also provided to cover a 15.9% increase in the employer premium cost for the employee health insurance benefit plan.

Grocery Tax Credit

House Bill 588 was passed in 2008 increasing the income tax credit State residents receive as an offset for the sales tax they pay on groceries. The legislation incrementally increases the Grocery Tax Credit since 2008 until the full value of $100 is reached. The fiscal impact of House Bill 588 is as follows:

TABLE 13
FISCAL IMPACT OF HOUSE BILL 588

Tax Year	Fiscal Year	Reduction
2008	2009	$50.1 million
2009	2010	65.3 million
2010	2011	76.3 million
2011	2012	89.7 million
2012	2013	103.7 million
2013	2014	118.2 million
2014	2015	129.9 million
2015	2016	141.8 million
2016	2017	144.1 million
2017	2018	146.4 million

Source: Division of Financial Management

RECENT FINANCIAL INFORMATION REGARDING THE STATE

In the following sections, all references to the original Fiscal Year 2015 and revised Fiscal Year 2014 executive revenue forecasts are based on forecasts that were produced in December 2013, published in the Fiscal Year 2015 Executive Budget, and presented to the EORAC in January 2014. The EORAC adopted General Fund revenue forecasts of $2,808 million for Fiscal Year 2014 and $2,988 million for Fiscal Year 2015. The following discussion of Fiscal Year 2015 and Fiscal Year 2014 revenue detail is based solely on the published executive revenue forecasts.

Fiscal Year 2015

General. The total amount of General Funds forecasted to be available in Fiscal Year 2015 is $3,015,783,000, with an expected ending cash balance of $67,958,000, as shown below:

Beginning Balance	$ 36,161,000
Original Projected Revenues	2,987,770,000
Net Revenue Adjustments[1]	(8,148,000)
Total Available General Funds	$ 3,015,783,000
Original Appropriations	$ (2,936,096,600)
Prior Year Encumbrances	(10,000,000)
Miscellaneous Adjustments	(1,728,400)
Expected General Fund Ending Balance	$ 67,958,000

(1) Resulting from law changes enacted during the 2014 legislative session.

The following discussion of specific revenue categories is based on the Fiscal Year 2015 Executive Budget published and presented to the Legislature in January 2014.

Individual Income Tax. The individual income tax is the largest component of General Fund revenue, at $1,403.03 million in Fiscal Year 2015. It is expected to grow by 6.3%, or $83.2 million, from Fiscal Year 2014, reflecting the continuing economic recovery in the State. Two laws enacted during the 2014 legislative session impacted the Fiscal Year 2015 individual income tax forecast and are not reflected in the original executive forecast. House Bill 546 (Idaho Reimbursement Incentive Act) reduces revenue by $3.0 million, and House Bill 595 (medical savings accounts) reduces revenue by $988,000. Combined, these actions decrease the Fiscal Year 2015 individual income tax forecast by $3.99 million to $1,403.02 million.

Corporate Income Tax. The corporate income tax is forecast to grow by $12.68 million (6.5%) to $206.51 million in Fiscal Year 2015.

Sales Tax. The sales tax is forecast to grow by 7.4% in Fiscal Year 2015, an increase of $85.34 million to $1,233.41 million. One law enacted during the 2014 legislative session impacts sales tax revenue in Fiscal Year 2015: House Bill 598 (remotely accessed computer software) reduces revenue by $5.8 million. This action decreases the Fiscal Year 2015 sales tax forecast to $1,233.406 million.

Product Taxes. General Fund revenues from product taxes are forecasted to grow by $0.02 million (0.0%) in Fiscal Year 2015. House Bill 641 adjusts the cigarette taxes needed for bond levy equalization and requires an additional $358,000 to be used for bond levy equalization. This action decreases the Fiscal Year 2015 product taxes to $43.64 million.

Miscellaneous Revenues. Miscellaneous revenues are projected to decline by $1.72 million (-1.7%) in Fiscal Year 2015 to a total of $100.82 million.

Fiscal Year 2014

General. The total amount of General Funds forecasted to be available in Fiscal Year 2014 is $2,924,069,000, with an expected ending cash balance of $36,161,000, as shown below:

Beginning Balance[(1)]	$ 91,104,000
Original Projected Revenues	2,808,220,000
Miscellaneous Adjustments	2,832,000
Non-Revenue Receipts and Notes Interest	21,913,000
Total Available General Funds	$ 2,924,069,000
Original Appropriations	$ (2,781,023,800)
Prior Year Encumbrances	(11,151,000)
Supplimental Appropriations	(8,440,600)
Deficiency Warrants	(11,875,000)
Transfers to Other Funds	(63,665,600)
Estimated Year-end Encumbrances	10,000,000
Non-operating Disbursements and Notes Interest	(21,752,000)
Expected General Fund Ending Balance	$ 36,161,000

(1) Consists of $79.953 million unrestricted plus $11.151 million encumbrance reserve.

The current Fiscal Year 2014 General Fund revenue forecast of $2,808.22 million is $51.93 million (2.1%) higher than the actual revenues received in Fiscal Year 2013. The following discussion of the major categories of General Fund revenue is based on the executive revenue forecast.

Individual Income Tax. The individual income tax is the largest component of General Fund revenue, at $1,319.80 million forecast for Fiscal Year 2014. It is expected to increase 2.8%, or $35.42 million, from Fiscal Year 2013.

Corporate Income Tax. The corporate income tax forecast for Fiscal Year 2014 is $193.83 million (-2.4%) less than the actual revenues received in Fiscal Year 2013.

Sales Tax. The sales tax forecast for Fiscal Year 2014 is $1,148.07 million (3.4%) higher than the actual revenues received in Fiscal Year 2013.

Product Taxes. The Fiscal Year 2014 product tax is $43.98 million (-11.8%) less than the actual revenues in Fiscal Year 2013.

Miscellaneous Revenues. The Fiscal Year 2014 miscellaneous revenue is $102.54 million (-4.7%) lower than the actual revenues in Fiscal Year 2013.

Fiscal Year 2013

General. General Funds available in Fiscal Year 2013 were $2,894,383,200, with an ending cash balance of $79,952,700, as shown below:

Beginning Balance	$ 99,604,800
Actual Revenues	2,750,282,100
Transfers from Other Funds	5,048,200
Miscellanoues Adjustments	39,448,100
Total Available General Funds	$ 2,894,383,200
Original Appropriations	$ (2,702,105,700)
Prior Year Reversions	3,667,000
Supplimental Appropriations	(4,406,000)
Transfers to Other Funds	(111,969,300)
Miscellaneous Adjustments	383,500
General Fund Ending Balance	$ 79,952,700

Actual General Fund revenue increased 6.3% in Fiscal Year 2013. This was $92.3 million, or 3.5%, above the revised executive forecast made in January 2013. Four of the five revenue categories contributed to this surplus.

Individual Income Tax. Individual income tax revenue increased by 6.5% ($77.9 million) in Fiscal Year 2013. This is $40.9 million (3.3%) more than the $37.0 million (3.1%) increase expected in the January 2013 executive forecast.

Corporate Income Tax. Corporate income tax revenue increased by 6.2% ($9.6 million) in Fiscal Year 2013. This is $14.8 million more than the $3.2 million (1.7%) decrease expected in the January 2013 executive forecast.

Sales Tax. Sales tax revenue increased by $82.5 million (8.0%) in Fiscal Year 2013. This is $27.39 million (2.5%) higher than expected in the January 2013 executive forecast.

Product Taxes. The product tax revenue category grew by $6.8 million (15.5%) in Fiscal Year 2013. This is $1.1 million (2.2%) higher than expected in the January 2013 executive forecast.

Miscellaneous Revenues. Miscellaneous revenues were $107.5 million in Fiscal Year 2013, a 13.1% decrease.

Additional Information

The tables on the following two pages provide historical information on the State's revenues and expenditures, as well as the current budget.

TABLE 14
STATE OF IDAHO
GENERAL FUND
SUMMARY OF THE FISCAL YEAR 2015 BUDGET
(CASH BASIS)

(000s omitted)		BUDGET	PERCENT
UNOBLIGATED CASH BALANCE JUNE 1	**$**	**26,161**	
Add Beginning Encumbrances		10,000	
Beginning Cash Balance	$	36,161	
REVENUES			
Individual Income Tax	$	1,399,038	47.00%
Corporate Income Tax		206,510	6.94%
Sales Tax		1,227,605	41.23%
Cigarette Tax		3,697	0.12%
Tobacco Tax		10,033	0.34%
Beer and Wine Tax		6,295	0.21%
Kilowatt Tax		2,000	0.07%
Mine License Tax		850	0.03%
Liquor Surcharge		23,978	0.81%
Estate Tax		-	0.00%
Insurance Premium Tax		56,913	1.91%
Total Taxes	$	2,936,919	98.66%
State Treasurer		261	0.01%
Court Fines		4,651	0.16%
Miscellaneous		35,791	1.20%
TOTAL REVENUES	**$**	**2,977,622**	**100.03%**
Transfers & Non- Revenue Receipts		2,000	
TOTAL REVENUES AND TRANSFERS	**$**	**2,979,622**	
EXPENDITURES			
Public Schools	$	1,374,598	46.63%
Higher Education		331,358	11.24%
Health and Welfare		637,514	21.63%
All Others		604,355	20.50%
TOTAL APPROPRIATED EXPENDITURES	**$**	**2,947,825**	**100.00%**
Nonoperating Disbursements	$	-	
Net Interest Revenues/Expenses on TAN		-	
Ending Cash Balance	$	67,958	
Less Encumbrances/Reappropriations		-	
UNOBLIGATED CASH BALANCE JUNE 30	**$**	**67,958**	

Note: Totals may not foot due to rounding.

Source: Division of Financial Management

TABLE 15
STATE OF IDAHO
STATEMENT OF GENERAL FUND REVENUES AND EXPENDITURES
FISCAL YEARS 2010-2014
(Cash Basis)

(000s omitted)	2014	% of Total	2013	% of Total	2012	% of Total	2011	% of Total	2010	% of Total
UNOBLIGATED CASH BALANCE JULY 1	$ 79,953		$ 99,606		$ 68,618		$ 38		$ 13	
Add Beginning Encumbrances/Reappropriations	11,151		8,923		9,694		11,400		25,422	
Beginning Cash Balance	$ 91,104		108,529		78,312		11,438		25,435	
REVENUES										
Individual Income Tax	$ 1,319,797	46.95%	$ 1,284,384	45.70%	$ 1,226,438	47.39%	$ 1,152,651	47.15%	$ 1,061,880	45.76%
Corporate Income Tax	193,831	6.90%	198,659	7.07%	166,983	6.45%	168,950	6.91%	97,020	4.18%
Sales Tax	1,148,070	40.84%	1,109,829	39.49%	1,027,344	39.70%	972,380	39.78%	955,910	41.19%
Cigarette Tax	3,697	0.13%	13,077	0.47%	11,610	0.45%	14,400	0.59%	16,900	0.73%
Tobacco Tax	9,965	0.35%	10,013	0.36%	8,930	0.35%	8,480	0.35%	7,820	0.34%
Beer and Wine Tax	6,106	0.22%	5,837	0.21%	5,390	0.21%	5,180	0.21%	5,070	0.22%
Kilowatt Tax	1,900	0.07%	1,920	0.07%	2,980	0.12%	2,430	0.10%	2,140	0.09%
Mine License Tax	750	0.03%	531	0.02%	2,030	0.08%	1,540	0.06%	1,800	0.08%
Liquor Surcharge	24,210	0.86%	20,925	0.74%	17,250	0.67%	14,760	0.60%	11,390	0.49%
Insurance Premium Tax	55,651	1.98%	55,622	1.98%	56,580	2.19%	54,120	2.21%	53,630	2.31%
Total Taxes	$ 2,763,977	98.33%	$ 2,700,797	96.11%	$ 2,525,535	97.61%	$ 2,394,891	97.96%	$ 2,213,560	95.39%
State Treasurer	(1,024)	-0.04%	356	0.01%	(600)	-0.02%	(43)	0.00%	(1,310)	-0.06%
Court Fines	4,476	0.16%	4,592	0.16%	4,850	0.19%	5,120	0.21%	5,380	0.23%
Estate Tax	304	0.01%	63	0.00%	(20)	0.00%	52	0.00%	(170)	-0.01%
Miscellaneous	43,319	1.54%	104,526	3.72%	58,003	2.23%	44,459	1.82%	103,001	4.44%
TOTAL REVENUES	**$ 2,811,052**	**100.00%**	**$ 2,810,334**	**100.00%**	**$ 2,587,768**	**100.01%**	**$ 2,444,479**	**100.00%**	**$ 2,320,461**	**100.00%**
EXPENDITURES										
Public Schools	$ 1,308,364	45.65%	$ 1,308,364	46.25%	$ 1,223,582	47.13%	$ 1,274,214	51.84%	$ 1,148,615	45.99%
Higher Education	310,718	10.84%	288,018	10.18%	264,052	10.17%	289,242	11.77%	290,144	11.62%
Health and Welfare	616,835	21.52%	606,100	21.43%	530,088	20.42%	436,085	17.74%	428,775	17.17%
All Others	630,239	21.99%	626,114	22.14%	578,319	22.28%	458,585	18.66%	629,987	25.22%
TOTAL APPROPRIATED EXPENDITURES	**$ 2,866,156**	**100.00%**	**$ 2,828,596**	**100.00%**	**$ 2,596,041**	**100.00%**	**$ 2,458,126**	**100.00%**	**$ 2,497,521**	**100.00%**
Nonoperating Rec./Disb. (Net)	$ 10,133		$ 10,726		$ 48,434		$ 90,493		$ 175,528	
Interest Expense on TAN	(9,972)		(9,889)		(9,944)		(9,972)		(12,465)	
Ending Cash Balance	$ 36,161		$ 91,104		$ 108,529		$ 78,312		$ 11,438	
Less Encumbrances/Reappropriations	(10,000)		(11,151)		(8,923)		(9,694)		(11,400)	
UNOBLIGATED CASH BALANCE JUNE 30	**$ 26,161**		**$ 79,953**		**$ 99,606**		**$ 68,618**		**$ 38**	

(1) 2014 based on actual figures through May and projections for June.

Source: Division of Financial Management

GENERAL TAX REVENUES

The following General Tax Revenues are the sources for the repayment of principal of and interest on the Notes.

Individual Income Tax (Title 63, Chapter 30, Idaho Code)

Collections from the individual income tax are based on a graduated scale of tax rates from 1.6% up to 7.4% effective January 1, 2012 (7.8% prior to that date), that are applied to brackets of Idaho taxable income. Although the State conforms to most of the federal income tax provisions for determining taxable income, a number of differences exist. The State's definition of taxable income excludes 100% of social security income, 60% of certain capital gains, and 100% of interest earned on U.S. government securities.

Since the enactment of the State's income tax in 1931, all net tax liability, interest, and penalties have been distributed to the General Fund. Beginning in Fiscal Year 2001, withholding collections on State lottery winnings are distributed to public schools and counties. An amount equal to 20% of the individual income taxes collected by the State Tax Commission is required by statute to be deposited in the State Refund Account. Any balance exceeding $1,500,000 in the State Refund Account on June 30 each fiscal year is transferred to the General Fund. A filing tax of $10 per tax return is assessed, with proceeds distributed to the Permanent Building Fund.

TABLE 16
STATE OF IDAHO
INDIVIDUAL INCOME TAX
INDIVIDUAL INCOME TAX NET COLLECTIONS

Fiscal Year	General Fund	Permanent Building Fund	Total
2003	$ 837,798,601	$ 5,358,290	$ 843,156,891
2004	902,125,523	5,346,820	907,472,343
2005	1,035,542,464	5,160,470	1,040,702,934
2006	1,216,486,694	5,408,550	1,221,895,244
2007	1,400,159,016	5,716,240	1,405,875,256
2008	1,429,738,794	6,389,550	1,436,128,344
2009	1,167,889,064	6,378,960	1,174,268,024
2010	1,061,875,201	6,064,810	1,067,940,011
2011	1,152,651,023	5,887,570	1,158,538,593
2012	1,206,406,502	5,793,320	1,212,199,822
2013	1,284,383,928	6,452,110	1,290,836,038

Source: State Tax Commission

Sales Tax (Title 63, Chapter 36, Idaho Code)

Sales tax collections are based on a flat percent applied to the sales price or value of all tangible personal property subject to sales and use taxation. Exemptions to the sales and use tax are provided by statute and include, but are not limited to:

(i) tangible personal property used or consumed directly in the production of manufactured goods, minerals or agricultural products (production exemption),

(ii) gas, water and electricity sold to consumers,

(iii) equipment and supplies used in agricultural irrigation,

(iv) the value of traded-in merchandise,

(v) prescription drugs and durable medical equipment,

(vi) pollution control equipment required by a state or federal agency,

(vii) equipment used in clean rooms by semi-conductor manufacturing business,

(viii) tangible personal property primarily devoted to broadcasting,

(ix) tangible personal property primarily used in research and development activities,

(x) application software that is only accessible over the internet or through wireless media,

(xi) aircraft primarily used to transport passengers or freight for hire as well as commercial aircraft parts maintenance and service, and

(xii) tangible personal property primarily used for logging.

Sales tax rates since inception of the tax have been as follows:

TABLE 17
SALES TAX RATES

Date	Sales Tax Rate
July 1, 1965 - February 28, 1983	3.0%
March 1, 1983 - May 31, 1983	4.0%
June 1, 1983 - June 30, 1984	4.5%
July 1, 1984 - March 31, 1986	4.0%
April 1, 1986 - April 30, 2003	5.0%
May 1, 2003 - June 30, 2005	6.0%
July 1, 2005 - September 30, 2006	5.0%
October 1, 2006	6.0%

The net sales tax revenue is distributed as follows:

(i) 11.50% of net collections to revenue sharing (cities and counties);

(ii) $5,000,000 per year to the Permanent Building Fund;

(iii) $4,800,000 per year to the Water Pollution Control Fund;

(iv) Such amount as the Tax Commission certifies is needed to fund the Circuit Breaker Program ($15,900,000 in Fiscal Year 2013);

(v) $8,487,103 in Ag Property Relief to counties and schools;

(vi) Since Fiscal Year 2008, amounts necessary to pay refunds to a developer of a retail commercial complex, up to $35 million per project ($3,947,000 in Fiscal Year 2013);

(vii) Beginning in Fiscal Year 2014, $20 million per year to counties and other local governments to offset the impact of the Personal Property Tax Exemptions;

(viii) $4.2 million distribution in Fiscal Year 2012 to counties to defray costs associated with elections; and

(ix) Remaining net collections to the General Fund.

TABLE 18
STATE OF IDAHO
TAXABLE SALES AND USE TAXABLE SALES
(000s omitted)

Calendar Year	Amount	Calendar Year	Amount
2004	$ 17,799,273	2009	$ 19,508,659
2005	20,174,827	2010	18,126,298
2006	21,569,588	2011	20,949,446
2007	22,755,610	2012	20,739,865
2008	21,522,856	2013	22,315,731

Source: State Tax Commission

Corporate Income Tax (Title 63, Chapter 30, Idaho Code)

Collections from the corporate income tax are based on a flat rate of 7.4%, effective January 1, 2012 (7.6% prior to that date), applied to taxable income. State law adopts the provisions of the IRC with the exceptions of the investment tax credit and bonus depreciation provided for in IRC Section 168(k).

An amount equal to 20% of the corporate income taxes collected by the State Tax Commission is deposited in the State Refund Account. Any balance exceeding $1,500,000 in the State Refund Account at the end of the year is transferred to the General Fund. An additional filing tax of $10 per tax return is assessed, with proceeds distributed to the Permanent Building Fund. All other revenues from the corporate income tax accrue to the General Fund.

TABLE 19
STATE OF IDAHO
CORPORATE NET INCOME TAX

Fiscal Year	General Account Receipts	Permanent Building Fund	Total
2004	$ 103,014,975	$ 367,770	$ 103,382,745
2005	139,561,498	337,050	139,898,548
2006	194,125,114	340,816	194,465,930
2007	190,222,155	497,056	190,719,211
2008	189,283,508	471,092	189,754,600
2009	141,025,367	503,570	141,528,937
2010	97,021,048	490,255	97,511,303
2011	168,949,756	455,347	169,405,103
2012	187,014,165	453,269	187,467,434
2013	219,159,050	542,984	219,702,034

Source: State Tax Commission

Other Taxes

Cigarette Tax (Title 63, Chapter 25, Idaho Code). Cigarette tax collections are based on a tax of 57 cents per pack of 20 cigarettes. The Public School Income Fund receives 5.1746 cents, and another 5.1746 cents goes to the Department of Juvenile Corrections. The remaining amount is distributed as follows: 17.3% is credited to the Permanent Building Fund, 0.4% (to a maximum of the fiscal year appropriation) goes to the Central Tumor Registry Fund, and 1% is distributed to the Cancer Control Fund. The General Fund receives an amount equal to the appropriation for the Bond Levy Program. Prior to Fiscal Year 2007, the balance was credited to the Economic Recovery Reserve Fund. In subsequent years, the balance is credited to the Permanent Building Fund for capitol restoration. Upon completion of the capitol restoration project, all remaining revenues will be directed back to the Economic Recovery Reserve Fund.

Tobacco Tax (Section 63-2552, Idaho Code). Tobacco tax collections are collected on the sale, use, consumption, handling or distribution of all tobacco products (except cigarettes) in the State at the rate of 40% of the wholesale sales price. Of that total, 35% goes to the General Fund; half of the remaining 5% is distributed to the Department of Juvenile Corrections, and the other half is distributed to the Public School Income Fund, with $250,000 appropriated to the Idaho State Police.

Beer Tax (Section 23-1008, Idaho Code). Of the total tax of $4.65 per 31-gallon barrel or equivalent that is levied on beer, $0.93 goes to the Substance Abuse Treatment Fund, $1.53 to the Permanent Building Fund and the remainder ($2.19) to the General Fund. Beer containing more than 4% alcohol by weight is considered to be wine for tax purposes.

Wine Tax (Section 23-1319, Idaho Code). Wine sold in the State is taxed at a rate of $0.45 per gallon of wine. Of that total, 12% goes to the Substance Abuse Treatment Fund, 5% goes to the Idaho Grape Growers and Wine Producers Commission Fund, and the remainder goes to the General Fund.

Kilowatt Hour Tax (Title 63, Chapter 27, Idaho Code). Revenue is derived from a one-half mill ($0.0005) per kilowatt hour tax on hydro-generated electricity generated in the State. Power used by industrial consumers and for irrigation is exempt from this tax. All collections accrue to the General Fund.

Mine License Tax (Title 47, Chapter 12, Idaho Code). Revenue is derived from a 1% "profit" tax on State mining operations. For mining operations without a cyanidation facility, 66% is distributed to the General Fund. For mining operations with a cyanidation facility, 33% goes to the General Fund and 33% goes to the Cyanidation Facility Closure Fund. The balance of 34% for both types of mining operations goes to the Abandoned Mine Reclamation Fund.

Liquor Fund (Sections 23-217 and 23-404, Idaho Code). The State is a control state. Revenue is derived from liquor and related items sold by the Idaho State Liquor Division. State law provides for the distribution of profits from the Liquor Fund as follows:

(i) The 2% surcharge on the sale of all liquor and related items goes to the Drug Court and Family Court Services Fund.

(ii) 48% of profits (through Fiscal Year 2013, increasing by 2% annually to 50% in Fiscal Year 2014) is distributed as follows:

  (a) Annual fixed distributions totaling $5,650,000 to the Substance Abuse Treatment Fund, Community Colleges, Public Schools, Cooperative Welfare Fund, Court Services, and Court Supervision Fund.

  (b) Remaining balance to the General Fund. (During Fiscal Year 2013, the General Fund's share of profits totaled $21,710,000.)

(iii) 52% of profits (through Fiscal Year 2013, decreasing by 2% annually to 50% in Fiscal Year 2014) is distributed as follows:

  (a) 40% to counties in proportion to sales in each county.

  (b) 60% to cities as follows: 90% to those incorporated cities with liquor stores in proportion to sales, and 10% to those incorporated cities without liquor stores in proportion to population.

Insurance Premium Tax (Title 41, Chapter 4 and Section 59-1357, Idaho Code). The Insurance Premium Tax was modified in 2004 to gradually reduce the premium tax rates of gross premiums written in the State over a six-year period. Premium tax rates were 1.5% in 2010 and will remain 1.5% thereafter. The rate on title insurance is 1.5%.

Prepayments based on the preceding calendar year's business at the current year's tax rate are due on or before June 15 (60%), September 15 (20%), and December 15 (15%), with any balance of tax due for the preceding calendar year due on or before March 1.

An amount up to 20% of premium tax received may be appropriated into the Insurance Refund Account for overpayment of any taxes, fines, and penalties or other erroneous receipts. Any unencumbered balance remaining in the refund account on June 30 of each year in excess of $40,000 will be transferred back into the General Fund.

Approximately 95% of the fire insurance premium tax is distributed from quarterly tax prepayments. One hundred percent of the final fire insurance premium tax is distributed to the Fireman's Retirement Fund on June 30 of each year.

A portion of the premium tax, not to exceed $200,000 in one fiscal year, is distributed to the Insurance Insolvency Administrative Fund to cover administrative costs incurred by the department in placing insurance companies into receivership or supervision. One hundred thousand dollars will be maintained in this fund on June 30 of each year.

If the premium tax collected exceeds $45 million, then 25% of such excess is transferred to the Idaho High Risk Individual Reinsurance Pool. Twenty-five percent of any excess above $55 million is paid to the Idaho Health Insurance Access Card Fund.

RETIREMENT SYSTEMS

Public Employee Retirement System of Idaho

Overview. PERSI is the retirement system for State public employees. Participation in PERSI is mandatory for eligible State and school district employees and is available to other public employers (e.g., political subdivisions) and their employees on a contractual basis. As of June 30, 2013, PERSI had 65,535 active members, 27,110 inactive members (of whom 11,084 are entitled to vested benefits), and 38,947 retired members or annuitants. PERSI collects contributions from employees and employers to fund retirement, disability, death, and separation benefits, as provided by Idaho Code.

PERSI is the administrator of six fiduciary funds, including two defined benefit retirement plans, the Public Employee Retirement Fund Base Plan ("PERSI Base Plan") and the Firefighters' Retirement Fund ("FRF"); two defined contribution plans, the Public Employee Retirement Fund Choice Plans 401(k) and 414(k) ("PERSI Choice Plans"); and two Sick Leave Insurance Reserve Trust Funds, one for State employers and one for school district employers. State and school district employees are allowed to apply one half of the balance in their unused sick leave account at retirement to pay insurance premiums until the account is depleted.

PERSI is governed by a board (the "Retirement Board") consisting of five members, each appointed by the Governor to fulfill a five-year term. The Retirement Board manages PERSI; its tasks include selecting the funding agents, establishing funding policy, and setting contribution rates.

PERSI prepares an Annual Financial Report. Information about this report may be obtained directly from PERSI, or on line at *www.persi.idaho.gov/investments/annual_financial_report.cfm*, which website address is not incorporated herein by reference. PERSI is a discretely presented component unit of the State, and its financial report is included in the State's CAFR.

Defined Benefit Retirement Plans. The PERSI Base Plan and FRF are both cost-sharing, multiple-employer, defined benefit retirement plans that provide benefits based on members' years of service, age, and highest average salary. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Title 59, Chapter 13, Idaho Code, governs the PERSI Base Plan; Title 72, Chapter 14, Idaho Code, governs FRF.

Members become fully vested in their retirement benefits with five years of credited service (five months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police and firefighters) of the average monthly salary for the highest consecutive 42 months.

State agencies, school districts, cities, counties, highway districts, water and sewer districts, and other political subdivision employers contribute to PERSI. The number of participating employer units in the PERSI Base Plan as of June 30, 2012, and June 30, 2013, is shown below:

TABLE 20

PARTICIPATING EMPLOYER UNITS

	2012	2013
Cities	149	149
School Districts	158	160
Highway and Water Districts	128	129
State Subdivisions	96	95
Counties	42	42
Other	179	180
Total	752	755

Source: Public Employee Retirement System of Idaho, 2013 Comprehensive Annual Financial Report

TABLE 21

PRINCIPAL PARTICIPATING EMPLOYERS, -2012

Participating Employers	Covered Employees	Rank	% of Total
State of Idaho	16,938	1	26%
Meridian School District	3,444	2	5%
Boise Independent School District	2,965	3	5%
Ada County	1,565	4	2%
Nampa School District	1,275	5	2%
City of Boise	1,244	6	2%
Pocatello School District	1,183	7	2%
Coeur d'Alene School District	973	8	1%
Idaho Falls School District	955	9	1%
Bonneville School District	945	10	1%
All Other	34,048		52%
Total	65,535		100%

Source: Public Employee Retirement System of Idaho, 2013 Comprehensive Annual Financial Report

The number of Base Plan benefit recipients and members in PERSI as of June 30, 2012, and June 30, 2013, is shown below:

TABLE 22
BENEFIT RECIPIENTS AND MEMBERS

	2012	**2013**
Active Participants	65,270	65,535
Terminated and Vested Members	10,823	11,084
Retirees and Beneficiaries	37,150	38,974

Source: Public Employee Retirement System of Idaho, 2013 Comprehensive Annual Financial Report

FRF has 22 participating employer units, all consisting of fire departments also participating in PERSI. As of June 30, 2013, there were two active members and 551 retired members or beneficiaries collecting benefits from FRF. FRF covers a group of firefighters who were hired before October 1, 1980, and who receive benefits in addition to those provided under the PERSI Base Plan.

The benefit payments for the PERSI Base Plan and FRF are calculated using a benefit formula adopted by the Legislature. The PERSI Base Plan is required to provide a 1% minimum cost of living increase per year, provided the Consumer Price Index increases 1% or more in that year. The Retirement Board has the authority to provide higher PERSI Base Plan cost of living adjustment ("COLA") increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Legislature. The COLA increase for FRF is based on the increase in the Statewide average firefighter's wage.

PERSI Base Plan and FRF benefits are funded by contributions from members and employers and earnings from investments. Additional FRF funding is obtained from receipts from a State fire insurance premium tax. Member and employer contributions are paid as a percentage of applicable member compensation. PERSI Base Plan member contribution rates are defined, by State law, as a percentage of the employer contribution rate. FRF member contribution rates are fixed by State law. Employer contribution rates are recommended by periodic actuarial valuations and are subject to the approval of the Retirement Board and limitations set forth in State statute. Valuations are based on actuarial assumptions, the benefit formulas, and employee groups of PERSI. Costs of administering the fund are financed through the contributions and investment earnings of PERSI.

Defined Contribution Retirement Plans. The PERSI Choice Plans are defined contribution retirement plans, governed by Title 59, Chapter 13, Idaho Code, and made up of a qualified 401(k) plan and a 414(k) plan. The assets of the two plans are commingled for investment and recordkeeping purposes.

The 401(k) portion of the PERSI Choice Plans was established in 2001 and is open to all active PERSI members. This allows employees to make tax-deferred contributions of up to 100% of their gross salary, less deductions and subject to the Internal Revenue Service annual contribution limit, and provides for voluntary employer matching contributions at rates determined by the employers.

The 414(k) portion of the PERSI Choice Plans 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 approval by the Retirement Board.

All 755 PERSI employer units are eligible to have participating employees in the PERSI Choice Plans. As of June 30, 2013, there were 42,196 participants with balances in the PERSI Choice Plans.

Contributions. PERSI's funding policy for the PERSI Base Plan and FRF is determined by the Retirement Board within limitations defined by State law. Funding policy provides for periodic employer contributions at actuarially determined rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due. Level percentages of payroll employer contribution rates are determined using the Entry Age Actuarial Cost Method for the PERSI Base Plan and a modified aggregate funding method for FRF. Under the Entry Age Actuarial Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age. FRF amortizes the difference between the value of the FRF benefits not provided by the Base Plan and the FRF assets over the earnings of all firefighters. The PERSI Base Plan amortizes any unfunded actuarial accrued liability ("UAAL") based on a level percentage of payroll. FRF amortizes any UAAL based on a level dollar amount. The maximum amortization period for the PERSI Base Plan permitted under Section 59-1322, Idaho Code, is 25 years. The maximum amortization period for FRF permitted under Section 59-1394, Idaho Code, is 50 years. The payroll for employees covered by PERSI Base Plan and FRF was approximately $2,695,882,000 and $338,200, respectively for the year ended June 30, 2013.

From 1994 to 2013, the total contribution rate has been between 15.82% and 18.75%. Historical changes in contribution rates since 1994 are shown in the following table.

TABLE 23
HISTORICAL CONTRIBUTION RATES

		Weighted Total		Fire/Police		General/Teachers	
Year of Change	**Total Rate (%)**	**Member Rate (%)**	**Employer Rate (%)**	**Member Rate (%)**	**Employer Rate (%)**	**Member Rate (%)**	**Employer Rate (%)**
1994	18.75	7.12	11.63	8.53	11.85	6.97	11.61
1998	17.78	6.75	11.03	8.10	11.25	6.60	11.01
2000	15.78	5.98	9.80	7.21	10.01	5.86	9.77
2003	15.82	6.01	9.81	7.21	10.11	5.86	9.77
2004	16.84	6.41	10.43	7.65	10.73	6.23	10.39
2008	16.88	6.44	10.44	7.65	10.73	6.23	10.39
2009	16.89	6.45	10.44	7.69	10.73	6.23	10.39
2012	16.89	6.45	10.44	7.69	10.73	6.23	10.39
2013	18.39	7.03	11.36	8.36	11.66	6.79	11.32

Source: Public Employee Retirement System of Idaho, 2013 Comprehensive Annual Financial Report

As a result of the statutory requirement that the amortization period for the unfunded actuarial liability be 25 years or less, contribution rate increases for the three years beginning July 1, 2011, as proposed by the actuary were reviewed and approved by the Retirement Board on December 8, 2009. Based on improved funding status, the PERSI Board has postponed the scheduled rate increase for two years. Accordingly, the July 1, 2011, contribution rate increase was postponed to July 1, 2013. Additionally, based on improved funding status, the scheduled contribution rate increases for July 1, 2014, and July 1, 2015, have been postponed until July 1, 2015, and July 1, 2016, respectively, as shown in the following table.

TABLE 24
CONTRIBUTION RATE INCREASES

	Active Members		Employers	
	General/Teacher	**Fire/Police**	**General/Teacher**	**Fire/Police**
Contribution Rate	6.79%	8.36%	11.32%	11.66%
Planned Contribution Rate				
Effective July 1, 2015	7.34%	9.03%	12.24%	12.58%
Effective July 1, 2016	8.19%	10.04%	13.65%	13.99%

Source: Public Employee Retirement System of Idaho, 2013 Comprehensive Annual Financial Report

The July 1, 2013, actuarial valuation confirmed that contribution rates are sufficient to pay the normal cost rate of 14.19% if further scheduled contribution rate increases are reflected.

Generally, the actual contributions exceed the annual required contribution ("ARC"), which is based on the statutory 25-year maximum amortization period. The timing of the planned rate increases and grace period could cause the ARC to exceed actual contributions temporarily.

Actuarial Valuation and Funding. Annual actuarial valuations for PERSI are provided by an independent actuarial firm, which has provided the actuarial valuations for PERSI since PERSI's inception. Every four years, a second actuarial firm is hired to review the work of the primary actuary. The July 1, 2013, actuarial valuation reported a UAAL of $2,074.1 million for the PERSI Base Plan, resulting in a funded ratio of 85.3% and an amortization period of 13.1 years, based on contribution rates established as of the valuation date.

Summary of Actuarial Assumptions and Methods Effective July 1, 2012. Actuarial assumptions and methods were adopted by the Retirement Board based upon recommendations from PERSI's independent actuary. The actuarial assumptions are based on studies of PERSI's actual experience, and include the following:

Rate of Assumed Investment Return:	7.50% compounded annually, including 0.50% for expenses.
Asset Valuation Adjustment:	All assets are valued at market as of the valuation date. PERSI makes no smoothing adjustment.
Growth in Membership:	3.75% average annual expansion in the payroll of covered members.
Post-Retirement Benefit Increases:	1.00% per year

Funded Status: Based on the July 1, 2013, actuarial valuation, the UAAL was decreased by $179.8 million due to an asset gain recognized as of July 1, 2013. Specifically, the System's assets earned a gross return before expenses of 9.08%, which is 1.58% above the actuarial assumption of 7.50%. All other actuarial experience gains and losses further decreased the actuarial accrued liability by $3.4 million. Thus, the total experience gain for the year was $183.2 million.

In addition, the actuarial accrued liability was increased by $70.3 million because actual contributions plus assumed investment returns were less than the normal cost and the interest on the unfunded actuarial accrued liability. The change in the actuarial cost method from aggregate entry age to individual entry age increased the actuarial accrued liability by an additional $143.5 million.

All of these items resulted in a total actuarial loss of $30.6 million and a change in funding status from an 84.7% funding ratio on July 1, 2012, to 85.3% on June 30, 2013. The funding ratio is the ratio of the actuarial value of the assets over the value of the actuarial accrued liability.

The following table displays the funded status on an actuarial value basis for the PERSI Base Plan:

TABLE 25
FUNDED STATUS ON ACTUARIAL VALUE BASIS
(dollars in millions)

Actuarial Valuation Date (July 1)	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)(1)	Present Value of Future ORP Contributions	Unfunded Actuarial Accrued Liabilities (UAAL)(2)	Funded Ratio(3)	Covered Payroll(4)	UAAL as a Percentage of Covered Payroll
2004	$ 7,420.2	$ 8,154.8	$ 63.5	$ 671.1	91.7%	$ 2,115.4	31.7%
2005	8,208.8	8,778.7	61.3	508.6	94.2%	2,208.7	23.0%
2006	9,177.1	9,699.0	60.2	461.7	95.2%	2,343.5	19.7%
2007	10,945.8	10,431.9	59.5	(573.4)	105.5%	2,421.0	(23.7%)
2008	10,402.0	11,211.8	60.9	748.9	93.3%	2,578.9	29.0%
2009	8,646.0	11,732.2	59.6	3,026.6	74.1%	2,683.5	112.8%
2010	9,579.8	12,187.9	52.3	2,555.8	78.9%	2,684.4	95.2%
2011	11,360.1	12,641.2	48.5	1,232.6	90.2%	2,627.9	46.9%
2012	11,306.2	13,396.7	47.0	2,043.5	84.7%	2,619.6	78.0%
2013	12,053.5	14,172.9	45.3	2,074.1	85.3%	2,697.6	76.9%

(1) Actuarial present value of benefits less the actuarial present value of future normal costs based on the entry age actuarial cost method.

(2) Actuarial accrued liabilities less actuarial value of assets and present value of future Optional Retirement Program ("ORP") contributions. Amounts reported in this table do not include the value of any discretionary COLA or gain sharing allocations granted after the valuation date. If negative, the amount is referred to as a funding reserve.

(3) Ratio of actuarial value of assets to the actuarial accrued liabilities less the present value of future ORP contributions.

(4) Includes compensation paid to all active employees on which contributions are calculated.

Source: Public Employee Retirement System of Idaho, 2013 Comprehensive Annual Financial Report

Actuarial gains and losses of the PERSI Base Plan for the last three years are shown in the following table.

TABLE 26
ANALYSIS OF ACTUARIAL GAINS OR LOSSES
(dollars in millions)

	Gain (Loss) for Period		
	2010-2011	**2011-2012**	**2012-2013**
Investment Income	$ 1,212.2	$ (669.0)	$ 179.8
Pay Increases	281.9	171.3	49.4
Membership Growth	(13.0)	(8.1)	(15.2)
Return to Employment	(10.7)	(10.5)	(9.9)
Death After Retirement	(5.8)	(9.2)	(6.9)
Cost of Living Adjustment	NA	NA	NA
Other(1)	(37.8)	7.1	(14.0)
Total Gain (Loss) During the Period from Actuarial Experience	$ 1,426.8	$ (518.4)	$ 183.2
Contribution Income	(92.8)	(31.5)	(70.3)
Non-Recurring Items Causing Gain (Loss)			
Changes in Actuarial Assumptions(2)	-	(255.0)	-
Changes in Actuarial Methods(3)	-	-	(143.5)
Changes in Plan Provisions(4)	(4.7)	-	-
Delay of Future Contribution Rate Increases	(6.1)	(6.0)	-
Composite Gain (Loss) During the Period	$ 1,323.2	$ (810.9)	$ (30.6)

(1) Reflects losses on active and inactive member experience.

(2) For 2011-2012, reflects changes made to demographic and economic assumptions.

(3) For 2012-2013, reflects changes made to entry cost method.

(4) For 2010-2011, reflects updates to the contingent annuitant factors.

Source: Public Employee Retirement System of Idaho, 2013 Comprehensive Annual Financial Report

The following table provides a history of employer contributions as a percentage of payroll compared to the computed ARC.

TABLE 27
SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AS PERCENTAGE OF PAYROLL

Fiscal Year Ending June 30	Actual PERSI Employer Contribution(1)	ARC(2)	Percentage of ARC Contributed
2006	10.43%	9.885%	105%
2007	10.44%	9.448%	110%
2008	10.44%	9.588%	109%
2009	10.44%	8.483%	123%
2010	10.44%	9.523%	109%
2011	10.44%	12.243%	85%
2012	10.44%	12.375%	84%
2013	10.44%	10.813%	97%

(1) The actual PERSI employer contributions are expressed as a percentage of payroll. Employer contributions are made as a percentage of actual payroll in accordance with statute and the Retirement Board's funding policy. Thus, the actual employer contributions set by both statute and the Retirement Board's funding policy may differ from the computed ARC employer contribution rate for GASB disclosure purposes. Dollar amount shown exclude additional receipts due to merger of retirement systems.

(2) For PERSI employers, ARC is equal to the normal cost rate plus a 25-year amortization of any UAAL or minus a 25-year amortization of any UAAL. The ARC determined as of the valuation date is assumed applicable for employers commencing October 1 of the calendar year following the valuation date. For ORP employers, the ARC is equal to 1.49% of salaries of university members in the ORP until 2025 and 3.83% of salaries of junior college members in the ORP until 2011.

Source: Public Employee Retirement System of Idaho, 2013 Comprehensive Annual Financial Report

Other Post-Employment Benefits

The Governmental Accounting Standards Board ("GASB") Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions ("OPEB"), establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities/assets, note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. The requirements of this statement became effective in Fiscal Year 2008. The State retained a private actuarial firm, Milliman, Inc., to calculate the State's liability for its postemployment benefits. The initial report, dated August 20, 2007, estimated the State's OPEB liability to be $514.9 million at June 30, 2010. The legislation passed during the 2009 Legislative Session described below has reduced this liability.

Legislation passed during the 2009 Legislative Session made changes to State law regarding eligibility and management of health insurance for active employees and retirees of State service (the "2009 OPEB Legislation"). Beginning on July 1, 2009, each eligible retiree will receive $155 each month or $1,860 per year toward his/her premiums for health insurance. Any retiree who was eligible (whether or not he/she was on the State plan) may remain so until he/she becomes eligible for Medicare. Beginning on January 1, 2010, retired personnel health care coverage will not be available to Medicare-eligible retirees or their Medicare-eligible dependents. A non-Medicare-eligible spouse will be eligible for coverage on a State-sponsored health insurance plan until becoming eligible for Medicare.

In the future, an employee will be eligible for health care coverage when he/she retires if he/she:

(i) was an active employee on or before June 30, 2009;

(ii) is eligible for a retirement benefit from the Public Employees Retirement System of Idaho ("PERSI") with at least 20,800 hours of credited State service; and

(iii) retires directly from State service.

Persons with previous State employment who retire from another employer will no longer be able to obtain coverage under the State-sponsored plan. Any employees or elected officials rehired, reelected, or reappointed on or after July 1, 2009, will be eligible for retiree coverage if they had at least ten years of previously credited State service before June 30, 2009, accumulate an additional three years of credited State service, and are otherwise eligible.

The latest Milliman, Inc., actuarial valuation, as of July 1, 2012, was released April 30, 2013. Table 28 presents the results of the July 1, 2012, biennial actuarial valuation compared to the July 1, 2010, actuarial valuation.

TABLE 28
2012 OPEB VALUATION RESULTS
($000)

	July 1, 2012	July 1, 2010
Actuarial Accrued Liability (AAL)	$75,699	$84,838
Annual Required Contribution (ARC)	9,423	9,835

Source: Milliman, Other Postemployment Benefits Actuarial Valuation Report, June 30, 2012

The Actuarial Accrued Liability ("AAL") decreased due to a combination of several factors, some of which were offsetting. These included the assumption changes from the PERSI 2012 Investigation of Experiences, changes due to the passage of time since the July 1, 2010, valuation, a reduction in discount rate, and health assumption changes, including claim costs, retiree premiums and medical trend, measured as of July 1, 2012. The State's ARC decreased due to the factors mentioned above.

DEBT MANAGEMENT AND ENHANCEMENT PROGRAMS

Idaho Credit Rating Enhancement Committee

In 2005, the Legislature created the Idaho Credit Rating Enhancement Committee in the office of the State Treasurer (Sections 67-1224 and 67-1225, Idaho Code). The purpose of this committee is to advise the Governor and the Legislature regarding policies and actions that enhance and preserve the State's credit rating and maintain the future availability of low-cost capital financing. On April 26, 2010, the committee adopted the "State of Idaho Debt Management Policy," the purpose of which is to provide policymakers with information that will enable informed decisions regarding financing proposals and debt issuance. This central policy serves to protect and enhance the State's bond ratings and maintain the future availability of low-cost capital financing. A copy of the policy can be found on the State Treasurer's web site at *http://sto.idaho.gov/*. The State Treasurer website is not incorporated into this Official Statement by such reference and is not a part hereof.

Idaho School Bond Guaranty Act

The Idaho School Bond Guaranty Act (the "Guaranty Act"), Title 33, Chapter 53, Idaho Code, and the Credit Enhancement Program for School Districts (the "Credit Enhancement Program"), Idaho Code section 57-728, were enacted for the purpose of establishing a default avoidance program for voter-approved general obligation bonds issued by State public school districts. Created in 1999 by the Legislature, the Guaranty Act and the Credit Enhancement Program have been revised by subsequent legislation to clarify guaranty limits and procedures. Amending legislation, passed in 2009, clarified technical aspects of the Guaranty Act and the Credit Enhancement Program and created a two-tiered system of credit enhancement.

The Guaranty Act provides a pledge of the State sales tax to guarantee timely payment of the principal of and interest on the guaranteed bonds. Under the Guaranty Act, if a school district does not make timely payment of debt service on guaranteed bonds, the State Treasurer is required to gather sufficient funds to make the debt service payment on the guaranteed bonds from one or more of the following sources:

(i) intercepting all or a portion of any payments from any source of operating moneys provided by the State to the school district that would otherwise be paid to the school district by the State (the "Interceptable Funds");

(ii) requesting the State Controller to transfer to the Public School Guaranty Fund moneys from the State General Fund representing sales tax receipts of the State in an amount not to exceed the scheduled debt service payment;

(iii) issuing notes; or

(iv) negotiating a voluntary loan from funds administered by the Endowment Fund Investment Board.

Any of the actions under (ii), (iii) and (iv) above are required to be repaid by the school district and such repayment obligation is subject to the intercept of future Interceptable Funds due to the school district.

The distribution of State sales tax moneys pursuant to the pledge of the Guaranty Act can occur only after all required payments to the Note Payment Account have been made as required by Section 63-3203, Idaho Code.

If a school district is approved to participate in the Guaranty Act, it may also request approval from the Endowment Fund Investment Board to participate in the Credit Enhancement Program, which provides back-up liquidity provisions to the Guaranty Act. The Credit Enhancement Program makes $200 million available from the Public School Endowment Fund to purchase any general obligation notes issued by the State Treasurer pursuant to the Guaranty Act. The amount of debt guaranteed by the Credit Enhancement Program may not be greater than four times the amount made available by the Public School Endowment Fund, which limits the guaranty of the Credit Enhancement Program to $800 million of outstanding principal of bonds. On and after July 1, 2007, participation in the Credit Enhancement Program is limited to $20 million in the aggregate per school district. However, bond guarantees exceeding the $20 million limit prior to July 1, 2007, remain in effect.

The Guaranty Act provides that the State Treasurer may issue a certificate of eligibility which will be printed on the bonds and which is good for the life of the bonds.

As of April 22, 2014, $794,027,461 is outstanding in principal under the Guaranty Act. Of that, $492,971,429 is outstanding in principal under the Credit Enhancement Program.

The Idaho School Bond Guaranty Program's policies for managing the Guaranty Act include a debt capacity that mirrors that of the Idaho Bond Bank Authority (the "Authority"): the combined maximum annual debt service issued by the Authority and guaranteed under the Guaranty Act can be no greater than 20% of the State sales tax moneys collected by the State during the most recent fiscal year for which audited financial statements are available.

The State does not anticipate that the Guaranty Act or the Credit Enhancement Program will have any significant fiscal impact upon the State, its operations, or its ability to pay the principal of and interest on the Notes as the same become due.

Idaho Bond Bank Authority

The 2001 Legislature established a State bond bank authority pursuant to constitutional amendment (the "Bond Bank Act"). The Bond Bank Act, which took effect on July 1, 2001, created an independent public body corporate and politic to be known as the Idaho Bond Bank Authority. The Authority is declared to be an instrumentality of the State within the State Treasurer's office, but with a legal existence independent of and separate from the State. The Authority consists of five members: the State Treasurer or his or her designee, one member of the State Senate appointed by the president *pro tempore* of the Senate, one member of the State House of Representatives appointed by the Speaker of the House, and two members appointed by the Governor. The Authority is authorized, among other powers, to issue bonds payable from or secured by municipal bonds or notes of one or more municipalities (including cities, counties, school districts, and other political subdivisions), to purchase municipal bonds, to pledge sales tax revenues of the State as a source of payment or security for bonds issued by the Authority, and to establish debt service reserve funds for its bonds.

The Bond Bank Act provides an intercept mechanism whereby the State Treasurer may make payments on the bonds of participating municipalities and, if reimbursement is not timely made, intercept the receipt of any payment of property taxes, sales tax moneys to be distributed to the defaulting municipality, or any other source of operating moneys provided by the State to the defaulting municipality. Such State intercept operates by force of law and not by consent of the municipality. In addition, if moneys expected to be intercepted pursuant to the intercept mechanism are expected to be insufficient to reimburse the State for its payments on the bonds, the State Treasurer will cause moneys to be transferred from the State sales tax account and deposited into the Authority's fund (so long as such transfer does not "impede or otherwise affect the payment of sales tax moneys pledged for the payment on other outstanding State bonds"). Any pledge of sales tax revenues made by the Authority is a binding lien on the sales tax revenues so pledged.

The distribution of State sales tax moneys pursuant to the pledge of the Bond Bank Act can occur only after all required payments to the Note Payment Account have been made as required by Section 63-3203, Idaho Code.

Bonds issued by the Authority and bonds guaranteed under the Guaranty Act are both secured by the State sales tax. In 2012, the Authority implemented a debt capacity policy with respect to the utilization by both programs of the sales tax pledge. The Authority's debt capacity policy states that the combined maximum annual debt service issued by the Authority and guaranteed under the Guaranty Act can be no greater than 20% of the State sales tax moneys collected by the State during the most recent fiscal year for which audited financial statements are available.

The Authority has issued $451,985,000 of Idaho Bond Bank Authority Revenue bonds, of which $406,450,000 remains outstanding as of April 22, 2014. The State does not anticipate that the Bond Bank Act will have any significant fiscal impact on the State, its property, or its ability to pay the principal of and interest on the Notes as the same become due.

State Bond Levy Equalization Support Program for School Facilities

The Legislature created a Bond Levy Equalization Support Program (the "Bond Levy Program") for public schools. The State Department of Education is directed to establish a "value index" for each school district, based on such school district's market value per support unit, for equalization purposes, and the average annual seasonally-adjusted unemployment rate and the per-capita income for the county in which a plurality of the school district's market value for assessment purposes of taxable property is located. Under the Bond Levy Program, school districts with a value index below one are eligible to receive additional State financial assistance for the amount of annual bond interest and redemption payments made on bonds passed on or after September 15, 2002; provided, that any school district with a value index less than 1.5 will receive no less than 10% of the interest cost portion of its average annual bond interest and redemption payment for bonds passed on or after September 15, 2002.

The Legislature has appropriated the following amounts to the Bond Levy Program, which payments are disbursed to qualifying school districts annually on September 1:

TABLE 29
BOND LEVY PROGRAM APPROPRIATIONS

Fiscal Year	Amount
2008	$ 11,200,000
2009	16,500,000
2010	17,900,000
2011	17,900,000
2012	17,400,000
2013	17,400,000
2014	17,400,000

The State does not anticipate that the Bond Levy Program will have any significant financial impact upon the State, its operations, or its ability to pay the debt service on the Notes as the same become due.

OUTSTANDING OBLIGATIONS OF THE STATE AND ITS INDEPENDENT AGENCIES

The State has no outstanding general obligation bond debt.

Idaho Housing and Finance Association and Transportation Project Financing

The Idaho Housing and Finance Association ("IHFA") (formerly the Idaho Housing Agency) was created in 1972 to issue notes and bonds in furtherance of its purpose of providing safe and sanitary housing for persons and families of low income residing in the State, and to coordinate and encourage cooperation among private enterprise and State and local governments to sponsor, build and rehabilitate residential housing for such persons and families.

The IHFA is governed by seven commissioners, appointed for alternating four-year terms by the Governor of the State, one of whom is selected chairman by the Governor. The vice chairman and secretary-treasurer are elected annually by the entire Board of Commissioners. The State Treasurer serves as an advisory Board member.

The IHFA has no taxing power and neither the State nor any political subdivision thereof is liable for its bonds or other indebtedness. The IHFA's mortgage loans are either guaranteed by Federal agencies, insured by private mortgage guarantee policies or collateralized by the IHFA's net assets.

As of December 31, 2013, 56.13% of the total bond debt had been used to purchase single-family mortgages, 1.06% had provided for the construction and permanent financing of multifamily developments, 36.54% represented grant anticipation revenue ("GARVEE") bonds issued for transportation projects undertaken by the Idaho Department of Transportation (see "Transportation Project Financing" below), and 6.27% represented Unemployment Insurance bonds issued on behalf of the Idaho Department of Labor (see "Unemployment Insurance Financing" below).

As of December 31, 2013, the IHFA's outstanding bond indebtedness was $1,651.2 million. Fund balances, including reserves, were $203.7 million.

Transportation Project Financing. The 2005 Legislature enacted legislation that authorized the issuance of GARVEE debt instruments (bonds or notes) to enable the State to finance State transportation infrastructure projects and to pay debt service and other bond-related expenses with future federal aid highway apportionments. The legislation states that the bonding authority "should be used in a manner that does not obligate future legislatures or governors for additional bonding and be used to finance projects which are of the highest critical need based on safety, traffic volume or projected demand."

As of March 31, 2014, the IHFA had issued $806.8 million in GARVEE bonds, of which $659.7 million remain outstanding.

The GARVEE bond legislation does not authorize or pledge State General Fund revenues to make payments on bonds or notes. In the opinion of Bond Counsel, the legislation will have no impact on the State's General Fund revenues or its ability to make payments on the Notes.

Unemployment Insurance Financing. The 2011 Legislature enacted legislation that authorized the IHFA to issue bonds to repay advances from the federal Unemployment Insurance Trust fund and to increase the unemployment insurance trust fund size multiplier to ensure a more solvent trust fund. The IHFA issued $187,570,000 of Unemployment Compensation Revenue Bonds on August 31, 2011. As of March 31, 2014, $98,015,000 remains outstanding.

Idaho Health Facilities Authority

Organized in 1972, the Idaho Health Facilities Authority ("the Health Authority") is comprised of seven members appointed by the Governor to staggered five-year terms. The Executive Director is hired by and serves at the pleasure of the Health Authority members.

The Health Authority has the power, among others, to issue tax-exempt revenue bonds or notes and re-lend the funds to governmental and not-for profit health facilities in the State to (i) finance and refinance outstanding indebtedness for health facilities, and (ii) provide additional facilities for the development and maintenance of public health, health care, hospitals, and related facilities.

These debt instruments do not directly, indirectly, or contingently obligate the State of any political subdivision thereof to levy and form of taxation or to make any appropriations for the payment thereof and any such levy or appropriation is prohibited.

As of December 31, 2013, the total outstanding indebtedness of the Idaho Health Facilities Authority was $950,186,469.

Idaho State Building Authority

The Idaho State Building Authority (the "Building Authority") , established in 1974, is a body corporate and politic of the State, created as a public instrumentality by the Idaho State Building Authority Act, being Title 67, Chapter 64 of the Idaho Code, as amended, for the purpose of assisting in the acquisition, construction, operation, and financing of State governmental facilities and the facilities of community college districts. The Building Authority is authorized to issue its bonds or notes to finance governmental facilities pursuant to agreements entered into with departments, boards, commissions, or agencies of the State ("State Bodies" or "State Body") or with community college districts, subject to prior approval of the Legislature by concurrent resolution. To that end, the Building Authority issues bonds secured by annual rent equal to debt service on such bonds for the applicable fiscal year, plus certain administrative costs of the Building Authority and any required deposits to reserve or operating funds or accounts for such fiscal year, payable by the State, acting by and through one or more State Bodies or with community college districts under the terms of lease agreements relating to the project or projects being financed or refinanced, as applicable, by such bonds. All lease agreements are subject to annual renewal by State Bodies or community college districts and the annual rents payable thereunder are subject to annual appropriation. Annual rent for each lease agreement is due and payable in full within 30 days after commencement of each annual lease term.

The Building Authority is governed by seven commissioners appointed by the Governor to serve staggered five-year terms. The commissioners of the Building Authority, in turn, appoint an executive director.

Bonds, notes, or other obligations of the Building Authority do not constitute an indebtedness or obligation of the State or of any department, board, commission, agency, political subdivision, body corporate and politic, or instrumentality of or municipality or county within the State, nor do they constitute the giving or loaning of credit of the State or any department, board, commission, agency, political subdivision, body corporate and politic, or instrumentality or municipality or county within the State. The Building Authority has no taxing power.

In Fiscal Year 2014, the total amount of rent paid under the facilities leases by the State to the Building Authority was $33,883,335.49. As of June 1, 2014, total outstanding bond and note principal was $167,832,392.

OTHER STATE FINANCIAL INFORMATION

Idaho Millennium Fund

The Idaho Millennium Fund is an endowment fund established in 2000 to receive, invest, and disburse funds that the State is receiving as a result of the master settlement agreement reached with tobacco companies.

The Idaho Millennium Permanent Endowment Fund was established in 2006 to receive 80% of all future tobacco settlement payments to the State. The remaining 20% of future tobacco settlement payments are directed into the Idaho Millennium Fund. Annual distributions from both of these funds will be made to the Idaho Millennium Income Fund. The Legislature will have the authority to spend funds in both the Idaho Millennium Fund and the Idaho Millennium Income Fund.

Legislation introduced in 2007 directed the State Treasurer to transfer $10 million of the Idaho Millennium Fund balance to the Idaho Millennium Permanent Endowment Fund and placed a cap of $100 million on the Idaho Millennium Fund. Any excess over $100 million will be transferred to the Idaho Millennium Permanent Endowment Fund. The balance in the Millennium Permanent Endowment Fund on April 21, 2014, was $218,472,134. The balance in the Idaho Millennium Fund on April 21, 2014, was $20,220,550.

Idaho State Lottery

The Idaho State Lottery was established in 1989. Total sales for Fiscal Year 2013 were $198,168,000. Net proceeds for that year totaled $47.58 million and were divided between the Permanent Building Fund, for use in carrying out State public works projects, the Public School Building Fund, for distribution to the State's public school districts, and the Bond Levy Fund.

Idaho Code stipulates that the State Treasurer will invest Lottery receipts and the interest generated on the Lottery Account balance will be transferred to the General Fund. Interest earnings for Fiscal Year 2013 were approximately $79,452.

Idaho State Insurance Fund

The Idaho State Insurance Fund (the "Insurance Fund") was created in 1917 by the Legislature to insure employers against liability under the Workers' Compensation Act. The Insurance Fund is an independent body corporate and politic and is administered without liability on the part of the State. The money in the Insurance Fund does not belong to the State and is not in the State Treasury; it is deposited with the State Treasurer as custodian and is held by the State Treasurer as such for the contributing employers and the beneficiaries of the compensation law and for the payment of the costs of the operation of the Insurance Fund. All public employers are required by law to obtain their workers' compensation insurance through the Insurance Fund or to self-insure. Private employers may, at their discretion, also procure workers' compensation insurance from the Insurance Fund.

As of December 31, 2013, the Insurance Fund had a surplus (fund balance) of $188.5 million. The Insurance Fund has no bonded debt. The Insurance Fund's manager, who is hired by a board of directors, administers the Insurance Fund. The board is appointed by the Governor.

Idaho Petroleum Clean Water Trust Fund

The Idaho Petroleum Clean Water Trust Fund (the "Trust Fund") is a not-for-profit State entity created in 1990 by the Legislature to indemnify tank owners and operators from petroleum storage tank releases. The Trust Fund's board of trustees, appointed by the Governor, was created in 2003 to direct the policies and operations of the Trust Fund. The Insurance Fund, at the pleasure of the board of trustees, will act as the administrator for the Trust Fund. Statutorily, neither the Insurance Fund nor the State has any liability for the Trust Fund's obligations.

As of December 31, 2013, the Trust Fund had fund balances of $30.2 million. The unencumbered fund balance was $28.7 million. The Trust Fund has no bonded debt.

LITIGATION

There is no litigation pending or, to the best of the State's knowledge, threatened against the State or its officers questioning the authority of the State to issue the Notes or which seeks to restrain or enjoin the issuance or delivery of the Notes or the collection of the General Tax Revenues pledged for the repayment of the Notes. At the time of the delivery of the Notes, the State Attorney General will provide an opinion that no such litigation is pending or, to the knowledge, information, and belief of the State Attorney General, threatened against the State or its officers.

LEGAL AND TAX INFORMATION

Tax Matters

In the opinion of Moore Smith Buxton & Turcke, Chartered, Bond Counsel, based upon the analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is excluded from gross income for purposes of State of Idaho personal income taxes. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal tax purposes of interest on obligations such as the Notes. The State has made certain representations and covenanted to comply with certain restrictions, conditions, and requirements designed to ensure that interest on the Notes will not be included in gross income for federal income tax purposes. Failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes from the date of original execution and delivery of the Notes. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any matters coming to Bond Counsel's attention after the date of execution and delivery of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is excluded from gross income for purposes of State of Idaho personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect a beneficial owner's federal, state, or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code, or court decisions could cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status on such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code, or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations, or litigation, and regarding the impact of future legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the State, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof, or the enforcement thereof by the IRS. The State has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the State or the beneficial owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, parties other than the State and its appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt Notes is difficult, obtaining an independent review of IRS positions with which the State legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of Notes presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the State or the beneficial owners to incur significant expense.

Continuing Disclosure Undertaking

The State has covenanted in the Plan of Financing that it will provide, to the MSRB via EMMA, notice of the occurrence of any of the following events with respect to the Notes in a timely manner not in excess of ten business days after the occurrence of the event:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financing difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;

(vii) modifications to rights of Noteholders, if material;

(viii) Note calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Notes, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership, or similar event of the obligated person;

(xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or

(xiv) appointment of a successor or additional trustee or the change in the name of a trustee, if material.

If the State fails to comply with the foregoing disclosure undertakings, it will, within a reasonable time not in excess of ten business days following its ascertainment of such failure, provide notice to the MSRB via EMMA of any material failure of disclosure. The State has never failed to comply with a prior written continuing disclosure undertaking made pursuant to SEC Rule 15c2-12.

The continuing disclosure undertakings described above have been made for the benefit of the Noteholders. Noteholders may enforce specific performance of the undertakings by any available judicial proceeding. However, the failure of the State to perform the undertakings hereunder does not constitute an event of default with respect to the Notes, nor does such failure entitle any Noteholder to monetary damages.

Approval of Legality

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving opinion of Moore Smith Buxton & Turcke, Chartered, Bond Counsel. Bond Counsel has reviewed the portions of this Official Statement set forth under "The Notes" entitled "Description of the Notes" and "Authorization," and under "Security and Sources of Payment" (except for statistical and financial data), and has prepared the section entitled "Tax Matters" and the form of approving opinion of Bond Counsel set forth in Appendix C to this Official Statement. Certain legal matters will be passed upon for the State by the Attorney General for the State.

OTHER NOTE INFORMATION

Ratings

Moody's Investors Service, Standard and Poor's Corporation, and Fitch have assigned the Notes the ratings of MIG-1, SP-1+, and F1+, respectively. An explanation of the significance of each such rating may be obtained from the respective rating agency. The State has furnished certain information and materials with respect to the State and the Notes to the rating agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of the credit ratings may have an adverse effect on the market price of the Notes.

Underwriting

The Notes are being purchased by Piper Jaffray & Co. (the "Underwriter"). The purchase contract provides that the Underwriter will purchase all of the Notes, if any are purchased, at a price of $483,644,712. The Notes will be reoffered at a price of $483,939,500. After the initial public offering, the public offering prices may be varied from time to time.

The Underwriter has entered into an agreement (the "Agreement") with Pershing LLC ("Pershing"), a subsidiary of The Bank of New York Mellon Corporation, for the distribution of certain municipal securities offerings allocated to the Underwriter at the original offering prices. Under the Agreement, if applicable to the Notes, the Underwriter will share with Pershing a portion of the fee or commission, exclusive of management fees, paid to the Underwriter.

The Underwriter has entered into a distribution agreement ("Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Notes from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Notes that CS&Co. sells.

Miscellaneous

All summaries herein of the provisions of the Constitution of the State of Idaho, acts of the Legislature, other documents and instruments, and the Notes are made subject to all the detailed provisions and judicial interpretations thereof to which reference is hereby made for further information. Such summaries do not purport to be complete statements of any or all of such provisions.

All estimates and assumptions in this Official Statement have been made on the best information available and are believed to be reliable, but no representations whatsoever are made that such estimates and assumptions are correct. So far as any statements in this Official Statement involve any matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

This Official Statement has been duly approved, executed and delivered by the State.

/s/ Ron G. Crane
Ron G. Crane, State Treasurer

Dated: June 24, 2014

APPENDIX A
SELECTED DATA ON THE STATE OF IDAHO

Idaho State Government

State Government in Idaho originates from the State Constitution adopted at the constitutional convention of August 6, 1889, and ratified by the people in November of the same year. The United States Congress approved the Constitution and admitted the State to the Union on July 3, 1890.

The Executive Department

The Idaho Executive Department consists of seven constitutionally empowered elected officials: Governor, Lieutenant Governor, Secretary of State, State Controller, State Treasurer, Attorney General, and Superintendent of Public Instruction.

The Governor is vested with the "supreme executive power." The Governor appoints department heads and members of boards and commissions. On extraordinary occasions, the Governor can convene special sessions of the Legislature. The Governor gives final approval, by signing, of bills passed by the Legislature, and has the power to veto bills but must list the objections. The Legislature can override a veto by a two-thirds vote of each chamber.

The Lieutenant Governor presides over the State Senate and, when the Governor is absent from the State, serves as Acting Governor. In case of vacancy for any reason in the Governor's office, the Lieutenant Governor succeeds to that office.

The Secretary of State is primarily a ministerial official. The Secretary of State is the custodian of records, including those of corporations, and of the Great Seal of the State of Idaho. The Secretary of State is the State's Chief Election Officer and has administrative duties as a member of the Board of Examiners, the State Land Board, and State Board of Canvassers.

The State Controller, as Chief Accounting Officer, is responsible for the accounting records, and is the State's cash disbursement officer. The State Controller is also responsible for maintaining the Statewide system of internal control procedures. The State Controller is the State Administrator of Social Security, a member of the State Land Board, *ex officio* Secretary of the Board of Examiners, and a member of the State Board of Canvassers.

The State Treasurer, as Chief Financial Officer, receives all State revenues and fees, and is cash manager and investor for all State revenues. The State Treasurer pays all State bills by redeeming State warrants, and is custodian of the Worker's Compensation Fund and the Public School Endowment Fund. The State Treasurer also is a member of the State Board of Canvassers, and serves as advisor to the Idaho Housing and Finance Association.

The Attorney General is the Chief State Legal Officer and represents State officers and agencies in legal matters. The Attorney General must provide legal opinions in writing when requested by government officials. The Attorney General is required to supervise all county prosecuting attorneys and to assist them in law enforcement if they so request. The Attorney General is in charge of consumer protection laws and has jurisdiction to enforce State antitrust laws. The Attorney General is a member of the Board of Examiners and the State Land Board.

The State Superintendent of Public Instruction is an *ex-officio* and voting member of the State Board of Education, the executive officer of the State Department of Education and advisor to school districts on all aspects of education. The State Superintendent also is a member of the State Land Board and serves as *ex officio* member of the State Library Board.

Description of Area

Located in the northwestern portion of the United States, the State is bordered by Washington, Oregon, Nevada, Utah, Wyoming, Montana and Canada. The State's land area consists of 82,751 square miles of varied terrain.

The State has substantial water resources which have dominated its history and development. There are 26,000 miles of rivers and streams and more than 2,000 natural lakes. Three of the State's rivers—the Clearwater, the Kootenai and the Salmon—are more than half as large as the Colorado River. The Snake River Plain Aquifer is one of the largest fractured basalt aquifers in the world. Equally important to quantity is the quality of the State's waters, which remains outstanding. The drop in elevation of rivers like the Snake allows valuable hydropower production, affording the State some of the lowest electricity rates in the nation.

The State enjoys a broad base of economic wealth ranging from extensive mining and timber resources to notably productive agricultural lands, which benefit from a highly developed series of man-made reservoirs and irrigation systems. More than four million acres are irrigated in the Snake River Basin, placing the State fourth in the nation for irrigated acreage.

The State traditionally has been an agricultural state. Livestock, beef, dairy cattle, and sheep are important to the economy, while the major crops of the State's farmers include potatoes, wheat, barley, sugar beets, peas, lentils, seed crops and fruit. Major manufacturing industries include food processing, forest products, phosphate processing, and electronics. Mining has played an important role in the development of the State, with phosphate rock, silver, lead, zinc and molybdenum among the resources mined.

Idaho Economic Overview and Outlook

The Idaho Economic Forecast ("IEF"), a quarterly publication prepared by the Division of Financial Management ("DFM"), provides historical and forecast values for the State's economy. The historical and forecast data are presented at both quarterly and annual frequencies. The IEF is published in January, April, July, and October of each year. Concepts covered in the IEF include population, housing, personal income, and nonfarm employment. The most recent IEF was published in April 2014. It estimates State nonfarm employment grew 2.8% in 2013 and forecasts a 2.2% increase in 2014 and a 3.0% increase in 2015. The next IEF is scheduled to be released in July 2014.

The General Fund Revenue Book ("GFRB") is an annual publication prepared by the DFM that provides input into the Governor's proposed budget. It consists of General Fund projections by source, the economic forecast upon which the revenue forecasts are based, and a section devoted to the State's tax structure. The most recent GFRB was published in January 2014. The General Fund revenue forecast projects a 2.1% increase in General Fund revenues for Fiscal Year 2014. Fiscal Year 2015 General Fund revenues are projected to increase by 6.4% from the Fiscal Year 2014 projection.

Both the IEF and the GFRB are available on the internet at: *http://dfm.idaho.gov/Publications/Econ_Publications.html.* This website is not incorporated into this Official Statement by such reference and is not a part hereof.

The tables on the following pages provide historical economic and demographic data for the State.

TABLE 30
IDAHO ECONOMIC INDICATORS

	Actual		Projected		
	2012	**2013**	**2014**	**2015**	**2016**
Idaho Economic Indicators					
Personal Income ($ millions)	55,022	57,041	58,824	61,727	65,061
Percent Change	3.9%	3.7%	3.1%	4.9%	5.4%
Total Nonfarm Employment	622,143	639,364	653,350	672,874	692,673
Percent Change	1.9%	2.8%	2.2%	3.0%	2.9%
Goods-Producing Employment	92,290	97,651	100,077	105,144	109,296
Percent Change	3.8%	5.8%	2.5%	5.1%	3.9%
Nongoods-Producing Employment	529,853	541,714	553,274	567,730	582,377
Percent Change	1.6%	2.2%	2.1%	2.6%	2.8%
Population (thousands)	1,596	1,612	1,636	1,660	1,685
Percent Change	0.8%	1.1%	1.4%	1.5%	1.6%
Housing Starts-Single Unit	6,041	7,757	9,523	11,749	13,205
Housing Starts-Multiple Unit	1,112	1,367	1,411	1,544	1,666
Selected US Production Indices (2007=100.0)					
Lumber and Wood Products	71.630	78.065	82.245	92.995	99.949
Computer and Electronic Products	134.978	144.559	154.967	169.339	184.174
Semiconductors and Other Computers	250.389	280.601	310.810	350.586	392.074
Food	102.836	104.442	106.607	109.093	111.697
Paper	85.383	84.961	84.978	87.030	88.924
Agricultural Chemicals	91.940	99.092	101.702	104.053	110.546
Metal Ore Mining	98.897	99.157	98.843	100.827	103.189
Selected US Producer Prices (1982=1.000)					
All Items	2.022	2.034	2.083	2.078	2.089
Lumber and Wood Products	2.017	2.149	2.215	2.294	2.341
Machinery and Equipment	1.342	1.352	1.368	1.374	1.383
Farm	1.925	1.952	1.884	1.862	1.871
Pulp, Paper and Allied Products	2.442	2.487	2.557	2.617	2.677
Chemicals	2.767	2.793	2.869	2.920	2.979

Source: IHS Global Insight and Idaho Division of Financial Management

TABLE 31
STATE OF IDAHO
POPULATION TRENDS

Year	Population
2000(1)	1,293,953
2009	1,554,439
2010(1)	1,567,582
2011	1,583,930
2012	1,595,590
2013	1,612,136

(1) Census data.

Source: U.S. Census Bureau

TABLE 32
STATE OF IDAHO
LABOR FORCE AND NONFARM PAYROLL JOBS ANNUAL[1]

	2013	2012	2011	2010	2009
Civilian Labor Force	775,407	772,046	765,974	760,951	751,556
Unemployment	48,177	56,297	64,028	66,207	55,980
Percent of Labor Force Unemployed	6.2%	7.3%	8.4%	8.7%	7.4%
Total Employment	727,230	715,749	701,946	694,744	695,576
Nonfarm Payroll Jobs-NAICS[2]	638,300	622,300	610,800	603,600	609,900
Goods Producing	97,500	92,400	89,000	87,900	92,300
Natural Resources and Mining	4,000	4,000	3,800	3,500	3,200
Construction	33,700	31,400	30,400	31,200	34,300
Manufacturing	59,800	57,000	54,800	53,200	54,800
Durable Goods	34,600	33,000	31,400	29,900	31,100
Non-Durable Goods	25,200	24,000	23,400	23,300	23,600
Service Providing	540,800	529,900	521,800	515,700	517,600
Trade, Transportation and Utilities	129,200	126,400	123,100	121,500	122,900
Trade	107,600	104,800	101,900	100,800	102,200
Transportation, Warehousing and Utilities	21,600	21,600	21,200	20,700	20,700
Information	9,300	9,400	9,500	9,600	10,000
Financial Activities	31,000	30,300	29,900	29,200	29,600
Proefessional and Business Services	77,000	75,500	75,100	73,900	74,700
Management of Companies and Entrepreneurs	5,300	5,400	5,600	5,900	6,000
Administrative, Support, Waste Management	40,000	38,200	37,600	36,900	37,200
Educational and Health Services	91,000	88,400	86,500	83,800	81,000
Leisure and Hospitality	63,000	61,200	59,300	58,000	58,700
Other Services	21,900	21,500	21,200	21,100	21,200
Total Government	118,400	117,200	117,200	118,600	119,500
Federal Government	12,400	12,600	12,700	13,700	13,500
State and Local Government	106,000	104,600	104,500	104,900	106,000
State Government	29,000	28,700	28,600	28,500	30,000
Local Government	77,000	75,900	75,900	76,400	76,000

(1) Benchmarked data.

(2) Estimates include all full- or part-time wage and salary workers who worked or received pay in the industry group's pay period ending the 12th of the month.

Source: Idaho Department of Labor

TABLE 33
STATE OF IDAHO
NONFARM PAYROLL JOBS—BY PLACE OF WORK(1)

	Feb 2014	Jan 2014(1)	Feb 2013	Percent Change From Last Month	Percent Change From Last Year
Nonfarm Payroll Jobs-NAICS (2)	632,800	626,300	620,100	1.0%	2.0%
Goods Producing	94,800	94,700	91,400	0.1%	3.7%
Natural Resources	3,600	3,700	3,700	-2.7%	-2.7%
Construction	31,000	31,000	29,400	0.0%	5.4%
Manufacturing	60,200	60,000	58,300	0.3%	3.3%
Durable Goods	34,900	34,800	33,500	0.3%	4.2%
Nondurable Goods	25,300	25,200	24,800	0.4%	2.0%
Service Providing	538,000	531,600	528,700	1.2%	1.8%
Trade, Transportation, And Utilities	127,500	127,900	125,100	-0.3%	1.9%
Trade	106,200	106,500	103,600	-0.3%	2.5%
Transportation, Warehousing, And Utilities	21,300	21,400	21,500	-0.5%	-0.9%
Information	9,200	9,200	9,100	0.0%	1.1%
Financial Activities	31,300	31,200	30,600	0.3%	2.3%
Professional and Business Services	74,700	73,900	73,300	1.1%	1.9%
Management of Companies and Enterprises	5,200	5,300	5,900	-1.9%	-11.9%
Administrative, Support, Waste Management	37,900	37,400	36,000	1.3%	5.3%
Education and Health Services	93,300	92,200	90,300	1.2%	3.3%
Leisure and Hospitality	60,400	60,000	59,100	0.7%	2.2%
Other Services	22,200	22,000	21,400	0.9%	3.7%
Total Government	119,400	115,200	119,800	3.6%	-0.3%
Federal Government	11,500	11,400	11,700	0.9%	-1.7%
State and Local Government	107,900	103,800	108,100	3.9%	-0.2%
State Government	29,600	27,300	30,000	8.4%	-1.3%
Local Government	78,300	76,500	78,100	2.4%	0.3%

(1) Benchmarked data.

(2) Estimates include all full- or part-time wage and salary workers who worked or received pay in the industry group's pay period ending the 12th of the month.

Source: Idaho Department of Labor

TABLE 34
STATE OF IDAHO
AGRICULTURAL EMPLOYMENT ESTIMATES

	Feb 2014	Jan 2014	Feb 2013	Percent Change From Last Month	Percent Change From Last Year
Total Agricultural Employment	40,389	39,607	40,295	2.0%	0.2%
Operators and Unpaid Family	403	394	448	2.3%	-10.0%
Hired Workers	39,986	39,213	39,847	2.0%	0.3%

Source: Idaho Department of Labor

TABLE 35
STATE OF IDAHO
LARGEST EMPLOYERS

Rank	Employer	Number of Employees	Industry
1	State of Idaho	18,500-19,000	Government
2	Federal Government	12,000-12,500	Government
3	St. Luke's Health System	10,500-11,000	Health Care
4	Wal-Mart Associates	6,500-7,000	Retail Trade
5	Micron Technology	5,500-6,000	Manufacturing
6	Brigham Young University-Idaho	4,500-5,000	Education
7	Meridian Joint School District #2	4,400-4,500	Education
8	Boise Independent School District #1	3,500-4,000	Education
9	Batelle Energy Alliance	3,500-4,000	Business Services
10	St. Alphonsus Regional Medical Center	3,000-3,500	Health Care
11	J.R. Simplot	3,000-3,500	Agriculture
12	Albertsons/Supervalu	3,000-3,500	Retail Trade

Source: State of Idaho Comprehensive Annual Financial Report, 2013

TABLE 36
STATE OF IDAHO
COMPARISON OF IDAHO AND NATIONAL AVERAGE ANNUAL WAGE

Calendar Year	Idaho Average Annual Wage	National Average Annual Wage
2004	31,520	41,164
2005	32,469	42,483
2006	34,328	44,413
2007	35,247	46,370
2008	35,558	47,628
2009	35,822	47,652
2010	36,582	48,954
2011	37,176	50,351
2012	37,516	51,652
2013	38,137	52,346
2014	39,051	53,451

Source: Idaho Economic Forecast

APPENDIX B

PLAN OF FINANCING

STATE OF IDAHO
TAX ANTICIPATION NOTES, SERIES 2014
PRINCIPAL AMOUNT $475,000,000

RON G. CRANE, the duly elected, qualified, and acting Treasurer of the State of Idaho, hereby certifies as follows:

ARTICLE I

DEFINITIONS AND PURPOSE

Section 1.1: DEFINITIONS

As used in this document, the following terms shall have the following definitions:

Act means Title 63, Chapter 32, Idaho Code, pursuant to which the Notes are authorized, issued, and sold.

Authenticating and Paying Agent means a national bank doing business in New York, New York, appointed by the State Treasurer pursuant to Section 3.5 of this Plan in the event that Certificated Notes are issued.

Beneficial Owner(s) means the owners or Holders of Notes whose ownership is recorded through entries on the books of banks and broker-dealer participants and correspondents that are related to entries in the Book-Entry-Only System of the Depository.

Board of Examiners means the State Board of Examiners created pursuant to Article IV, Section 18, Idaho Constitution, and Chapter 20, Title 67, Idaho Code.

Book-Entry-Only System means the system of recordation of ownership of the Notes on the books of the Depository pursuant to Article III of this Plan.

Certificated Note(s) means a Note or Notes evidenced by a printed certificate or certificates in the event that the Book-Entry-Only System is discontinued.

Code means the Internal Revenue Code of 1986, as amended.

Depository means The Depository Trust Company, New York, New York, its successor corporation, or such other depository as may subsequently be designated by the Treasurer.

EMMA means the Electronic Municipal Market Access System of the MSRB as provided for by the Securities and Exchange Commission and located at www.emma.msrb.org.

Escrow Agent means The Bank of New York Mellon Trust Company, N.A., Seattle, Washington, as escrow agent for the Note Payment Account designated pursuant to Section 2.6 of this Plan, and as paying agent for the Notes, so long as the Notes are issued in book-entry-only form, designated pursuant to Section 3.1 of this Plan.

Escrow Agreement means the escrow agreement between the State Treasurer and the Escrow Agent substantially in the form of Exhibit ”E” which is annexed hereto and by reference made a part of this Plan.

Fiscal Year means the 2014-2015 fiscal year of the State, commencing on July 1, 2014, and ending on June 30, 2015.

General Fund means the general fund of the State.

General Tax Revenues means income and revenue from taxes, whether specific, ad valorem, excise, income, franchise, or license.

Global Note(s) means the typewritten Note or Notes in the aggregate principal amount of the Notes, dated as of the date of delivery of the Notes, and registered in the name of the Nominee.

Governor means the Governor of the State of Idaho.

Holder or Holders means (i) so long as the Book-Entry-Only System is in effect, the Beneficial Owners, or (ii) in the event that the Book-Entry-Only System is discontinued, the holders of Certificated Notes.

Letter of Representations means the Blanket Issuer Letter of Representations between the State Treasurer and the Depository, relating to the Book-Entry-Only System, substantially as set forth in Exhibit "D" which is annexed hereto and by reference made a part of this Plan.

MSRB means the Municipal Securities Rule Making Board.

Nominee means Cede & Co. as nominee for the Depository, or such nominee as the Depository may substitute therefor.

Note Payment Account means the "Tax Anticipation Notes, Series 2014, Note Payment Account" within the Tax Anticipation Note Redemption Fund of the State created by Section 63-3203, Idaho Code, established pursuant to Section 2.6 of this Plan.

Notes means the State of Idaho Tax Anticipation Notes, Series 2014, issued in the principal amount of $475,000,000.

Official Statement means the disclosure statement relating to the Notes, jointly approved by the State Treasurer and the Underwriter, and includes the Preliminary Official Statement.

Participant or Participants means banks and broker-dealer participants and correspondents, including indirect participants that are related to entries on the Book-Entry-Only System of the Depository.

Plan means this Plan of Financing, dated as of June 24, 2014, authorizing the issuance, sale, and delivery of the Notes.

Preliminary Official Statement means the preliminary disclosure statement relating to the Notes, approved by the State Treasurer and reviewed by the Underwriter.

Purchase Contract means the Note Purchase Contract, dated as of June 24, 2014, between the State and the Underwriter, providing for the sale of the Notes, substantially in the form of Exhibit "A" which is annexed hereto and by reference made a part of this Plan.

Secretary of State means the Secretary of State of the State of Idaho.

State means the State of Idaho.

State Controller means the State Controller of the State of Idaho.

State Treasurer means the State Treasurer of the State of Idaho.

Underwriter means Piper Jaffray & Co.

Section 1.2: PURPOSE

The Notes are being issued pursuant to the Act for the purpose of providing funds for the payment of current expenses in anticipation of the receipt of General Tax Revenues for the Fiscal Year. This document shall constitute the Plan of Financing (the "Plan") of the State Treasurer required pursuant to Section 63-3202(2), Idaho Code, and the order of the State Treasurer required by Section 63-3202(3), Idaho Code, in connection with the issuance, sale, and delivery of the Notes.

ARTICLE II

THE NOTES

Section 2.1: The Notes are to be issued, sold, and delivered in accordance with the Act and the Purchase Contract. The maximum principal amount of Notes which may be outstanding at any one time under this Plan is $475,000,000. In accordance with the March 18, 2014, approval of the Board of Examiners for the issuance of not to exceed $2,112,675,000 Tax Anticipation Notes, the State Treasurer reserves the right to file one or more additional Plans of Financing under the authority of the Act during the Fiscal Year.

Section 2.2: The Notes shall be issued in accordance with the Book-Entry-Only System described hereinafter in the form of not more than two typewritten Notes (the "Global Notes") in the aggregate principal amount of $475,000,000, shall be dated as of their date of delivery, shall mature on June 30, 2015, shall bear interest from their date at a fixed rate of 2.00% per annum until paid, calculated on the basis of a thirty-day month and a 360-day year, such interest being payable at maturity, and shall be substantially in the form of the Global Note which is annexed hereto as Exhibit "B" and by reference made a part hereof. The Notes shall not be subject to redemption prior to their stated maturity.

Section 2.3: The Notes shall be issued in anticipation of the General Tax Revenues to be received by the State during the fourth quarter of the Fiscal Year, and the Notes shall be secured by an irrevocable pledge of the income and revenues from the taxes so anticipated. Each Note so issued shall recite that it is a valid and binding obligation of the State, and that the faith and credit of the State is solemnly pledged for the payment of the principal thereof and interest thereon in accordance with its terms and the Constitution and laws of the State.

Section 2.4: The Notes shall be registered prior to their issuance in the office of the State Controller. A legend to that effect shall appear on the Global Notes and, in the event that the Book-Entry-Only System is discontinued, on each Certificated Note.

Section 2.5: The Notes shall be payable in accordance with the provisions of the Book-Entry-Only System as set forth in Article III of this Plan. In the event that the Book-Entry-Only System is discontinued and Certificated Notes are issued, the Notes shall be payable, principal and interest, on their maturity date, at the office of the State Treasurer, at Boise, Idaho, or, at the option of the Holders of the Certificated Notes, at the principal corporate trust office of the Authenticating and Paying Agent, New York, New York, which is hereby designated, pursuant to Section 67-1221, Idaho Code, as alternative fiscal agent for the State and alternative place of payment of principal of and interest on the Certificated Notes.

Section 2.6: There is hereby established within the Tax Anticipation Note Redemption Fund of the State, created by Section 63-3203, Idaho Code, the Tax Anticipation Notes, Series 2014, Note Payment Account (the "Note Payment Account") for the payment of the principal of and interest on the Notes. The Bank of New York Mellon Trust Company, N.A., Seattle, Washington, is hereby appointed as escrow agent (the "Escrow Agent") in accordance with the Escrow Agreement which is annexed hereto as Exhibit "E" and by reference made a part of this Plan. The Note Payment Account shall be held and invested at the direction of the State Treasurer by the Escrow Agent pursuant to the provisions of the Escrow Agreement.

Section 2.7: The Notes are hereby sold to the Underwriter in accordance with the Purchase Contract, at a purchase price of $475,000,000, plus a premium of $8,939,500, less an underwriter's discount of $294,788, plus accrued interest, if any.

Section 2.8: As provided in Section 63-3202(b), Idaho Code, immediately upon the issuance and sale of the Notes the State Treasurer shall cause the proceeds of the sale of the Notes to be credited to the General Fund.

ARTICLE III

THE BOOK-ENTRY-ONLY SYSTEM

Section 3.1: The Notes shall initially be issued in the form of fully registered Notes in book-entry-only form (the "Book-Entry-Only System"), with no Notes being made available to Beneficial Owners thereof, as provided in the Letter of Representations between the State Treasurer and the Depository. So long as the Notes are issued in book-entry-only form, the State shall recognize the Depository or its Nominee as the owner of the Notes for all purposes. Beneficial ownership interests in the Notes will be available through Participants in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof. By purchasing a beneficial interest therein, a Beneficial Owner shall be deemed to have waived the right to receive a Certificated Note, except as provided hereinafter. Ownership of the Notes shall be recorded through entries on the books of banks and broker-dealer participants and correspondents (the "Participants") that are related to entries on the Book-Entry-Only System of the Depository. The Notes shall be initially issued in the form of not more than two typewritten Notes (the "Global Notes"). The Global Notes shall be executed by the Governor, countersigned by the State Treasurer, and attested by Secretary of State, any of which signatures may be either manual or facsimile. The Global Notes shall be registered in the name of the Nominee and, upon payment therefor in accordance with the terms and conditions of the Purchase Contract, including accrued interest, if any, to delivery, shall be lodged with the Depository until maturity of the Notes. The Escrow Agent shall be the paying agent for the Notes. The Escrow Agent shall remit payment for the principal of and interest on the Notes at maturity, in lawful money of the United States, directly to the Depository, so long as Depository or its Nominee is the registered owner of the Notes, for distribution to the Beneficial Owners of the Notes by recorded entry on the books of the Depository.

Section 3.2: With respect to Notes registered in the name of the Nominee, the State shall have no responsibility to any Participant, or to any Beneficial Owner on behalf of which such Participant acts as agent, with respect to:

(i) the sending of transaction statements, or maintenance, supervision, or review of records of the Depository;

(ii) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Notes;

(iii) the delivery to any Participant, the Beneficial Owners, or any other person of any notice with respect to the Notes;

(iv) the payment to any Participant, Beneficial Owner, or any other person other than the Depository or its Nominee of any amount with respect to principal of or interest on the Notes;

(v) any consent given or other action taken by the Depository or its Nominee as owner of the Notes.

Section 3.3: The State shall cause to be paid, by the Escrow Agent, as set forth in the Escrow Agreement, on or before the date of maturity of the Notes, all of the principal of and interest on the Notes to the Nominee, and such payment shall be valid and effective fully to satisfy and discharge the State's obligation to any Participant, Beneficial Owner, or other person with respect to payment thereof to the extent of the sum or sums so paid. Transfer of principal and interest payments on the Notes shall be the responsibility of the Depository and its Participants, and the State shall have no liability therefor.

Section 3.4: Upon delivery by the Depository to the State of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, then the word "Nominee" in this Plan shall be deemed to refer to such new nominee.

Section 3.5: (A) In the event that either the State or the Depository shall determine to discontinue the services as set forth in the Letter of Representations, and the State elects not to designate another qualified securities depository to replace the Depository, then the State will discontinue the use of the Book-Entry-Only System and will cause to be issued Certificated Notes to the Beneficial Owners as Holders of the Notes. The Certificated Notes shall be issued in bearer form in the aggregate principal amount of $475,000,000, shall be dated as of the date of delivery of the Global Notes, shall mature on June 30, 2015, shall bear interest (which shall include interest accrued during the time the Notes were in book-entry-only form) from their date at the same rate as the Global Note, payable at maturity, and shall be substantially in the form of the Note annexed hereto as Exhibit "C."

(B) Certificated Notes shall be executed by the facsimile signature of the Governor, countersigned by the facsimile signature of the State Treasurer, and attested by the facsimile signature of the Secretary of State. The State Treasurer will designate an Authenticating and Paying Agent for the Certificated Notes. Only such Certificated Notes as shall bear thereon a certificate of authentication in the form set forth on Exhibit "C," manually executed by an authorized officer of the Authenticating and Paying Agent, shall be valid for any purpose. Such certificate of authentication shall be conclusive evidence that the Certificated Notes so authenticated have been duly executed, authenticated, and delivered hereunder and shall be entitled to the benefits of this Plan. The Authenticating and Paying Agent shall be responsible for its representations contained in the certificate of authentication on the Certificated Notes. The Certificated Notes shall be payable in the manner set forth in Section 2.5 hereinabove.

(C) In the event that Certificated Notes are issued, the State shall cause the Beneficial Owners to be notified of the discontinuance of the Book-Entry-Only System, issuance of Certificated Notes, and the appointment of the Authenticating and Paying Agent, and, within fifteen (15) days of the maturity date of the Notes, cause notice of the payment date and place to be published once in a financial journal published in New York, New York.

ARTICLE IV

COVENANTS

Section 4.1: All income and revenues from the taxes specified in Section 2.3 hereof, collected during the fourth quarter of the Fiscal Year (save and except only those revenues required, pursuant to Section 63-3067, Idaho Code, to be deposited into the "State Refund Account" and, pursuant to Section 63-3638, Idaho Code, to be deposited into the "Sales Tax Refund Tax Account"), shall be deposited into the Note Payment Account as received until such time as the moneys and investment earnings accumulated therein shall be fully sufficient to pay the principal of the Notes, and the interest thereon, at maturity. All moneys in the Note Payment Account shall be invested only in the following investments permitted by Section 67-1210, Idaho Code: (i) direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America or any agency thereof, or (ii) fully collateralized time certificates of deposit or fully collateralized repurchase agreements. No moneys in the Note Payment Account shall be invested in obligations permitted under paragraphs (c), (e), (g), (h), or (k) of Section 67-1210, Idaho Code. All moneys in the Note Payment Account shall be invested so as to mature on or before June 30, 2015. Nothing herein shall be deemed as prohibiting the State Treasurer from depositing any income and revenues from taxes received prior to the fourth quarter of the Fiscal Year or other available revenues into the Note Payment Account. In accordance with the Act, the funds so accumulated in the Note Payment Account are pledged, appropriated, and set aside solely for such purpose. Any moneys remaining in the Note Payment Account after payment in full of all principal of and interest on the Notes at maturity shall be transferred to the General Account of the State.

Section 4.2: In the event that there are not on deposit in the Note Payment Account, on or before June 30, 2015, tax revenues fully sufficient, together with investment earnings earned or to be earned prior to the date of maturity of the Notes, to pay the principal of and interest on the Notes at maturity, then the State Treasurer shall, on or before June 30, 2015, (1) transfer to the Note Payment Account any moneys available, as authorized by Section 67-1212(2)(a), Idaho Code, in an amount sufficient, together with revenues and investment earnings on deposit in the Note Payment Account, to pay the principal of and interest on the Notes at maturity; or (2) take any or all other legally available actions to cause to be deposited in the Note Payment Account amounts sufficient, together with all other available revenues and investment earnings, to pay the principal of and interest on the Notes at maturity.

Section 4.3: None of the proceeds of the Notes will be (i) loaned to private persons within the meaning of Section 141(c) of the Code, or (ii) used for any private business use within the meaning of Section 141(b) of the Code. For purposes of the preceding sentence, "private persons" means any person or entity (including the federal government) other than a state or local government unit, and "private business use" means use directly or indirectly in a trade or business carried on by any such private person. Accordingly, the Notes will not be "private activity bonds" within the meaning of Section 141 of the Code. The State will take no action which would cause the Notes to become an item of tax preference for alternative minimum tax purposes.

Section 4.4: The State will comply with the provisions of the Code which are necessary for interest paid on the Notes to be exempt from federal income taxation (except for certain minimum taxes on corporations) and will make no use of the proceeds of the Notes that would result in the interest on the Notes being includable in gross income within the meaning of Section 103(a) of the Code, and in particular will take no action which would cause the Notes to become arbitrage bonds within the meaning of Section 148 of the Code. Prior to the issuance of the Notes, the State Treasurer will execute a Tax Certificate with respect to the Notes, and the State will comply with the provisions thereof.

Section 4.5: The State will calculate its actual cumulative cash flow deficit (within the meaning of Code Section 148(f)(4)(B)(iii)(II)) prior to the maturity of the Notes, and will keep accurate records of all investments of the proceeds of the Notes, including earnings on the proceeds of the Notes, and the expenditure thereof. If by a date which is not later than six months after the date on which the Notes are issued, the actual cumulative cash flow deficit has not equaled or exceeded ninety percent (90%) of the proceeds of the Notes, then (i) the State shall account for the investment of the Gross Proceeds (as described in Section 148(f)(6)(B) of the Code and Section 1.148-1(b) of the Treasury Regulations) of the Notes and make the required arbitrage rebate payments to the federal government from the proceeds of the Notes or from any other legally available source (provided, however, that this obligation shall not be construed as constituting a debt or liability of the State within the meaning of any constitutional or statutory limitation upon the incurrence of the indebtedness by the State) at the times, upon the terms and conditions, and in the manner specified in Section 148(f) of the Code and the Treasury Regulations promulgated in connection therewith, and (ii) the State shall keep and retain or cause to be kept and retained, until the date six years after the retirement of the last Note, adequate records with respect to the Notes and the investment and expenditure of proceeds thereof to comply with the aforementioned arbitrage rebate requirements, including without limitation a complete list of all investments and reinvestments of Gross Proceeds of the Notes including (a) purchase price of such investments, (b) purchase date, (c) type of security or investment, (d) accrued interest paid on the investment (if any), (e) interest rate (if applicable), (f) dated date (if applicable), (g) principal amount, (h) date of maturity, (i) interest payment dates (if applicable), (j) date of liquidation, (k) amounts received upon liquidation of such investments, and (l) the market value of such security or investment on the date it became Gross Proceeds of the Notes and on the date of the retirement of the last Note if then held by the State.

In addition, the State will not enter into any transaction or cause any transaction to be entered into which reduces the amount which may be required to be paid to the federal government pursuant to the arbitrage rebate requirements specified above, because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the yield on the Notes not been relevant to either party.

The State represents that it is legally authorized to pay rebates to the United States as required by Section 148(f) of the Code, and that its expected cumulative cash flow deficit exceeds ninety percent of the proceeds of the Notes.

Section 4.6: The State will comply with the applicable requirements of Rule 15c2-12(b)(5)(i)(C) of the U.S. Securities and Exchange Commission with respect to the disclosure of certain material events with respect to the Notes, and hereby covenants and agrees with and for the benefit of the Holders of the Notes to provide, in a timely manner not in excess of ten (10) business days after the occurrence of the event, to the MSRB via EMMA, notice of any of the following events with respect to the Notes, (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financing difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Notes; (7) modifications to rights of Noteholders, if material; (8) Note calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Notes of the obligated person; (11) rating changes;(12) bankruptcy, insolvency, receivership, or similar event; (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material. If the State fails to comply with the foregoing disclosure undertakings, it will, within a reasonable time not in excess of ten (10) business days following its ascertainment of such failure, provide notice to the MSRB via EMMA of any material failure of disclosure. Holders of the Notes may enforce specific performance of the foregoing undertakings by any available judicial proceeding; provided, however, that the failure of the State to perform such undertakings shall not constitute an event of default with respect to the Notes, nor shall any such failure render the State liable for monetary damages to any Holder or transferee of the Notes.

ARTICLE V

MISCELLANEOUS

Section 5.1: In connection with the public offering of the Notes by the Underwriter, the use of a Preliminary Official Statement and a final Official Statement is hereby authorized. Pursuant to Securities and Exchange Commission Rule 15c2-12, the State deems the Preliminary Official Statement as final as of its date except for the omission of information dependent upon the pricing of the Notes, such as offering price, interest rate, selling compensation, delivery date, or other terms dependent upon the foregoing matters. The State hereby agrees to deliver or cause to be delivered, within seven (7) business days after any final agreement to purchase the Notes copies of a final Official Statement in sufficient quantity to comply with paragraph (b)(4) of Securities and Exchange Commission Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board.

Section 5.2: Any notices shall be given as follows: If to the State, to: State Treasurer, 700 W. Jefferson, Room 126, Boise, Idaho 83720; if to the Underwriter, to: Piper Jaffray & Co., 101 S. Capitol Blvd., Ste. 603, Boise, ID 83702; if to the Depository, to: The Depository Trust Company, 55 Water Street, New York, New York 10041; if to the Escrow Agent, to The Bank of New York Mellon Trust Company, N.A., 601 Union Street, Suite 520, Seattle, Washington, 98101.

Section 5.3: IN WITNESS WHEREOF, I have hereunto subscribed my official signature as of the 24th day of June, 2014.

____
Ron G. Crane
State Treasurer

FILED in the Office of the Governor of the State of Idaho this 25th day of June, 2014.

By___________________________________
Office of the Governor

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MOORE SMITH BUXTON & TURCKE, CHARTERED
ATTORNEYS AND COUNSELORS AT LAW
950 W. BANNOCK STREET, SUITE 520; BOISE, ID 83702
TELEPHONE: (208) 331-1800 FAX: (208) 331-1202 WWW.MSBTLAW.COM

STEPHANIE J. BONNEY≈
SUSAN E. BUXTON*
PAUL J. FITZER
JILL S. HOLINKA
CHERESE D. MCLAIN
BRUCE M. SMITH
PAUL A. TURCKE◊

JOHN J. MCFADDEN *Of Counsel*
MICHAEL C. MOORE‡ *Of Counsel*

* Also admitted in Oregon
◊ Also admitted in South Dakota
≈ Also admitted in Utah
‡ Also admitted in Washington

July 1, 2014

The Hon. Ron G. Crane
State Treasurer
P.O. Box 83720
Boise, Idaho 83720-0091

Piper Jaffray & Co.
101 S. Capitol Blvd., Ste. 603
Boise, ID 83702

Re: State of Idaho Tax Anticipation Notes, Series 2014,
in the Principal Amount of $475,000,000

Dear Mr. Crane, Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by the State of Idaho (the "State") of its Tax Anticipation Notes, Series 2014 (the “Notes”), which are dated July 1, 2014, mature on June 30, 2015, bear interest at the rate of two percent (2.00%) per annum, and are issued in the aggregate principal amount of $475,000,000.

The Notes have been sold to Piper Jaffray & Co. pursuant to a Note Purchase Contract dated as of June 24, 2014. We refer you to the Plan of Financing executed on June 24, 2014, pursuant to which the Notes are issued, for a description of the purpose for which the Notes are issued, the security for the Notes, the manner in which the principal of and interest on the Notes are payable, and all other details of the Notes.

We have relied upon the certified proceedings and other certifications of public officials regarding questions of fact material to our opinion and have not undertaken to verify the same by independent investigation. We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or other offering material relating to the Notes, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We have examined the Constitution and laws of the State of Idaho, including Title 63, Chapter 32, Idaho Code, and such other laws, proceedings (prepared, in part, by us) relating to the issuance and sale of the Notes, and other documents as we have deemed necessary to render this opinion. This opinion is dated as of the date of issuance and delivery of the Notes.

Based upon our examination, we are of the opinion, under existing law and as of the date hereof:

1. The State has full power and authority under the Constitution and statutes of the State to borrow money for the purposes set forth in the Plan of Financing, to issue and sell the Notes, and to enter into and perform its obligations under the Plan of Financing and the Note Purchase Contract.

2. The Notes have been legally authorized, issued, and sold under and pursuant to the Constitution and laws of the State of Idaho and constitute valid and legally binding obligations of the State, payable from the "Tax Anticipation Notes, Series 2014, Note Payment Account" established by the Plan of Financing within the Tax Anticipation Note Redemption Fund of the State. The faith and credit of the State is pledged for the payment of the principal of and interest on the Notes.

3. The Plan of Financing and the Note Purchase Contract have been duly and validly authorized, executed, and delivered by the State, and, assuming the due and proper authorization, acceptance, and execution by the other parties thereto to the extent applicable, will constitute valid and legally binding obligations of the State, enforceable in accordance with their respective terms.

4. Except as discussed below, the interest on the Notes is excludable from the gross income of the owners for federal income tax purposes. We are further of the opinion that the interest will not be included as an individual or corporate alternative minimum tax preference item under Section 57(a)(5) of the Internal Revenue Code of 1986, as amended (the "Code"). In expressing the aforementioned opinions, we have relied on, and assume compliance by the State with, certain representations and covenants regarding the use and investment of the proceeds of the Notes. Under the Code, the State is required to comply with certain requirements subsequent to the issuance of the Notes to maintain the exclusion of interest from gross income for federal income tax purposes, including requirements relating to the application and investment of the proceeds of the Notes and use of facilities financed with such proceeds. The State has covenanted to comply with these requirements, and the opinion expressed in this paragraph 4 hereof assumes such compliance. However, we have not undertaken and do not undertake to monitor compliance by the State with such requirements; and if the State should fail to comply with such requirements, the interest on the Notes could become includable in gross income for federal and State of Idaho income tax purposes retroactive to the date of issuance of the Notes.

5. Interest on the Notes is excluded from gross income for purposes of income taxation by the State of Idaho, to the same extent that such interest is excluded from gross income for purposes of federal income taxation.

6. The statements and information contained in the Preliminary Official Statement as of its date and the Official Statement, as of its date and as of the date of such opinion, relating to the Notes, the security and sources of payment for the Notes and the tax status of the Notes fairly and accurately summarize the provisions of the documents or matters of law indicated therein, as of such dates, and the statements describing the Authorization and the Plan of Financing contained in the Official Statement, as of its date and as of the date of such opinion, fairly and accurately summarize the provisions of such documents purported to be summarized as of such dates; and

7. The Notes are exempt from registration pursuant to the Securities Act and the Constitution of the State of Idaho and any related resolutions are exempt from qualification as an indenture pursuant to the Trust Indenture Act

Except as stated above, we express no opinion as to any other federal, state, or local tax consequences arising with respect to the Notes. Owners of the Notes should be aware that the ownership of tax-exempt obligations may result in collateral tax consequences.

The opinions set forth above are qualified only to the extent that certain rights and remedies of the holders of the Notes may be limited or rendered ineffective by applicable bankruptcy, insolvency, reorganization, moratorium, or other laws or judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally.

Our opinion is limited to matters of Idaho law and applicable federal law, and we assume no responsibility as to the applicability of laws of other jurisdictions.

Respectfully submitted,

MOORE SMITH BUXTON & TURCKE, CHARTERED

Stephanie J. Bonney

APPENDIX D
DTC AND THE BOOK-ENTRY-ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Bonds (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the Bonds (the "Agent") take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated AA+ by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at *www.dtcc.com*.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of

Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

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