

OFFICIAL STATEMENT DATED SEPTEMBER 22, 2020

NEW ISSUE—BOOK ENTRY ONLY

MOODY'S RATING: Aa1
See "RATINGS" herein

In the opinion of Skinner Fawcett LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein: (i) interest on the Series 2020A Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2020A/B Bonds (the "Tax Code"); (ii) interest on the Series 2020A Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code; and (iii) interest on the Series 2020A Bonds and the Series 2020B Bonds is excluded from gross income for purposes of income taxation by the State of Idaho. See "TAX MATTERS" herein.



\$44,165,000

IDAHO BOND BANK AUTHORITY

\$20,900,000 Refunding Revenue Bonds, Series 2020A

\$23,265,000 Refunding Revenue Bonds, Series 2020B (Federally Taxable)

DATED: Date of Delivery

DUE: September 15, as shown on the inside cover

THE SERIES 2020A/B BONDS: The Idaho Bond Bank Authority (the "Authority") Refunding Revenue Bonds, Series 2020A (the "Series 2020A Bonds") and Refunding Revenue Bonds, Series 2020B (Federally Taxable) (the "Series 2020B Bonds" and, collectively with the Series 2020A Bonds, the "Series 2020A/B Bonds") are being issued under Title 67, Chapter 87, Idaho Code, as amended (the "Act") pursuant to the Master Trust Agreement between the Authority and trustee, U.S. Bank National Association, which trustee was replaced by The Bank of New York Mellon Trust Company, N.A., which has now been replaced by Zions Bancorporation, National Association (the "Trustee"), dated as of December 1, 2004 (the "Master Trust Agreement"), as supplemented (the Master Trust Agreement, together with all supplements, is referred to herein as the "Trust Agreement").

BOOK-ENTRY ONLY SYSTEM: The Series 2020A/B Bonds will be issued in fully registered form under a book-entry only system and will be registered in the name of Cede & Co., as bond owner and nominee for The Depository Trust Company ("DTC"). DTC will act as initial securities depository for the Series 2020A/B Bonds. Individual purchases of the Series 2020A/B Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Series 2020A/B Bonds purchased.

PRINCIPAL AND INTEREST PAYMENTS: Interest on the Series 2020A/B Bonds will be paid on March 15, 2021 and semiannually thereafter on March 15 and September 15 of each year to the maturity or earlier redemption of the Series 2020A/B Bonds. Principal of and interest on the Series 2020A/B Bonds will be payable to the persons in whose names such Series 2020A/B Bonds are registered (the "Beneficial Owners"), at the address appearing upon the registration books on the 15th day of the month preceding a payment date. The principal of and interest on the Series 2020A/B Bonds will be payable by the Authority's bond registrar, the Trustee, to DTC which, in turn, will remit such principal and interest to the DTC participants for subsequent disbursement to the Beneficial Owners of the Series 2020A/B Bonds.

MATURITY SCHEDULE: See inside cover

PURPOSE: Proceeds of the Series 2020A Bonds will be used by the Authority to make loans (the "Loan" or "Loans") to Benewah County, Idaho, and the City of Emmett, Idaho, in order to refund certain bonds previously issued by the Participants (defined below) and/or by the Authority; and the proceeds of the Series 2020B Bonds will be used by the Authority to make Loans to Caribou County, Idaho, Jerome County, Idaho, and Lemhi County, Idaho, as well as to the City of Emmett, Idaho, and the City of Grangeville, Idaho (Benewah County, Caribou County, Jerome County, Lemhi County, the City of Emmett, and the City of Grangeville are collectively referred to herein as, the "Participants") in order to refund certain bonds previously issued by the Participants and/or by the Authority, all as more fully described herein. See "PURPOSE AND USE OF PROCEEDS" herein. The Authority and the Participants will enter into loan agreements dated as of October 1, 2020 (collectively, the "Loan Agreements"), to provide for the repayment of the Loans, as described herein. In addition, the Authority has issued other series of its Bonds and made loans (collectively, the "IBBA Loans") to other participants (collectively, the "IBBA Participants") under the Authority's financing program.

REDEMPTION: Certain of the Series 2020A/B Bonds are subject to optional and mandatory redemption as described herein. See "DESCRIPTION OF THE SERIES 2020A/B BONDS—Redemption."

SECURITY: The Series 2020A/B Bonds are limited obligations of the Authority and the interest thereon, principal thereof and premiums, if any, are payable solely from (i) all amounts payable to the Authority pursuant to all loan agreements for all Authority Bonds (collectively, the "IBBA Loan Agreements") and moneys intercepted by the Authority from moneys due the IBBA Participants from the State pursuant to Section 67-8727, Idaho Code, (ii) all investment earnings on amounts held by the Trustee pursuant to the Trust Agreement, (iii) State Sales Tax Revenues, defined herein, and (iv) all other moneys received by the Authority and designated by the Authority as available to make payments on the Series 2020A/B Bonds (collectively, the "Revenues"). THE SERIES 2020A/B BONDS ARE NOT A DEBT OF THE STATE OF IDAHO OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE THEREON, NOR IN ANY EVENT SHALL THE SERIES 2020A/B BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY AS PROVIDED UNDER THE TRUST AGREEMENT AND THE ACT. THE SERIES 2020A/B BONDS DO NOT CONSTITUTE INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION. THE LOANS, HOWEVER, FUNDED BY THE SERIES 2020A/B BONDS DO CONSTITUTE INDEBTEDNESS OF THE PARTICIPANTS WITHIN THE MEANING OF CONSTITUTIONAL AND STATUTORY LIMITATIONS OR RESTRICTIONS.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF ALL FACTORS RELATING TO AN INVESTMENT IN THE SERIES 2020A/B BONDS. INVESTORS ARE ADVISED TO READ THIS OFFICIAL STATEMENT (INCLUDING THE APPENDICES) IN ITS ENTIRETY BEFORE MAKING AN INVESTMENT DECISION.

LEGAL MATTERS: The Series 2020A/B Bonds are offered when, as and if issued and received by the Underwriter (hereinafter defined), subject to the approval of legality by Skinner Fawcett LLP, bond counsel, and certain other conditions. Certain matters will be passed on for the Underwriter by Skinner Fawcett LLP, in its capacity as disclosure counsel to the Authority. It is expected that the Series 2020A/B Bonds will be available for delivery through the facilities of DTC on or about October 8, 2020 (the "Date of Delivery").

PIPER | SANDLER

MATURITY SCHEDULE

\$20,900,000 **Refunding Revenue Bonds, Series 2020A**

Due September 15	Principal Amount	Interest Rate	Yield	CUSIP #451152[†]
2021	\$ 830,000	4.000%	0.180%	6E7
2022	715,000	4.000%	0.200%	6F4
2023	750,000	4.000%	0.220%	6G2
2024	785,000	4.000%	0.280%	6H0
2025	810,000	4.000%	0.340%	6J6
2026	845,000	4.000%	0.490%	6K3
2027	880,000	4.000%	0.650%	6L1
2028	910,000	4.000%	0.780%	6M9
2029	950,000	4.000%	0.920%	6N7
2030	990,000	4.000%	1.040%	6P2
2031**	1,030,000	5.000%	1.130%	6Q0
2032**	1,075,000	5.000%	1.210%	6R8
2033**	1,135,000	5.000%	1.290%	6S6
2034**	1,190,000	4.000%	1.470%	6T4
2035**	1,240,000	4.000%	1.570%	6U1
2036**	1,290,000	5.000%	1.440%	6V9
2037**	1,350,000	5.000%	1.480%	6W7
2038**	1,415,000	4.000%	1.710%	6X5
2039**	1,330,000	4.000%	1.750%	7R7
2040**	1,380,000	4.000%	1.790%	6Y3

**Priced to the first call date of September 15, 2030.

[†] CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the owners of the Series 2020A Bonds. The Issuer is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2020A Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2020A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2020A Bonds.

\$23,265,000
Refunding Revenue Bonds, Series 2020B (Federally Taxable)

Due September 15	Principal Amount	Interest Rate	Yield	CUSIP #451152[†]
2021	\$ 125,000	5.000%	0.235%	6Z0
2022	935,000	5.000%	0.335%	7A4
2023	1,260,000	5.000%	0.451%	7B2
2024	1,690,000	5.000%	0.610%	7C0
2025	1,775,000	5.000%	0.760%	7D8
2026	1,860,000	5.000%	0.950%	7E6
2027	1,955,000	5.000%	1.100%	7F3
2028	1,385,000	5.000%	1.314%	7G1
2029	1,450,000	5.000%	1.464%	7H9
2030	1,525,000	5.000%	1.564%	7J5
2031 ⁽¹⁾	945,000	1.664%	1.664%	7K2
2031 ^{(1)**}	650,000	4.000%	1.664%	7Q9
2032	1,600,000	1.754%	1.754%	7L0
2033	1,440,000	1.864%	1.864%	7M8
2034	1,265,000	1.964%	1.964%	7N6
2035	<u>1,285,000</u>	2.064%	2.064%	7P1

\$2,120,000, 2.354% Term Bonds due September 15, 2038 @ 2.354% Yield, CUSIP #451152 7S5

(1) Bifurcated Serial Maturity.

**Priced to the first call date of September 15, 2030.

[†] CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the owners of the Series 2020B Bonds. The Issuer is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2020B Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2020B Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2020B Bonds.

Idaho Bond Bank Authority

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Julie A. Ellsworth
Dan Johnson
John Vander Woude
Seth Grigg
Len Crosby

Chair
Member
Member
Member
Member

Administrators

Executive Director
Treasurer
Secretary

Edelene Ohman
Shawn Nydegger
Tana Cory

Series 2020A Participants

Benewah County, Idaho
City of Emmett, Gem County, Idaho

Series 2020B Participants

Caribou County, Idaho
Jerome County, Idaho
Lemhi County, Idaho
City of Grangeville, Idaho County, Idaho
City of Emmett, Gem County, Idaho

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Underwriter

Piper Sandler & Co.
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REGARDING USE OF THIS OFFICIAL STATEMENT

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE AUTHORITY OR BY THE UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN AS CONTAINED IN THIS PRELIMINARY OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE AUTHORITY OR THE UNDERWRITER. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE CERTIFICATES, NOR SHALL THERE BE ANY SALE OF THE CERTIFICATES BY ANY PERSON, IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSONS TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED BY THE AUTHORITY, DTC, AND CERTAIN OTHER SOURCES THAT ARE BELIEVED TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS. THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE. ANY STATEMENTS MADE IN THIS OFFICIAL STATEMENT INVOLVING MATTERS OF OPINION OR ESTIMATES, WHETHER OR NOT SO EXPRESSLY STATED, ARE SET FORTH AS SUCH AND NOT AS REPRESENTATIONS OF FACT OR REPRESENTATIONS THAT THE ESTIMATES WILL BE REALIZED.

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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 AUTHORITY SINCE THE DATE HEREOF.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE CERTIFICATES. STATEMENTS IN THIS OFFICIAL STATEMENT THAT ARE NOT HISTORICAL INFORMATION ARE FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE FEDERAL SECURITIES LAWS. IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE," "FORECAST" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ALTHOUGH THE AUTHORITY BELIEVES THAT ITS EXPECTATIONS REGARDING FUTURE EVENTS ARE BASED ON REASONABLE ASSUMPTIONS WITHIN THE SCOPE OF ITS KNOWLEDGE, THE AUTHORITY CAN GIVE NO ASSURANCE THAT ITS GOALS WILL BE ACHIEVED OR THAT ITS EXPECTATIONS REGARDING FUTURE DEVELOPMENTS WILL BE REALIZED. THE FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE THE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED BY THESE STATEMENTS.

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.

THE CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON A SPECIFIC EXEMPTION CONTAINED IN SUCH ACT, NOR HAVE THEY BEEN REGISTERED UNDER THE SECURITIES LAWS OF ANY STATE.

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Table of Contents

	<u>Page</u>
Official Statement	Cover
Maturity Schedules	Inside Cover 2
Participants	Inside Cover 4
Table of Contents	Inside Cover 5
Definitions	1
The Idaho Bond Bank Authority	1
Introduction	2
Authority for Issuance of the Series 2020A/B Bonds	3
Principal Amounts, Date, Interest Rates and Maturities	3
Sources and Uses of Funds	4
The Trustee	8
Book-Entry Registration	8
Procedure in the Event of Discontinuation of Book-Entry Transfer System	9
Description of the Series 2020A/B Bonds	9
Authority for Issuance and Use of Proceeds of the Series 2020A/B Bonds	9
Security and Sources of Payment of the Series 2020A/B Bonds	10
Loan Agreements for the Series 2020A/B Bonds	10
Redemption Provisions of the Series 2020A/B Bonds	12
Continuing Disclosure	14
Security for the Series 2020A/B Bonds	15
General	15
Additional Bonds	16
Funded Debt	16
Flow of Funds	16
State Sales Tax Revenues	17
Idaho School Bond Guaranty Program	19
Idaho Bond Bank Authority Debt Capacity Policy	20
State Intercept Payments	20
State Shared Sales Tax Revenue	21
The Participants and the Projects	24
Coronavirus Disease 2019	25
Rating	26
Financial Factors	26
Financial Information	26
Legal and Tax Matters	27
Legal Matters	27
Tax Matters	27
The Initiative Process	28
Current Referendums	29
Historical Initiative Petitions	29
Current Initiative Petitions	29
Litigation	29
Financial Advisor	29
Underwriting	29
Concluding Statement	30

Appendices:

Definitions	Appendix A
Form of Bond Counsel Opinion	Appendix B
Book-Entry Only System	Appendix C
Form of Continuing Disclosure Agreement	Appendix D
Trust Agreement and Form Loan Agreements	Appendix E
Selected Information Related to the 2020A/B Participants and Summary of Participant Loans	Appendix F
Audited Financial Statement of the Authority	Appendix G

OFFICIAL STATEMENT

of

Idaho Bond Bank Authority

Relating to its

\$20,900,000 Refunding Revenue Bonds, Series 2020A

\$23,265,000 Refunding Revenue Bonds, Series 2020B (Federally Taxable)

Definitions

Unless the context otherwise requires, the terms used in this Official Statement shall have the meanings specified in **Appendix A**, attached hereto.

The information set forth herein has been obtained from the Authority and other sources that are believed to be reliable.

The Idaho Bond Bank Authority

The Idaho Bond Bank Authority (the “**Authority**”), an independent public body corporate and politic created by the Idaho State Legislature in 2001, is an instrumentality of the State of Idaho (the “**State**”) within the State Treasurer’s Office. An authorizing amendment to the Idaho Constitution was adopted in 2000, enabling legislation that was passed in the 2001 Legislative Session. Title 67, Chapter 87, of the Idaho Code (the “**Act**”) authorizes and empowers the Authority to issue bonds for the purpose of purchasing municipal bonds, including loans undertaken by municipalities for any purpose authorized by law.

The Authority is administered by a board consisting of the Idaho State Treasurer or his designee, one member of the Senate, one member of the House of Representatives, and two members appointed by the governor (the “**Board**”). The Act provides that members continue to serve until their replacement is appointed. Current Board members and their terms are as follows:

Idaho Bond Bank Board Members

Member	Elective Office/Occupation	Term Expires
Julie A. Ellsworth, Chair	State Treasurer	01/02/2023 ⁽¹⁾
Dan Johnson	State Senator	11/30/2020 ⁽²⁾
John Vander Woude	State Representative	11/30/2020 ⁽³⁾
Seth Grigg	Executive Director, Association of Idaho Cities	07/01/2022 ⁽⁴⁾
Len Crosby	Vice President, Financial and Real Estate Consulting, LLC	07/01/2022 ⁽⁴⁾

- (1) Under the Act the State Treasurer is designated a member and Chairman of the Authority. The State Treasurer is a statewide elective office. Ms. Ellsworth was elected to a four-year term as State Treasurer on November 6, 2018, and her current term expires January 2, 2023.
- (2) The president pro tempore of the Senate is required by Section 67-8703(2)(b) of the Idaho Code to appoint a member of the senate to the Board for a two-year term.
- (3) The Speaker of the House of Representatives is required by Section 67-8703(2)(c) of the Idaho Code to appoint a member of the House of Representatives to the Board for a two-year term.
- (4) The Governor is required by Section 67-8703(2)(d) of the Idaho Code to appoint two members who are residents of the State and qualified voters at the time of appointment to a four-year term.

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Edelene Ohman, Executive Director

Edelene Ohman was appointed Executive Director of the Authority in June 2017. Ms. Ohman is also the Director of Investments for the Idaho State Treasurer's Office. In this capacity, she oversees the investment management of the Local Government Investment Pool, Diversified Bond Fund and the State's internal investments, as well as the issuance of State tax anticipation notes and various programs facilitated by the Idaho State Treasurer's office. Ms. Ohman holds a Bachelor of Science in Economics and a Minor in Political Science from the University of Montana. Prior to joining the Treasurer's office as the Director of Investments, Ms. Ohman was registered with both FINRA and the NASDAQ stock market and employed as a securities representative and securities sales supervisor for many years.

Shawn Nydegger, Treasurer

Shawn Nydegger was appointed Treasurer of the Authority in June of 2017. He previously served as the Executive Director of the Authority from March 2010 – June 2013. The Treasurer of the Authority shares primary responsibility with the Executive Director to ensure the Authority, as Issuer, efficiently carries out its continuing disclosure obligations with respect to the municipal securities it issues. Mr. Nydegger is also an Investment Officer for the Idaho State Treasurer's Office. In this capacity, Mr. Nydegger manages portfolios for the State's internal investments, the Local Government Investment Pool, the Diversified Bond Fund, State of Idaho Debt Issuance, and Millennium Funds. Mr. Nydegger has been with the Treasurer's Office for more than 19 years and holds a Bachelor of Business Administration in Finance from Boise State University.

Tana Cory, Secretary

Tana Cory is the Executive Assistant to the Treasurer in the Idaho State Treasurer's Office. Ms. Cory currently serves as Secretary for the Authority, Ideal – Idaho College Savings Program and the Idaho State Treasurer's Investment Advisory Board.

Introduction

The Idaho Bond Bank Authority is furnishing this Official Statement to provide information in connection with the issuance of \$20,900,000 aggregate principal amount Idaho Bond Bank Authority Refunding Revenue Bonds, Series 2020A (the "**Series 2020A Bonds**") and \$23,265,000 aggregate principal amount of Idaho Bond Bank Authority Refunding Revenue Bonds, Series 2020B (Federally Taxable) (the "**Series 2020B Bonds**") and collectively with the Series 2020A Bonds, the "**Series 2020A/B Bonds**") pursuant to the Master Trust Agreement dated as of December 1, 2004 (the "**Master Trust Agreement**"), between the Authority and trustee, U.S. Bank National Association, which was replaced by The Bank of New York Mellon Trust Company, N.A., which has now been replaced by Zions Bancorporation, National Association (the "**Trustee**"). The Master Trust Agreement has been supplemented twenty-nine times and a Thirtieth Supplemental Trust Agreement between the Authority and the Trustee is expected to be dated as of October 1, 2020 (the "**Thirtieth Supplemental Trust Agreement**" and, collectively with the Master Trust Agreement and previous supplements to the Master Trust Agreement, the "**Trust Agreement**").

This Official Statement, which includes the cover page, inside cover and appendices, provides information concerning Benewah County, Idaho, Caribou County, Idaho, Jerome County, Idaho, Lemhi County, Idaho, the City of Emmett, Idaho, and the City of Grangeville, Idaho, shown on the inside cover page of this Official Statement (collectively, the "**Participants**"), the loans acquired by the Authority, as further described herein, and the Series 2020A/B Bonds.

The information set forth herein has been obtained from the Authority, the Participants and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness. So far as any statement herein includes matters of opinion, or estimates of future expenses and income, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

The Authority has previously issued thirty-two series of pooled revenue bonds, as described in **Appendix F**. The following table provides information on the Authority's outstanding bonds and the Series 2020A/B Bonds (collectively, the "**Outstanding Bonds**"):

Outstanding Idaho Bond Bank Authority Revenue Bonds
(As of September 15, 2020)

Pooled Financing Bonds	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
Series 2004A	12/1/2004	9/1/2022	\$11,070,000	\$60,000
Series 2008D	11/12/2008	9/15/2023	320,000	30,000
Series 2009C	11/3/2009	9/15/2029	9,665,000	550,000
Series 2010A	4/1/2010	9/15/2025	18,595,000	7,680,000
Series 2010B	11/9/2010	9/15/2040	28,490,000	0**
Series 2011A	8/31/2011	9/15/2027	10,670,000	730,000**
Series 2012A	2/1/2012	9/15/2033	11,860,000	2,990,000**
Series 2012B	6/21/2012	9/15/2041	21,625,000	6,520,000**
Series 2012C	10/11/2012	9/15/2027	17,360,000	5,640,000
Series 2012D	12/20/2012	9/15/2038	66,340,000	37,495,000
Series 2013A	6/5/2013	9/15/2042	4,990,000	540,000**
Series 2013B	8/20/2013	9/15/2038	12,865,000	2,430,000**
Series 2014A	2/12/2014	9/15/2038	51,600,000	43,330,000
Series 2014B	4/17/2014	9/15/2034	5,545,000	4,675,000
Series 2014C	11/18/2014	9/15/2034	13,415,000	10,335,000
Series 2015A	3/5/2015	9/15/2034	22,315,000	18,235,000
Series 2015B	9/2/2015	9/15/2038	20,560,000	19,115,000
Series 2017A	3/15/2017	9/15/2040	21,945,000	14,325,000
Series 2017B	3/15/2017	9/15/2046	8,000,000	7,520,000
Series 2017C	9/15/2017	9/15/2047	14,050,000	13,225,000
Series 2018A	3/21/2018	9/15/2047	3,950,000	3,875,000
Series 2020A ⁽¹⁾	10/8/2020	9/15/2040	20,900,000	20,900,000
Series 2020B ⁽¹⁾	10/8/2020	9/15/2038	23,265,000	23,265,000
Total Pooled			\$419,395,000	\$243,465,000

⁽¹⁾ This issue.

Source: Idaho Bond Bank Authority

** Assumes defeasance of Refunded Bonds (defined below).

Authority for Issuance of the Series 2020A/B Bonds

The Series 2020A/B Bonds are being issued by the Authority pursuant to the Act. The Act authorizes the Authority to issue bonds, the proceeds of which are used to purchase municipal bonds, including loans undertaken by municipalities for any purpose authorized by law. The proceeds of the Series 2020A/B Bonds are to be applied by the Authority to acquire the loans (the "**Loan**" or the "**Loans**") made by the Authority pursuant to the Act to the Participants. Prior to the Date of Delivery, the Participants are each required to have issued and sold a note or bond (the "**Municipal Bond**") to the Authority as evidence of each Participant's Loan obligations.

The underlying obligation evidenced by each Participant's Municipal Bond was authorized by the requisite number of qualified voters voting in the election called for such purposes, except for Caribou County which was authorized by judicial confirmation.

Principal Amounts, Date, Interest Rates and Maturities

The Series 2020A Bonds will be issued in the aggregate principal amount of \$20,900,000 and the Series 2020B Bonds will be issued in the aggregate principal amount of \$23,265,000. The Series 2020A/B Bonds will be dated and bear interest from their

Date of Delivery, and will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Interest on the Series 2020A/B Bonds will be payable on March 15, 2021, and semiannually thereafter on March 15 and September 15 of each year until maturity or redemption (each March 15 and September 15 is referred to herein as the “**Interest Payment Date**”).

**Idaho Bond Bank Authority
Revenue Bonds
Debt Service Schedule**

Fiscal Year⁽¹⁾	Outstanding Revenue Bond Debt Service⁽²⁾	Series 2020A Revenue Bonds Principal	Series 2020A Revenue Bonds Interest	Series 2020B Revenue Bonds Principal	Series 2020B Revenue Bonds Interest	Total Aggregate Debt Service
2021	\$4,204,724	\$0	\$390,232	\$0	\$390,713	\$4,985,669
2022	23,973,307	830,000	878,200	125,000	892,777	26,699,284
2023	22,846,380	715,000	847,300	935,000	866,277	26,209,957
2024	21,266,322	750,000	818,000	1,260,000	811,402	24,905,725
2025	20,372,093	785,000	787,300	1,690,000	737,652	24,372,045
2026	20,019,251	810,000	755,400	1,775,000	651,027	24,010,678
2027	16,902,638	845,000	722,300	1,860,000	560,152	20,890,090
2028	16,095,082	880,000	687,800	1,955,000	464,777	20,082,659
2029	14,633,016	910,000	652,000	1,385,000	381,277	17,961,293
2030	14,434,752	950,000	614,800	1,450,000	310,402	17,759,954
2031	13,927,207	990,000	576,000	1,525,000	236,027	17,254,234
2032	13,927,769	1,030,000	530,450	1,595,000	177,040	17,260,259
2033	13,102,457	1,075,000	477,825	1,600,000	142,145	16,397,427
2034	11,811,370	1,135,000	422,575	1,440,000	114,693	14,923,638
2035	8,153,276	1,190,000	370,400	1,265,000	88,850	11,067,526
2036	5,196,942	1,240,000	321,800	1,285,000	63,166	8,106,908
2037	5,191,454	1,290,000	264,750	895,000	39,371	7,680,575
2038	4,972,303	1,350,000	198,750	605,000	21,716	7,147,768
2039	4,720,927	1,415,000	136,700	620,000	7,297	6,899,924
2040	1,661,825	1,330,000	81,800			3,073,625
2041	1,656,050	1,380,000	27,600			3,063,650
2042	1,486,088					1,486,088
2043	1,486,781					1,486,781
2044	1,495,409					1,495,409
2045	1,492,425					1,492,425
2046	1,492,550					1,492,550
2047	1,485,775					1,485,775
2048	1,022,234					1,022,234
Total	\$269,030,406	\$20,900,000	\$10,561,982	\$23,265,000	\$6,956,762	\$330,714,150

NOTE: Columns may not foot due to rounding.

Source: Idaho Bond Bank Authority

(1) The Authority's Fiscal Year begins July 1 and ends June 30.

(2) Assumes defeasance of the Refunded Bonds (defined below).

Sources and Uses of Funds

The proceeds of the Series 2020A/B Bonds are to be applied by or on behalf of the Authority to provide Loans to the Participants in the amounts identified in each Participant's Loan Agreement. See **Appendix F** for additional information.

The proceeds of the Series 2020A Bonds are being used to currently refund and redeem certain outstanding bonds of the 2020A Participants and the Authority (the “**Currently Refunded Bonds**”) and the proceeds of the Series 2020B Bonds are being used to advance refund and redeem certain outstanding bonds of the 2020B Participants and the Authority (the “**Advance Refunded Bonds**”) and collectively with the Current Refunded Bonds, the “**Refunded Bonds**”) described below. The refunding of the Authority Bonds identified below will result in the refunding and redemption of the related Prior Obligations of the 2020A Participants and the 2020B Participants with IBBA Loans. Depending on market conditions on the pricing date and resulting savings available as a result of the refunding, the Authority may refund and redeem all or none of the Refunded Bonds listed in

the tables below. The Authority is not obligated to refund any of the Refunded Bonds.

DETAILS OF THE CURRENT REFUNDING OF AUTHORITY BONDS

<u>Series Designation of Refunded Bonds⁽¹⁾</u>	<u>Principal Amount</u>	<u>Maturities</u>	<u>Redemption Date⁽³⁾</u>	<u>CUSIP 451152</u>
Revenue Bonds, Series 2010B-2 (Taxable)	\$4,240,000	09/15/2025 ⁽²⁾	10/22/2020	<u>PH9</u>
Revenue Bonds, Series 2010B-2 (Taxable)	\$5,095,000	09/15/2030 ⁽²⁾	10/22/2020	<u>PJ5</u>
Revenue Bonds, Series 2010B-2 (Taxable)	\$13,770,000	09/15/2040 ⁽²⁾	10/22/2020	<u>PK2</u>
Total	\$23,105,000.00			

(1) All Refunded Bonds subject to call are callable at a price of par plus accrued interest on the redemption date.

(2) Term Bond.

(3) Estimated, subject to change.

DETAILS OF THE CURRENT REFUNDING OF THE CITY OF EMMETT'S WATER AND SEWER REVENUE BONDS, SERIES 2012

<u>Series Designation of Refunded Bonds⁽¹⁾</u>	<u>Principal Amount</u>	<u>Maturity</u>	<u>Redemption Date</u>	<u>CUSIP</u>
Water and Sewer Revenue Bonds, Series 2012	\$2,246,085.45 ⁽²⁾	1/9/2042	10/8/2020	<u>N/A</u>
Total	\$2,246,085.45			

(1) All Refunded Bonds subject to call are callable at a price of par plus accrued interest on the redemption date.

(2) Term Bond.

DETAILS OF THE ADVANCE REFUNDING OF AUTHORITY BONDS

<u>Series Designation of Refunded Bonds⁽¹⁾</u>	<u>Maturities</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>CUSIP 451152</u>
Revenue Bonds, Series 2011A	09/15/2022	\$575,000	09/15/2021	<u>QM7</u>
Revenue Bonds, Series 2011A	09/15/2023	\$600,000	09/15/2021	<u>QN5</u>
Revenue Bonds, Series 2011A	09/15/2024	\$620,000	09/15/2021	<u>QP0</u>
Revenue Bonds, Series 2011A	09/15/2025	\$650,000	09/15/2021	<u>QQ8</u>
Revenue Bonds, Series 2011A	09/15/2027 ⁽³⁾	\$1,380,000	09/15/2021	<u>QR6</u>
Revenue Bonds, Series 2012A	09/15/2022	\$265,000	03/15/2022	<u>RC8⁽²⁾</u>
Revenue Bonds, Series 2012A	09/15/2023	\$270,000	03/15/2022	<u>RD6⁽²⁾</u>
Revenue Bonds, Series 2012A	09/15/2024	\$285,000	03/15/2022	<u>RE4⁽²⁾</u>
Revenue Bonds, Series 2012A	09/15/2027 ⁽³⁾	\$920,000	03/15/2022	<u>RH7⁽²⁾</u>
Revenue Bonds, Series 2012A	09/15/2031 ⁽³⁾	\$1,445,000	03/15/2022	<u>RM6⁽²⁾</u>
Revenue Bonds, Series 2012A	09/15/2033 ⁽³⁾	\$1,140,000	03/15/2022	<u>RP9</u>
Revenue Bonds, Series 2012B	09/15/2023	\$280,000	09/15/2022	<u>SB9⁽²⁾</u>
Revenue Bonds, Series 2012B	09/15/2024	\$295,000	09/15/2022	<u>SC7⁽²⁾</u>
Revenue Bonds, Series 2012B	09/15/2025	\$310,000	09/15/2022	<u>SD5⁽²⁾</u>
Revenue Bonds, Series 2012B	09/15/2032 ⁽³⁾	\$2,560,000	09/15/2022	<u>SE3⁽²⁾</u>
Revenue Bonds, Series 2012B	09/15/2037 ⁽³⁾	\$2,300,000	09/15/2022	<u>SF0</u>
Revenue Bonds, Series 2012B	09/15/2041 ⁽³⁾	\$2,195,000	09/15/2022	<u>SG8</u>
Revenue Bonds, Series 2013A	09/15/2042 ⁽³⁾	\$1,000,000	09/15/2023	<u>UL4</u>
Revenue Bonds, Series 2013B	09/15/2024	\$370,000	09/15/2023	<u>UX8⁽²⁾</u>
Revenue Bonds, Series 2013B	09/15/2025	\$390,000	09/15/2023	<u>UY6⁽²⁾</u>
Revenue Bonds, Series 2013B	09/15/2026	\$410,000	09/15/2023	<u>UZ3⁽²⁾</u>
Revenue Bonds, Series 2013B	09/15/2027	\$430,000	09/15/2023	<u>VA7⁽²⁾</u>
Revenue Bonds, Series 2013B	09/15/2028	\$455,000	09/15/2023	<u>VB5⁽²⁾</u>
Revenue Bonds, Series 2013B	09/15/2029	\$470,000	09/15/2023	<u>VC3⁽²⁾</u>
Revenue Bonds, Series 2013B	09/15/2030	\$490,000	09/15/2023	<u>VD1⁽²⁾</u>
Revenue Bonds, Series 2013B	09/15/2031	\$510,000	09/15/2023	<u>VE9⁽²⁾</u>
Revenue Bonds, Series 2013B	09/15/2032	\$530,000	09/15/2023	<u>VF6⁽²⁾</u>
Revenue Bonds, Series 2013B	09/15/2033	\$555,000	09/15/2023	<u>VG4⁽²⁾</u>
Revenue Bonds, Series 2013B	09/15/2035 ⁽³⁾	\$1,185,000	09/15/2023	<u>VH2⁽²⁾</u>
Revenue Bonds, Series 2013B	09/15/2038 ⁽³⁾	<u>\$2,005,000</u>	09/15/2023	<u>VJ8</u>
Total		\$24,890,000		

(1) All Refunded Bonds subject to call are callable at a price of par plus accrued interest on the redemption date.

(2) Because the entire maturities of the Revenue Bonds, Series 2012A, the Revenue Bonds, Series 2012B, and the Revenue Bonds, Series 2013B will not be advanced refunded, there will remain outstanding certain Bonds under these CUSIPs.

(3) Term Bond.

Refunding Plan.

Series 2020A Bonds. At Bond Closing, \$2,296,299.32 of the net proceeds from the sale of the Series 2020A Bonds will be used to redeem the City of Emmett's Water and Sewer Revenue Bond, Series 2012 described above, and \$23,249,350.83 of the net proceeds from the sale of the Series 2020A Bonds will be deposited in a tax-exempt escrow fund or account (the "**Series 2020A Escrow Fund**") together with other legally available funds, which amounts will be held as cash by Zions Bancorporation, National Association, as escrow agent (the "**Escrow Agent**"), under an escrow agreement (the "**Escrow Agreement**"), dated as of October 1, 2020, between the Authority and the Escrow Agent, and used to defease and refund the

Authority's Bonds to be currently refunded as described above (the "**Current Refunded Bonds**"). The Trustee will mail a conditional notice of redemption to the Registered Owners of the Current Refunded Bonds the day that the Series 2020A/B are sold and the Current Refunded Bonds will be redeemed not less than thirty (30) nor more than sixty (60) days following the date of the notice of redemption.

Series 2020B Bonds. \$27,139,283.54 of the net proceeds from the sale of the Series 2020B Bonds will be deposited in a taxable escrow fund or account (the "**Series 2020B Escrow Fund**") together with other legally available funds, to purchase the Series 2020B Escrow Obligations (defined below) to be held by the Escrow Agent under the Escrow Agreement and used to defease and refund the Authority's Bonds to be advanced refunded as described above (the "**Advanced Refunded Bonds**"). Funds deposited in the Series 2020B Escrow Fund will be used to purchase direct obligations of, or obligations on which the principal and interest are unconditionally guaranteed by the United States of America (the "**Series 2020B Escrow Obligations**"). The Series 2020B Escrow Obligations will mature at such times and pay interest in such amounts so that, with other available funds held by the Escrow Agent under the Escrow Agreement, sufficient moneys will be available to pay the interest on the Advance Refunded Bonds coming due on and prior to their respective redemption or purchase dates and to pay the redemption price of the Refunded Bonds on their redemption dates.

Causey, Demgen & Moore P.C., independent certified public accountants, will verify the mathematical accuracy of certain computations provided by the Financial Advisor regarding (a) the adequacy of (i) the principal amounts of and interest on the cash on deposit in the Series 2020A Escrow Fund to pay the redemption price of and interest on the Authority's Current Refunded Bonds and (ii) the maturing principal amounts of and interest on the Series 2020B Escrow Obligations, together with any cash deposit, to pay the redemption price of and interest on the Authority's Advance Refunded Bonds and (b) the actuarial yields on the Series 2020A Bonds , and (c) the actuarial yields on the Series 2020B Bonds and the Series 2020B Escrow Obligations. Such verifications have been relied upon by the Authority's Bond Counsel to support its conclusion that the Series 2020A Bonds are not "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986.

The proceeds of the Series 2020A/B Bonds are expected to be applied as follows:

**Series 2020A Bonds
Sources and Uses of Funds**

Sources of Funds	Amount
Par Amount:	\$20,900,000.00
Net Original Issue Premium:	4,952,144.70
Total Sources of Funds	\$25,852,144.70
Uses of Funds	
Deposit to Series 2020A Escrow Fund to refund Authority Current Refunded Bonds:	\$23,249,350.83
Redemption at Bond Closing of the City of Emmett's Water and Sewer Revenue Bonds, Series 2012:	2,296,299.32
Costs of Issuance (Series 2020A Bonds):	160,630.76
Underwriter's Discount:	112,894.75
Idaho Bond Bank Authority Administrative Fee:	30,961.98
Rounding Amounts:	2,007.06
Total Uses of Funds:	\$25,852,114.70

**Series 2020B Bonds
Sources and Uses of Funds**

Sources of Funds	Amount
Par Amount:	\$23,265,000.00
Net Original Issue Premium:	3,280,708.45
Prior Debt Service Reserve Fund for Caribou County:	56,033.42
Cash Contribution for Caribou County:	20,000.00
Prior Debt Service Reserve Funds for City of Emmett:	800,000.00
Prior Debt Service Reserve Fund for City of Grangeville:	42,000.00
Cash Contribution for Jerome County:	100,000.00
Total Sources of Funds	\$27,563,741.87
Uses of Funds	
Deposit to Series 2020B Escrow Fund to refund Advanced Refunded Bonds:	\$27,139,283.54
Costs of Issuance (Series 2020B Bonds):	286,768.65
Underwriter's Discount:	92,222.75
Idaho Bond Bank Authority Administrative Fee:	27,721.76
Rounding Amounts:	17,745.17
Total Uses of Funds:	\$27,563,741.87

The Trustee

The Authority has appointed Zions Bancorporation, National Association, a national banking association organized under the laws of the United States, to serve as Trustee for the Series 2020A/B Bonds, which replaced The Bank of New York Mellon Trust Company, N.A., which replaced U.S. Bank National Association as Trustee. The Trustee is to carry out those duties assignable to and accepted by it under the Trust Agreement. Except for the contents of this section and the description of the Trustee's responsibilities under the Trust Agreement, the Trustee has not reviewed or participated in the preparation of this Official Statement and does not assume any responsibility for the nature, completeness, contents or accuracy of the Official Statement.

The Trustee has no oversight responsibility and is not accountable for the use or application by the Authority of any of the Series 2020A/B Bonds authenticated or delivered pursuant to the Trust Agreement or for the use or application of the proceeds of such Series 2020A/B Bonds by the Authority. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Series 2020A/B Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets pledged or assigned as security for the Series 2020A/B Bonds, the technical or financial feasibility of the Project, or the investment quality of the Series 2020A/B Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee and its services may be found at the Trustee's website at www.zionsbank.com/business-banking/other-banking-services/corporate-trust/. The Trustee's website is not incorporated into this Official Statement by such reference and is not a part hereof.

Book-Entry Registration

The Series 2020A/B Bonds are issuable in fully registered form and, when issued, will be registered in the name of Cede & Co. as Bond Owner and as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Series 2020A/B Bonds. Individual purchases and sales of the Series 2020A/B Bonds may be made in book-entry form only in minimum denominations of \$5,000 within a single maturity and integral multiples thereof. Purchasers ("Beneficial Owners") will not receive certificates representing their interest in the Series 2020A/B Bonds.

The ownership of one fully registered certificate for each maturity of the Series 2020A/B Bonds, as set forth on the inside cover page of this Official Statement, in the aggregate principal amount of the Series 2020A/B Bonds of such maturity, will be registered in the name of Cede & Co., as nominee for DTC.

The principal of and premium, if any, and interest on the Series 2020A/B Bonds will be payable by the Trustee to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, which, in turn, will be obligated to remit such principal, premium and interest to its participants for subsequent disbursement to the Beneficial Owners of the Series 2020A/B Bonds, as further described in **Appendix C** attached hereto.

Notwithstanding any other provision to the contrary, so long as all Series 2020A/B Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Series 2020A/B Bonds and all notices with respect to each such Series 2020A/B Bonds shall be made and given, respectively, to DTC as provided in or pursuant to the Representation Letter.

Procedure in the Event of Discontinuation of Book-Entry Transfer System

In the event that the Authority determines that the Series 2020A/B Bonds should not be maintained in book-entry form, the Trustee shall, upon the written instruction of the Authority, notify DTC, whereupon DTC shall notify the Bond Owner of the availability through DTC of bond certificates. In such event, the Series 2020A/B Bonds will be transferable upon receipt by the Trustee from the registered owner thereof of the Series 2020A/B Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee. If at any time DTC shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor securities depository is not appointed by the Authority within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, then the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the Series 2020A/B Bonds. If the Series 2020A/B Bonds cease to be in book-entry only form, the Trustee is required to mail by first class mail, postage prepaid, each interest payment on the Interest Payment Date (or the next Business Day if the Interest Payment Date is not a Business Day) to the name and address of the Bond Owners (see **Appendix A**) as they appear on the Series 2020A/B Bonds register as of the Record Date; provided, however, that interest on any Series of Bonds shall be paid by wire transfer or other means to provide immediately available funds to any Bond Owner of at least \$1,000,000 in aggregate principal amount of such Series of Bonds, at its option, according to wire instructions given to the Trustee in writing for such purpose and on file prior to the applicable Record Date preceding the Interest Payment Date. Principal of each Series 2020A/B Bonds shall be paid only on or after the stated maturity date thereof or date fixed for earlier prepayment thereof, and then only upon presentation and surrender of such Series 2020A/B Bonds to the Trustee at its corporate trust operations office in Seattle, Washington.

Any Series 2020A/B Bonds may, in accordance with its terms, be transferred by the person in whose name it is registered in the books required to be kept by the Trustee upon surrender of such Series 2020A/B Bonds for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Series 2020A/B Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new Series 2020A/B Bonds and maturity for a like aggregate principal amount in \$5,000 denominations or integral multiples thereof. The Trustee shall require the payment by the Series 2020A/B Bonds Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege.

Description of the Series 2020A/B Bonds

Authority for Issuance and Use of Proceeds of the Series 2020A/B Bonds

An authorizing resolution was approved by the governing body of the Authority (the “**Bond Resolution**”) on September 10, 2020.

The Bond Resolution authorizes the Authority to execute loan agreements with the Participants, each dated as of October 1, 2020 (collectively, the “**Loan Agreements**”). The Loan Agreements and the Municipal Bonds for Benewah County, Jerome County, and Lemhi County, Idaho, are payable from *ad valorem* property tax levies; the Loan Agreements and the Municipal Bonds for the City of Grangeville and the City of Emmett, Idaho, are secured by System Net Revenues; and the Loan Agreement and the Municipal Bond for Caribou County, Idaho, are secured by its General Fund Revenues and other lawfully available funds. See “**Loan Agreement for the Series 2020A/B Bonds**” herein.

The proceeds of the Series 2020A/B Bond are to be applied by the Authority to acquire the Loans of the Participants evidenced by each Participant’s Municipal Bond. Interest and principal payments due on each Participant’s Municipal Bond will equal the interest components and principal components of such Participant’s Loan Agreement with the Authority (“**Repayment Installments**”).

Security and Sources of Payment of the Series 2020A/B Bonds

The Bonds, including the Series 2020A/B Bonds, are limited obligations of the Authority and the Repayment Installments are payable solely from (i) all amounts payable to the Authority pursuant to all Loan Agreements for all Authority Bonds (collectively, the “**IBBA Loan Agreements**”) and moneys intercepted by the Authority from moneys due to all Authority Participants (collectively, the “**IBBA Participants**”) from the State pursuant to Section 67-8727, Idaho Code (the “**State Intercept**”) to the extent such funds are lawfully available in accordance with Idaho Code 67-8725(2)(b); (ii) all investment earnings on amounts held by the Trustee pursuant to the Trust Agreement; (iii) State Sales Tax Revenues (as defined below and in Appendix A hereto); and (iv) all other moneys received by the Authority and designated by the Authority as Revenues (collectively, the “**Revenues**”). All of the Bonds, including the Series 2020A/B Bonds, are equally secured by a pledge of and charge and lien upon the Revenues, and in trust as security for the payment of the interest on and principal of and redemption premiums, if any, on the Series 2020A/B Bonds as provided under the Trust Agreement. This pledge constitutes a pledge of and charge and lien upon the Revenues on a parity with Funded Debt of the Authority, if any, as defined herein, and all other moneys on deposit in the funds and accounts established under the Trust Agreement (excluding amounts on deposit in the Rebate Fund) for the payment of the interest on and principal of the Bonds, including the Series 2020A/B Bonds. The pledge of and charge and lien upon State Sales Tax Revenues, however, is subordinate to certain State tax anticipation notes issued pursuant to Section 63-3202, Idaho Code, as amended. See “**SECURITY FOR THE SERIES 2020A/B Bonds– State Sales Tax Account**” and “**APPENDIX A – Definitions**” herein.

In this Official Statement, the term “**State Sales Tax Moneys**” refers to money collected by the State pursuant to the Sales Tax Act. The term “**State Sales Tax Revenues**” refers to moneys transferred to the Authority as provided in the Sales Tax Act and the Act in the event of a failure by Participant to pay its Loan when due and the failure of the State Intercept described below, if applicable.

State Revenues Intercept. The IBBA Loan Agreements for the IBBA Participants require interception of revenues collected by the State and distributed to the IBBA Participants under certain circumstances. In this case, such intercepted revenues are pledged as additional security for the Bonds, including the Series 2020A/B Bonds. See “**STATE SALES TAX ACCOUNT**” and “**STATE INTERCEPT PAYMENTS**” herein.

The Series 2020A/B Bonds are not a debt of the State or any of its political subdivisions, and neither the State nor any of its political subdivisions is liable thereon, nor in any event shall the Series 2020A/B Bonds be payable out of any funds or properties other than those of the Authority as provided under the Trust Agreement and the Act. The Series 2020A/B Bonds do not constitute indebtedness within the meaning of any constitutional or statutory limitation or restriction. The Loans, however, funded by the Series 2020A/B Bonds, do constitute indebtedness of each Participant within the meaning of constitutional and statutory limitations or restrictions.

Loan Agreements for the Series 2020A/B Bonds

Loan Agreement – Municipal Bond Payable from Levy of Ad Valorem General Property Taxes. The Municipal Bonds of Benewah County, Jerome County, and Lemhi County, Idaho, are payable from *Ad Valorem* property taxes. A more detailed summary of certain terms of this Loan Agreement is set forth in **Appendix E** hereto. A brief summary thereof is set forth below:

Bond Fund. Each Participant whose Loan Agreement and Municipal Bond are payable from *ad valorem* property taxes is required under the terms of its Loan Agreement to levy on all taxable property in the Participant’s boundaries, in addition to all other taxes, a direct annual *ad valorem* tax in an amount sufficient, together with other available funds, to meet the payment of the Repayment Installments as the same mature and other amounts due under the Loan Agreement so long as any Repayment Installments remain unpaid. Upon collection, said taxes are required to be placed in a special fund created under the Participant’s ordinance or resolution (the “**Bond Fund**”) and held by the Participant and shall be used for no other purpose than for the payment of the Repayment Installments as the same become due, so long as any of the Repayment Installments remain outstanding and unpaid.

Repayment Installments falling due at any time when the proceeds of such tax levy may not be available are required under the Loan Agreement to be paid from other funds of the Participant and are reimbursable from the proceeds of said taxes upon collection.

In addition, each Participant whose Loan Agreement and Municipal Bond are payable from *ad valorem* property taxes, agrees as follows:

Repayment Installments Paid with Participant Funds. Repayment Installments falling due at any time when the

proceeds of said tax levy may not be available shall be paid from other funds of the Participants and shall be reimbursed from the proceeds of said taxes when said taxes shall have been collected.

Full Faith and Credit Pledge. The full faith and credit and the proceeds of the special taxes levied upon all taxable property in the area of the Participant are pledged for the prompt payment of the Repayment Installments and other amounts due.

Levy of Taxes. The Participant shall levy on all taxable property in the Municipality, in addition to all other taxes, a direct annual *ad valorem* tax in an amount sufficient, together with other available funds, to meet the payment of the Repayment Installments, each year until Repayment Installments and other amounts due hereunder.

Participant is not required to have a debt service reserve fund since it has pledged its full faith and credit in an *ad valorem* general obligation bond tax levy.

Other Provisions of Loan Agreement. The Participant understands that the State Intercept and repayment procedures contained in and required by Section 67-8727, Idaho Code, as amended, will provide funds to pay the respective Series 2020A/B Bonds, not the Loan obligations. If any interceptable funds are used to pay the respective Series 2020A/B Bonds, this does not satisfy the requirement to pay the loan obligation to the Authority.

Repayment Installments. The Participant covenants and agrees to pay to the Trustee the Repayment Installments and any other amounts then due on the Loan to the Authority at least fifteen (15) days prior to the Repayment Installment Dates.

Loan Agreement – Municipal Bonds Payable from System Net Revenues. The Municipal Bonds of the City of Emmett and the City of Grangeville, Idaho, are payable from System Net Revenues. A more detailed summary of certain terms of this Loan Agreement is set forth in **Appendix E** hereto. A brief summary thereof is set forth below:

Income Fund. Each Participant, whose Loan Agreement and Municipal Bond is payable from System Net Revenues, is required under the terms of its Loan Agreement to agree and covenant that all System Revenues shall be received by the Participant in trust and deposited when and as received in a special fund designated as the “**Income Fund**,” which fund is required to be maintained and held separate and apart from other funds of such Participant so long as any Repayment Installments remain unpaid. To the extent the Participant has an existing fund which satisfies these requirements then such shall be deemed to be the Income Fund. The Participant may maintain separate accounts within the Income Fund. The amounts in the Income Fund shall be invested in Permitted Investments.

All System Net Revenues are irrevocably pledged to the payment of the Repayment Installments and the System Net Revenues shall not be used for any other purpose while any of the Repayment Installments remain unpaid; provided that (i) any Prior Obligations shall be paid on parity with the Repayment Installments, and (ii) out of the System Revenues there may be apportioned such sums for such purposes as are expressly permitted by the Loan Agreements. The Participants’ obligations to pay Repayment Installments and all other Parity Debt, when due, constitute a first lien on System Net Revenues.

Each Participant shall, from the moneys in the Income Fund, pay the Operation and Maintenance Costs, including amounts reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required, as such Operation and Maintenance Costs become due and payable. Thereafter, all remaining moneys in the Income Fund shall be set aside by the Participant at the following times for the transfer to the following respective special funds in the following order of priority; and all moneys in each of such funds shall be held in trust and shall be applied, used and withdrawn only for the purposes set forth below:

First, for Repayment Installments. Not later than 15 days prior to the date that each Repayment Installment is due (the “**Repayment Installment Date**”), the Participant shall, from the moneys in the Income Fund, transfer to the Trustee the Repayment Installment due and payable on that Repayment Installment Date. The Participant shall also, from the moneys in the Income Fund, transfer to the applicable trustee for deposit in the respective payment fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, any other Parity Obligation Payments in accordance with the provisions of any Parity Debt.

Second, for Surplus. Moneys on deposit in the Participant’s Income Fund not necessary to make any

Repayment Installments or other Parity Obligation Payments may be expended by the Participant at any time for any purpose permitted by law.

Reserve Fund. The City of Emmett and the City of Grangeville each qualify for a waiver of the debt reserve fund requirement as a result of debt service coverage from System Net Revenues, as herein defined, in excess of 1.50 times debt service on the Municipal Bonds. If such Participant's debt service coverage from System Net Revenues falls below 1.50 times at a point after its Loan has been issued, such Participant will be required to establish a reserve fund and to meet the Reserve Requirement as provided in the Loan Agreement.

Revenue Pledge. The System Net Revenues, as herein defined, are pledged by the Participants with System Net Revenues for the prompt payment of the Repayment Installments and other amounts due.

Other Provisions of Loan Agreement. The Participants understand that the State Intercept and repayment procedures contained in and required by Section 67-8727, Idaho Code, as amended, will provide funds to pay the respective Series 2020A/B Bonds, not the Loan obligations. If interceptable funds are used to pay the respective Series 2020A/B Bonds, this does not satisfy the requirement to pay the loan obligation to the Authority.

Repayment Installments. The Participants covenant and agree to pay to the Trustee the Repayment Installments and any other amounts then due on the Loans to the Authority at least fifteen (15) days prior to the Repayment Installment Dates.

Loan Agreement – Municipal Bonds Payable from General Fund Revenues. The Municipal Bond of Caribou County, Idaho, is payable from its General Fund Revenues and other lawful sources. A more detailed summary of certain terms of this Loan Agreement is set forth in **Appendix E** hereto. A brief summary thereof is set forth below:

Pledge of Revenues. Each Participant, whose Loan Agreement and Municipal Bond is payable from General fund Revenues and other lawful sources, is required under the terms of its Loan Agreement to irrevocably pledge such revenues to the prompt payment of the Repayment Installments and other amounts due under the Loan Agreement. The Participant's obligation to pay Repayment Installments, when due, constitutes a first lien on such revenues.

Reserve Fund. Caribou County qualifies for a waiver of the debt reserve fund requirement as a result of historical debt service coverage.

Other Provisions of Loan Agreement. The Participants understand that the State Intercept and repayment procedures contained in and required by Section 67-8727, Idaho Code, as amended, will provide funds to pay the respective Series 2020A/B Bonds, not the Loan obligations. If interceptable funds are used to pay the respective Series 2020A/B Bonds, this does not satisfy the requirement to pay the loan obligation to the Authority.

Repayment Installments. The Participants covenant and agree to pay to the Trustee the Repayment Installments and any other amounts then due on the Loans to the Authority at least fifteen (15) days prior to the Repayment Installment Dates.

NO PARTICIPANT IS REQUIRED TO PAY ANY PORTION OF ANY OTHER PARTICIPANT'S REPAYMENT INSTALLMENTS, RESERVE REQUIREMENT OR OTHER OBLIGATION UNDER A LOAN AGREEMENT.

Redemption Provisions of the Series 2020A/B Bonds

Optional Redemption.

Series 2020A Bonds. The Series 2020A Bonds maturing on or prior to September 15, 2030, are not subject to optional redemption. The Series 2020A Bonds maturing on and after September 15, 2031, are subject to optional redemption prior to maturity at the written direction of the Authority, from any moneys deposited by the Authority, as a whole or in part on any date on or after September 15, 2030, and among such maturities as are designated by the Authority to the Trustee, at the Redemption Price of par, plus accrued interest, if any, to the date of redemption.

Series 2020B Bonds. The Series 2020B Bonds maturing on and after September 15, 2031, are subject to optional redemption prior to maturity at the written direction of the Authority, from any moneys deposited by the Authority, as a whole or in part on any date on or after September 15, 2030, and among such maturities as are designated by the Authority to the Trustee, at the Redemption Price of par plus accrued interest to the date of redemption.

The Series 2020B Bonds are subject to redemption prior to the optional redemption date described above, at the option of the Authority, as a whole or in part on any date with the maturities and interest rates to be selected by the Authority, at a redemption price described below (the “Make-Whole Redemption Price”) with the Series 2020B Bonds selected for redemption based on a “Pro Rata Pass-Through Distributions of Principal” basis, as described below.

The Make-Whole Redemption Price is equal to the greater of (1) 100% of the principal amount of the Series 2020B Bonds to be redeemed; or (2) the sum of the present value of the remaining scheduled payments of principal and interest on the Series 2020B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date of which the Series 2020B Bonds are to be redeemed, discounted to the date on which the Series 2020B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus 25 basis points (0.25%); plus, in each case, accrued interest on the Series 2020B Bonds to be redeemed to the date on which the Series 2020B Bonds are to be redeemed.

“Business Day” means any day, other than a Saturday or Sunday, and other than a day on which the Trustee is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed.

“Comparable Treasury Issue” means, with respect to any redemption date for a particular Certificate, the United States Treasury security selected by the Independent Investment Banker which has an actual maturity comparable to the remaining average life of the Series 2020B Bonds of such maturity to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of such Certificate to be redeemed.

“Comparable Treasury Price” means, with respect to any redemption date for a particular Certificate, (A) the average of the applicable Reference Treasury Deal Quotations for the redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Independent Investment Banker for the Series 2020B Bonds obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations.

“Independent Investment Banker” means one of the Reference Treasury Dealers as designated by the Authority.

“Reference Treasury Dealer” means each of four firms, as designated by the Authority, and their respective successors; provided, however, that if any of them ceases to be a “Primary Treasury Dealer” (defined as a primary U.S. Government securities dealer in the City of New York), the Authority will substitute another Primary Treasury Dealer.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any redemption date for the Series 2020B Bonds of a particular maturity, the average, as determined by the Independent Investment Banker and communicated to the Authority, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker and communicated to the Trustee by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding that redemption date.

“Treasury Rate” means, with respect to any redemption date for a particular Certificate, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue with respect thereto, computed as of the second Business Day immediately preceding that redemption date, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price with respect thereto for that redemption date.

Loan Prepayment. As provided in the Loan Agreement, each Participant may prepay its Repayment Installments at the times the respective Series 2020A/B Bonds may be redeemed. The principal component of the Repayment Installments to be prepaid by each Participant is required to correspond in amount and maturity dates of the respective Series 2020A/B Bonds. Under no circumstances may a Participant prepay its Repayment Installments prior to the optional redemption dates associated with the respective Series 2020A/B Bonds, as described in each Participant’s Loan Agreement.

Selection of Series 2020A/B Bonds for Redemption. If fewer than all of the 2020A/B Bonds are to be optionally redeemed prior to maturity, the Trustee, upon written direction of the Authority, will redeem bonds within such maturities as are designated by the Authority to the Trustee.

Mandatory Redemption.

Series 2020A Bonds. The Series 2020A Bonds are not subject to mandatory sinking fund redemption.

Series 2020B Bonds.

The Term Bond for the Series 2020B Bonds stated to mature on September 15, 2038, is subject to mandatory sinking fund redemption at par in the principal amounts and on the dates shown in the following schedule:

<u>Year</u> <u>(September 15)</u>	<u>Amount</u>
2036	\$895,000
2037	\$605,000
2038*	\$620,000

*Final maturity.

Notice of Redemption. Notice of redemption shall be mailed to the Bond Owner by first-class mail by the Trustee, not less than 30 nor more than 60 days prior to the redemption date, to (i) the respective Owners of the Series 2020A/B Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, (ii) the Securities Depositories and (iii) one or more Information Services. Each notice of redemption shall state that on said date there will become due and payable on each of said Series 2020A/B Bonds the redemption price thereof, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Series 2020A/B Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice or any defect in such notice shall not invalidate any of the proceedings taken in connection with such redemption.

Conditional Redemption. Any notice of optional redemption to the Registrar or to the Bond Owners may state that the optional redemption is conditional upon receipt by the Registrar of moneys sufficient to pay the redemption price of such Series 2020A/B Bonds or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be given by the Registrar to affected Bond Owners as promptly as practicable upon the failure of such condition or the occurrence of such other event.

Continuing Disclosure

Securities and Exchange Commission Rule 15c2-12 (the “**Rule**”) requires at least annual disclosure of current financial information and timely disclosure of certain events with respect to the Series 2020A/B Bonds. Pursuant to the Rule, the Authority has agreed to provide, or cause to be provided, to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System (“**EMMA**”) at www.emma.msrb.org (the “**Repository**”), audited financial information of the Authority and certain supplemental financial information including information regarding the State Sales Tax Revenues and balances in the Surplus Fund and the Revenue Fund (the “**Supplemental Information**”). In addition, the Authority has agreed to provide, or cause to be provided, to the Repository, notice of certain events, pursuant to the requirements of Section (b)(5)(i) of the Rule.

The Authority has adopted continuing disclosure policies (the “**Policies**”) which provide procedures for compliance with the continuing disclosure provisions of the Rule and for reporting to EMMA as provided in the Rule and the Continuing Disclosure Agreement (defined below) as well as for annual training for Authority staff involved in continuing disclosure reporting under the Rule. Under the Policies, the Treasurer of the Authority with the assistance of a dissemination agent has been assigned responsibility to assure that future continuing disclosure filings are done on a timely basis. Included in the Policies are provisions for determining whether a Participant’s payments on all of its Municipal Bond obligations, based on the revenue pledged therefor as a percentage of the total Revenues pledged for the Authority’s Bonds, exceeds 10% (the “**10% Test**”) and thereby the Participant constitutes an “**obligated person**” under the Rule. If a Participant is or becomes an “**obligated person**,” then it will be required to execute an undertaking to comply with the continuing disclosure requirements of the Rule and to file its annual report with EMMA. There are currently no IBBA Participants that meet the 10% Test, and the Authority anticipates that the Participants under the Series 2020A/B Bonds will not meet the 10% Test, which will be confirmed at pricing the Series 2020A/B Bonds, and therefore, the Authority anticipates that at the time of closing there will be no IBBA Participants that are “**obligated persons**.”

The form of the Continuing Disclosure Agreement between the Authority and the Trustee as dissemination agent is included in **Appendix D**, attached hereto (the “**Continuing Disclosure Agreement**”).

Prior to the Series 2014C Bonds, IBBA Participants, though not then designated as “**obligated persons**” under the Rule, were required pursuant to their loan agreements with the Authority to provide certain financial information to EMMA in an effort to provide additional disclosure regarding the Authority’s program. Now in order to facilitate the Authority’s administration of

Participant reporting and compliance, only IBBA Participants who meet the 10% Test and are therefore “**obligated persons**” are required to enter into a continuing disclosure undertaking, provided that the IBBA Participants in prior Bond issues will continue to be required to honor their undertakings. Although there have been late filings by some of these IBBA Participants in prior Authority Bond issues, the Authority does not believe those to be material in view of the fact that these IBBA Participants did not and still do not meet the 10% Test. See the chart at the back of **Appendix F** hereto which sets forth the record of late filings by IBBA Participants in prior Authority Bond issues.

Although the Authority has not concluded that any of these instances of noncompliance were material to the market, the Authority participated in the SEC’s Municipalities Continuing Disclosure Cooperation Initiative (the “MCDC Initiative”). On March 3, 2017, the SEC notified the Authority that it had concluded review of the information provided and did not intend to recommend any enforcement action by the Commission against the Authority.

The Authority has developed additional procedures in the Policy to help ensure that its continuing disclosure obligations are complied with in all material respects. The Authority is currently in compliance in all material respects with each of its previous continuing disclosure undertakings for the previous five (5) years.

A failure by the Authority or any “**obligated person**” to comply with a continuing disclosure undertaking as set forth in the Continuing Disclosure Agreement will not constitute an event of default under the Trust Agreement. Owners of the Series 2020A/B Bonds may be limited to the remedies described in the respective Trust Agreement. A failure by the Authority to comply with a continuing disclosure undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2020A/B Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2020A/B Bonds and their market price.

Security for the Series 2020A/B Bonds

General

The Bonds including the Series 2020A/B Bonds are limited obligations of the Authority and the interest thereon, principal thereof and premiums, if any, are payable solely from the amounts shown below (collectively, the “**Revenues**”):

- (i) all amounts payable to the Authority pursuant to IBBA Loan Agreements, for all Bonds, including interceptable revenues from the State as applicable,
- (ii) all investment earnings on amounts held by the Trustee pursuant to the Trust Agreement,
- (iii) State Sales Tax Revenues, and
- (iv) all other moneys received by the Authority and designated by the Authority as Revenues.

The pledge in Section 67-8716(4), Idaho Code, provides that the State will not alter or limit the pledge of State Sales Tax Revenues from the sales tax account of the State (the “**Sales Tax Account**”) until the Bonds, including the Series 2020A/B Bonds, are paid in full. All of the Bonds, including the Series 2020A/B Bonds, are equally secured by a pledge of and charge and lien upon the Revenues, and in trust as security for the payment of the interest on and principal of and redemption premiums, if any, on the Bonds, including the Series 2020A/B Bonds, as provided under the Trust Agreement. This pledge shall constitute a pledge of and charge and lien upon the Revenues on parity with all indebtedness of the Authority secured by any pledge, lien, security interest, encumbrance or charge of any kind on or in all or any part of the Revenues which is equal and ratable to the lien of the Trust Agreement on or in such Revenues or Funded Debt, if any, and all other moneys on deposit in the funds and accounts established under the Trust Agreement (excluding amounts on deposit in the Rebate Fund) for the payment of the interest on and principal of the Bonds, including the Series 2020A/B Bonds. The pledge of and charge and lien upon State Sales Tax Revenues, however, is subordinate to certain State tax anticipation notes currently outstanding or subsequently issued pursuant to Section 63-3202, Idaho Code. See “**APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT AND THE FORM OF LOAN AGREEMENT**” attached hereto.

THE SERIES 2020A/B BONDS ARE NOT A DEBT OF THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE THEREON, NOR IN ANY EVENT SHALL THE SERIES 2020A/B BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY AS PROVIDED UNDER THE TRUST AGREEMENT AND THE ACT. THE SERIES 2020A/B BONDS DO NOT CONSTITUTE INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION. THE LOAN, HOWEVER, FUNDED BY THE SERIES 2020A/B BONDS DOES CONSTITUTE INDEBTEDNESS OF THE PARTICIPANT WITHIN THE MEANING OF

CONSTITUTIONAL AND STATUTORY LIMITATIONS OR RESTRICTIONS.

PURSUANT TO SECTION 67-8724 OF THE ACT, THE STATE HAS PLEDGED NOT TO IMPAIR BONDHOLDER RIGHTS UNDER SECTION 67-8724 OF THE ACT. THE STATE ALSO PLEDGES AND AGREES WITH THE OWNERS OF THE BONDS, PURSUANT TO SECTION 67-8724 OF THE IDAHO CODE, THAT THE STATE WILL NOT LIMIT OR ALTER THE RIGHTS VESTED IN THE AUTHORITY BY THE ACT TO FULFILL THE TERMS OF ANY AGREEMENTS MADE WITH SUCH OWNERS, OR IN ANY WAY IMPAIR THE SECURITY, RIGHTS OR REMEDIES OF THE OWNERS OF THE BONDS UNTIL THE BONDS, TOGETHER WITH INTEREST THEREON, ARE FULLY PAID AND DISCHARGED. THE STATE PLEDGES TO AND AGREES WITH THE OWNERS OF THE BONDS THAT THE STATE WILL NOT ALTER, IMPAIR OR LIMIT THE RIGHTS VESTED BY THE SALES TAX ACCOUNT PLEDGE PROVIDED IN SECTIONS 67-8716 AND 63-3638, IDAHO CODE, WITH RESPECT TO THE BONDS UNTIL THE BONDS, TOGETHER WITH APPLICABLE INTEREST, ARE FULLY PAID AND DISCHARGED. THE AUTHORITY IS AUTHORIZED TO INCLUDE THIS PLEDGE AND AGREEMENT IN ANY INDENTURE, TRUST AGREEMENT OR OTHER AGREEMENT WITH THE HOLDERS OF SUCH BONDS. THIS PLEDGE HAS BEEN INCLUDED IN THE TRUST AGREEMENT.

Additional Bonds

Additional Bonds may be issued by the Authority under and pursuant to the Trust Agreement and subject to the conditions set forth therein. See “**APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT AND THE FORM OF LOAN AGREEMENT – Additional Bonds.**”

Funded Debt

Funded Debt, which is debt of the Authority secured by a pledge, lien, security interest, encumbrance or charge of any kind on or in all or any part of the Revenues, which is equal and ratable to the lien of the Trust Agreement on or in such Revenues, may be issued by the Authority under and pursuant to the Trust Agreement and subject to the conditions set forth therein. See “**APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT AND THE FORM OF LOAN AGREEMENT.**”

Flow of Funds

All money in each of the accounts held in trust by the Trustee is required by the Trust Agreement to be applied, used and withdrawn only for the purposes outlined below.

At least 15 days before each Interest Payment Date, the Trustee shall set aside from the Revenue Fund and deposit in the Interest Account that amount of money sufficient to pay the amount of interest becoming due and payable on all Outstanding Bonds on the next succeeding Interest Payment Date. No deposit need be made in the Interest Account if the amount contained therein and available to pay interest on the Series 2020A/B Bonds is at least equal to the aggregate amount of interest becoming due and payable on all Series 2020A/B Bonds on such Interest Payment Date.

At least 15 days before each September 15, commencing September 15, 2021, the Trustee shall set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the principal amount of all Series 2020A/B Bonds maturing on such September 15. No deposit need be made in the Principal Account if the amount contained therein and available to pay principal of the Series 2020A/B Bonds is at least equal to the aggregate amount of the principal of all Series 2020A/B Bonds maturing on such September 15.

The Trustee shall withdraw from the Revenue Fund and deposit in the Subordinated Indebtedness Fund the amount, if any, required to be deposited therein pursuant to each Subordinated Indebtedness Trust Agreement to pay the principal, redemption price, and purchase price of, and interest on, Subordinated Indebtedness, if any, which will accrue to the end of such month, and any amounts required to replenish any reserve fund with respect to such Subordinated Indebtedness, in such amounts as shall be specified in a written request signed by an Authorized Representative. Currently, there is no Subordinated Indebtedness of the Authority.

On June 30 of each year, after making the required deposits into the Interest Account, Principal Account and Subordinated Indebtedness Fund, the Trustee may withdraw from the Revenue Fund and transfer to the Authority for deposit in the Surplus Fund the balance, if any, of moneys remaining in the Revenue Fund.

If on any date the amount in the Revenue Fund shall be less than the requirement of such Revenue Fund, and there shall not be on deposit in the Surplus Fund available moneys sufficient to cure any such deficiency, then the Trustee shall withdraw from the Subordinated Indebtedness Fund, if any, and deposit in the Revenue Fund the amount necessary (or all the moneys in the

Subordinated Indebtedness Fund, if less than the amount required) to make up any such deficiency.

If on any date the amount in the Revenue Fund shall be less than the requirement of such Revenue Fund or the amount in the Subordinated Indebtedness Fund shall be less than the requirement of such Subordinated Indebtedness Fund, then the Authority shall transfer to the Trustee from the Surplus Fund; first to the Revenue Fund, second to the Subordinated Indebtedness Fund, and third to the Rebate Fund, as the case may be, the amount necessary (or all the moneys in the Surplus Fund if less than the amount necessary) to make up any such deficiency.

State Sales Tax Revenues

Pledge. The State Sales Tax Revenues are part of the Trust Estate pledged to the repayment of principal and interest on the Series 2020A/B Bonds. The State Sales Tax Revenues are comprised of retail sales taxes and taxes on rentals of tangible personal property, admission fees and fees for recreation or hotel/motel rooms of up through 30 days. Use tax applies if sales tax was not paid at the point of purchase. Exemptions include utilities, motor fuels, prescription drugs, tangible personal property used in manufacturing, farming, processing, mining and fabricating. Pursuant to Section 63-3638, Idaho Code, the State Sales Tax Revenues are distributed in the following manner. Sales tax distributed to the State Refund Account sufficient to pay current refund claims. Approximately 11.5% of the gross sales tax collections (less refunds) are distributed to local government (“revenue sharing”). The Transportation Expansion and Congestion Mitigation Fund receives 1.0% of the amount remaining after revenue sharing. The Permanent Building Fund is allocated \$5,000,000. The Water Pollution Control Fund receives \$4,800,000. Another \$8,487,103 funds the Agricultural Equipment Property Tax Exemption, and \$18,852,109 is dedicated to Personal Property Tax Relief. Other distributions are made to fund the Demonstration Pilot Project and Election Consolidation. All the remaining revenue accrues to the State’s General Fund. As discussed below, under certain conditions, State Sales Tax Revenues are authorized to be used to make payments on the Series 2020A/B Bonds. Although the State may pass future legislation to amend the distribution of State Sales Tax Revenues, the State, pursuant to Sections 67-8716(4) and 67-8724 of the Act, pledges to and agrees with the holders of the Outstanding Bonds that the State will not alter, impair, or limit the rights vested by the pledge of the State Sales Tax Revenues with respect to the Outstanding Bonds until the Outstanding Bonds, together with applicable interest, are fully paid and discharged.

In the event a Participant fails to make Repayment Installment Payments sufficient to make full payment of principal of and interest on the respective Series 2020A/B Bonds by the 10th day prior to the Payment Date of the respective Series 2020A/B Bonds, the Trustee is required to notify the Authority and State Treasurer, who shall intercept payments under the State Intercept (see “State Intercept Payments” herein), and if the State Intercept is insufficient to satisfy the full payment of principal and interest on the respective Series 2020A/B Bonds, the State Treasurer is required, pursuant to Section 67-8727(1)(e)(ii)(A) of the Act, to give notice to the Idaho State Tax Commission (the “**Tax Commission**”) and pursuant to Section 67-8716 (2) of the Act to give notice to the State Controller, certifying the amount of the deficiency, at least five (5) days prior to the Payment Date of the respective Series 2020A/B Bonds. After receipt of the certified notice from the State Treasurer, the State Controller shall, pursuant to the Act: (i) immediately fix the amount necessary and in the amount of the deficiency stated in the notice; and (ii) cause State sales tax receipts in the State general fund as defined in Section 67-1205, Idaho Code (“General Fund”) to be transferred from the General Fund and deposited in the Bond Bank Authority Fund established in the State Treasury under Section 67-8716(1), Idaho Code as amended and used to pay debt service on the respective Series 2020A/B Bonds; *provided however*, that the transfer of such sales tax moneys under the provisions of Section 67-8716 of the Act, shall not impede or otherwise limit the payment of sales tax moneys pledged for the payment on tax anticipation notes issued by the State pursuant to Section 63-3202, Idaho Code. See “**Senior Liens on State Sales Tax Money**” below.

Moneys transferred from State sales tax receipts to the Bond Bank Authority Fund shall be transferred to the Trustee and deposited in the Revenue Fund for the respective Series 2020A/B Bonds until there are sufficient amounts on deposit to pay principal of and interest on the respective Series 2020A/B Bonds on the Payment Date, and payments from the Municipality shall be transmitted to the State for reimbursement of any moneys transferred from the State sales tax receipts in the General Fund pursuant to Section 67-8716, Idaho Code, together with any interest or penalties established pursuant to Section 67-8725, Idaho Code.

As of the date of this Official Statement, the following outstanding revenue bonds of the Authority are on parity with the Series 2020A/B Bonds with respect to the pledge of the State Sales Tax Revenue: the Series 2004A Bonds, the Series 2008D Bonds, the Series 2009C Bonds, the Series 2010A Bonds, the Series 2010B Bonds (to be fully defeased at closing), , the Series 2011A Bonds, the Series 2012A Bonds, the Series 2012B Bonds, the Series 2012C Bonds, the Series 2012D Bonds, the Series 2013A Bonds, the Series 2013B Bonds, the Series 2014A Bonds, the Series 2014B Bonds, the Series 2014C Bonds, the Series 2015A Bonds, the Series 2015B Bonds, the Series 2017A Bonds, the Series 2017B Bonds, the Series 2017C Bonds, and the Series 2018A Bonds.

Appendix F attached hereto summarizes the IBBA Loans including the original amount of each IBBA Loan, the balance outstanding on each as of September 15, 2020, the percentage of each of the total principal amounts of all of the IBBA Loans relating to the IBBA Loan Agreements, the percentage of each IBBA Loan’s payment amounts of the total available to pay debt service, the final maturity date of each, the payment for Fiscal Year 2021 of each, the percentage of each of total payment for the Outstanding Bonds

for Fiscal Year 2021 and Pledged Revenues related to each IBBA Loan Agreement.

Rates and Receipts. Sales tax rates since inception of the tax have been as follows:

Historical State Sales Tax Rates

Dates	Rate
October 1, 2006 – present	6.00% ⁽¹⁾
July 1, 2005 -- September 30, 2006	5.00 ⁽²⁾
May 1, 2003 -- June 30, 2005	6.00 ⁽²⁾
April 1, 1986 -- April 30, 2003	5.00
July 1, 1984 -- March 31, 1986	4.00
June 1, 1983 -- June 30, 1984	4.50
March 1, 1983 -- May 31, 1983	4.00
July 1, 1965 -- February 28, 1983	3.00

Source: Idaho State Treasurer's Office.

(1) In a special session of the Idaho State Legislature in August 2006, the School Maintenance and Operation Levy (the “**M&O Levy**”) that supported public school districts was replaced with a one percent increase to the State’s sales tax, effective October 1, 2006, raising the sales tax rate to 6 percent from 5 percent.

(2) The 2003 Economic Recovery and Stabilization Act increased the sales tax from 5 percent to 6 percent for the period May 1, 2003 through June 30, 2005. The sales tax returned to 5 percent on July 1, 2005.

The following table lists the annual amount of purchases that are subject to Idaho’s sales tax over the past ten (10) years:

State of Idaho Taxable Sales and Use Tax Sales (\$000)

Calendar Year	Amount	% Change
2019	\$33,152,202	8.36%
2018	30,594,716	7.37
2017	28,493,784	6.65
2016	26,717,749	6.67
2015	25,046,969	7.06
2014	23,396,213	4.66
2013	22,355,235	7.79
2012	20,739,868	-1.00
2011	20,949,446	15.57
2010	18,126,298	-7.09

Source: Idaho State Tax Commission Reports.

The Tax Commission collects and audits State sales tax receipts. State sales taxes are received by the State on the 20th day of each month unless the amount is less than \$500, in which case it is received quarterly. Total annual sales taxes received by the State of Idaho for the past ten years, are shown in the following table:

Historical State Sales Tax Receipts

Fiscal Year Ended June 30	Sales Tax Receipts	% Change from Prior Year
2019	\$1,899,088,000	5.19
2018	1,805,363,000	10.34
2017	1,631,295,000	3.21
2016	1,580,542,000	9.40
2015	1,444,781,000	3.16
2014	1,400,547,000	6.51
2013	1,315,002,000	8.35
2012	1,213,623,000	4.17
2011	1,165,095,000	3.38
2010	1,127,013,000	-4.26

Source: State of Idaho Comprehensive Annual Financial Report.

Senior Liens on State Sales Tax Moneys. From time to time, the State issues tax anticipation notes for cash flow purposes. Pursuant to Chapter 32, Title 63 of the Idaho Code, the State may borrow moneys in anticipation of general tax revenues (i.e., income and revenue from taxes, whether specific, *ad valorem*, excise, income, sales, franchise or license), in a principal sum not to exceed 75 percent of the income or revenue from such taxes that the State reasonably anticipates to be collected during the fiscal year. The State issued \$546,185,000 of Tax Anticipation Notes, Series 2019 (the “Series 2019 TAN”), on July 1, 2019, in anticipation of the general tax revenues to be received during the fourth quarter of Fiscal Year 2020 (April, May and June 2020) and redeemed the Series 2019 TAN at maturity on June 30, 2020. The State did not issue tax anticipation notes in Fiscal Year 2021.

Listed below are the amounts borrowed and retirement dates of tax anticipation notes in the past ten fiscal years.

State Tax and Revenue Anticipation Notes

Fiscal Year	Principal	Interest Rate	Maturity Date
2021*	N/A	N/A	N/A
2020	\$546,185,000	3.00%	June 30, 2020
2019	540,000,000	4.00	June 29, 2019
2018	485,770,000	4.00	June 29, 2018
2017	500,000,000	2.00	June 30, 2017
2016	500,000,000	2.00	June 30, 2016
2015	475,000,000	2.00	June 30, 2015
2014	500,000,000	2.00	June 30, 2014
2013	500,000,000	2.00	June 28, 2013
2012	500,000,000	2.00	June 29, 2012

*The State did not issue Tax Anticipation Notes in Fiscal Year 2021.

Source: Idaho State Treasurer’s Office.

Idaho School Bond Guaranty Program

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 Idaho 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 Moneys 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) in the case of school bonds guaranteed under the Credit Enhancement Program, 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. 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 \$300 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 \$1.2 billion of outstanding principal of bonds. Participation in the Credit Enhancement Program is limited to \$40 million in the aggregate per school district.

As of June 30, 2020, \$1,304,357,215.89 in principal is outstanding under the Guaranty Act. Of that, \$618,860,995.15 in principal is outstanding under the Credit Enhancement Program.

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.

Effective April 15, 2013, the Idaho School Bond Guaranty Program (ISBGP) adopted a set of policies which include a debt capacity that mirrors that of the Idaho Bond Bank Authority: the combined Authority and ISBGP maximum annual debt service can be no greater than 20% of the State Sales Tax Revenues collected by the State during the most recent fiscal year for which audited financial statements are available.

Idaho Bond Bank Authority Debt Capacity Policy

Bonds issued by the Authority and bonds guaranteed under the ISBGP are both secured by the State Sales Tax Revenues. 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 Authority and Idaho School Bond Guaranty maximum annual debt service can be no greater than 20% of the State Sales Tax Revenues collected by the State during the most recent fiscal year for which audited financial statements are available. As of the date of this Official Statement, the most recent fiscal year State Sales Tax Revenues collections for which audited financial statements are available is FY 2019 in which State Sales Tax collections totaled \$1,899,000,000. The combined maximum annual debt service on Authority and ISBGP bonds is \$192,776,959, including debt service associated with the 2020A/B Bonds. The resulting combined percentage of maximum annual debt service to State Sales Tax Revenues collections based on FY 2019 State Sales Tax Revenues, therefore, is currently 10.15%.

State Intercept Payments

The State collects certain revenues that are disbursed to local governments, including certain IBBA Participants. Such revenues collected by the State and distributed to the IBBA Participant are subject, under the terms of the Act and the IBBA Loan Agreement for each IBBA Participant, to the State Intercept and repayment procedures contained in Section 67-8727, Idaho Code.

State-administered and collected revenues that are disbursed to local governments include State sales taxes (the “**State Shared Sales Tax**”), public school funds, liquor taxes, cigarette taxes (disbursed to counties) and fuel taxes among others. Although

taxes on fuel are subject to the State Intercept, such tax receipts are restricted by the Idaho Constitution for use on roads and highway projects and may not be used for payment of principal of and interest on the Series 2020A/B Bonds.

The State Shared Sales Tax distributed to IBBA Participants represents the majority of interceptable funds that could be applied to make a payment on the Bonds. In the State's Fiscal Year 2020, the State's Shared Sales Tax, cigarette tax and liquor tax totaled \$276,071,061.58.

State-Collected Taxes and Other Funds Subject to Intercept Fiscal Year 2020

Participant	State Shared Sales Tax*	Liquor Tax	Cigarette Tax	Totals
Benewah County	\$898,295.57	\$109,274.00	\$23,031.00	\$1,030,600.57
Caribou County	\$1,106,331.21	\$41,556.00	\$17,599.00	\$1,165,486.21
City of Emmett	\$290,837.85	\$132,469.00	\$0.00	\$423,306.85
City of Grangeville	\$138,895.40	\$56,008.00	\$0.00	\$194,903.40
Jerome County	\$2,313,169.92	\$103,278.00	\$59,038.00	\$2,475,485.92
Lemhi County	\$1,190,057.79	\$99,055.00	\$19,710.00	\$1,308,822.79
Totals	\$5,937,587.74	\$541,640.00	\$119,378.00	\$6,598,605.74

Source: Idaho Tax Commission and Idaho Liquor Dispensary.

*Does not include certain State Sales Tax Revenues paid to the Counties for distribution to the Cities (under the base and excess distribution formula set forth under (iii) on the following page), which may, depending on certain legal conditions, also be subject to the State Intercept.

State Shared Sales Tax Revenue

Pursuant to Idaho Code 63-3638 (10), State Shared Sales Tax revenue is distributed through a revenue sharing account held by the State Treasury to cities, counties and special districts (the "State Shared Sales Tax Revenues"). Distributions to cities and counties are made at the end of each quarter, which is September 30, December 30, March 31, and June 30.

In 2003, the Idaho Legislative Session took two actions related to sales taxes. First, it increased the sales tax rate for the two-year period from May 1, 2003, through June 30, 2005. Second it reduced the amount available for distribution to the State Shared Revenue account through July 31, 2005. Similarly, in a special session in August 2006, the Idaho State Legislature increased the sales tax rate from 5 percent to 6 percent, effective October 1, 2006, and eliminated the M&O Levy on property taxes that supported public school districts.

Sales Tax Rates and Allocation to State Shared Revenue Account

Fiscal Year	Sales Tax Rate	Allocation Percentage to State Shared Revenue Account
2007 to 2021	6%	11.50%
2006	5-6 ⁽¹⁾	13.75 ⁽²⁾
2005	6	11.50
2004	6	11.50
2003	5-6 ⁽³⁾	13.75

(1) Distribution based on the State's 5 percent sales tax rate.

(2) In a special session of the Idaho State Legislature in August 2006, the M&O Levy that supported public school districts was replaced with a one percent increase to the State's sales tax, effective October 1, 2006, raising the sales tax rate to 6 percent from 5 percent.

(3) Changed to 6 percent on May 1, 2003.

Source: Idaho Tax Commission Annual Reports.

The State Shared Sales Tax Revenues consist of eleven and one-half percent of all State Sales Tax Moneys collected under the Revenue and Taxation Act that is continuously appropriated for distribution to the revenue sharing account in the State Treasury. The State Shared Sales Tax Revenues are to be distributed as follows:

- (i) 45.2 percent to cities. The revenue-sharing amount calculated by the State Tax Commission for the cities for each quarter of fiscal year 2020 shall be the base amount for current quarterly revenue distribution amounts. The State Tax Commission shall calculate the per capita distribution for each city resulting from the previous fiscal year's distribution.

If the revenue-sharing account from the same quarter of the previous fiscal year has not changed, then the cities receive the same amount received for the same quarter of the previous fiscal year.

If the balance of the revenue-sharing account is greater than the balance of the revenue-sharing account for the same quarter of the previous fiscal year, then:

(1) if the distributions made to the cities during the same quarter of the previous fiscal year were below the base amount established in fiscal year 2020, the cities shall receive a proportional increase up to the base amount for each city not to exceed a one percent (1.00%) increase of such base amount and any remaining moneys shall be distributed to cities with below-average per capita distribution in the proportion to that city's population to the population of all cities within the State with below-average per capita distributions; or

(2) if the distributions made to the cities during the same quarter of the previous fiscal year were at or above the base amount established in fiscal year 2020, the cities shall receive the same distribution they received during the same quarter of the previous fiscal year plus a proportional increase up to one percent (1.00%) and any remaining moneys shall be distributed to cities with below-average per capita distribution in the proportion to that city's population to the population of all cities within the State with below-average per capita distributions.

If the balance of the revenue-sharing account for the current quarter is less than the balance of the revenue-sharing account for the same quarter of the previous fiscal year, then the cities shall first receive a proportional reduction down to the base amount established in fiscal year 2020. If further reductions are necessary, the cities shall receive reductions based on the proportion of such city's population to the population of all cities within the State.

(ii) 47.1 percent to the counties.

59.8 percent of such amount shall be distributed as follows:

(1) one forty-fourth (1/44) of \$1,320,000 shall be distributed annually to each of the forty-four (44) counties within the State (\$30,000 to each county); and

(2) the balance shall be paid to the counties in proportion to each respective county's population to the population to the State.

40.2 percent of such amount shall be distributed as follows:

(1) Each county that received a payment under the provisions of Section 63-3638(e), Idaho Code, as that subsection existed immediately prior to July 1, 2000, in the fourth quarter of calendar year 1999, shall be entitled to a like amount during succeeding calendar quarters.

(2) If the dollar amount available under Section 63-3638(10)(b)(ii), Idaho Code, in any quarter does not equal the amount paid in the fourth quarter of the calendar year 1999, then each county's payment shall be reduced proportionately.

(3) If the dollar amount available under Section 63-3638(10)(b)(ii), Idaho Code, in any quarter exceeds the amount paid in the fourth quarter of calendar year 1999, then each county shall be entitled to a proportionately increased payment, but such increase shall not exceed one hundred five percent (105%) of the total payment made in the fourth quarter of calendar year 1999.

(4) If the dollar amount available under Section 63-3638(10)(b)(ii), Idaho Code, in any quarter exceeds one hundred five percent (105%) of the total payment made in the fourth quarter of calendar year 1999, any amount over and above such percentage shall be paid to the counties in proportion to each county's population to the population of the State.

(iii) 7.7 percent to the various counties for distribution to special purpose districts.

The Tax Commission collects State Sales Tax Moneys and conducts audits on such taxes. In addition, the Tax Commission collects hotel/motel room sales tax, corporate net income tax, electricity tax, estate tax, illegal drug stamp act tax, mine license tax, and personal income tax.

Pursuant to the Act, the outstanding Series 2004A Bonds and the Series 2008D Bonds are subject to the State Intercept under certain circumstances. All outstanding Bonds issued after July 1, 2008, including the Series 2009C Bonds, the Series 2010A Bonds, the Series 2011A Bonds, the Series 2012A Bonds, the Series 2012B Bonds, the Series 2012C Bonds, the Series 2012D Bonds, the Series 2013A Bonds, the Series 2013B Bonds, the Series 2014A Bonds, the Series 2014B Bonds, the Series 2014C Bonds, the Series 2015A Bonds, the Series 2015B Bonds, the Series 2017A Bonds, the Series 2017B Bonds, the Series 2017C Bonds, the Series 2018A Bonds, and the Series 2020A/B Bonds are by law subject to the State Intercept. However, certain municipalities currently do not receive State payments.

Recourse to State Intercept and State Sales Tax Revenues; Repayment Procedures; Intercept Payments. Under the Loan Agreements, each Participant is required to (i) transfer funds to the Trustee at least 15 days before the Repayment Installment Date; and (ii) acknowledge the State Intercept. The Repayment procedures contained in Section 67-8727, Idaho Code, operates by law for Participants, as set forth below:

If a Participant fails to deposit sufficient funds with the Trustee to make full payment of principal of and interest on a Series 2020A/B Bonds by the tenth day prior to the Payment Date of such Series 2020A/B Bonds, the Trustee is required to notify the Authority and State Treasurer who shall intercept payments under the State Intercept, and if the State Intercept is insufficient for the respective Participant whose Loan Agreement requires the State Intercept for the State Treasurer to transfer the full payment of principal and interest on such Series 2020A/B Bonds, the State Treasurer is required, pursuant to Section 67-8727(1)(e)(ii)(A), to give notice to the Tax Commission, and, pursuant to Section 67-8716 (2) Idaho Code, to give notice to the State Controller, certifying the amount of the deficiency, at least five (5) days prior to the Payment Date of such Series 2020A/B Bonds. After receipt of the certified notice from the State Treasurer, the State Controller shall, pursuant to the Act: (i) immediately fix the amount necessary in the amount of the deficiency stated in the notice; and (ii) cause State sales tax receipts in the General Fund to be transferred from the General Fund and be deposited in the Bond Bank Authority Fund to be used to pay debt service on such Series 2020A/B Bonds; provided however, that the transfer of moneys from the State sales tax receipts in the General Fund, under the provisions of Section 67-8716 of the Act, shall not impede or otherwise affect the payment of sales tax moneys pledged for the payment on other bonds outstanding as of July 1, 2001, if any, or tax anticipation notes issued by the State pursuant to Section 63-3202, Idaho Code. There have not been any such "other bonds" outstanding as of July 1, 2001 or subsequent to that date.

If the State has made all or part of a Repayment Installment from moneys transferred from the State sales tax receipts in the General Fund pursuant to Section 67-8716, Idaho Code, on behalf of a Participant, the Participant shall: (a) reimburse all moneys drawn by the State Treasurer on its behalf; (b) pay interest to the State on all moneys paid by the State from the date the moneys are drawn to the date they are repaid at a rate not less than the average prime rate for national money center banks plus 5 percent; and (c) pay all penalties required by the Act.