OFFICIAL STATEMENT DATED AUGUST 3, 2021

NEW ISSUE
BOOK-ENTRY ONLY

RATINGS (See "RATINGS" herein)
Ratings
Fitch: A+
Moody's: A1

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Series 2021 Bonds is excluded from gross income subject to federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and interest on the Series 2021A Bonds is not a specific preference item for purposes of the federal alternative minimum tax as defined in Section 55(b)(2) of the Internal Revenue Code, but interest on the Series 2021B Bonds is a specific preference item for purposes of the federal alternative minimum tax. Interest on the Series 2021 Bonds is excluded from Idaho tax under present Idaho income tax laws. See "TAX MATTERS."

$36,450,000
City of Boise City, Idaho
Airport Revenue and Revenue Refunding Bonds,
Series 2021A (Non-AMT)
(Public Parking Facilities Project)

$19,750,000
City of Boise City, Idaho
Airport Revenue Bonds,
Series 2021B (AMT)
(Employee Parking Facilities Project)

Dated: Date of Delivery

Due: September 1, as shown on inside cover

The City of Boise City, Idaho Airport Revenue and Revenue Refunding Bonds, Series 2021A (Non-AMT) (Public Parking Facilities Project) (the "Series 2021A Bonds") are being issued (i) to design, acquire and construct certain public parking facilities (the "Public Parking Project") at the Boise Airport Terminal/Gowen Field (the "Airport"), (ii) to currently refund certain of the City's outstanding Airport Revenue Bonds, Series 2012 (the "Refunding Project"), (iii) to satisfy a portion of the debt service reserve fund requirement for the Series 2021 Bonds (hereafter defined), (iv) to fund capitalized interest on the Series 2021A Bonds, and (v) to pay the costs of issuing the Series 2021A Bonds.

The City of Boise City, Idaho Airport Revenue Bonds, Series 2021B (AMT) (Employee Parking Facilities Project) (the "Series 2021B Bonds" and together with the Series 2021A Bonds, collectively, the "Series 2021 Bonds"), are being issued (i) to design, acquire and construct certain employee parking facilities (the "Employee Parking Project" and together with the Public Parking Project, collectively the "Project") at the Airport, (ii) to satisfy a portion of the debt service reserve fund requirement for the Series 2021 Bonds, (iii) to fund capitalized interest on the Series 2021B Bonds, and (iv) to pay the costs of issuing the Series 2021B Bonds.

Interest on the Series 2021 Bonds accruing from the date of delivery is payable on March 1 and September 1 of each year, commencing March 1, 2022. The Series 2021 Bonds are subject to optional and mandatory sinking fund redemption as further described herein under "DESCRIPTION OF THE SERIES 2021 BONDS - Redemption Provisions."

The Series 2021 Bonds will be issued and secured pursuant to a Trust Indenture dated as of August 1, 2021 (the "Indenture") between the City of Boise City, Idaho (the "City") and Zions Bancorporation, National Association, as trustee (the "Trustee"). **THE BONDS ARE LIMITED OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM THE NET REVENUES AS DEFINED IN THE INDENTURE. THE CITY'S PAYMENT OBLIGATIONS ARE SECURED BY A SECURITY INTEREST IN (I) THE NET REVENUES DERIVED BY THE CITY FROM ITS AIRPORT FACILITIES AND PROPERTIES, AND (II) THE FUNDS AND ACCOUNTS CREATED UNDER THE INDENTURE, AS DESCRIBED UNDER "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, STATE OF IDAHO, NOR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED FOR PAYMENT OF THE SERIES 2021 BONDS**. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

When issued, the Series 2021 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2021 Bonds. Purchases of beneficial interests in the Series 2021 Bonds will be made in book-entry form, in denominations of $5,000 and integral multiples thereof. Purchasers will not receive bonds representing their interests in the Series 2021 Bonds, except as described herein. So long as DTC or its nominee is the registered owner of the Series 2021 Bonds, payments of principal of and interest on the Series 2021 Bonds will be made directly to DTC or to such nominee. Disbursement of such payments to DTC's Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct Participants and the Indirect Participants. See APPENDIX F - "BOOK-ENTRY SYSTEM."

The Series 2021 Bonds are offered when, as and if delivered and received by Raymond James & Associates, Inc. (the "Underwriter"), subject to approving legal opinions of Skinner Fawcett LLP, Boise, Idaho, Bond Counsel, and certain other conditions. Certain matters will be passed upon by Hawley Troxell Ennis & Hawley LLP, as underwriter's counsel to Raymond James. It is expected that the Series 2021 Bonds will be available for delivery to the Trustee on behalf of DTC by Fast Automated Securities Transfer on or about August 17, 2021.

RAYMOND JAMES

$36,450,000 Airport Revenue and Revenue Refunding Bonds,
Series 2021A (Non-AMT) (Public Parking Facilities Project)

MATURITY SCHEDULE

Maturity (Sept. 1)	Principal Amount	Interest Rate	Yield	CUSIP* Number 097428
2022	$410,000	4.000%	0.150%	DK9
2023	435,000	4.000	0.160	DL7
2024	630,000	4.000	0.220	DM5
2025	650,000	4.000	0.340	DN3
2026	680,000	4.000	0.470	DP8
2027	705,000	5.000	0.600	DQ6
2028	740,000	5.000	0.740	DR4
2029	780,000	5.000	0.840	DS2
2030	815,000	5.000	0.960	DT0
2031	860,000	5.000	1.040	DU7
2032	900,000	5.000	1.110(1)	DV5
2033	945,000	5.000	1.180(1)	DW3
2034	990,000	5.000	1.230(1)	DX1
2035	1,040,000	5.000	1.280(1)	DY9
2036	1,095,000	5.000	1.320(1)	DZ6

Maturity (Sept. 1)	Principal Amount	Interest Rate	Yield	CUSIP* Number 097428
2037	$1,150,000	5.000%	1.350%(1)	EA0
2038	1,205,000	5.000	1.380(1)	EB8
2039	1,265,000	5.000	1.410(1)	EC6
2040	1,330,000	5.000	1.460(1)	ED4
2041	1,395,000	5.000	1.490(1)	EE2
2046(2)	8,095,000	5.000	1.620(1)	EF9
2051(2)	10,335,000	5.000	1.690(1)	EG7

1 Priced to the call date of September 1, 2031.
2 Term bond stated maturity

$19,750,000 Airport Revenue Bonds, Series 2021B (AMT)
(Employee Parking Facilities Project)

MATURITY SCHEDULE

Maturity (Sept. 1)	Principal Amount	Interest Rate	Yield	CUSIP* Number 097428
2024	$395,000	4.000	0.370%	EH5
2025	410,000	4.000	0.500	EJ1
2026	425,000	4.000	0.650	EK8
2027	440,000	4.000	0.800	EL6
2028	460,000	4.000	0.950	EM4
2029	480,000	4.000	1.070	EN2
2030	500,000	4.000	1.190	EP7
2031	520,000	4.000	1.280	EQ5
2032	540,000	4.000	1.380(1)	ER3
2033	560,000	4.000	1.470(1)	ES1
2034	580,000	4.000	1.560(1)	ET9
2035	605,000	4.000	1.640(1)	EU6
2036	630,000	4.000	1.670(1)	EV4

Maturity (Sept. 1)	Principal Amount	Interest Rate	Yield	CUSIP* Number 097428
2038(2)	$1,335,000	4.000	1.730%(1)	EX0
2040(2)	1,445,000	4.000	1.810(1)	EZ5
2041	765,000	5.000	1.710(1)	FA9
2046(2)	4,355,000	4.000	1.990(1)	FB7
2051(2)	5,305,000	4.000	2.040(1)	FC5

1 Priced to the call date of September 1, 2031.
2 Term bond stated maturity

* CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Capital IQ.

CITY OF BOISE CITY, IDAHO
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www.cityofboise.org*

CITY COUNCIL

Name	Position	Term Expires
Lauren McLean	Mayor	December 31, 2023
Elaine Clegg	President	December 31, 2023
Lisa Sanchez	Pro Tem	December 31, 2021
Holli Woodings	Member	December 31, 2021
T. J. Thomson	Member	December 31, 2021
Patrick Bageant	Member	December 31, 2023
Jimmy Hallyburton	Member	December 31, 2023

ADMINISTRATION

Rebecca Hupp, Airport Director
Kathleen Watkins, Airport Deputy Director of Finance
Lynda Lowry, CFO & Director of Finance Administration;
Ex-Officio City Clerk and Treasurer
David Hasegawa, City Deputy Treasurer
Kelley Fleming, Assistant City Attorney

AIRPORT COMMISSION

Frank Walker, Chairman
Meg Carlson, Vice Chair
Russell Westerberg
Major General Gary Sayler
Bill Vasconcellos
Garrett Nancolas
Jamie Boesiger
Elaine Clegg & Patrick Bageant, City Council Liaisons

BOND COUNSEL

Skinner Fawcett LLP
Boise, Idaho

UNDERWRITER'S COUNSEL

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Boise, Idaho

FINANCIAL ADVISOR

PFM Financial Advisors, LLC
San Francisco, California

TRUSTEE

Zions Bancorporation, National Association
Boise, Idaho

INDEPENDENT AUDITORS

Eide Bailly LLP
Boise, Idaho

VERIFICATION AGENT

Samuel Klein and Company, Certified Public Accountants
Newark, New Jersey

*The City's website is not incorporated into this Official Statement by this reference and is not a part hereof.

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The information contained in this Official Statement has been obtained from the City and other sources deemed to be reliable, but no representation or guarantee is made by the Underwriter as to the accuracy or completeness of such information, and nothing contained in this Official Statement is or shall be construed or relied upon as a guarantee, promise or representation by the Underwriter.

This Official Statement is submitted in connection with the sale of the Series 2021 Bonds described herein and may not be reproduced or used, in whole or in part, for any other purpose. All quotations from and summaries and explanation of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statement made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Series 2021 Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction. No dealer, salesman nor any other person has been authorized by the City to give any information or to make any representations, other than those contained herein, in connection with the offering of the Series 2021 Bonds, and, if given or made, such information or representations must not be relied upon as having been authorized by the City or any other person.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2021 BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES 2021 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET; SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE.

NEITHER THE SERIES 2021 BONDS NOR THE INDENTURE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED, AND SECTION 304(a)(4) OF THE TRUST INDENTURE ACT OF 1939, AS AMENDED. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2021 BONDS AND THE INDENTURE IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2021 BONDS AND THE INDENTURE HAVE BEEN REGISTERED OR QUALIFIED, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SERIES 2021 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Cautionary Note Regarding Forward-Looking Statements

This Official Statement contains disclosures which contain "forward–looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Forward–looking statements include all statements that do not relate solely to historical or current facts, and can be identified by use of words like "believe," "intend," "expect," "project," "forecast," "estimate," "anticipate," "plan," "continue," or similar expressions or by the use of future or conditional verbs such as "may," "will," "should," "would," or "could." These forward–looking statements are based on the current plans and expectations of the City and are subject to a number of known and unknown uncertainties and risks, many of which are beyond their control and/or difficult or impossible to predict, that could significantly affect current plans and expectations and the Airport's future financial position, including but not limited to changes in general economic conditions, demographic trends and State and federal funding of programs which benefit the Airport. As a consequence, current plans, anticipated actions and projected or future financial positions and liquidity may differ materially from those expressed in (or implied by) any forward– looking statements made by the City or the Airport Consultant in this Official Statement based on a number of factors, including, among others, the amount of General Revenues, cost reduction, capital markets condition, future long-term and short-term borrowings, the financial condition of the City, potential legislative or other actions, pandemics, including but not limited to COVID-19, epidemics and natural disasters and other risks and uncertainties discussed under the captions "IMPACT OF COVID-19 PANDEMIC ON AIRPORT" and "CERTAIN INVESTMENT CONSIDERATIONS." Such forward-looking statements include, but are not limited to, certain statements contained in Appendix A – Report of the Airport Consultant attached hereto. The Report of the Airport Consultant should be read in its entirety, including any notes and assumptions set forth therein.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN REVIEW OF THE TERMS OF THE SERIES 2021 BONDS, THE OFFERING THEREOF AND THE SECURITY THEREFOR, INCLUDING BUT NOT LIMITED TO THE COLLECTION OF GENERAL REVENUES AS THE PRINCIPAL SOURCE OF PAYMENT OF THE SERIES 2021 BONDS, AND THE MERITS AND RISKS INVOLVED IN A DECISION TO PURCHASE SERIES 2021 BONDS. THE SERIES 2021 BONDS HAVE NOT BEEN APPROVED, DISAPPROVED OR RECOMMENDED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHER, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

TABLE OF CONTENTS

OFFICIAL STATEMENT

$36,450,000 City of Boise City, Idaho Airport Revenue and Revenue Refunding Bonds, Series 2021A (Non-AMT) (Public Parking Facilities Project)

$19,750,000 City of Boise City, Idaho Airport Revenue Bonds, Series 2021B (AMT) (Employee Parking Facilities Project)

INTRODUCTION

The purpose of this Official Statement, which also includes the cover page, inside cover page, table of contents and appendices, is to provide information concerning the issuance of $36,450,000 aggregate principal amount of City of Boise City, Idaho Airport Revenue and Revenue Refunding Bonds, Series 2021A (Non-AMT) (Public Parking Facilities Project) (the "Series 2021A Bonds") and $19,750,000 aggregate principal amount of City of Boise City, Idaho Airport Revenue Bonds, Series 2021B (AMT) (Employee Parking Facilities Project) (the "Series 2021B Bonds" and together with the Series 2021A Bonds, collectively, the "Series 2021 Bonds"). The City has appointed Zions Bancorporation, National Association, as the trustee (the "Trustee") for the Series 2021 Bonds.

The Series 2021 Bonds are issued pursuant to a Trust Indenture dated as of August 1, 2021 (the "Indenture") to be entered into between the City of Boise City, Idaho (the "City") and the Trustee. Capitalized terms used in this Official Statement but not defined have the meanings set forth in the Indenture, a form of which is included in this Official Statement as Appendix B.

The City

The City, organized in 1866, is located in the Southwest portion of Idaho and serves as the Idaho State capital and the County Seat of Ada County. The City is the largest municipality in Idaho and has an estimated population of 241,590 as of April 1, 2021. The City is governed by a Mayor and a six-member City Council. See "THE CITY OF BOISE." The City is the principal business and government center of the Boise Metropolitan Statistical Area, which had an estimated population of 749,202 as of 2019 (the "Boise MSA").

Purpose and Authorization of the Series 2021 Bonds

The proceeds of the Series 2021A Bonds, together with certain City funds, will be applied (i) to design, acquire and construct certain public parking facilities (the "Public Parking Project") at the Boise Airport Terminal/Gowen Field (the "Airport"), (ii) to currently refund certain of the City's outstanding Airport Revenue Bonds, Series 2012 (the "Refunding Project"), (iii) to satisfy a portion of the debt service reserve fund requirement for the Series 2021 Bonds (hereafter defined), (iv) to fund capitalized interest on the Series 2021A Bonds, and (v) to pay the costs of issuing the Series 2021A Bonds. See "THE PROJECT – Description of the Public Parking Project" and "THE PROJECT – Refunding Project" herein.

The proceeds of the Series 2021B Bonds will be applied (i) to design, acquire and construct certain employee parking facilities (the "Employee Parking Project" and together with the Public Parking Project, collectively the "Project") at the Airport, (ii) to satisfy a portion of the debt service reserve fund requirement for the Series 2021 Bonds, (iii) to fund capitalized interest on the Series 2021B Bonds, and

(iv) to pay the costs of issuing the Series 2021B Bonds. See "THE PROJECT – Description of the Employee Parking Project" herein.

The Series 2021 Bonds are authorized under Article VIII, Section 3E of the Constitution of the State of Idaho, the Revenue Bond Act, Sections 50-1027 through 50-1042, inclusive, Idaho Code, and Section 21-401, Idaho Code (collectively, the "Act") relating to issuance of revenue bonds, without approval of the electorate, to finance the acquisition and construction of "airport facilities" as defined in the Act. On July 13, 2021 the City Council adopted a resolution authorizing the issuance and sale of the Bonds.

Security and Sources of Payment for the Series 2021 Bonds

The Series 2021 Bonds are limited obligations of the City, secured by Net Revenues (as defined in the Indenture) in the City's Airport Enterprise Fund and are not a general obligation of the City. The Series 2021 Bonds shall be payable solely out of the Net Revenues in the Airport Enterprise Fund. The Net Revenues of the City's current and future airport facilities and properties, whether situated within or outside of the City's boundaries, are pledged to the payment in full of the Bonds, and on a parity with any additional obligations permitted under the Indenture. The Net Revenues in the Airport Enterprise Fund also secure the City's Airport Revenue Bonds, Subordinate Series 2015 (Aircraft Maintenance Facilities Project) (the "Subordinate Series 2015 Bonds") on a subordinate basis. Excluded from Net Revenues are passenger facility charge revenues ("PFC Revenues"), grant revenues (except those received from the federal government as stimulus, relief or recovery funds, which, by the terms of the grant, may be used by the City to pay debt service), and customer facility charges levied and collected by rental car company tenants of the Airport ("CFC Revenues") (collectively, the "Excluded Revenues"). ***The Series 2021 Bonds are not secured by or payable from PFC Revenues or CFC Revenues.*** See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

The City has reserved the right in the Indenture to incur additional obligations payable from Net Revenues as further described under "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Issuance of Additional Obligations Secured by Net Revenues" herein.

COVID-19

The worldwide outbreak of a highly contagious, upper respiratory tract illness caused by a novel strain of coronavirus ("COVID-19") has caused significant disruptions to domestic and international air travel, including both passenger traffic and cargo operations at airports, and has had significant negative and adverse effects on the economies of the State, the nation, and the world. Certain of the information in this Official Statement that describes historical Net Revenues of the City's Airport Enterprise Fund, financial affairs, operations and general economic conditions predates the COVID-19 pandemic or was prepared before the outbreak of COVID-19. Such "pre-COVID-19" information should be considered in light of the negative and adverse impacts from COVID-19 subsequent to the dates of such data.

Airports in the United States, as well as airlines, have been acutely affected by interruptions in travel, reductions in passenger volumes and flights, as well as by the broader economic slowdown resulting from the COVID-19 pandemic. The outbreak has adversely affected domestic and international travel and travel-related industries. In addition, with many states instituting stay-at-home orders and many businesses closing or permitting employees to work from home, business travel has been more severely impacted than leisure travel. Airlines have reported unprecedented reductions in passenger volumes, causing the cancellation of numerous flights and a dramatic reduction in network capacity. Currently, this reduction in demand and capacity is expected to continue in the near term, although with modest incremental improvement. In response, airlines have "right-sized" their aircraft fleet mix and reduced flights and personnel in an attempt to match capacity to reduced demand for air travel.

The outbreak of COVID-19 and resultant restrictions have had an adverse effect on airlines serving the Airport, Airport concessionaires and the City's revenues as more fully discussed in this Official Statement. The Airport has experienced a sharp decline in activity since March 2020. Since the onset of the outbreak of the COVID-19 pandemic, April 2020 represented the low point in terms of enplaned passengers at the Airport, which amounted to only 6% of the passenger volume from April 2019. By the end of the Fiscal Year, September 2020, passenger volumes were up to 53% of the passenger volume from September 2019 and in May 2021, passenger volumes were 85.7% of May 2019 levels. As of June 30, 2021, the Airport reported enplaned passengers were almost equal to June 2019 levels.

Retail, food and other service concessionaires located in terminal facilities at the Airport have reported significant declines in sales, and many of the locations were temporarily closed as a result of reduced passenger traffic. Most concessionaires are now open. In addition, the reduction in air travel has had an adverse effect on parking, ground transportation companies and rental car activity and, consequently, such related revenues for the Airport.

COVID-19 developments, and associated governmental and regulatory responses, are rapidly changing and cannot be predicted with any assurance. For a more detailed discussion of the impact of the COVID-19 pandemic on the Airport, see "IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT." For a discussion of the current and projected effects of the COVID-19 pandemic on the operations, revenues and expenses of the Airport, see APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT."

Certain Investment Considerations

The Series 2021 Bonds may not be suitable for all investors and may involve investment risk. Prospective purchasers of the Series 2021 Bonds should read this entire Official Statement, including "CERTAIN INVESTMENT CONSIDERATIONS." Such sections contain a discussion of certain risks relating to the Series 2021 Bonds and the airline industry in particular.

Factors Affecting the Airline Industry

Many factors and events affect the air transportation industry, many of which the industry cannot control. For example, general economic conditions, international conflicts, increased security requirements in air transportation, the threat of future domestic and international terrorist attacks, significant increases in fuel costs and the outbreak and transmission of certain communicable sicknesses (such as COVID-19, avian flu, SARS and the Zika virus), a growing shortage of airline pilots, and airline consolidation have adversely affected the air transportation industry, including operations of the airlines at the Airport, in recent years or may do so in the future. For a more complete discussion of recent events affecting the Airport and the airlines that use the Airport, see "CERTAIN INVESTMENT CONSIDERATIONS – General Factors Affecting the Airline Industry."

Report of the Airport Consultant

The Airport has retained LeighFisher/Jacobs to serve as the airport consultant (the "Airport Consultant") in connection with the issuance of the Series 2021 Bonds. The Airport Consultant has prepared the Report of the Airport Consultant dated July 27, 2021 (the "Report"). The Report takes into consideration the Subordinate Series 2015 Bonds and the Series 2021 Bonds to determine the City's ability to meet the rate covenant requirements for the Series 2021 Bonds. The Airport Consultant has provided its consent to include the Report in this Official Statement. See APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT."

Continuing Disclosure

The City has covenanted for the benefit of the holders and beneficial owners of the Series 2021 Bonds to provide certain financial information and operating data and to give notices of certain events to assist the Underwriter in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5). See "CONTINUING DISCLOSURE."

Miscellaneous

Brief descriptions of the Series 2021 Bonds, the City and certain statutes, agreements, reports and other instruments are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the statutes, agreements, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, report or other instrument. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof.

This Official Statement is not to be construed as a contract or agreement between the City and purchasers or owners of any of the Series 2021 Bonds.

IMPACT OF COVID-19 PANDEMIC ON AIRPORT

General

The World Health Organization has declared a pandemic following the outbreak of coronavirus disease 2019 ("COVID-19"), a respiratory disease caused by a new strain of coronavirus that is currently negatively impacting most, if not all, areas of the world, including the United States and the State. Within the United States, the federal government and various state and local governments, as well as private entities and institutions, have implemented a variety of different efforts aimed at mitigating the spread of COVID-19 including, but not limited to, travel restrictions, voluntary and mandatory quarantines, event postponement and cancellations, voluntary and mandatory work from home arrangements, and facility closures. The impact of these various measures, as well as general concerns related to the global and national public health emergency and other contributing factors, have also resulted in dislocations in the labor market and stress on the global and national economies.

In March 2020, the Governor of the State of Idaho (the "Governor") proclaimed a state of emergency throughout the State and subsequently issued a further declaration and an Order to Self-Isolate, requiring that people cease leaving their home or place of residence except to conduct or participate in essential activities, essential government functions, or to operate essential business through April 2020.

On April 23, 2020, the Governor announced a phased plan for allowing economic activity to increase. The plan occurs over four stages and sets forth specific criteria for the State to meet before moving into each of the four stages, as well as business protocols that must be followed for certain business to open in the various stages. The State progressed through Stages 1, 2 and 3 in two-week intervals as originally estimated, entering Stage 4 on June 13, 2020, before returning to Stage 3. As of May 11, 2021, the State is in stage 4, which allows for all businesses to operate, and no limits on gatherings, both public and private, recommends face coverings for the general public, and face covering requirements at long-term health facilities remain in effect. County officials are allowed to move back one or more stages as they deem appropriate. Ada County is currently in stage 4.

There is no basis to predict how long the public health crisis caused by COVID-19 will continue. Likewise, there is no basis to predict how long the current level of restrictions may remain in place or whether the Governor may determine to loosen or tighten any of the restrictions in one or more localities or regions of the State.

Under the auspices of the federal government's program called Operation Warp Speed, three vaccines have recently been developed to combat COVID-19, with broad distribution available to the general pubic as of May 2021.

Airports in the United States have been acutely impacted by the COVID-19 pandemic and the broad-based economic shutdown resulting from efforts to stop the spread of COVID-19, including reductions in flights and declines in passenger volumes. The outbreak has adversely affected domestic and international travel and travel-related industries. Airlines reported unprecedented downturns in passenger volumes and experienced reduced levels of passenger volumes, which in turn, resulted in a considerable reduction in scheduled service.

Nationally, according to the Transportation Security Administration ("TSA"), the number of passengers screened at all U.S. airports decreased by 50% in March 2020 and by 95% in April 2020 relative to the same months in 2019. The numbers have gradually increased and as of November 2020 have reached 35% of 2019 levels. However, at the Airport, enplaned passengers for Fiscal Year 2020 were 38.1% below the prior year. During the first eight months of Fiscal Year 2021, passenger traffic decreased 36.3% compared with the same period in Fiscal Year 2019 and 14.8% compared with Fiscal Year 2020.

Impact on Airport Activity and Airport Revenues

After reaching a record level of enplaned passengers in Fiscal Year 2019, a strong year-over-year growth in the number of passengers at the Airport continued through February 2020. Since March 2020, the Airport, similar to most other airports around the nation, experienced steep declines in passenger volumes as a result of the COVID-19 pandemic. During the first 9 months of Fiscal Year 2021 (October 2020 through June 2021), passenger traffic at the Airport has accounted for an increasing share of 2019 passenger levels, reaching 80% in April 2021, nearly 86% in May 2021 and nearly 100% in June 2021. The following table shows monthly enplaned passengers at the Airport in 2018 through June 2021.

(Remainder of page left intentionally blank.)

Table One
Airport Monthly Enplaned Passengers

Month	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Percent of 2019 levels 2020	Percent of 2019 levels 2021
October	151,465	171,799	181,630	93,947	105.7%	51.7%
November	156,418	166,427	170,300	88,049	102.3	51.7
December	154,446	163,753	184,024	89,195	112.4	48.5
January	140,482	152,091	161,281	78,872	106.0	51.9
February	130,890	140,332	150,913	81,232	107.5	57.9
March	151,023	167,299	80,422	117,953	48.1	70.5
April	146,823	151,847	8,926	121,565	5.9	80.1
May	162,140	174,706	25,382	149,736	14.5	85.7
June	179,574	183,850	52,196	183,749	28.4	99.9
July	183,815	191,209	75,777		39.6	
August	178,659	187,113	81,012		43.3	
September	163,031	175,534	81,739		46.6	
Total	1,898,766	2,025,960	1,253,602		61.9	
First 9 months (October – June)	1,373,261	1,472,104	1,105,074	1,004,298	69.0	68.2

Annual percent increase (decrease)	2019	2020	2021
October	13.4%	5.7%	(48.3%)
November	6.4	2.3	(48.3)
December	6.0	12.4	(51.5)
January	8.3	6.0	(51.1)
February	7.2	7.5	(46.2)
March	10.8	(51.9)	46.7
April	3.4	(94.1)	1261.9
May	7.8	(85.5)	489.9
June	2.4	(71.6)	
July	4.0	(60.4)	
August	4.7	(56.7)	
September	7.7	(53.4)	
Total	6.7	(38.1)	
First 9 months (October – June)	7.2	(31.0)	(1.1)

Source: Report of Airport Consultant – Table 10

Since the COVID-19 outbreak, there have been corresponding declines in demand for airport concessions including terminal services, rental car transactions, parking and ground transportation services.

Impact on Revenues for Fiscal Year 2020

For Fiscal Year ending June 30, 2019, operating revenues were approximately $36.3 million; for Fiscal Year ending June 30, 2020, the Airport's operating revenues were approximately $27.4 million. The decrease in operating revenues principally resulted from the decrease in enplanements caused by the COVID-19 pandemic. See "-Federal Support for Airports and Airlines (CARES Act)" below, as well as "AIRPORT FINANCIAL INFORMATION." The latter section, in addition, also describes the Airport's budget for Fiscal Year 2022. Certain forward looking financial information regarding the Airport's financial performance is set forth in "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT". See also "REPORT OF THE AIRPORT CONSULTANT."

Reduced Air Service

Domestic air travel throughout the nation has been severely curtailed by the COVID-19 pandemic. Airlines at the Airport are continually evaluating their flight schedules, resulting in flight cancellations on a daily basis and ongoing revisions to flight schedules. From time to time, states have issued quarantine orders, which have resulted in additional flight cancellations. The Airport anticipates the reduced level of scheduled airline service to continue and cannot predict the duration.

As described above, flight operations during the remainder of Fiscal Year 2020-21 and beyond will depend in significant part on developments relating to the COVID-19 pandemic. There can be no assurances that negative developments relating to the COVID-19 pandemic will not result in declines in capacity, departures, or passenger activity at the Airport and result in further material adverse declines in revenues. See – Airline Service" above and APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT" for a discussion of the impact of COVID-19 on air service at the Airport. By the end of Fiscal year 2021, the Airport will offer nonstop service to 28 destinations, which is close to the 31 destinations it offered in 2019. Furthermore, destinations which were not restored in 2021, may be renewed in 2022.

Temporary Tenant Relief Program

In addition to reductions in both international and domestic air travel, the Airport has experienced significant reductions in operations at concessions at the Airport. The decreased passenger activity resulting from COVID-19 has negatively affected full-service dine-in restaurants and other concessionaires at the Airport. Most concessionaires initially closed operations at the Airport as a result of the COVID-19 pandemic. Many have subsequently resumed operations as activity at the Airport has gradually increased from the initial declines.

As the negative effects on airline travel at the Airport, in the U.S., and internationally caused by COVID-19 became more apparent, the Airport took a series of operational, commercial, and financial actions to prioritize strong cash liquidity and debt service coverage, and also assist airline and non-airline partners serving the Airport. These actions included eliminating the minimum annual guarantee for April and May of 2020 and deferring rent payments for April through September of 2020. All of the deferred amounts have been paid in full and the Airport does not currently anticipate further deferrals, nor are they assumed in the financial projections contained in the Report of the Airport Consultant.

Federal Relief Efforts

The United States government, the Federal Reserve, and foreign governments are taking statutory and regulatory actions and implementing further measures to help mitigate the broad disruptive effects of the

COVID-19 pandemic on the United States and global economies. Principal federal legislative enactments to help address the crisis created by the COVID-19 pandemic in the aviation sector include the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which became law on March 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (the "CRRSAA"), which became law on December 27, 2020, and the American Rescue Plan Act (the "ARPA"), which became law on March 11, 2021. These are described in the following paragraphs.

Coronavirus Aid, Relief, and Economic Security Act

Direct aid for airports, to reimburse amounts spent for lawful airport purposes, was included in the CARES Act. Airport operators can use their CARES Act grants for any purpose for which airport revenues can lawfully be used, including, but not limited to, the payment of operating expenses on or after January 20, 2020, and the payment of debt service on or after March 27, 2020. CARES Act grants must be used within four years from the date on which the grant agreement between the airport operator and the FAA was executed, and airport operators using CARES Act grants must comply with certain other obligations, including, but not limited to, employing at least 90.0% of their staff as of March 27, 2020 through December 31, 2020. The City's most recent quarterly report to the FAA stated that, as of December 31, 2020, after permitted adjustments, the Airport was compliant with this employment requirement. The CARES Act grants are provided to the City on a reimbursement basis. The City was awarded a grant of approximately $18.9 million of such direct aid funds. As of June 30, 2021, the Airport has requested and received a total of approximately $12.7 million in CARES Act reimbursement. The table below sets forth the Airport's use of CARES Act grant funds.

In addition, the CARES Act included a provision increasing the federal share of federal fiscal year 2020 (ended September 30, 2020) Airport Improvement Program ("AIP") grants to 100%. This provision resulted in approximately $352,281 in additional funding for the City for its federal fiscal year 2020 grant-funded projects.

Coronavirus Response and Relief Supplemental Appropriations Act

The CRRSAA provides additional direct aid for airports. This includes a total of $1.75 billion in federal funding for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments, and a total of $200 million for airports to provide relief from rent and minimum annual guarantees to on-airport car rental, on-airport parking, and in-terminal airport concessions located at "primary" airports, such as the Airport. The funding for concessions relief is to be distributed based on the eligible concession's proportionate share of total rent for all eligible concessions, with prioritization given to minority-owned businesses. The City has been awarded approximately $5.9 million Airport Coronavirus Response Grant Program funds under the CRRSAA, plus an additional $440,716 to be dedicated to concessionaire relief. All airport sponsors of airports receiving funds under the CRRSAA are required to continue to employ, through September 30, 2021, at least 90% of the number of individuals employed (after making adjustments for retirements or voluntary employee separations) at the sponsored airport as of March 27, 2020 (the date of enactment of the CARES Act). The City has certified to the FAA that, as of its last quarterly report, after permitted adjustments, it was compliant with this employment requirement.

American Rescue Plan Act

The March 11, 2021 enactment of the ARPA provides an additional $8 billion in funds to be awarded as economic assistance to eligible U.S. airports. This includes a total of $6.492 billion in federal funding for primary airports, which the Airport is classified, for costs related preventing, preparing for, and responding to the COVID-19 pandemic. Awards are based on the number of annual boardings, similar to how AIP entitlement funds are received. ARPA further provides approximately $800 million in federal funding for primary airports to provide relief from rent and minimum annual guarantees to airport concessions. Of the concessions relief, 80% is required to be used to provide relief to eligible small airport concessions, as defined in the ARPA. The funding for concessions relief is to be distributed based on the eligible concession's proportionate share of total rent for all eligible concessions, and the Airport is eligible to receive approximately $17.4 million in ARPA grants, including approximately $1.8 million for concessionaire relief. The ARPA also increases to 100% the federal share for all airport development project grants awarded in federal fiscal year ("FFY") 2020-21, and all grants awarded in FFY 2019-20 with less than a 100-percent federal share, resulting in an additional $415,080 to the Airport. All airport sponsors of airports receiving funds under the ARPA are required to continue to employ, through September 30, 2021, at least 90% of the number of individuals employed (after making adjustments for retirements or voluntary employee separations) at the sponsored airport as of March 27, 2020 (the date of enactment of the CARES Act).

Future legislation may be introduced in the U.S. Congress that would provide new and/or additional financial relief to individuals, businesses and organizations affected financially by the COVID-19 pandemic and related restrictions on activity, including potential additional relief to airlines and airports. The City cannot predict whether additional federal financial support will be made available to airports (including the Airport) or airlines in the future, under what conditions, or whether the Authority would accept any such available support.

The Airport's CARES Act grants, CRRSAA grants, and ARPA grants (collectively, the "COVID-19 Relief Grants") are presented in the table below. As shown in the table, the Airport has been allocated approximately $42,730,164 million in COVID-19 Relief Grants and expects to use such funds as presented below.

Airport's Liquidity and Cash Position Throughout COVID-19 Pandemic

Despite the COVID-19 pandemic, the Airport was able to maintain adequate liquidity due in large part to years of conservative financial planning and reserve funds that were being held in anticipation of large capital upgrades. Cash and investments of $49.1 million were available as of September 30, 2020, which equals 133% of annual operating expenses. The Airport had $59.2 million of cash and investments available as of May 31, 2021. Further, as of September 30, 2021, Fiscal Year 2021 end, the Airport estimates unrestricted cash and cash equivalents of $37,004,000, providing approximately 406 days cash on hand.

Table Two
Application of COVID-19 Relief Grants

		FY2020		FY 2021			FY2022	
	Total Grants	Operating Expenses	Debt Service	Operating Expenses	Debt Service	Concession Relief	Operating Expenses	Debt Service
CARES Act	$18,930,039	$5,074,397	$5,563,540	$3,073,618	-	-	$5,218,484	-
CRRSAA	6,350,672	-	-	4,976,500	933,456	440,716	-	-
ARPA[(1)]	17,449,453	-	-	2,000,000	-	1,762,866	4,000,000	790,981
Total Relief	$42,730,164	-	-	-	-	-	-	-
Annual Totals		$5,074,397	$5,563,540	$10,050,118	$933,456	$2,203,582	$9,218,484	$790,981

[(1)] The City expects to spend the remaining $8,895,606 in Fiscal Years 2023 and 2024

Source: The Airport

Summary of the Airport's Actions in Response to COVID-19

In reaction to the pandemic and the resulting significant decline in passengers and passenger-related revenues, the City has implemented a number of financial and operational measures for the Airport, including:

- Reducing expenses where operationally possible;
- Deferring and reducing non-critical capital expenditures;
- Preparing and implementing plans to apply the COVID-19 Relief Grants;
- Providing temporary financial relief to nonairline tenants, including temporarily deferring or suspending payments due to the City from Airport concessionaires;
- Closely monitoring the Airport's liquidity levels in relation to cash flow needs;
- Requiring mask wearing for anyone entering an Airport facility or using Airport transportation;
- Increasing the cleaning of all touched public spaces, equipment, public restrooms, seating and transportation buses; and
- Adding physical distancing reminder signs and clear plastic barriers throughout all Airport facilities.

Future Impacts of the COVID-19 Pandemic Cannot Be Predicted

The City cannot predict (1) the duration or extent of the COVID-19 pandemic and its continuing impacts on the Airport and the Airport; (2) the scope or duration of the current COVID-19 pandemic and any additional restrictions or warnings related to air travel, gatherings or any other activities, and the duration or extent to which airlines will reduce services at the Airport, or whether airlines will cease operations at the Airport or shut down in response to such restrictions or warnings; (3) what additional short or long-term effects the pandemic and restrictions or warnings imposed as a result of the COVID-19 pandemic may have on air travel, including to and from the Airport, the retail and services provided by Airport concessionaires, Airport costs or revenues; (4) to what extent the COVID-19 pandemic or another outbreak or pandemic may disrupt the local, State, national or global economy, manufacturing or supply chain, or whether any such disruption may adversely impact Airport-related construction, the cost, sources of funds, schedule or implementation of the Airport's Capital Improvement Program, or other Airport operations; (5) the extent to which the COVID-19 pandemic, or the resultant disruption to the local, State, national or global economy, may result in changes in demand for air travel, or may have an impact on the airlines or concessionaires serving the Airport, or the airline and travel industry, generally; (6) whether or to what extent the City may provide additional deferrals, forbearances, adjustments or other changes to the Airport's arrangements with Airport tenants and concessionaires; or (7) the duration and extent of the material adverse effect on the finances and operations of the Airport expected to result from the foregoing.

Prospective investors should assume that the restrictions and limitations related to COVID-19, and the current upheaval to the air travel industry and the national and global economies, will continue at least over the near term, recovery may be prolonged and, therefore, have an adverse impact on Airport revenues. Future outbreaks, pandemics or events outside the Airport's control (including re-imposition of more stringent limitations on economic activity) may further reduce demand for travel, which in turn could cause a decrease in passenger activity at the Airport and declines in Airport revenues.

Inasmuch as the outbreak of the COVID-19 pandemic has caused significant disruptions to domestic and international passenger travel as well as to the conduct of day-to-day business of the Airport, the Airport requested the preparation of the Report of the Airport Consultant to consider the impacts of COVID-19 on aviation activity at the Airport and on the City's financials, including the Airport Enterprise Fund. This prospective, forward looking analysis is set forth in "REPORT OF THE AIRPORT CONSULTANT – Assumptions in the REPORT OF THE AIRPORT CONSULTANT." See also "CERTAIN INVESTMENT CONSIDERATIONS" herein. **However, any projection is subject to uncertainties and some assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the projected and actual results, and those differences may be material. The achievement of any financial forecast is dependent upon future events which cannot be assured.**

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SOURCES AND USES OF FUNDS

The proceeds of the Series 2021 Bonds are estimated to be applied as shown in the following tables:

Sources and Uses of Funds
The Series 2021 Bonds

	Series 2021A Bonds	Series 2021B Bonds
Sources of Funds:		
Principal Amount	$36,450,000.00	$19,750,000.00
Net Reoffering Premium	11,150,860.25	3,903,101.10
Transfers from Existing Reserve Fund	829,765.49	-
Transfers from Airport Enterprise Fund(1)	558,250.00	-
Airport Equity Contribution(2)		132,941.66
Total Sources	**$48,988,875.74**	**$23,786,042.76**
Uses of Funds:		
Project Fund(3)	$38,122,231.86	$22,388,417.95
Escrow Fund	8,064,800.00	-
Debt Service Reserve Fund	2,393,939.64	1,189,560.36
Costs of Issuance (4)	407,904.24	208,064.45
Total Uses	**$48,988,875.74**	**$23,786,042.76**

(1) Funds will be deposited into the Escrow Fund exclusively to defease the 2021 maturity of the Series 2012 Bonds pursuant to the Escrow Agreement, outside of the Refunding Project. See "REFUNDING PROJECT-Defeasance" below.

(2) Will be used solely for capitalized interest on the Series 2021B Bonds

(3) The Project Fund will contain two capitalized interest subaccounts and will pay interest on the respective Series 2021 Bonds. Rounding amounts are deposited into the Project Fund.

(4) Represents costs of issuing the Series 2021 Bonds, including underwriter's discount, legal and auditors' fees, fees of the Financial Advisor, fees of the Airport Consultant, verification, escrow, printing and rating agency costs. Such funds will be deposited into and paid from the Project Fund.

DESCRIPTION OF THE SERIES 2021 BONDS

General

The Series 2021 Bonds bear interest at the rates and mature in the amounts and on the dates set forth on the cover page of this Official Statement. Interest on the Series 2021 Bonds from the date of their initial delivery is to be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Series 2021 Bonds is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2022.

The Series 2021 Bonds shall be issued in fully registered form, provided that the principal or redemption price, and interest in respect thereof shall be payable from any legally available Net Revenues of the City's Airport Enterprise Fund. The Bonds shall be issued in the denomination of $5,000 each or any integral multiple thereof. Upon initial issuance, the ownership of each Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC").

DTC is to act as securities depository for the Series 2021 Bonds. Individual purchases may be made only in book-entry form. Purchasers will not receive Bonds representing their interest in the Series 2021 Bonds purchased. Except as provided in the Indenture, so long as Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the registered owner of the Series 2021 Bonds, as nominee of DTC, references herein to “Owners,” “Bond Holders” or “Registered Owners” mean Cede & Co. and not the Beneficial Owners of the Series 2021 Bonds. In this Official Statement, the term “Beneficial Owner” means the person for whom its DTC Participant acquires an interest in the Series 2021 Bonds.

So long as Cede & Co. is the registered owner of the Series 2021 Bonds, the principal of and interest on the Series 2021 Bonds are payable by wire transfer to Cede & Co. (or such other name as may be requested by an authorized representative of DTC), as nominee for DTC which, in turn, is to remit such amounts to the Direct Participants for subsequent disbursement to the Beneficial Owners. See APPENDIX F - “BOOK-ENTRY SYSTEM.”

Redemption Provisions

Series 2021A Bonds.

Optional Redemption. The Series 2021A Bonds maturing on or before September 1, 2031 are not subject to optional redemption prior to their stated dates of maturity. The Series 2021A Bonds maturing on and after September 1, 2032 are subject to redemption, in whole or in part, in maturities as selected by the City on any date on or after September 1, 2031 at a price of par plus accrued interest to the redemption date.

Mandatory Redemption. The Series 2021A Bonds with maturity dates of September 1, 2046 are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2042	1,465,000
2043	1,540,000
2044	1,615,000
2045	1,695,000
2046	1,780,000

The Series 2021A Bonds with maturity dates of September 1, 2051 are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2047	1,870,000
2048	1,965,000
2049	2,060,000
2050	2,165,000
2051	2,275,000

Series 2021B Bonds.

Optional Redemption. The Series 2021B Bonds maturing on or before September 1, 2031 are not subject to optional redemption prior to their stated dates of maturity. The Series 2021B Bonds maturing on and after September 1, 2032 are subject to redemption, in whole or in part, in maturities as selected by the City on any date on or after September 1, 2031 at a price of par plus accrued interest to the redemption date.

Mandatory Redemption. The Series 2021B Bonds with maturity dates of September 1, 2038 are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2037	655,000
2038	680,000

The Series 2021B Bonds with maturity dates of September 1, 2040 are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2039	710,000
2040	735,000

The Series 2021B Bonds with maturity dates of September 1, 2046 are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2042	805,000
2043	835,000
2044	870,000
2045	905,000
2046	940,000

The Series 2021B Bonds with maturity dates of September 1, 2051 are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2047	980,000
2048	1,020,000
2049	1,060,000
2050	1,100,000
2051	1,145,000

Defeasance

If the principal or redemption price (as the case may be) of, and interest on, any of the Series 2021 Bonds issued hereunder has been paid, or provision has been made for the payment of the same in the manner stipulated therein and in the Indenture, then such Series 2021 Bonds shall cease to be entitled to any lien, benefit or security of the Indenture, and all covenants, agreements and obligations of the City with respect to payment of the Series 2021 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS

Pledge of Net Revenues

Net Revenues.

The City pledges, assigns, and grants to the Trustee a security interest in and to (i) all moneys and securities in all funds and accounts from time to time held by the Trustee under the Indenture (except moneys and securities in the Rebate Fund) and investments, if any, thereof and earnings, if any, thereon (except for any amounts required under the Tax Certificate (as defined in the Indenture) that have not yet been deposited in the Rebate Fund); and (ii) all Net Revenues on permitted parity lien obligations, if any; and (iii) all moneys and securities and all other rights of every kind and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security under the Indenture. The lien of this pledge and security interest shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City (except as otherwise provided) irrespective of whether such parties have notice hereof. **The Bondowners may not look to any other revenues of the City for the payment of principal or interest on the Series 2021 Bonds. The Series 2021 Bonds do not constitute full faith and credit obligations of the City. NONE OF THE CITY'S GENERAL FUND REVENUES ARE PLEDGED, OR WILL BE USED, TO MAKE ANY PAYMENTS ON THE SERIES 2021 BONDS.**

The Indenture defines "Net Revenues" to mean the remaining Revenues after deducting Operation and Maintenance Expenses, as defined below. Revenues include all income and revenue derived by the City from any rates, fees, tolls and charges for the services furnished by, or for the use of, the System, and which are to be deposited to, and accounted for in, the City's Airport Enterprise Fund. See "THE AIRPORT - Airport Revenues" for a description of the categories of revenues included in Revenues. The "System" is defined in the Indenture to mean all of the City's airport facilities and properties now owned or hereafter acquired, whether within or without the City's boundaries. Excluded from Revenues are the "Excluded Revenues," which include PFC Revenues, those grant revenues that are not by the express terms of the grant allowed to be used to pay debt service, and CFC Revenues. ***The Series 2021 Bonds are not secured by or payable from Excluded Revenues.***

"Operation and Maintenance Expenses" include current expenses incurred for operation, maintenance or repair of the System of a non-capital nature, and include, without limitation, administrative and general expenses, insurance premiums, lease rentals, legal, regulatory, and engineering expenses, payments to pension, retirement, group life insurance, health and hospitalization funds or other employee benefit funds which are properly chargeable to current operations, payroll tax expenses and any other expenses required to be paid by law or permitted by generally accepted accounting principles, including legal and overhead expenses of the City directly related to the administration of the System or otherwise allocated by the City to the System in accordance with Federal Aviation Administration ("FAA") requirements and applicable in the circumstances. Operation and Maintenance Expenses do not include any allowances for depreciation or amortization or any principal, redemption price or purchase price of, or interest on, any obligations of the City incurred in connection with and payable from Revenues or any assessment levied in lieu of municipal taxes.

Rate Covenant.

Under the Indenture, the City is obligated to establish rates and charges for services rendered by the System that are reasonable and just, taking into account the cost and value of the System, Operation and Maintenance Expenses, possible delinquencies, proper allowances for depreciation, contingencies and the amounts necessary to meet all Aggregate Debt Service Requirements (as defined in the Indenture). There shall be charged against all users, including the State and its subdivisions, rates and charges sufficient to produce said Net Revenues at least equal to 125% of the maximum Aggregate Debt Service Requirements for the applicable fiscal year (the "Rate Covenant").

Before the delivery of the Series 2021 Bonds, the City is required to establish and levy the required rates and charges to meet the Rate Covenant. No reduction in any initial rate schedule may be made unless:

(i) The City has certified to the Trustee its compliance with the Rate Covenant and the other provisions of the Indenture for at least one fiscal year immediately preceding the reduction; and

(ii) The audits for the full one fiscal year immediately preceding such reduction disclose that the estimated Net Revenues resulting from the proposed rate schedule will be sufficient to meet the Rate Covenant; or

(iii) A reduction is accomplished in accordance with the City's agreements with air carriers, provided that no reduction will be permitted which will produce Net Revenues less than the Rate Covenant.

The Trustee is under no duty to monitor the City's compliance with these covenants.

The Net Revenues are intended to be used only for the City's airport purposes and cannot be transferred to other funds of the City for other purposes, unless such transfer is permissible under regulations governing the Airport and applicable accounting standards and does not cause a default in the obligations to pay Debt Service Requirements. See "AIRPORT REGULATIONS - Rates and Charges Regulation."

Flow of Funds

On or before three (3) days prior to each March 1 and September 1 during the time the Series 2021 Bonds are outstanding, the City shall pay to the Trustee for deposit in the Bond Fund established under the Indenture, an amount from Net Revenues in immediately available funds as may be necessary, after taking account of any amounts then on deposit in the Bond Fund, to pay the interest and principal payments then coming due on the Series 2021 Bonds.

The Indenture also provides for the establishment of the Costs of Issuance Fund, the Rebate Fund and the Reserve Fund.

Reserve Fund for the Series 2021 Bonds

The Indenture provides for the creation of a separate fund with the Trustee as a trust fund, designated as the "Reserve Fund, Series 2021" (the "Reserve Fund"). The Reserve Fund will be funded on the date of closing in an amount equal to the lesser of 125% of the average annual Debt Service, the maximum annual Debt Service, or the lesser of 10% of the proceeds or the principal amount of the Series 2021 Bonds, which may be in the form of cash or Permitted Investments or a Reserve Fund Insurance Policy (the "Reserve Requirement"). Any money that is held in the Reserve Fund shall be held in trust for the payment when due of Series 2021 Bond Payments. If the money on hand in the Bond Fund three Business Days prior to any Payment Date is not sufficient to pay the Bond Payment then due, the Trustee shall draw upon the balance in the Reserve Fund in order to pay the Bond Payment when due. If there is a deficiency in the Reserve Fund as a result of a withdrawal from the Reserve Fund, the City is required to make up the deficiency prior to the next Payment Date.

The Subordinate Series 2015 Bonds

The Subordinate Series 2015 Bonds are limited obligations of the City, payable solely out of the Net Revenues in the City's Airport Enterprise Fund, and currently outstanding in the amount of $10.9 million. The Net Revenues are pledged to the payment in full of the Subordinate Series 2015 Bonds, which pledge is on a subordinate basis to the Series 2021 Bonds and any additional parity obligations.

Parity Debt

The Airport will not have any outstanding obligations on a parity with the Series 2021 Bonds.

Issuance of Additional Obligations Secured by Net Revenues

The Indenture permits the issuance of additional obligations payable from and constituting a lien upon Net Revenues on a parity with or subordinate to the lien of the Indenture and the Series 2021 Bonds and other parity obligations by the adoption of a supplemental indenture. The Indenture provides that the City will not issue additional obligations secured by Net Revenues which have a lien superior to that of the Series 2021 Bonds and other parity obligations.

Parity Obligations. As a condition of issuing additional parity obligations, the City must demonstrate that:

(i) The City is not, and has not been in default of the Indenture during the Fiscal Year immediately preceding the issuance of such additional Bonds, or if the Indenture has not been outstanding for a full fiscal year, then for the longest period of time the Indenture has been outstanding and the amount in the Reserve Fund is at least equal to the Reserve Requirement, and City has maintained Net Revenues at least equal to 125% of the Debt Service Requirements for at least the preceding 12 months;

(ii) Either of the following: (a) a Consultant's Report shows that Net Revenues projected for the life of the additional Bonds (and covering at least five (5) Fiscal Years following completion of the proposed project) will be at least equal to 125% of the Debt Service Requirements on the outstanding obligations constituting a lien upon Net Revenues and on the Bonds proposed to be issued (excluding reserves) for the said period; or (b) a written certificate by the City that the Net Revenues derived from the operation of the System for any period of twelve (12) consecutive months during the twenty-four (24) months immediately preceding the date of the supplemental ordinance or other document authorizing the issuance of any such parity Bonds shall have been sufficient to pay an amount representing 125% of the Debt Service Requirements on the outstanding obligations constituting a lien upon Net Revenues and on the Bonds proposed to be issued (excluding reserves) for the said period; and

(iii) Each such additional obligation shall be secured by a cash reserve fund or Reserve Account Credit Enhancement (as defined in the Indenture) in an amount sufficient to cause to be on deposit an amount equal to the Reserve Requirement on the 2021 Bonds and any additional obligations.

In calculating the Net Revenues to meet the requirements in (ii)(b) above, the City may take into consideration changes in Net Revenues estimated to occur under one or more of the following conditions for each year after delivery thereof for so long as the 2021 Bonds, the additional bonds and other parity obligations shall be Outstanding:

(i) Any increase or decrease in Net Revenues which would result from any change in rates or charges adopted prior to the issuance of the additional Bonds; and/or

(ii) Any increase or decrease in Net Revenues estimated to result from any additions, betterments, and improvements to and extensions of any facilities of the System which (i) became fully operational during such twelve (12) month period; (ii) were under construction at the time of the issuance of the additional Bonds; or (iii) will be constructed from the proceeds of the additional Bonds proposed to be issued.

Subordinate Obligations

The City may issue other obligations having a lien on Net Revenues subordinate to the lien of the Indenture.

Refunding Obligations. The City may refund any outstanding obligations having a lien upon Net Revenues, including the Series 2021 Bonds, on a parity with the Series 2021 Bonds if (1) the lien of the refunding obligations is on a parity with the lien created by the Indenture and (2) the total Debt Service is reduced by the refunding as certified by the Issuer or if the total Debt Service is not reduced the Issuer shall comply with the requirements for issuance of additional parity obligations described above.

Debt Payment Record

Since its creation, the City has not been in default in the payment of principal of or interest on any of its Bond indebtedness or in any other material respect, nor have any material agreements or legal proceedings with respect thereto been declared invalid or unenforceable.

THE PROJECT

Description of the Public Parking Project

Proceeds of the Series 2021A Bonds will be applied to the design and construction of an expansion to the existing parking structure to the east of the existing parking structure providing approximately 1,146 parking spaces over five levels and a net parking gain of 900 spaces as further described below (the "Public Parking Project"). Series 2021A Bond proceeds will also be used to fund capitalized interest on the Series 2021A Bonds through substantial completion in March 2023, satisfy a portion of the reserve fund requirement and to pay costs of issuance of the Series 2021A Bonds, as well as finance the Refunding Project. See "REFUNDING PROJECT" below.

The Public Parking Project involves the construction of an approximately 410,169 square foot open parking structure to be located east of the existing parking structure at the Airport. The Public Parking Project will be constructed over a portion of the existing surface parking lot, which will result in the loss of 300 stalls. Accordingly, the Public Parking Project will generate a net gain of 846 parking stalls. Construction includes an elevated pedestrian walkway, a 1,550 square foot parking office, a seven lane exit plaza, over-roadway signage, wayfinding graphics, hydraulic elevators, landscaping, landscape irrigation, concrete and asphaltic concrete pavement, pavement marking, emergency generator, site lighting, utility relocation, new utility services, and peripheral construction to accommodate continued site and parking access during and after construction. Illustration No. 1 depicts the location of the Public Parking Project in relation to the existing parking at the Airport, including the surface parking and the existing open parking structure. Illustration No. 2 depicts the Public Parking Project and passenger walkway to the Airport.

Peak demand for public parking at the Airport supports construction of a five-level parking structure. The City is constructing the Public Parking Project in response to the significant increase in aviation activity at the Airport during 2016 through 2019. The Public Parking Project was originally scheduled for construction during 2020, but was deferred due to the COVID-19 pandemic. Given the Airport's recovery in aviation activity, the Public Parking Project is appropriate at this time. With the availability of the existing shuttle parking lot for peak holiday travel, the construction of the Public Parking Project is anticipated to alleviate the need for additional parking facilities for the next 10 years. See "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT," which provides a detailed description of the Public Parking Project, including the number of parking spaces and rates currently existing and the number of parking spaces and rates following completion of the Public Parking Project.

(Remainder of page left intentionally blank.)

Illustration No. 1

AERIAL VIEW OF SITE LOOKING WEST

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Illustration No. 2

Construction of the Public Parking Project

Construction of the Public Parking Project is scheduled to commence in October 2021 and be substantially complete in March 2023. The design phase is substantially complete and request for bids was published on July 26, 2021, with a bid period of four weeks and bids due August 25, 2021. The projected construction cost for the expansion is estimated to be $35,759,000 or less, including all design, permits, testing, inspection, and construction administration costs. The Public Parking Project will be funded with proceeds of the Series 2021 Bonds. It is anticipated that the project award will be in September 2021, followed by contractor's mobilization and submittal reviews. Construction of the garage is expected to begin in early October 2021. The contractor will be given 540 days to complete construction of the Public Parking Project. Final completion is scheduled for March 2023.

Description of the Employee Parking Project

Proceeds of the Series 2021B Bonds will be applied to the design and construction of a five-level open air parking structure of approximately 233,681 square feet to be located to the northwest of the Airport. (the "Employee Parking Project"). Series 2021B Bond proceeds will also be used to fund capitalized interest on the Series 2021B Bonds, satisfy a portion of the reserve fund requirement and to pay costs of issuance of the Series 2021B Bonds. The City is paying a portion of the interest on the Series 2021B Bonds during the construction period with the capital contribution reflected in the "Sources and Uses" described above.

The Employee Parking Project will include 703 parking stalls, with a net gain of 567 employee parking stalls. Construction includes wayfinding graphics, stair towers, hydraulic elevators, utility relocation, new utility services, landscaping, landscape irrigation, concrete and asphaltic concrete pavement, pavement marking, emergency generator, and site lighting. All employees at the Airport, including airline, TSA and concessionaire employees, will be eligible to park at the Employee Parking Project for a small monthly fee. The location and design of the Employee Parking Project is conducive to accommodation of overflow public parking in the future if needed.

Illustration No. 3 and Illustration No. 4 depict the Employee Parking Project from the North and the Southeast.

Much like the Public Parking Project, the City finds the Employee Parking Project to be appropriate at this time given the Airport's increased traffic, and thus employees, during 2016 through 2019. Peak demand for public parking at the Airport supports construction of a five-level parking structure. The City anticipates that construction of the Employee Parking Project will alleviate the need for additional employee parking facilities for the next 10 years.

Illustration No. 3

Illustration No. 4

Construction of the Employee Parking Project

Construction of the Project is scheduled to commence in October 2021 and be substantially complete in October 2023. The City will advertise for bids on July 28, 2021, with a bids opening August 25, 2021 and an award in mid-September 2021. The projected construction cost for the Employee Parking Project is estimated to be $20,694,000 or less, including all design, permits, testing, inspection, and construction administration costs. The project will be funded with proceeds of the Series 2021B Bonds. The contractor will be given 24 months to complete construction of the Employee Parking Project. Final completion is scheduled for October 2023.

REFUNDING PROJECT

Plan of Refunding

The City issued $11,760,000 Airport Revenue Bonds, Series 2012 (Parking Facilities Project) (the "Series 2012 Bonds"). The original proceeds of the Series 2012 Bonds were used to finance the construction of certain parking facilities at the Airport, to satisfy the debt service reserve fund requirement for the Series 2012 Bonds and to pay costs of issuing the Series 2012 Bonds.

The Series 2021A Bonds are being issued in part to refund the outstanding maturities of the Series 2012 Bonds described below (the "Refunded Bonds"), so the City obtains a benefit of savings in total debt service requirements. The City will call the Refunded Bonds for redemption on September 1, 2021 (the "Redemption Date").

Pursuant to an escrow agreement between the City and Zions Bancorporation, National Association (the "Escrow Agreement"), serving in its role as the escrow agent for the Refunded Bonds (the "Escrow Agent"), a portion of the proceeds of the Series 2021A Bonds, will be deposited into the escrow account created under the Escrow Agreement (the "Escrow Account") to refund the Refunded Bonds.

The Refunded Bonds mature on the dates and in the amounts and bear interest as the rates, as follows:

Scheduled Maturity (September 1)	Principal Amount	Interest Rate	CUSIP 097428
2022	$ 565,000	3.00%	CH7
2023	580,000	4.00	CJ3
2024	605,000	4.00	CK0
2028[(1)]	2,625,000	3.00	CL8
2032[(1)]	3,000,000	4.00	CM6

(1) Term bond stated maturity

Defeasance

Additionally, and separate from the Refunding Project to be financed with proceeds of the Series 2021A Bonds, the City will irrevocably deposit to the Escrow Account for the benefit of the Series 2012 Bond holders certain available funds of the City to defease the 2021 maturity of the Series 2012 Bonds, pursuant to the Escrow Agreement. Upon deposit of Series 2021A Bond proceeds and available City funds into the Escrow Account, there will be no outstanding Series 2012 Bonds and the City will have no outstanding debt on parity with the Series 2021 Bonds.

Verification

Samuel Klein and Company, Certified Public Accountants will deliver to the City, on or before the settlement date of the Series 2021A Bonds, its verification report indicating that it has verified the mathematical accuracy of the mathematical computations of the adequacy of the cash to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Bonds.

Samuel Klein and Company relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the City. In addition, Samuel Klein and Company has relied on any information provided to it by the City's retained advisors, consultants or legal counsel.

AIRPORT COMMISSION

An eight-member commission (the "Airport Commission") oversees the administration and operation of the Airport. The members are appointed by the Mayor with the consent of the City Council. Ex-officio members, consisting of the Mayor and the member(s) of the City Council, are assigned as liaisons to the Airport Commission. The term of office is five years; one term expires each year. The chairman, vice chairman and secretary to the Airport Commission are selected by its members. The secretary need not be a member of the Airport Commission. The Airport Commission performs only an advisory role with respect to the City's indebtedness for the Airport; under the Idaho Municipal Revenue Bond Act, the power to incur indebtedness for the Airport is reposed in the City Council.

Boise Airport Commissioners

Frank Walker, Chair. Mr. Walker was appointed to the Airport Commission in 2016.

Meg Carlson. Meg Carlson is principal and co-founder of the C&H Group, a business intermediary firm headquartered in Boise. Ms. Carlson received her Bachelor of Arts from The City of Idaho and her MBA from Washington State University and has been serving on the Airport Commission since 2008.

Russell Westerberg. Russell Westerberg is a principal in Westerberg & Associates, a government relations firm headquartered in Boise. Mr. Westerberg has served in the Idaho Legislature and as an appointed member to the State Aeronautics Board. Mr. Westerberg is a licensed private pilot and a member of the Idaho Aviation Association. He has served on the Airport Commission since 2008.

Major General Gary L. Sayler. Major Gen. Gary L. Sayler is the Adjunct General for the State of Idaho and Commanding General for the Idaho National Guard, Boise, Idaho. He has served in the United States Air Force since 1971, and was appointed to the Airport Commission in 2008.

Bill Vasconcellos. Bill Vasconcellos is currently a Senior Vice President for Wealth management at UBS Financial Services in Boise. Mr Vasconcellos was appointed to the Airport Commission in 2014.

Garrett Nancolas. Mr. Nancolas has been serving as the May of Caldwell for nearly 20 years. He was appointed to the Airport Commission in 2016.

Jamie Boesiger. Jamie Boesigner is a commercial backcountry and corporate pilot and is an active member of the general aviation community at the Airport. Mr. Boesiger was appointed to the Airport Commission in 2018.

The Airport Commission aids in the orderly and efficient administration and operation of the Airport in its primary role as advisor to the Airport Director and the City Council and has several enumerated powers delegated to it by City ordinance. Additionally, the Mayor's office selects a "Youth Commissioner" each year to serve during the school year, September through May. There is not a currently serving Youth Commissioner.

Airport Staff

Rebecca Hupp - Airport Director. The Airport Director manages and supervises the Airport and collects any and all fees due the City for the use of the Airport. The Airport Director also performs such other duties, as provided by State law, rules and regulations or by direction of the Mayor and City Council.

Ms. Hupp serves as the Airport Director. An accredited member of the American Association of Airport Executives ("AAAE"), Ms. Hupp has almost 20 years of professional airport management experience at airports ranging from large hub to small hub. Prior to commencing her position at the Airport in April of 2012, Ms. Hupp served as director of Bangor International Airport in Bangor, Maine. Ms. Hupp previously served as President of the Northeast chapter of the AAAE.

Kathleen Watkins - Deputy Director of Finance. Kathleen Watkins has been serving as the Deputy Director of Finance & Administration since December 2018. Ms. Watkins previously worked for the State as Chief Financial Officer leading the accounting, purchasing and payroll functions for the Idaho Career & Technical Education and Idaho Division of Building Safety. She has over 15 years experience as an auditor for government agencies and federal programs.

THE AIRPORT

The Airport has been municipally owned and operated since 1939. The Airport is a division of the City of Boise Department of Aviation and Public Transportation. As is shown in the illustration below, the Airport is located approximately three miles southwest of the business center of the City near Interchange No. 53 on U.S. Interstate 84, which serves as the principal highway corridor through the Boise MSA and is the principal interstate route between Portland, Oregon and Salt Lake City, Utah. Ground transportation to and from the Airport is provided by private passenger vehicles, taxis and limousine services.

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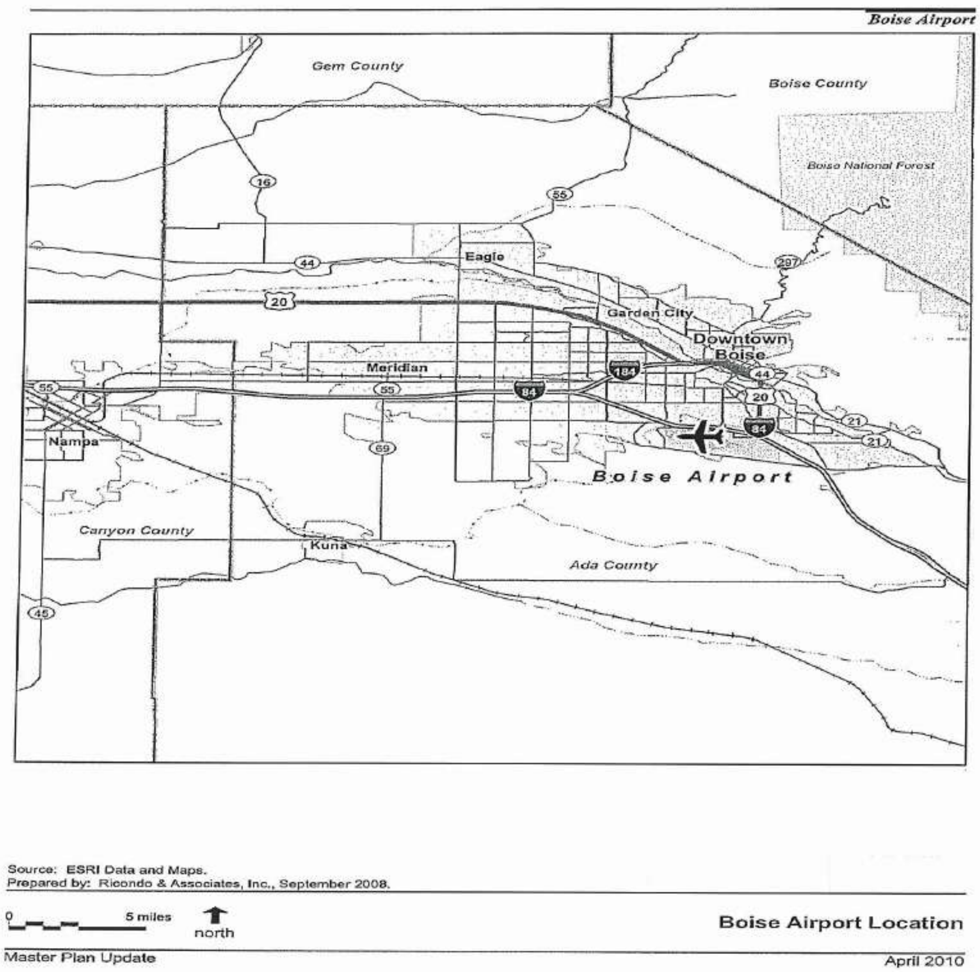
Illustration No. 5



Source: Airport

Service Area

The primary air service area of the Airport consists of Ada and Canyon Counties, Idaho, which contains 95% of the population of the Boise MSA (the "Primary Service Area"). The Primary Service Area had an estimated population of 711,436 as of 2019. The Airport's secondary service area encompasses the three other counties of Southwest Idaho that are included in the Boise MSA, plus two additional Idaho counties and one county in Eastern Oregon (the "Secondary Service Area"). The Secondary Service Area had an estimated population of 1,119,799 as of 2019. As the map shows, Boise's geographic isolation creates a service market that is highly dependent on air transportation. The Primary Service Area and the Secondary Service Area are depicted in the map on the following page. For additional information concerning the region the Airport serves, see APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT."

Nearest Airports

The Airport is classified by the FAA as a small-hub airport. Beginning in September 2021, the Airport will be classified as a medium-hub airport based on passenger total during calendar year 2020, reflecting the Airport's increased share of nationwide enplaned passengers. See "CAPITAL IMPROVEMENT PLAN" below for potential effects of the change in classification.

The nearest commercial service airports, the FAA classifications for the regions they serve, and the highway miles from the Airport are set forth below.

Table Three
Commercial Airports

City	FAA Hub Classification	Approx. Highway Mileage From the Airport
Portland	Medium	426
Salt Lake City	Large	340
Spokane	Small	426
Twin Falls	Nonhub	131
Pocatello	Nonhub	225
Idaho Falls	Nonhub	279

APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides a detailed description of the Airport's role in the national air transportation system, including information regarding the Airport's service region, and information regarding other commercial service airports in Idaho and adjacent states.

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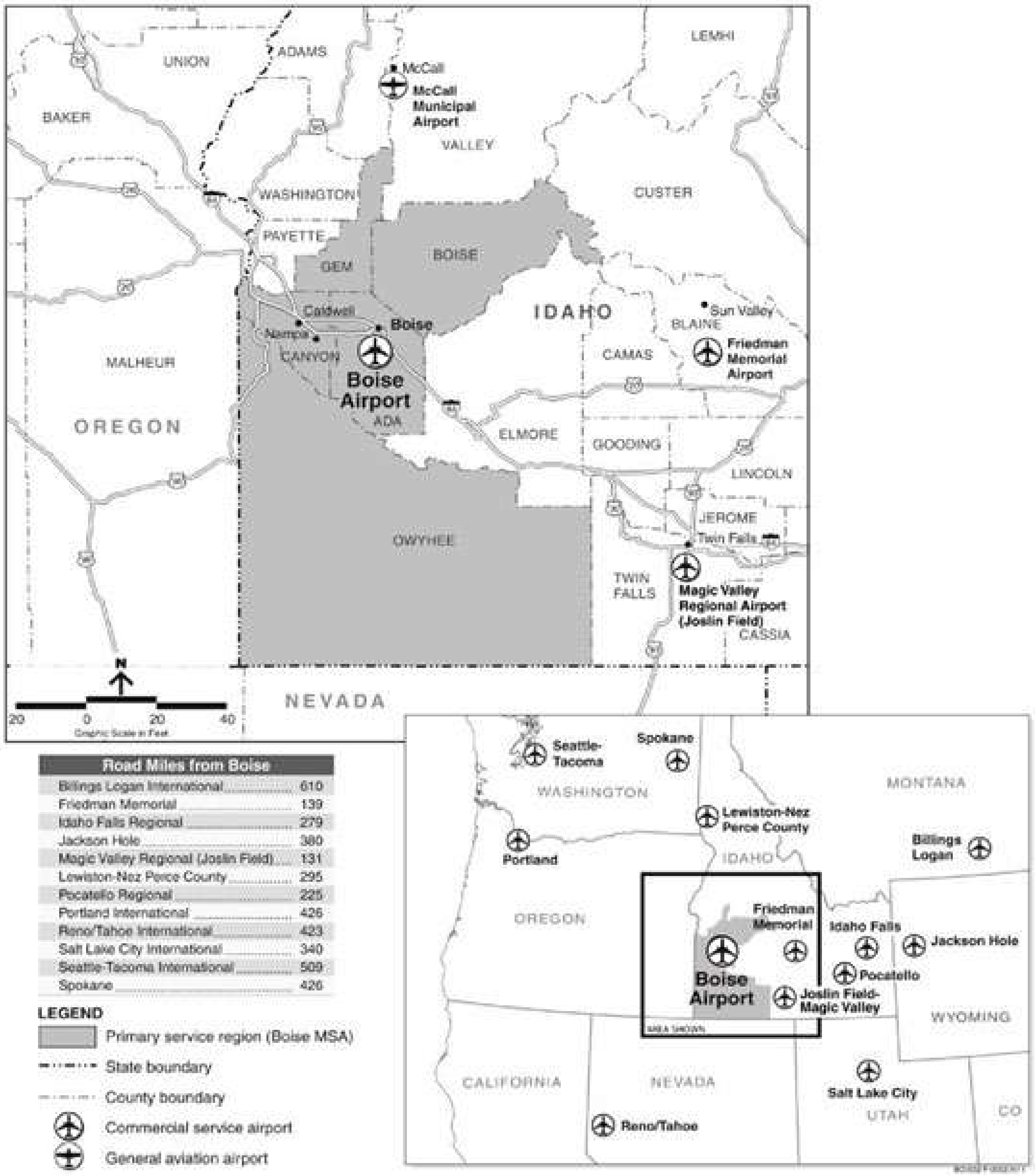
Illustration No. 6



Source: Airport

Airport Facilities

Passenger Terminal Building

The Airport's terminal facilities underwent a major expansion and renovation, which was completed in 2004. The terminal is 373,580 square feet and contains a basement that is used for storage, a first floor for baggage claim and car rentals, a second floor for ticketing, and a third floor where administrative offices and conference rooms are located.

Vehicle Parking

Vehicle parking for the passenger terminal complex includes public, employee and rental car space. The Airport currently has 2,674 long-term parking stalls. In addition, the surface economy parking lot, which is located approximately one and one-half miles from the Airport terminal, has 1,330 spaces. The rental car ready lot is a surface parking lot that has 356 spaces. There is employee parking consisting of 609 spaces. The Public Parking Project will add a total of 900 spaces, and the Employee Parking Project will add an additional 567 employee parking spaces.

Parking facilities at the Airport are managed and operating by REEF Parking by means of a qualified management contract with the City, which agreement expires on September 30, 2021. The City is currently in discussions with REEF Parking regarding the extension of the agreement for a further two year as provided in the agreement. APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides a detailed description of existing and future parking facilities at the Airport.

Air Cargo Facilities

The air cargo area is located east of the terminal building in a newly expanded extension of the terminal apron area. Cargo airlines serving the Airport as of June, 2021 include Ameriflight, FedEx, United Parcel Service, and Western Express Airlines. APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides a detailed description of air cargo service at the Airport, including historical air cargo tonnage from Fiscal Year 2001 to 2020 and revenue forecasts through Fiscal Year 2021.

Hangar Facility

In 2015, with a portion of the proceeds of the Subordinate Series 2015 Bonds and available funds of the City's Airport Enterprise Fund, the City purchased a maintenance hangar facility (the "Hangar Facility") from SkyWest Airlines, Inc. ("Skywest") pursuant to a Development Agreement whereby SkyWest undertook construction of a Hangar Facility and the City purchased the Hangar Facility upon Substantial Completion. At the time of purchase, the City and SkyWest entered into a lease agreement with a term of 25 years pursuant to which SkyWest leases the Hangar Facility from the City and makes facility lease payments equal to the sum of debt service on the Subordinate Series 2015 Bonds and amortization of the Airport's cash contribution.

General Aviation Facilities

The Airport performs a variety of general aviation functions serving the needs of aviators, from student pilots to corporate executives. The Airport services private pilots and private airplane hangars, but the primary usage is by corporations that maintain corporate jets and aviation facilities at the Airport.

Other Aviation Facilities

There are three other significant aviation groups at the Airport: two Idaho National Guard units and the National Interagency Fire Center. The Idaho Air National Guard and the Army National Guard have operational flying units located at the Airport. The combined area of the airfield under military control is approximately 570 acres. In addition to the main hangar, there are nine buildings, including a rescue and firefighting building. The Idaho Air National Guard is currently the only operation using the Airport's third runway, but the Airport retains full access to it. The National Interagency Fire Center is a national center for forest fire fighting and other catastrophic assistance. The agency operates a variety of specialized aircraft used for "bombing" of forest fires.

Support Facilities

Several support facilities serve as critical links in providing the necessary required support to aircraft ground operations, aircraft emergency rescue, firefighting, fuel storage and airport maintenance. The City operates and maintains the Airport's sewer system. Electricity, natural gas and water are provided by private utilities.

Airlines Serving the Airport

As of May 1, 2021, the following carriers served the Airport:

Table Four
Carriers Serving the Airport

Major/National/Low Cost	All-cargo
Delta Air Lines Southwest Airlines United Airlines Alaska Airlines American Airlines Frontier Airlines Allegiant Airlines JetBlue Airlines	Ameriflight/DHL FedEx United Parcel Service Western Air Express

Source: City of Boise/Airport

Jet Blue began travel to and from the Airport in 2021, with nonstop service to JFK International Airport in July 2021. In June 2021, Allegiant Airlines commenced seasonal nonstop service to Nashville and Orange County. Also in 2021, Alaska Airlines will commence service to Chicago O'Hare, Austin, Pullman-Moscow, Everett and Phoenix; Southwest will commence daily seasonal service to Chicago Midway and seasonal service to Orange County and Dallas Love Field.

APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides a detailed description of the Airport's airline service and traffic.

Airline Agreement

The City currently has entered into an agreement (the "Airline Agreement") with five passenger airlines: Alaska Airlines, Delta Air Lines, Southwest Airlines, United Airlines, and American Airlines (collectively, the "Signatory Airlines"). The Airline Agreement is currently set to expire on September 30, 2021.

The City is currently in discussions with the Signatory Airlines regarding a one-year extension to the Airline Agreement, through September 30, 2022. Under the terms of the proposed extension, the City would charge landing fees and terminal rental rates for Fiscal Year 2022 equal to those rates charged in Fiscal Year 2019; and a new capital cost threshold would be established for Majority-In-Interest approval of any additional, currently unidentified, capital projects proposed for the Airport for Fiscal Year 2022. The Signatory Airlines would expressly approve the projects in the Airport's current CIP (including approving the construction of the Public Parking Project and Employee Parking Project) . All other terms of the Airline Agreement would remain unchanged. While there can be no assurance that the City and the Signatory Airlines will agree to an extension of the Airline Agreement, the Report of the Airport Consultant assumed that such extension as described herein would be in effect for Fiscal Year 2022.

During Fiscal Year 2022, the City expects to negotiate a successor Airline Agreement with the Signatory Airlines, to come into effect on October 1, 2022, which is expected to have a different airline ratemaking methodology to that currently in place under the existing Airline Agreement. If a new agreement cannot be reached with the Signatory Airlines, the City intends to impose "rates by ordinance" commencing in Fiscal Year 2023, reflecting a compensatory ratemaking approach, potentially with sharing of a portion of net cash flows from Airport operations with the airlines. In this eventuality, airlines operating at the Airport would be required to adhere to the conditions of an Operating Permit governing their activities at the Airport.

Key provisions of the Airline Agreement include:

- *Approval of Capital Projects*. Under the terms of the Airline Agreement expiring on September 30, 2021, with certain exceptions, the Airline Agreement allows a Majority-in-Interest ("MII") of Signatory Airlines to disapprove proposed capital expenditures for improvements and developments which are to be included in terminal rents and landing fees. In the event a Signatory Airline does not submit a disapproving vote, the Signatory Airline is presumed to have approved the proposed capital expenditure. In the event an MII of the Signatory Airlines disapproves a capital expenditure, the City may proceed with the expenditure as long as the project is deferred 21 months after the disapproval. As noted above, the Airline Agreement expires on September 30, 2021 and the City will no longer be bound by these conditions when implementing capital projects at the Airport, including the Project.

- *Calculation of Terminal Rental Rates and Landing Fees*. The Airline Agreement establishes the methodology for calculating terminal rental rates and landing fees. Terminal rental rates are set based on a cost center residual methodology for the terminal building cost center. Landing fees are set on a cost center residual methodology for the Airfield and Parking and Airport Roads cost centers. During and for the course of Fiscal Year 202, the City intends to charge terminal rental rates and landing fees rates equivalent to those in place during Fiscal year 2019.

Several non-signatory carriers serve the Airport and pay higher landing fees than those paid by Signatory Airlines. All-cargo airlines that lease or sublease space at the Airport are considered to be signatory carriers, although they have not executed the Airline Agreement, and provided they maintain proper insurance coverage and name the Airport as an additional insured. Three all-cargo carriers have been given signatory status and therefore pay landing fees that are higher than the fees paid by Signatory Airlines but less than landing fees paid by nonsignatory carriers.

Airline Information

Certain airlines operating at the Airport are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended. In accordance therewith, certain information, including financial information, concerning such airlines or their respective parent corporations, is disclosed in certain reports and statements filed with the Securities and Exchange Commission (the "SEC"). In addition, airlines are required to file periodic reports of financial and operating statistics with the U.S. Department of Transportation. Copies of such reports can be obtained from the Department of Transportation at prescribed rates. No airline has made any agreement regarding the continuing disclosure of information for the benefit of the holders and beneficial owners of the Series 2021 Bonds. *The information under this caption is for informational purposes only, is not intended to be incorporated by reference into this Official Statement and will not be subject to update by the City.* See "CONTINUING DISCLOSURE - No Continuing Disclosure Undertakings by Airlines" herein.

Recent Passenger Activity

The number of enplaned passengers between Fiscal Year 2000 and 2010 decreased an average of 0.8% per year, reflecting the effects of two economic recessions in 2001 and 2008-2009, the 2008 oil price spike, the financial credit crisis, and overall airline industry reductions in capacity. Passenger traffic continued to decrease in Fiscal Year 2011 through 2013 due to a slow economic recovery. Between Fiscal Year 2014 and Fiscal Year 2019, passenger traffic increased an average of 7.8% per year. See "REPORT OF AIRPORT CONSULTANT" herein and "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT." In Fiscal Year 2020, the number of enplaned passengers decreased 38.1% as a result of the COVID-19 pandemic and economic recession. During the first 9 months of Fiscal Year 2021 (October through June), passenger traffic decreased 31.8% compared with the same period in Fiscal Year 2019. However, passenger activity has rebounded significantly in recent months. Enplaned passengers during March 2021 were at 70.5% of March 2019 levels; in April 2021 were at 80.1% of April 2019 levels; in May 2021 reached 85.7% of May 2019 levels; and in June 2021 were almost equal to June 2019 levels. Further recovery is expected. See "IMPACT OF COVID-19 PANDEMICON AIRPORT" herein.

(Remainder of page left intentionally blank.)

The following table illustrates the enplanements at the Airport from calendar years 2010 through 2020 and the first seven months of Fiscal Year 2021, as compared to the same seven-month periods in 2020 and 2019.

Table Five
Historical Enplaned Passengers

	Network Airlines					
Fiscal Year	Mainline Airlines	Regional Airlines	Total	Low Cost Carriers	Total	Annual % increase (decrease)
2010	246,890	646,428	893,318	502,078	1,395,396	--%
2011	274,759	606,635	881,394	512,217	1,393,611	(.1)
2012	315,468	604,574	920,042	408,725	1,328,767	(4.7)
2013	326,030	615,996	942,026	364,516	1,306,542	(11.7)
2014	361,404	638,508	999,912	348,075	1,347,987	3.2
2015	333,374	762,404	1,095,778	360,855	1,456,633	16.2
2016	311,938	880,814	1,192,752	400,993	1,593,745	9.4
2017	371,961	905,034	1,276,995	444,810	1,721,805	8.0
2018	414,908	964,221	1,379,129	519,637	1,898,766	10.3
2019	510,256	963,535	1,473,791	552,169	2,025,960	6.7
2020	269,648	639,611	909,259	344,343	1,253,602	(38.1)
First 9 months (October –June)						
2019	348,573	717,415	1,065,988	406,116	1,472,104	--%
2020	208,739	530,019	738,758	276,316	1,015,074	(31.0)
2021	222,376	523,558	745,934	258,364	1,004,298	(1.1)

Source: Report of the Airport Consultant—Table 9

APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides a detailed description of the Airport traffic, including enplaned passenger data, trends, and forecasts.

The number of passengers enplaned at the Airport is projected to increase to 2.3 million in Fiscal Year 2026 in the medium case, compared with 2.1 million in the law case, and 2.6 million in the high case, as described in the Report. See "REPORT OF THE AIRPORT CONSULTANT" herein and "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT."

Airports and airport analysts frequently evaluate an airport's stability and sustainability for airline operations by using an index of costs per enplanement (the "CPE") that divides total signatory passenger airline payments by the total number of enplaned passengers. The Airport has maintained a low CPE as a result of its cost controls and relatively low level of debt. For the fiscal years ended September 2019 and 2020, the Airport's CPE was $3.53 and $4.73, respectively. This compares to a median CPE of $11.51 for all US airports in 2019 and a median CPE of $7.42 for airports in the small hub category in which the Airport is classified.

Origin & Destination Passenger Traffic

Aviation analysts often refer to the Airport as an "origin and destination" ("O&D") airport because it primarily serves passengers beginning or ending their trips at the Airport, as opposed to passengers connecting through Boise to other cities. Methods of calculating O&D traffic vary, but the Airport estimates that in Fiscal Year 2019, approximately 96 percent of total passengers enplaned at the Airport were O&D passengers. At Airports primarily serving O&D passengers, air traffic is more dependent upon the economy and population of the airport's service region than upon the financial condition and route decisions of individual airlines.

APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides a detailed description of the O&D markets for passengers originating their travel at the Airport.

Airport Revenues

Revenues include airline terminal rental and landing fee payments, other airline revenues, and nonairline revenues from terminal concessions, including car rentals (rent and percentage fees but not CFC Revenues), parking, space rentals, general aviation activity, cargo facilities, and other revenues, including interest income. The Airline Agreement establishes the methodology for calculating terminal rental rates and landing fees. During Fiscal Year 2022, the City intends to charge terminal rental rates and landing fees rates equivalent to those in place during Fiscal Year 2019.

Landing Fees

As set forth in the Airline Agreement, the landing fee rates charged at the Airport are set on a cost center residual methodology for the Airfield Area and Parking and Airport Road Area costs centers, also with certain allowances for deposits to the Capital Improvement Fund (as all such terms are defined in the Airline Agreement). The landing fee rate per 1,000 pounds of landed weight for Signatory Airlines at the Airport is determined by dividing (1) the sum of (a) the direct and allocated indirect Operation and Maintenance Expenses to the Airfield cost center, and any applicable depreciation, (b) minus nonairline Airfield revenues, the first $1,000,000 of net revenues from the Parking and Airport Road cost center, and 50% of net revenues from the Parking and Airport Road cost center of $1,000,000, by (2) the estimated Signatory Airline landed weight for the following fiscal year. Any shortfall or surplus in landing fee revenues is applied against the Airfield cost center in the following fiscal year. The landing fee for cargo airlines that lease facilities on-Airport is higher than the rate for the Signatory Airlines and lower than the rate for nonsignatory airlines.

Landed weight at the Airport is recorded according to the aircraft's certified maximum gross landed weight, which is the standard gross landing weight of an aircraft as determined by the FAA. Although changes in the landed weight do have an effect on the City's landing fee rates, under the Airline Agreement and the FAA's policy on rates and charges, see "AIRPORT REGULATIONS - Rates and Charges Regulation" herein, increased landed weight does not result in higher landing fee revenue to the City, instead it reduces the landing fee rate.

APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides information on historical landed weight at the Airport and revenue forecasts through Fiscal Year 2026.

Airline Terminal Rental Revenues

The terminal rental rates are set based on a cost center residual methodology for the Terminal and Jetbridge cost center, with certain allowances for the deposits to the Capital Improvement Fund (as all such terms are defined in the Airline Agreement). The terminal building rental rate per-square-foot per year at the Airport is calculated by dividing (1) the sum of the budgeted direct and allocated Operation and Maintenance Expenses to the terminal cost center, any applicable depreciation, and lease payments allocable to the terminal cost center minus the first $900,000 of terminal non-airline revenues, and 50% of terminal non-airline revenues over $900,000, by (2) the estimated airlines rented space, including exclusive and common-use space rented by the airlines. Any shortfall or surplus in terminal rental revenues is applied against the terminal cost center in the following fiscal year.

APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides information on historical rental revenues at the Airport and revenue forecasts through Fiscal Year 2026.

Rental Car Revenues

The City has executed an Automobile Rental Concession Agreement (each an "Automobile Agreement") with eight companies to operate rental car concessions at the Airport (Avis and Budget; Enterprise, Alamo, and National; Hertz, Dollar and Thrifty). Under the current Automobile Agreements, the City receives privilege fees of 10% of gross revenues subject to a minimum annual guarantee, plus terminal rent and ground rentals. The term of the Automobile Agreements expire on September 30, 2021. The City is currently in discussion with the rental car companies about a successor agreement to cover a period of approximately three years until the expected opening of a new consolidated rental car facility at the Airport. As part of those negotiations, the City may allow "family branding", and in that instance would expect to have rental car agreements with Avid, Hertz, and Enterprise, covering all eight brands.

Rental car revenues are a function of passenger traffic, contract terms, and changes in the prices charged by the rental car companies. The projections of on-Airport rental car revenues to the City assumes the payment terms and conditions in successor agreements will be broadly the same as in the current Automobile Agreements. CFC revenues are not part of the rental car revenue stream that is included in Revenues pursuant to the Indenture.

APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides information on historical rental car revenues at the Airport and revenue forecasts through Fiscal Year 2026.

Parking Revenues

The City has entered into a management agreement for operation of the parking facilities at the Airport, including the Project. Parking revenues are forecast to increase as the number of enplaned passengers increases. The City increased parking rates to their current levels on January 1, 2020 and does not intend to increase parking rates again through Fiscal Year 2026. In addition, employees at the Airport pay for parking privileges on a monthly or annual basis in specially designated employee parking areas.

APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides information on historical parking revenues at the Airport and revenue forecasts through Fiscal Year 2026.

Concessions and Other Non-airline Revenues

The principal terminal concessions at the Airport are food and beverage, news and gifts, advertising, and rental cars. See "AIRPORT FINANCIAL MATTERS — Summary of Historical Operating Results." Other terminal concession revenues include telephones and vending machines. The Airport enters into a number of contracts for concession services at the Airport, many of which are subject to minimum guaranty arrangements.

APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides information on historical non-airline terminal revenues at the Airport and revenue forecasts through Fiscal Year 2026.

Rental Income and Other Revenues

Additional revenues include land rentals paid to the City for cargo, hangar, and other facilities at the Airport, as well as fees and rentals paid to the City by businesses located off the Airport. Other sources of revenue include inflight kitchen sales, interest income, miscellaneous income, as well as revenues generated by the Administration, Security, and Fire Station indirect cost centers.

APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides information on these additional revenues and revenue forecasts through Fiscal Year 2026.

Excluded Revenues

Grant Funds

Grant funds are excluded from the definition of Revenues in the Indenture and do not secure the Series 2021 Bonds. However, grants received from the federal government as stimulus, relief, or recovery funds which, by the terms of the grant, may be used by the City to pay debt service, are explicitly not deemed Excluded Revenues and may be used to secure the Series 2021 Bonds.

PFC Revenues

Passenger Facility Charge ("PFC") revenues are excluded from the definition of Revenues in the Indenture and do not secure the Series 2021 Bonds. Currently, the City imposes a $4.50 PFC at the Airport.

CFC Revenues

The rental car agencies at the Airport collect a Customer Facility Charge from customers that rent vehicles at the Airport. These funds are remitted to the Airport and designated to be used for rental car projects. The current rate is $3.25 per transaction day up to fourteen days per rental contract and will increase to $4.25 on September 1, 2021. The Series 2021 Bonds are not secured by or payable from CFC Revenues.

For more detail on the excluded revenues, PFC and CFC revenues, see APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT" attached hereto.

CAPITAL IMPROVEMENT PROGRAM

The City has developed a six-year capital improvement program (the "CIP") to provide $341 million of needed capital improvements at the Airport for fiscal year 2020 through fiscal year 2026, excluding financing costs, capitalized interest, and reserve funding associated with the Series 2021 Bonds. The Public Parking Project and the Employee Parking Project represent expenditures of approximately $56.45 million or approximately 16.5% of the CIP.

Currently, the CIP includes development of a consolidated rental car facility; improvements to Terminal Concourse A and Terminal Concourse B, runway incursion mitigation improvements and taxiway improvements. The full needs, exact costs and expected funding sources are not finalized, though it is expected that for CIP projects the Airport would issue only one additional series of bonds on parity with the Series 2021 Bonds, primarily to finance the Terminal Concourse A. The City expects passenger facility charges, rental car customer facility charges, federal Airport Improvement Program grants, and available Airport funds will all be used as funding sources. See APPENDIX A – "REPORT OF THE

AIRPORT CONSULTANT." Whether the projects will, in fact, occur as planned will depend upon the Airport's needs and the availability of the funding sources identified or other sources.

As part of the Airport's recent change in classification by the FAA from a small-hub to a medium-hub airport, the extent to which AIP entitlement grants are available to the Airport, and the share of project costs eligible for AIP funding, may be reduced. The Airport is currently in discussions with the FAA regarding the likely impact on AIP funding for the airport and the timing of any changes. Historically, funding changes lag two years behind a change in classification. Given the recent COVID-19 pandemic and significant disruption in air travel, there is also a possibility the Airport will not retain the medium-hub classification.

The City intends to initiate additional projects only in response to identified demand and only to the extent a competitive cost structure is maintained at the Airport. APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides additional information on the Airport's CIP.

AIRPORT REGULATIONS

Airport Regulation

The City operates the Airport pursuant to an airport operating certificate issued annually by the FAA after an on-site review. In addition to this operating certificate, the Airport is required to obtain other permits and/or authorizations from the FAA and from other regulatory agencies and is bound by contractual agreements included as a condition to receiving grants from the FAA's grant programs. Federal law also governs certain aspects of rate-setting and restricts grants of exclusive rights to conduct an aeronautical activity at an airport that receives or has received federal grants and other property. All long-term facility planning is subject to the FAA's approval; outside audits of the Airport's financial statements are subject to periodic audits by the FAA; the City's use of Airport revenues, which is generally limited to airport-related purposes, is subject to review by the FAA; and the City's use of PFC Revenues and grant proceeds is also subject to approval, audit and review. The City is also required to comply with the provisions of the federal Aviation and Transportation Security Act (the "Aviation Security Act"), with other federal security statutes and with the regulations of the Transportation Security Administration (the "TSA").

The Airport is regulated by the federal Environmental Protection Agency and by the Idaho Department of Environmental Quality in connection with various environmental matters, including the handling of deicing materials and airline fuels and lubricants, protection of wetlands and other natural habitats, disposing of stormwater and construction wastewater runoff and noise abatement programs. The Airport's handling of noise, including restrictions and abatement programs, is also subject to the requirements of federal and State statutes and regulations. Security is regulated and managed by the TSA. To the best of its knowledge, the Airport is in compliance with these regulations and requirements.

Rates and Charges Regulation

The Federal Aviation Administration Authorization Act of 1994, as amended (the "FAA Act") and FAA regulations require that an airport maintain a rate structure that is as "self-sustaining" as possible and limit the use of all revenue generated by an airport receiving federal financial assistance (including local taxes on aviation fuel and other airport-related receipts) to purposes related to the airport. The statutes and regulations provide that for all airports, with certain exceptions, the use of airport revenue for purposes other than the capital or operating costs of the airport, the local airport system or other local facilities owned or operated by the airport owner or operator and directly and substantially related to the air transportation of passengers or property is unlawful revenue diversion and provide for monetary penalties and other remedies in the event of violations. The FAA Act also provides that without air carrier approval, an airport may not include in its rate base debt service allocable to projects not yet completed and in service.

The FAA Act also includes provisions addressing the requirements that airline rates and charges set by airports receiving federal assistance be "reasonable" and authorizes the Secretary of Transportation to review rates and charges complaints brought by air carriers. During the pendency of a complaint, an airport is required to provide a surety bond or letter of credit or some other form of security to insure that the disputed portion of the fee is reimbursed to air carriers should the rates and charges be found to be unreasonable. The Secretary's order is subject to judicial review.

The FAA Act excludes from the airport fee-challenge process (i) a fee imposed pursuant to a written agreement with air carriers using the airport facilities, (ii) a fee imposed pursuant to a financing agreement or covenant entered into prior to August 23, 1994, the date the FAA Act was enacted, and (iii) any other existing fee not in dispute as of August 23, 1994. The FAA Act also provides that nothing in the provisions regarding airport fee challenges shall adversely affect the rights of any party under any existing written agreement between an air carrier and the owner or operator of an airport or the ability of an airport to meet its obligations under a financing agreement or covenant in force as of August 23, 1994. To date, no rate complaints have been filed against the Airport. It is the understanding of City management that for air carriers that sign the Airline Agreement or any other new agreements, these provisions of the FAA Act under most circumstances will not affect the airline rates, fees and charges set by the City. The provisions would apply, however, in the case of fees and charges set by resolution.

On August 1, 1997, the U.S. Court of Appeals to the District of Columbia Circuit in a case brought by the Air Transport Association vacated and remanded the Policy Statement to the Secretary of the U.S. Department of Transportation for reconsideration of the standards set forth in the Policy Statement. On October 15, 1997, the U.S. Court of Appeals amended its previous order to vacate only certain sections of the Policy Statement, including sections relating to valuation of the airfield, permissible components of the airfield rate base, use of any "reasonable methodology" for valuation of non-airfield assets and recovery of imputed interest in the airfield rate base. In February 2003, the FAA withdrew its advance notice of proposed policy regarding rates and charges and has not issued further guidance. In September 2013, the FAA, in conjunction with the U.S. Department of Transportation, held three meetings with aviation industry participants (airports, airlines and consultants) seeking both historical and forward-looking feedback regarding industry developments and practices to assist the FAA in its comprehensive review of its current rates and charges policy and whether revisions or other future actions may be necessary. The City cannot determine at this time when or whether new guidelines will be published, the costs that will be permitted to be included in determining an airport's rate base and/or the extent to which such future guidelines may limit the City's flexibility in negotiating airline agreements or in setting rates and charges by resolution or ordinance for use of the Airport's facilities. Any new federal guidelines or any standards promulgated by a court in connection with a dispute could limit the amounts and allocation of costs payable by airlines serving the Airport.

Pursuant to the FAA Act, rates and charges for services rendered by the Airport must be reasonable and just, taking into account the cost and value of the Airport operation and maintenance expenses, possible delinquencies, proper allowances for depreciation, contingencies, and the amounts necessary to meet all Debt Service Requirements. In the Indenture the City agrees that there will be charged against all users, including the State and its subdivisions, rates and charges sufficient to meet the Rate Covenant. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Rate Covenant" herein.

AIRPORT FINANCIAL MATTERS

General

The audited financial statements of the City, which include the financial statements of the Airport Enterprise Fund, for the fiscal years ended September 30, 2020, which include financial information for the fiscal year ended September 30, 2019, are set forth in Appendix C, together with the Independent Auditors' Report thereon.

Summary of Historical Operating Results

The following table summarizes selected operating results as extracted from the City's audited financial statements for the years ended September 30, 2017 through 2020 as well as estimated operating results for the seven-month period ended April 30, 2021. In its audited financial statements, the City does not account for proceeds of the federal capital grant receipts, CFCs, or PFCs as operating revenue and, accordingly, such proceeds are not included in the summaries of operating results presented below. See APPENDIX C – "AUDITED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020 (INCLUDING 2019 FINANCIAL INFORMATION)."

Table Six
Selected Historical Operating Results
Years Ended September 30

	2017	2018	2019	2020
Operating Revenue				
Airline Landing Fees	$4,136	$4,199	$4,404	$3,423
Airline Rent	3,633	3,539	3,586	3,329
Parking Fees	10,780	11,650	12,485	8,111
Car Rental	5,189	5,525	5,836	4,681
Concessions	2,264	2,582	2,825	1,583
Rental income [1]	4,680	5,001	5,071	5,181
Other	1,302	1,052	2,083	1,019
Total Operating Revenue	31,984	33,548	36,290	27,327
Operating Expenses				
Personnel	6,987	7,185	7,716	9,741
Maintenance and Operating Expense	14,577	16,575	15,485	16,372
Total Operating Expense	21,564	23,760	23,201	26,113
Operating Income	10,420	9,788	13,089	1,214
Nonoperating revenue (expense)				
Customer Facility Charges[2]	1,117	1,146	-	-
Asset Sales	38	160	-	109
Grants	937	803	475	11,066
Asset Write-Offs	(58)	(486)	(71)	(20)
Transfers In	-	25		
Transfers Out	(5)	(2)		
Interest Revenue	365	164	2,806	1,850
Interest Expense	(1,518)	(1,045)	(1,135)	(890)
Total Nonoperating Revenue (Expense)	876	765	2,075	12,115
Net Income Before Depreciation/Capital Contributions	11,296	10,553	15,164	13,329
Depreciation	(12,230)	(11,101)	(10,668)	(10,894)
Customer Facility Charges[2]	-	-	1,193	1,284
Passenger Facility Charges	-	-	-	1,343
Capital Contributions	7,092	5,692	7,489	5,717
Net Income After Depreciation/Capital Grants	**$6,158**	**$5,144**	**$13,178**	**$10,779**

[1] Includes non-airline terminal rentals and rental income from some off-site facilities.
[2] Customer Facility Charges are displayed in two rows due to an accounting change in 2019.

Source: City of Boise

The City has prepared unaudited financial statements for the seven-month period ended April 30, 2021, with a comparison to the prior seven-month period ending April 30, 2020. The seven-month financial statements are presented as the books for the 2021 Fiscal Year have not yet been closed. The City expects the trends reflected therein to continue for the twelve-month period ended September 30, 2021 as there are no material changes expected in September 2021; however, the trend should continue to improve as the effects of COVID-19 continue to lesson and Airport traffic continues to improve. Although the City believes the unaudited results are accurate and expects the trend to continue through the fiscal year end, the City's actual year-end results could differ based on a number of factors, including factors affecting the year-end results occurring in the month of September 2021; typical adjustments to year-end results during the course of the outside audit, and other factors. Inclusion of unaudited results of Airport operations herein is not a representation by the City of a year-end result.

Table Seven
Selected Operating Results for the Eight-Month Period Ended April 30, 2021

	04/30/2021	04/30/2020	$ Change	% Change
Operating Revenue				
Airline Landing Fees	2,293,606	2,536,974	(243,368)	-10%
Airline Rent	2,070,894	2,381,082	(310,188)	-13%
Parking Fees	5,239,393	6,484,943	(1,245,550)	-19%
Car Rental	2,394,836	3,183,508	(788,672)	-25%
Concessions	754,833	1,295,586	(540,753)	-42%
Rental income (1)	3,576,228	3,493,195	83,033	2%
Other	813,600	671,596	142,004	21%
Total Operating Revenue	17,143,390	20,046,884	(2,903,494)	-14%
Operating Expenses				
Personnel	6,284,642	5,719,071	565,571	10%
Maintenance and Operating Expense	10,547,218	11,100,780	(553,562)	-5%
Total Operating Expense	16,831,860	16,819,851	12,009	0%
Operating Income	311,530	3,227,033	(2,915,503)	-90%
Nonoperating revenue (expense)				
Asset Sales	15,155	1,450	13,705	
Grants	194,449	73,340	121,109	165%
Asset Write-Offs		(2,219)	2,219	
Transfers In				
Transfers Out				
Interest Revenue	479,356	780,900	(301,544)	-39%
Interest Expense	(314,170)	(437,685)	123,515	-28%
Total Nonoperating Revenue (Expense)	374,790	415,786		
Net Income Before Depreciation/Capital Contributions	686,320	3,642,819	(2,956,499)	-81%
Depreciation	7,392,066	7,015,514	376,552	5%
Net Income After Depreciation/Capital Grants	**(6,705,746)**	**(3,372,695)**	**(3,333,051)**	**99%**

(1) Includes non-airline terminal rentals and rental income from some off-site facilities.
(2) Customer Facility Charges are displayed in two rows due to an accounting change in 2019.

Source: City of Boise

REPORT OF THE AIRPORT CONSULTANT

The Report of the Airport Consultant dated July 27, 2021 (the "Report") included as Appendix A to this Official Statement was prepared by LeighFisher (the "Airport Consultant") in connection with the issuance of the Series 2021 Bonds. The Report should be read in its entirety for an understanding of the information and underlying assumptions. Given the unprecedented nature of, and continuing uncertainty regarding, the COVID-19 Pandemic, the Report does not include forecasts; rather, it presents a hypothetical scenario of enplaned passengers showing recovery to Fiscal Year 2019 activity levels at the Airport over approximately a five year period based upon recent recovery trends at the Airport and an ensemble of traffic recovery projections developed by Fitch Ratings, Moody's Investors Service, S&P Global Ratings and other industry bodies. Revenues were extrapolated from the indicative traffic recovery scenarios and are calculated as a range of projections.

The following table shows the City is projected to be in compliance with the Covenants to Maintain Airport Rates and Charges (as set forth in the Indenture) under the medium case scenario for aviation activity recovery. Net Revenues are projected to equal or exceed 125% of the Debt Service Requirements for the proposed 2021 Bonds and potential future Bonds expected to be issued during the projection period, in each Fiscal Year of the projection period, as provided by the Airport Consultant.

APPENDIX A - "REPORT OF THE AIRPORT CONSULTANT" attached hereto provides detailed information on the Airport's debt service requirements, historical and projected Net Revenues, and historical and projected debt service coverage.

Table Eight
Compliance with Covenants to Maintain Airport Rates and Charges

	Estimate 2021	Projected 2022	2023	2024	2025	2026
Total Revenues	$28,916,000	$32,536,000	$38,859,000	$42,296,000	$45,569,000	$47,757,000
Total Cash Expenses	28,773,000	30,889,000	32,816,000	34,625,000	36,373,000	37,737,000
Less: CARES Act Funds	(10,050,000)	(9,218,000)	-	-	-	-
Total Expenses	18,723,000	21,670,000	32,816,000	34,625,000	36,373,000	37,737,000
Net Revenues	$10,193,000	$10,866,000	$6,043,000	$7,671,000	$9,195,000	$10,020,000
Debt Service Requirement for Senior Bonds (net of PFCs & COVID Funds Applied)	$ -	$697,000	$699,000	$3,859,000	$4,811,000	$4,809,000
Debt Service Coverage	**n/a**	**15.59**	**8.64**	**1.99**	**1.91**	**2.08**
Coverage Requirement	1.25	1.25	1.25	1.25	1.25	1.25

Source: APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT" – Exhibit H.

DEBT SERVICE SCHEDULE

The following table shows estimated debt service for the Series 2021 Bonds.

Table Nine
Boise Airport Series 2021 Bond Debt Service

Fiscal Year Ending 9/30	Series 2021A Bonds Principal	Series 2021A Bonds Interest	Series 2021B Bonds Principal	Series 2021B Bonds Interest	Total Debt Service(1)
2022	$410,000	$1,864,234		$828,670	$682,397
2023	435,000	1,778,050		797,650	1,446,925
2024	630,000	1,760,650	$395,000	797,650	3,516,829
2025	650,000	1,735,450	410,000	781,850	3,577,300
2026	680,000	1,709,450	425,000	765,450	3,579,900
2027	705,000	1,682,250	440,000	748,450	3,575,700
2028	740,000	1,647,000	460,000	730,850	3,577,850
2029	780,000	1,610,000	480,000	712,450	3,582,450
2030	815,000	1,571,000	500,000	693,250	3,579,250
2031	860,000	1,530,250	520,000	673,250	3,583,500
2032	900,000	1,487,250	540,000	652,450	3,579,700
2033	945,000	1,442,250	560,000	630,850	3,578,100
2034	990,000	1,395,000	580,000	608,450	3,573,450
2035	1,040,000	1,345,500	605,000	585,250	3,575,750
2036	1,095,000	1,293,500	630,000	561,050	3,579,550
2037	1,150,000	1,238,750	655,000	535,850	3,579,600
2038	1,205,000	1,181,250	680,000	509,650	3,575,900
2039	1,265,000	1,121,000	710,000	482,450	3,578,450
2040	1,330,000	1,057,750	735,000	454,050	3,576,800
2041	1,395,000	991,250	765,000	424,650	3,575,900
2042	1,465,000	921,500	805,000	386,400	3,577,900
2043	1,540,000	848,250	835,000	354,200	3,577,450
2044	1,615,000	771,250	870,000	320,800	3,577,050
2045	1,695,000	690,500	905,000	286,000	3,576,500
2046	1,780,000	605,750	940,000	249,800	3,575,550
2047	1,870,000	516,750	980,000	212,200	3,578,950
2048	1,965,000	423,250	1,020,000	173,000	3,581,250
2049	2,060,000	325,000	1,060,000	132,200	3,577,200
2050	2,165,000	222,000	1,100,000	89,800	3,576,800
2051	2,275,000	113,750	1,145,000	45,800	3,579,550

(1) Total Debt Service is reflected as net of capitalized interest.

THE CITY OF BOISE

General Description

The City of Boise City, Idaho, organized in 1866 in accordance with Article 12, Section 1 and Article 18, Section 6 of the Idaho Constitution, is located in the Southwest portion of Idaho in Ada County (the "County") and serves as the Idaho State Capital. Idaho ranks first nationally in percentage of population growth from 2019 to 2020 according to initial 2020 Census data from the U.S. Census Bureau. The City is the largest municipality in Idaho and has a population of 241,590 as of April 1, 2021. The City is the principal business and government center of the Boise MSA which had an estimated population of 749,202 as of 2019. The City is governed by a Mayor and a six-member City Council.

Table Ten
Population Statistics

Years	Boise City	Ada County	State of Idaho
2021 Estimate	210,145	518,300	1,860,120
2010 Census	205,671	392,365	1,567,582
2000 Census	185,787	300,904	1,293,953
1990 Census	125,738	205,775	1,006,749
1980 Census	102,451	173,036	943,935

Source: *COMPASS, 2021 Population Estimate, Census 2010, Census 2000, 1990 Census, 1980 Census*

Mayor-Council System

The City operates under the mayor-council system of government as a city of the first class under the general laws of the State with a mayor (the "Mayor") and six council members (the "City Council"). The Mayor is elected to a four-year term. City Council members are also elected for four-year terms, three being elected every two years to stagger the terms for continuity. The Mayor is the chief executive officer for the City, responsible for carrying out policies set by the City Council and for enforcing the City Code.

The following are the current members of the City Council:

Name	Position	Term Expires
Lauren McLean	Mayor	December 31, 2023
Elaine Clegg	President	December 31, 2023
Lisa Sanchez	Member	December 31, 2021
Holli Woodings	Member	December 31, 2021
T. J. Thomson	Member	December 31, 2021
Patrick Bageant	Member	December 31, 2023
Jimmy Hallyburton	Member	December 31, 2023

Source: City of Boise

Organization

The Mayor, with consent of the City Council, appoints all department heads (except the Library Director which is appointed by and reports to the Library Board). The Mayor appoints, with City Council review, a variety of boards, commissioners and committees to provide citizen input and policy direction to the departments. The Citizen groups participate in the development of the departments' budget requests.

For financial reporting purposes, the City's operations are divided into eight general classifications: (1) general government, (2) fire, (3) police, (4) parks and recreation, (5) culture, (6) community service, (7) community development, and (8) interest and fiscal charges. The major classifications are subdivided into departments and those units are further subdivided into service units for budgeting, accounting and reporting purposes.

Lauren McLean, Mayor

Lauren McLean was elected Mayor of Boise in 2019. Ms. McLean is a graduate of The University of Notre Dame, with a Master of Public Administration from Boise State University. Public service has been an integral part of Ms. McLean's career, and she served on Boise City Council from 2011-2019.

Three months into her first term as the Mayor of Boise, the COVID-19 pandemic hit. Despite the challenges brought on by the Pandemic, she continues to lead with the community at the forefront of decisions. As Mayor, she has led the fight against climate change by setting ambitious goals to lead the city to an environmentally and economically resilient future.

Lynda Lowry, CFO & Director of Finance and Administration, Ex Officio City Clerk & Treasurer

As the CFO and Director of Finance and Administration for the City of Boise, Lynda is responsible for directing the activities of the City's financial functions as well as overseeing administrative divisions such as the City Clerk's Office. She has over 20 years of experience in financial and operational management covering a broad-spectrum of disciplines. Most recently she worked for the global pharmaceutical company F. Hoffman-La Roch, as a Global Financial Controller and Operations Director. Lynda holds a Bachelor of Science degree from Arizona State University, an MBA from DePaul's Kellstadt Graduate School of Business and is a Chartered Financial Analyst.

David Hasegawa – Deputy Treasurer

As Deputy Treasurer for the City, David is responsible for managing the Boise City Office of the Treasury. In that capacity he is responsible for the City's debt and lease financing, cash operations, fixed income investing, and accounts receivable management. David has twelve years of professional treasury experience. Most recently he worked at Micron Technology, managing its fixed income investment portfolio as well as its U.S. and European cash operations. He holds the Project Management Professional ("PMP") and Certified Treasury Professional ("CTP") designations.

City and Airport Staff

As of September 30, 2020, the City has approximately 1,826 employees, 134 of which are Airport employees. The Airport added 25 full-time employees in Fiscal Year 2020.

Budgetary Process and Controls

The budgetary process was designed in four phases to bring together all of the financial elements needed to develop a sound budget plan. The first stage focuses on the long-term financial plan to set parameters for budget development. The second stage focuses on capital needs and proposed capital plans. During stage three the current level operating budget is developed with requests for changes in services or level of funding. The goals, policies and priorities developed in the early stages provide the basis for decision making in the fourth stage - adoption of the budget includes all funding decisions, including services, capital facilities and revenue choices.

Budgets are adopted on a basis in substantial conformance with generally accepted accounting principles ("GAAP"). Capital plans are budgeted to identify all costs at the time of decision making although projects typically extend beyond a fiscal year for completion. Therefore, capital budgets and expenditures are presented differently than in the annual audit. Reconciliations are provided in the Comprehensive Annual Financial Report. Total appropriations represent budget amounts as originally adopted except for adjustments reflecting prior year encumbrances as supplemental appropriations and appropriation changes approved by the City Council during the year.

Financial Reporting

The financial statements of the City are prepared in accordance with GAAP, and included in Appendix C, attached hereto.

The Airport Enterprise Fund

The operations of the municipal airport are accounted for in the Airport Enterprise Fund, which is categorized as an enterprise fund of the City. All operations, debt service, and capital improvements to the Airport are accounted for in the Airport Enterprise Fund.

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business—where the intent of the governing body is that the costs (expenses, including depreciation) of providing those goods or services to the general public on a continuing basis be financed or recovered, primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Enterprise funds, including the Airport Enterprise Fund, are accounted for on a cost of services or capital maintenance measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with its activity are included on their balance sheets. Reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

The accrual basis of accounting is utilized for enterprise funds, including the Airport Enterprise Fund. The accrual basis of accounting recognizes revenues when they are earned, and expenses when the related liability is incurred.

Independent Audit

The City's financial statement audits for the fiscal years ended September 30, 2019 through 2020 were performed by Eide Bailly LLP CPAs & Business Advisors, Boise, Idaho. The audit reports indicate the financial statements fairly present the City's financial condition and are in conformance with GAAP.

Investment Policy

The City has formally adopted investment guidelines for all funds under the jurisdiction of the City as authorized by Section 57-127, Idaho Code. Authorized investment instruments include only those specifically denoted by Section 50-1013, Idaho Code. Investments that fall outside the scope of the policies include the Police Social Security Replacement Plan and the General Employees Deferred Compensation Plan which are subject to the investment guidelines of state laws governing such plans which allow for investment in equity securities in addition to the investment alternatives as specified in the Idaho Code.

The investment policy, which has been adopted by the City Council, is generally governed by the "prudent person" rule. The City has adopted investment objectives including the primary objective to safeguard government funds, preserving safety of capital while at the same time providing for adequate liquidity and income to meet daily expenditure needs. The City's individual holdings within the portfolio are monitored daily and investments are constantly reviewed and diversified as to type of security, maturity, duration, and source to maintain a balanced portfolio.

To be eligible to conduct investment business with the City, all brokers and dealers must satisfactorily complete an application, must be registered in good standing with the State Department of Finance FINRA, except certain otherwise regulated banks, and must adhere to the capital adequacy standards that the New York Federal Reserve Bank requires of all primary dealers.

All investment transactions are conducted on a delivery vs. payment basis with delivery of all purchased securities to the City or a previously approved and designated bank or trust company as safekeeping and custodial agent. The only exception is for repurchase agreements with a maturity of five calendar days or less transacted with an approved Boise bank. City policy prohibits any investments in highly leveraged, interest sensitive derivative products, or in any authorized government investment pool, mutual fund or any other similar fund whose portfolios contain or permit such products. Reverse repurchase agreements are allowed only for liquidity purposes and are not allowed for leverage or speculation.

Debt Policy

The City has adopted a formal debt policy which applies to all debt issued by the City of Boise regardless of purpose, source or type.

Risk Management

In fiscal year 1986, the City began assuming certain levels of self-insured retention for liability and property coverage and continued to purchase commercial insurance coverage for large claims. During fiscal year 1988, the City established a Risk Management Fund (an internal service fund) to account for and finance its self-insured risks of loss. Effective October 1, 1998, the City funds began assuming certain levels of self-insured retention for Workman's Compensation. Amounts to be provided for coverage are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. Due to the unique characteristics of Airport liability, the City purchases a separate policy to cover those liability exposures.

Pension System

All benefit eligible employees, which consist of employees who work 20 or more hours per week for five consecutive months, must enroll in one of two retirement plans—the State's Public Employees' Retirement System of Idaho ("PERSI").

PERSI. The City's classified employees, including those hired prior to July 1, 1990, are covered under PERSI. Additionally, new staff who are vested in PERSI have the option of remaining in or returning to PERSI with written affirmation of this decision within 60 days of employment. PERSI is the administrator of a multiple-employer cost-sharing defined benefit public employee retirement system. A retirement board (the "PERSI Board"), appointed by the governor and confirmed by the State Senate, manages the system, including selecting investment managers to direct the investment, exchange and liquidation of assets in the managed accounts and establishing policy for asset allocation and other investment guidelines. The PERSI Board is charged with the fiduciary responsibility of administering the system.

PERSI is the administrator of seven fiduciary funds, including three defined benefit retirement plans, the Public Employee Retirement Fund Base Plan ("PERSI Base Plan"), the Firefighters' Retirement Fund and the Judges' Retirement Fund; two defined contribution plans, the Public Employee Retirement Fund Choice Plans 414(k) and 401(k); and two Sick Leave Insurance Reserve Trust Funds, one for State employers and one for school district employers.

PERSI membership is mandatory for eligible employees of participating employers. Employees must be: (i) working 20 hours per week or more; (ii) teachers working a half-time contract or greater; or (iii) persons who are elected or appointed officials. Membership is mandatory for State agency and local school district employees, and membership by contract is permitted for participating political subdivisions such as cities and counties. As of June 30, 2020, PERSI had 73,657 active members, 41,945 inactive members (of whom 13,788 are entitled to vested benefits), and 49,573 retired members or annuitants. In addition, as of June 30, 2020, there were 819 participating employers in the PERSI Base Plan and total membership in PERSI was 165,175. As of September 30, 2020, the City had 1,735 active employees entitled but not yet receiving benefits, and 767 inactive employees or beneficiaries receiving benefits.

The net position for all pension and other funds administered by PERSI increased $0.2 billion during Fiscal Year 2020 and increased $1.1 billion during Fiscal Year 2019. The change in the defined benefit plans reflects the total of contributions received and an investment return less benefits paid and administrative expenses. All of the plans experienced investment gains in Fiscal Year 2020 as a result of positive market performance. Net investment income for all of the funds administered by PERSI for the Fiscal Year 2020 and Fiscal Year 2019 was $0.5 billion and $1.5 billion, respectively.

Based on the July 1, 2020 actuarial valuation, PERSI's actuarial loss of $1,042.0 million, resulting in a change in funding status from a funding ratio of 92.5% on July 1, 2019, to 87.7% on June 30, 2020. The funding ratio is the ratio of the actuarial value of the assets over the value of the actuarial accrued liability. The higher the funding ratio, the better the plan is funded.

Annual actuarial valuations for PERSI are provided by the private actuarial firm of Milliman, which has provided the actuarial valuations for PERSI since PERSI's inception. As a result of the statutory requirement that the amortization period for the unfunded actuarial accrued liability ("*UAAL*") be 25 years or less, the PERSI Board must annually analyze contribution rates. The current contribution rates, as listed below, are adequate to amortize the normal cost and UAAL balance over the required 25-year period.

Contribution Rates

Member		Employer	
General/ Teacher	Fire/ Police	General/ Teacher	Fire/ Police
7.16%	8.81%	11.94%	12.28%

Source: Financial Statements June 30, 2020 Public Employee Retirement System of Idaho

The most recent major experience study, completed in June 2018, covered the period July 1, 2011 through June 30, 2017. The next major PERSI experience study is to be completed in 2022 and will cover the period of July 1, 2017 through June 30, 2021.

The City's required and paid contributions to PERSI for Fiscal Year 2019 and Fiscal Year 2020 were $13,673,000 and $15,365,000 respectively. Contribution requirements of PERSI and its members are established by the PERSI Board within limitations, as defined by state law.

Under Governmental Accounting Standards Board ("GASB") Statement No. 68, The City is required to record a liability and expense equal to its proportionate share of the collective net pension liability and expense of PERSI. The City recorded a net pension liability as of June 30, 2019 of $40,596,000 and $82,759,000 as of June 30, 2020, representing its proportionate share of liability under PERSI, which was 3.56%.

PERSI issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at, www.persi.idaho.gov (which website is provided purely for convenience and is not incorporated or made a part of this Official Statement by this reference). Much of the information in this section comes from the PERSI Financial Statements, June 30, 2020, and therefore the information is from a source not within The City's control.

For additional information concerning The City's pension benefits, see Schedule of Employer's Share of Net Pension Liability in "APPENDIX A— AUDITED FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019."

Other Post-employment Benefits

The City participates in additional post-employment benefit plans to provide other post-employment benefits ("OPEB") for City employees. The City has a Post-Employment Health Plan for all regular full and part time employees working 20 hours or more per week. The city makes annual contributions to a medical trust established under Internal Revenue Code section 501(c)(9) on behalf of the participants. Upon separation, the employee may use only the accumulated balance and the City has no ongoing responsibility for the trust. The City provides all employees eligible to retire under PERSI a $10,000 life insurance policy, the premium for which is paid by the City. Additionally, the City contributes $100 per month toward a retiree health insurance plan for retirees under the age of 65. For post-65 retirees, the City contributes $50 per month toward a City-offered Medicare Advantage plan.

The unfunded actuarial liability for the post-employment benefits as of September 30, 2020 is $15,136,000. The annual required contribution (ARC) for Fiscal Year 2020 is $537,792. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for the past three Fiscal Years are as follows:

Fiscal Year Ended	Annual OPEB Contribution	Net OPEB Liability
September 30, 2020	$537,792	$15,136,305
September 30, 2019	831,739	14,468,253
September 30, 2018	576,739	11,344,882

Sustainability and Climate Action

The City has set a climate action goal of being completely carbon neutral by 2050. The City recently developed a Climate Action Roadmap (the "Climate Roadmap") that provides a clear path for reaching carbon neutrality. The Climate Roadmap focusses on both cutting greenhouse gas emissions and prioritizes quick action by City government and sets forth steps citizens can take.

The Airport has been actively implementing sustainability projects for the last 10 years. Such projects include replacing light fixtures with energy efficient fixtures and LED light fixtures on the airfield, installing of a solar hot water system and water conservation toilet fixtures, converting gas heaters to electric, and establishing an Airport recycling program for all Airport tenants. Furthermore, the Public Parking Project and the Employee Parking Project were both designed and will be constructed to the Green Construction standards, which require recycling and energy efficiency. As part of the Green Construction standards, the Airport will have an independent consultant certify that the Airport has met such Green Construction standards.

CERTAIN INVESTMENT CONSIDERATIONS

The Series 2021 Bonds may not be suitable investments for all persons, and prospective purchasers should evaluate the risks and merits of an investment in the Series 2021 Bonds and confer with their own legal and financial advisors before considering a purchase of the Series 2021 Bonds. The following section describes certain risk factors affecting the payment of and security for the Series 2021 Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of the Series 2021 Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following risk factors along with all other information described elsewhere or incorporated by reference in this Official Statement in evaluating the Series 2021 Bonds.

Effect of COVID-19 Pandemic

The COVID-19 pandemic has had and likely will continue to have substantial adverse effects on passenger traffic and Airport operations and financial performance. The dynamic nature of the COVID-19 pandemic leads to many uncertainties, so the City cannot predict: (i) the scope, duration or extent of the current COVID-19 pandemic, or another outbreak or pandemic, (ii) any additional restrictions or warnings related to air travel, gatherings or any other activities, or the duration or extent to which airlines will reduce services at the Airport, or whether airlines will cease operations at the Airport or shut down, in response to such restrictions or warnings; (iii) what additional short or long-term effects the restrictions and warnings imposed as a result of the COVID-19 pandemic may have on air travel (including to and from the Airport), the retail and services provided by Airport concessionaires, Airport costs or Airport Net Revenues; (iv) to what extent the COVID-19 pandemic, another outbreak or pandemic may disrupt the local, State, national or global economy, manufacturing or supply chain, and if any such disruption may adversely impact Airport-related construction, the cost, sources of funds, schedule or implementation of the Airport's CIP, or other Airport operations; (v) the extent to which the COVID-19 pandemic, or another outbreak or pandemic, or the resultant disruption to the local, State, national or global economy, may result in changes in demand for air travel, or have an impact on the airlines or concessionaires serving the Airport, or the airline and travel industry, generally; (vi) whether or to what extent the Airport may amend, adjust, or make other changes to the Airport's arrangements with its tenants and concessionaires; (vii) whether any of the foregoing will have a material adverse effect on the finances and operations of the Airport; or (viii) the extent or duration of telecommuting and the possibility of increased utilization of video conferencing by businesses and others after the COVID-19 pandemic which may reduce demand for business travel.

The City cannot predict the extent and duration of changes in air traffic volume as a result of the COVID-19 pandemic and its associated economic impacts. It is possible that air travel behavior and patterns may be permanently altered, once the various guidelines and orders implemented in response to the COVID-19 pandemic have been lifted, as a result of residents' and businesses' telecommuting experiences during the outbreak. In particular, such experiences may result in a permanent decline in business travel, the extent of which is currently unknown.

Prospective investors should assume that the restrictions and limitations related to COVID-19, and the current upheaval to the air travel industry and the national and global economies, will continue at least over the near term, and that recovery may be prolonged, adversely impacting Airport revenues. Future outbreaks, pandemics or other events outside the Airport's control may further reduce demand for travel, which in turn could cause a decrease in passenger activity at the Airport and declines in Airport revenues. See "IMPACT OF COVID-19 PANDEMIC ON AIRPORT."

Dependence on Levels of Air Traffic and Activity

Pursuant to the Indenture, the principal of and interest on the proposed Series 2021 Bonds and any permitted parity obligations are payable from Net Revenues. The ability to pay debt service on the Series 2021 Bonds will depend on the City's receipt of sufficient Net Revenues. Net Revenues are dependent primarily on aviation activity at the Airport. The Net Revenues are also affected by the economic health of the air transportation industry and, in particular, the airlines serving the Airport. As a result, the Airport's ability to generate Net Revenues from its operation of the Airport depends upon many factors, many of which are not subject to the control of the City, including (1) the growth in the population and economy of the area served by the Airport, especially the Boise-Nampa MSA, (2) national and international economic and political conditions, (3) domestic and international affairs, (4) air carrier economics and air fares, (5) the availability and price of aviation fuel, (6) airline service and route networks, (7) the capacity of the air traffic control system, (8) labor relations within the airline industry, (9) changes in demand for air travel, (10) regulation by the federal government and (11) the capacity of the airport system. Additionally, slow or negative traffic growth in many areas, increased competition among air carriers, increased labor, equipment and other operating costs, and increases in the requirements for and the cost of debt capital have combined recently to reduce profits materially or to cause losses for many air carriers over the past few years, although many airlines have recently reported increases in profitability. Furthermore, the so-called "legacy" carriers such as American, Delta and United have taken many actions to restructure and reduce costs including reducing their workforce, renegotiating their labor agreements, consolidating connecting activity and replacing mainline jets with regional jets. The Airport makes no representation with respect to the continued viability of any of the airlines serving the Airport and cannot assess the impact that these factors will have on the airline industry or the airlines operating at the Airport and, in turn, on the Airport's Net Revenues.

Amounts available for deposit in the Airport Enterprise Fund available for transfer to the Bond Fund could also be adversely affected by delays or defaults in the payments of rates and charges by the air carriers at the Airport.

Federal Law Affecting Airport Rates and Charges

There can be no assurance that new regulations will not be enacted, or that challenges to existing regulations will not take place, which, in either case, could affect the costs permitted to be included in determining an airport's rate base and/or limit the City's flexibility in negotiating a new Airline Agreement or in setting rates and charges for the Airport's airfield and non-airfield facilities.

Federal Legislation Affecting the Air Transportation Industry

Since September 11, 2001, and as a result of the financial distress and bankruptcy filings in the airline industry, the federal government enacted several pieces of legislation that have directly affected the airline industry. Such legislation includes the Federal Aviation and Transportation Security Act enacted on November 19, 2001 to provide, among other things, for the federalization of airport security through the TSA. The Homeland Security Act enacted on November 25, 2002 created the Department of Homeland Security (the "DHS") to accomplish several primary goals, including, among others, preventing terrorist attacks within the United States; reducing the United States' vulnerability to terrorism; minimizing the danger of, and assisting in the recovery from, terrorist attacks that do occur; and monitoring connections between illegal drug trafficking and terrorism and coordinating efforts to seek such connections. The TSA is a part of the DHS.

On October 17, 2005, amendments to the United States Bankruptcy Code took effect. The amendments were partially established as a result of bankruptcies of airlines. Among other things, the amendments will force companies to reorganize and emerge from Chapter 11 protection more quickly. Companies will have up to 18 months during which they must submit a reorganization plan and are protected from takeover attempts. The amendments also require companies to make decisions within 120 days about whether they want to reject leases of their vendors or partners (which could include, for purposes of airlines, airport use and lease agreements).

FAA Reauthorization

On October 3, 2018, Congress passed a five-year reauthorization bill for the FAA, known as the "FAA Reauthorization Act of 2018," which was signed into law on October 5, 2018 by the President. The FAA Reauthorization Act of 2018, among other things, authorizes the FAA's programs for five federal fiscal years, and increases funding for the Airport Improvement Program ("AIP"). The AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set asides and the national priority ranking system). Between 2007 and the prior reauthorization bill in 2012, there were 23 short-term extensions of the FAA's authority and a two-week partial shutdown of the FAA in summer 2011. There can be no assurance that Congress will enact, and the President will sign future FAA reauthorization acts or provide for additional extensions before the current authorization expires. Failure to adopt such legislation may have a material adverse impact on the AIP grant program and the Airport. In addition, the AIP could be affected by the automatic across-the-board spending cuts known as sequestration, described in more detail below.

The Airport expects to finance certain projects within the CIP from government grants. In the event that FAA grants to the Airport are lower than those made in recent years, the City may need to either delay or not undertake certain projects, seek alternative sources of funding and/or possibly issue additional debt.

Federal funding received by the Airport also could be adversely affected by implementation of certain provisions of sequestration, a budgetary feature first introduced in the Budget Control Act of 2011. Sequestration could adversely affect FAA operations, TSA budgets, and the availability of certain federal grant funds typically received annually by the Airport. This may cause the FAA or TSA to implement furloughs of their employees and hiring freezes, including air traffic controllers, and result in flight delays and flight cancellations. The full impact of such sequestration measures on the Airport is unknown at this time, and hence the City cannot predict future sequestration funding cuts or furloughs of federal employees responsible for federal airport security screening, air traffic control or the impact of such actions on airline traffic at the Airport or the Net Revenues.

General Factors Affecting the Airline Industry

Recent Events

The financial difficulties of most domestic airlines, including the bankruptcy of several airlines, the general economic downturn of the U.S. economy, the significant recent increases and overall fluctuations in fuel prices, the threat of future terrorist attacks, the conflicts in Iraq and Afghanistan and the increased security requirements in air transportation adversely affected the U.S. aviation industry, including the financial condition of the airlines that operate at the Airport. Potential investors are urged to review the airlines' financial information on file with the SEC. See "CONTINUING DISCLOSURE – No Continuing Disclosure by Airlines" herein for information on how to obtain this information.

Boeing 737 Max and 777

Following the fatal crashes of B-737 MAX aircraft that are suspected to have been caused by the malfunction of the aircraft's automated flight control system, all B-737 MAX aircraft were grounded by the FAA in March 2019. Among North American airlines that had B-737 MAX in service, Air Canada, American, Southwest, and United were affected. At the time of the grounding, B-737 MAX aircraft accounted for approximately 1.5% of U.S. airline seat capacity and less than 1.0% of seat capacity at the Airport. In November 2020, the FAA rescinded its order grounding the aircraft, allowing it to return to service once design changes and revisions to pilot training programs are approved and the aircraft is recertified by the FAA and other regulatory agencies. The Boeing 737 MAX aircraft returned to providing passenger service on December 29, 2020. However, on April 7, 2021, Boeing notified the FAA and operators of certain Boeing 737 MAX airplanes that it is recommending the operators temporarily remove them from service to address a manufacturing issue that could affect the operation of a backup power control unit. All U.S. airlines operating the 737 MAX (affecting 71 aircraft) took their aircraft out of service pending repairs.

Economic Conditions

Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of disposable income. Recession in the U.S. economy in 2001 and stagnant economic conditions in 2002 contributed to reduced passenger numbers during those years. The 2008-2009 recession and continuing high unemployment reduced discretionary income and contributed to reduced airline travel demand in those years. During September 2008, significant and dramatic changes occurred in the U.S. and global financial markets. Several U.S. commercial and investment banks declared bankruptcy, were acquired by other financial institutions, combined with other financial institutions or sought huge infusions of capital. The volatility in the capital markets led the U.S. government to intervene by making funds available to certain institutions, taking over the ownership of others and assuming large amounts of troubled financial instruments in exchange for imposing greater regulation over certain institutions in order to restore consumer confidence in, and stabilize, the nation's financial markets. Since 2008, the U.S. economy has experienced a recession followed by weak growth. As a result of concerns about the U.S. government's ability to resolve long-term deficits, in August 2011 Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, downgraded the credit rating of the U.S. sovereign debt from "AAA" to "AA+." It is not known at this time whether the high national unemployment rate, or the slow rate of national and global economic growth will persist beyond 2012. There can be no assurances that the prolonged weak economic conditions, the downgrade of the credit rating of the U.S. sovereign debt or other national and global fiscal concerns will not have an adverse effect on the air transportation industry.

International Economic and Political Conditions

With the globalization of business and the increased importance of international trade and tourism, growth in the U.S. economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economics, trade balances, currency exchange rates, political relationship, and hostilities are now important influences on passenger traffic at U.S. airports. Sustained future increases in passenger traffic at the Airport will depend on stable international conditions as well as national and global economic growth.

Overall Financial Health of U.S. Airline Industry

The number of passengers using the Airport will depend partly on the profitability of the U.S. airline industry and the associated ability of the industry and individual airlines to make the necessary investment to provide service. Sustained industry profitability will depend on, among other factors, economic growth to support airline travel demand, continued seat capacity control to enable increased airfares, and stable fuel prices and labor costs.

Air Carrier Service and Routes

While passenger demand at an airport depends on the population and the economy of the region served, air carrier service and the number of passengers enplaned also depend on the route networks of the air carriers serving that airport. Domestic air carriers are free to enter or leave individual air traffic markets, and to increase or decrease service, at will. The Airport serves as a gateway to the Boise MSA as well as surrounding Idaho counties and Eastern Oregon. The number of O&D passengers depends on the intrinsic attractiveness of the Boise MSA as a business and leisure destination and the propensity of its residents to travel. The number of connecting passengers, on the other hand, depends on the airline service provided at the Airport and at other airports. Most large airlines have developed hub-and-spoke systems that allow them to offer high-frequency service in many city-pair markets. Because most connecting passengers have a choice of airlines and intermediate airports, connecting traffic at an airport depends on the route networks and flight schedules of the airlines service that airport and at competing hub airports. The Airport primarily serves O&D, as opposed to connecting, passengers. See "THE AIRPORT - Origin & Destination Passenger Traffic."

Aviation Fuel Prices

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Fuel prices are particularly sensitive to worldwide political instability and economic uncertainties. Beginning in 2003, fuel prices increased as a result of the invasion and occupation of Iraq; political unrest in other oil-producing countries; the rapidly growing economies of China, India, Nigeria, and other developing countries; and other factors influencing the demand for and supply of oil. By mid-2008, average fuel prices were three times higher than they were in mid-2004 and represented the largest airline operating expense, accounting for between 30% and 40% of expenses for most airlines. Increased prices were an important contributor to airline industry losses in 2008 and 2009. Fuel prices decreased sharply in the second half of 2008 as demand declined worldwide, but have since increased as global demand has increased and the U.S. dollar has weakened. In 2011 and 2012, political instability and conflicts in North Africa and the Middle East contributed to further volatility in fuel prices.

Airline industry analysts hold differing views on how oil and aviation fuel prices may change in the near term. However, there is widespread agreement that fuel prices are likely to remain high relative to historical levels and to increase over the long term as global energy demand increases as the result of finite and increasingly expensive oil supplies.

Air Carrier Economics, Competition, and Airfares; Travel Substitutes

Airline fares have an important effect on passenger demand, particularly for relatively short trips where the automobile and other travel modes are potential alternatives, and for price-sensitive "discretionary" travel. The price elasticity of demand for airline travel increases in weak economic conditions when the disposable income of potential airline travelers is reduced. Airlines are influenced by airline capacity and yield management; passenger demand; airline market presence; labor, fuel, and other airline operating costs; taxes, fees, and other charges assessed by governmental and airport agencies; and competitive factors. Additionally, teleconference, video-conference and web-based meetings continue to improve in quality and price and are often considered a satisfactory alternative to face-to-face business meetings. Future passenger numbers, both nationwide and at the Airport, will depend, in part, on airfare levels.

Overcapacity in the industry, the ability of consumers to compare airfares and book flights easily via the internet, and other competitive factors combined to reduce airfares between 2000 and 2005. From 2006 through 2008, as airlines reduced capacity and were able to sustain fare increases, the average domestic yield increased. In 2009, yields again decreased, but, beginning in 2010, as airline travel demand increased and seat capacity was restricted, yields increased through 2014. Between 2015 and 2016, domestic yields decreased again, reflecting lower aviation fuel prices and increased airline competition, and yields have been fairly stable through 2019 (i.e. up to the onset of the COVID-19 pandemic). Yields decreased in the first half of 2020 as passenger demand drastically dropped. See "APPENDIX A - REPORT OF THE AIRPORT CONSULTANT."

In many airline travel markets nationwide, new entrant and other airlines with lower cost structures have provided price and service competition. In Boise, Southwest has provided such competition in many travel markets. As United and other legacy network airlines have restructured their operations and reduced costs, they have enhanced their ability to compete.

Capacity of National Air Traffic Control and Airport Systems and the Airport

Demands on the national air traffic control system have, in the past, caused delays and operational restrictions affecting airline schedules and passenger traffic. The FAA is gradually implementing its Next Generation Air Transport System (NextGen) air traffic management programs to modernize and automate the guidance and communications equipment of the air traffic control system and enhance the use of airspace and runways through improved air navigation aids and procedures. Since 2007, air traffic delays decreased as a result of reduced numbers of aircraft operations, but, as air travel demand increases in the future, flight delays and restrictions should be expected.

World Health Concerns

Public health and safety concerns have also affected travel demand from time to time. In 2003, concerns about the spread of severe acute respiratory syndrome (SARS) led public health agencies to issue advisories against nonessential travel to certain regions of the world. In, 2009, concerns about the spread of influenza caused by the H1N1 virus reduced certain international travel, particularly to and from Mexico and Asia. In April 2010, airspace and airports in much of Europe were closed for 6 days because of the threat to flight safety of the ash cloud from the eruption of Iceland's Eyjafjallajokull volcano. In March 2011, airline travel to and from Japan decreased following a destructive earthquake and tsunami. Most recently, the airline industry and overall economy have been greatly affected by the COVID-19 pandemic, causing all time lows of passenger travel in 2020. See "IMPACT OF COVID-19 PANDEMIC ON AIRPORT" herein. Historically, airline travel demand has recovered after temporary decreases stemming from public health and safety concerns.

Aviation Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of potential international hostilities and terrorist attacks, may influence passenger travel behavior and airline travel demand. Anxieties about the safety of flying and the inconveniences and delays associated with security screening procedures lead to both the avoidance of travel and the switching from air to surface modes of transportation for short trips.

Safety concerns in the aftermath of the terrorist attacks in September 2001, along with a weak economy, were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against changing threats and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed sky marshals, federalization of airport security functions under the TSA, more effective dissemination of information about threats, more intensive screen of passengers and baggage, and deployment of new screening technologies.

Historically, air travel demand has recovered after temporary decreases stemming from terrorist attacks or threats, hijackings, aircraft crashes, public health and safety concerns, and international hostilities. Provided that precautions by government agencies, airlines, and airport operators serve to maintain confidence in the safety of commercial aviation without imposing unacceptable inconveniences for airline travelers, it can be expected that future demand for airline travel at the Airport will depend primarily on economic, not safety or security, factors.

Airline Consolidations, Mergers, and Alliances

In response to competitive pressures, the U.S. airline industry has consolidated. In April 2001, American completed the acquisition of failing Trans World Airlines. In October 2008, Delta and Northwest completed a merger transaction and have integrated most of the operations of the two airlines under the Delta name. In October 2009, Republic Airways Holdings completed purchases of Frontier Airlines and Midwest Airlines and now operates the combined airline under the Frontier name. In December 2009, Delta Air Lines and Northwest merged.

In October 2010, United Airlines and Continental completed a merger transaction, thereby creating the largest U.S. airline. In May 2011, Southwest Airlines completed its acquisition of AirTran and integrated operations in 2014, thereby creating the largest U.S. domestic airline as measured by numbers of enplaned passengers. Any such further consolidation could change airline service patterns, particularly at the connection hub airports of the merging airlines.

In December 2013, American and US Airways completed their merger and have maintained all hubs in the combined system. In December 2016, Alaska Air Group, parent of Alaska Airline, and Virgin

America Airlines completed their merger. The merged airline received a single operating certificate from the FAA in January 2018, moved to a single reservations system and rebranded as Alaska Airlines on April 25, 2018, and retired the Virgin American brand in June 2019.

Consolidation has resulted in four airlines (American, Delta, Southwest, and United) accounting for approximately 80% of domestic seat-mile capacity and is expected by airline industry analysts to contribute to industry profitability. However, any resumption of financial losses could cause U.S. airlines to seek bankruptcy protection or liquidate. The liquidation of any of the large network airlines would drastically affect airline service at certain connecting hub airports, present business opportunities for the remaining airlines, and change airline travel patterns nationwide. As a primarily O&D airport, it is expected that in the unlikely event any of the large network carriers liquidated, the air service provided by such airline at the Airport would be eventually replaced by another airline.

Alliances, joint ventures, and other marketing arrangements provide airlines with many of the advantages of mergers. Alliances typically involve marketing, code sharing, and scheduling arrangements to facilitate the transfer of passengers between the airlines. Joint ventures involve even closer cooperation and the sharing of costs and revenues on designated routes. Most of the largest U.S. airlines are members of such alliances with foreign-flag airlines.

Competition Among Airports

Boise is one of the most isolated metropolitan areas in the United States and as a consequence the Airport does not experience significant competition from other airports. Salt Lake City is the nearest major airport, approximately 335 miles away, but with relatively frequent and inexpensive flights on Southwest and Delta, the Airport believes that the incidence of users traveling from the Airport's primary service area to Salt Lake City for better connections and fares is not significant. The extremities of the Airport's service area are relatively sparsely populated and so the impact of users migrating to another airport such as Salt Lake City, Portland or Spokane does not have a significant effect on the Airport.

Environmental Regulations

The FAA has jurisdiction over flying operations generally, including personnel, aircraft, ground facilities and other technical matters, as well as certain environmental matters. Under the FAA's noise reduction regulations, the air transportation industry is under a mandate to gradually replace or retrofit Stage 2 (noisier) aircraft in order to quiet fleet operations. Airport noise remains a significant federal and local issue at certain airports, including the Airport, which may require substantial capital investments by the industry and/or airport operators, including the City, from time to time to meet applicable standards. Finally, other environmental regulations of general applicability (such as hazardous waste handling and disposition requirements, underground storage tank rules, storm water permitting requirements, and the like) which are enforced by the Federal Environmental Protection Agency and the Idaho Department of Environmental Quality, not the FAA, apply to the Airport; compliance with those requirements may impose costs from time to time.

Limitation of Remedies

Under the terms of the Indenture, the remedies available to the Trustee and Holders of the Series 2021 Bonds upon the occurrence of an Event of Default are limited. Additionally, no mortgage or security interest has been granted or lien created in the Airport to secure the payment of the Series 2021 Bonds.

Various state laws, constitutional provisions, and federal laws and regulations apply to the obligations created by the issuance of the Series 2021 Bonds. There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions will not be changed, interpreted, or supplemented in a manner that would have a material adverse effect, directly or indirectly, on the affairs of the City, the Airport or the payment of Net Revenues.

In the event of a default in the payment of principal of or interest on the Series 2021 Bonds, the remedies available to the owners of the Series 2021 Bonds upon a default are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing constitutional law, statutory law, and judicial decisions, including the federal Bankruptcy Code. Bond Counsel's opinion to be delivered concurrently with delivery of the Series 2021 Bonds will be qualified as to enforceability of the various legal instruments by certain limitations, including limitations imposed by bankruptcy, reorganization, insolvency, and equity principles.

Secondary Market

No assurance can be given concerning the existence of any secondary market for the Series 2021 Bonds or its creation or maintenance by the Underwriters. Thus, purchasers of Series 2021 Bonds should be prepared, if necessary, to hold their Series 2021 Bonds until their respective maturity dates.

Tax Legislative Changes

Current law may change so as directly or indirectly to reduce or eliminate the benefit of the exclusion of interest on the Series 2021 Bonds from the gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Series 2021 Bonds. Prospective purchasers of the Series 2021 Bonds should consult with their own tax advisors with respect to any proposed or future legislation.

Cybersecurity

Similar to other large organizations, the Airport and airlines rely on electronic systems and technologies to conduct operations. Computer networks and data transmission and collection are vital to the safe and efficient operations of the Airport, the airlines that serve the Airport and other tenants of the Airport. The Airport considers information security to be of paramount importance. There is a dedicated team of cybersecurity specialists in the City of Boise's Information Technology department whose sole responsibility is ensuring the security of our information systems and networks. The City has implemented a "security in depth" strategy to protect Airport information systems and data. Nevertheless, despite our best efforts, the information technology and infrastructure of the Airport, including the airlines serving the Airport and other tenants at the Airport, may be vulnerable to attacks by outside or internal hackers, or breached by employee error, negligence or malfeasance. Any such breach or attack could compromise systems and the information stored thereon. A compromise or other loss of information could result in a disruption in the efficiency of the operation of the Airport and/or the airlines serving the Airport and the services provided at the Airport, thereby adversely affecting the ability of the Airport to generate revenue. The Airport's security posture is designed to prevent and defend against cyber-attacks, and we are committed to quickly detecting and responding to any such attacks to minimize their impact on operations. However, no assurances can be given that the Airport's security measures will prevent cyber-attacks, and no assurances can be given that any cyber-attacks, if successful, will not have a material adverse effect on the operations or financial condition of the Airport.

Forward Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements". When used in this Official Statement, the words "estimate", "anticipate", "intend", "expect", "projection" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause the actual results to differ materially from those contemplated in such forward-looking statements.

INITIATIVES AND REFERENDA

Legislative Referrals

Referrals are proposed laws that originate from the State Legislature to be voted on by the people. In Idaho, both houses of the State Legislature must vote and must pass by two–thirds of its members to refer a statute or constitutional amendment for a popular vote. Such referrals cannot be vetoed by the governor. According to the Elections Division of the Idaho Secretary of State, there are no current proposed Legislative referrals.

The Initiative Process

Article I, Section 3 of the Idaho Constitution provides that the people of the State have reserved to themselves the power of initiative and referendum, pursuant to which measures to enact, or repeal laws can be placed on the statewide general election ballot for consideration by the voters. The initiative and referendum powers relate only to laws; the Idaho Supreme Court has ruled that the Idaho Constitution cannot be amended by initiative or referendum.

In 1997, the State Legislature enacted significant procedural prerequisites including signature distribution requirements, to qualify an initiative or referendum measure for submittal to the electors. Any person may file a proposed measure with the signatures of 20 qualified electors of the State with the Idaho Secretary of State's office. The Idaho Attorney General is required by law to review and make recommendations (if any) on the petition to the petitioner before issuing a certificate of review to the Secretary of State. The petitioner then, within 15 working days, files the measure with the Secretary of State for assignment of a ballot title and submittal to the Attorney General. The Attorney General, within 10 working days thereafter, shall provide a ballot title for the measure. Any elector that submitted written comments who is dissatisfied with the ballot title certified by the Attorney General may petition the Idaho Supreme Court seeking a revision of the certified ballot title.

Once the ballot title has been certified and the form of the petition has been approved by the Secretary of State, the proponents of the measure shall print the petition and, during an 18-month circulation period or until April 30 in an election year, whichever occurs first, may start gathering the petition signatures necessary to place the proposed measure on the ballot.

As of July 1, 2021, too be placed on a general election ballot, not less than four months prior to the election, the proponents must submit to the Secretary of State petitions signed by a number of qualified voters equal to at least 6% of the qualified electors in all of the State's 35 legislative districts. Proponents of measures are permitted to compensate persons obtaining signatures for the petition, but in such instances the petition must contain a notice of such payment to the elector whose signature is being sought.

Historical Initiative Petitions

According to the Elections Division of the Idaho Secretary of State, there were four initiative petitions and three referendums that qualified for the ballot between 2006 and 2020.

LITIGATION

There is no litigation pending or overtly threatened questioning the validity of the Series 2021 Bonds or the City's power and authority to issue the Series 2021 Bonds. Furthermore, there is no litigation pending or overtly threatened that would materially affect the finances of the City or the Airport or adversely affect the City's ability to meet debt service requirements on the Series 2021 Bonds.

CONTINUING DISCLOSURE

General

The City will enter into a continuing disclosure agreement (the "CDA") for the benefit of the Bondholders meeting the requirements for such agreements set forth in SEC Rule 15c2-12 (the "Rule"). A form of the proposed CDA is attached as APPENDIX D. The CDA will require the City to provide only limited information at specified times, and such information may not constitute all information necessary to determine the value at any time of the Series 2021 Bonds. Informational filings under the CDA will be made through the Electronic Municipal Market Access ("EMMA") system, established by the Municipal Securities Rulemaking Authority. The terms under which the CDA may be amended are set forth therein. The City may, in its discretion, file additional information, but it is not obligated to provide such additional information for the benefit of the holders of the Series 2021 Bonds.

The intent of the City's undertaking in the CDA is to provide on a continuing basis the information described in the Rule. Accordingly, the City has reserved the right to modify the disclosure hereunder or format thereof so long as any such modification is made in a manner consistent with the Rule. Furthermore, to the extent that the Rule no longer requires the issuers of municipal securities to provide all or any portion of the information the City has agreed to provide in the CDA, the obligation of the City to provide such information under the CDA also shall cease immediately.

The City has executed the CDA for the express purpose of conforming to the requirements of the Rule and not to create new contractual or other rights for the Trustee, any registered owner or beneficial owner of the Series 2021 Bonds, any municipal securities broker or dealer, any potential purchaser of the Series 2021 Bonds, the Securities and Exchange Commission or any other person. The sole remedy in the event of any actual or alleged failure by the City to comply with any provision of the CDA shall be an action for the specific performance of the City's obligations thereunder and not for money damages in any amount. Any failure by the City to comply with any provision of its undertakings shall not constitute an event of default under the Indenture.

City Compliance with Prior Undertakings

The City has materially complied with its continuing disclosure undertakings in the last five years. However, in connection with the issuance of the Series 2021 Bonds, it was discovered that the City failed to file a material event notice related to a 2016 rating upgrade: Fitch upgraded the City's underlying revenue bond credit related to the City's Revenue Refunding Bonds, Series 2011A to a "AAA". The City has taken steps to ensure timely future compliance and prior to the date hereof has filed the material event notice to EMMA. A failure by the City to comply with the CDA 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 2021 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2021 Bonds and their market price.

See "APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT."

No Continuing Disclosure Undertakings by Airlines

No airline has made any agreement regarding the continuing disclosure of information for the benefit of the holders and beneficial owners of the Series 2021 Bonds. However, certain airlines operating at the Airport are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended. In accordance therewith, certain information, including financial information, concerning such airlines or their respective parent corporations, is disclosed in certain reports and statements filed with the Securities and Exchange Commission (the "SEC"). Such reports and statements can be inspected at the public reference facilities maintained by the SEC at 450 Fifth Street, NW, Washington, DC 20549 and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material can be obtained from the Public Reference Section of the SEC at 450 Fifth Street, NW, Washington, DC 20549, and at the Commission's regional offices at, among others, Woolworth Building, 233 Broadway, New York, New York 10249, at prescribed rates. The SEC also maintains a website that contains information filed electronically with the SEC, which may be accessed via the Internet at http://www.sec.gov.[1] In addition, airlines are required to file periodic reports of financial and operating statistics with the U.S. Department of Transportation. Such reports can be inspected at the following locations: Office of Aviation Information Management, Data Requirements and Public Reports Division; Research and Special Programs Administration, and the Department of Transportation, Room 4201, 400 Seventh Street, SW, Washington, DC 20590. Copies of such reports can be obtained from the Department of Transportation at prescribed rates. *The information under this caption is for informational purposes only, is not intended to be incorporated by reference into this Official Statement and will not be subject to update by the City.*

In addition, pursuant to the Rule, certain airlines may have agreed to continuing disclosure undertakings in connection with the issuance and sale of obligations other than the Series 2021 Bonds. In those instances, the airlines would have undertaken, in a written agreement or contract for the benefit of the holders of such obligations, to provide to various information repositories certain annual financial information and operating data, including audited financial statements, and to provide notice to such repositories and the MSRB of certain specified material events. Such information is available to securities brokers and others who subscribe to receive the information from such repositories.

TAX MATTERS

Federal Tax Exemption

In the opinion of Skinner Fawcett LLP, Bond Counsel, based upon the analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code and is excluded from gross income for purposes of State personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2021A Bonds is not a specific preference item for purposes of the federal alternative minimum tax as defined in Section 55(b)(2) of the Internal Revenue Code under present federal income tax laws, but interest on the Series 2021B Bonds is a specific preference item for purposes of the federal alternative minimum tax.

The Internal Revenue Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal tax purposes of interest on obligations such as the Series 2021 Bonds. The City has made certain representations and covenanted to comply with certain restrictions, conditions, and requirements designed to ensure that interest on the Series 2021 Bonds will not be

[1] The SEC's website is provided for convenience only and is not incorporated into this Official Statement by this reference and is not a part hereof.

included in gross income for federal income tax purposes. Failure to comply with these covenants may result in interest on the Series 2021 Bonds being included in gross income for federal income tax purposes from the date of original execution and delivery of the Series 2021 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any matters coming to Bond Counsel's attention after the date of execution and delivery of the Series 2021 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2021 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes and is excluded from gross income for purposes of State personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2021 Bonds may otherwise affect a beneficial owner's federal, state, or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Internal Revenue Code, or court decisions could cause interest on the Series 2021 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status on such interest. The introduction or enactment of any such current or future legislative proposals, clarification of the Internal Revenue Code, or court decisions may also affect the market price for, or marketability of, the Series 2021 Bonds. Prospective purchasers of the Series 2021 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations, or litigation, and regarding the impact of future legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2021 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City, or about the effect of future changes in the Internal Revenue Code, the applicable regulations, the interpretation thereof, or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the requirements of the Internal Revenue Code.

State Tax Exemption

In the opinion of Bond Counsel, under laws of the State in effect as of the date of delivery of the Series 2021 Bonds, the Series 2021 Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof.

Premium Bonds

The initial public offering price of certain maturities of the Series 2021 Bonds (the "Premium Bonds"), as shown on the cover page, are issued at original offering prices more than their original principal amount. The difference between the amount of the Premium Bonds at the original offering price and the principal amount payable at maturity represents "bond premium" under the Internal Revenue Code. As a result of requirements of the Internal Revenue Code relating to the amortization of bond premium, under certain circumstances an initial owner of a Series 2021 Bond may realize a taxable gain upon disposition of such a bond, even though such bond is sold or redeemed for an amount equal to the original owner's cost of acquiring such bond. All owners of Series 2021 Bonds are advised that they should consult with their own tax advisors with respect to the tax consequences of owning and disposing of Series 2021 Bonds, whether the disposition is pursuant to a sale of the Series 2021 Bonds or other transfer, or redemption.

RATINGS

Fitch Ratings Ltd. ("Fitch") has assigned its rating of "A+" with a stable outlook and Moody's Investors Service, Inc. ("Moody's") has assigned its rating of "A1" with a stable outlook to the Series 2021 Bonds. Certain information was supplied by the City to such rating agencies to be considered in evaluating the Series 2021 Bonds.

The foregoing ratings express only the views of the rating agencies and are not recommendations to buy, sell or hold the Series 2021 Bonds. An explanation of the significance of each of the ratings may be obtained from the rating agency furnishing the rating. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies, or any of them, if, in their or its judgment, circumstances so warrant. Any downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Series 2021 Bonds.

THE TRUSTEE

The City 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 2021 Bonds. The Trustee is to carry out those duties assignable to it under the Indenture. 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.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by the City of any of the Series 2021 Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Series 2021 Bonds by the City. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Series 2021 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 2021 Bonds, or the investment quality of the Series 2021 Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

LEGAL MATTERS

Issuance of the Series 2021 Bonds is subject to receipt of the legal opinion of Skinner Fawcett LLP, Boise, Idaho, Bond Counsel, and to certain other conditions.

Certain legal matters will be passed upon for the City by Kelly Fleming, City Attorney.

FINANCIAL ADVISOR

PFM Financial Advisors, LLC, San Francisco, California is serving as financial advisor to the City in connection with the Series 2021 Bonds. The Financial Advisor has not audited, authenticated or otherwise verified the information set forth in this Official Statement, or any other related information available to the City, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Financial Advisor respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

UNDERWRITING

Raymond James & Associates, Inc., (the "Underwriter"), has entered into an agreement to purchase the Series 2021 Bonds pursuant to a Bond Purchase Agreement at a price of $71,004,192.66, representing the aggregate principal amount of the Series 2021 Bonds, plus original issuance premium of $15,053,961.35, and less an Underwriter's discount of $249,768.69. The Bond Purchase Agreement provides that the Underwriter will be obligated to purchase all of the Series 2021 Bonds if any are purchased. The obligation of the Underwriter to accept delivery of and pay for the Series 2021 Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement, including the approval of certain legal matters by counsel. The public offering prices of the Series 2021 Bonds may be changed at the discretion of the Underwriter after an initial offering of the Series 2021 Bonds has been made at the prices shown on the inside cover page of this Official Statement. The Underwriter may sell the Series 2021 Bonds to certain dealers and dealer banks, including dealers depositing the Bonds into unit investment trusts, at prices lower than the initial public offering prices.

INDEPENDENT AUDITORS

The financial statements of the City as of September 30, 2019 and 2020 included in Appendix C to this Official Statement have been audited by Eide Bailly, independent auditors, as stated in their report appearing therein.

MISCELLANEOUS

The purpose of this Official Statement is to supply information to purchasers of the Series 2021 Bonds. The summaries provided in this Official Statement and in the appendices attached hereto of the Series 2021 Bonds and the statutes, agreements, reports and other instruments referred to herein do not purport to be comprehensive or definitive, and all references to the statutes, agreements, reports and other instruments summarized are qualified in their entirety by reference to each such statute, agreement, report and instrument. All references to the Series 2021 Bonds are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the Indenture.

Statements in this Official Statement, including matters of opinion, projections and forecasts, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City or the Underwriter and the purchasers of the Series 2021 Bonds. The preparation, execution and distribution of this Official Statement have been authorized by the City.

/s/ David Hasegawa
City Deputy Treasurer

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APPENDIX A

REPORT OF THE AIRPORT CONSULTANT

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Appendix A

REPORT OF THE AIRPORT CONSULTANT

on the proposed issuance of

CITY OF BOISE CITY, IDAHO

AIRPORT REVENUE AND REVENUE REFUNDING BONDS
Series 2021A (Non-AMT) (Public Parking Facilities Project)

and

AIRPORT REVENUE BONDS
Series 2021B (AMT) (Employee Parking Facilities Project)

Prepared for

City of Boise City, Idaho

Prepared by

LeighFisher
San Francisco, California

July 27, 2021

Leigh|Fisher

July 27, 2021

Ms. Rebecca Hupp
Airport Director
Boise Airport
3201 Airport Way
Boise, Idaho 83705-5096

RE: Report of the Airport Consultant, City of Boise City, Idaho
Airport Revenue and Revenue Refunding Bonds, Series 2021A (Non-AMT) (Public Parking Facilities Project) and Airport Revenue Bonds, Series 2021B (AMT) (Employee Parking Facilities Project)

Dear Ms. Hupp:

We are pleased to submit this Report of the Airport Consultant on certain aspects of the proposed issuance of City of Boise City, Idaho (the City) Airport Revenue and Revenue Refunding Bonds, Series 2021A (Non-AMT) (Public Parking Facilities Project), and Series 2021B (AMT) (Employee Parking Facilities Project), (collectively, the 2021 Bonds) in the aggregate principal amount of approximately $61 million*. The proposed 2021 Bonds are to be secured by a pledge of and lien on the Net Revenues of Boise Airport (the Airport), and are not a general obligation of the City. No tax revenues of the City are pledged to pay the principal of, interest on, or any premium on these Bonds. Furthermore, Debt Service payments on the proposed 2021 Bonds are not guaranteed by the State of Idaho.

The proposed 2021 Bonds are being issued to finance parking facilities projects at the Airport as described below. Additionally, a portion of the proceeds of the 2021 Bonds are to be used to refund the $7.9 million in principal amount currently outstanding of the Series 2012 Bonds. The purpose of the Report of the Airport Consultant (the Report) is to present the results of our assessment of the City's ability to meet rate covenant requirements for the proposed 2021 Bonds.

This letter and the accompanying attachments and exhibits constitute our report (the Report).

PARKING FACILITIES PROJECTS

The parking facilities projects encompass the construction of two new parking garages at the Airport – one for public parking and a second for employee parking.

The public parking facility involves the construction of a 410,169 square foot expansion to the existing parking structure providing 1,146 parking spaces over five levels. The new parking structure will be built on the site of a portion of the existing surface parking lot, leading to the loss of approximately 300 surface parking spaces. Upon completion, the project will provide a net increase of 846 public parking spaces for the Airport.

The employee parking facility involves construction of a 233,681 square foot structure over five levels, with 703 parking spaces (a net increase of 567 employee parking spaces available at the Airport).

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* Preliminary, subject to change.

The new public parking facility is being built in response to the limited capacity of current parking facilities, and the recent rise in demand for parking at the Airport. Originally intended to be undertaken during 2020 in response to the significant increase in aviation activity at the Airport during 2015 through 2019, the project was deferred by a year in response to the Covid-19 pandemic. Given the robust recovery in aviation activity at the Airport, as described in detail in the Report, the Parking Facilities Project needs to be started on a priority basis.

The public parking facility is expected to cost approximately $35.8 million, with construction to commence in September 2021 and be substantially complete by March 2023. The employee parking garage is expected to cost approximately $20.7 million, with construction to be completed over the 24-month period through October 2023.

THE IMPACT OF THE COVID-19 PANDEMIC

The emergence of the highly contagious novel coronavirus, Covid-19, at the end of 2019 caused the steepest traffic decline in aviation history and continues to present significant challenges to the world economy and airline industry compared with past public health crises and unexpected major negative events. In March 2020, the World Health Organization (WHO) declared Covid-19 a global pandemic, prompting governmental actions to slow the spread of the disease, including mandates for businesses to close and for people to stay at home.

The pandemic and the measures put in place to try to slow the spread of the disease contributed to a severe economic contraction worldwide, and combined with continuing fears about contagion and the safety of air travel, have resulted in the collapse of demand for air travel, the grounding of a significant number of the world's commercial airline fleets, and drastic cuts in air service. Demand for air travel globally has recovered somewhat, but is expected to remain suppressed until Covid-19 vaccines are more widely available to the public.

At the Airport, passenger traffic declined by 94.1% in April 2020 compared to April 2019 (which was the trough), with the rate of decline slowly improving over succeeding months. Enplaned passengers for Fiscal Year (FY)[*] 2020 were 38.1% below the prior year levels, and are 1.1% below prior year levels for the first nine months of FY 2021 (the period October 1, 2020, through June 30, 2021). Compared to FY 2019, enplaned passengers for the first nine months of FY 2021 declined by 31.0%. However, aviation activity has rebounded significantly in recent months. Enplaned passengers during March 2021 were at 70.5% of March 2019 levels; in April 2021 were at 80.1% of April 2019 levels; during May 2021 reached 85.7% of May 2019 levels; and in June 2021 were almost equal to June 2019 levels. Further recovery is expected through the remainder of FY 2021, as described in more detail in Section 3 of the Report.

Given the unprecedented nature of, and continuing uncertainty regarding, the Covid-19 pandemic and its impact on the aviation industry and worldwide economies, this Report does not include a forecast of aviation activity, revenues, expenses, airline cost per enplaned passenger, or debt service coverage. Rather, the Report presents a hypothetical scenario of enplaned passengers showing recovery to FY 2019 activity levels at the Airport over approximately a five year period (i.e., by FY 2024), based upon

[*] The Fiscal Year of the City ends on September 30.

recent recovery trends at the Airport and an ensemble of traffic recovery projections developed by Fitch Ratings, Moody's Investors Service, S&P Global Ratings, and other industry bodies. Additionally, two alternative scenarios were prepared showing recovery to FY 2019 levels by FY 2023 and FY 2025, respectively. These are indicative of possible paths for traffic recovery. Revenues were extrapolated from the indicative traffic recovery scenarios and are calculated as a range of projections.

PROPOSED 2021 BONDS

The proposed 2021 Bonds are to be issued with a pledge of and lien on Net Revenues* of the Airport. Passenger Facility Charge (PFC) revenues will not be pledged to the payment of debt service on the 2021 Bonds.

The Trust Indenture

The proposed 2021 Bonds are to be issued in accordance with the Trust Indenture (the Indenture) to be adopted by the City as Issuer and Zions Bancorporation, N.A., as Trustee on August 1, 2021. The Indenture specifies requirements for the financial operations of the Airport, including the Covenant to Maintain Airport Rates and Charges and Conditions for Issuing Additional Obligations, as described later in this Report.

Covenants to Maintain Airport Rates and Charges under the Indenture. Under Section 8.14 of the Indenture, the City covenants that it will maintain rates and charges at the Airport as follows:

1. **Rates and Charges.** Rates and charges for services rendered at the City's Airport facilities and properties shall be reasonable and just, taking into account the cost and value of the City's Airport facilities and properties, operation and maintenance expenses, possible delinquencies, proper allowances for depreciation, contingencies, and amounts necessary to meet all Aggregate Debt Service Requirements. These rates and charges shall be sufficient to produce Net Revenues at least equal to 125% of the Aggregate Debt Service Requirements for the applicable Fiscal Year.

2. **Levy of Rates and Charges.** Prior to the delivery of the Bonds, the City will establish and levy the required rates and charges. No reduction in any initial rate schedule may be made unless:

    a. The City has certified its compliance with the provisions of the Indenture for at least one Fiscal Year immediately preceding such reduction, *and*

    b. Either of the following:
        i. Audits for the full Fiscal Year immediately preceding such reduction disclose that the estimated Net Revenues resulting from the proposed rate schedule will be sufficient to meet the requirements outlined in the Rates and Charges paragraph above, *or*

* Net Revenues means the Revenues of the City's airport facilities and properties less Operation and Maintenance Expenses for those facilities and properties. Revenues exclude PFC revenues and rental car customer facility charges (CFCs).

ii. The reduction is in accordance with the City's agreements with the airlines serving the Airport, provided that no such reduction will be permitted unless the requirements of the Rates and Charges paragraph above are met.

Conditions for Issuing Additional Obligations Secured by Net Revenues. The Indenture allows for the issuance of obligations in addition to currently Outstanding Bonds, provided that certain conditions as described in Section 2.11 of the Indenture are met. The City expects to issue future series of Bonds on parity with the 2021 Bonds primarily to finance terminal and related improvements at the Airport during the projection period described in this Report.

The Airline Agreement

The City entered into an agreement with five passenger airlines (the Signatory Airlines). The term of the Airline Agreement, as amended, extends through September 30, 2021. The City is currently in discussions with the airlines regarding the implementation of a further one-year extension to the Airline Agreement, through September 30, 2022.

Under the terms of this one-year extension, the City would charge landing fees and terminal rental rates equivalent to the FY 2019 rates during FY 2022; the airlines would expressly approve the projects in the Airport's current capital improvement program (CIP) (including approving the construction of the public parking facility and the employee parking facility); and a new capital cost threshold would be established for Majority-In-Interest (MII) approval of any additional, currently unidentified, capital projects proposed for the Airport for FY 2022. All other terms of the Airline Agreement would remain substantially unchanged. While there can be no assurance that the City and the airlines will agree to such an Airline Agreement extension for FY 2022, for purposes of this Report it was assumed that such terms would be in effect.

During FY 2022, the City expects to negotiate a successor Airline Agreement with the airlines, to come into effect on October 1, 2022 (i.e., the start of FY 2023), which is expected to have a different airline ratemaking methodology to that currently in place under the existing Airline Agreement, and potentially no airline MII approval provisions related to capital projects at the Airport. There can be no assurance that the airlines will agree to such arrangements.

If a new agreement cannot be reached with the airlines, the City would unilaterally impose rates commencing in FY 2023, potentially reflecting a hybrid ratemaking approach (such as terminal cost center compensatory and airfield cost center residual, with sharing of a portion of net cash flows from Airport operations with the airlines) as described in the Report. In this eventuality, airlines operating at the Airport would be required to adhere to the conditions of an Operating Permit governing their activities at the Airport.

Approval of Capital Projects. Under the terms of the Airline Agreement expiring on September 30, 2021, with certain exceptions, the Airline Agreement requires approval by an MII of the Signatory Airlines (66 2/3%) for capital expenditures for improvements and developments that are to be included in terminal rents and landing fees. A project is considered to be disapproved if 33 1/3% of Signatory Airlines submit disapprovals. In the event that an MII of the Signatory Airlines disapproves a capital expenditure, the City may proceed with the expenditure as long as the project is deferred 21 months after the disapproval.

As noted above, the City is striving to implement a one-year Airline Agreement extension for FY 2022, under which the airlines would provide MII approval for the Parking Facilities Projects as well as other projects identified in the Airport's current CIP.

Calculation of Terminal Rental Rates and Landing Fees. The Airline Agreement establishes the methodology for calculating terminal rental rates and landing fees. Terminal rental rates are set based on a cost center residual methodology for the Terminal Building cost center. Landing fees are set on a cost center residual methodology for the Airfield Area and Parking and Airport Road Area cost centers.

As described above, during FY 2022, the City intends to charge terminal rental rates and landing fees rates equivalent to those in place during FY 2019, for the course of the entire Fiscal Year, and will strive to negotiate a successor airline agreement to become effective on October 1, 2022, which would include an updated airline ratemaking methodology.

All-cargo airlines that lease or sublease space at the Airport are considered to be signatory carriers, although they have not executed airline agreements, and pay landing fees that are higher than the fees paid by Signatory Airlines but less than landing fees paid by nonsignatory carriers. Three all-cargo airlines have been given that signatory status.

SCOPE OF STUDY

In conducting our study, we analyzed:

- Historical airline traffic demand at the Airport, giving considerations to the demographic and economic characteristics of the region served, historical trends in airline traffic, airline service provided and scheduled to be provided by airlines, and key factors that may affect future airline traffic.

- The impact of the Covid-19 pandemic on the local, regional, and national economies, as well as the impact on aviation activity at the Airport and throughout the aviation system.

- The City's response to the impact on the Airport of the Covid-19 pandemic, including steps taken to temporarily reduce O&M expenses and defer capital improvement projects.

- The City's plans for the use of monies received, and to be received, from the federal government in response to the pandemic.

- Estimated sources and uses of funds for the Parking Facilities Project and associated annual Debt Service on the 2021 Bonds, and other Bonds expected to be issued during the projection period discussed in this Report.

- Historical relationships among Revenues, Operation and Maintenance Expenses, airline traffic at the Airport, and other factors that may affect future Revenues and Operation and Maintenance Expenses.

- The City's historical audited financial results for FY 2019 and FY 2020, unaudited City estimates for FY 2021 year to date, and other operational considerations.

- The City's PFC program and current FAA approvals, as well as preliminary plans for additional PFC applications during the projection period.

- The City's policies and contractual agreements relating to the use and occupancy of the Airport; the calculation and adjustment of airline rentals, fees, and charges pursuant to the Airline Agreement; the operation of public automobile parking, rental car, and other concession and customer service privileges; and the leasing of buildings and grounds.

- The City's current plans for negotiating a successor agreement with the airlines, including preliminary plans for airline ratemaking approaches following the expiration of the current Airline Agreement.

In conjunction with Airport management, we identified the key factors upon which the future financial results of the Airport may depend and the formulation of assumptions about these factors. Estimates of project costs, project financing, and annual debt service requirements were provided by those sources listed. On the basis of these assumptions, we assembled the financial projections presented in the exhibits accompanying this Report.

FINANCIAL PROJECTIONS

As shown in the table below, the City is projected to be in compliance with the Covenants to Maintain Airport Rates and Charges as set forth in Indenture, under the medium case scenario for aviation activity recovery. Net Revenues are projected to equal or exceed 125% of the Debt Service Requirements for the proposed 2021 Bonds and potential future Bonds expected to be issued during the projection period, in each Fiscal Year of the projection period.

Assumptions Underlying the Financial Projections

The financial projections accompanying this report are based on information and assumptions that were provided by, or reviewed with and agreed to by, the City's Aviation Division. Accordingly, the projections reflect the City's expected course of action during the projection period and, in the City's judgement, present fairly the expected financial results of the Airport under the medium case scenario. The key factors and assumptions that are significant to the projections are set forth in the attachment, "Background, Assumptions, and rationale for the Financial Projections." The attachment should be read in its entirety for an understanding of the projections and the underlying assumptions.

In our opinion, the underlying assumptions provide a reasonable basis for the projections. However, any projection is subject to uncertainties. Inevitably, some assumptions used to develop the projections will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the projected and actual results, and those differences may be material. Neither LeighFisher nor any person acting on our behalf makes any warranty, expressed or implied, with respect to the information, assumptions, projections, opinions, or conclusions disclosed in the Report. We have no responsibility to update this report for events and circumstances occurring after the date of the report.

Fiscal Year	Net Revenues (a) [A]	Debt Service Requirements (b) [B]	Coverage Ratio [C=A/B]
2021	$ 10,193,497	$ -	n/a
2022	10,865,798	697,135	15.59
2023	6,043,265	699,250	8.64
2024	7,670,569	3,859,496	1.99
2025	9,195,246	4,811,219	1.91
2026	10,020,049	4,809,440	2.08

(a) Revenue less Operation and Maintenance Expenses of the Airport (net of amounts paid with Covid-19 related grant funds).

(b) Includes aggregate Debt Service Requirements associated with the 2012 Bonds for FY 2021; the proposed 2021 Bonds; and a potential future 2023 Bond issue to fund terminal improvements. Debt Service Requirements are shown net of amounts paid with Covid-19 related grant funds and projected PFC revenues applied to debt service on the potential 2023 Bonds.

* * * * *

We appreciate the opportunity to serve as the City's Airport Consultant on this proposed financing.

Respectfully submitted,

LeighFisher

LEIGHFISHER

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Attachment

BACKGROUND, ASSUMPTIONS, AND RATIONALE
FOR THE FINANCIAL PROJECTIONS

REPORT OF THE AIRPORT CONSULTANT

on the issuance of

CITY OF BOISE CITY, IDAHO

AIRPORT REVENUE AND REVENUE REFUNDING BONDS, SERIES 2021A (Non-AMT)
(Public Parking Facilities Project)

and

AIRPORT REVENUE BONDS, SERIES 2021B (AMT)
(Employee Parking Facilities Project)

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CONTENTS

CONTENTS *(continued)*

1. INTRODUCTION

THE CITY OF BOISE CITY, IDAHO

Located in the southwest portion of the State of Idaho, the City of Boise City (the City or Boise) was created in 1866 by authority of the Idaho Constitution. The City is located in Ada County and is Idaho's capital and largest metropolitan area. The City is governed by a mayor and six City Council members. The Mayor and the City Council members each serve a 4-year term.

Since 1939, Boise Airport has been owned and operated by the City. The Airport is operated as an economically self-sustaining enterprise fund of the City. The Airport Director manages the day-to-day operations of the Airport, under the supervision of an eight-member Airport Commission. With consent of the City Council, the Mayor appoints up to eight members of the Commission to serve in an advisory function. Each member of the Commission serves a 3-year term. Two members of the City Council participate on the Airport Commission as nonvoting members.

THE AIRPORT

The Airport is located about 5 road miles south of downtown Boise, and is the principal air carrier airport serving southwestern Idaho. The Airport occupies about 5,000 acres and has two east-west parallel runways. Runway 10R-28L is 9,763 feet long and Runway 10L-28R is 10,000 feet long. Both runways are 150 feet wide and, together with all associated approach surfaces and runway protection zones, meet all FAA standards. A lighted taxiway system connects the runway to the passenger terminal building.

The terminal was expanded in 2003 to provide a new elevated roadway system, ticket lobby, baggage claim, concessions, conference center, security checkpoint, and 12 gates for use by smaller aircraft on Concourse C. Concourse B provides 10 gates with loading bridges for use by larger aircraft. The terminal and concourses encompass 415,054 square feet of space and provide a total of 22 gates.

Vehicle parking for the passenger terminal complex includes public, employee and rental car space. A total of 274 parking stalls are provided to be used for short-term parking. The parking garage and surface parking together provide a total of 2,616 parking stalls for long-term parking. In addition, the surface economy parking lot, which is located approximately 1.5 miles from the Airport terminal, has 1,330 spaces. The rental car ready return lot is a surface parking lot that has 356 spaces. There is also employee parking consisting of 609 spaces.

Air cargo, general aviation, and support facilities are provided at the Airport. The Idaho National Guard also has significant operations at the Airport, and has control over approximately 570 acres of the Airport. The National Interagency Fire Center – an organization which fights forest fires and other catastrophes – bases a variety of specialized fire-fighting aircraft at the Airport.

AIRPORT CAPITAL IMPROVEMENT PROGRAM

As reflected in Exhibit A, the City has developed a Capital Improvement Program (CIP) to provide $341 million of needed capital improvements at the Airport from Fiscal Year* (FY) 2021 through FY 2026. The public parking facility project represents expenditures of $35.8 million, and the employee parking garage project represents expenditures of $20.7 million.

In addition to the parking projects, the primary improvements in the Capital Improvement Program are as follows:

- Development of a consolidated rental car facility ($63.7 million)
- Terminal Concourse A development and associated apron improvements ($46.0 million)
- Terminal Concourse B upgrades, including associated apron improvements ($15.4 million)
- Runway incursion mitigation (RIM) improvements ($25.0 million)
- Taxiway improvements ($42.5 million)

The City expects that several funding sources will be used to develop these projects, including passenger facility charges (PFCs), rental car customer facility changes (CFCs), federal Airport Improvement Program (AIP) grants, and available Airport cash balances. The City currently expects to issue one additional series of Bonds on a parity basis with the 2021 Bonds during the projection period, primarily to finance the development of Terminal Concourse A. The City anticipates that the primary financing method for the consolidated rental car facility would be a special facility bond issue backed by the Airport's CFC revenues.

However, other than the public parking facility and the employee parking facility projects, the City has finalized neither its plan for funding other future capital improvement projects, nor the specific timing of their implementation. The City intends to initiate additional projects only in response to identified demand, availability of funding sources for those projects, and only to the extent that a competitive cost structure is maintained at the Airport. Because the City is still developing its plans related to future capital improvements, associated Debt Service payments, Operation and Maintenance Expenses, and Revenues associated with those projects reflected in this Report are preliminary and subject to change, as described in more detail in Section 5.

PARKING FACILITIES PROJECTS

The City is issuing the proposed 2021 Bonds in part to fund the development of a public parking facility and an employee parking garage at the Airport. The public parking facility involves the construction of a 410,169 square foot expansion to the existing parking structure providing approximately 1,150 parking spaces over five levels. The new parking structure will be built on the site of a portion of the existing surface parking lot, leading to the loss of approximately 300 surface parking spaces. Upon completion, the project will provide a net increase of 846 public parking spaces for the Airport.

The employee parking facility involves construction of a 233,681 square foot structure over five levels, with 703 parking spaces (a net increase of 567 employee parking spaces available at the Airport).

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*The City's Fiscal Year ends September 30.

The new public parking facility is being built in response to the limited capacity of current parking facilities, and the recent rise in demand for parking at the Airport. Originally intended to be undertaken during 2020 in response to the significant increase in aviation activity at the Airport during 2015 through 2019, in response to the Covid-19 pandemic the project was temporarily deferred. Given the robust recovery in aviation activity at the Airport, as described in detail in the Report, the Parking Facilities Project now needs to be started on a priority basis.

Construction of the public parking facility is expected to commence in September 2021 and be substantially complete by March 2023. The employee parking garage is expected to be constructed over approximately a 24-month period through October 2023.

OTHER FUTURE CAPITAL IMPROVEMENTS

Currently, the City has not developed a capital program for the Airport for the period after FY 2026. Capital improvements beyond FY 2026 have not been identified beyond those routinely necessary to ensure that the Airport continues to be a safe, secure, and efficient aviation facility (e.g., equipment replacement and major facility maintenance as needed).

THE COVID-19 PANDEMIC

The emergence of the highly contagious novel coronavirus, Covid-19, at the end of 2019 caused the steepest traffic decline in aviation history and continues to present significant challenges to the world economy and airline industry compared with past public health crises and unexpected major negative events. In March 2020, the World Health Organization (WHO) declared Covid-19 a global pandemic, prompting governmental actions to slow the spread of the disease, including mandates for businesses to close and for people to stay at home.

The pandemic and the measures put in place to try to slow the spread of the disease contributed to a major contraction of the global economy and substantial job losses during 2020. This severe economic contraction, combined with continuing fears about contagion and the safety of air travel, resulted in the collapse of demand for air travel, the grounding of a significant number of the world's commercial airline fleets, and drastic cuts in air service.

In late 2020 and early 2021, the U.S. Food and Drug Administration (FDA) issued emergency use authorizations for three Covid-19 vaccines. Other vaccines have been accepted for use in other parts of the world. The three vaccines approved by the FDA are being rolled out to the general public, potentially leading to a return to more normal economic activity (and possibly initiating the return to more normal conditions in the aviation industry) during the latter half of calendar year 2021. However, while demand for air travel globally has recovered somewhat, it is expected to remain suppressed until Covid-19 vaccines are more widely adopted by the public around the world.

At the Airport, enplaned passengers for FY 2020 were 38.1% below the prior year levels, and are 1.1% below prior year levels for the first nine months of FY 2021 (the period October 1, 2020, through June 30, 2021), although in recent months there has been a significant recovery in passenger throughput. Enplaned passengers during March 2021 were at 70.5% of March 2019 levels; in April 2021 were at 80.1% of April 2019 levels; during May 2021 reached 85.7% of May 2019 levels; and in June 2021 were almost equal to June 2019 levels.

In reaction to the pandemic, the U.S. Congress enacted and the President signed into law the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) on March 27, 2020, which included measures to provide economic relief to both U.S. airports and airlines. The City was awarded a grant of approximately $18.9 million under the CARES Act for reimbursement of operating expenses, debt service, and/or capital expenditures for the Airport, which must be used within four years. Airport operators using CARES Act grants were required to comply with certain obligations, including, but not limited to, employing at least 90% of their full-time staff (subject to adjustments for retirements or voluntary employee separations) as of March 27, 2020 through December 31, 2020. The City believes it has complied with this obligation.

On December 27, 2020, the “Consolidated Appropriations Act, 2021” became law, providing an additional $2 billion in federal Covid-19 relief to airports and airport concessionaires nationwide. The City has been awarded $5.9 million of Airport Coronavirus Response Grant Program (ACRGP) funds under this legislation (plus an additional $440,716 to be dedicated to concessionaire relief). The City believes that it has complied with staff retention and other requirements as applicable under the ACRGP.

On March 11, 2021, the American Rescue Plan Act of 2021 (ARP) was signed into law. The ARP provides an additional $8 billion of economic relief funding for U.S. airports and airport concessionaires. The City is eligible to receive approximately $17.4 million in grants funds under this program, including approximately $1.8 million for concessionaire relief.

In reaction to the pandemic and the resulting significant decline in passengers and passenger-related revenues, the City has implemented a number of financial and operational measures for the Airport, including:

- Reducing expenses where operationally possible
- Deferring and reducing non-critical capital expenditures
- Preparing and implementing plans to apply the CARES Act grants and other emergency relief funds from the U.S. government
- Providing temporary financial relief to nonairline tenants, including temporarily deferring or suspending payments due to the City from Airport concessionaires
- Closely monitoring the Airport’s liquidity levels in relation to cash flow needs
- Requiring mask wearing for anyone entering an Airport facility or using Airport transportation
- Increasing the cleaning of all touched public spaces, equipment, public restrooms, holdroom seating in terminals, and transportation buses
- Adding physical distancing reminder signs and clear plastic barriers throughout all facilities

Given the unprecedented nature of, and continuing uncertainty regarding, the Covid-19 pandemic and its impact on the aviation industry and worldwide economies, this Report does not include a forecast of aviation activity, revenues, expenses, airline cost per enplaned passenger, or debt service coverage. Rather, the Report presents a hypothetical scenario of enplaned passengers showing recovery to FY 2019 activity levels at the Airport over approximately a five year period (i.e., by FY 2024), based upon recent recovery trends at the Airport and an ensemble of traffic recovery projections developed by Fitch Ratings, Moody’s Investors Service, S&P Global Ratings, and other industry bodies. Additionally, two alternative scenarios were prepared showing recovery to FY 2019 levels by FY 2023 and FY 2025, respectively. These are indicative of possible paths for traffic recovery. Revenues were extrapolated from the indicative traffic recovery scenarios and are calculated as a range of projections.

The level of uncertainty regarding the recovery of traffic to its pre-pandemic levels continues to be extremely high and dependent upon numerous variables, including among other things, when the United States can achieve some degree of control of the virus, the potential for breakthroughs in Covid-19 treatments, the timing of the successful deployment of vaccines on a large scale basis and the willingness for people to get vaccinated, the emergence of variants and mutations of the virus, the near-term and long-term damage to the economy brought about from the pandemic, the resilience of the U.S. airline industry, the duration of lockdowns and travel restrictions, and the potential for a structural shift in industry and consumer behaviors. The Covid-19 pandemic has had and will continue to have material adverse effects on passenger traffic and Airport operations and financial performance for the foreseeable future.

2. AIRLINE TRAFFIC ANALYSIS

This section discusses the region served by Boise Airport and the Airport's role and presents the economic basis for airline traffic at the Airport.

AIRPORT SERVICE REGION

As shown on Figure 1, the primary geographical area served by the Airport consists of Ada, Boise, Canyon, Gem and Owyhee counties in Idaho (the Boise Metropolitan Statistical Area or MSA). According to the U.S. Department of Commerce, Bureau of the Census, the population of the Boise MSA was 749,202 in 2019, accounting for approximately 42% of Idaho's total population of 1.8 million. Ada County includes the City of Boise and accounts for approximately 64% of the population of the Boise MSA, as shown in Table 1. Because economic growth and activity within this area stimulate a significant portion of passenger demand at the Airport, statistics for the Boise MSA were used to evaluate certain long-term and future airline traffic trends at the Airport.

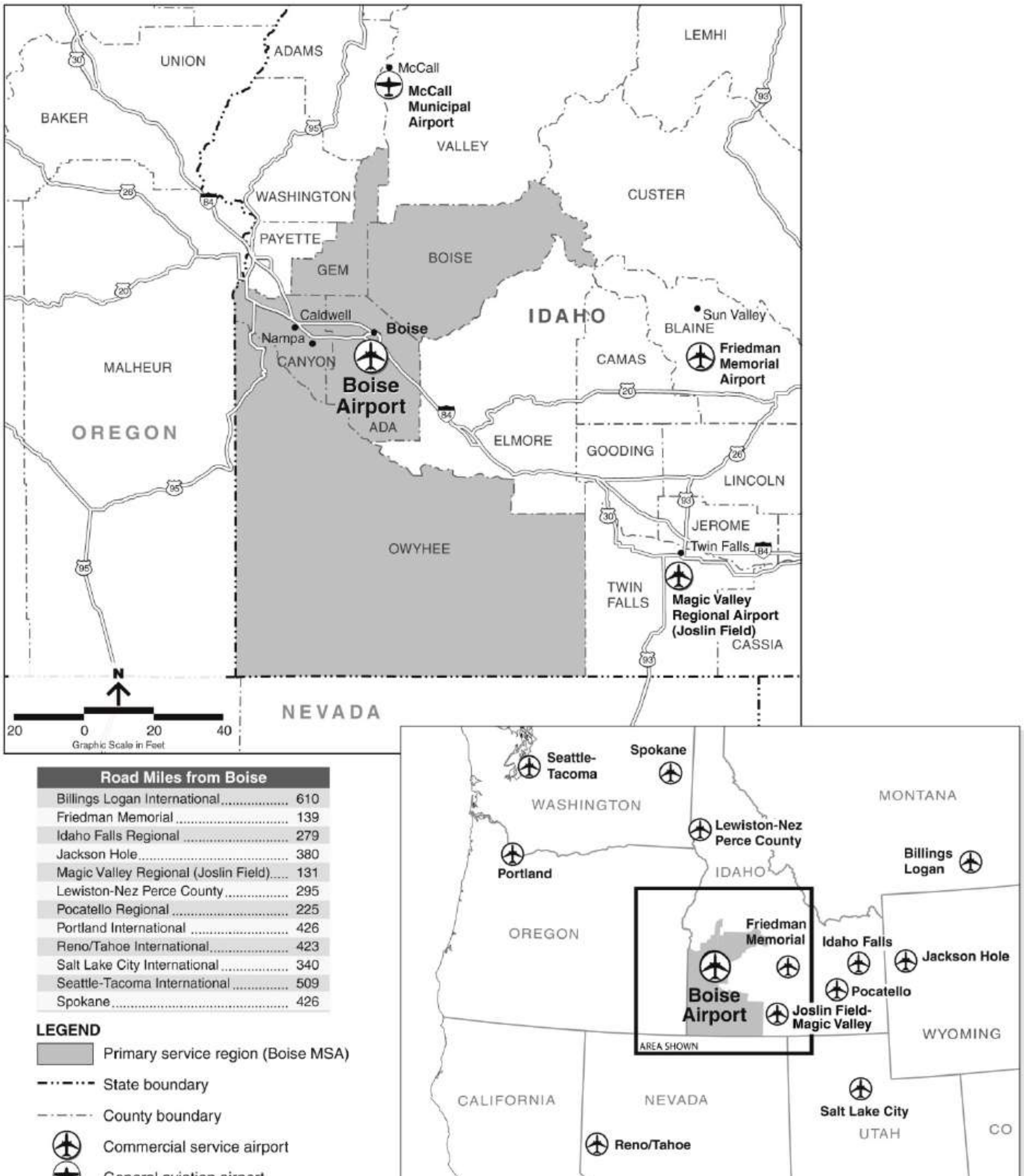
Table 1
POPULATION DISTRIBUTION IN THE BOISE MSA
2019

County	Population	Percent of total
Ada	481,587	64.3%
Boise	229,849	30.7
Canyon	18,112	2.4
Gem	11,823	1.6
Owyhee	7,831	1.0
Total	749,202	100.0%

Source: U.S. Department of Commerce, Bureau of the Census, Population Division, release date May 2021, www.census.gov.

The secondary region served by the Airport, which includes many of the counties surrounding the Boise MSA, is defined by the location of, and the airline service offered at other "nearby" air carrier airports. The nearest airports with scheduled air carrier service to the Airport include Salt Lake City International Airport, a large-hub airport 340 miles to the southeast, Reno/Tahoe International Airport, a medium-hub airport 423 miles to the southwest, Portland International Airport, a medium-hub airport 426 miles to the northwest, and Spokane International Airport, a small-hub airport 426 miles to the north. Other airports near Boise, such as those in Hailey, Lewiston, Pocatello, and Twin Falls offer limited passenger service.

Figure 1
AIRPORT SERVICE REGION



Road Miles from Boise	
Billings Logan International	610
Friedman Memorial	139
Idaho Falls Regional	279
Jackson Hole	380
Magic Valley Regional (Joslin Field)	131
Lewiston-Nez Perce County	295
Pocatello Regional	225
Portland International	426
Reno/Tahoe International	423
Salt Lake City International	340
Seattle-Tacoma International	509
Spokane	426

LEGEND

- Primary service region (Boise MSA)
- State boundary
- County boundary
- Commercial service airport
- General aviation airport

The average numbers of daily departures from each of these airports, as currently scheduled for June 2021, are listed in Table 2. Because a large number of the Airport's passengers originate in the Boise MSA, the economy of this area is discussed in more detail in the sections that follow.

Table 2
ENPLANED PASSENGERS AT COMMERCIAL SERVICE AIRPORTS IN IDAHO AND THE ADJACENT STATES

Airport	Driving distance from Boise (miles)	2020 Hub size *(a)*	FY 2020 Enplaned passengers *(b)*	Average daily passenger airline nonstop departures in June 2021 *(c)*			
				Mainline carriers	Regional affiliates	Low cost carriers	Total
Idaho							
Boise	--	Medium	1,253,602	15	17	44	75
Idaho Falls Regional	279	Nonhub	114,355	2	--	10	12
Lewiston-Nez Perce County	295	Nonhub	21,924	--	--	3	3
Haley/Friedman Memorial	139	Nonhub	54,816	--	--	6	6
Magic Valley Regional	131	Nonhub	29,476	--	--	4	4
Pocatello Regional	225	Nonhub	25,098	--	--	3	3
Adjacent states							
Seattle-Tacoma International	509	Large	13,414,962	39	326	182	547
Salt Lake City International	340	Large	7,578,630	43	171	156	369
Portland International	426	Medium	5,134,888	32	80	66	177
Reno/Tahoe International	423	Medium	1,270,002	25	15	29	68
Spokane International	426	Small	1,181,135	12	18	33	63
Billings Logan International	610	Small	293,446	2	17	12	31
Jackson Hole	380	Small	285,957	2	19	8	29

Note: Fiscal Year ended September 30.

(a) Federal Aviation Administration, Preliminary 2020 Passenger Boarding (Enplanement) and All-Cargo Data for U.S. Airports, www.faa.gov.
(b) Boise Airport records and U.S. Department of Transportation, Schedule T100, online database, accessed May 2021. Includes domestic and international activity.
(c) OAG Aviation Worldwide Ltd., online database, accessed May 26, 2021.

AIRPORT ROLE

As discussed in the following sections, the Airport is a primary commercial service airport serving Boise, serves a large origin-destination (O&D) passenger base, and is a medium air traffic hub airport* in the national air transportation system.

*A medium hub is defined by the FAA as a community that enplanes between 0.25% and 1.0% of all passengers enplaned on certificated route air carriers in all services in the 50 states, the District of Columbia, and other designated territorial possessions of the United States. The classification recently changed from a small-hub to a medium-hub airport based on passenger totals during calendar year 2020, reflecting the Airport's increased share of nationwide enplaned passengers.

Origin-Destination Passenger Base

The Airport's large O&D passenger base (i.e., passengers beginning or ending their trips at the Airport) reflects the strength of the Boise MSA's economy and its role as a business, trade, manufacturing, and government center.

Medium Hub Airport

The FAA classifies the Airport as a medium hub. According to Airports Council International-North America, the Airport ranked as the 61st largest passenger airport in the United States in calendar year 2020 in terms of total passengers.* As described further in Section 3.1, "Historical Airline Service and Traffic," as of June 2021, the Airport was served by four mainline passenger airlines, three regional affiliates, and four low cost carriers, which together are expected to provide 75 daily nonstop departures to 24 airports in 18 cities. The Airport was also served by four all-cargo airlines and various charter airlines.

ECONOMIC BASIS FOR AIRLINE TRAFFIC

The economy of the Boise MSA is an important determinant of long-term passenger demand at the Airport. The development and diversity of the economic base of an airport service region are both important to passenger traffic growth at the airport serving that region. This is particularly true where the industries in the region rely on the airport for passenger and cargo service. The Boise MSA has a diverse economic base and is a regional center of government, industry, and education.

The following sections present a discussion of the economic basis for airline traffic at the Airport—the historical population, employment, and per capita income of the Boise MSA; industry clusters, and tourism—and a summary of the economic outlook for the United States, the State of Idaho, and the Boise MSA.

Historical Population, Employment, and Per Capita Income

Table 3 presents comparative trends in population, nonagricultural employment, and per capita personal income in the Boise MSA, the State of Idaho, and the United States from 2000 through 2026.

Population. As shown in Table 3, the population of the Boise MSA increased an average of 2.5% per year between 2000 and 2019 and 2.7% between 2019 and 2020, faster than population growth for the State and nation. Strong population growth in the Boise MSA and State of Idaho has, in large part, been driven by the migration of people from other states for the comparatively low cost of living, low real estate prices, and high quality of life. During the 2008-2009 economic recession, population growth in the Boise MSA and State slowed as in-migration decreased, reflecting decreases in housing prices that prevented many people from relocating to other states such as Idaho and the limited employment opportunities nation-wide. Population in the Boise MSA is projected by Community Planning Association of Southwest Idaho (COMPASS) to increase an average of 2.1% per year between 2019 and 2026.

*This ranking excludes Canadian airports.

Table 3

HISTORICAL AND PROJECTED SOCIOECONOMIC DATA

Boise MSA, State of Idaho, and United States

	Population (thousands)			Nonagricultural employment (thousands)			Per capita income in 2019 dollars		
	Boise MSA	State of Idaho	United States	Boise MSA	State of Idaho	United States	Boise MSA	State of Idaho	United States
2000	469	1,299	282,162	229	560	132,011	43,990	45,515	37,465
2010	617	1,568	308,746	253	603	130,345	39,351	47,538	37,466
2011	628	1,584	311,583	258	610	131,914	39,569	48,571	38,082
2012	637	1,596	313,878	265	622	134,157	40,641	49,661	39,170
2013	649	1,612	316,060	274	637	136,364	41,259	49,221	39,715
2014	663	1,632	318,386	282	654	138,940	42,709	50,819	40,906
2015	675	1,652	320,739	292	672	141,825	44,592	52,857	42,874
2016	691	1,684	323,072	305	694	144,336	44,972	53,255	43,170
2017	710	1,720	325,122	317	715	146,608	46,126	54,335	44,033
2018	729	1,752	326,838	332	739	148,908	47,510	55,570	45,321
2019	749	1,789	328,330	345	760	150,905	47,881	56,474	45,917
2020	770	1,827	329,484	344	755	142,185	n.a.	59,001	48,024
Projected									
2026	865	1,931	343,087	394	831	157,541	54,852	66,291	51,923
	Percent increase (decrease)								
2015-2016	2.5%	1.9%	0.7%	4.3%	3.4%	1.8%	0.9%	0.8%	0.7%
2016-2017	2.7	2.1	0.6	4.0	3.0	1.6	2.6	2.0	2.0
2017-2018	2.7	1.9	0.5	4.9	3.3	1.6	3.0	2.3	2.9
2018-2019	2.9	2.1	0.5	3.9	2.9	1.3	0.8	1.6	1.3
2019-2020	2.7	2.1	0.4	(0.4)	(0.7)	(5.8)	n.a.	4.5	4.6
	Compound annual percent increase (decrease)								
2000-2010	2.8%	1.9%	0.9%	0.9%	0.7%	(0.1%)	(1.1%)	0.4%	0.0%
2010-2019	2.2	1.5	0.7	3.5	2.6	1.6	2.2	1.9	2.3
2000-2019	2.5	1.7	0.8	2.1	1.6	0.7	0.4	1.1	1.1
2019-2026	2.1	1.1	0.6	1.9	1.3	0.6	2.0	2.3	1.8

MSA = Metropolitan Statistical Area, consisting of Ada, Boise, Canyon, Gem, and Owyhee counties. n.a = not available

Sources: U.S. Department of Commerce, Bureau of the Census, www.census.gov, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, U.S. Department of Commerce, Bureau of Economic Analysis, www.bea.gov, accessed May 2021. Adjusted to constant 2019 dollars using the U.S. Department of Labor, Consumer Price Index for Urban Consumers (1982-84 = 100), www.bls.gov. Idaho Division of Financial Management, Idaho Economic Forecast Volume XLIII, No. 2, accessed April 2021. Community Planning Association of Southwest Idaho (COMPASS), Communities in Motion 2040, www.compassidaho.org. Idaho Department of Labor, State Projections, 2019 through 2029, www.lmi.idaho.gov.

Employment. Nonagricultural employment in the Boise MSA increased an average of 0.9% per year between 2000 and 2010, compared with overall decreases in the nation, notwithstanding two national economic recessions that occurred during this period. Between 2010 and 2019, nonagricultural employment in the Boise MSA increased an average of 3.5% per year, faster than that for the State (2.6%) and the nation (1.6%), as shown in Table 3. In 2020, nonagricultural employment in the Boise MSA decreased 0.4% (compared to a nationwide decrease of 5.8%) due to the Covid-19 pandemic and associated economic recession. Nonagricultural employment in the Boise MSA is projected by COMPASS to increase an average of 1.9% per year between 2019 and 2026.

Per Capita Personal Income. From 2000 to 2019, per capita personal income (in 2019 constant dollars) in the Boise MSA increased an average of 0.4% per year, as shown in Table 3. Per capita personal income in the Boise MSA is projected by Idaho Division of Financial Management to increase an average of 2.0% per year between 2019 and 2026. In 2019 (the most recent year available), the average per capita income in the Boise MSA exceeded that for the nation but was less than that for the State.

Comparative Socioeconomic Trends. Table 4 presents comparative socioeconomic trends for selected U.S. metropolitan areas with similar population bases to the Boise MSA in 2010 and 2020. (Per capita income data are presented for 2019, the most recent year available.) As shown in Table 4, the Boise MSA ranked among the top 3 MSAs in terms of socioeconomic growth.

- Population growth—an average increase of 2.2% per year between 2010 and 2020. The Boise MSA ranked second behind Cape Coral-Ft. Myers MSA (an average increase of 2.5% per year during the same period). Population in-migration accounted for nearly all of the population increase in the Cape Coral-Ft. Myers MSA between 2010 and 2020, compared with an average of more than 70% for the Boise MSA.

- Nonagricultural employment growth—an average increase of 3.1% per year between 2010 and 2020. The Boise MSA ranked first and added 90,500 employees during this period, exceeding that for the other 16 MSAs listed including the Cape Coral-Ft. Myers MSA with the second fastest growth rate (3.0%).

- Per capita income growth—an average increase of 2.2% per year between 2010 and 2019 (the most recent year available). The Boise MSA ranked third behind the Charleston-North Charleston MSA (2.5%) and the Stockton MSA (2.3%) and tied with the Ogden-Clearfield MSA (2.2%).

Table 4
COMPARATIVE SOCIOECONOMIC TRENDS
FOR THE BOISE MSA AND SELECTED U.S. METROPOLITAN AREAS
Ranked by 2020 population

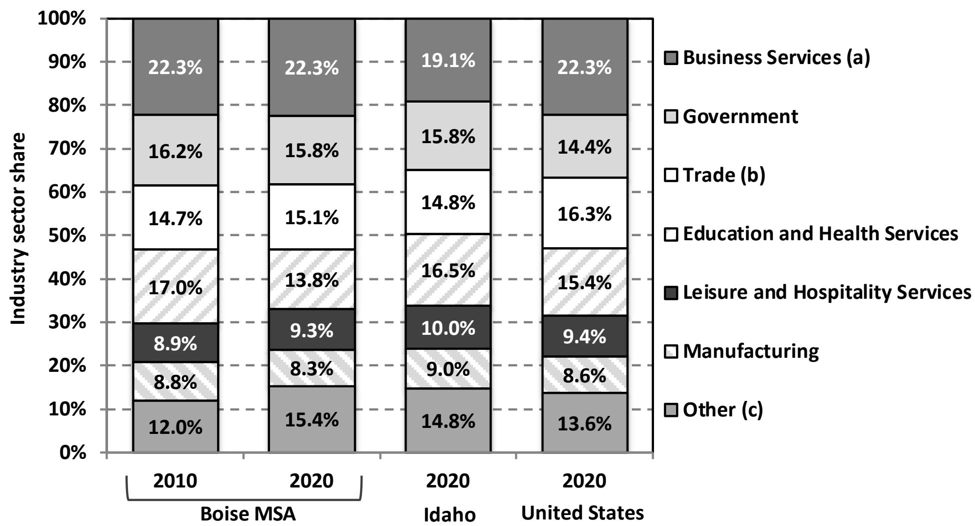
		Population			Nonagricultural employment			Per capita personal income (2019 dollars)		
2020 MSA population rank	Metropolitan Statistical Area (MSA)	2010	2020	CAGR 2010-2020	2010	2020	CAGR 2010-2020	2010	2019	CAGR 2010-2019
69	Columbia, SC	769,682	847,397	1.0%	346,200	387,000	1.1%	$40,414	$46,523	1.6%
70	Allentown-Bethlehem-Easton, PA-NJ	821,768	846,399	0.3	333,600	353,000	0.6	49,305	55,675	1.4
71	El Paso, TX	807,020	846,192	0.5	280,800	312,300	1.1	33,257	37,633	1.4
72	Oxnard-Thousand Oaks-Ventura, CA	825,144	841,387	0.2	276,100	290,600	0.5	53,829	64,715	2.1
73	Charleston-North Charleston, SC	667,495	819,705	2.1	287,400	354,100	2.1	42,683	53,119	2.5
74	Dayton-Kettering, OH	799,706	809,248	0.1	360,700	370,500	0.3	42,540	49,161	1.6
75	Cape Coral-Fort Myers, FL	620,481	790,767	2.5	198,000	267,200	3.0	45,836	52,064	1.4
76	Greensboro-High Point, NC	725,292	776,363	0.7	336,300	342,300	0.2	40,325	44,859	1.2
77	**Boise City, ID**	**617,899**	**770,353**	**2.2**	**253,300**	**343,800**	**3.1**	**39,351**	**47,881**	**2.2**
78	Stockton, CA	687,115	767,967	1.1	192,300	242,300	2.3	38,406	47,139	2.3
79	Colorado Springs, CO	650,562	753,839	1.5	244,600	289,500	1.7	44,867	51,120	1.5
80	Little Rock-North Little Rock-Conway, AR	702,326	746,564	0.6	337,800	348,800	0.3	43,214	46,560	0.8
81	Lakeland-Winter Haven, FL	603,119	744,552	2.1	191,200	237,400	2.2	35,719	36,649	0.3
82	Des Moines-West Des Moines, IA	608,942	707,915	1.5	315,800	356,900	1.2	49,140	55,039	1.3
83	Akron, OH	703,056	701,449	(0.0)	317,600	319,100	0.0	44,839	51,095	1.5
84	Springfield, MA	694,951	695,654	0.0	308,300	306,600	(0.1)	46,182	53,978	1.7
85	Ogden-Clearfield, UT	599,756	691,359	1.4	210,400	266,100	2.4	37,768	46,123	2.2

Notes: Delineations for MSAs are as of March 2020 for population and income and as of April 2018 for employment.

Sources: U.S. Department of Commerce, Bureau of the Census, www.census.gov, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, U.S. Department of Commerce, Bureau of Economic Analysis, www.bea.gov, accessed June 2021. Adjusted to constant 2019 dollars using the U.S. Department of Labor, Consumer Price Index for Urban Consumers (1982-84 = 100), www.bls.gov.

Nonagricultural Employment by Industry Sector. Figure 2 shows a comparative distribution of nonagricultural employment by industry sector for the Boise MSA in 2010 and in 2020, and for the State and the nation in 2020. Employment in services (45.4%)—including business, education, health, and other services, such as leisure and hospitality—and trade (15.1%) accounted for 60.5% of total nonagricultural employment in the Boise MSA in 2020.

Figure 2
COMPARATIVE DISTRIBUTION OF NONAGRICULTURAL EMPLOYMENT



(a) Includes professional and business services, financial activity, and information.
(b) Includes transportation and public utilities.
(c) Includes mining, construction, and other services.

Source: U.S. Department of Labor, Bureau of Labor Statistics website, accessed May 2021, www.bls.gov.

Unemployment Rates. In addition to the employment trends cited above, the unemployment rate is also indicative of the general economic climate. Table 5 shows comparative annual unemployment rates in the Boise MSA, the State, and the nation for 2000 through 2020. The unemployment rate in the Boise MSA has followed the trends in the State and remained consistently lower than that in the nation during this period.

Table 5
COMPARATIVE UNEMPLOYMENT RATES

	Boise MSA	State of Idaho	United States
2000	3.8%	4.7%	4.0%
2001	4.3	5.1	4.7
2002	5.3	5.6	5.8
2003	5.3	5.6	6.0
2004	4.5	4.9	5.5
2005	3.6	4.0	5.1
2006	3.0	3.4	4.6
2007	3.0	3.1	4.6
2008	5.3	5.0	5.8
2009	9.5	8.7	9.3
2010	9.0	8.8	9.6
2011	8.2	8.2	8.9
2012	7.3	7.4	8.1
2013	6.6	6.8	7.4
2014	4.3	4.4	6.2
2015	3.8	3.9	5.3
2016	3.5	3.7	4.9
2017	3.1	3.2	4.4
2018	2.7	2.8	3.9
2019	2.6	2.8	3.7
2020	5.6	5.4	8.1

MSA = Metropolitan Statistical Area, consisting of Ada, Boise, Canyon, Gem and Owyhee counties.

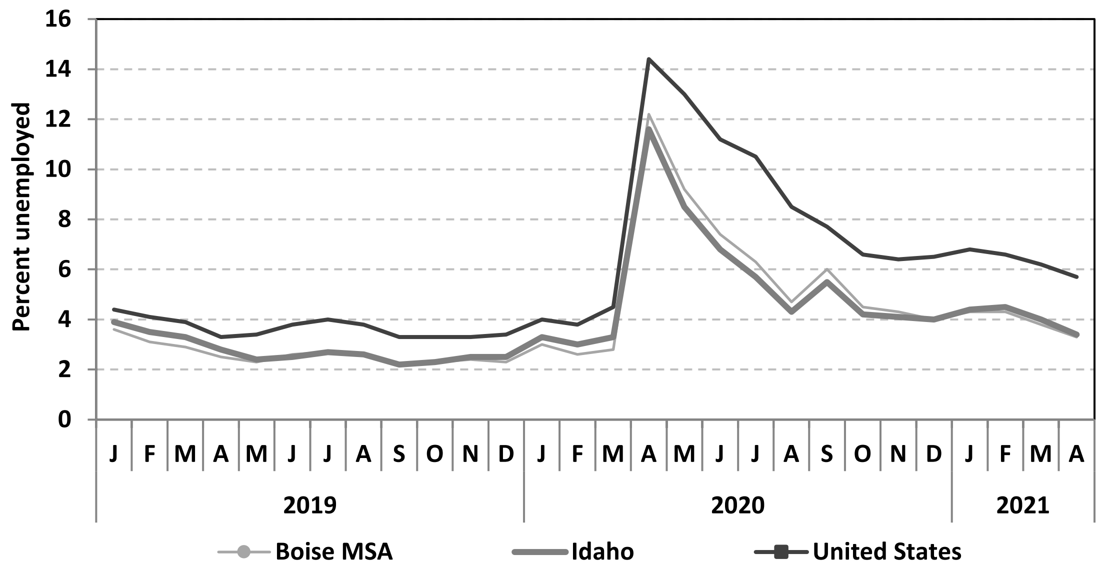
Note: Unemployment rates are for calendar years and not seasonally adjusted and represent annual averages.

Source: U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov, accessed May 2021.

In April 2020, monthly unemployment rates in the Boise MSA, Idaho, and the United States decreased significantly following the start of the pandemic in March 2020, as shown on Figure 3. In April 2021, the Boise MSA unemployment rate was 3.3%, lower than the State (3.4%) and the nation (5.7%).

Figure 3

MONTHLY UNEMPLOYMENT RATES



Note: Unemployment rates are not seasonally adjusted.
Boise MSA consists of Ada, Boise, Canyon, Gem and Owyhee counties.

Source: U.S. Department of Labor, Bureau of Labor Statistics website, www.bls.gov, accessed June 2021.

Major Employers. Table 6 lists the 25 largest employers in the Boise MSA as of 2021. The list of major employers reflects the diversity of the companies and organizations in the region. Amazon is scheduled to open its new Boise sorting operation later this year and is expected to employ 4,000 warehouse workers, making it Boise's fourth largest employer.*

Table 6
BOISE MSA TOP 20 LARGEST PRIVATE EMPLOYERS IN 2021

Employer	Employment range	Industry
St Luke's Health Systems	6,000-6,999	Health Services
Micron Technology	5,000-5,999	Manufacturing
St Alphonsus Regional Medical Center	5,000-5,999	Health Care
Albertsons	3,000-3,999	Retail Trade
Wal-Mart	3,000-3,999	Retail Trade
J R Simplot Company	2,000-2,099	Manufacturing
Fred Meyer	1,500-1,599	Retail Trade
Ataraxis	1,500-1,599	Administrative and Support Services
Hewlett-Packard Company	1,400-1,499	Manufacturing
Idaho Power Company	1,400-1,499	Utilities
Wells Fargo Bank NA	1,400-1,499	Financial Activities
McDonalds	1,300-1,399	Food Services
Blue Cross of Idaho	1,300-1,399	Finance and Insurance
Jacksons	1,000-1,099	Retail Trade
Plexus	900-999	Electronics Manufacturing
Scentsy	800-899	Manufacturing/Retail Trade

MSA = Metropolitan Statistical Area, consisting of Ada, Boise, Canyon, Gem and Owyhee counties.

Source: Idaho Department of Labor as reported by the Boise Valley Economic Partnership, www.bcep.org. This list only includes companies who have given the Idaho Department of Labor permission to release their employment numbers.

*The Idaho Statesman, "Amazon poised to take over No. 4 spot among largest Boise-area employers", January 8, 2021.

Industry Clusters

The economies of the Boise MSA and Idaho as a whole are driven by companies that export goods and services nationally and globally, bringing in new investment and jobs that support economic growth as well as air service development. Companies that make up industry clusters, also referred to as the "trade sector", tend to *cluster* because they draw competitive advantage from their proximity to competitors, to a skilled workforce, to specialized suppliers, and to a shared base of sophisticated knowledge about their industry.

According to the Boise Valley Economic Partnership (BVEP), there are four target industry clusters in the Boise MSA.

- **Technology.** The technology cluster was founded in the 1970s and 1980s by companies such as Micron Technology, the only U.S. based memory chip maker, and Hewlett-Packard's imaging and printing group. Since then, Boise has hosted the headquarters of technology companies such as Clearwater Analytics—a cloud-based fintech company providing web-based investment portfolio accounting, Cradlepoint—a provider of cloud-managed wireless networking equipment, and Kount—a provider of fraud protection and prevention software. Recent technology startups include Quickbooks Time Tracking and AppDetex. Boise's technology cluster is supported by Trailhead, Boise's startup incubator, and the Idaho Small Business Development Center.

- **Food-Processing and Agribusiness.** The Boise MSA is home to some of the nation's leading food suppliers such as J.R. Simplot Company, Albertsons, GoGo squeeZ, and Agro Beef Company.

- **Manufacturing.** Manufacturing is a key industry in the Boise Metro and across the state, making up almost 9% of Idaho's economy, according to BVEP. In addition to the technology and food processing manufacturers, Boise is home to companies such as Kaitech—designing automated solutions for packaging products, Aeroleds—designing dual function LED landing and taxi lights, Aero Specialties—providing aircraft and airport ground support equipment, Molex—producing fiber optic assemblies and arrays, and Autoval—manufacturing modular homes.

- **Professional Services.** Business services, including professional and business services, financial activity, and information, accounted for 22.3% of nonagricultural employment in the Boise MSA in 2020. Professional services companies in the Boise MSA include Ataraxis—providing human resource services to small and medium-sized companies, Flextechs—providing technology consulting and cloud application services, Tributemedia—providing web-based marketing support, and Wells Fargo Bank for banking services.

Tourism

Tourism represents an important source of economic activity in the Boise MSA and State of Idaho. According to Idaho Commerce, "Idaho's $3.7 billion tourism industry employs more than 45,800 Idahoans and generates $475 million in local, state and federal tax revenues."* Idaho, which has

* Idaho Commerce, Tourism Development, www.commerce.idaho.gov, accessed June 2021.

the third largest amount of federally protected designated wilderness land in the lower 48 states,** offers a variety of outdoor activities including whitewater rafting, kayaking, mountain biking, golf, hiking and backpacking, hot springs, fishing, and winter skiing. Idaho's destination resorts include Sun Valley, Coeur d'Alene, Schweitzer Mountain, Silver Mountain, and the tribally-owned Coeur d'Alene Casino Resort, all offering year-round activities. In addition, the Oregon Trail crosses through southern Idaho and the route of the Lewis and Clark Expedition passes through northern Idaho.

Boise, located in Southwestern Idaho and situated between the Rocky Mountains and the Great Basin Desert, is the state capital and largest city in Idaho. Southwestern Idaho provides easy access to Hells Canyon, the deepest river-carved gorge in North America (deeper even than the Grand Canyon), as well as Bruneau Dunes State Park, which has a 470-foot sand dune, the highest single-structured dune in North America.*** Boise is also home to one of the largest Basque communities in the United States, referred to as "The Basque Block", and provides visitors with a view of Basque culture and cuisine originating from northeastern Spain. Boise has over 26 breweries and is within 32 miles of more than 30 wineries.**** Nearby Snake River Wine Valley was labeled as "The award-winning wine valley you've never heard of" by Travel and Leisure Magazine.*****

The Boise Centre, located downtown in the City of Boise four miles from the Airport, is Idaho's primary convention center for conferences and meetings. With 86,000 square feet of flexible meeting and exhibit space, 31 flexible meeting rooms, and a 24,426 square foot Grand Ballroom.

Table 7 presents historical lodging sales, an indicator of tourism activity, in the Boise MSA and the State from 2000 through the first 6 months of 2020 (January through June, the most recent data available). Lodging sales in the Boise MSA expanded between 2010 and 2019, increasing an average of 10.3% per year, compared with slower growth between 2000 and 2010 (an average of 1.4% per year). Historically, lodging sales in Boise has accounted for approximately 32% of total lodging sales in the State. In 2009, lodging sales in the Boise MSA and the State decreased 18.3% and 12.1%, respectively, reflecting the effects of the 2008-2009 economic recession. In 2019, lodging sales in the Boise MSA and the State increased 8.3%. During the first 6 months of 2020 (January through June), lodging sales in the Boise MSA decreased 30.5%, as a result of the measures taken to mitigate the spread of Covid-19.

** The Wilderness Society, wilderness.org, accessed June 2021.
*** Visit Idaho, visitidaho.org, accessed June 2021.
**** Boise Convention and Visitors Bureau, boise.org, accessed June 2021.
***** Visit Southwest Idaho, visitsouthwestidaho.org, accessed June 2021.

Table 7

HISTORICAL LODGING SALES IN THE BOISE MSA AND STATE OF IDAHO

	Boise MSA			State of Idaho	
Calendar year	Lodging sales (millions)	Percent change	Percent of State	Lodging sales (millions)	Percent change
2000	$91.7	9.4%	32.6%	$281.0	6.9%
2010	105.5	(0.0)	29.3	359.5	0.4
2011	113.5	7.6	30.3	374.3	4.1
2012	124.6	9.7	30.9	403.0	7.7
2013	140.2	12.6	32.1	436.7	8.4
2014	156.3	11.5	32.5	480.2	10.0
2015	174.0	11.3	33.3	522.5	8.8
2016	196.0	12.7	33.3	588.2	12.6
2017	214.5	9.5	33.9	633.4	7.7
2018	235.8	9.9	32.6	723.2	14.2
2019	255.4	8.3	32.6	783.3	8.3
First 6 months (January-June)					
2019	111.0	--	37.6	295.7	--
2020	77.1	(30.5)	34.8	221.9	(24.9)
	Compound annual percent increase				
2000-2010	1.4%			2.5%	
2010-2019	10.3			9.0	
2000-2019	5.5			5.5	

Source: Idaho State Tax Commission, as reported by the State of Idaho Department of Commerce, *Idaho Lodging Tax Data (Calendar Year)—Total Sales*, www.commerce.idaho.gov, accessed May 2021.

Economic Outlook

The economic outlook for the United States, the State of Idaho, and the Boise MSA forms a basis for anticipated growth in airline traffic at the Airport. Economic activity in the Boise MSA and the State is directly linked to the production of goods and services in the world and the rest of the United States. Both airline travel and the movement of cargo through the Airport depend on the economic linkages between and among the regional, State, national, and global economies. The economic and other assumptions underlying the forecasts of enplaned passengers are based on a review of global, national, State, and regional economic outlooks as well as an analysis of historical socioeconomic trends and airline traffic trends, as presented in the section titled "Historical Airline Traffic."

Global Economy. Globalization of the world economy has linked national economies, with positive impacts on travel as well as trade. The Boise MSA and the State are strongly connected to the global economy through a number of industry sectors, including tourism, business services, and manufacturing. The economic growth of these world regions, in terms of Gross Domestic Product (GDP), is directly related to the growth in air travel. In its April 2021 World Economic Outlook, the International Monetary Fund (IMF) projects global GDP to increase 6.0% in 2021 and 4.4% in 2022, following an estimated 3.3% decrease in 2020 due to the global pandemic. Global GDP growth is expected to moderate to 3.3% per year over the medium-term, with the pace of recovery affected by the effectiveness of vaccines in containing new Covid-19 strains and policy actions in restoring economic stability.* Continued growth in the economies of the world regions most closely aligned with the Boise MSA economy and airline service at the Airport are expected to contribute to continued growth in passenger traffic at the Airport.

U.S. Economy. The U.S. economy has grown at a slow to moderate pace since the 2008-2009 economic recession, with U.S. GDP growth, in 2012 dollars, averaging 2.3% per year between 2009 and 2019. In its February 2021 report (the most recent available), the Congressional Budget Office (CBO) projected U.S. economic growth, as measured by U.S. GDP in constant dollars, to have decreased 3.5% in 2020 as a result of the widespread economic disruption caused by the pandemic. U.S. GDP is projected to increase 4.6% in 2021 and 2.9% in 2022, reaching pre-Covid levels by 2022, and then increase an average of 2.0% per year between 2022 and 2028. The CBO projects that the U.S. unemployment rate will have averaged 8.1% in 2020 (up from an average of 3.7% in 2019) and decrease to 4.0% in 2028. According to the Bureau of Labor Statistics, the U.S. unemployment rate reached a high of 14.8% in April 2020 and decreased to 6.7% in December 2020—for an average unemployment rate of 8.1% for the year. For purposes of this forecast, it is assumed that U.S. GDP growth will average approximately 2.0% per year through FY 2028.

*International Monetary Fund, World Economic Outlook, April 2021, www.imf.org.

Idaho and the Boise MSA Economy. After a slow recovery from the 2008-2009 economic recession, Idaho's economy has returned to a sustainable growth pattern and is expected to outperform the national economy over the next few years, according to economic and revenue forecasts prepared by the State of Idaho Division of Financial Management (DFM).* Regional economic forecasts for the Boise MSA have not been prepared in recent years. Because the Boise MSA accounts for more than 40% of the State's nonagricultural employment, regional forecasts prepared for Idaho were used to evaluate certain near-term trends in the Boise MSA.

- **Nonagricultural employment**— The DFM projects an increase of 5.1% in 2021, 3.8% in 2022, 3.0% in 2023, and a gradual slowing to 2.3% in 2026.

- **Personal Income**—The DFM projects that total personal income, in 2012 dollars, will increase 8.0% in 2021, 2.2% in 2022, 5.3% in 2023, and 5.5% to 5.7% through 2026.

- **Residential construction**—The DFM projects that the number of new housing starts will increase 5.7% in 2021, 0.5% in 2022, 3.4% in 2023, and 3.5% in 2024.

Economic Basis for Airline Traffic Forecasts. Factors expected to contribute to continued economic growth in the Boise MSA and associated increases in airline travel include (1) diversity in the economic base, which lessens its vulnerability to weaknesses in particular industry sectors, (2) growth in the Boise industry clusters as described earlier, (3) continued growth in the leisure and hospitality industry, (4) generally lower labor and living costs compared with those in many of the largest cities in the nation and other major western metropolitan areas, such as Los Angeles, San Francisco, and Seattle, (5) an educated labor force able to support the development of knowledge-based and service industries, and (6) continued reinvestment to support the development of tourism, conventions, and other businesses.

*State of Idaho, Division of Financial Management, "Idaho Economic Forecast," April 2021, www.dfm.idaho.gov, accessed May 2021.

3. AVIATION DEMAND ANALYSIS

This section summarizes historical airline service and traffic at the Airport, discusses the key factors that will affect future airline traffic, and then summarizes the airline traffic forecasts for the Airport through FY 2026.

HISTORICAL AIRLINE SERVICE AND TRAFFIC

The following sections present a discussion of historical airline traffic at the Airport, including (1) historical trends in enplaned passengers, (2) enplaned passenger market shares, (3) origin-destination passenger markets, (4) passenger airline service, and (5) a review of air cargo activity.

Airlines Serving the Airport

As of June 2021, four U.S. mainline passenger airlines, three regional airlines, and three low cost carriers provided service at the Airport, as shown in Table 8. In addition, four airlines provided all-cargo service and various airlines provided charter service. JetBlue Airlines is scheduled to start passenger service at the Airport in July 2021.

Table 8
AIRLINES SERVING THE AIRPORT
As of June 2021

Mainline airlines	Low cost carriers
Alaska Airlines	Allegiant Air
American Airlines	Frontier Airlines
Delta Air Lines	Southwest Airlines
United Airlines	
Regional airlines	**All-Cargo airlines**
Envoy (American Eagle)	Ameriflight
Horizon Air (Alaska)	FedEx
Skywest (Alaska Airlines, Delta Connection, United Express)	United Parcel Service
	Western Air Express

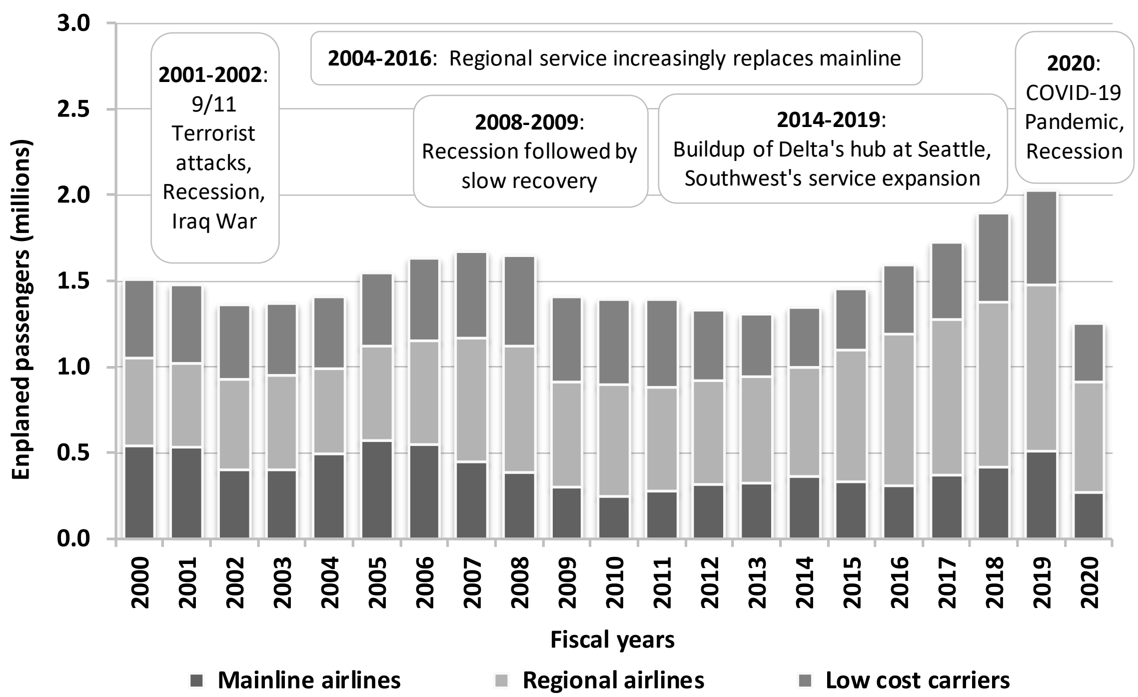
Note: Excludes charter airlines; no charter airlines provide regular service to Boise.

Sources: Boise Airport records and OAG Aviation Worldwide Ltd., online database, accessed May 2021.

Enplaned Passenger Trends

Table 9 presents trends in enplaned passengers at the Airport between FY 2000 and FY 2020 and during the first nine months of FY 2021 (October 2010 through June 2021). Between FY 2000 and FY 2010, the number of enplaned passengers decreased an average of 0.8% per year, reflecting the effects of two economic recessions in 2001 and 2008-2009, the 2008 oil price spike, the financial credit crisis, and overall airline industry reductions in capacity (as measured in the scheduled departing seats). Passenger traffic continued to decrease in FY 2011 through FY 2013 due to a slow economic recovery. Between FY 2014 and FY 2019, passenger traffic increased an average of 7.8% per year, reflecting the expansion of service at the Airport related to the buildup of Delta's hub at Seattle as well as Alaska Airlines' competitive response and expanded service at the Airport by Southwest. In FY 2020, the number of enplaned passengers decreased 38.1% as a result of the Covid-19 pandemic and economic recession. During the first nine months of FY 2021 (October through June), passenger traffic decreased 31.8% compared with the same period in FY 2019 and 1.1% compared with FY 2020.

Figure 4
HISTORICAL TRENDS IN ENPLANED PASSENGERS
Boise Airport



Note: Fiscal Years ended September 30.

Source: Boise Airport records.

Table 9
HISTORICAL ENPLANED PASSENGERS
Boise Airport

Fiscal year	Network airlines: Mainline airlines	Network airlines: Regional airlines	Network airlines: Total	Low cost carriers	Total	Annual percent increase (decrease)
2000	540,588	508,195	1,048,783	456,105	1,504,888	--%
2001	533,830	484,383	1,018,213	458,356	1,476,569	(1.9)
2002	398,252	527,731	925,983	438,034	1,364,017	(7.6)
2003	403,295	544,412	947,707	421,084	1,368,791	0.3
2004	496,365	493,971	990,336	416,335	1,406,671	2.8
2005	568,093	549,863	1,117,956	432,490	1,550,446	10.2
2006	549,031	600,238	1,149,269	479,723	1,628,992	5.1
2007	447,903	721,738	1,169,641	504,368	1,674,009	2.8
2008	388,692	730,132	1,118,824	530,710	1,649,534	(1.5)
2009	299,097	616,058	915,155	489,166	1,404,321	(14.9)
2010	246,890	646,428	893,318	502,078	1,395,396	(0.6)
2011	274,759	606,635	881,394	512,217	1,393,611	(0.1)
2012	315,468	604,574	920,042	408,725	1,328,767	(4.7)
2013	326,030	615,996	942,026	364,516	1,306,542	(1.7)
2014	361,404	638,508	999,912	348,075	1,347,987	3.2
2015	333,374	762,404	1,095,778	360,855	1,456,633	16.2
2016	311,938	880,814	1,192,752	400,993	1,593,745	9.4
2017	371,961	905,034	1,276,995	444,810	1,721,805	8.0
2018	414,908	964,221	1,379,129	519,637	1,898,766	10.3
2019	510,256	963,535	1,473,791	552,169	2,025,960	6.7
2020	269,648	639,611	909,259	344,343	1,253,602	(38.1)
First 9 months (October-June)						
2019	348,573	717,415	1,065,988	406,116	1,472,104	--%
2020	208,739	530,019	738,758	276,316	1,015,074	(31.0)
2021	222,376	523,558	745,934	258,364	1,004,298	(1.1)
	Annual percent increase (decrease)					
2015-2016	(6.4%)	15.5%	8.8%	11.1%	9.4%	
2016-2017	19.2	2.7	7.1	10.9	8.0	
2017-2018	11.5	6.5	8.0	16.8	10.3	
2018-2019	23.0	(0.1)	6.9	6.3	6.7	
2019-2020	(47.2)	(33.6)	(38.3)	(37.6)	(38.1)	
2020-2021 *(a)*	6.5	(1.2)	1.0	(6.5)	(1.1)	
	Compound annual percent increase (decrease)					
2000-2010	(7.5%)	2.4%	(1.6%)	1.0%	(0.8%)	
2010-2014	10.0	(0.3)	2.9	(8.8)	(0.9)	
2014-2019	13.2	9.7	10.8	1.5	7.8	
2000-2019	(0.3)	3.4	1.8	1.0	1.6	

Note: Fiscal Years ended September 30.
Data for mainline and regional affiliates for Alaska, American, and Delta were not reported separately in Airport records and were estimated based on data from the U.S. Department of Transportation, T100 online database, accessed May 2021.
Low cost carrier passengers in FY 2000 through FY 2007 are from U.S. Department of Transportation.

(a) Represents the percent change for the first 9 months (October through June).

Source: Boise Airport records, except as noted.

Since FY 2000, regional airlines have accounted for an increasing share of total enplaned passengers at the Airport, as shown on Figure 4. The share of Airport passengers enplaned on regional airlines increased from 33.8% in FY 2000 to a high of 55.3% in FY 2016 and averaged about 51.0% through FY 2020.

Table 10 shows monthly enplaned passengers at the Airport in 2018 through April 2021. After reaching a record level of enplaned passengers in FY 2019, strong year-over-year growth in the number of passengers at the Airport continued through February 2020. Since March 2020, passenger volumes at the Airport have been substantially reduced due to the Covid-19 pandemic and economic recession. During the first nine months of FY 2021 (October 2020 through June 2021), passenger traffic at the Airport has accounted for an increasing share of 2019 passenger levels, almost reaching June 2019 levels by June 2021.

Table 10
MONTHLY ENPLANED PASSENGERS
Boise Airport

Month	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Percent of 2019 levels 2020	Percent of 2019 levels 2021
October	151,465	171,799	181,630	93,947	105.7%	51.7%
November	156,418	166,427	170,300	88,049	102.3	51.7
December	154,446	163,753	184,024	89,195	112.4	48.5
January	140,482	152,091	161,281	78,872	106.0	51.9
February	130,890	140,332	150,913	81,232	107.5	57.9
March	151,023	167,299	80,422	117,953	48.1	70.5
April	146,823	151,847	8,926	121,565	5.9	80.1
May	162,140	174,706	25,382	149,736	14.5	85.7
June	179,574	183,850	52,196	183,749	28.4	99.9
July	183,815	191,209	75,777		39.6	
August	178,659	187,113	81,012		43.3	
September	163,031	175,534	81,739		46.6	
Total	1,898,766	2,025,960	1,253,602		61.9	
First 9 months (October – June)	1,373,261	1,472,104	1,015,074	1,004,298	69.0	68.2

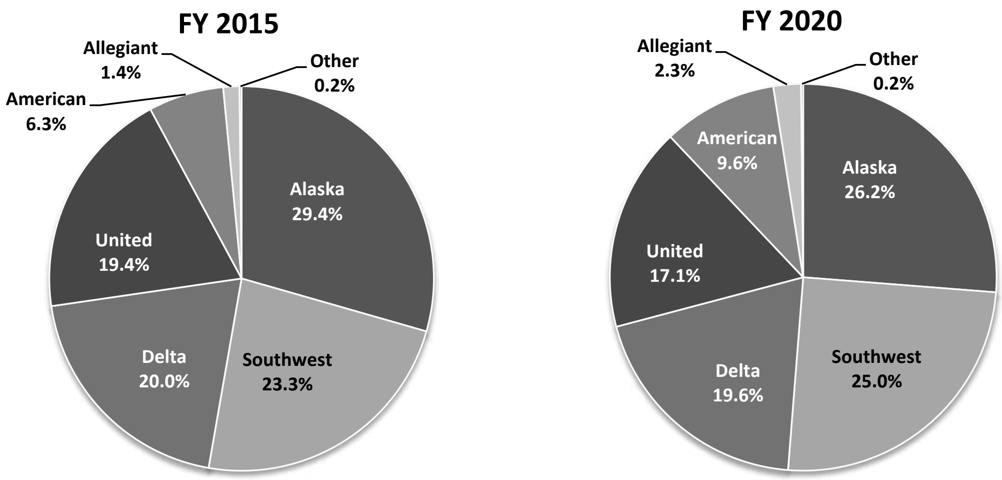
Month	Annual percent increase (decrease) 2019	2020	2021
October	13.4%	5.7%	(48.3%)
November	6.4	2.3	(48.3)
December	6.0	12.4	(51.5)
January	8.3	6.0	(51.1)
February	7.2	7.5	(46.2)
March	10.8	(51.9)	46.7
April	3.4	(94.1)	1261.9
May	7.8	(85.5)	489.9
June	2.4	(71.6)	
July	4.0	(60.4)	
August	4.7	(56.7)	
September	7.7	(53.4)	
Total	6.7	(38.1)	
First 9 months (October – June)	7.2	(31.0)	(1.1)

Source: Boise Airport records.

Airline Shares of Enplaned Passengers

Table 11 and Figure 5 show the airline market shares of enplaned passengers at the Airport in FY 2015 through FY 2020. In FY 2020, Alaska (including Horizon) enplaned the largest share of passengers at the Airport (26.2%), followed by Southwest Airlines with 25.0% and Delta (mainline and regional affiliates) with 19.6%. The market share of the mainline and regional airlines decreased between FY 2015 and FY 2020--from 22.9% to 21.5% and from 52.3% to 51.0%, respectively. Low cost carriers accounted for 27.5% of enplaned passengers at the Airport in FY 2020, compared with 24.8% in FY 2015.

Figure 5
AIRLINE MARKET SHARES OF ENPLANED PASSENGERS
Boise Airport



Note: See Table 11 for detailed footnotes.

Source: Boise Airport records.

Table 11

AIRLINE MARKET SHARES OF ENPLANED PASSENGERS

Boise Airport

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Mainline						
Delta *(a),(e)*	160,803	134,836	140,108	144,799	179,433	92,055
United *(b)*	80,126	81,753	94,098	108,055	115,988	62,995
American *(c),(e)*	92,295	95,200	122,459	91,851	135,456	72,937
Alaska *(e)*	150	149	15,296	70,203	79,379	41,661
Subtotal mainline	333,374	311,938	371,961	414,908	510,256	269,648
Regional/Commuter						
Horizon Air	428,656	465,362	463,949	434,270	445,300	287,287
United Express	202,940	210,302	218,763	234,064	252,249	150,876
Delta Connection	129,801	201,878	212,339	222,518	236,818	154,009
American Eagle	1	2,365	8,826	72,382	27,670	47,123
Other regionals	1,006	907	1,157	987	1,498	316
Subtotal regional	762,404	880,814	905,034	964,221	963,535	639,611
Low cost carriers						
Southwest *(d)*	339,545	372,287	416,149	464,344	501,798	313,565
Allegiant	19,801	28,706	28,661	43,390	42,624	28,806
Frontier	1,096	--	--	11,903	7,747	1,847
Other LCC	413	--	--	--	--	125
Subtotal LCC	360,855	400,993	444,810	519,637	552,169	344,343
Total	1,456,633	1,593,745	1,721,805	1,898,766	2,025,960	1,253,602
	Percent of total					
Mainline						
Delta	11.0%	8.5%	8.1%	7.6%	8.9%	7.3%
United	5.5	5.1	5.5	5.7	5.7	5.0
American	6.3	6.0	7.1	4.8	6.7	5.8
Alaska	0.0	0.0	0.9	3.7	3.9	3.3
Subtotal mainline	22.9%	19.6%	21.6%	21.9%	25.2%	21.5%
Regional/Commuter						
Horizon Air	29.4%	29.2%	26.9%	22.9%	22.0%	22.9%
United Express	13.9	13.2	12.7	12.3	12.5	12.0
Delta Connection	8.9	12.7	12.3	11.7	11.7	12.3
American Eagle	0.0	0.1	0.5	3.8	1.4	3.8
Other regional	0.1	0.1	0.1	0.1	0.1	0.0
Subtotal regional	52.3%	55.3%	52.6%	50.8%	47.6%	51.0%
Low cost carriers						
Southwest	23.3%	23.4%	24.2%	24.5%	24.8%	25.0%
Allegiant	1.4	1.8	1.7	2.3	2.1	2.3
Frontier	0.1	--	--	0.6	0.4	0.1
Other LCC	0.0	--%	--%	--%	--%	0.0
Subtotal LCC	24.8%	25.2%	25.8%	27.4%	27.3%	27.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Fiscal Years ended September 30.

(a) Delta completed its merger with Northwest in October 2008.
(b) United completed its merger with Continental in October 2010.
(c) American completed its merger with US Airways in April 2015.
(d) Southwest completed its merger with AirTran Airways in May 2011.
(e) Data for mainline and regional affiliates for Alaska, American, and Delta were not reported separately in Airport records and estimated based on data from the U.S. Department of Transportation, T100 online database, accessed May 2021.

Source: Boise Airport records.

Origin-Destination Markets

Table 12 shows the top 20 origin-destination markets for passengers at the Airport in FY 2020. Average daily nonstop departures from the Airport by the scheduled airlines in June 2019, June 2020, and June 2021 are also shown. These 20 markets accounted for 74.3% of the domestic O&D passengers at the Airport in FY 2020. These origin-destination patterns are illustrated on Figure 6.

Seattle and Los Angeles are the top two markets for O&D passengers at the Airport, accounting for 11.1% and 10.2%, respectively, of domestic O&D passengers at the Airport in FY 2020. Other major markets include San Francisco, Portland, Phoenix, Denver, San Diego, and Las Vegas. Of the top 20 destinations, 5 are short-haul routes (less than 500 miles), 10 are medium-haul routes (between 500 and 1,500 miles), and 5 long-haul routes (1,500 miles or longer).

Table 12 also presents the average daily number of nonstop departures to the O&D markets listed. Of the top 20 markets, 16 were served nonstop from the Airport in June 2021, compared with 11 in June 2020, and 15 in June 2019, as shown in Table 12 and on Figure 6.

Table 12

DOMESTIC PASSENGER DESTINATION PATTERNS AND AIRLINE SERVICE

Boise Airport

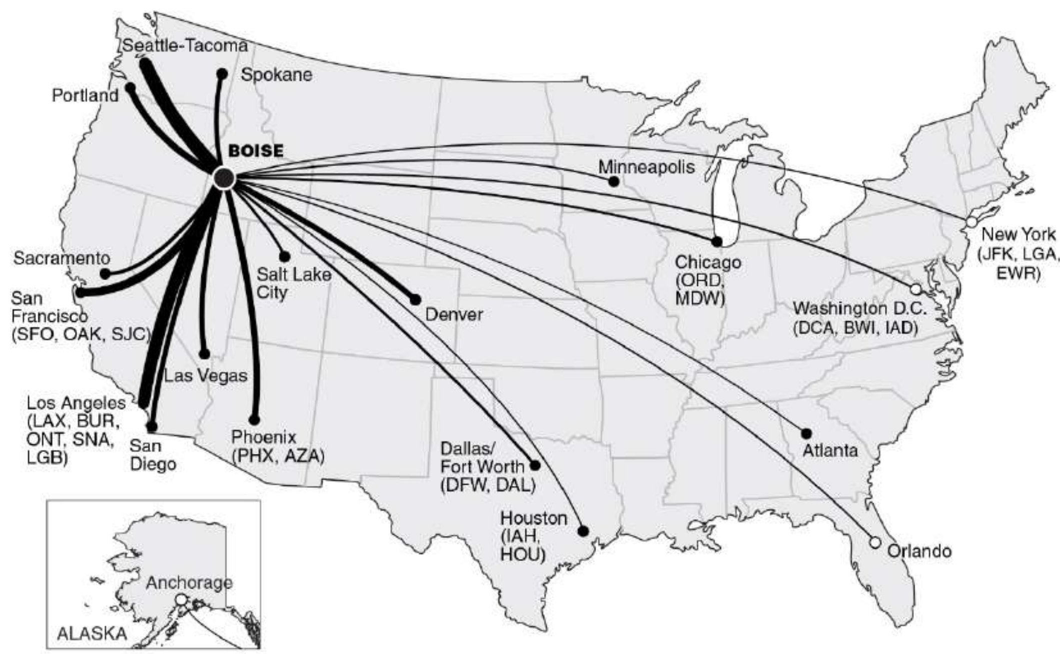
Rank	Origin-destination market	Air miles from Boise	Percent of domestic O&D passengers In FY 2020	Average scheduled daily nonstop departures June 2019	June 2020	June 2021
1	Seattle	398	11.1%	14	8	17
2	Los Angeles *(a)*	673	10.2	4	1	8
3	San Francisco *(b)*	519	7.1	9	6	7
4	Portland	343	5.5	8	2	3
5	Phoenix *(c)*	735	5.3	3	1	4
6	Denver	647	4.7	7	5	7
7	San Diego	750	4.3	2	1	3
8	Las Vegas	520	4.2	2	2	3
9	Spokane	288	3.8	4	-	2
10	Sacramento	438	3.1	2	-	2
11	Salt Lake City	290	2.3	6	4	6
12	Dallas *(d)*	1,284	2.3	2	2	4
13	Chicago *(e)*	1,438	1.9	3	1	4
14	Washington D.C. *(f)*	2,037	1.5	--	--	--
15	Minneapolis-St. Paul	1,138	1.4	3	-	2
16	Orlando	2,188	1.3	--	--	--
17	Houston *(g)*	1,489	1.2	1	-	1
18	New York *(h)*	2,150	1.2	--	--	--
19	Atlanta	1,837	1.1	-	-	1
20	Anchorage	1,842	1.0	--	--	--
	Cities listed		74.3%	70	33	75
	Other cities		25.7	1	--	1
	All cities		100.0%	71	33	75

Note Includes cities with 1% or more of total inbound and outbound domestic origin-destination passengers at Boise Airport based on a 10% sample of outbound passengers.

(a) Los Angeles International, Bob Hope (Burbank), Ontario International, John Wayne (Orange County), and Long Beach airports.
(b) San Francisco, Oakland, and Mineta San Jose international airports.
(c) Phoenix Sky Harbor International and Phoenix Mesa Gateway airports.
(d) Dallas Fort Worth International and Love Field.
(e) Chicago O'Hare and Midway international airports.
(f) Reagan Washington National, Baltimore/Washington International Thurgood Marshall, and Washington Dulles International airports.
(g) Bush Intercontinental Airport /Houston and William P. Hobby Airports.
(h) New York Kennedy, New York LaGuardia, and Newark International airports.

Sources: O&D percentage: U.S. Department of Transportation, Origin-Destination Survey or Airline Passenger Traffic, Domestic, online database, accessed May 2021.
Departures: OAG Aviation Worldwide Ltd., online database, accessed May 26, 2021.

Figure 6
DOMESTIC PASSENGER DESTINATION PATTERNS AND AIRLINE SERVICE
Boise Airport



LEGEND

- Origin-destination patterns. The width of the line corresponds to the relative share of origin-destination passengers in each market.
- ● Cities with scheduled daily nonstop airline service
- ○ Cities without scheduled daily nonstop airline service

Note: Origin-Destination data are for the top 20 destinations from Boise Airport.

Source: U.S. Department of Transportation, *Origin-Destination Survey of Airline Passenger Traffic, Domestic*, online database, FY 2020 and OAG Aviation Worldwide Ltd., online database, accessed May 2021.

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Passenger Airline Service

The availability of nonstop service at the Airport has been an important factor in passenger traffic growth. Table 13 shows scheduled average daily departing seats at the Airport by destination city and airline in June of 2015 and 2019 through 2021. The total number of average daily scheduled departing seats at the Airport increased an average of 5.0% per year between June 2015 and June 2019, reflecting an expansion of service by each of the airlines serving the Airport, with Southwest accounting for the largest increase in seats. Of the 19 cities shown in Table 13, 14 cities were served by more than one airline in June 2019 compared with 11 cities in June 2015. Between June 2019 and June 2020, the total number of average daily scheduled departing seats at the Airport decreased 57.4%, reflecting the impact of the Covid-19 pandemic and economic recession on passenger traffic. In June 2020, 14 of the 19 cities shown in Table 13 retained daily scheduled service. In June 2021, the total number of average daily scheduled departing seats are expected to be 12.1% higher than June 2019, with increases by each of the airlines serving the Airport except United and nonstop service provided to all 19 destinations.

Table 13
SCHEDULED DEPARTING SEATS BY DESTINATION AND AIRLINE
Boise Airport

FY 2020 O&D rank	Destination city	Airline	Average daily scheduled departing seats June 2015	June 2019	June 2020	June 2021	CAGR 2015-2019	Percent increase (decrease 2019-2020	2019-2021
1	Seattle	Alaska	757	875	460	1,216	2.9	(47.5)	38.9
		Delta	254	380	210	412	8.4	(44.7)	8.5
	Subtotal		1,011	1,255	670	1,628	4.4	(46.6)	29.7
2	Los Angeles	Alaska	--	--	76	263	--	--	--
		Delta	76	124	--	140	10.3	(100.0)	12.8
		Southwest	--	--	--	119	--	--	--
		Allegiant	44	53	42	118	3.7	(21.7)	122.2
		United	75	108	--	51	7.4	(100.0)	(52.9)
	Subtotal		196	285	118	691	7.8	(58.7)	142.6
3	San Francisco	Southwest	285	510	386	357	12.4	(24.3)	(30.0)
		United	253	320	152	191	4.8	(52.5)	(40.3)
		Alaska	76	76	76	152	--%	--%	100.0
	Subtotal		614	906	614	700	8.1	(32.2)	(22.7)
4	Portland	Alaska	527	583	152	263	2.0	(73.9)	(54.8)
5	Phoenix	American	369	256	63	276	(7.1)	(75.5)	7.7
		Southwest	143	143	--	267	--%	(100.0)	86.4
		Allegiant	--	--	--	47	--	--	--
	Subtotal		512	399	63	590	(4.9)	(84.3)	47.7
6	Denver	United	354	513	122	491	7.7	(76.3)	(4.2)
		Southwest	286	296	513	339	0.7	73.6	14.8
		Frontier	--	37	--	48	--	(100.0)	31.5
	Subtotal		640	845	635	879	5.7	(24.9)	4.0
7	San Diego	Alaska	70	76	43	142	1.7	(43.3)	86.7
		Southwest	--	145	--	138	--	(100.0)	(4.8)
	Subtotal		70	221	43	280	25.9	(80.5)	26.7
8	Las Vegas	Southwest	281	299	213	348	1.2	(28.7)	16.5
		Allegiant	44	47	42	71	1.1	(11.1)	51.3
	Subtotal		326	346	255	419	1.2	(26.3)	21.2
9	Spokane	Alaska	--	177	--	152	--	(100.0)	(14.3)
		Southwest	266	262	--	--	(0.3)	(100.0)	(100.0)
	Subtotal		266	440	--	152	10.5	(100.0)	(65.4)
10	Sacramento	Southwest	--	143	--	143	--	(100.0)	--%
		Alaska	76	76	--	111	--%	(100.0)	46.7
	Subtotal		76	219	--	254	23.6	(100.0)	16.2
11	Salt Lake City	Delta	571	678	318	591	3.5	(53.2)	(12.9)
		Alaska	76	--	--	--	(100.0)	--	--
	Subtotal		647	678	318	591	1.0	(53.2)	(12.9)

Table 13
SCHEDULED DEPARTING SEATS BY DESTINATION AND AIRLINE
Boise Airport

FY 2020 O&D rank	Destination city	Airline	Average daily scheduled departing seats June 2015	June 2019	June 2020	June 2021	CAGR 2015-2019	Percent increase (decrease 2019-2020	2019-2021
12	Dallas/Fort Worth	American	--	320	162	497	--	(49.3)	55.3
		Southwest	--	14	--	105	--	(100.0)	633.3
	Subtotal	--	--	334	162	602	--	(51.5)	80.1
13	Chicago	United	148	152	76	205	0.5	(50.0)	35.0
		Southwest	114	--	--	142	(100.0)	--	--
		American	--	65	--	76	--	(100.0)	16.9
		Alaska	--	--	--	35	--	--	--
	Subtotal		263	217	76	458	(3.8)	(65.0)	111.2
15	Minneapolis-St. Paul	Delta	407	411	--	351	0.2	(100.0)	(14.7)
17	Houston	United	70	76	--	86	1.7	(100.0)	13.3
19	Atlanta	Delta	--	--	--	149	--	--	--
	Other		73	73	--	77	--	(100.0)	4.9
	Total		5,697	7,288	3,105	8,170	5.0	(57.4)	12.1
		Summary by Airline							
		Alaska	1,656	1,937	807	2,371	3.2	(58.3)	22.4
		Southwest	1,376	1,812	1,112	1,958	5.7	(38.6)	8.0
		Delta	1,307	1,594	528	1,643	4.0	(66.9)	3.1
		United	901	1,168	350	1,024	5.3	(70.1)	(12.3)
		American	369	641	225	849	11.7	(64.9)	32.4
		Allegiant	89	100	83	278	2.4	(16.7)	177.9
		Frontier	--	37	--	48	--	(100.0)	31.5
		Total	5,697	7,288	3,105	8,170	5.0	(57.4)	12.1

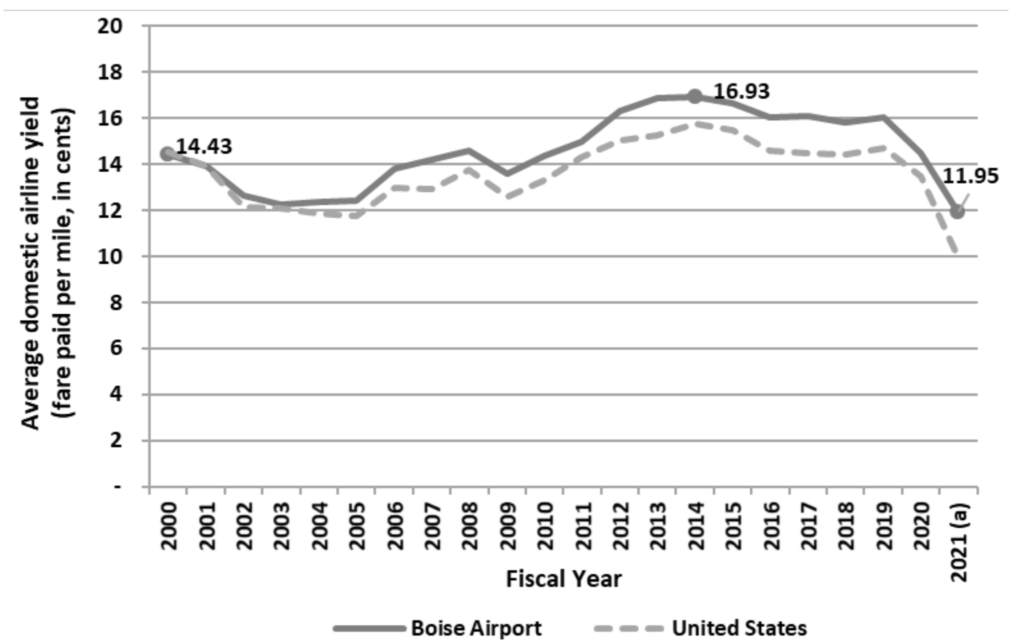
Source: OAG Aviation Worldwide Ltd., online database, accessed May 26, 2021.

Airline Fares and Yields

Fares charged for airline travel to and from Boise have also been an important determinant of airline passenger traffic at the Airport. Airline yield, the airfare paid to transport one passenger one mile, is a unit measure of the cost of travel that minimizes the effect of average trip distance. Typically, airline yields are higher for short-haul trips (less than 500 miles) than for long-haul trips (1,500 miles or more). Figure 7 and Table 14 summarize average annual domestic one-way airline fares and yields at the Airport since FY 2000.

From FY 2000 to FY 2014, average airline fares and yields at the Airport increased an average of 2.8% and 1.1% per year, respectively, faster than the trends in the nation as a whole. Fares at the Airport increased at a higher rate than yields as a result of increased average stage lengths. Between FY 2014 and FY 2019, average airline fares and yields at the Airport increased an average of 1.7% and 1.1% per year, respectively, consistent with national trends during this period. Average airline fares and yields at the Airport and in the nation decreased significantly in 2020 and 2021 as airlines reduced airfares in response to reduced passenger demand during the pandemic.

Figure 7
AIRLINE DOMESTIC AIRLINE YIELDS
Boise Airport and United States



Notes: For Fiscal Years ended September 30.

(a) Data are for the first 3 months of FY 2021 (October through December), the most recent period available.

Source: U.S. Department of Transportation, *Origin-Destination Survey of Airline Passenger Traffic, Domestic,* online database, accessed May 2021.

Table 14
AVERAGE DOMESTIC ONE-WAY AIRLINE FARES AND YIELD

	Boise Airport						United States	
	Southwest Airlines		All other airlines		All airlines			
Fiscal Year	Average one-way airline fares	Yield (cents per mile)	Average one-way airline fares	Yield (cents per mile)	Average one-way airline fares	Yield (cents per mile)	Average one-way airline fares	Yield (cents per mile)
2000	68	13.01	150	14.78	123	14.43	155	14.51
2010	105	16.32	161	13.85	143	14.39	156	13.31
2011	121	16.50	170	14.49	153	15.00	168	14.30
2012	135	16.40	192	16.28	173	16.31	177	15.05
2013	151	17.10	193	16.82	181	16.89	180	15.24
2014	154	16.14	191	17.18	181	16.93	188	15.75
2015	151	15.78	186	16.91	177	16.65	185	15.49
2016	143	14.79	179	16.41	170	16.04	173	14.58
2017	138	14.51	180	16.58	169	16.09	171	14.48
2018	128	14.01	177	16.38	164	15.84	169	14.40
2019	126	14.30	179	16.56	166	16.05	172	14.71
2020	117	13.11	163	14.84	151	14.45	157	13.48
2021 *(a)*	100	10.38	133	12.35	126	11.95	119	9.99
	Percent increase (decrease)							
2017-2018	(7.3%)	(3.5%)	(1.3%)	(1.2%)	(2.6%)	(1.6%)	(1.2%)	(0.5%)
2018-2019	(1.4)	2.1	1.3	1.1	0.7	1.4	2.0	2.2
2019-2020	(7.0)	(8.3)	(9.2)	(10.4)	(8.7)	(10.0)	(8.7)	(8.4)
2020-2021 *(a)*	(14.6)	(20.8)	(18.4)	(16.7)	(16.9)	(17.3)	(24.5)	(25.9)
	Compound annual percent increase (decrease)							
2000-2014	5.9%	1.6%	1.7%	1.1%	2.8%	1.1%	1.4%	0.6%
2014-2019	(3.8)	(2.4)	(1.2)	(0.7)	(1.7)	(1.1)	(1.7)	(1.4)
2000-2019	3.3	0.5	1.0	0.6	1.6	0.6	0.5	0.1

Notes: For Fiscal Years ended September 30.

(a) Data are for the first 3 months of FY 2021 (October through December), the most recent period available.

Source: U.S. Department of Transportation, *Origin-Destination Survey of Airline Passenger Traffic, Domestic,* online database, accessed May 2021.

"Average airfare" statistics reported to the U.S. Department of Transportation (DOT) survey of airline tickets are becoming less representative of the true "cost of travel." Total airline fare revenue includes ancillary fees (bag check fees, onboard food and beverage costs, priority boarding fees, and so on), which have proliferated since the mid-2008 fuel price spike. These ancillary fees can represent material additional payments that are not included in the reported "average airfare" figures.

Air Cargo

Total air cargo (air freight and mail) tonnage has generally increased since FY 2000, amid annual fluctuations—an average of 1.1% per year, as presented in Table 15. Between FY 2014 and FY 2020, total air cargo tonnage decreased an average of 2.9% per year. During the first nine months of FY 2021 (October through June), total air cargo increased 27.9% compared with the same period in FY 2020, reflecting, in part, an increase in ecommerce during the pandemic. The Airport is served by four all-cargo airlines—Ameriflight, FedEx, United Parcel Service, and Western Air Express.

Table 15
HISTORICAL AIR CARGO
Boise Airport
In thousands of pounds

Fiscal year	Freight	Mail	Total	Annual percent increase (decrease)
2000	68,006	8,786	76,792	--%
2010	78,545	891	79,437	5.8
2011	80,110	957	81,067	2.1
2012	85,696	1,058	86,754	7.0
2013	84,583	956	85,539	(1.4)
2014	88,808	854	89,662	2.4
2015	88,465	811	89,276	(0.4)
2016	84,130	575	84,706	(5.1)
2017	73,438	903	74,341	(12.2)
2018	74,917	577	75,493	1.6
2019	73,897	485	74,382	(1.5)
2020	74,915	356	75,271	1.2
October-June				
2019	57,969	378	58,347	--
2020	57,272	345	57,618	(1.2)
2021	73,688	16	73,704	27.9
	Average annual percent increase (decrease)			
2000-2014	1.9%	(15.3%)	1.1%	
2014-2020	(2.8)	(13.6)	(2.9)	
2000-2020	0.5	(14.8)	(0.1)	

Note: Fiscal Years ended September 30.

Source: Boise Airport records.

KEY FACTORS AFFECTING FUTURE AIRLINE TRAFFIC

In the near-term to medium-term, the impact of the Covid-19 pandemic and the speed of recovery of both the economy and public confidence in the aviation system will significantly affect aviation activity levels at the Airport and, as of the date of this Report, there is great uncertainty regarding the length of time it will take for aviation activity levels to recover to FY 2019 levels. As the Airport predominantly serves origin and destination activity (O&D passengers account for approximately 96% of Airport passengers, on average), future long-term growth in aviation activity at the Airport (subsequent to recovery from the Covid-19 pandemic) will occur largely as a function of the growth in the population and economy of the Boise MSA, as well as regional, national, and international economic performance.

Several factors will play a role in the long-term growth in aviation activity at the Airport, including:

- The Covid-19 pandemic and public health concerns
- National economic conditions
- International economic and political conditions
- Structural changes in the travel market
- Financial health of the airline industry
- Airline service and routes
- Airline competition and airfares
- Airline consolidation and alliances
- Availability and price of aviation fuel
- Aviation safety and security concerns
- Capacity of the national air traffic control system
- Capacity of the Airport

COVID-19 Pandemic and Public Health Concerns

From time to time, public health concerns and associated restrictions on travel have reduced airline travel demand to and from various parts of the world. Examples are Severe Acute Respiratory Syndrome (SARS) in 2002-2003, the H1N1 influenza virus in 2009, Middle East Respiratory Syndrome (MERS) in 2013, Ebola Virus Disease (EVD) in 2014-2016, and the Zika virus in 2016-2017. In all these historical examples, reductions in airline travel were geographically localized and fairly short-lived, with travel soon recovering to pre-health-scare trends.

The Covid-19 pandemic is having far more serious and far-reaching effects on airline travel worldwide. At the end of 2019, the highly contagious novel coronavirus that causes the Covid-19 respiratory illness emerged in Asia, soon spreading to most parts of the world. Covid-19 was declared a global pandemic by the WHO in March 2020 and has yet to be contained.

The pandemic and governmental actions to slow the spread of the disease, including the mandated closure of businesses and offices, work-at-home requirements, prohibitions of public gatherings, quarantines, and travel restrictions have contributed to a recession in the global economy and widespread job losses. The economic recession, combined with continuing fears about contagion, has resulted in a severe reduction in the demand for air travel, the grounding of much of the world's airline fleets, and cuts in airline service. Since April 2020, airline service in the United States has gradually been restored. Similarly, TSA data indicate that the number of passengers enplaned at U.S. airports increased from 41% in February 2021 to 52% in March 2021 of the number of passengers enplaned in during the same months in 2019.

As described earlier, the Covid-19 vaccines currently being rolled out to the public could potentially lead to a return to more normal economic activity (and possibly initiate a return to more normal conditions in the aviation industry) during the latter half of calendar year 2021.

The global economic disruption and reduction in airline travel caused directly and indirectly by the Covid-19 pandemic dwarfs the effects of earlier public health scares and will have far-reaching implications for the global airline industry, perhaps extending for several years. Until governments and public health authorities are able to contain the spread and occurrence of the disease through the widespread availability of effective vaccines, and reverse the associated economic impacts, Covid-19 is likely to overshadow all other factors affecting future airline travel.

Questions also remain about how some determinants of travel demand may change even once control of the pandemic and economic recovery eventually allow a "new normal" travel environment to be restored. For example, permanent reductions in some business travel for in-person meetings may result from the widespread adoption of videoconferencing by workers who have become accustomed to working from home.

National Economic Conditions

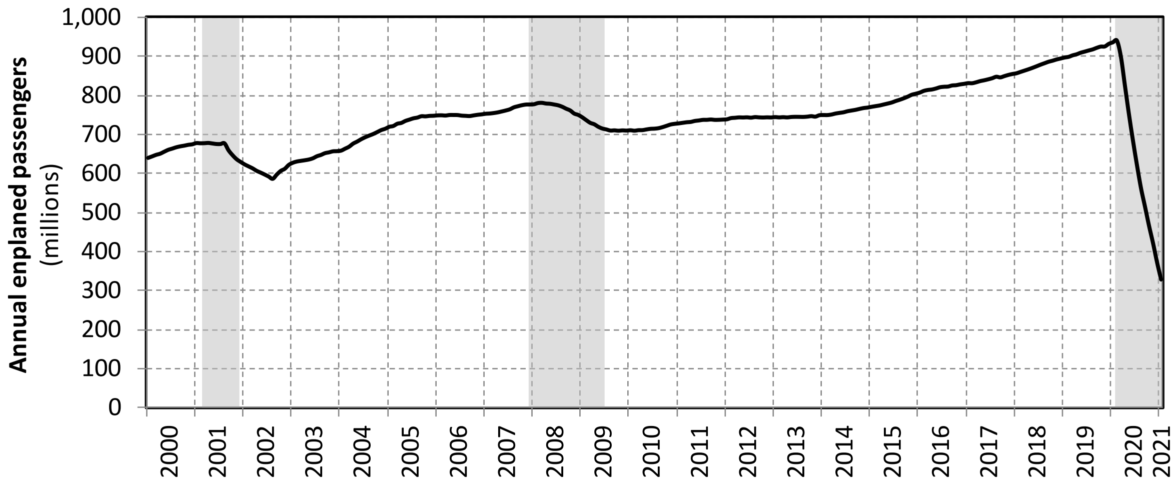
Historically, airline passenger traffic nationwide has correlated closely with the state of the U.S. economy and levels of real disposable income. As illustrated on Figure 8, recessions in the U.S. economy in 2001 and 2008-2009 and associated high unemployment reduced discretionary income and contributed to reduced airline travel demand in those years. Sustained future increases in passenger traffic at the Airport will depend on national economic growth.

International Economic and Political Conditions

Passenger traffic at U.S. airports is also influenced by the globalization of business and increased importance of international trade and tourism, international economics, trade balances, currency exchange rates, government policies, and geopolitical relationships.

Concerns about hostilities, terrorist attacks, and other perceived security and public health risks, and associated travel restrictions also affect travel demand to particular international destinations. Beginning in March 2017, the Trump administration issued various orders seeking to restrict travel to the United States from certain countries, mainly in the Middle East and Africa. Following court challenges, in June 2018, the U.S. Supreme Court upheld the administration's most recent travel restrictions. As the restrictions are implemented, increased scrutiny by U.S. Customs and Border Protection could prevent or discourage some airline travel. Sustained future increases in passenger traffic at the Airport will depend on global economic growth, stable and secure international conditions, and government policies that do not unreasonably restrict international travel.

Figure 8
HISTORICAL ENPLANED PASSENGERS ON U.S. AIRLINES



Notes: Data shown are 12-month moving averages of enplaned passengers on scheduled and non-scheduled flights to domestic and international destinations.
Shaded areas indicate months of economic recession.

Sources: Bureau of Transportation Statistics, T100 Market and Segment, www.rita.gov, accessed May 2021; National Bureau of Economic Research, U.S. Business Cycle Expansions and Contractions, www.nber.com.

Structural Changes in the Travel Market

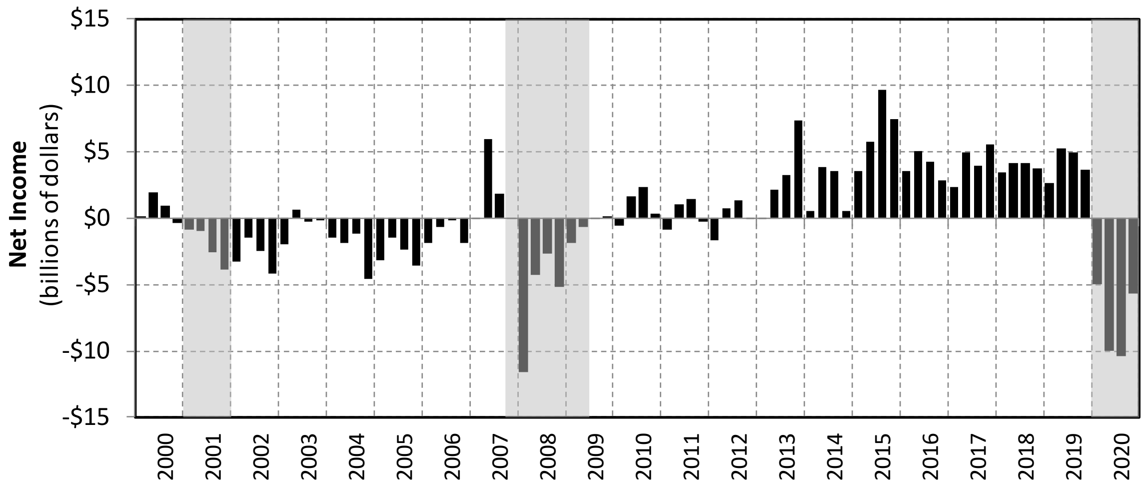
With the globalization of business and the increased importance of international trade and tourism (prior to the onset of Covid-19), international economics, trade balances, currency exchange rates, government policies, and political relationships all influence passenger traffic at major U.S. airports. Concerns about hostilities and other perceived security and public health risks and associated travel restrictions also affect travel demand to and from particular international destinations. Once the economy and the aviation system recover from the effects of the Covid-19 pandemic, it is expected that sustained future increases in passenger traffic at the Airport will once again depend on factors such as global economic growth, stable and secure international conditions, and government policies that do not materially restrict international travel.

Financial Health of the Airline Industry

The number of passengers using the Airport will depend partly on the profitability of the U.S. airline industry and the associated ability of the industry and individual airlines to make the necessary investments to provide service. Figure 9 shows historical net income for U.S. airlines.

As a result of the 2001 economic recession, the disruption of the airline industry that followed the September 2001 attacks, increased fuel and other operating costs, and price competition, the industry experienced huge financial losses. From 2001 through 2006, the major U.S. passenger airlines collectively recorded net losses of approximately $46 billion. To mitigate those losses, all of the major network airlines restructured their route networks and flight schedules and reached agreements with their employees, lessors, vendors, and creditors to cut costs, either under Chapter 11 bankruptcy protection or the possibility of such. Between 2002 and 2005, Delta Air Lines, Northwest Airlines, United Airlines, and US Airways filed for bankruptcy protection and restructured their operations.

Figure 9
QUARTERLY NET INCOME (LOSS) FOR U.S. AIRLINES



Notes: Includes scheduled service on U.S. carriers only.
Shaded areas indicate quarters of economic recession.
Data for the fourth quarter of 2005 and the first quarter of 2006 were adjusted to account for United bankruptcy claims which were settled for less than had been originally reported.

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Net Income, F41 Schedule P12, www.transtats.gov, accessed May 2021.

In 2007, the U.S. passenger airline industry was profitable, recording net income of approximately $7 billion, but in 2008, as oil and aviation fuel prices increased to unprecedented levels and the U.S. economy contracted, the U.S. passenger industry recorded net losses of approximately $26 billion. The industry responded by grounding less fuel-efficient aircraft, eliminating unprofitable routes and hubs, reducing seat capacity, and increasing airfares. Between 2007 and 2009, U.S. passenger airlines collectively reduced domestic available seat-mile capacity by approximately 10%.

From 2010 to 2013, the U.S. passenger airline industry recorded net income of approximately $18 billion, notwithstanding sustained high fuel prices, by controlling seat capacity and nonfuel expenses, increasing airfares, achieving high load factors, and increasing ancillary revenues. Between 2009 and 2013, the airlines collectively increased domestic seat-mile capacity by an average of just 1.0% per year. American filed for bankruptcy protection in 2011.

In 2014, the U.S. passenger airline industry reported net income of $9 billion, assisted by reduced fuel prices. In 2015, the industry achieved record net income of $26 billion as fuel prices decreased further, demand remained strong, and seat capacity control allowed average fares and ancillary charges to remain high. Strong industry profitability continued in 2016 through 2019. U.S. passenger airline profits decreased by $5 billion during the first quarter of 2020 and by $10 billion during both the second and third quarters of 2020 as a result of the reduction in demand related to the Covid-19 pandemic.

Recent agreements between the major airlines and their unionized employees have resulted in increased labor costs. According to Airlines for America, U.S. airlines increased wages and benefits per full-time employee by 34% between 2013 and 2019. Contributing to the increased costs, a shortage of qualified airline pilots, resulting from retirements and changed FAA qualification standards and duty and rest rules, has required the airlines to increase salaries and improve benefits to attract and retain pilots.

The CARES Act provided for $50 billion in aid for passenger airlines, including $25 billion for the Payroll Support Program (PSP) and $25 billion in loans. Under the PSP, direct grants accounted for 70% of an airline's total support payment, with the remaining 30% made in the form of a loan. PSP funding ended on September 30, 2020. Passenger airlines were also eligible to apply for $25 billion in loans under the CARES Act.[*] Several U.S. airlines have received loans under the CARES Act, including Alaska, American, Frontier, Hawaiian, JetBlue, Mesa, Republic, Sky West, and United.[**] U.S. passenger airlines also offered voluntary separation programs and extended non-paid leave to maintain an appropriately sized workforce in response to the decreased demand for air travel related to the pandemic. Such programs provided employees with the opportunity to voluntarily end their employment in exchange for severance, healthcare coverage, and travel privileges and to voluntarily take extended emergency time off. Several airlines have taken other measures to bolster liquidity, including debt issuances and stock offerings. After the conditions of the CARES Act expired, approximately 32,000 airline employees were furloughed.

In December 2020, a second stimulus package was passed which included an additional $15 billion in payroll support for passenger airlines. As a condition of the package, airlines will have to put furloughed workers back on the payroll through March 2021. The third pandemic relief bill, the ARP enacted in March 2021, includes $14 billion of aid for airlines, $8 billion for airports, and $1 billion for aviation contractors to help them operate normally, limit the spread of the virus, and pay workers and service their debts. In exchange for the aid, airports, contractors and airlines are prohibited from large layoffs through September 2021.

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[*] National Law Review, "Passenger Airlines and U.S. Treasury Department Reach Agreement on CARES Act Payroll Support Program," April 17, 2020, www.natlawreview.com. "In accordance with the CARES Act, all aid recipients must use the payroll support payments exclusively to cover the cost of payroll and benefits. Each passenger airline must comply with the required terms and conditions of the CARES Act, such as (1) refraining from imposing involuntary furloughs on US-based employees or reducing employee pay or benefits through September 30; (2) maintaining certain limitations on executive compensation through March 24, 2022; (3) suspending the payment of dividends or other distributions and cease stock buybacks through September 30, 2021; and (4) continuation of service as is reasonable and practicable under Department of Transportation regulations."

[**] Congressional Research Service, "Treasury and Federal Reserve Financial Assistance in Title IV of the CARES Act (P.L. 116-136)", updated January 6, 2021.

Sustained industry profitability will depend on, among other factors, economic growth to support airline travel demand, continued seat capacity control to enable increased airfares, and stable fuel prices and labor costs.

Airline Service and Routes

Most large airports serve as gateways to their communities and as connecting points. The number of origin and destination passengers at an airport depends on the intrinsic attractiveness of the region as a business and leisure destination, the propensity of its residents to travel, and the airline fares and service provided. The number of connecting passengers, on the other hand, depends entirely on the airline service provided. As discussed in the earlier section, "Enplaned Passengers," approximately 96% of passengers at the Airport are originating their journeys rather than connecting between flights.

The network airlines have developed hub-and-spoke systems that allow them to offer high-frequency service in many city-pair markets. Because most connecting passengers have a choice of airlines and intermediate airports, connecting traffic at an airport depends on the route networks and flight schedules of the airlines serving that airport and competing hub airports. Since 2003, as the U.S. airline industry has consolidated, airline service has been or is being drastically reduced at many former connecting hub airports in addition to PIT, including those serving St. Louis (American 2003-2005), Dallas-Fort Worth (Delta 2005), Las Vegas (US Airways 2007-2010), Cincinnati (Delta 2009-2011), Memphis (Delta 2011-2013), and Cleveland (United 2014).

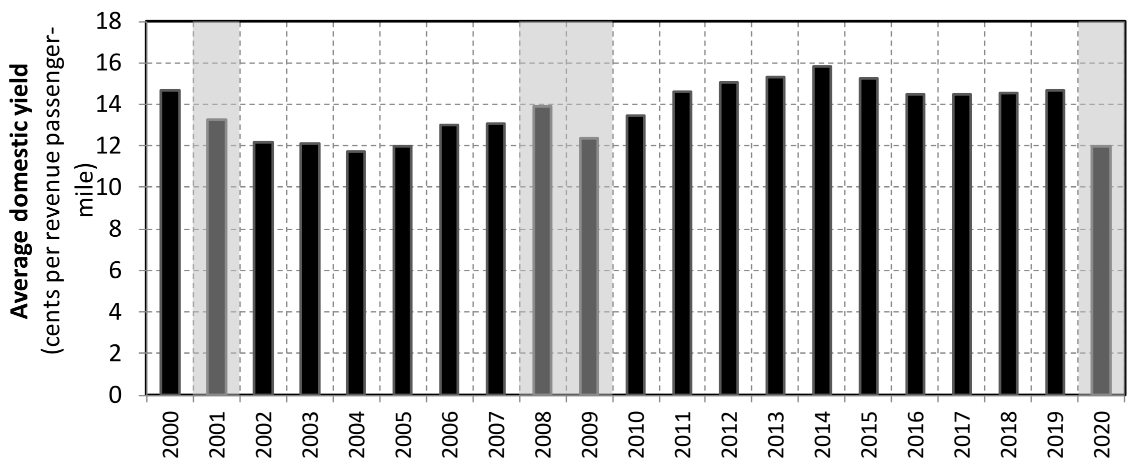
Airline Competition and Airfares

Airline fares have an important effect on passenger demand, particularly for relatively short trips for which the automobile and other travel modes are potential alternatives, and for price-sensitive "discretionary" travel. The price elasticity of demand for airline travel increases in weak economic conditions when the disposable income of potential airline travelers is reduced. Airfares are influenced by airline capacity and yield management; passenger demand; airline market presence; labor, fuel, and other airline operating costs; taxes, fees, and other charges assessed by governmental and airport agencies; and competitive factors. Future passenger numbers, both nationwide and at the Airport, will depend, in part, on the level of airfares.

Figure 10 shows the historical average domestic yield (airfare per passenger-mile) for U.S. airlines. Overcapacity in the industry, the ability of consumers to compare airfares and book flights easily via the internet, and other competitive factors combined to reduce airfares between 2000 and 2005. From 2006 through 2008, as airlines reduced capacity and were able to sustain fare increases, the average domestic yield increased. In 2009, yields again decreased, but, beginning in 2010, as airline travel demand increased and seat capacity was restricted, yields increased through 2014. Between 2015 and 2016, domestic yields decreased again, reflecting lower aviation fuel prices and increased airline competition, and yields have been fairly stable since then, through 2019 (i.e., up to the onset of Covid-19). Yields decreased in the first half of 2020 as passenger demand dropped drastically.

Beginning in 2006, ancillary charges were introduced by most airlines for optional services such as checked baggage, preferred seating, in-flight meals, and entertainment; thereby increasing the effective price of airline travel more than these yield figures indicate.

Figure 10
HISTORICAL DOMESTIC YIELD FOR U.S. AIRLINES



Notes: Average yields are net of taxes, fees, and passenger facility charges and exclude fees charged by the airlines for optional services.
Shaded areas indicate economic recession during all or part of year.

Source: U.S. Department of Transportation, *Air Passenger Origin-Destination Survey*, reconciled to Schedule T100, accessed May 2021.

Airline Consolidation and Alliances

In response to competitive pressures, the U.S. airline industry has consolidated. Among the significant mergers and combinations were:

- In April 2001, American completed an acquisition of failing Trans World Airlines
- In September 2005, US Airways and America West Airlines merged
- In October 2009, Republic Airways Holdings completed purchases of Frontier and Midwest airlines
- In December 2009, Delta and Northwest merged
- In October 2010, United and Continental completed a merger
- In May 2011, Southwest completed its acquisition of AirTran, and integrated operations in 2014
- In December 2013, American and US Airways completed their merger and have maintained all hubs in the combined system
- In December 2016, Alaska Air Group, parent of Alaska Airlines, and Virgin America Airlines completed their merger. The merged airline received a single operating certificate from the FAA in January 2018, moved to a single reservations system and rebranded as Alaska Airlines on April 25, 2018, and retired the Virgin America brand in June 2019.

Consolidation has resulted in four airlines (American, Delta, Southwest, and United) accounting for approximately 80% of domestic seat-mile capacity and is expected by airline industry analysts to contribute to industry profitability. However, any resumption of financial losses could cause U.S. airlines to seek bankruptcy protection or liquidate. The liquidation of any of the large network airlines would drastically affect airline service at certain connecting hub airports, present business opportunities for the remaining airlines, and change airline travel patterns nationwide. As a primarily O&D airport, it is expected that in the unlikely event any of the large network carriers liquidated, the air service provided by such airline at the Airport would be eventually replaced by another airline.

Alliances, joint ventures, and other marketing arrangements provide airlines with many of the advantages of mergers. Alliances typically involve marketing, code sharing, and scheduling arrangements to facilitate the transfer of passengers between the airlines. Joint ventures involve even closer cooperation and the sharing of costs and revenues on designated routes. Most of the largest U.S. airlines are members of such alliances with foreign-flag airlines.

Availability and Price of Aviation Fuel

The price of aviation fuel is a critical and uncertain factor affecting airline operating economics. Figure 11 shows the historical fluctuation in fuel prices caused by the many factors influencing the global demand for and supply of oil.

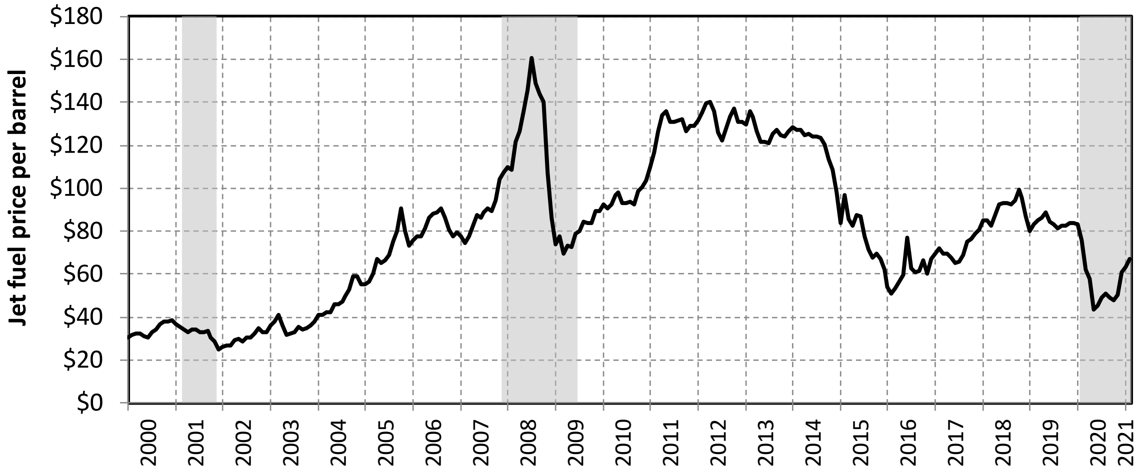
Between early 2011 and mid-2014, fuel prices were relatively stable, partly because of increased oil supply from U.S. domestic production made possible by the hydraulic fracturing of oil-bearing shale deposits and other advances in extraction technologies. As of mid-2014, average fuel prices were approximately three times those at the end of 2003 and accounted for between 30% and 40% of expenses for most airlines.

Beginning in mid-2014, an imbalance between worldwide supply and demand resulted in a precipitous decline in the price of oil and aviation fuel through the end of 2015. Fuel prices have since increased, but dropped sharply in 2020 during the Covid-19 pandemic. The average price of aviation fuel in 2020 was almost 30% lower than it was in 2019 and was at the lowest point since early 2004. Between December 2020 and January 2021, aviation fuel prices increased 6%, but remained lower than prices in January 2019 and 2020, according to the U.S. Bureau of Transportation Statistics. Lower fuel prices have a positive effect on airline profitability as well as far-reaching implications for the global economy.

Airline industry analysts hold differing views on how oil and aviation fuel prices may change in the near term, although, absent unforeseen disruptions, prices are expected to remain stable. There is widespread agreement that fuel prices are likely to increase over the long term as global energy demand increases in the face of finite oil supplies that are becoming more expensive to extract. Some economists predict that the development of renewable sources of energy, pressures to combat global climate change, the widespread use of electric cars, and other trends will eventually result in a decline in the demand for oil and resulting downward pressure on fuel prices in the long term.

Aviation fuel prices will continue to affect airfares, passenger numbers, airline profitability, and the ability of airlines to provide service. Airline operating economics will also be affected as regulatory costs are imposed on the airline industry as part of efforts to reduce aircraft emissions contributing to global climate change.

Figure 11
HISTORICAL AVIATION FUEL PRICES



Notes: Data shown are monthly averages and were converted from gallons to barrels.

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Airline Fuel Cost and Consumption, F41 Schedule P12A, www.transtats.gov, accessed April 2021.

Aviation Safety, Security Concerns, and Other Extraordinary Events

Concerns about the safety of airline travel and the effectiveness of security precautions influence passenger travel behavior and airline travel demand. Anxieties about the safety of flying and the inconveniences and delays associated with security screening procedures lead to both the avoidance of travel and the switching from air to surface modes of transportation for short trips.

Safety concerns in the aftermath of the September 2001 attacks were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against changing threats and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed sky marshals, federalization of airport security functions under the Transportation Security Administration (TSA), more effective dissemination of information about threats, more intensive screening of passengers and baggage, and deployment of new screening technologies. The TSA has introduced “pre-check” service to expedite the screening of passengers who have submitted to background checks.

Following the fatal crashes of B-737 MAX aircraft that are suspected to have been caused by the malfunction of the aircraft’s automated flight control system, all B-737 MAX aircraft were grounded by the FAA in March 2019. Among North American airlines that had B-737 MAX in service, Air Canada, American, Southwest, and United were affected. At the time of the grounding, B-737 MAX aircraft accounted for approximately 1.5% of U.S. airline seat capacity and less than 1.0% of seat capacity at the Airport. In November 2020, the FAA rescinded its order grounding the aircraft, allowing it to return to service once design changes and revisions to pilot training programs are approved and the aircraft is recertified by the FAA and other regulatory agencies. The Boeing 737

MAX aircraft returned to providing passenger service on December 29, 2020. However, on April 7, 2021, Boeing notified the FAA and operators of certain Boeing 737 MAX airplanes that it is recommending the operators temporarily remove them from service to address a manufacturing issue that could affect the operation of a backup power control unit. All U.S. airlines operating the 737 MAX (affecting 71 aircraft) took their aircraft out of service pending repairs.

Historically, airline travel demand has recovered after temporary decreases stemming from terrorist attacks or threats, hijackings, aircraft crashes, and other aviation safety concerns. Provided that precautions by government agencies, airlines, and airport operators serve to maintain confidence in the safety of commercial aviation without imposing unacceptable inconveniences for airline travelers, future demand for airline travel at the Airport will depend primarily on economic, not safety or security, factors.

Capacity of the National Air Traffic Control System

Demands on the national air traffic control system have, in the past, caused delays and operational restrictions affecting airline schedules and passenger traffic. The FAA is gradually implementing its Next Generation Air Transport System (NextGen) air traffic management programs to modernize and automate the guidance and communications equipment of the air traffic control system and enhance the use of airspace and runways through improved air navigation aids and procedures. Since 2007, airline traffic delays have decreased as a result of reduced numbers of aircraft operations, but, as airline travel increases in the future, flight delays and restrictions may be expected.

Capacity of the Airport

In addition to any future constraints that may be imposed by the capacity of the national air traffic control system, future growth in airline traffic at Boise Airport may depend on the provision of increased capacity at the Airport itself. The Airport's existing two-runway layout provides significant airfield capacity. Additionally, areas are reserved for a third runway, with accompanying long-term development plans to add gates to existing concourses and on new concourses. These plans indicate that forecast growth in airline traffic at the Airport will not be constrained by airfield or terminal capacity. The projections are conditioned on the assumption that, during the projection period, neither available airfield or terminal capacity, nor demand management initiatives, will constrain traffic growth at the Airport.

AVIATION ACTIVITY PROJECTIONS

Three aviation activity recovery scenarios were developed to reflect the impact of Covid-19 on airline traffic at the Airport and potential scenarios for the recovery of passenger traffic to 2019 levels. The development of the three scenarios was informed by guidance from industry analysts, including Fitch Ratings, Moody's Investor Service, S&P Global Ratings, and Airlines for America.

The three scenarios reflect a range of potential passenger traffic. The medium case scenario was developed as the base or reference case, with the slow and high case scenarios prepared relative to the medium case scenario. Table 16 presents the assumptions specific to each scenario. A recovery in passenger traffic is assumed to occur in 2023 in the high case scenario, compared with 2024 in the medium case scenario and 2025 in the slow case scenario, as shown in Table 16.

Table 16
AVIATION ACTIVITY SCENARIO DESCRIPTIONS
Boise Airport

Scenario assumptions	Slow case	Medium case	High case
Recovery year (Return to 2019 passenger levels)	2025	2024	2023
Covid-19 Vaccination rates	Slower than national vaccination rates	Continuation of current vaccination rates (slightly slower than the national rate)	Faster than national vaccination rates
Covid-19 new cases	Substantial transmission rates continue	Transmission rates are gradually reduced	Transmission rates are insignificant
Economic growth	Unemployment rates remain higher than historical averages and per capita personal income growth slows	Unemployment rates and per capita personal income growth gradually return to pre-Covid-19 levels	Unemployment rates and per capita personal income growth return to pre-Covid-19 levels during the next year
Passenger airline seating capacity	Seating capacity remains below 2019 levels through 2025 due to historically low load factors	Growth in seating capacity slows until profitable load factors are achieved	Seating capacity growth continues to exceed 2019 levels
Passenger airline airfares	Airfares gradually increase to compensate for slow passenger traffic growth and low load factors	Airfares remain lower than historical averages until 2024 and then gradually increase	Airfares remain lower than historical averages until 2023 and then gradually increase

Assumptions Underlying the Projections

For the three scenarios during the Covid-19 recovery period, it was assumed that:

- Covid-19 will continue to linger and booster vaccines and/or those designed for variants will be developed and available for U.S. distribution.
- Protective measures such as social distancing, use of face masks, and travel restrictions to certain areas will remain in effect as needed to limit the further spread of Covid-19.
- Airlines and airports will continue to promote policies to maximize safety and public health. thereby increasing consumer confidence.
- Restrictions on air travel by U.S. citizens to foreign destinations will gradually be removed.
- The U.S. economy will gradually recover as outlined under the discussion in the "Economic Outlook" section.

In the long-term, after 2019 passenger traffic levels are reached and effective preventative measures for Covid-19 are in place, it was assumed that:

- The economy of the Boise MSA will increase at a rate comparable to that of the State and nation.
- The U.S. economy will experience sustained GDP growth averaging approximately 2.0% per year, as noted in the previous section "Economic Outlook".
- The Airport will continue to be primarily an origin-destination airport.
- Commercial passenger airline service provided at airports in the region surrounding the Airport will increase at rates similar to or less than the Airport and will not change significantly from the existing service profile.
- The airlines serving the Airport will continue to be diverse, including low cost carriers, network airlines, and regional airlines, and provide sufficient capacity to support passenger traffic growth at the Airport.
- There will be no major disruption of airline service or airline travel behavior as a result of airline bankruptcies or liquidations, international hostilities, terrorist acts or threats, or public health crises.
- Aviation fuel prices will remain at relatively low levels in 2021 and thereafter increase at moderate rates but remain below the record prices reached in mid-2008, reflecting reduced consumption levels, technological advances, and the availability of previously unexplored resources.
- Airlines will continue to invest in and research sustainable aviation fuel (SAF) and gradually introduce SAF into their operations to address climate change.

Projections for FY 2021

The FY 2021 projections in each scenario was based on actual aviation activity for the first nine months of FY 2021 (October 2020 through June 2021) and assumptions for the remaining three months of FY 2021, as summarized below.

- **Actual Aviation Activity.** During the first 8 months of FY 2021, total enplaned passengers decreased 14.8%, including an 18.8% decrease in LCC passengers, an 11.7% decrease in mainline airline passengers, and a 14.0% decrease in regional airline passengers compared with the same period in FY 2020. Between FY 2020 and FY 2021, total landed weight for the Airport increased 9.7% (a 12.3% decrease from 2019 levels), including a 5.1% increase in passenger airline landed weight and a 33.5% increase in all-cargo airline landed weight.

- **Projections for the Remaining Months of 2021.** For the remaining 4 months of FY 2021 (June through September), it was assumed that:

  - Available departing seats will gradually increase month over month consistent with published OAG schedules in the high case scenario but remain 10% lower than published in the medium case and 20% lower in the low case.

  - Load factors will increase gradually but remain below historical levels.

  - Airlines will begin to add back capacity for the summer peak season in FY 2021.

Projections for FY 2022 through FY 2026

Table 17 presents projections of enplaned passengers, landed weight, load factor, and average seats per departure for the high case, medium case, and low case scenarios in FY 2022 through FY 2026.

Enplaned Passengers. As noted previously, the recovery of passenger traffic to 2019 levels occurs in FY 2023 in the high case, FY 2024 in the base case, and FY 2025 in the low case. As shown in Table 17 and on Figure 12, total enplaned passengers at the Airport are projected to increase to 2.3 million in FY 2026 in the medium case, compared with 2.1 million in the low case, and 2.6 million in the high case.

Landed Weight. As shown in Table 17, total landed weight at the Airport is projected to increase to 3.1 million thousand-pound units in FY 2026 in the medium case, compared with 2.9 million thousand-pound units in the low case, and 3.4 million in the high case.

Table 17
AVIATION ACTIVITY RECOVERY SCENARIOS
Boise Airport

	Historical		Projected						CAGR
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2019-FY 2026
ENPLANED PASSENGERS (thousands)									
Historical	2,026	1,254							
Low case			1,281	1,409	1,578	1,842	2,026	2,127	0.7%
Medium case			1,357	1,561	1,787	2,028	2,191	2,322	2.0%
High case			1,433	1,720	2,056	2,282	2,453	2,588	3.6%
Percent of FY 2019 enplaned passengers									
Historical	100%	62%							
Low case			63%	70%	78%	91%	**100%**	105%	
Medium case			67%	77%	88%	**100%**	108%	115%	
High case			71%	85%	**101%**	113%	121%	128%	
LANDED WEIGHT (1,000-pound units)									
Historical	2,841,637	2,162,546							
Low case			2,627,946	2,634,013	2,677,406	2,779,370	2,843,453	2,880,044	0.2%
Medium case			2,787,481	2,867,167	2,927,413	2,985,671	3,040,579	3,095,480	1.2%
High case			2,947,016	3,116,873	3,303,106	3,309,912	3,362,154	3,414,406	2.7%
AVERAGE ENPLANED PASSENGER LOAD FACTOR									
Historical	80.8%	63.0%							
All scenarios			62.8%	69.9%	75.0%	79.0%	82.1%	84.6%	
AVERAGE SEATS PER DEPARTURE									
Historical	100.6	97.3							
All scenarios			87.9	88.3	92.8	98.4	100.8	102.2	

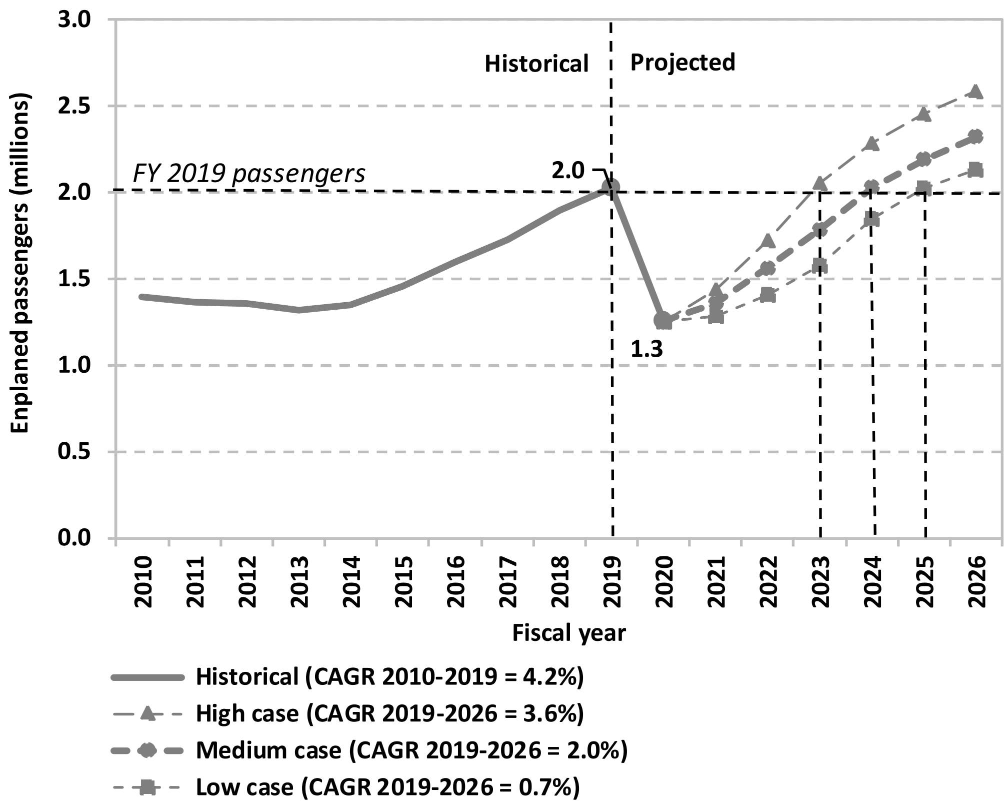
Note: For Fiscal Years ending September 30.
CAGR = Compound annual growth rate
The projections presented in this table were prepared using the information and assumptions given in the accompanying text. Inevitably, some of the assumptions used to develop the projections will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the projected and actual results, and those differences may be material.

Sources: Historical: Boise Airport records.
Projected: LeighFisher, May 2021.

Figure 12

HISTORICAL AND FORECAST ENPLANED PASSENGERS

Boise Airport



Note: The projections presented in this figure were prepared using the information and assumptions given in the accompanying text. Inevitably, some of the assumptions used to develop the projections will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the projected and actual results, and those differences may be material.
Fiscal years ended September 30.
CAGR = Compound annual growth rate

Sources: Historical—Boise Airport records.
Projected—LeighFisher, May 2021.

4. FINANCIAL FRAMEWORK

The City of Boise City, Idaho owns and oversees the administration and operation of the Airport. The City operates the Airport as an economically self-supporting enterprise fund and the City's budgets for the Airport are prepared on a full accrual basis. The City funds Airport operations and capital improvements with revenues generated from airline payments and other Revenues*, PFC revenues, CFC revenues, bond proceeds, and federal grants-in-aid. According to the City, it maintains the financial records for the Airport in accordance with generally accepted accounting principles as they apply to enterprise funds.

TRUST INDENTURE

The 2021 Bonds are to be issued in accordance with the Trust Indenture (the Indenture) to be adopted by the City as Issuer and Zions Bancorporation, N.A., as Trustee, on August 1, 2021.

The Indenture specifies requirements for the financial operations of the Airport, including the Covenant to Maintain Airport Rates and Charges and Conditions for Issuing Additional Senior Obligations, as described later in this section. The 2021 Bonds are to be issued with a pledge of and lien on Net Revenues** of the Airport. No PFC Revenues or federal grants are expected to be pledged to the 2021 Bonds, or used to pay debt service on the 2021 Bonds.

Subsequent to the issuance of the 2021 Bonds and the refunding of the Series 2012 Bonds, the 2021 Bonds will be the only Bonds outstanding under the Indenture, and will be the only Bonds with a senior pledge of and lien on the Net Revenues of the Airport.

The City also has outstanding the Series 2015 Subordinate Revenue Bonds (the Subordinate 2015 Bonds), used to fund the development of certain aircraft maintenance facilities. Those bonds were issued in accordance with a Subordinate Trust Indenture, and were issued with a pledge of and lien on Subordinate Net Revenues of the Airport. As of the date of this Report, $10.9 million in principal amount of Subordinate 2015 Bonds are outstanding.

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* Revenues are defined as all income and revenue derived by the City from any rates, fees, tolls, and charges for the services furnished by, or for the use of, the City's airport facilities and properties and income related to 14 Code of Federal Regulations Part 158 as authorized under the Aviation Safety and Capacity Expansion Act of 1990, excluding any grant funds, PFC revenues, and CFC Revenues.

** Net Revenues means the Revenues of the City's airport facilities and properties less Operation and Maintenance Expenses for those facilities and properties. Revenues exclude PFC revenues and rental car customer facility charge (CFC) revenues.

Application of Revenues to Funds and Accounts

The Indenture establishes certain funds and accounts and the priority for the flow of Revenues to such funds and accounts, as illustrated on Figure 13. All Revenues are applied to funds and accounts in the following order of priority:

1. *Airport Enterprise Fund.* All Revenues are deposited into the City's Airport Enterprise Fund. Operation and Maintenance Expenses are paid out of the Airport Enterprise Fund**.**

2. *Senior Bond Funds.* The City shall deposit into the Bond Funds for each series of Senior Bonds the Net Revenues required for the payment of the Debt Service Requirements on all outstanding obligations. The Series 2021 Bond Fund is to be funded by Net Revenues on a parity basis with the potential Series 2023 Bonds anticipated to be issued to finance terminal and related improvements at the Airport.

   If, three business days prior to any due date for a principal or interest payment, sufficient monies are not deposited in the applicable Senior Bond Funds, the City shall use monies available in the applicable Senior Reserve Fund.

3. *Senior Reserve Fund.* The City shall deposit amounts necessary to meet the Senior Reserve Requirement, which means for each series of Senior Bonds secured by the individual Senior Reserve Fund accounts the lesser of (i) 125% of the average annual Debt Service, (ii) maximum annual Debt Service Requirements, or (iii) 10% of the aggregate principal amount of each series of Senior Bonds.

4. *Subordinate Bond Funds.* The City shall deposit into the Subordinate Bond Funds for each series of Subordinate Bonds the Subordinate Net Revenues required for the payment of the Debt Service Requirements on all outstanding obligations. Currently, the only outstanding Subordinate Bonds are the Subordinate Series 2015 Bonds.

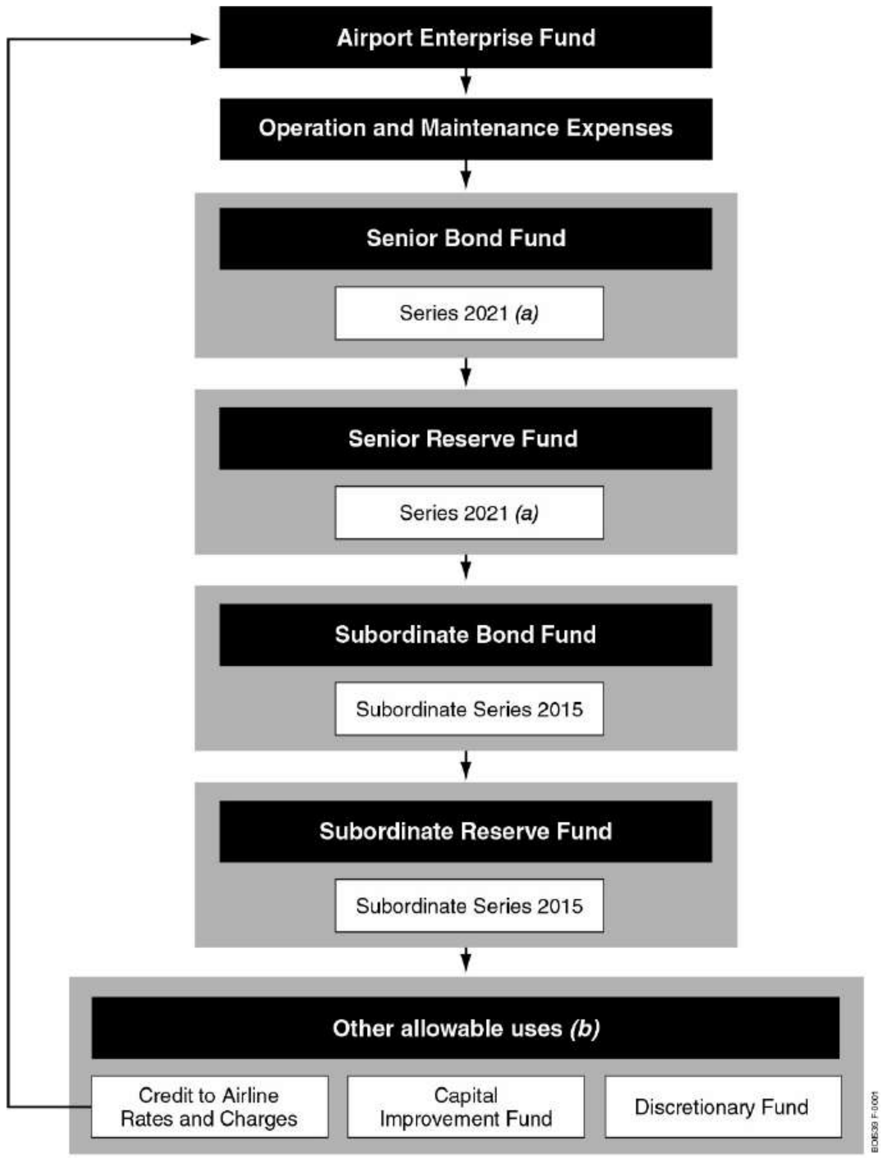
   If, three (3) business days prior to any due date for a principal or interest payment, sufficient monies are not deposited in the applicable Subordinate Bond Funds, the City shall use monies available in the applicable Subordinate Reserve Fund.

5. *Subordinate Reserve Fund.* The City shall deposit amounts necessary to meet the Subordinate Reserve Requirement, which means for each series of Subordinate Bonds secured by the individual Subordinate Reserve Fund accounts the lesser of (i) 125% of the average annual Debt Service, (ii) maximum annual Debt Service Requirements, or (iii) 10% of the aggregate principal amount of each series of Subordinate Bonds.

In addition to the funds listed above, the Indenture establishes Rebate Funds into which shall be deposited, at the written direction of the City delivered to the Trustee, all excess earnings on funds and accounts held by the Trustee hereunder to the extent required by the Tax Certificate and said amounts shall be held in trust for the payment of arbitrage rebate in accordance with Section 148 of the Code and the Tax Certificate.

Figure 13

FLOW OF FUNDS



(a) Plus future bonds issued under a parity lien, including the potential Series 2023 Bonds.

(b) Established under the Airline Use and Lease Agreements.

Note: PFCs and CFCs are not pledged to the 2021 Bonds (or the Subordinate 2015 Bonds) but PFCs may be pledged to the potential Series 2023 Bonds to be issued for terminal development at the Airport.

In addition to the funds outlined above as established in the Indenture, the Airline Use and Lease Agreement (the Airline Agreement) establishes the Capital Improvement Fund and the Discretionary Fund. Monies in the Capital Improvement Fund are to be used on a priority basis for terminal and airfield capital and equipment projects, but can also be used for parking and environmental projects. Projects funded from the Capital Improvement Fund are not depreciated or charged to the operating budget. Monies in the Discretionary Fund may be used for any lawful purpose and use that are not subject to Signatory Airline approval. As described later, the City is seeking to implement an amendment to the Airline Agreement which would extend the term to September 30, 2022, with certain key modifications, and to negotiate a successor agreement with the airlines to become effective on October 1, 2022. The specific terms of any successor airline agreement may differ materially from those included in the current Airline Agreement.

Covenants to Maintain Airport Rates and Charges

Under Section 8.14 of the Indenture, the City covenants that it will maintain rates and charges at the Airport as follows:

1. **Rates and Charges.** Rates and charges for services rendered at the City's Airport facilities and properties shall be reasonable and just, taking into account the cost and value of the City's Airport facilities and properties, operation and maintenance expenses, possible delinquencies, proper allowances for depreciation, contingencies, and amounts necessary to meet all Aggregate Debt Service Requirements. These rates and charges shall be sufficient to produce Net Revenues at least equal to 125% of the Aggregate Debt Service Requirements* for the applicable Fiscal Year.

2. **Levy of Rates and Charges.** Prior to the delivery of the Bonds, the City will establish and levy the required rates and charges and may not reduce these rates and charges unless:

    a. The City has certified its compliance with the provisions of the Indenture for at least one Fiscal Year immediately preceding such reduction, *and*

    b. Either of the following:

        i. Audits for the full Fiscal Year immediately preceding such reduction disclose that the estimated Net Revenues resulting from the proposed rate schedule will be sufficient to meet the requirements outlined in the Rates and Charges paragraph above, *or*

        ii. The reduction is in accordance with the City's agreements with the airlines serving the Airport, provided that no such reduction will be permitted unless the requirements of the Rates and Charges paragraph above are met.

Conditions for Issuing Additional Obligations

The Indenture allows for the issuance of senior obligations in addition to the 2021 Bonds, provided that certain conditions are met. Section 2.11 of the Indenture specifies certain conditions that must

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* Aggregate Debt Service Requirements means the sum of the amount required to pay principal and interest on any outstanding senior parity obligations payable from Net Revenues.

be met before additional obligations secured by Net Revenues are issued. These conditions require, among other things, that:

1. The City is not and has not been in default of the Indenture during the prior Fiscal Year, that the balance in the applicable reserve accounts in the Senior Reserve Fund is at least equal to the Senior Reserve Requirement, and the City has been in compliance with the Covenant to Maintain Rates and Charges under the Senior Trust Indenture for at least the preceding twelve (12) months,

2. Either of the following:

   a. A Consultant's Report stating that Net Revenues projected for at least five (5) Fiscal Years following completion of the proposed project will be at least equal to 115% of the Aggregate Debt Service Requirements (excluding reserves) for the said period *or*

   b. The City certifies that the Net Revenues derived from the operation of the Airport for any period of twelve (12) consecutive months during the twenty-four (24) months immediately preceding the date of the supplemental ordinance or other document authorizing the issuance of any such parity lien Bonds shall have been sufficient to pay an amount representing 115% of the Aggregate Debt Service Requirements on the outstanding obligations constituting a lien upon Net Revenues, and on the Bonds proposed to be issued (excluding reserves) for the said period, *and*

3. The Senior Reserve Requirements shall be met for each issuance of additional Senior Bonds.

THE AIRLINE AGREEMENT

The City entered into an agreement with the following passenger airlines serving the Airport (collectively, the Signatory Airlines):

Passenger airlines
Alaska Airlines (Horizon Air)
Delta Air Lines
Southwest Airlines
United Airlines
American Airlines

The term of the Airline Agreement was originally through September 30, 2020, but was subsequently extended for one additional year through September 30, 2021. The City is currently in discussions with the airlines regarding the implementation of a further one-year extension to the Airline Agreement, through September 30, 2022.

Under the terms of this one-year extension, the City would charge landing fees and terminal rental rates equivalent to the FY 2019 rates during FY 2022; the airlines would expressly approve the projects in the Airport's current CIP (including approving the construction of the public parking facility and the employee parking facility); and a new capital cost threshold would be established for Majority-In-Interest (MII) approval of any additional, currently unidentified, capital projects proposed for the Airport for FY 2022. All other terms of the Airline Agreement would remain substantially unchanged. While there can be no assurance that the City and the airlines will agree to such an Airline Agreement extension for FY 2022, for purposes of this Report it was assumed that such terms would be in effect.

During FY 2022, the City expects to negotiate a successor Airline Agreement with the airlines, to come into effect on October 1, 2022 (i.e., the start of FY 2023), which is expected to have a different airline ratemaking methodology to that currently in place under the existing Airline Agreement, and potentially no airline MII approval provisions related to capital projects at the Airport. There can be no assurance that the airlines will agree to such arrangements.

If a new agreement cannot be reached with the airlines, the City would unilaterally impose rates commencing in FY 2023, potentially reflecting a hybrid ratemaking approach (such as terminal cost center compensatory and airfield cost center residual, with sharing of a portion of net cash flows from Airport operations with the airlines). In this eventuality, airlines operating at the Airport would be required to adhere to the conditions of an Operating Permit governing their activities at the Airport.

In addition, certain all-cargo carriers that lease or sublease space at the Airport are considered to be signatory carriers, although they have not executed similar airline agreements. Cargo carriers that demonstrate that they rent land on-Airport, either directly from the City or through a sub-lease, are treated as signatory cargo airlines in determining landing fee rates. The landing fee for on-Airport cargo carriers is higher than that for signatory passenger airlines, but lower than the landing fee rate for nonsignatory airlines.

For purposes of preparing the financial projections documented in this Report, it was assumed that a hybrid airline ratemaking methodology, as described above, would become effective in FY 2023 and remain in effect through the projection period. This would be consistent with an approach under which the City unilaterally imposed airline rates and charges at the Airport. There can be no assurance that this approach will be the one that is finally adopted by the City for airline ratemaking at the Airport starting in FY 2023. The airline rates and charges adopted for the Airport for FY 2023 to FY 2026 could differ materially from those described in this Report.

Majority-in-Interest Approval Process for Capital Expenditures

With certain exceptions, the current Airline Agreement establishes procedures through which Signatory Airlines are notified and can provide input on capital expenditures for improvements and developments that are to be included in space rentals and landing fees charged for the use and/or occupancy of terminal and airfield facilities. A project is considered to be disapproved if a Majority-in-Interest (MII) of Signatory Airlines submits disapprovals. A Majority-in-Interest means at least 66 2/3% in number of the Signatory Airlines, representing at least 66 2/3% of Signatory Airline total landed weight for the most recent 12-month period for which landed weight data are available.

In the event that an MII disapproves a capital expenditure, the City may proceed with the expenditure as long as the project is deferred twenty one (21) months after the disapproval.

As discussed above, the Airline Agreement expires on September 30, 2021, and the City expects to no longer be bound by these MII conditions when implementing capital projects at the Airport, as of October 1, 2021.

Cost Centers

The Airline Agreement establishes provisions for the annual adjustment of space rentals and landing fees charged for the use and/or occupancy of terminal and airfield facilities. Under the Airline Agreement, five cost centers are established:

- Airfield
- Terminal
- Parking and Airport Roads
- Other
- Jetbridge

Any surplus or deficit associated with the Jetbridge cost center is included in the Terminal cost center. Therefore, financial information for the Jetbridge cost center is included in the Terminal cost center and not separately identified for purposes of this Report.

The City uses certain indirect cost centers for accounting purposes to allocate revenues and expenses to the cost centers defined in the Airline Agreement. Indirect cost centers include Administration, Fire Station, and Security. All expenses and revenues associated with these indirect cost centers are allocated to the cost centers as stipulated or specified in the Airline Agreement.

The specific delineation of the Airport cost centers as described herein, as well as the approach for allocating indirect costs to direct cost centers, may be updated or adjusted as part of any successor airline agreement to come into effect in FY 2023.

Calculation of Terminal Rental Rates and Landing Fees

As set forth in the Airline Agreement and described later in Section 5, the terminal rental rates and landing fee rates charged at the Airport have been based on cost center residual rate-making methodologies. Terminal rental rates are set based on a cost center residual methodology for the Terminal and Jetbridge cost center, with certain allowances for deposits to the Capital Improvement Fund. Landing fee rates are set on a cost center residual methodology for the Airfield Area and Parking and Airport Road Area cost centers, also with certain allowances for deposits to the Capital Improvement Fund. As described earlier, the City expects that the ratemaking methodology reflected in the current Airline Agreement will no longer be in effect under a potential successor airline agreement.

PASSENGER FACILITY CHARGES

In 1994, the City received approval from the FAA to impose a PFC of $3 per eligible enplaned passenger at the Airport. Effective FY 2002, the City increased the PFC per eligible enplaned passenger to $4.50, with the FAA's approval. The City received approval from the FAA to collect and use a total of $106.1 million in PFC revenues for debt service related to PFC-approved project costs, and the payment of PFC-approved project costs on a pay-as-you-go basis. As of mid-2015, the City had collected PFCs up to the authorized limit approved in its first four PFC applications, and PFC collections ceased.

In 2020, the FAA approved a fifth PFC application for the Airport, to collect and use $11.2 million of PFCs to partially finance six airfield and terminal projects. Since PFC collections restarted, a total of $7.6 million of PFCs (including associated interest income) have been collected. The City has authorization to collect an additional $3.5 million of PFCs, with a current estimated PFC expiration date of May 1, 2022. The City is spending its PFC collections on a pay-as-you-go on the six approved projects, and expects to have a minimal PFC cash balance on hand by the end of FY 2021.

As mentioned earlier, PFC revenues are excluded from the definition of Revenues in the Indenture, but are, on a preliminary basis, expected to be pledged toward Debt Service for a future Senior Bond issue to fund terminal concourse and related improvements at the Airport. The City expects to submit an application to the FAA for approval to impose and use PFCs for this purpose during calendar year 2022.

RENTAL CAR CUSTOMER FACILITY CHARGES

The City has imposed a CFC of $3.25 per rental car transaction day to finance rental car improvements at the Airport, and expects to raise the CFC to $4.25 on September 1, 2021. As of September 30, 2020, unexpended CFC cash balances totaled approximately $12.1 million. As mentioned earlier, CFC revenues are excluded from the definition of Revenues in the Indenture. The City expects to use CFC revenue to finance a consolidated rental car facility at the Airport as part of the CIP. While plans are still at a preliminary stage, the City may undertake a CFC-backed debt issue on a special facility basis (i.e., not at parity basis with the 2021 Bonds) for this purpose.

5. FINANCIAL ANALYSIS

The financial analysis and financial projections described in this section reflect the medium recovery scenario for aviation activity from the impact of the Covid-19 pandemic, as described in Section 3.

CAPITAL IMPROVEMENT PROGRAM

Exhibit A presents a summary of the CIP for the Airport, including the funding sources for the Parking Facilities Projects. Overall spending over this period is estimated to total $341 million. This development plan is preliminary and subject to change depending on trends in aviation activity, operational needs, and other factors. As noted earlier, the City expects that several funding sources will be used to develop these projects, including PFCs, CFCs, federal Airport Improvement Program (AIP) grants, and available Airport cash balances. The City currently expects to issue one additional series of Bonds on a parity basis with the 2021 Bonds during the projection period, primarily to finance the development of Terminal Concourse A and related improvements. The City anticipates that the primary financing method for the consolidated rental car facility would be a special facility bond issue backed by the Airport's CFC revenues.

However, other than the public parking facility and the employee parking facility projects, the City has finalized neither its plan for funding other future capital improvement projects, nor the specific timing of their implementation.

As part of the Airport's recent classification by the FAA as a medium-hub airport (from its previous status as a small-hub airport) effective on October 1, 2021, the extent to which AIP entitlement grants are available to the Airport, and the share of project costs eligible for AIP funding, may be reduced. The City is currently in discussions with the FAA regarding the likely impact on AIP funding for the Airport, and the timing of any such changes. The Airport will finalize specific plans for funding future capital projects at the Airport in light of any such reductions.

PROPOSED 2021 BOND FINANCING

Exhibit B presents a summary of the estimated sources and uses of funds for the parking facility projects. These projects are expected to be fully funded with net proceeds of the 2021 Bonds. The estimated uses of funds for the 2021 Bonds, as provided by Raymond James, the underwriter for the proposed 2021 Bonds, are shown in Exhibit B:

- Estimated parking facility projects costs
- Refunding of outstanding principal of the Series 2012 Bonds
- Deposit to the Reserve Fund
- Capitalized interest through September 2023, and
- Costs of issuance

FUTURE BOND ISSUANCE

On a preliminary basis, the City expects to undertake future bond issues to fund two specific projects in the CIP during the projection period:

- The Series 2023 Bonds (the 2023 Bonds) are expected to be issued on a parity basis with the 2021 Bonds. Proceeds of this issue would primarily finance the development of the Terminal Concourse A development project and related improvements. The City expects to seek to obtain approval to finance a share of debt service on the 2023 Bonds as part of a future PFC application.
- A separate series of bonds is expected be issued in 2022 to finance development of a consolidated rental car facility at the Airport. Currently, the City intends to issue these bonds on a special facility basis, supported by CFC revenues. The Net Revenues of the Airport would not be pledged to this bond issue. However, the City may assess other approaches to financing the consolidated rental car facility, including potentially issuing parity Bonds with the 2021 Bonds under the terms of the Indenture. Debt service associated with these bonds is not reflected in this financial analysis (and CFC revenues are not included in Revenues).

FEDERAL COVID-19 RELIEF FUNDING AND APPLICATION OF FUNDS

The City received approximately $18.9 million in emergency relief funding for the Airport under the CARES Act. Approximately $10.6 million of this amount was applied to debt service and operating expenses of the Airport during FY 2020. Approximately $3.1 million of CARES Act grants are expected to be applied to O&M Expenses during FY 2021, with the balance of $5.2 million expected to be applied to operating expenses during FY 2022.

The City expects to receive approximately $6.4 million in emergency relief funding for the Airport under the ACRGP, including approximately $441,000 for Airport concessionaire relief. Approximately $5.9 million of this amount is expected to be applied to debt service and operating Expenses during FY 2021.

The City expects to receive approximately $17.4 million in emergency relief funding for the Airport under the American Recovery Program, including approximately $1.8 million for Airport concessionaire relief. The City expects to spend $2 million of this amount on operating expenses in FY 2021, with a further $4 million to be spent on operating expenses in FY 2022. The City is currently evaluating potential uses for the remaining $8.9 million expected to be received under this program.

The projections reflected in the Report incorporate the City's current plans for the use of CARES Act, ACRGP, and American Recovery Program grants, but these are subject to change based on changing circumstances.

DEBT SERVICE REQUIREMENTS

Exhibit C presents the annual Debt Service Requirements on the 2021 Bonds and the potential future 2023 Bonds expected to be issued to finance Terminal Concourse A and related improvements. Additionally, Exhibit C shows debt service on the Subordinate Series 2015 Revenue Bonds through the projection period.

Estimated debt service on the 2021 Bonds was provided by Raymond James. The 2021 Bonds are assumed to be amortized over a 30-year period at an assumed all-in true interest cost of 2.79%. Debt service on the potential 2023 Bonds was estimated by PFM Financial Advisors, the City's financial advisor. The potential 2023 Bonds are assumed to be amortized over a 30-year period at an assumed interest rate of 5.0%.

Debt Service on the 2021 Bonds and the potential 2023 Bonds was assumed to be allocated among cost centers in relation to the purpose of the projects funded with the net proceeds of the Bonds (i.e., debt service on the 2021 Bonds was assumed to be allocated to the Parking and Airport Roads cost center, and debt service on the potential 2023 Bonds was assumed to be mostly allocated to the Terminal cost center).

Outstanding Senior Bonds

The Series 2012 Bonds were issued in the aggregate amount of $11.8 to fund the expansion of the Airport's existing parking structure. As of the date of this Report, the Series 2012 Bonds are outstanding in the principal amount of approximately $7.9 million, and are expected to be refunded with proceeds of the 2021 Bonds.

Outstanding Subordinate Bonds

The Subordinate Series 2015 Bonds were issued to finance certain aircraft maintenance facilities at the Airport. As of the date of this Report, the Subordinate Series 2015 Bonds are outstanding in the principal amount of $10.9 million.

OPERATION AND MAINTENANCE EXPENSES

Exhibit D presents Operation and Maintenance Expenses for FY 2019 through FY 2026. Operation and Maintenance Expenses are shown by expense type and by cost center allocation. Data for FY 2019 and FY 2020 were obtained from the City's audited financial statements. Data for FY 2021 are unaudited estimates provided by the City, based on actual information for the first eight months of the year. Operation and Maintenance Expenses include personal services, contractual service, supplies, materials, and utilities, and are budgeted annually by City staff and subject to the approval of City Council.

Operation and Maintenance Expenses are projected to increase by approximately 6.3% per year through FY 2026, which reflects underlying growth and incremental expenses associated with the Parking Facilities Project and the Terminal Concourse A project.

The allocation of Operation and Maintenance Expenses to cost centers shown in Exhibit D is based on the methodology in the Airline Agreement. Expenses for indirect cost centers are allocated to direct cost centers (Airfield, Terminal, Parking and Airport Roads, and Other) as follows:

- *Security.* Expenses included in the Security cost center are allocated 20% to the Parking and Airport Roads cost center, 30% to the Airfield cost center, and 50% to the Terminal cost center.

- *Fire Station.* Expenses included in the Fire Station cost center are allocated 100% to the Airfield cost center.

- *Administration.* Expenses included in the Administration cost center are allocated to the Airfield, Terminal, Parking and Airport Roads, and Other cost centers based on their respective percentages of direct expenses.

REVENUES

Revenues, as defined previously, include airline terminal rental and landing fee payments, other airline revenues, and nonairline revenues from terminal concessions, including car rentals (rent and percentage fees but excluding CFC Revenues), parking, transportation network companies (TNCs), space rentals, general aviation activity, cargo facilities, and other revenues, including interest income.

Exhibit E presents Revenue for FY 2019 through FY 2026. Revenue for FY 2019 and FY 2020 were obtained from Airport records. Revenue for FY 2021 is estimated based on year-to-date actuals for eight months. Revenue for FY 2022 through FY 2026 are projected based on underlying aviation activity projections, assumptions for inflation, and provisions of leases and agreements between the City and the various tenants and users of the Airport, as applicable. Revenues from sources related to numbers of passengers, such as concession revenues, are projected to increase as a function of projected passenger traffic, as described in Section 3 of this report.

The assumptions underlying the increases in individual components of Revenues are described in the following sections. Actual FY 2020 and projected FY 2026 principal sources of Revenues are summarized in Table 18.

Airline Revenues

The calculations of terminal rental revenues and landing fee revenues are based on the principles and procedures outlined in the Airline Agreement through FY 2021, set rates for FY 2022, and are based on a hybrid calculation approach for FY 2023 and thereafter, incorporating a sharing of a portion of Airport net cash flows with the airlines.

Landing Fee Revenues. As shown in Exhibit E-1, it was assumed that the landing fee would be set at $1.51 per thousand pounds of landed weight during FY 2022, generating approximately $4.3 million in landing fee revenue. This is equivalent to the landing fee that was in effect during FY 2019.

For FY 2023 and thereafter, it was assumed that the landing fee is calculated by crediting the Airfield cost base (i.e., the airfield requirement) with revenues from users of the Airfield other than the airlines. The net amount (after further application of a share of the Airport net cash flow) would be divided by airline landed weight to calculate the landing fee. Under this approach, the landing fee would be $1.89 per thousand pounds in FY 2023 and would gradually increase to $2.19 per thousand pounds in FY 2026. Landing fee revenues would increase from $4.3 million in FY 2022 to $6.8 million in FY 2026.

Table 18

REVENUES—FY 2020 AND FY 2026

	Actual FY 2020		Projected FY 2026	
	Amount	**Percent of Total**	**Amount**	**Percent of Total**
Airline revenue				
Landing fees	$ 2,598	9.5%	$ 6,764	14.6%
Terminal building rentals	3,006	11.0%	6,981	15.0%
Other	326	1.2%	424	0.9%
Total airline revenue	$ 5,930	21.6%	$ 14,169	30.5%
Nonairline revenue				
Airfield area	$ 1,046	3.8%	$ 1,321	2.8%
Terminal building (a)	7,817	28.5%	11,492	24.8%
Parking and Airport road area	8,111	29.6%	14,528	31.3%
Land Rental	3,890	14.2%	3,890	8.4%
Other	642	2.3%	998	2.2%
Total nonairline revenue	$ 21,506	78.4%	$ 32,229	69.5%
Total revenues	$ 27,436	100.0%	$ 46,398	100.0%

Note: Revenues as defined in the Indenture do not include PFC revenues or CFC Revenues.

(a) Includes revenues from terminal concessions, space rentals, advertising, and car rentals.

Sources: Actual: Boise Airport records; Projected: LeighFisher, June 2021 (see Exhibit E).

Terminal Building Rental Revenues. As shown in Exhibit E-2, it was assumed that the terminal rental rate would be set at $29.98 per square foot during FY 2022, generating approximately $3.3 million in airline terminal rentals. This is equivalent to the terminal rental rate that was in effect during FY 2019.

Starting in FY 2023, it was assumed that the terminal rental rate is calculated on a compensatory basis, where total Terminal Building costs (after a credit for a share on the Airport net cash flow) is divided by useable square feet in the Terminal Building. Under this approach the terminal rental rate would be $49.50 per square foot in FY 2023 and would gradually increase to $53.03 per square foot in FY 2026. Airline terminal rental revenues would increase from $3.3 million in FY 2022 to $7.0 million in FY 2026.

The airlines currently rent about 110,000 square feet of exclusive- and common-use terminal space, which was assumed to increase by approximately 22,000 square feet when Terminal Concourse A opens for service in FY 2025.

Nonairline Terminal Revenues

The principal nonairline revenues of the Airport generated in the Terminal are food and beverage, news and gifts, advertising. As reflected in Exhibit E, the City also receives nonairline terminal rental revenue from these concessionaires.

Food and Beverage. In 2014 the City approved a new Master Concessionaire agreement with Delaware North Company to provide Food and Beverage services in the Terminal. The term of the agreement with Delaware North Company extends through the end of FY 2024. Delaware North Company pays approximately 14.0% of gross revenues subject to a minimum annual guarantee.

News and Gifts. In 2014 the City approved a new Master Concessionaire agreement with Paradies-Taters to provide News and Gifts concession offerings in the Terminal. The term of the agreement with Paradies-Taters extends to the end of FY 2024. Paradies-Taters pays approximately 16.5% of gross revenues subject to a minimum annual guarantee.

Throughout the projection period, news and gift revenues are projected to increase as a function of increases in enplaned passengers and inflation, subject to the minimum annual guarantee specified in the agreement.

Advertising. The City receives revenues pursuant to an advertising concession agreement with Lamar that extends to August 31, 2022. As set forth in the agreement, Lamar pays the City 55% of gross revenues derived from advertising, subject to minimum annual payments of $275,000.

Ground Transportation Revenues

Ground transportation-related revenues include automobile parking, rental cars, and TNCs.

Parking. As shown in Table 19, parking facilities at the Airport include short-term parking, a 2,097 space parking garage, long-term surface lots, and an economy parking lot. Parking facilities are managed and operated by REEF Parking, under an agreement with the City which expires on September 30, 2021. The City is currently in discussions with REEF Parking regarding the extension of the agreement for a further two years as provided for in the agreement.

Parking revenues are projected to increase as the number of enplaned passengers increases. It was assumed that parking rates increase by approximately 10% when the new public parking garage opens.

Employees at the Airport pay for parking privileges on a monthly or annual basis in the specially designated employee parking lots. Employee parking revenues are projected to increase with inflation. No increases in revenue from employee parking were assumed with the opening of the new employee parking garage.

Rental car companies pay a per stall per month fee to approximately cover operation and maintenance expenses associated with the ready/return and vehicle storage areas they occupy at the Airport. For purposes of this report, it was assumed that the fees would remain at current levels through the projection period and increase in relation to the number of spaces occupied.

Table 19
AIRPORT PUBLIC PARKING FACILITIES

As of July 2021

	Number of Spaces	Rates
Short-term parking	274	$2.00 per hour, $23.00 maximum per day
Long-term parking		
Parking garage	2,097	$2.00 per hour, $13.00 maximum per day
Surface lots	577	$2.00 per hour, $10.00 maximum per day
Subtotal	2,674	
Economy Lot	1,330	$2.00 per hour, $8.00 maximum per day
Total	4,278	

Rental Cars. The City has executed an Automobile Rental Concession Agreement (the Rental Car Agreements) with eight companies covering eight different rental car brands (Avis and Budget; Enterprise, Alamo, and National; Hertz, Dollar and Thrifty) to operate rental car concessions at the Airport. The Hertz brand is operated at the Airport by Overland West as a brand licensee. Under the Rental Car Agreements, the City receives privilege fees of 10% of gross revenues subject to a minimum annual guarantee, plus terminal rent and ground rentals.

The Rental Car Agreements expire on September 30, 2021. The City is currently in discussions with the rental car companies about successor agreements to cover a period of approximately three years until the expected opening of a new consolidated rental car facility at the Airport. As part of those negotiations, the City may allow "family branding", and in that instance would expect to have rental car agreements with Avis, Hertz, and Enterprise, covering all eight brands.

Rental car revenues are a function of passenger traffic, contract terms, and changes in the prices charged by the rental car companies. The projections of on-Airport rental car revenues to the City assumes the payment terms and conditions in successor agreements will be broadly the same as in the current Rental Car Agreements. CFC revenues are not part of the rental car revenue stream that is included in Revenues pursuant to the Indenture.

TNCs. The City has entered into operating agreements with Uber and Lyft to provide TNC service at the Airport. The Uber agreement was effective on September 1, 2020, and the Lyft agreement was effective on October 1, 2020. Both agreement extend for three years with automatic two-year extensions. Under both agreements the City levies a $1.50 fee per pick-up, and a $1.50 fee per drop-off, at the Airport.

Airfield Revenues

The City collects ramp fees paid for parking aircraft overnight, and jetway use fees from passenger and cargo airlines. Ramp fees were assumed to grow with passengers and jetway use fees were assumed to remain at their current levels through FY 2026. Landing fees paid by airlines other than the passenger airlines, including cargo, charter, and other airlines, are also included in nonairline revenues. Signatory cargo airlines pay landing fee rates higher than signatory passenger airlines and nonsignatory airlines pay even higher rates. Other sources of nonairline Airfield Area revenue include fuel flowage fees, National Guard fees, interest income, and other miscellaneous income.

Other Revenues

Revenues applied to the Other cost center include land rentals paid to the City for cargo, hangar, and other facilities located on-Airport. Revenues from the Other cost center also include fees and rentals paid to the City by businesses located off-Airport. Payments made to the City by the Chevron gas station located on-Airport are also applied to the Other cost center.

PFC REVENUES

As mentioned earlier, PFC revenues are excluded from the definition of Revenues in the Indenture.

PFC revenue projections through FY 2026 are shown in Exhibit F. In preparing these projections it was assumed that the City will continue to impose a $4.50 PFC at the Airport through the projection and that 90% of total enplaned passengers using the Airport will pay a PFC. No PFC funds will be used to pay Debt Service on the 2021 Bonds. It was assumed that the City will submit a PFC application in the future to secure PFC funding for a significant share of the Terminal Concourse A development project and related improvements, as part of a potential 2023 Bond issue.

APPLICATION OF REVENUES

Exhibit G presents the projected application of Revenues under the Indenture. Revenues are deposited in the Airport Fund and first applied to the payment of Operation and Maintenance Expenses. Net Revenues are then applied to Debt Service on a parity basis to the payment of the 2021 Bonds and the potential 2023 Bonds. Future pledged PFC revenues, as part of a new PFC application, are assumed to be applied to Debt Service on the potential 2023 Bonds. Remaining Revenues are then applied to the Rebate Fund and Reserve Fund, if any, as required by the Indenture.

Remaining revenues after the foregoing deposits are applied to Debt Service on the Subordinate 2015 Bonds which were issued to finance certain aircraft maintenance facilities at the Airport. Any remaining revenues after application to the Subordinate 2015 Bonds are then available for other allowable uses, including deposits to the Capital Improvement and Discretionary funds, as described earlier.

COMPLIANCE WITH COVENANTS TO MAINTAIN AIRPORT RATES AND CHARGES

As shown in Exhibit H, the City is projected to be in compliance with the Covenants to Maintain Airport Rates and Charges as set forth in Section 8.14 of the Senior Trust Indenture. Net Revenues are projected to equal or exceed 125% of the Debt Service Requirement in each Fiscal Year of the projection period.

Only those PFC Revenues anticipated on a preliminary basis to be used by the City for the payment of a portion of the Debt Service Requirements on the potential 2023 Bonds are included in the calculation, as an offset to debt service on those Bonds.

ALTERNATIVE AVIATION ACTIVITY RECOVERY SCENARIOS

The foregoing discussion relates to the projected financial performance of the Airport under the moderate growth scenario for aviation activity described in Section 3. As described in that section, two other potential aviation recovery trends are the slow growth recovery scenario, and the fast growth recovery scenario, under which aviation activity would return to FY 2019 levels by FY 2025 and FY 2023, respectively.

Table 20 shows a comparison of key projected financial metrics under all three scenarios. The requirements of the Rate Covenant clause of the Indenture would be met under all three scenarios.

Table 20

SUMMARY OF PROJECTIONS

(For Fiscal Years ending September 30; amounts in thousands, except ratios)

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Enplanements						
Low case recovery	1,281	1,409	1,578	1,842	2,026	2,127
Medium case recovery	1,357	1,561	1,787	2,028	2,191	2,322
High case recovery	1,433	1,720	2,056	2,282	2,453	2,588
Airline revenues						
Low case recovery	$ 6,292	$ 7,602	$ 10,837	$ 11,649	$ 13,042	$ 13,691
Medium case recovery	6,490	7,959	11,319	12,067	13,459	14,169
High case recovery	6,688	8,341	12,042	12,723	14,141	14,878
Nonairline revenues						
Low case recovery	$ 22,427	$ 23,892	$ 26,308	$ 29,406	$ 31,636	$ 32,837
Medium case recovery	22,427	24,577	27,540	30,229	32,110	33,588
High case recovery	22,427	25,287	29,281	31,677	33,565	35,010
Total revenues						
Low case recovery	$ 28,718	$ 31,494	$ 37,146	$ 41,055	$ 44,678	$ 46,528
Medium case recovery	28,916	32,536	38,859	42,296	45,569	47,757
High case recovery	29,114	33,629	41,323	44,400	47,706	49,888
Airline cost per enplanement						
Low case recovery	$ 4.91	$ 5.40	$ 6.87	$ 6.33	$ 6.44	$ 6.44
Medium case recovery	4.78	5.10	6.33	5.95	6.14	6.10
High case recovery	4.67	4.85	5.86	5.58	5.77	5.75
Senior debt service coverage						
Low case recovery	n/a	14.09	6.19	1.67	1.73	1.83
Medium case recovery	n/a	15.59	8.64	1.99	1.91	2.08
High case recovery	n/a	17.15	12.17	2.53	2.36	2.53

EXHIBIT A

CAPITAL IMPROVEMENT PROGRAM
Boise Airport
(For the Fiscal Years ending September 30; in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	Total	2021	2022	2023	2024	2025	2026
Major CIP Projects							
Apron Projects							
Acquire Passenger Boarding Bridges	$ 6,250	$ -	$ -	$ 6,250	$ -	$ -	$ -
Concourse A Apron Construction (north apron)	8,000	-	-	8,000	-	-	-
Concourse A Apron Construction (south apron)	8,000	-	8,000	-	-	-	-
Concourse B Apron Rehab	5,350	-	5,350	-	-	-	-
Subtotal Apron Projects	$ 27,600	$ -	$ 13,350	$ 14,250	$ -	$ -	$ -
Concourse Projects							
Concourse A Construction	$ 30,000	$ -	$ -	$ -	$ 30,000	$ -	$ -
Concourse B Upgrades	10,000	-	-	-	-	10,000	-
Subtotal Concourse Projects	$ 40,000	$ -	$ -	$ -	$ 30,000	$ 10,000	$ -
Parking Projects							
CONRAC, Design	$ 3,650	$ 650	$ 3,000	$ -	$ -	$ -	$ -
CONRAC: Garage and QTA Construction	60,000	-	10,000	50,000	-	-	-
Employee Parking Garage	20,694	-	-	20,694	-	-	-
Pubic Garage & Exit plaza	35,759	-	35,759	-	-	-	-
Subtotal Parking Projects	$ 120,103	$ 650	$ 48,759	$ 70,694	$ -	$ -	$ -
Runway Projects							
Rwy 28R & Twy A Connection Rehabilitation	$ 8,000	$ -	$ -	$ 8,000	$ -	$ -	$ -
RIM Improvements, Phase 2 Construction	25,000	-	-	-	10,000	15,000	-
Subtotal Runway Projects	$ 33,000	$ -	$ -	$ 8,000	$ 10,000	$ 15,000	$ -
Taxiway Projects							
Rehab Taxiways	$ 9,500	$ -	$ -	$ -	$ -	$ 5,000	$ 4,500
Relocate Taxiway E	5,500	-	-	-	5,500	-	-
Taxiway G & D and Taxi-lane A3 Relocation	14,500	14,500	-	-	-	-	-
Taxiway S2, Taxi-lane P, and Cargo Apron	13,000	13,000	-	-	-	-	-
Subtotal Taxiway Projects	$ 42,500	$ 27,500	$ -	$ -	$ 5,500	$ 5,000	$ 4,500
Subtotal Major CIP Projects	**$ 263,203**	**$ 28,150**	**$ 62,109**	**$ 92,944**	**$ 45,500**	**$ 30,000**	**$ 4,500**
Remaining CIP Projects							
Airfield	$ 37,950	$ 9,000	$ 8,450	$ 9,800	$ 5,800	$ 2,800	$ 2,100
Terminal	19,950	3,700	7,900	3,650	2,900	900	900
Parking / Ground Transportation	3,600	600	600	600	600	600	600
Other	12,850	4,800	1,050	1,000	4,000	1,000	1,000
Landside	3,600	600	600	600	600	600	600
Subtotal Remaining CIP Projects	**$ 77,950**	**$ 18,700**	**$ 18,600**	**$ 15,650**	**$ 13,900**	**$ 5,900**	**$ 5,200**
Total CIP Projects	**$ 341,153**	**$ 46,850**	**$ 80,709**	**$ 108,594**	**$ 59,400**	**$ 35,900**	**$ 9,700**

Note: FY 2021-26 Capital Improvement Program provided by the City.

EXHIBIT B

SOURCES AND USES OF FUNDS FOR THE 2021 BONDS AND POTENTIAL 2023 BONDS
Boise Airport
(For the Fiscal Years ending September 30; in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	Series 2021A Non-AMT Bonds - New Money	Series 2021A Non-AMT Bonds - Refunding	Series 2021B AMT Bonds - New Money	Series 2021 Bonds - Total	Series 2023 Bonds - New Money	Total
Sources of Funds						
Par Amount	$ 34,680	$ 5,785	$ 20,535	$ 61,000	$ 91,475	$ 152,475
Premium	6,985	1,359	3,659	12,002	-	12,002
Airport Fund Transfer	-	558	-	558	-	558
2012 Debt Service Reserve Fund Release	-	830	-	830	-	830
Other	-	-	-	-	-	-
Total Sources of Funds	$ 41,665	$ 8,532	$ 24,194	$ 74,390	$ 91,475	$ 165,865
Uses of Funds						
Bond Funded Project Costs	$ 35,759	$ -	$ 20,694	$ 56,453	$ 79,800	$ 136,253
Cash Deposit for Refunding	-	8,065	-	8,065	-	8,065
Issuance Costs / Underwriter's Discount	482	80	285	847	1,057	1,904
Capitalized Interest Funding	3,118	-	1,847	4,965	4,574	9,539
Debt Service Reserve Fund	2,305	384	1,365	4,054	6,044	10,098
Other	2	2	3	7	0	7
Total Use of Funds	$ 41,665	$ 8,532	$ 24,194	$ 74,390	$ 91,475	$ 165,865

Note: Series 2021 Bond Sources and Uses prepared by Raymond James, July 2021; projected Series 2023 Bond Sources and Uses prepared by PFM Financial Advisors, July 2021.

EXHIBIT C

DEBT SERVICE REQUIREMENTS
Boise Airport
(For the Fiscal Years ending September 30; in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	2019	Actual 2020	Estimate 2021	Projected 2022	2023	2024	2025	2026
Debt Service Requirements								
Senior Bonds								
Series 2011 Bonds	$ 4,428	$ 4,426	$ -	$ -	$ -	$ -	$ -	$ -
Series 2012 Bonds	826	826	140	-	-	-	-	-
Series 2021 Bonds	-	-	-	697	699	3,859	4,051	4,049
Series 2023 Bonds	-	-	-	-	-	-	6,039	6,041
Subtotal Senior Bonds	$ 5,254	$ 5,251	$ 140	$ 697	$ 699	$ 3,859	$ 10,089	$ 10,089
Subordinate 2015 Bonds	793	791	794	791	792	792	790	791
Total Including Subordinate Bonds	$ 6,047	$ 6,042	$ 933	$ 1,488	$ 1,491	$ 4,652	$ 10,879	$ 10,881
Less: PFC Revenues Applied to Debt Service	(4,428)	-	-	-	-	-	(5,278)	(5,280)
Less: COVID Related Funds Applied to Debt Service	-	(5,564)	(933)	(791)	-	-	-	-
Total	$ 1,619	$ 479	$ 0	$ 697	$ 1,491	$ 4,652	$ 5,601	$ 5,601
By Cost Center (Net of PFCs & COVID Related Funds)								
Parking and Airport Roads	$ 826	$ 271	$ 0	$ 697	$ 699	$ 3,859	$ 4,051	$ 4,049
Terminal	-	-	-	-	-	-	757	757
Airfield	-	-	-	-	-	-	-	-
Other	793	208	-	-	792	792	793	795
Administration	-	-	-	-	-	-	-	-
Security	-	-	-	-	-	-	-	-
Fire Station	-	-	-	-	-	-	-	-
Total	$ 1,619	$ 479	$ 0	$ 697	$ 1,491	$ 4,652	$ 5,601	$ 5,601

Note: Series 2021 Bond Debt Service prepared by Raymond James, July 2021; projected Series 2023 Bond Debt Service prepared by PFM Financial Advisors, July 2021.

EXHIBIT D

OPERATION AND MAINTENANCE EXPENSES
Boise Airport
(For the Fiscal Years ending September 30; in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	2019	Actual 2020	Estimate 2021	Projected 2022	2023	2024	2025	2026
By Line Item								
Personnel Services	$ 7,716	$ 9,741	$ 9,741	$ 10,715	$ 11,787	$ 12,965	$ 13,614	$ 14,294
O&M Expenses	15,485	16,374	19,032	20,174	21,029	21,660	22,760	23,442
Total	$ 23,201	$ 26,115	$ 28,773	$ 30,889	$ 32,816	$ 34,625	$ 36,373	$ 37,737
% Change		12.6%	10.2%	7.4%	6.2%	5.5%	5.0%	3.7%
Less: COVID Related Funds Applied to O&M	-	(5,074)	(10,050)	(9,218)	-	-	-	-
Total Less CARES Act Funds	$ 23,201	$ 21,041	$ 18,723	$ 21,670	$ 32,816	$ 34,625	$ 36,373	$ 37,737
By Cost Center								
Airfield Area				$ 8,536	$ 11,898	$ 12,485	$ 13,116	$ 13,586
Terminal Building				10,020	15,050	16,040	16,848	17,531
Parking and Airport Road Area				2,779	4,708	4,902	5,150	5,322
Other				334	1,159	1,198	1,259	1,298
Total				$ 21,670	$ 32,816	$ 34,625	$ 36,373	$ 37,737

Note: Actual data provided by the City; FY 2021 Estimate based on 8 months of actual data; FY 2022 and forward projected by LeighFisher.

EXHIBIT E

REVENUES AND AIRLINE COST PER ENPLANEMENT - MEDIUM RECOVERY SCENARIO
Boise Airport
(For the Fiscal Years ending September 30; in thousands except ratios)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	2019	Actual 2020	Estimate 2021	Projected 2022	2023	2024	2025	2026
Airline Revenues								
Airline Landing Fees	$ 3,563	$ 2,598	$ 3,456	$ 4,329	$ 5,525	$ 5,917	$ 6,327	$ 6,764
Airline Terminal Rentals - Concourse / Holdroom	1,545	1,438	1,297	1,574	2,598	2,757	3,217	3,341
Airline Terminal Rentals - Joint Use	1,701	1,567	1,413	1,715	2,832	3,004	3,506	3,641
Ramp and Jetbridge Fees	245	232	232	249	268	288	303	316
Other Passenger Fees	94	95	92	92	96	100	105	108
Subtotal Airline Revenues	$ 7,148	$ 5,930	$ 6,490	$ 7,959	$ 11,319	$ 12,067	$ 13,459	$ 14,169
Enplaned Passengers	2,026	1,254	1,357	1,561	1,787	2,028	2,191	2,322
Passenger Airline Payments per Enplaned Passenger	$ 3.53	$ 4.73	$ 4.78	$ 5.10	$ 6.33	$ 5.95	$ 6.14	$ 6.10
Other Aviation Revenues	1,061	1,046	1,046	1,114	1,174	1,234	1,281	1,321
Subtotal Aviation Revenues	$ 8,209	$ 6,976	$ 7,535	$ 9,073	$ 12,493	$ 13,301	$ 14,740	$ 15,490
Nonairline Revenues								
Parking	$ 12,486	$ 8,111	$ 8,111	$ 9,328	$ 11,181	$ 12,691	$ 13,706	$ 14,528
Rental Car	5,836	4,681	4,181	4,808	5,505	6,248	6,748	7,153
Concessions	2,631	1,465	1,315	1,512	1,731	1,965	2,186	2,317
Industrial Land Rentals	3,788	3,890	3,890	3,890	3,890	3,890	3,890	3,890
Nonairline Terminal Rentals	612	606	606	606	606	606	606	606
Advertising	431	462	462	531	608	691	746	791
Security	803	603	606	609	612	616	621	625
Other	1,493	642	851	820	873	929	967	998
Subtotal Nonairline Revenues	$ 28,081	$ 20,460	$ 20,022	$ 22,104	$ 25,007	$ 27,636	$ 29,470	$ 30,908
Subtotal Operating Revenues	**$ 36,290**	**$ 27,436**	**$ 27,557**	**$ 31,177**	**$ 37,500**	**$ 40,937**	**$ 44,209**	**$ 46,398**
Tenant Reimbursements	148	165	165	165	165	165	165	165
Interest Income	4,535	2,505	1,194	1,194	1,194	1,194	1,194	1,194
Asset Sales	27	1	-	-	-	-	-	-
Total Revenues	**$ 41,000**	**$ 30,107**	**$ 28,916**	**$ 32,536**	**$ 38,859**	**$ 42,296**	**$ 45,569**	**$ 47,757**

Note: Actual data provided by the City; FY 2021 Estimate based on 8 months of actual data; FY 2022 and forward projected by LeighFisher.

EXHIBIT E-1

LANDING FEE CALCULATION - MEDIUM RECOVERY SCENARIO
Boise Airport
(For the Fiscal Years ending September 30; in thousands except rates)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	Estimated 2021	Budget 2022	Projected 2023	2024	2025	2026
Airfield Requirement						
Expenses			$ 11,898	$ 12,485	$ 13,116	$ 13,586
Debt Service			792	792	793	795
Airport-Funded Depreciation			1,981	2,077	2,154	2,284
Subtotal Airfield Requirement			$ 14,671	$ 15,355	$ 16,063	$ 16,664
Less: Freight/Charter/Other Landing Fees			(841)	(890)	(938)	(977)
Less: Fuel Flowage Fees			(181)	(207)	(235)	(254)
Less: Tie-Down Fees			(29)	(33)	(37)	(40)
Less: Ramp Fees			(116)	(133)	(151)	(163)
Less: Lav Cart Fees			(30)	(35)	(39)	(42)
Less: National Guard Joint Use Fees			(175)	(175)	(175)	(175)
Less: Miscellaneous Revenue			(21)	(21)	(21)	(21)
Total Airfield Requirement			$ 13,278	$ 13,861	$ 14,467	$ 14,992
Airport Discretionary Revenue Sharing			(7,753)	(7,944)	(8,139)	(8,228)
Total Airfield Requirement after Revenue Sharing			$ 5,525	$ 5,917	$ 6,327	$ 6,764
Projected Airline Landed Weight (1000 lbs)			2,927	2,986	3,041	3,095
Average Airline Landing Fee (per Unit)	$ 1.24	$ 1.51	$ 1.89	$ 1.98	$ 2.08	$ 2.19
Projected Airline Landed Weight (1000 lbs)	2,787	2,867	2,927	2,986	3,041	3,095
Airline Landing Fee Revenue	$ 3,456	$ 4,329	$ 5,525	$ 5,917	$ 6,327	$ 6,764

Note: FY 2021 Estimate and FY 2022 Budget rates provided by the City; FY 2022 and forward projected by LeighFisher.

EXHIBIT E-2

TERMINAL RENTAL RATE CALCULATION - MEDIUM RECOVERY SCENARIO
Boise Airport
(For the Fiscal Years ending September 30; in thousands except rates)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	Estimated 2021	Budget 2022	Projected 2023	2024	2025	2026
Airline Terminal Rent Requirement						
Expenses			$ 15,050	$ 16,040	$ 16,848	$ 17,531
Debt Service			-	-	757	757
Airport-Funded Depreciation			1,389	1,401	1,401	1,447
Total Airline Terminal Rent Requirement			$ 16,439	$ 17,441	$ 19,006	$ 19,734
Airport Discretionary Revenue Sharing			-	-	-	-
Total Airline Terminal Rent Requirement after Revenue Sharing			$ 16,439	$ 17,441	$ 19,006	$ 19,734
Useable Space			332	332	372	372
Terminal Rent / Square Foot	$ 24.70	$ 29.98	$ 49.50	$ 52.51	$ 51.07	$ 53.03
Airline Rented Space (sq. ft.)	110	110	110	110	132	132
Terminal Rental Revenue	$ 2,710	$ 3,289	$ 5,430	$ 5,761	$ 6,723	$ 6,981

Note: FY 2021 Estimate and FY 2022 Budget rates provided by the City; FY 2022 and forward projected by LeighFisher.

EXHIBIT F

PASSENGER FACILITY CHARGES - MEDIUM RECOVERY SCENARIO
City of Boise, Idaho
Boise Airport
(For the Fiscal Years ending September 30; in thousands except rates)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	Actual 2020	Estimate 2021	Projected 2022	2023	2024	2025	2026
PFC Revenue							
Enplaned Passengers	1,254	1,357	1,561	1,787	2,028	2,191	2,322
Passenger Facility Charge	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50
Airline Collection Fee	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Net Passenger Facility Charge	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39
Percent of Passengers Paying a PFC		90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
PFC Collections (a)	$ 1,343	$ 5,362	$ 6,166	$ 7,061	$ 8,014	$ 8,655	$ 9,174
PFC Interest Earnings	-	-	-	-	-	-	-
Total PFC Revenue	$ 1,343	$ 5,362	$ 6,166	$ 7,061	$ 8,014	$ 8,655	$ 9,174
Application of PFC Revenues							
Beginning Year Balance			$ -	$ 1,720	$ 8,780	$ 15,294	$ 18,670
Forecast Annual PFC Revenues			6,166	7,061	8,014	8,655	9,174
PFC Funds Available			$ 6,166	$ 8,780	$ 16,794	$ 23,949	$ 27,844
Less: Debt Service			-	-	-	(5,278)	(5,280)
Less: PFC Pay-As-You-Go			(4,447)	-	(1,500)	-	-
Ending Balance			$ 1,720	$ 8,780	$ 15,294	$ 18,670	$ 22,565

(a) FY 2020 represents a partial year of PFC collections.
Note: Actual data provided by the City; FY 2021 Estimate based on 8 months of actual data; FY 2022 and forward projected by LeighFisher.

EXHIBIT G

APPLICATION OF REVENUES - MEDIUM RECOVERY SCENARIO
Boise Airport
(For the Fiscal Years ending September 30; in thousands)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	Estimate 2021	Projected 2022	2023	2024	2025	2026
Revenues						
Airline Revenues	$ 6,490	$ 7,959	$ 11,319	$ 12,067	$ 13,459	$ 14,169
Other Aviation Revenues	1,046	1,114	1,174	1,234	1,281	1,321
Nonairline Revenues	20,022	22,104	25,007	27,636	29,470	30,908
Interest Income and Miscellaneous	1,359	1,359	1,359	1,359	1,359	1,359
Total Revenues	$ 28,916	$ 32,536	$ 38,859	$ 42,296	$ 45,569	$ 47,757
Uses						
O&M Expenses	$ 28,773	$ 30,889	$ 32,816	$ 34,625	$ 36,373	$ 37,737
Debt Service	933	1,488	1,491	4,652	10,879	10,881
Less: PFC Revenues Applied to Debt Service	-	-	-	-	(5,278)	(5,280)
Less: COVID Related Funds Applied (a)	(10,984)	(10,009)	-	-	-	-
Total Uses	$ 18,723	$ 22,368	$ 34,307	$ 39,277	$ 41,974	$ 43,338
Net Cash Flow from Operations	$ 10,193	$ 10,169	$ 4,552	$ 3,019	$ 3,594	$ 4,419

(a) Includes COVID related relief funds applied to debt service and O&M expenses.

EXHIBIT H

COMPLIANCE WITH COVENANTS TO MAINTAIN AIRPORT RATES AND CHARGES - MEDIUM RECOVERY SCENARIO
Boise Airport
(For the Fiscal Years ending September 30; in thousands except DSC)

This exhibit is based on information from the sources indicated and assumptions provided by, or reviewed with and approved by, Airport management, as described in the accompanying text. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances could occur. Therefore, the actual results will vary from those projected, and the variations could be material.

	Estimate 2021	Projected 2022	2023	2024	2025	2026
Revenues						
Airline Revenues	$ 6,490	$ 7,959	$ 11,319	$ 12,067	$ 13,459	$ 14,169
Other Aviation Revenues	1,046	1,114	1,174	1,234	1,281	1,321
Nonairline Revenues	20,022	22,104	25,007	27,636	29,470	30,908
Interest Income and Miscellaneous	1,359	1,359	1,359	1,359	1,359	1,359
Total Revenues	$ 28,916	$ 32,536	$ 38,859	$ 42,296	$ 45,569	$ 47,757
Expenses						
Personnel Services	$ 9,741	$ 10,715	$ 11,787	$ 12,965	$ 13,614	$ 14,294
O&M Expenses	19,032	20,174	21,029	21,660	22,760	23,442
Total Cash Expenses	$ 28,773	$ 30,889	$ 32,816	$ 34,625	$ 36,373	$ 37,737
Less: COVID Related Funds Applied to O&M	(10,050)	(9,218)	-	-	-	-
Total Expenses	$ 18,723	$ 21,670	$ 32,816	$ 34,625	$ 36,373	$ 37,737
Net Revenues	$ 10,193	$ 10,866	$ 6,043	$ 7,671	$ 9,195	$ 10,020
Debt Service Requirement for Senior Bonds (Net of PFCs & COVID Related Funds Applied)	$ -	$ 697	$ 699	$ 3,859	$ 4,811	$ 4,809
Debt Service Coverage for Senior Bonds	n/a	15.59	8.64	1.99	1.91	2.08
Coverage Requirement	*1.25*	*1.25*	*1.25*	*1.25*	*1.25*	*1.25*
Net Revenues After Senior Bond Debt Service	$ 10,193	$ 10,169	$ 5,344	$ 3,811	$ 4,384	$ 5,211
Debt Service Requirement for Subordinate Bonds (Net of COVID Related Funds Applied)	$ -	$ -	$ 792	$ 792	$ 790	$ 791
Debt Service Coverage for Subordinate Bonds	n/a	n/a	6.75	4.81	5.55	6.58
Coverage Requirement	*1.10*	*1.10*	*1.10*	*1.10*	*1.10*	*1.10*

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APPENDIX B

FORM OF THE INDENTURE

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TRUST INDENTURE

From

CITY OF BOISE CITY, IDAHO
As Issuer

To

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
As Trustee

Relating To:

$36,450,000

City of Boise City, Idaho
Airport Revenue and Revenue Refunding Bonds, Series 2021A (Non-AMT)
(Public Parking Facilities Project)

and

$19,750,000

City of Boise City, Idaho
Airport Revenue Bonds, Series 2021B (AMT)
(Employee Parking Facilities Project)

Dated as of August 1, 2021

TABLE OF CONTENTS

Page

TRUST INDENTURE

THIS TRUST INDENTURE, dated as of August 1, 2021 (this "**Indenture**"), between the City of Boise City, Idaho (the "**Issuer**"), a municipal corporation duly organized, existing and operating under the laws of the State of Idaho, and Zions Bancorporation, National Association, as Trustee (the "**Trustee**"), a national banking association organized under the laws of the United States of America.

R E C I T A L S:

A. The Issuer is authorized under the Constitution and laws of the State of Idaho, being Article VIII, Section 3E of the Constitution; the Revenue Bond Act, Sections 50-1027 through 50-1042, inclusive, Idaho Code; Sections 57-501 through 57-504, inclusive, Idaho Code; and Section 21-401, Idaho Code (collectively, the "**Act**") to issue revenue bonds and revenue refunding bonds, without approval of the electorate, to finance the acquisition and construction of "airport facilities" as defined in the Revenue Bond Act.

B. The Issuer has determined that it is both necessary and economically feasible for the Issuer to (i) construct, acquire, and install certain parking facilities at the Boise Air Terminal/Gowen Field, as more particularly described in Exhibit A to this Indenture (the "**Project**") and (ii) to defease and currently refund the Issuer's outstanding Airport Revenue Bonds, Series 2012 (Parking Facilities Project) (the "Prior Bonds") maturing on or after September 1, 2021, and to provide a portion of the funds for the same by the issuance of its revenue bonds in the manner provided by the Act.

C. The Issuer desires to authorize, pursuant to the Act and this Indenture, the issuance and sale of its Airport Revenue and Revenue Refunding Bonds, Series 2021A (Non-AMT) (Public Parking Facilities Project) in the aggregate principal amount of $36,450,000 (the "**2021A Bonds**") and its Airport Revenue Bonds, Series 2021B (AMT) (Employee Parking Facilities Project) in the aggregate principal amount of $19,750,000 (the "**2021B Bonds**" and together with the 2021A Bonds, collectively the "**2021 Bonds**").

D. The proceeds of the 2021A Bonds will be used (i) to pay a portion of the Costs of Construction of the Project relating the construction, acquisition and installation of a 410,169 square foot open parking structure for public parking, including the costs of issuance of the 2021A Bonds, (ii) to be deposited to the Escrow Fund (as defined herein) to defease the Prior Bonds maturing on or after September 1, 2021, (iii) to make a portion of the required deposit into the Reserve Fund, as hereinafter provided, and (iv) to fund capitalized interest on the 2021A Bonds.

E. The proceeds of the 2021B Bonds will be used (i) to pay a portion of the Costs of Construction of the Project relating the construction, acquisition and installation of a

233,681 square foot open parking structure for employee parking, including the costs of issuance of the 2021B Bonds, (ii) to make a portion of the required deposit into the Reserve Fund, as hereinafter provided, and (iii) to fund capitalized interest on the 2021B Bonds.

F. The Council of the Issuer published its Notice of Hearing on July 2, 2021, and held a public hearing on July 13, 2021, regarding the issuance of the 2021B Bonds, as required by the Code (hereinafter defined). Thereafter, on July 13, 2021, the Council of the Issuer gave its approval of the 2021 Bonds under the Code.

G. The execution and delivery of the 2021 Bonds and of this Indenture, and all things necessary to make the 2021 Bonds, when executed by the Issuer and authenticated by the Trustee, valid and binding legal obligations of the Issuer and to make this Indenture a valid and binding agreement have been duly authorized by the Mayor and Council of the Issuer by Ordinance No. 36-21, adopted by the Council on July 13, 2021.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That the Issuer in consideration of the covenants herein, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of Bonds issued hereunder by the purchasers thereof, and of other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest on all Bonds Outstanding hereunder from time to time, according to their tenor and effect, and to secure the observance and performance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby pledge and assign unto the Trustee, acting on behalf of the Bondowners, and unto its successors and assigns (all terms not previously defined shall have the meanings provided in Article 1):

GRANTING CLAUSE FIRST

All right, title and interest of the Issuer in and to all moneys and securities in all funds and accounts from time to time held by the Trustee under the terms of this Indenture (except moneys and securities in the Rebate Fund) and investments, if any, thereof and earnings, if any, thereon (except for any amounts required under the Tax Certificate that have not yet been deposited in the Rebate Fund); and

GRANTING CLAUSE SECOND

All Net Revenues on parity with permitted parity lien obligations, if any, as provided herein; and

GRANTING CLAUSE THIRD

All moneys and securities and all other rights of every kind and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security hereunder to the Trustee by the Issuer or by anyone on its behalf, or with its written consent and to hold and apply such property, subject to the rights granted the Issuer herein to direct the release of moneys free from the lien of this Indenture under the terms and conditions set forth herein;

TO HAVE AND TO HOLD all of the same, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trusts and assigns;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future Bondowners of the Bonds from time to time issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds except as provided herein;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest and premium, if any, due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as required under this Indenture or shall provide, as permitted by Article 13 hereof, for the payment thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee, the Bond Registrar, the Paying Agent and all agents of any of them for the registration, authentication, transfer or exchange of Bonds, all sums of money due or to become due to it or them in accordance with the terms and provisions hereof, then this Indenture and the rights hereby granted shall cease, determine and be void, all as set forth in Article 13 hereof; otherwise this Indenture is to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, that in order to secure the payment of the principal of, and the interest on, all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Issuer does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE 1
DEFINITIONS

In this Indenture and any indenture supplemental hereto (except as otherwise expressly provided or unless the context otherwise requires) the singular includes the plural, the masculine includes the feminine, and the following terms shall have the meanings specified in the foregoing recitals as well as the meanings set forth below, unless the context otherwise requires:

"Act" means collectively the following laws and statutes: Article VIII, Section 3E of the Constitution of the State of Idaho; the Revenue Bond Act, Sections 50-1027 through 50-1042, inclusive, Idaho Code; Sections 57-501 through 57-504, inclusive, Idaho Code, and Section 21-401, Idaho Code.

"**Aggregate Debt Service**" means, as of any date of calculation and with respect to any period, the sum of all principal and interest components on all Outstanding 2021 Bonds issued hereunder due during such period.

"**Aggregate Debt Service Requirements**" for any period means the sum of (a) the amount required to pay the interest on Bonds issued hereunder and any permitted parity obligations payable from Net Revenues during such period; and (b) the amount required to pay the principal or redemption price of Bonds issued hereunder and any permitted parity obligations, payable from Net Revenues whether at stated maturity, upon mandatory redemption or upon the exercise of any option to redeem such obligations, and any amount of other income of the System not constituting Net Revenues irrevocably pledged to paying such debt service, for the period such amounts are committed.

"**Airport**" means the Boise Airport Terminal/Gowen Field, situated on land owned and operated by the City.

"**Airport Enterprise Fund**" means the fund so designated and held by the Issuer into which all Revenues are deposited.

"**Authorized Officer**" means, with respect to the Issuer, the Mayor, Clerk, Treasurer, or anyone designated in writing by the Issuer to serve as an Authorized Officer hereunder and, with respect to the Trustee, any Vice President, Assistant Vice President, Trust Officer, or Assistant Trust Officer of the Trustee.

"**Beneficial Owner**" means, with respect to the Bonds, a person owning a Beneficial Ownership Interest therein.

"**Beneficial Ownership Interest**" means the beneficial right to receive payments and notices from the Depository with respect to the Bonds which are held by the Depository under a book entry system.

"**Bond**" or "**Bonds**" means the 2021 Bonds and any additional bonds or obligations issued under this Indenture.

"**Bondowner**" or "**Owner of Bonds**" or "**Owner**" or "**Registered Owner**" or any similar term, when used with respect to a Bond, means the registered Owner of any Outstanding Bond as indicated in the Bond Register maintained by the Trustee.

"**Bond Fund**" means the fund so designated which is established pursuant to Section 3.3 hereof.

"**Bond Register**" means the record of Bondowner registration kept by the Bond Registrar.

"**Bond Registrar**" means the Trustee and its successors.

"**Bond Year**" means August 17, 2021, through August 17, 2022, and each year thereafter as long as the Bonds are Outstanding.

"**Business Day**" means any day, other than a Saturday, Sunday or a holiday of the Issuer, when the office of the Trustee responsible for the administration of the Indenture is open for business or banking institutions and DTC are open for business.

"**Cede**" means Cede & Co., the nominee of DTC, and any successor nominee of DTC.

"**CFC Revenues**" means the Customer Facility Charges imposed by Issuer, and levied and collected for the benefit of the Airport by rental car company tenants of Issuer upon rental car customers at the Airport, and authorized by Boise City Code Title 12, Chapter 22, passed and approved by the Boise City Council on June 3, 2003, and as thereafter amended.

"**City**" means the City of Boise City, Idaho, as Issuer, and its successors.

"**Clerk**" means the Clerk of the City.

"**Certified Resolution**" means a copy of one or more resolutions or ordinances certified by the Clerk of the Issuer under its seal to have been duly adopted by the Council and Mayor of the Issuer and to be in effect on the date of such certification.

"**Code**" means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable regulations and revenue rulings issued with respect thereto by the Treasury Department or the Internal Revenue Service of the United States.

"**Completion Date**" means the date of final acceptance of the Project by the Issuer, as evidenced by the certificate provided for in Section 4.2 of this Indenture.

"**Construction Contract**" means any construction, acquisition or installation contract between the Trustee, or the Issuer on behalf of the Trustee, and any contractor, and between any contractor or subcontractor and its immediate subcontractor regarding the Project.

"**Consultant's Report**" means a report signed by a nationally recognized independent financial consultant firm, engineer or financial services firm selected by the Issuer, which report shall include the following:

(1) a statement that the person or firm making or giving such report has read the pertinent provisions of this Indenture to which such report relates;

(2) a brief statement as to the nature and scope of the examination or investigation upon which the report is based;

(3) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said independent individual or firm to express an informed opinion with respect to the subject matter referred to in the report;

(4) the credentials of such firm or individual and their findings; and

(5) the findings and/or opinion of the consultant with respect to whether or not the earnings test, as set forth in Section 2.11 of this Indenture, for issuance of additional obligations secured by Net Revenues, is satisfied.

"Continuing Disclosure Agreement" shall mean any Continuing Disclosure Agreement between the Issuer and the Trustee, in its capacity as dissemination agent and not as Trustee hereunder, dated the date of issuance and delivery of Bonds hereunder as originally executed and as may be amended from time to time in accordance with the terms hereof.

"**Costs of Construction**" shall be deemed to include payment of or reimbursement for the following items:

(1) obligations incurred or assumed for labor and materials in connection with the construction, acquisition, installation, repair, replacement, and improvement of the Project;

(2) the cost of performance and payment bonds and of insurance of all kinds that may be necessary or appropriate in connection with the construction or completion of the Project;

(3) the costs of engineering services, including, without limitation, obligations incurred or assumed for preliminary design and development work, surveys, estimates, plans and specifications;

(4) the cost of the administration of construction and completion of the Project incurred prior to the Completion Date, including supervision of construction as well as the performance of all of the other duties required by or consequent upon the construction, acquisition or installation of the Project; including, without limitation, costs of preparing and securing all Project Documents, legal fees and expenses, credit enhancement (bond insurance) fees and premium, independent inspection fees, engineering and auditing fees;

(5) costs incurred in connection with the Bonds, including the initial compensation and expenses of the Trustee prior to the Completion Date, legal fees and expenses, costs incurred in obtaining ratings from rating agencies, if any, costs of publication, printing and engraving, and recording and filing fees;

(6) the purchase price of the Project to be paid under the terms of any Construction Contract;

(7) all other costs which are considered to be part of the costs of the Project in accordance with Generally Accepted Accounting Principles and which will not adversely affect the exemption from federal income taxes of the interest component of Debt Service payments made by the Issuer under this Indenture and the Bonds, including, but not limited to, costs of issuance of the Bonds, underwriting discount, and interest during construction of the Project; and

(8) payments for redemption of Bonds or payments of principal of or interest on Bonds, at the Issuer's option, from any moneys remaining in the Project Fund subsequent to the Completion Date.

"**Council**" means the City Council of the City.

"**Counsel**" means an attorney at law or law firm (who may be counsel for the Issuer), satisfactory to the Trustee.

"**DTC**" means The Depository Trust Company, New York, New York, and its successors and assigns.

"**Debt Service**" means, as of any date of calculation and with respect to any period, the sum of all principal and interest components on all Outstanding 2021 Bonds issued hereunder due during such period.

"**Debt Service Requirements**" for any period means the sum of (a) the amount required to pay the interest on Bonds issued hereunder payable from Net Revenues during such period; and (b) the amount required to pay the principal or redemption price of Bonds issued hereunder, payable from Net Revenues whether at stated maturity, upon mandatory redemption or upon the exercise of any option to redeem such obligations, and any amount of other income of the System not constituting Net Revenues irrevocably committed to paying such debt service, for the period such amounts are committed.

"**Defeasance Securities"** mean direct obligations of the United States of America, or other securities, the principal of and interest on which are unconditionally guaranteed by the United States of America, pursuant to Section 57-504, Idaho Code.

"**Depository**" means DTC and any successor.

"**Designated Representative**" means the Authorized Officer at the time designated pursuant to a written certificate of the Issuer to act on behalf of the Issuer furnished to the Trustee, containing the specimen signature of that person and signed on behalf of the Issuer by a duly designated representative thereof.

"**Direct Participant**" means a "Participant" as defined in the Letter of Representations (as defined in Section 2.12 hereof).

"**Employee Parking Facilities Project**" means the Airport parking improvements consisting of one open air parking structure of approximately 233,681 square feet in size adding approximately 703 total parking stalls or 567 net new parking stalls for Employee parking at the Airport.

"Escrow Agent" means Zions Bancorporation, National Association and successors thereto.

"Escrow Agreement" means the Escrow Agreement dated as of August 17, 2021, between the Issuer and the Escrow Agent providing for the defeasance and refunding of the Prior Obligations in advance of the maturity thereof.

"Escrow Fund" means the fund so designated and established in the Escrow Agreement.

"**Event of Default**" means any of the events described in Section 9.1 hereof.

"**Excluded Revenues**" means grant funds, CFC Revenues, and passenger facility charge revenues.

"**Fiscal Year**" means the fiscal year of the Issuer commencing on October 1 and ending on September 30.

"**Fitch**" means Fitch Ratings, Inc. and its successors.

"**Government Obligations**" means direct obligations of the United States Government or obligations unconditionally guaranteed by the United States Government.

"**Indenture**" means this Trust Indenture, as amended or supplemented at the time in question.

"**Indirect Participant**" means a person utilizing the book entry system of the Depository by, directly or indirectly, clearing through or maintaining a custodial relationship with a Direct Participant.

"**Interest Payment Date**" means each March 1 and September 1, commencing March 1, 2022**,** with respect to the 2021 Bonds.

"**Issuer**" means the City of Boise City, duly organized, existing, and operating under the provisions of the laws of the State.

"**Maximum Annual Debt Service Requirements**" means the largest sum of the Debt Service on the Bonds issued hereunder (excluding any redemption premiums payable on any redemption date and excluding any obligations the principal of which is payable within less than one year from the date on which issued) to be paid during any one Fiscal Year for the period beginning with the Fiscal Year in which such computation is made and ending with the last Fiscal Year in which any such obligation becomes due at maturity or on a redemption date on which any such obligation is called for prior redemption, whichever time is earlier (but excluding any reserve requirement to secure such payments unless otherwise expressly provided).

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Net Proceeds**" when used with respect to any performance or payment bond proceeds, or proceeds from policies of insurance required hereby or any condemnation award, or any proceeds resulting from default under a Construction Contract or proceeds from any resale of the Project, means the amount remaining after deducting from the gross proceeds thereof all claims paid and all expenses (including, without limitation, reasonable attorneys fees and costs) incurred in the collection of such proceeds or award. For purposes of the Code, "net proceeds" is to be defined as provided therein and in the Tax Certificate delivered at Closing.

"**Net Revenues**" means the Revenues of the System less Operation and Maintenance Expenses.

"**Operation and Maintenance Expenses**" means current expenses incurred for operation, maintenance or repair of the System of a non-capital nature, and shall include, without limiting the generality of the foregoing, administrative and general expenses, insurance premiums, lease rentals, legal, regulatory, and engineering expenses, payments to pension, retirement, group life insurance, health and hospitalization funds or other employee benefit funds which are properly chargeable to current operations, payroll tax expenses and any other expenses required to be paid by law or permitted by generally accepted accounting principles, including legal and overhead expenses of the Issuer directly related to the administration of the System or otherwise allocated by the Issuer to the System in accordance with Federal Aviation Administration requirements and applicable in the circumstances. Operation and Maintenance Expenses shall not include any allowances for depreciation or amortization or any principal, redemption price or purchase price of, or interest on, any obligations of the Issuer incurred in connection with and payable from Revenues of the System or any assessment levied in lieu of municipal taxes.

"**Original Purchaser**" means Raymond James & Co., with respect to the 2021 Bonds, and the purchaser(s) of additional Bonds issued hereunder.

"**Outstanding**," in connection with the Bonds means, as of the time in question, all Bonds authenticated and delivered under the Indenture, except:

A. Bonds theretofore cancelled or required to be cancelled under Section 2.9 hereof;

B. Bonds for the payment or redemption of which the necessary amount shall have been or shall concurrently be deposited with the Trustee or for which provision

the payment of which shall have been made in accordance with Section 13.1 hereof; provided that, if such Bonds are being redeemed prior to maturity, the required notice of redemption shall have been given or provisions satisfactory to the Trustee shall have been made therefor; and

C. Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article 2 hereof.

In determining whether the Owners of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions hereof, Bonds which are held by the Issuer or its designee shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

"**Parity Lien,**" "**parity lien**" or "**parity**" shall mean with respect to the 2021 Bonds and any additional obligations issued under Section 2.11 hereof, an equal lien on Net Revenues and equal access to such revenues by the Trustee and/or other representatives of the holders of such parity obligations in the event of default.

"**Participants**" means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Bonds as a securities depository.

"**Paying Agent**" means the Trustee and any successors permitted under this Indenture.

"**Permitted Investments**" means such investments as shall be legal investment for funds under Section 50-1013, Idaho Code, as then in effect.

"Prior Bonds" means the Issuer's Airport Revenue Bonds, Series 2012 (Parking Facilities Project) in the original aggregate principal amount of $11,760,000 issued December 6, 2012.

"**Project**" means, collectively, the Public Parking Facilities Project, the Employee Parking Facilities Project, and any future project financed with the proceeds of additional Bonds issued under this Indenture.

"**Project Documents**" means the following (i) plans, drawings and specifications for the Project, when and as they are approved by the Issuer, including change orders, if any as provided in Section 4.1 of this Indenture; (ii) any necessary permits for construction, acquisition or installation of the Project; (iii) the Construction Contracts; (iv) policies of casualty, public liability and workmen's compensation insurance or other insurance, or certificates thereof, as required by this Indenture with respect to the construction or acquisition of the Project; (v) performance and payment bonds with respect to the Project; (vi) any bills of sale with respect to any equipment for the Project; (vii) the executed contract with the inspecting architect or with any other architect or engineer hired by the Issuer in connection with the preparation of plans, drawings and specifications for the Project; (viii) any and all other documents executed by or furnished to the Issuer in connection with the construction, acquisition or installation of the Project.

"**Project Fund"** means the fund so designated and established pursuant to Section 3.1 hereof.

"**Public Parking Facilities Project**" means the Airport parking improvements located at 3001 W. Airport Way, Boise, Idaho, consisting of one open air parking structure of approximately 410,169 square feet in size adding approximately 1,150 total parking stalls or 846 net new parking stalls for public parking at the Airport.

"**Rating Agency**" means Moody's, S&P and Fitch or any other rating service then rating Bonds.

"**Rebate Fund**" means the fund so designated and established pursuant to Section 3.4 hereof.

"**Record Date**" for the interest payable on the Bonds on any Interest Payment Date means the fifteenth (15th) day (whether or not a Business Day) of the calendar month immediately preceding the month in which such Interest Payment Date occurs.

"**Redemption Price**" means the outstanding principal amount of and any applicable premium on any Bond called for redemption.

"**Reserve Fund**" means the fund so named and established in Section 3.5 hereof.

"**Reserve Fund Credit Enhancement**" shall mean any insurance policy, surety bond, letter of credit or similar instrument which is issued by an insurance company or financial institution deposited in or credited to the Reserve Fund, in lieu of or in partial substitution for moneys required to be on deposit therein; provided that the obligation of the Issuer to pay any amounts to any such insurance company or financial institution shall be subordinated indebtedness or indebtedness on a parity with the Bonds; provided that the amount of the obligation which is indebtedness on a parity with the Bonds shall not exceed that proportion which any amount drawn under such Reserve Fund Credit Enhancement is to the amount of Bonds secured by the Reserve Fund remaining outstanding.

"**Reserve Requirement**" means the lesser of i) 125% of the average annual Debt Service with respect to Bonds issued hereunder secured by the Reserve Fund; ii) the Maximum Annual Debt Service Requirements hereunder; iii) or 10% of the aggregate principal amount of all Bonds issued hereunder secured by the Reserve Fund, which may be in the form of cash or Permitted Investments or a Reserve Fund Credit Enhancement; provided that the Reserve Requirement shall not exceed the amount permitted to be capitalized from Net Proceeds under then applicable provisions of federal tax law in order to protect the tax-exempt status of interest on the Bonds.

"**Revenues**" means all income and revenue derived by the Issuer from any rates, fees, tolls and charges for the services furnished by, or for the use of, the System, and which are to be deposited to, and accounted for in, the Issuer's Airport Enterprise Fund including income received by Issuer under the authority of 14 Code of Federal Regulations Part 158 authorized under the Aviation Safety and Capacity Expansion Act of 1990, as amended, ***excluding*** any Excluded Revenues, provided that grants received from the federal government as stimulus, relief or recovery funds which, by the terms of the grant, may be used by the Issuer to pay debt service, shall not be deemed Excluded Revenues.

Notwithstanding the foregoing, the Issuer may elect to pledge other receipts at any time as additional security for any one or more series of obligations. IN NO EVENT WILL ANY OF ISSUER'S GENERAL FUND REVENUES BE USED TO MAKE ANY DEBT SERVICE PAYMENTS OR ANY OTHER PAYMENTS DUE UNDER THIS INDENTURE.

"**S&P**" means S&P Global Ratings, a division of Standard & Poor's Financial Services LLC and its successor.

"**Sinking Fund Installment**" means the amounts to be designated to be applied to the purchase or redemption of Bonds as designated in Section 7.1 hereof, if applicable.

"**State**" means the State of Idaho.

"**Subordinate Lien**," "**subordinate lien**" or "**subordinate**" means with respect to obligations hereunder or with respect to prior or future obligations of Issuer issued for the System, an inferior lien on Net Revenues and inferior or subordinate access to such revenue by the Trustee and/or other representatives of the holders of such subordinate obligations in event of default.

"**Subordinate Net Revenues**" means the Revenues of the System less Operation and Maintenance Expenses after payment of the Bonds, the reserve requirements for the Bonds, and any additional obligations permitted on a parity with the Bonds under applicable indentures.

"**System**" means all of the Issuer's airport facilities and properties now owned or hereafter acquired, whether situated within or without the Issuer's boundaries.

"**Tax Certificate**" means the Tax Certificate of the Issuer relating to federal tax matters dated as of the date of issuance and delivery of Bonds hereunder.

"Treasurer" means the Treasurer Ex-Officio of the City.

"**Trustee**" means Zions Bancorporation, National Association, and its successors in the trust created hereunder.

"**2015 Subordinate Obligations**" means the Issuer's Airport Revenue Bonds, Subordinate Series 2015 (Aircraft Maintenance Facilities Project) in the original aggregate principal amount of $12,665,000 issued August 11, 2015, which 2015 Subordinate Obligations are secured by the Subordinate Net Revenues.

"**2021 Bonds**" means, collectively, the 2021A Bonds and the 2021B Bonds.

"**2021A Bonds**" means the principal amount of $36,450,000 Airport Revenue and Revenue Refunding Bonds, Series 2021A (Non-AMT) (Public Parking Facilities Project) issued by the Issuer under this Indenture.

"**2021B Bonds**" means the principal amount of $19,750,000 Airport Revenue Bonds, Series 2021B (AMT) (Employee Parking Facilities Project) issued by the Issuer under this Indenture.

The words "hereof," "herein," "hereto," "hereby" and "hereunder" (except in the form of Bond) refer to the entire Indenture.

Every "request," "order," "demand," "application," "appointment," "notice," "statement," "certificate," "consent" or similar action hereunder by the Issuer shall, unless the form thereof is specifically provided, be in writing signed by the Mayor or Treasurer of the Issuer.

ARTICLE 2
THE 2021 BONDS

Section 2.1. Amounts and Terms. Except as provided in Section 2.6 hereof, the 2021 Bonds shall be limited to $56,200,000 in aggregate principal amount consisting of up to $36,450,000 aggregate principal amount of 2021A Bonds and $19,750,000 aggregate principal amount of 2021B Bonds, and shall contain substantially the terms recited in the respective forms of 2021A Bonds and 2021B Bonds set forth in Article 14 hereof. All 2021 Bonds shall be issued in fully registered form, provided that principal or redemption price, and interest in respect thereof shall be payable from any legally available Net Revenues of the Issuer, as described in Section 2.10 hereof. The 2021 Bonds shall be issued in the denomination of $5,000 each or any integral multiple thereof.

The 2021 Bonds shall be dated as of August 17, 2021, shall be initially issued as fully registered bonds and the 2021A Bonds shall be numbered separately from RA-1 upward and the 2021B Bonds shall be numbered separate from RB-1 upward.

(a) Serial and Term Bonds. The 2021A Bonds, consisting of serial and term bonds, shall mature on September 1 in the years and in the amounts and shall bear the rates of interest as set forth below:

Year (September 1)	Principal Amount $	Interest Rate %
2022	$410,000	4.000%
2023	435,000	4.000
2024	630,000	4.000
2025	650,000	4.000
2026	680,000	4.000
2027	705,000	5.000
2028	740,000	5.000
2029	780,000	5.000
2030	815,000	5.000
2031	860,000	5.000
2032	900,000	5.000
2033	945,000	5.000
2034	990,000	5.000
2035	1,040,000	5.000
2036	1,095,000	5.000
2037	1,150,000	5.000
2038	1,205,000	5.000
2039	1,265,000	5.000
2040	1,330,000	5.000
2041	1,395,000	5.000
2046*	8,095,000	5.000
2051*	10,335,000	5.000

*Term Bonds, subject to Sinking Fund Installments.

The 2021B Bonds, consisting of serial and term bonds, shall mature on September 1 in the years and in the amounts and shall bear the rates of interest as set forth below:

Year (September 1)	Principal Amount $	Interest Rate %
2024	$395,000	4.000%
2025	410,000	4.000
2026	425,000	4.000
2027	440,000	4.000
2028	460,000	4.000
2029	480,000	4.000
2030	500,000	4.000
2031	520,000	4.000
2032	540,000	4.000
2033	560,000	4.000
2034	580,000	4.000
2035	605,000	4.000
2036	630,000	4.000
2038*	1,335,000	4.000
2040*	1,445,000	4.000
2041	765,000	5.000
2046*	4,355,000	4.000
2051*	5,305,000	4.000

*Term Bonds, subject to Sinking Fund Installments.

(b) Interest. The principal of the 2021 Bonds is payable in lawful money of the United States of America to the Bond Owners whose names and addresses shall appear on the Bond Register maintained by the Trustee, upon presentation and surrender of the 2021 Bonds at the designated corporate trust operations agency office of the Trustee.

Payment of each installment of interest shall be made to the Bond Owner at his address appearing on the Bond Register on the Record Date, or at such other address as may be furnished in writing by such Bond Owner to the Trustee, shall be calculated on the basis of a 360-day year consisting of twelve 30-day months, and shall be paid by check or draft of the Trustee dated the due date. Interest on the 2021 Bonds shall be payable semiannually on March 1 and September 1 of each year, commencing on March 1, 2022.

Section 2.2. Interest Accrual. Bonds issued hereunder shall be dated and bear interest from the Interest Payment Date to which interest has been paid next preceding the date of authentication, unless the date of authentication (i) is an Interest Payment Date to which interest has been paid, in which event such fully registered Bonds shall be dated and bear interest from the date of authentication, or (ii) is prior to the first Interest Payment Date for the Bonds, in which event such Bonds shall be dated and bear interest from the date of original issuance.

Section 2.3. Registration, Transfer and Exchange. The Issuer shall cause books for the registration and transfer of the Bonds (including the Bond Register) to be kept at the corporate trust administration office of the Trustee and hereby appoints the Trustee its registrar and transfer agent to keep such books and to make such registrations and transfers under such reasonable regulations as the Issuer may prescribe in accordance with the Idaho Registered Public Obligations Act, Title 57, Chapter 9, Idaho Code, as amended.

Upon surrender for transfer of any Bond at the designated corporate trust operation agency office, the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of any authorized denomination for the aggregate principal amount which the Registered Owner is entitled to receive.

All fully registered Bonds presented for transfer, exchange, registration, redemption or payment (if so required by the Issuer or the Trustee), shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Registered Owner or by his duly authorized attorney.

No service charge shall be made to the Bondowner for any exchange, transfer, registration or discharge from registration of Bonds, but the Issuer may require payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

The Issuer and the Trustee shall not be required (a) to issue, register, transfer or exchange any Bonds for a period of fifteen (15) days preceding any selection by lot of Bonds to be redeemed; or (b) to register, transfer or exchange any Bonds selected, called or being called for redemption.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture and entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

Section 2.4. Execution. The Bonds shall be executed by the manual or facsimile signatures of the Mayor and the Treasurer of the Issuer, and attested to by the manual or facsimile signature of the Clerk of the Issuer, and the corporate seal of the Issuer shall be affixed, imprinted, lithographed or reproduced thereon.

Bonds executed as above provided may be issued and shall, upon request of the Issuer, be authenticated by the Trustee notwithstanding that any officer signing such Bonds attached thereto or whose facsimile signature appears thereon shall, after the date of authorization of the Bonds, have ceased to hold office at the time of issuance or authentication or shall have taken office after the date of issuance of the Bonds.

Section 2.5. Authentication. No Bond shall be valid for any purpose until the certificate of authentication shall have been duly executed by the manual signature of a duly

Authorized Officer or authorized signatory of the Trustee, and such authentication shall be conclusive proof that such Bond has been duly authenticated and delivered under this Indenture and that the owner thereof is entitled to the benefit of the trust hereby created.

Section 2.6. Mutilated, Destroyed, Lost or Stolen Bonds. If any Bond shall become mutilated, the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor, maturity and denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of such mutilated Bond for cancellation, and the Issuer and the Trustee may require reasonable indemnity satisfactory to them therefor. If any Bond shall be reported lost, stolen or destroyed, evidence as to the ownership thereof and the loss, theft or destruction thereof shall be submitted to the Trustee; and if such evidence shall be satisfactory to both and indemnity satisfactory to the Trustee and Issuer shall be given, the Trustee shall authenticate and deliver, a new Bond of like tenor, maturity and denomination. The cost of providing any substitute Bond under the provisions of this section shall be borne by the Bondowner for whose benefit such substitute Bond is provided. If any such mutilated, lost, stolen or destroyed Bond shall have matured or be about to mature, the Issuer may, with the consent of the Trustee, pay to the Owner the principal amount of such Bond upon the maturity thereof and the compliance with the aforesaid conditions by such Owner, without the issuance of a substitute Bond therefor.

Every substituted Bond issued pursuant to this Section 2.6 shall constitute an additional contractual obligation of the Issuer, subject to the right to require indemnity set forth in the above paragraph, whether or not the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds and shall preclude any and all other rights or remedies.

Section 2.7. Temporary Bonds. Pending preparation of definitive Bonds of any series, or by agreement with the purchasers of all Bonds, the Issuer may issue and, upon its request, the Trustee shall authenticate in lieu of definitive Bonds one or more temporary printed or typewritten Bonds in denominations of $5,000 and integral multiples thereof of substantially the tenor recited above but in fully registered form. Upon request of the Issuer, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds.

Section 2.8. Delivery of 2021 Bonds and Application of Proceeds. The Trustee shall authenticate and deliver the 2021 Bonds on the closing date when there have been filed with it the following:

A. A certified copy of an ordinance or resolution of the Issuer authorizing (1) the execution and delivery of this Indenture, and (2) the issuance, sale, execution, and delivery of the 2021 Bonds;

B. An executed copy of the Escrow Agreement;

C. An opinion or opinions of an attorney or firm of attorneys recognized on the subject of municipal bonds that the issuance of the 2021 Bonds has been duly authorized and that interest on the 2021 Bonds is exempt from federal and State of Idaho income taxation and that the Prior Bonds maturing on or after September 1, 2021, have been defeased in accordance with the provisions of the applicable law with such opinions of Counsel to the Issuer as such firm or the Trustee may request;

D. A direction and authorization of the Issuer to the Trustee to authenticate the 2021 Bonds and to deliver them to the person named in such direction upon payment by Original Purchaser to the Trustee for the account of the Issuer:

(i) the purchase price for the 2021A Bonds of $47,437,594.12, consisting of the par amount of $36,450,000.00, plus original issue premium of $11,150,860.25, less underwriter's discount of $163,266.13, $38,366,869.97 of which to be deposited into the Non-AMT Bond Proceeds Account of the Project Fund, $2,393,939.64 of which to be deposited into the Reserve Fund to satisfy the Reserve Requirement, and $6,676,784.51 of which shall be transmitted by the Trustee to the Escrow Agent for deposit to the Escrow Fund in accordance with the Escrow Agreement; and

(ii) the purchase price for the 2021B Bonds of $23,566,598.54, consisting of the par amount of $19,750,000.00, plus original issue premium of $3,903,101.10, less underwriter's discount of $86,502.56, $22,377,038.18 of which to be deposited into the AMT Bond Proceeds Account of the Project Fund, $1,189,560.36 of which to be deposited into the Reserve Fund to satisfy the Reserve Requirement; and

E. From the $38,366,869.97 amount of proceeds of the 2021A Bonds deposited to the Non-AMT Bond Proceeds Account of the Project Fund $244,638.11 will be used to pay costs of issuing the 2021A Bonds and $2,357,962.50 will be deposited to the Non-AMT Capitalized Interest Account therein to pay capitalized interest on the 2021A Bonds

F. From the $22,377,038.18 amount of proceeds of the 2021B Bonds deposited to the AMT Bond Proceeds Account of the Project Fund $121,561.89 will be used to pay costs of issuing the 2021B Bonds and $1,559,848.89 will be deposited to the AMT Capitalized Interest Account therein to pay capitalized interest on the 2021B Bonds. The Issuer shall also make a $132,941.66 equity contribution to the

AMT Capitalized Interest Account within the AMT Bond Proceeds Account of the Project Fund not later than Fiscal Year 2023.

Section 2.9. Cancellation and Destruction of Surrendered Bonds. Bonds surrendered for payment or redemption, and Bonds purchased from any money held by the Trustee hereunder or surrendered to the Trustee by the Issuer for cancellation, shall be cancelled and destroyed by the Trustee in accordance with applicable law and regulations and the Trustee's policies and procedures. The Trustee shall deliver to the Issuer a certificate of destruction, in respect of all Bonds so destroyed.

Section 2.10. Pledge of Net Revenues and Limitation on Obligations. The Debt Service shall be payable solely out of the Net Revenues. The Net Revenues are hereby pledged to the payment in full of the 2021 Bonds and any obligations on a parity with the 2021 Bonds permitted under this Indenture. The Issuer has reserved the right to incur additional parity or subordinate obligations payable from Net Revenues under the terms set forth in Section 2.11 hereof. The lien of this pledge and security interest shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer (except as herein otherwise provided) irrespective of whether such parties have notice hereof. The Bondowners may not look to any other revenues of the Issuer for the payment of Debt Service on the Bonds issued hereunder. The Bonds do not constitute full faith and credit obligations of the Issuer. IT IS UNDERSTOOD THAT NONE OF ISSUER'S GENERAL FUND REVENUES IS PLEDGED, OR WILL BE USED, TO MAKE ANY PAYMENTS DUE UNDER THIS INDENTURE.

Section 2.11. Additional Obligations Secured by Net Revenues.

A. Obligations Secured by Net Revenues.

1. Earnings Test. This Indenture shall not prevent the issuance of additional Bonds payable from and constituting a lien upon Net Revenues on a parity with or subordinate to the lien of this Indenture, the 2021 Bonds and other parity obligations in order to provide for improvements to the System. Before any such additional parity Bonds (but not junior to the 2021 Bonds) are actually issued, it must be determined that:

(a) The Issuer is not, and has not been in default of this Indenture during the Fiscal Year immediately preceding the issuance of such additional Bonds, or if the Indenture has not been outstanding for a full fiscal year, then for the longest period of time the Indenture has been outstanding and the amount in the Reserve Fund is at least equal to the Reserve Requirement, and Issuer has been in compliance with Section 8.14 hereof for at least the preceding 12 months;

(b) Either of the following: (i) a Consultant's Report, upon which the Trustee may conclusively rely, shows that Net Revenues projected for at

least five (5) Fiscal Years following completion of the proposed project will be at least equal to 115% of the Aggregate Debt Service Requirements (excluding reserves) for the said period; or (ii) a written certificate by the Issuer that the Net Revenues derived from the operation of the System for any period of twelve (12) consecutive months during the twenty-four (24) months immediately preceding the date of the supplemental ordinance or other document authorizing the issuance of any such parity lien Bonds shall have been sufficient to pay an amount representing 115% of the Aggregate Debt Service Requirements on the outstanding obligations constituting a lien upon Net Revenues, and on the Bonds proposed to be issued (excluding reserves) for the said period.

In calculating the Net Revenues and Pledged Excluded Revenues to meet the requirements in (b)(i) above, the Issuer may take into consideration changes in Net Revenues estimated to occur under one or more of the following conditions for each year after delivery thereof for so long as the 2021 Bonds, the additional bonds and other parity obligations shall be Outstanding:

(1) Any increase or decrease in Net Revenues which would result from any change in rates or charges adopted prior to the issuance of the additional Bonds; and/or

(2) Any increase or decrease in Net Revenues estimated to result from any additions, betterments, and improvements to and extensions of any facilities of the System which (i) became fully operational during such twelve (12) month period; (ii) were under construction at the time of the issuance of the additional Bonds; or (iii) will be constructed from the proceeds of the additional Bonds proposed to be issued.

(c) Each such issue of additional Bonds shall be secured by a cash reserve fund or Reserve Account Credit Enhancement in an amount sufficient to cause to be on deposit an amount equal to the Reserve Requirement on the 2021 Bonds and any additional obligations.

2. Certification of Net Revenues. A written certificate by the Issuer that said Net Revenues are sufficient shall conclusively determine the right of the Issuer to issue additional parity Bonds, and the Trustee may rely conclusively upon such certificate. The Issuer may rely upon the Consultant's Report as provided in Section 2.11.A.1(b) above and may utilize the results of any annual audit to the extent it covers the applicable period.

3. Subordinate Obligations Permitted. The Issuer may issue other obligations having a lien on Net Revenues subordinate to the lien of the Indenture.

4. Senior Obligations Permitted. The Issuer shall not issue any bond or other obligation having a lien prior and superior to the lien of this Indenture except in the case of a refunding of the Bonds issued hereunder.

5. Refunding Obligations. The foregoing provisions are subject to the following exceptions:

(a) Privilege of Issuing Refunding Obligations. If at any time the Issuer shall find it desirable to refund any outstanding obligations or obligations constituting a lien upon Net Revenues, said obligations may be refunded upon compliance with the following provisions.

(b) Limitations Upon Issuance of Parity Refunding Obligations. No refunding bonds or obligations issued under this Indenture shall be on a parity with the obligations of this Indenture, unless:

(1) The lien of the refunding obligations on Net Revenues is on a parity with the lien of this Indenture, and

(2) The total Debt Service is reduced by the refunding as certified by the Issuer or if the Debt Service is not reduced the Issuer shall comply with the requirements under paragraphs 1 through 2 of Section 2.11.A above.

(c) Refunding Part of an Issue. The refunding obligations issued under this Indenture shall enjoy complete equality of lien with any portion of the same issue which is not refunded. The owners of such refunding bonds or obligations shall be subrogated to all of the rights and privileges enjoyed by the owners of the obligations of the same issue refunded thereby.

B. General Provisions for the Issuance of Additional Bonds.

Whenever the Issuer shall determine to issue additional Bonds under this Indenture, the Issuer shall adopt a supplemental indenture which:

1. Shall specify the authorized principal amount and series designation of such additional Bonds;

2. Shall specify the date and the maturity date or dates of the Bonds of such series, provided that (a) each maturity date shall fall upon an interest

payment date and (b) all the Bonds of like maturity shall be identical in all respects, except as to denominations and number;

3. Shall specify the interest rate or rates of the Bonds of such series, or the manner of determining such rate or rates, and the interest payment dates therefor;

4. Shall specify the authorized denomination or denominations of the Bonds of such series;

5. Shall, subject to Article 7, specify the redemption terms, if any, for the Bonds of such series;

6. Shall specify the form of the Bonds of such series and of the Trustee's certificate of authentication; and

7. Shall require the Issuer to deposit from proceeds of the sale of the additional Bonds, or from other legally available sources, or provide for deposit of a Reserve Fund Credit Enhancement into the Reserve Fund in an amount sufficient to cause to be on deposit in the Reserve Fund a sum equal to the Reserve Requirement.

C. Conditions of Issuance of Additional Bonds.

Prior to issuance of additional Bonds, the Issuer shall file with the Trustee the following documents:

1. A copy of the supplemental indenture authorizing the issuance of the additional Bonds.

2. A written certificate of the Issuer to the effect that, upon the delivery of the additional Bonds, the Issuer will not be in default in the performance of any of the covenants, conditions, agreements, terms, or provisions of this Indenture with respect to any Bonds Outstanding hereunder.

3. The reports and certificates required under Section 2.11.A hereunder, as applicable.

Section 2.12. Book-Entry System.

(a) The Bonds shall be initially executed and delivered in the form of a separate single certificated, fully registered Bond for each of the maturities set forth in Section 2.1 hereof. Upon initial issuance, the ownership of such Bond shall be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC. Except as provided in Section

2.12(d) hereof, all of the Outstanding Bonds shall be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC.

(b) With respect to Bonds registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, the Issuer and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than a Registered Owner, as shown in the registration books kept by the Trustee, of any notice with respect to the Bonds, including any notice of redemption, (iii) the payment to any Participant or any other person, of any amount with respect to principal of, premium, if any, or interest on the Bonds, (iv) any consent given or other action taken by DTC as Owner of the Bonds, or (v) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds. The Issuer and the Trustee may treat and consider the person in whose name each Bond is registered in the registration books kept by the Trustee as the holder and absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bonds, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest evidenced by the Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Trustee, as provided in Section 2.1 hereof, or their respective attorneys duly authorized in writing, wire transfer or, if the Bonds are no longer held in immobilized form, check mailed on the applicable Interest Payment Date to the Owner as of close of business on the applicable Record Date, at his address as it appears on the registration books of the Trustee or at such other address as is furnished in writing by such Owner to the Trustee (provided, however, that the Trustee shall, at the request of any Owner of $1,000,000 or more in aggregate principal amount of Bonds, make payments of interest on such Bonds by wire transfer to the account at any bank in the United States designated by such Owner in writing on or before the Record Date), and the principal of the Bonds shall be payable in lawful money of the United States of America upon surrender thereof at the designated corporate trust operations agency office of the Trustee. All such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest evidenced by the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Trustee, shall receive a certificated Bond evidencing the obligations of the Issuer to make Debt Service payments. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, the word "Cede" in this Indenture shall refer to such new nominee of DTC.

(c) A Letter of Representations in standard form approved by DTC (the "Letter of Representations") is hereby authorized and such Letter of Representations shall be executed and delivered to DTC if a blanket Letter of Representations, acceptable to DTC, has not already been executed. The approval of the Issuer shall be conclusively established by its execution and

delivery of the Letter of Representations which shall not in any way limit the provisions of Section 2.12(b) hereof or in any other way impose upon the Issuer or Trustee any obligations whatsoever with respect to persons having interests in the Bonds other than the Bondowners, as shown on the registration books kept by the Trustee.

(d) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Issuer or the Trustee and discharging its responsibilities with respect thereto under applicable law.

(e) The Issuer in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if it determines that:

1. DTC is unable to discharge its responsibilities with respect to the Bonds, or

2. A continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede, or any other nominee of DTC, is not in the best interest of the Beneficial Owners of the Bonds.

(f) Upon the termination of the services of DTC with respect to the Bonds pursuant to Section 2.12(d) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to Section 2.12(d) or Section 2.12(e) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Issuer, is willing and able to undertake such functions upon reasonable and customary terms, the Trustee is obligated to deliver Bonds at the expense of the Issuer, unless the Beneficial Owners have requested the termination of the services of DTC and then at the expense of such Beneficial Owners, as described in this Indenture and the Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede as nominee of DTC, but may be required in whatever name or names Owner transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

(g) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal or, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

ARTICLE 3
FUNDS AND ACCOUNTS

Section 3.1. Establishment of Project Fund. The Trustee shall establish a Project Fund and therein a Non-AMT Bond Proceeds Account and an AMT Bond Proceeds Account for the payment of the Costs of Construction of the Project to be paid with proceeds from Bonds hereunder, including costs of issuance of Bonds.

The Non-AMT Bond Proceeds Account of the Project Fund shall consist of the amounts deposited therein from the proceeds of the 2021A Bonds pursuant this Indenture and any other amounts the Issuer may deposit therein and shall be applied for payment of Costs of Construction relating to the Public Parking Facilities Project and the costs of issuing the 2021A Bonds. Within the Non-AMT Bond Proceeds Account of the Project Fund, the Trustee shall also establish a Non-AMT Capitalized Interest Account and the amounts deposited therein from the proceeds of the 2021A Bonds pursuant to this Indenture shall be used to pay capitalized interest on the 2021A Bonds.

The AMT Bond Proceeds Account of the Project Fund shall consist of the amounts deposited therein from the proceeds of the 2021B Bonds pursuant to this Indenture and any other amounts the Issuer may deposit therein and shall be applied for payment of Costs of Construction relating to the Employee Parking Facilities Project and the costs of issuing the 2021B Bonds. Within the AMT Bond Proceeds Account of the Project Fund, the Trustee shall also establish an AMT Capitalized Interest Account and the amounts deposited therein pursuant to this Indenture from the proceeds of the 2021B Bonds and from the Issuer equity contribution in the amount of $132,941.66, which equity contribution shall be made by the Issuer not later than Fiscal Year 2023, shall be used to pay capitalized interest on the 2021B Bonds.

The amounts in the Project Fund, until applied for payment of Costs of Construction, including costs of issuance of Bonds as hereinafter provided, shall be held for the security of all Bonds Outstanding hereunder.

The Trustee shall maintain records sufficient to permit calculation of the income on investments and interest earned, if any, on deposit of amounts held in the Project Fund and such income and interest shall become part of the Project Fund and may be expended as provided in Section 3.2 hereof. Copies of such records shall be made available to the Issuer upon written request of the Issuer. Such income or interest earnings may be expended at any time or from time to time to pay Costs of Construction, including costs of issuance of Bonds, or pay principal of and interest on the Bonds in the same manner as the proceeds of Bonds deposited in the Project Fund are expended.

Section 3.2. Payments from Project Fund. The Trustee shall make payments from the Project Fund, in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this Section 3.2. Before any such payment shall be made, the Issuer shall file with the Trustee its requisition therefor in substantially the form set forth in Exhibit A attached hereto, signed by an Authorized Officer of the Issuer, stating in respect of each payment to be made (a) the name and address of the person, firm or corporation to whom payment is due, (b) the amount to be paid, (c) the particular item of the Costs of Construction with respect thereto to be paid, and (d) that the cost or the obligation in the stated amount is a proper charge against the Project Fund and is a proper item of the Costs of Construction, and has not been paid. The Trustee shall make each payment required by such requisition. When the Construction of the

Project is complete and written notice thereof is provided by the Issuer and the Costs of Construction have been paid in full, money remaining in the Project Fund shall be transferred to the Reserve Fund if needed to meet the Reserve Requirement and then to the Bond Fund, and the Project Fund shall thereafter be closed and terminated. Money transferred from the Non-AMT Bond Proceeds Account of the Project Fund to the Bond Fund shall only be used to pay debt service on the 2021A Bonds.

Costs of issuing the 2021A Bonds paid from 2021A Bond proceeds in the Non-AMT Bond Proceeds Account of the Project Fund shall not exceed $244,638.11 and Costs of issuing the 2021B Bonds paid from 2021B Bond proceeds in the AMT Bond Proceeds Account of the Project Fund shall not exceed $121,561.89. Costs of issuing the Bonds exceeding this amount will be paid with funds of the Issuer deposited to the Project Fund.

Section 3.3. Establishment of Bond Fund.

A. There is hereby established with the Trustee a Bond Fund, which the Trustee shall make available to the Issuer's paying agent or agents to pay the principal, Sinking Fund Installments or Redemption Price of Bonds, as applicable, as they mature or become subject to redemption, upon surrender thereof, and the interest on Bonds as it becomes payable. When Bonds are redeemed or purchased, the amount, if any, deposited by the Issuer for the payment of the Redemption Price and interest, shall be deposited in the Bond Fund and earnings thereon shall be applied to the payment of the Redemption Price and accrued interest in connection with such redemption or purchase.

B. In the event that on any Interest Payment Date, amounts in the Bond Fund are insufficient to pay the principal of or interest on the Bonds due on such Interest Payment Date, the Trustee shall first apply monies in the Bond Fund to the payment of interest then due on the Bonds and next to the payment of principal amounts then due on the Bonds.

The Issuer hereby covenants and agrees that as long as any Bonds issued hereunder remain Outstanding it will deposit, or, pursuant to Section 5.1 hereof, cause to be deposited by the Trustee, in the Bond Fund and accounts therein on or before three (3) Business Days prior to the payment dates, sufficient sums from Net Revenues, to pay the principal or Redemption Price of, and interest on the Bonds as the same become due and payable. Nothing herein contained shall be construed as requiring the Issuer to use any funds or revenues from any source other than Net Revenues. In addition, any amounts received by the Issuer at issuance and delivery of the Bonds, representing accrued interest, shall be deposited to the Bond Fund.

Section 3.4. Establishment of Rebate Fund; Rebate Requirement. There is hereby established a Rebate Fund into which shall be deposited, at the written direction of the Issuer delivered to the Trustee from time to time, all excess earnings on funds and accounts held by the Trustee hereunder to the extent required by the Tax Certificate and said amounts shall be held in trust for the payment of arbitrage rebate in accordance with Section 148 of the Code and the Tax

Certificate. All earnings on the Rebate Fund shall remain within said fund and shall be used for no other purpose unless the Issuer provides the Trustee with an opinion of nationally recognized bond counsel that another use will not cause interest on the Bonds to cease to qualify for exclusion from federal income taxation under the Code.

The Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the Issuer's determinations, calculations, certifications and written directions required by this Section and the Trustee shall have no responsibility to monitor and independently make any calculations or determination or to review the Issuer's determinations, calculations, certifications and written directions required by this Section.

Section 3.5. Establishment of Reserve Fund.

A. There is hereby created a separate fund with the Trustee as a trust fund to be designated the "**Reserve Fund, Series 2021**." Any money or Reserve Fund Credit Enhancement held in the Reserve Fund shall be held in trust for the payment, when due, of the Debt Service on the Bonds to be paid pursuant to the Indenture, and shall be used and applied only as hereinafter provided. The Reserve Fund shall be initially funded with Bond proceeds. If three (3) Business Days prior to any Bond payment date the moneys on hand in the Bond Fund are not sufficient to pay the Debt Service on the Bonds then due and unpaid, the Trustee shall use such moneys, if any, in the Reserve Fund, or shall make demand on the Reserve Fund Credit Enhancement in accordance with the provisions thereof, if applicable, and shall make such payment on behalf of the Issuer by transferring the amount necessary for this purpose to the Bond Fund.

B. In the event any amount of funds in the Reserve Fund are paid out as provided hereunder, the Issuer shall, prior to the next Bond payment date, deposit such amount to the Reserve Fund with the Trustee or cause the applicable Reserve Fund Credit Enhancement to be reinstated and maintained in accordance therewith in order to maintain the Reserve Fund at the Reserve Requirement.

C. All investments, if any, in the Reserve Fund shall be valued at cost if maturity is less than one (1) year and shall be valued at the lower of cost or market value marked to market semiannually if maturity is greater than one (1) year. No investments in the Reserve Fund shall have maturities of more than five (5) years unless the investment is in the form of an investment agreement, in which case the maturity of the investment may be no greater than the final maturity of any Bonds Outstanding at the time of the investment. Upon payment in full, or defeasance of, all Outstanding Debt Service, the balance, if any, in the Reserve Fund shall be transferred to the Bond Fund or at the option of the Issuer, such amount shall be paid to the Issuer, subject to any payments required to the Rebate Fund under Section 3.4. hereof. If the funds or the applicable Reserve Fund Credit Enhancement deposited to the Reserve Fund as of 30 days prior to a payment date exceed the Reserve Requirement, the amount of such excess shall be transferred

to the Bond Fund or, so long as a Reserve Fund Credit Enhancement is in effect, the coverage amount of the Reserve Fund Credit Enhancement may be reduced by the amount of such excess. Funds, if any, in the Reserve Fund may be used to make the applicable final payment of Debt Service.

ARTICLE 4
CONSTRUCTION, INSTALLATION AND ACQUISITION OF THE PROJECT

Section 4.1. Agreement to Construct, Install and Acquire the Project. The Issuer hereby agrees that it will make all contracts and do all things necessary for the construction, acquisition and installation of the Project.

(a) The Issuer shall cause the Project to be constructed, acquired and installed.

(b) The Issuer hereby agrees that in order to effectuate the purposes of this Indenture it will make, execute, acknowledge and transmit any contracts, orders, receipts, writings and instructions with any other persons, firms, or corporations and in general do all things which may be requisite or proper, all for the construction, acquisition and installation of the Project. Construction, acquisition and installation of the Project shall be in accordance with the Project Documents and subject to reasonable change orders or any other reasonable changes approved by the Issuer, provided that such changes shall not reduce the value of the Project as determined by Issuer. Notwithstanding the foregoing, no improvements, acquisitions or changes shall be made unless provision for payment therefor has been made. Issuer acknowledges and agrees that the Project is of a design and construction selected by Issuer, and Trustee is not responsible for the design or construction of the Project.

(c) So long as this Indenture is in full force and effect and no Event of Default shall have occurred, or if an Event of Default has occurred but has been cured, the Issuer shall have full power to carry out the acts and agreements provided in this Section 4.1, and such power is granted and conferred under this Indenture to the Issuer, and is accepted by the Issuer and shall not be terminated or restricted by act of the Trustee or the Issuer, except as provided in this Section 4.1.

(d) The Issuer agrees to construct, acquire and install the Project through the application of moneys to be disbursed from the Project Fund pursuant to Section 3.2 of this Indenture by the Trustee upon the authorization of the Issuer. The Issuer agrees to complete all new construction, acquisition and installation with all reasonable dispatch, and to use its best efforts to cause the Project to be acquired and completed in Public Garage to be completed in March, 2023 and Employee Garage to be completed by October, 2023, or as soon thereafter as may be practicable; but, if for any reason the Project is not completed by said date, there shall be no resulting liability on the part of the Issuer or Event of Default hereunder, and there shall be no diminution in or postponement of the Debt Service Requirements required to be made by the Issuer under this Indenture.

Section 4.2. Completion of Construction. Upon the completion of the Project and the acceptance thereof by the Issuer, the Issuer shall deliver to the Trustee a certificate duly executed by the Treasurer of the Issuer, determining that, to the best of such individual's knowledge and except for any amounts estimated by the Issuer to be necessary for payment of any Costs of Construction not then due and payable, the Project has been completed and accepted by the Issuer, and all Costs of Construction have been paid. Notwithstanding the foregoing, such certificate shall not, and shall state that it does not, prejudice any rights against third parties other than the Trustee which exist at the date of adoption of such certificate or which may subsequently come into being.

Section 4.3. Construction Contracts. The Issuer represents that, in the opinion of the Issuer based upon an examination of property and estimated construction, acquisition and installation costs provided by the architect or engineer for the Project, the Project can, to the best of the Issuer's present knowledge, be constructed, acquired and installed for a total price within the amount of funds to be available therefor in the Project Fund. In the event of cost overruns, the Issuer shall pay such additional costs from available Net Revenues of the System. Upon the occurrence of an Event of Default or otherwise upon termination of the Issuer's right to control construction of the Project as provided in the last sentence of Section 4.1 of this Indenture, the Trustee may (but shall have no obligation to), on behalf of the Owners, complete the Project, utilizing any moneys remaining in the Project Fund. All Construction Contracts shall provide that the Issuer is entering into the Construction Contracts on behalf of the Trustee and that, upon the occurrence of an Event of Default, or upon the Trustee's assuming control over construction of the Project as provided in Section 4.1 of this Indenture: (i) such Construction Contracts shall be fully and freely assignable to the Trustee without the consent of any other person and the Trustee may choose to assume or not assume such Construction Contracts; and (ii) if the Trustee does so assume such Construction Contracts, the contractor shall perform the agreements contained therein for the Trustee. All Construction Contracts shall also provide that, upon an Event of Default, and upon written notice from the Trustee, the Trustee may terminate such Construction Contracts; and the contractor shall then be entitled to payment only from amounts available therefor in the Project Fund and only for work done and liabilities reasonably incurred prior to such termination. All Construction Contracts shall further provide that the Trustee is not obligated to, and shall not, utilize any of its own funds, or any funds other than the proceeds of the Bonds and earnings thereon to pay any part of the Costs of Construction. Such provision shall not restrict the contractor's right to recover any sum remaining due on such contract from the Issuer, notwithstanding the amount of money in the Project Fund. Upon the occurrence of an Event of Default the following may occur: (i) the Trustee may terminate the Issuer's involvement in the Construction Contracts; and (ii) upon receipt of a written request from the Trustee, the Issuer shall assign all of its right, title and interest in and to all Construction Contracts and other Project Documents to the Trustee and shall deliver all Project Documents held by it to the Trustee.

Section 4.4. Project Documents. The Issuer shall have and keep on file and available for inspection by the Trustee copies of the Project Documents (except Project Documents which may already be in the possession of the Trustee). Neither the Project Documents nor any change

or amendment thereto shall (i) cause the Project to be used for any purpose prohibited hereby or by the Constitution and laws of the State; (ii) result in a reduction in the value or utility of the Project; or (iii) adversely affect the ability of the Issuer to meet its obligations hereunder.

Section 4.5. Defaults Under Construction Contracts. In the event of any default by a contractor or subcontractor under any of the Construction Contracts, or in the event of a material breach of warranty with respect to any materials, workmanship or performance, the Issuer at its expense shall promptly proceed, either separately or in conjunction with others, to diligently pursue its remedies against such contractor or subcontractor and/or against each surety of any bond securing the performance of the Construction Contracts. The Net Proceeds of any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, remaining after deduction of expenses incurred in such recovery (including without limitation, attorney's fees and costs), and after reimbursement to the Issuer of any amounts theretofore paid by the Issuer and not previously reimbursed to the Issuer for correcting or remedying the default or breach of warranty which gave rise to the proceedings against the contractor or surety, shall be paid into the Project Fund to be disbursed by the Trustee in accordance with Section 3.3 hereof if received before the Completion Date, or if received thereafter, shall be deposited to the Bond Fund.

Section 4.6. Contractor's Performance and Payment Bonds. A general contractor entering into a Construction Contract shall be required to furnish a performance bond and a separate labor and material payment bond on forms acceptable to the Issuer acting on behalf of the Trustee, copies of which shall be provided to the Trustee. Such bonds shall be made payable to the Issuer and the Trustee as trustee for the Owners, as their interests may appear, and shall be executed by a corporate surety licensed to transact business in the State and acceptable to the Issuer acting on behalf of the Trustee, and shall be in an amount equal to the contract price for such contractor's Construction Contract and shall cover all performance and payment by the general contractor and by all subcontractors performing any work on the Project. If, at any time during the construction of the Project, the surety on such bond shall be disqualified from doing business within the State, an alternate surety acceptable to the Issuer acting on behalf of the Trustee shall be selected. In the event of any change order resulting in the performance of additional work in connection with the Project, the amounts of such bonds shall be increased by the cost of such additional work or materials or fixtures to be incorporated in the Project.

Section 4.7. Contractor's General Public Liability and Property Damage Insurance. The Issuer shall procure and maintain, or the general contractor entering into a Construction Contract shall be required to procure and maintain standard form comprehensive general public liability and property damage insurance, at his own cost and expense, during the duration of such contractor's Construction Contract, in an amount which is reasonable and customary in the trade and covering all actions of such general contractor and all subcontractors with respect to their work on any part of the Project. Such policies shall include the Issuer and the Trustee as additional named insureds and the Trustee as loss payee, and shall include a provision prohibiting cancellation or termination without forty-five (45) days prior notice by certified mail to the Issuer and the Trustee. A certificate of insurance in form acceptable to the

Issuer acting on behalf of the Trustee shall be provided to the Issuer and the Trustee with respect to the general contractor showing the above coverage. Such insurance shall provide protection from all claims for bodily injury, including death, property damage, and contractual liability.

Section 4.8. Contractor's Workmen's Compensation Insurance. The Issuer shall procure and maintain, or each contractor and subcontractor entering into a Construction Contract shall be required to procure and maintain, at his own cost and expense, worker's compensation insurance during the term of his Construction Contract, covering his employees working thereunder. Such insurance shall contain a provision that such coverage shall not be cancelled without forty-five (45) days prior written notice to the Issuer. A certificate issued evidencing such coverage shall be provided to the Issuer with respect to each contractor and subcontractor entering into a Construction Contract. Each Construction Contract shall also provide that each subcontractor of any contractor or subcontractor who is a party to such Construction Contract shall be required to furnish similar worker's compensation insurance.

Section 4.9. Proceeds of Certain Insurance Policies and Performance Bonds. The Net Proceeds of any performance or payment bond or insurance policy required by Section 4.6 and Section 4.7 of this Indenture, and any Net Proceeds received as a consequence of default under a Construction Contract as provided by Section 4.5 of this Indenture, shall be paid into the Project Fund if received before the Completion Date, or, if received thereafter, shall be deposited to the Bond Fund.

ARTICLE 5
NET REVENUES AND APPLICATION THEREOF

Section 5.1. Net Revenues to be Paid Over to Trustee.

A. On or before three (3) Business Days prior to March 1, 2016, and each September 1 and March 1 thereafter during the time the Bonds are Outstanding the Issuer shall, subject to the limitations set forth in Section 2.10 hereof, pay to Trustee for deposit to the Bond Fund or the Reserve Fund from Net Revenues, and on a parity with any additional obligations permitted under Section 2.11 hereof, such amounts in immediately available funds as may be necessary, after taking account of any amounts then on deposit in the Bond Fund, to pay the interest and principal payments then coming due on the Bonds, or after taking account of any amounts then on deposit in the Reserve Fund, to meet the Reserve Requirement.

B. The Trustee shall provide to the Issuer (i) at least semiannually, statements of money received by the Trustee from the Issuer as Net Revenues; (ii) statements or copies of records of each disbursement to Bondowners by the Trustee of principal or Redemption Price of or interest on the Bonds within two (2) weeks after the last day of the month in which each such payment occurs; and (iii) within two (2) weeks after the end of the Bond Year, a statement of the principal balance of Outstanding Bonds as of the end of such Bond Year.

Section 5.2. Net Revenues to Be Held for All Bondowners; Certain Exceptions. Any Net Revenues held by the Trustee and investments thereof shall, until applied as provided in this Indenture, be held by the Trustee for the benefit of the Owners of all Outstanding Bonds, and on a parity with any additional obligations permitted under Section 2.11 hereof, except that any portion of the Net Revenues representing principal or Redemption Price of, and interest on, any Bonds previously called for redemption in accordance with Article 7 of this Indenture, shall be held for the benefit of the owners of such Bonds only.

ARTICLE 6
SECURITY FOR AND INVESTMENT OF FUNDS

Section 6.1. Deposits and Security Therefor. All money received by the Trustee under this Indenture shall, except as hereinafter provided, be deposited with the Trustee, until or unless invested or deposited as provided in this Section 6.1. All deposits with the Trustee as trust funds (whether original deposits under this Section 6.1 or deposits in time accounts under Section 6.2) shall be held by it as required by applicable law for such trust deposits. The Trustee may deposit such money with any other depository which is authorized to receive them and is subject to supervision by public authorities. All deposits in any other depository shall be deposited with a bank or trust company having a combined capital and surplus of not less than $100,000,000.

Section 6.2. Investment or Deposit of Funds. The Trustee shall, at the written request and direction of the Issuer, invest money held in the Project Fund, Reserve Fund or the Bond Fund established under this Indenture in Permitted Investments which shall mature, as determined by the Issuer, not later than the date when the amounts will foreseeably be needed for purposes of this Indenture. Reserve Fund investments shall also be governed by Section 3.5 hereof. The investments permitted hereunder shall be Permitted Investments.

Any such written direction (investment instruction) shall state that, in the opinion of the Issuer, the investment of money requested hereunder is a Permitted Investment. The Trustee shall be entitled to assume that any investment, which at the time of purchase is a Permitted Investment, remains a Permitted Investment thereafter, absent receipt of written notice or information from the Issuer to the contrary.

The Trustee shall have no liability or responsibility for any loss or for failure to maximize earnings resulting from any investment made in accordance with the provisions of this Section 6.2.

The Trustee may make any and all investments permitted by the provisions of this Section 6.2 through its own investment department or that of its affiliates.

The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the Issuer the right to receive brokerage confirmations of the security transactions as they occur, the Issuer specifically waives receipt of paper confirmations to the extent permitted by law provided the Trustee retains an electronic confirmation. The

Trustee will furnish the Issuer periodic cash transaction statements that include the detail for all investment transactions made by the Trustee hereunder.

If the Issuer shall not give current written directions, or oral directions confirmed in writing, as to investments of monies held in the Project Fund, Reserve Fund or the Bond Fund, the Trustee shall invest any available monies held in the Project Fund, Reserve Fund or the Bond Fund, as to which it does not have current instructions, in Permitted Investments selected by the Issuer in a written direction of the Issuer delivered to the Trustee at the issuance of the Bonds. If the Trustee has been informed that, or has learned that, an Event of Default has occurred and is continuing, the Trustee may invest any available monies held in the Project Fund, Reserve Fund and the Bond Fund in short term (less than one (1) year) Permitted Investments.

The securities purchased with the money in the Project Fund, Reserve Fund or the Bond Fund shall be deemed part of such respective fund and, for the purpose of determining the amount of money in such fund (until transferred from such fund pursuant to this Indenture), the securities therein shall be valued at their cost or market value, whichever is lower. The proceeds of any such investment (including interest or realized discount) shall be deposited to the fund of which such securities are a part.

The Trustee may, and to the extent required for payments from the Project Fund, Reserve Fund or the Bond Fund, or accounts therein shall sell, without prior notice to the Issuer, any such obligation at any time, and the proceeds of such sale, and of all payments at maturity and upon redemption of such investments, shall be held in the appropriate account in such fund in which such obligations were held.

Subject to the requirements of Section 3.4 and Section 3.5.C hereof, the interest and income received upon such investments of the Project Fund, Reserve Fund and the Bond Fund, and any profit or loss resulting from the sale of any investment shall be added or charged to such fund. In the case of all other Net Revenues held in the Bond Fund such interest or income received or paid or excess amounts transferred to the Bond Fund from the Project Fund, shall, subject to Section 3.4 hereof, be held in the Bond Fund with a corresponding credit against the Issuer's obligation to make payments of Net Revenues hereunder.

ARTICLE 7
REDEMPTION OF BONDS

Section 7.1. Bonds Subject to Redemption; Selection of Bonds to be Called for Redemption.

(a) Optional Redemption – 2021A Bonds. 2021A Bonds maturing on or before September 1, 2031, shall not be subject to call for optional redemption prior to their stated dates of maturity. On any date on or after September 1, 2031, at the election of the Issuer, the 2021 Bonds maturing on and after September 1, 2032, shall be subject to optional redemption, in whole or in part, in maturities as selected by the Issuer, upon notice as hereinafter provided, at par, plus accrued interest to the redemption date.

(b) Optional Redemption – 2021B Bonds. 2021B Bonds maturing on or before September 1, 2031, shall not be subject to call for optional redemption prior to their stated dates of maturity. On any date on or after September 1, 2031, at the election of the Issuer, the 2021 Bonds maturing on and after September 1, 2032, shall be subject to optional redemption, in whole or in part, in maturities as selected by the Issuer, upon notice as hereinafter provided, at par, plus accrued interest to the redemption date.

(c) Mandatory Redemption – 2021A Bonds. The 2021A Bonds with the maturity date of September 1, 2046, are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2042	$1,465,000
2043	1,540,000
2044	1,615,000
2045	1,695,000
2046*	1,780,000

*Final maturity

The 2021A Bonds with maturity dates of September 1, 2051 are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2047	$1,870,000
2048	1,965,000
2049	2,060,000
2050	2,165,000
2051*	2,275,000

*Final maturity

(d) Mandatory Redemption – 2021B Bonds. The 2021B Bonds with the maturity date of September 1, 2038, are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2037	$655,000
2038*	680,000

*Final maturity

The 2021B Bonds with maturity dates of September 1, 2040 are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2039	$710,000
2040*	735,000

*Final maturity

The 2021B Bonds with maturity dates of September 1, 2046 are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2042	$805,000
2043	835,000
2044	870,000
2045	905,000
2046*	940,000

*Final maturity

The 2021B Bonds with maturity dates of September 1, 2051 are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2047	$980,000
2048	1,020,000
2049	1,060,000
2050	1,100,000
2051*	1,145,000

*Final maturity

(e) Upon notice from the Issuer, the Trustee may determine the Record Date and shall give at least thirty (30) days and not more than sixty (60) days' notice of redemption, substantially in the form set forth in Section 7.1(f) below, of a proportionate amount of the Outstanding Bonds to the Original Purchaser and to the affected Bondowners at their addresses listed on the Bond Register by first class mail or such other method as may be customary for obligations such as the Bonds. Any notice mailed shall be conclusively presumed to have been duly given whether or not the Bondowner of such Bonds receives the notice. Receipt of such notice shall not be a condition precedent to redemption, and failure so to receive any such notice by any of such Bondowners, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bond. The obligation of the Trustee to give any notice required by this Section 7.1 shall not be conditioned upon the prior payment to the Trustee of moneys sufficient to pay the redemption price of the Bonds or portions thereof to which such notice relates or the interest thereon to the redemption date. Upon receipt of the funds from the Issuer, the Trustee shall immediately apply the proceeds thereof to such redemption of the Bonds. In the event such prepayment is not received by the Trustee, Trustee shall so notify the Bondowners by first class mail.

(f) All official notices of redemption shall be dated and shall state:

1. the redemption date;

2. the redemption price;

3. if less than all Outstanding Bonds are to be redeemed, the identification (and, the respective principal amounts) of the Bonds to be redeemed;

4. that on the redemption date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;

5. the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the operations agency office of the Trustee or any office designated by the Trustee; and

6. that the proposed redemption is conditioned on there being on deposit in the Bond Fund on the redemption date sufficient money to pay the full Redemption Price of the Bonds to be redeemed.

In addition to the foregoing notice, further notice shall contain the information and shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is mailed as prescribed in (f) above.

(a) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least thirty (30) days before the redemption date by certified mail, overnight delivery service or electronic means to the Electronic Municipal Market Access System ("EMMA") of the Municipal Securities Rule Making Board as provided for by the Securities and Exchange Commission and located at www.emma.mrsb.org.

(g) Upon the payment of the Redemption Price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(h) Notice having been given to the extent required above, the Bonds to be redeemed shall become due and payable on said date of redemption at par plus Redemption Price, if applicable, plus any unpaid and accrued interest to said date of redemption and on such date, if monies are held therefor by the Trustee, interest shall cease to accrue on the Bonds to be redeemed. All monies so held by the Trustee shall be held for the account of the Bondowners of the Bonds to be redeemed, and if not so redeemed, shall be paid over as required by Title 14, Chapter 5, Idaho Code, as amended, with investment earnings, if any, thereon.

(i) If less than all the Bonds of like series and maturity are to be redeemed, the particular Bonds or the respective portions thereof to be redeemed shall be selected by DTC pursuant to its rules or procedures or, if the book-entry system is discontinued, by lot in such manner as the Trustee in its discretion may deem fair and appropriate. The portion of any Bond of a denomination of larger than the minimum denomination of $5,000 principal amount may be redeemed in the principal amount of such minimum denomination or a multiple thereof, and for purposes of selection and redemption, any such Bond of a denomination larger than the minimum denomination shall be considered to be that number of separate Bonds of such minimum denomination which is obtained by dividing the principal amount of such Bond by

such minimum denomination. If there shall be selected for redemption less than all of a Bond, the Trustee shall execute, authenticate and deliver, upon the surrender of such Bond without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of like series, maturity and interest rate in any of the authorized denominations.

(j) Upon any purchase or redemption of Bonds of any series and maturity for which Sinking Fund Installments shall have been established pursuant to this Indenture (other than by application of Sinking Fund Installments), an amount equal to the aggregate principal amount of Bonds so purchased or redeemed shall be credited towards a part or all of any one or more of such Sinking Fund Installments for such term Bonds so purchased next becoming due at least thirty (30) days subsequent to the date of purchase. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

(k) Any Bond which is to be redeemed only in part shall be surrendered at a place stated for the surrender of Bonds called for redemption in the notice provided for herein (with due endorsement by, or a written instrument of transfer in form satisfactory to the Trustee duly executed by, the owner thereof or his attorney duly authorized in writing) and the Issuer shall execute and the Trustee shall authenticate and deliver to the Bond Owner of such Bond without service charge, a new Bond or Bonds, of any authorized denomination as requested by such Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered, provided further that, if less than all of an Outstanding Bond of one maturity in a book entry system is to be called for redemption, the Trustee shall give notice to the Depository or the nominee of the Depository that is the Owner of such Bond, and the selection of the beneficial interests in that Bond to be redeemed shall be at the sole discretion of the Depository and its participants.

(l) Prior to the mailing by the Trustee of a notice of redemption of Bonds under Section 6.1 hereof, the Issuer may direct the Trustee in writing to purchase, and upon receipt of any request by Issuer to such effect, the Trustee shall purchase such Bonds, at a price not to exceed the principal amount thereof plus accrued interest thereon, for cancellation in lieu of redemption; provided, however, that the Trustee shall not be obligated to honor an Issuer request that directs the purchase of Bonds for future delivery on or after a date that is within five (5) days prior to the last date, if any, on which notice or redemption with respect to such Bonds is required to be mailed in accordance with the provision of this Indenture. The Issuer is expressly authorized to tender, and to direct the Trustee to purchase for the Issuer, any Bonds for cancellation in lieu of redemption. The Trustee shall not be required to advance any of its own money to make any such purchase or purchases but shall apply any prepayment moneys held in the Bond Fund and available for redemption of Bonds to the purchase of Bonds.

(m) In addition, the Issuer may purchase, from its own funds, Bonds from Bondowners at any time (not in lieu of redemption) at a price and terms negotiated by Issuer and said Bondowner(s).

(n) In the event of such a purchase of Bonds, the amount of such purchase shall be credited against the principal portion of the Bonds or portion thereof represented by such Bond so purchased.

ARTICLE 8
COVENANTS OF THE ISSUER

Section 8.1. Payment of Principal of and Interest on Bonds. The Issuer shall promptly pay or cause to be paid the principal or applicable redemption price of, and the interest on, every Bond issued hereunder according to the terms thereof, but shall be required to make such payment only out of Net Revenues. The Issuer hereby appoints the Trustee to act as Paying Agent in respect of the Bonds and designates the designated corporate trust operations agency office of such agent as the place of payment in respect of the Bonds. The aforesaid appointment and designation shall remain in effect until notice of change is filed with the Trustee.

Section 8.2. Corporate Existence; Compliance with Laws. The Issuer shall maintain its corporate existence; shall use its best efforts to maintain and renew all its rights, powers, privileges and franchises; and shall comply with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any legislative, executive, administrative or judicial body pertaining to the Bonds.

Section 8.3. Further Assurances. The Issuer hereby covenants and represents that this Indenture creates for the benefit of Bondowners a first lien on the Net Revenues on a parity with any additional bonds or other obligations permitted under Section 2.11 hereof; and such first lien on the Net Revenues is superior to the lien of the 2015 Subordinate Obligations on the Subordinate Net Revenues. Except to the extent otherwise provided in this Indenture, the Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondowners may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Indenture.

Section 8.4. Tax Exempt Status of Bonds. The Issuer covenants with the Owners of the Bonds that, notwithstanding any other provision of this Indenture or any other instrument, it will take no action which would adversely affect the tax exempt status of the Bonds under Sections 103 or 148 of the Code pertaining to the exclusion of interest on the Bonds from gross income for federal income tax purposes. The foregoing covenant shall extend throughout the term of the Bonds. The Issuer will execute a Tax Certificate dated the date of issuance and closing of the Bonds with respect to such federal tax matters.

Section 8.5. Financing Statements. Issuer shall cause this Indenture or a financing statement relating thereto under the Uniform Commercial Code of the State of Idaho to be filed,

in such manner and at such places as may be required by law fully to protect the security of the Owners of the Bonds and the right and interest of the Trustee in and to the rights and interests assigned to the Trustee under this Indenture and shall periodically file such Uniform Commercial Code continuation statements as required to maintain and continue the perfection of said security interests. The Issuer shall cooperate with the Trustee in the filing of any required financing statements and consents thereto, providing that the Trustee shall have no responsibility hereunder for the filing of any financing statement or continuation thereof, or for the validity, perfection or priority of such filing.

Section 8.6. Issuer Representations. The Issuer represents as follows:

(a) The Issuer is a duly organized municipal corporation and political subdivision under the laws of the State and has power to enter into this Indenture and by proper action has duly authorized the execution and delivery of this Indenture.

(b) Neither the execution and delivery of this Indenture, the consummation of the transactions contemplated hereby nor the fulfillment or compliance of the terms and conditions of this Indenture conflicts with or results in a breach of any of the terms, conditions or provisions of any restriction or any other agreement, instrument or obligation to which the Issuer is now a party or by which it is bound or constitutes a default under any of the foregoing or results in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the Net Revenues of the Issuer under the terms of any agreement, instrument or obligation.

(c) There is no action, suit or proceeding pending or imminently threatened against the Issuer which challenges or negates the validity of this Indenture and related documents or which threatens the Issuer, the operation or ownership of its property as to constitute a probable significant risk material to the ability of the Issuer to perform its obligations under this Indenture and related documents other than that disclosed in writing to the Original Purchaser.

(d) The Issuer has obtained or will obtain in due course all necessary governmental approvals for the Project, and is and will be in compliance with all planning, zoning, parking, sanitary and building laws, ordinances and regulations applicable to the System.

(e) The Issuer will acquire the Project in accordance with this Indenture and applicable law.

(f) The Issuer has not obtained other financing for the Project.

(g) The Issuer will duly and punctually pay the amounts and satisfy the obligations required under this Indenture, recognizing that time is of the essence.

(h) The Issuer has power to enter into this Indenture and take all actions to satisfy its obligations hereunder.

Section 8.7. Insurance.

(a) The Issuer shall pay for or provide standard fire and casualty insurance on the Project and the System in an amount at least equal to the unpaid principal of the 2021 Bonds, and all parity bonds, which may be with such self-insured retention amounts as are customary and reasonable for other municipalities of the size and nature of the Issuer. Policies evidencing this insurance shall provide for at least thirty (30) days written notice to the Trustee in writing of cancellation thereof and certificates of such policies shall be filed with the Trustee, and the Trustee shall be named as loss payee therein. Any proceeds of such insurance shall be paid to the Trustee. If the Issuer has breached any of its promises herein contained (regardless of whether such breach constitutes an event of default) and the breach has not been cured by the time insurance proceeds are paid to the Trustee, the insurance proceeds shall be used to prepay the Bonds as soon as possible after the Trustee receives the insurance proceeds. If the Issuer has not breached its promises hereunder, or any breach has been cured, then the Issuer may apply the insurance proceeds to the repair and/or replacement of the Project, to extraordinarily redeem the Bonds pursuant to Section 7.1 or to prepayment of Debt Service, in its discretion.

(b) Upon the execution and delivery of this Indenture, the Issuer shall, in accordance with any applicable standards of the State insure against public liability including errors and omissions coverage which may be by means of self-insurance and civil rights coverage, by means of a self-insurance fund, with respect to the activities to be undertaken by and on behalf of the Issuer in connection with the use of the Project and the System. Such coverage shall be in amounts not less than the limits of liability set by the Idaho Tort Claim Act (Title 6, Chapter 9, Idaho Code), as the same may from time to time be amended, for claims to which the defense of sovereign immunity applies and Trustee shall be an additional insured for such coverage. The public liability insurance required by this Section may be by blanket insurance policy or policies. The Issuer may alternatively elect to carry, at its expense, public liability insurance (including insurance against civil rights claims) with respect to the Project and the System in amounts not less than the limits of liability of the Idaho Tort Claims Act. In such event, such policies shall show the Issuer and all officers and employees thereof as a named insured.

(c) If an Event of Default occurs after the Trustee receives insurance proceeds and if not cured, any proceeds of insurance held by the Trustee shall be applied to the payment of amounts due under this Indenture.

Section 8.8. Conditions Precedent Satisfied. The Issuer represents and recites that all acts, conditions and things required by law to exist, happen and be performed precedent to and in connection with the execution and entering into of this Indenture have happened and have been performed in regular and due time, form and manner as required by law, and that it is now duly empowered to execute and enter into this Indenture.

Section 8.9. No Duty to Mitigate Damages. The Trustee shall not be required to do any act or pursue any remedy or exercise any diligence whatsoever to mitigate the damages to the Issuer if an Event of Default shall occur hereunder.

Section 8.10. [Reserved].

Section 8.11. Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Indenture, failure of the Issuer to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default under this Indenture; however, the Trustee as the dissemination agent under the Continuing Disclosure Agreement, may (and, at the request of any participating underwriter or the holders of at least 25% aggregate principal amount of Outstanding Bonds and the provision of indemnity satisfactory to it, shall) or any Bondowner may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer, as the case may be, to comply with its obligations under this Section.

Section 8.12. Maintenance and Operation of Project and System. The Issuer, at its expense, will maintain and operate the facilities constituting the Project and System or cause such facilities to be maintained and operated during their useful life, provided, however that the Issuer will not enter into any contract for the operation or maintenance of the Project or System which will cause the interest on the Bonds to be includable in gross income for federal income tax purposes. Further, the Issuer shall make such improvements and repairs to the System and Project and shall insure the System, including the Project, as may be necessary to insure its economical and efficient operation and its ability to meet demands for service. The Trustee shall have no duty or responsibility to monitor the Issuer's compliance with this Section 8.12.

Section 8.13. Covenant to Appropriate Funds. In order to provide for the security set forth in Section 2.10 above and for the purpose of making the payments of the Debt Service Requirements on the Bonds, the Issuer will, for each fiscal year under this Indenture, include in its next annual budget and appropriate for payment an amount of Net Revenues which will be sufficient to make such Debt Service Requirements on the Bonds when due and payable, together with all other budgeted general fund expenditures.

Notwithstanding that payments on the Bonds are not subject to annual appropriation, the Issuer will cause its Treasurer and Financial Services Manager (or any other officer at any time charged with the responsibility of formulating budget proposals) to include in the budget proposals submitted to the City Council, in any year in which this Indenture shall be in effect, items for all payments required for the ensuing budget year under this Indenture. The Issuer will make available to the Trustee its annual budget promptly after the budget is adopted, together with a certified copy of the ordinance of the City Council adopting such budget and appropriating moneys necessary for the implementation of such budget. The Trustee shall be under no duty to receive or review any such budget or ordinance.

Section 8.14. Issuer's Covenant to Maintain System Rates and Charges.

A. Rates and Charges. Rates and charges for services rendered by the System shall be reasonable and just, taking into account the cost and value of the System, operation and maintenance expenses, possible delinquencies, proper allowances for depreciation, contingencies, and the amounts necessary to meet all Aggregate Debt Service Requirements. There shall be charged against all users, including the State and its subdivisions, as long as the Bonds are Outstanding, rates and charges sufficient to produce said Net Revenues at least equal to 125% of the Aggregate Debt Service Requirements for the applicable Fiscal Year.

B. Levy of Rates and Charges. Prior to the delivery of the Bonds, the Issuer will establish and levy the required rates and charges. No reduction in any initial rate schedule may be made unless:

1. The Issuer has certified to the Trustee its compliance with the provisions of this Indenture for at least one (1) fiscal year immediately preceding such reduction; and,

2. The audits for the full one (1) Fiscal Year immediately preceding such reduction disclose that the estimated said Net Revenues resulting from the proposed rate schedule, will be sufficient to meet the requirements of Section 8.14.A; or

3. A reduction is accomplished in accordance with the Issuer's agreements with airlines serving the Airport, provided that no such reduction will be permitted under this Section 8.14 which will produce Net Revenues less than the minimum required under Section 8.14.A above.

The Trustee shall have no responsibility or duty to monitor the Issuer's compliance with this Section 8.14.

Section 8.15. Use of Net Revenues. It is understood and agreed that the Issuer's Net Revenues are intended to be used only for the Issuer's airport purposes and shall not be transferred to other funds of the Issuer for other purposes unless such transfer is permitted under Issuer's then current accounting policies and the transfer will not cause Issuer to default on its obligation to pay Debt Service Requirements hereunder and such transfer occurs not more often than once at the end of each Fiscal Year.

ARTICLE 9
EVENTS OF DEFAULT AND REMEDIES

Section 9.1. Events of Default Defined. If any of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default":

(a) Default in the due and punctual payment of any interest due on any Bond;

(b) Default in the due and punctual payment of the principal or Redemption Price, if any, of any Bond whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration, acceleration or otherwise;

(c) Default on the part of the Issuer in the performance or observance of any of the covenants, agreements or conditions in this Indenture or in the Bonds contained and the continuance thereof for a period of sixty (60) days after notice of such default has been provided to the Issuer in writing;

(d) Any representation or warranty made by the Issuer hereunder shall be untrue in any material respect as of the date made;

(e) The System becomes insolvent or the Issuer admits in writing on behalf of the System an inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee or receiver for the System or a substantial part of its property; or in the absence of such application, consent, or acquiescence, a trustee or receiver is appointed for the System or a substantial part of its property and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement or moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the System and, if instituted against the System, is not dismissed within ninety (90) days;

(f) If judgment for the payment of money in an amount in excess of fifty percent of the budgeted Net Revenues for the then current fiscal year shall be rendered against the Issuer chargeable against the Net Revenues, and arrangements for the discharge of such judgment shall not be made within one hundred twenty (120) days of the entry thereof, or an appeal shall not be taken therefrom or from the order, decree of process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to set aside or stay the execution of or levy under such judgment, or order, decrees or process or the enforcement thereof;

(g) If there is a final determination by the Internal Revenue Service (not subject to further review or approval), or an opinion of Counsel, that interest on the Bonds is not excluded from gross income for federal income tax purposes.

Section 9.2. Remedies. If any Event of Default occurs and is continuing, of which Event of Default a corporate trust officer of the Trustee has received written notice thereof at the address provided in Section 15.5 hereof from either the Issuer or the Owner of at least ten (10) percent of the aggregate Outstanding principal amount of the Bonds, other than the Events of Default described in Section 9.1(a) and (b) hereof, of which Events of Default the Trustee is deemed to have actual notice, the Trustee, acting for all of the Bondowners shall be entitled to all of the rights and remedies set forth in the Act, and to all of the rights and remedies otherwise permitted by law and this Article 9 of the Indenture. In the absence of such actual notice, the Trustee may conclusively presume that no Event of Default has occurred.

Section 9.3. Proceedings by Trustee. Upon the occurrence of any Event of Default of which the Trustee has actual notice as specified herein, the Trustee may, and shall, upon written request of the Bondowners of Bonds representing not less than fifty-one percent (51%) of the principal amount of unpaid Outstanding Bonds, exercise any or all of the following remedies:

A. Declare the unpaid principal then due, and any accrued interest, immediately due and payable from Net Revenues

B. Pursue and exercise any other remedy available at law or in equity to enforce its rights under this Indenture, upon receipt of indemnity against anticipated expenses and liability to its satisfaction (which indemnity is a condition precedent to its duties under this Section 9.3.B).

The foregoing remedies are cumulative and the exercise of any of them shall not preclude the exercise of one or more of the others.

Section 9.4. Discontinuance of Proceedings by Trustee. If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, then the Issuer, the Trustee and the Bondowners shall be restored to their former positions and rights hereunder as though no such proceeding had been taken, but subject to the limitations of any such adverse determination.

Section 9.5. Bondowners May Direct Proceedings. Subject to the Trustee's right to the receipt of indemnity against anticipated expenses and liability to its satisfaction (which indemnity is a condition precedent to its duties under this Section 9.5), the Owners of fifty-one percent (51%) in principal amount of the Bonds Outstanding hereunder shall have the right to direct any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, provided that such direction shall not be in conflict with any rule of law or with this Indenture or be unduly prejudicial to Owners not joining therein, and the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Section 9.6. Limitations on Actions by Bondowners. No Bondowners shall have any right to pursue any remedy hereunder unless:

A. The Trustee shall have been given written notice of an Event of Default;

B. The Owners of at least fifty-one percent (51%) in principal amount of the Bonds then Outstanding respecting which there has been an Event of Default shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names;

C. The Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities; and

D. The Trustee shall have failed to comply with such request within a reasonable time.

Section 9.7. Trustee May Enforce Rights Without Possession of Bonds. All rights under the Indenture and the Bonds may be enforced by the Trustee without the possession of any

Bonds or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Owners of the Bonds.

Section 9.8. Delays and Omissions Not to Impair Rights. No delay or omission in respect of exercising any right or power accruing upon any Event of Default shall impair such right or power or be a waiver of such Event of Default and every remedy given by this Article may be exercised from time to time and as often as may be deemed expedient.

Section 9.9. Application of Money in Event of Default. Any money received by the Trustee under this Article 9 shall be applied:

First: To the payment of all amounts due the Trustee under Section 10.4 hereof;

Second: To the payment of interest then owing on the Bonds and the 2012 Parity Obligations; and

Third: To the payment of principal or redemption price on the Bonds.

The surplus, if any, shall be paid to the Issuer or the person lawfully entitled to receive the same as a court of competent jurisdiction may direct.

ARTICLE 10
THE TRUSTEE

Section 10.1. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article 10, to all of which the Issuer, and the Bondowners agree.

Section 10.2. No Responsibility for Recitals, Etc. The recitals, statements and representations in the Indenture or in the Bonds, save only the Trustee's certificate of authentication upon the Bonds, have been made by the Issuer and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof (excluding said certificate of authentication), and shall have no liability or responsibility to any person for the due execution, legality, validity, enforceability, genuineness, effectiveness or sufficiency of this Indenture or the Bonds. The permissive rights of the Trustee shall not be construed as duties. The Trustee shall have responsibility for the use of Bond proceeds disbursed by it in accordance with the terms of this Indenture.

The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

The Trustee, or any of its affiliates, in any capacity, may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondowner may be entitled to take with like effect as if it were not Trustee. The Trustee, or any of its affiliates, in any capacity, may also engage in or be interested in any financial or other transaction with the Issuer and may act as depository, trustee or agent for any committee of Bondowners secured hereby or other obligations of the Issuer as freely as if it were not Trustee.

No provision of this Trust Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Notwithstanding anything to the contrary contained herein, the Trustee shall have no duty, and nothing herein shall be read to confer or imply that the Trustee has standing, to assert any claims under the federal securities laws on behalf of any Owners, or Beneficial Owners, or any class thereof. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the existence, furnishing or use of the System or the Airport, even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Trustee shall have no duty to ascertain or inquire as to the performance or observance by the Issuer of any of the terms, conditions or covenants of any other agreement to which the Issuer is a party.

The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and the final payment or the defeasance of the Bonds (or the discharge of the Bonds or the defeasance of the lien of this Indenture).

Section 10.3. Trustee May Act Through Agents; Answerable Only for Negligence or Willful Misconduct. The Trustee may exercise any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of Counsel concerning all questions hereunder and shall not be liable for any action taken or not taken by it in good faith in accordance with the advice of such Counsel (other than officers or employees of the Trustee). The Trustee shall not be liable for following any instruction that it is directed to follow hereunder or upon which it is entitled to rely hereunder, or for the exercise of any discretion or power under this Indenture nor for anything whatever in connection with the trust hereunder, except only its own negligence or willful misconduct or that of its agents, officers or employees.

Section 10.4. Compensation and Indemnity.

(a) To the extent permitted by law and without waiving any of the available protections thereunder, the Issuer shall indemnify, defend and hold harmless the Trustee, its directors, employees, agents and affiliates (the "Indemnitees") from all loss, liability, claims, proceedings, suits, demands, penalties, costs and expenses, including without limitation the costs

and expenses of outside and in house counsel and experts and their staffs and all expenses of document location, duplication and shipment and of preparation to defend any of the foregoing ("Losses"), that may be imposed on, incurred by or asserted against any Indemnitee in respect of (a) the Indenture or any document related thereto, (b) the Trustee's execution, delivery and performance of the Indenture, except in respect of any Indemnitee to the extent such Indemnitee's negligence or bad faith primarily caused the Loss, and (c) any instruction or other direction upon which the Trustee may rely under the Indenture. The Indemnitees shall have a right of payment prior to the Owners from property held or collected by the Trustee hereunder for the payment of all amounts due them in respect of the foregoing indemnity and any other fees or expenses at any time owing any Indemnitee. The provisions of this Section shall survive the resignation or removal of the Trustee for any reason and the termination of this Indenture.

(b) The Issuer shall pay the Trustee its agreed to fees for acting as Trustee under the Indenture and will reimburse the Trustee for its ordinary, necessary and reasonable expenses incurred in carrying out the terms of the Indenture. Such fees and reimbursements of expenses shall be paid directly to the Trustee promptly upon receipt of periodic invoices therefor.

In the event the Trustee is required by the terms of the Indenture or otherwise deems it necessary or advisable in fulfillment of its fiduciary responsibilities thereunder to take actions beyond those which are routinely performed by corporate trustees under similar indentures, the Issuer also shall pay the Trustee its reasonable fees for its services in such regard and will reimburse the Trustee for ordinary and necessary expenses incurred by the Trustee in connection therewith. Such fees and reimbursements of expenses shall be paid directly to the Trustee promptly upon receipt of any such charges and during the pendency of any dispute the Issuer shall not be deemed in default of the foregoing covenant by reason of its failure to have paid the portion of such charges so disputed.

Section 10.5. Notice of Default; Right to Investigate. The Trustee shall, within thirty (30) days after the Trustee's receipt of actual notice thereof, give written notice by first-class mail to Registered Owners of Bonds of all defaults known to the Trustee and send a copy of such notice to the Issuer unless such defaults have been remedied (the term "defaults" for purposes of Section 9.5 and Section 9.6 hereof being defined to include the events specified in Section 8.1 hereof, not including any notice or periods of grace provided for therein); provided that, except in the case of a default under Clauses (a) or (b) of Section 9.1, the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondowners. The Trustee shall not be deemed to have notice of any default under Clauses (c) through (g) of Section 9.1 hereof unless it has actual knowledge thereof as described in Section 9.2 hereof or has been notified in writing of such default by the Owners of at least fifty-one percent (51%) in principal amount of the Bonds then Outstanding. The Trustee may, however, at any time require of the Issuer full information as to the performance of any covenant hereunder; and, if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made an investigation into the affairs of the Issuer related to this Indenture.

Section 10.6. Duties and Responsibilities. Except during the continuance of an Event of Default of which the Trustee has actual notice as provided herein, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee and in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates and opinions furnished to the Trustee and conforming to the requirements of this Indenture. If any such Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and remedies vested in it by this Indenture and shall use the same degree of care in their exercise as a prudent person would exercise or use in the circumstances in the conduct of his or her own affairs; provided, that if in the opinion of the Trustee such action may tend to involve expense or liability, it shall not be obligated to take such action unless it is furnished with indemnity satisfactory to it.

Section 10.7. Reliance on Documents, Etc. The Trustee may rely upon any consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of the Indenture; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement. The Trustee shall have the right to consult with counsel and to rely on legal opinions delivered to it.

Section 10.8. Construction of Ambiguous Provisions. The Trustee may construe or may at the expense of the Issuer, upon the prior consent of the Issuer which shall not be unreasonably withheld, request an opinion of Counsel acceptable to Issuer and Trustee as to any ambiguous or inconsistent provisions of this Indenture, and any such construction by the Trustee shall be binding upon the Bondowners. Notwithstanding anything to the contrary contained herein, in any instance where the Trustee determines that it lacks or is uncertain as to its authority to take or refrain from taking certain action, or as to the requirements of this Indenture under any circumstance before it, it may delay or refrain from taking action unless and until it has received instructions from the Issuer or advice from legal counsel (or other appropriate advisor), satisfactory to it in its sole discretion, as the case may be.

Section 10.9. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Indenture by written resignation filed with the Clerk of the Issuer not less than sixty (60) days before the date when it is to take effect. Such resignation shall take effect only upon the appointment of a successor trustee.

If no successor trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid and the Issuer or Bondowners do not appoint a successor under Section 10.11 hereof, the incumbent Trustee, at the Issuer's expense, or any Bondowner (on behalf of himself and all other Bondowners) may petition any court of competent jurisdiction for the appointment of a successor

trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor trustee.

Section 10.10. Removal of Trustee. The Trustee may be removed (i) at any time, following at least thirty (30) days written notice, by an instrument or concurrent instruments in writing, filed with the Trustee and the Issuer, and signed by the Bondowners representing a majority in aggregate principal amount of the Bonds then Outstanding or their attorneys in fact duly authorized, excluding any Bonds held by or for the account of the Issuer, or (ii) by the Issuer at any time, following at least thirty (30) days written notice, except during the continuance of an Event of Default for such cause as shall be determined in the sole discretion of the Issuer, by filing with the Trustee notice of removal in the form of a certificate of the Issuer. In no event, however, shall such removal take effect until a successor trustee has been appointed pursuant to Section 10.11 of this Indenture.

Section 10.11. Appointment of Successor Trustee. If the Trustee or any successor trustee resigns or is removed (other than pursuant to Section 10.10 hereof) or is dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the Issuer shall appoint a successor. If the Issuer fails to make such appointment within thirty (30) days after the date notice of resignation is filed, the owners of a majority in principal amount of the Bonds then Outstanding may do so.

Section 10.12. Qualification of Successor. A successor trustee shall be a national or state-chartered bank with trust powers or a bank and trust company or a trust company, in each case having capital and surplus of at least $50,000,000, if there be one able and willing to accept the trust on reasonable and customary terms.

Section 10.13. Instruments of Succession. Any successor trustee shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder; and thereupon such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named as Trustee herein. The Trustee ceasing to act hereunder shall pay over to the successor trustee all money held by it hereunder; and, upon request of the successor trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument transferring to the successor trustee all the estates, properties, rights, powers and trusts hereunder of the trustee ceasing to act.

Section 10.14. Merger of Trustee. Any company or association into which any Trustee hereunder may be merged or converted or with which it may be consolidated, or any company or association resulting from any merger, conversion or consolidation to which any Trustee hereunder shall be a party, or any company or association to which the Trustee may sell or transfer all of, or substantially all of its municipal corporate trust business, provided in each case such company shall be eligible under Section 10.12 hereof, shall be the successor trustee under this Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 10.15. Certification of Compliance with Anti-Boycott Against Israel Act. The Trustee hereby certifies, pursuant to Section 67-2346, Idaho Code, that the Trustee, including any wholly owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of the Trustee, is not currently engaged in, and will not for the duration of this Indenture, engage in, a boycott of goods or services from Israel or territories under its control.

ARTICLE 11
ACTS OF BONDOWNERS; EVIDENCE OF OWNERSHIP OF BONDS

Section 11.1. Actions of Bondowners; Evidence of Ownership. Any action to be taken by Bondowners may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Bondowners in person or by an agent appointed in writing. The fact and date of the execution by any person of any such instruments may be proved by acknowledgement before a notary public or other officer empowered to take acknowledgements or by an affidavit of a witness to such execution. Any action by the Owner of any Bond shall bind all future owners of the same Bond in respect of anything done or suffered by the Issuer or the Trustee in pursuance thereof.

ARTICLE 12
AMENDMENTS AND SUPPLEMENTS

Section 12.1. Amendments and Supplements Without Bondowner's Consent. This Indenture may be amended or supplemented at any time and from time to time, without the consent of Bondowners, by a supplemental indenture authorized by a Certified Resolution filed with the Trustee, for one or more of the following purposes:

A. To add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer; and

B. To cure any ambiguity or to cure, correct or supplement any defective provision of this Indenture in such manner as shall not be inconsistent with this Indenture and shall not impair the security hereof or adversely affect the Bondowners.

A copy of any such amendment shall be sent by the Issuer to each Rating Agency.

Section 12.2. Amendments with Bondowners' Consent. This Indenture may be amended from time to time, except with respect to (1) the principal or interest payable upon any Bond, (2) the dates of maturity or redemption provisions of any Bonds, and (3) this Article 12, by a supplemental indenture approved by the Owners of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding.

A copy of any such amendment shall be sent by the Issuer to each Rating Agency.

ARTICLE 13
DEFEASANCE

Section 13.1. Defeasance. When the principal or Redemption Price (as the case may be) of, and interest on, all Bonds issued hereunder have been paid together with all fees and expenses of the Issuer and the Trustee, as provided in the Act and in this Section 13.1, or provision has been made for payment of the same, together with all other sums payable hereunder by the Issuer, as provided in the Act and in this Section 13.1, then the Trustee's lien on the Net Revenues hereunder shall thereupon cease and the Trustee, on demand of the Issuer, shall release this Indenture in respect thereto and shall, at the Issuer's expense, execute such documents to evidence such release as may be reasonably required by the Issuer and shall turn over to the Issuer or its assigns all balances then held by it hereunder not required for the payment of the Bonds and such other sums. If the principal or Redemption Price (as the case may be) of, and interest on, any of the Bonds issued hereunder has been paid, or provision has been made for the payment of the same in the manner stipulated therein and in this Indenture, then such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Issuer with respect to payment of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Investments deposited to a fund for purposes of defeasance and payment of the Bonds shall be Defeasance Securities.

It shall be a condition of any such defeasance of Bonds through the deposit of monies or Defeasance Securities by the Issuer in a special fund or through the issuance of refunding bonds, that the Issuer has obtained and delivered to the Trustee: (i) an opinion of bond counsel that such Bonds have been legally defeased under this Indenture and that such refunding or defeasance shall not affect the exclusion of interest on the Bonds from gross income for the purpose of federal income taxes; and (ii) a verification report of independent certified public accountants.

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ARTICLE 14
FORM OF BONDS

Section 14.1. Form of 2021A Bonds. The 2021A Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF IDAHO

Registered No: RA-___ $________________

CITY OF BOISE CITY, IDAHO
AIRPORT REVENUE AND REVENUE REFUNDING BONDS, SERIES 2021A (NON-AMT)
(PUBLIC PARKING FACILITIES PROJECT)

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
________________	________________	August 17, 2021	________________

REGISTERED OWNER: ** CEDE & CO. **

PRINCIPAL AMOUNT: ______________________________ AND NO/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: The City of Boise City, Idaho (the "City"), for value received, promises to pay from its Net Revenues as defined in the Indenture (hereinafter defined) deposited to the "Bond Fund" as defined in the Trust Indenture (the "Indenture") dated as of August 1, 2021, between the City and Zions Bancorporation, National Association, as Trustee ("Trustee") and approved by Ordinance No. 36-21, adopted by the City on July 13, 2021 (the "Ordinance"), to the registered owner, or registered assigns specified above, on the maturity date specified above, the principal sum indicated above, and to pay interest thereon from the aforesaid Bond Fund from the dated date specified above, or the most recent date to which interest has been paid or duly provided for, at the rate specified above, payable on March 1, 2022, and semiannually thereafter on September 1 and March 1 of each year until the date of maturity or prior redemption of this Bond.

Principal, interest and any redemption premium with respect to this Bond are payable in lawful money of the United States of America to the registered owner hereof whose name and address appear on the registration books of the Trustee (the "Bond Register") maintained by the Trustee. Interest shall be paid by the Trustee to the registered owner at the address shown on the Bond Register on the fifteenth (15th) day of the month prior to the interest payment date, or at such other address as may be furnished in writing by such registered owner to the Trustee. Principal shall be paid to the registered owner upon presentation and surrender of this Bond on or after the date of maturity or prior redemption at the designated corporate trust operations agency office of the Trustee.

This Bond is one of a duly authorized issue of Bonds of like date, tenor, and effect, except for variations required to state numbers, denomination, rates of interest, and dates of maturity, aggregating $36,450,000 in principal amount, and is issued pursuant to and in full compliance with the Constitution and statutes of the State of Idaho, particularly, Article VIII, Section 3E of the Constitution; the Revenue Bond Act, Sections 50-1027 through 50-1042, inclusive, Idaho Code; Sections 57-501 through 57-504, inclusive, Idaho Code; and Section 21-401, Idaho Code, and proceedings duly adopted and authorized by the City, and more particularly the Ordinance and Indenture. This Bond and the Bonds of this issue are issued for the purpose of financing the costs of construction of certain parking facilities at the Boise Air Terminal/Gowen Field and defease and currently refunding the City's outstanding Airport Revenue Bonds, Series 2012 (Parking Facilities Project) maturing on or after September 1, 2021, as more fully described in the Indenture, required funding of the Reserve Fund, and payment of the costs of issuance of the Bonds.

The Bonds are initially issued in the form of a separate single certificated fully registered Bond for each maturity, and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC").

Unless this Bond is presented by an authorized representative of DTC to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, since the registered owner hereof, Cede & Co., has an interest herein.

This Bond may be exchanged, transferred or replaced only as provided in the Indenture. The ownership of this Bond must be registered upon the books of the Trustee as provided in the Indenture. The Trustee may treat the registered owner hereof as the absolute Owner hereof for all purposes, and the Trustee shall not be affected by any notice to the contrary.

The Bonds maturing on or before September 1, 2031, shall not be subject to call for optional redemption prior to their stated dates of maturity. On any date on or after September 1, 2031, at the election of the Issuer, the 2021 Bonds maturing on and after September 1, 2032, shall be subject to optional redemption, in whole or in part, in maturities as selected by the Issuer, upon notice as hereinafter provided, at par, plus accrued interest to the redemption date.

The Bonds with the maturity date of September 1, 2046, are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2042	$1,465,000
2043	1,540,000
2044	1,615,000
2045	1,695,000
2046*	1,780,000

*Final maturity

The Bonds with maturity dates of September 1, 2051 are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2047	$1,870,000
2048	1,965,000
2049	2,060,000
2050	2,165,000
2051*	2,275,000

*Final maturity

This Bond creates a first lien and charge upon the Net Revenues of the City on parity with the City's Airport Revenue Bonds, Series 2021B (AMT) (Employee Parking Facilities Project) and on any additional bonds or other obligations permitted under the Indenture. This Bond is a limited obligation of the City and is payable as to principal and interest solely from Net Revenues deposited to the Bond Fund and from the earnings thereon, and the Project Fund and Reserve Fund under conditions described in the Indenture. For a more particular description of said Bond Fund, Reserve Fund, Project Fund, the monies to be deposited therein, and the nature and extent of the security afforded thereby, reference is made to the provisions of the Indenture pursuant to which this Bond is issued and such funds will be maintained.

Reference is hereby made to the Indenture for the covenants and declarations of the City and other terms and conditions under which this and the Bonds of this issue have been issued. Any capitalized terms used in this Bond and not defined shall have the meaning as defined in the Indenture.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

THIS BOND IS A LIMITED OBLIGATION OF THE CITY, PAYABLE SOLELY FROM THE NET REVENUES AS DEFINED IN THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, STATE OF IDAHO, NOR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED FOR PAYMENT OF THIS BOND.

IT IS HEREBY CERTIFIED, RECITED, and DECLARED that all conditions, acts, and things essential to the validity of this Bond do exist, have happened, and have been done, and that every requirement of law affecting the issue hereof has been duly complied with; that the Net Revenues have been and are hereby pledged on a parity with any additional bonds or obligations permitted under the Indenture and will be paid over to the Trustee for deposit into the Bond Fund in amounts sufficient for the payment of principal of and interest on this Bond. Only the Net Revenues are pledged and none of the City's general fund revenues are pledged to the payment of the Bonds.

IT IS HEREBY FURTHER CERTIFIED AND DECLARED that all acts, conditions, and things required by the Constitution and statutes of the State of Idaho to exist, to have happened, been done, and performed precedent to and in the issuance of this Bond have happened, been done, and performed, and that the issuance of this Bond and the Bonds of this issue does not violate any Constitutional, statutory, or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Boise City, Idaho, has caused this Bond to be executed by the facsimile signature of its Mayor, countersigned by the facsimile signature of its Treasurer, and attested by the facsimile signature of its City Clerk, and a facsimile of the seal of the City to be reproduced hereon, this ____ day of August, 2021.

CITY OF BOISE CITY, IDAHO

By: ______________________________
Mayor

COUNTERSIGNED:

By: ______________________________
Treasurer

ATTEST:

By: ______________________________
City Clerk

SEAL

CERTIFICATE OF AUTHENTICATION

This Bond is one of City of Boise City, Idaho, Airport Revenue and Revenue Refunding Bonds, Series 2021A (Non-AMT) (Public Parking Facilities Project), described in the within mentioned Indenture.

Date of Authentication: _______________, 2021

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, AS TRUSTEE

By: ______________________________
Authorized Signatory, Zions Bank Division

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Name of Transferee: ____

Address: ____

____

Tax Identification No.: _____________________________

the within Bond and hereby irrevocably constitutes and appoints

____

of ____

to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: ________________________

____
Registered Bondowner

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

____

NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" that is a member of or a participant in a signature guarantee program (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

[End of 2021A Bond Form]

Section 14.2. Form of 2021B Bonds. The 2021B Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF IDAHO

Registered No.: RB-____ $________________

CITY OF BOISE CITY, IDAHO
AIRPORT REVENUE BONDS, SERIES 2021B (AMT)
(EMPLOYEE PARKING FACILITIES PROJECT)

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
__________	__________	August _17, 2021	__________

REGISTERED OWNER: ** CEDE & CO. **

PRINCIPAL AMOUNT: ____________________________ AND NO/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: The City of Boise City, Idaho (the "City"), for value received, promises to pay from its Net Revenues as defined in the Indenture (hereinafter defined) deposited to the "Bond Fund" as defined in the Trust Indenture (the "Indenture") dated as of August 1, 2021, between the City and Zions Bancorporation, National Association, as Trustee ("Trustee") and approved by Ordinance No. 36-21, adopted by the City on July 13, 2021 (the "Ordinance"), to the registered owner, or registered assigns specified above, on the maturity date specified above, the principal sum indicated above, and to pay interest thereon from the aforesaid Bond Fund from the dated date specified above, or the most recent date to which interest has been paid or duly provided for, at the rate specified above, payable on March 1, 2022, and semiannually thereafter on September 1 and March 1 of each year until the date of maturity or prior redemption of this Bond.

Principal, interest and any redemption premium with respect to this Bond are payable in lawful money of the United States of America to the registered owner hereof whose name and address appear on the registration books of the Trustee (the "Bond Register") maintained by the Trustee. Interest shall be paid by the Trustee to the registered owner at the address shown on the Bond Register on the fifteenth (15th) day of the month prior to the interest payment date, or at such other address as may be furnished in writing by such registered owner to the Trustee. Principal shall be paid to the registered owner upon presentation and surrender of this Bond on or after the date of maturity or prior redemption at the designated corporate trust operations agency office of the Trustee.

This Bond is one of a duly authorized issue of Bonds of like date, tenor, and effect, except for variations required to state numbers, denomination, rates of interest, and dates of maturity, aggregating $19,750,000 in principal amount, and is issued pursuant to and in full

compliance with the Constitution and statutes of the State of Idaho, particularly, Article VIII, Section 3E of the Constitution; the Revenue Bond Act, Sections 50-1027 through 50-1042, inclusive, Idaho Code; Sections 57-501 through 57-504, inclusive, Idaho Code; and Section 21-401, Idaho Code, and proceedings duly adopted and authorized by the City, and more particularly the Ordinance and Indenture. This Bond and the Bonds of this issue are issued for the purpose of financing the costs of construction of certain parking facilities at the Boise Air Terminal/Gowen Field and defease and currently refunding the City's outstanding Airport Revenue Bonds, Series 2012 (Parking Facilities Project) maturing on or after September 1, 2021, as more fully described in the Indenture, required funding of the Reserve Fund, and payment of the costs of issuance of the Bonds.

The Bonds are initially issued in the form of a separate single certificated fully registered Bond for each maturity, and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC").

Unless this Bond is presented by an authorized representative of DTC to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, since the registered owner hereof, Cede & Co., has an interest herein.

This Bond may be exchanged, transferred or replaced only as provided in the Indenture. The ownership of this Bond must be registered upon the books of the Trustee as provided in the Indenture. The Trustee may treat the registered owner hereof as the absolute Owner hereof for all purposes, and the Trustee shall not be affected by any notice to the contrary.

The Bonds maturing on or before September 1, 2031, shall not be subject to call for optional redemption prior to their stated dates of maturity. On any date on or after September 1, 2031, at the election of the Issuer, the 2021 Bonds maturing on and after September 1, 2032, shall be subject to optional redemption, in whole or in part, in maturities as selected by the Issuer, upon notice as hereinafter provided, at par, plus accrued interest to the redemption date.

The Bonds with the maturity date of September 1, 2038, are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2037	$655,000
2038*	680,000

*Final maturity

The Bonds with maturity dates of September 1, 2040 are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2039	$710,000
2040*	735,000

*Final maturity

The Bonds with maturity dates of September 1, 2046 are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2042	$805,000
2043	835,000
2044	870,000
2045	905,000
2046*	940,000

*Final maturity

The Bonds with maturity dates of September 1, 2051 are subject to mandatory sinking fund redemption prior to maturity and in part by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date from the following principal amounts, constituting Sinking Fund Installments due in the following years:

Redemption Date September 1	Principal Amount
2047	$980,000
2048	1,020,000
2049	1,060,000
2050	1,100,000
2051*	1,145,000

*Final maturity

This Bond creates a first lien and charge upon the Net Revenues of the City on parity with the City's Airport Revenue and Revenue Refunding Bonds, Series 2021A (Non-AMT)

(Public Parking Facilities Project) and on any additional bonds or other obligations permitted under the Indenture. This Bond is a limited obligation of the City and is payable as to principal and interest solely from Net Revenues deposited to the Bond Fund and from the earnings thereon, and the Project Fund and Reserve Fund under conditions described in the Indenture. For a more particular description of said Bond Fund, Reserve Fund, Project Fund, the monies to be deposited therein, and the nature and extent of the security afforded thereby, reference is made to the provisions of the Indenture pursuant to which this Bond is issued and such funds will be maintained.

Reference is hereby made to the Indenture for the covenants and declarations of the City and other terms and conditions under which this and the Bonds of this issue have been issued. Any capitalized terms used in this Bond and not defined shall have the meaning as defined in the Indenture.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

THIS BOND IS A LIMITED OBLIGATION OF THE CITY, PAYABLE SOLELY FROM THE NET REVENUES AS DEFINED IN THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, STATE OF IDAHO, NOR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED FOR PAYMENT OF THIS BOND.

IT IS HEREBY CERTIFIED, RECITED, and DECLARED that all conditions, acts, and things essential to the validity of this Bond do exist, have happened, and have been done, and that every requirement of law affecting the issue hereof has been duly complied with; that the Net Revenues have been and are hereby pledged on a parity with any additional bonds or obligations permitted under the Indenture and will be paid over to the Trustee for deposit into the Bond Fund in amounts sufficient for the payment of principal of and interest on this Bond. Only the Net Revenues are pledged and none of the City's general fund revenues are pledged to the payment of the Bonds.

IT IS HEREBY FURTHER CERTIFIED AND DECLARED that all acts, conditions, and things required by the Constitution and statutes of the State of Idaho to exist, to have happened, been done, and performed precedent to and in the issuance of this Bond have happened, been done, and performed, and that the issuance of this Bond and the Bonds of this issue does not violate any Constitutional, statutory, or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Boise City, Idaho, has caused this Bond to be executed by the facsimile signature of its Mayor, countersigned by the facsimile signature of its Treasurer, and attested by the facsimile signature of its City Clerk, and a facsimile of the seal of the City to be reproduced hereon, this ____ day of August, 2021.

CITY OF BOISE CITY, IDAHO

By: ______________________________
Mayor

COUNTERSIGNED:

By: ______________________________
Treasurer

ATTEST:

By: ______________________________ SEAL
City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of City of Boise City, Idaho, Airport Revenue Bonds, Series 2021B (AMT) (Employee Parking Facilities Project), described in the within mentioned Indenture.

Date of Authentication: _______________, 2021

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, AS TRUSTEE

By: ______________________________
Authorized Signatory, Zions Bank Division

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Name of Transferee: ____

Address: ____

____

Tax Identification No.: ____________________________

the within Bond and hereby irrevocably constitutes and appoints

____

of ____

to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: __________________

____
Registered Bondowner

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

____

NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" that is a member of or a participant in a signature guarantee program (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

[End of 2021B Bond Form]

ARTICLE 15
MISCELLANEOUS PROVISIONS

Section 15.1. No Personal Recourse. No recourse shall be had for any claim based on the Indenture or the Bonds, including but not limited to the payment of the principal or Redemption Price of, or interest on, the Bonds, against any officer, agent or employee, past, present or future, of the Issuer or of any successor body, as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or by any legal or equitable proceeding or otherwise.

Section 15.2. Deposit of Funds for Payment of Bonds. If the Issuer deposits with the Trustee funds sufficient to pay the principal or Redemption Price of any Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, all interest on such Bonds shall cease to accrue on the due date, subject to the provisions of Section 13.1 hereof and all liability of the Issuer with respect to such Bonds appertaining thereto shall likewise cease, except as hereinafter provided. Thereafter the Owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds and the Trustee shall hold such funds in trust for such Owners.

Money so deposited with the Trustee which remains unclaimed at the time of final payment of the Bonds shall be paid to the Issuer subject to then applicable state law and upon receipt by the Trustee of indemnity satisfactory to it; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer to the extent that the Issuer benefited from said funds.

In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, if funds sufficient to pay the principal and interest accrued thereon to such date shall have been made available to the Trustee for the benefit of the Owner thereof, the Trustee shall hold such principal and interest accrued thereon to such date, without liability to the Owner or Issuer for further interest thereon, for the benefit of the Owner of such Bond, for a period of one year from the date such Bond shall have become due, either at maturity or upon earlier redemption or otherwise, and thereafter the Trustee shall remit such funds to the Issuer; provided that the Trustee shall remit such funds on or after July 1 of any such year. Unless a demand is received by the Trustee not later than ninety (90) days (or such shorter period as shall be acceptable to the Trustee, in its sole discretion) prior to the date that the Trustee intends to take any action pursuant to this sentence, for the return to the Issuer of any unclaimed funds held by the Trustee hereunder, to which the Issuer is entitled to hereunder, the Trustee shall from time to time use reasonable efforts to deliver unclaimed funds pursuant to any applicable escheat laws, regulations, rules and procedures of any relevant escheat authority, including without limitation in accordance with Title 14, Chapter 5, Idaho Code, as amended, (the identity of which shall be determined by the Trustee in its sole discretion) to such authority or any representative or agent acting on behalf of

any such authority and in accordance with the Trustee's and/or such representative's or agent's customary practices or procedures, after making such efforts to find any persons entitled to such funds as may be required by applicable law or as the Trustee, in its sole discretion, may decide to undertake. After any payment to the Issuer or any relevant escheat authority, as applicable, the Trustee's liability for payment to the Registered Owner of such Bond shall forthwith cease, terminate and be completely discharged and thereafter the Registered Owner shall be restricted exclusively to his or her rights of recovery provided under applicable law.

Section 15.3. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any person other than the parties hereto, the Owners of the Bonds.

Section 15.4. Illegal, Etc. Provisions Disregarded. In case any provision in this Indenture or the Bonds shall for any reason be held invalid, illegal or unenforceable in any respect, this Indenture shall be construed as if such provision had never been contained herein.

Section 15.5. Notices to Trustee, Issuer and Rating Agency. Any notice to or demand upon the Issuer, Rating Agency or the Trustee shall be deemed to have been sufficiently given or served for all purposes by having been sent by certified mail, by a recognized overnight delivery service, by telegram or by telephone or telefax confirmed in writing, and addressed to the parties, respectively, at the following addresses:

If to Trustee:	Zions Bancorporation, National Association Corporate Trust 800 W. Main Street, Ste 700 Boise, ID 83702 Attn: Twyla D. Lehto, Senior Vice President
If to Issuer:	City of Boise City 150 N. Capitol Blvd. Boise, ID 83702 Attn: City Treasurer
If to Rating Agency:	Moody's Investors Service 99 Church Street New York, NY 10007
	Fitch Ratings, Inc 33 Whitehall Street New York, NY 10004

In addition the Rating Agency shall receive notice from the Trustee in the following cases: (1) any change of the Trustee, (2) any changes proposed to this Indenture, (3) any redemption or defeasance of the Bonds under this Indenture and (4) any acceleration of the Bonds under this Indenture.

Section 15.6. Successors and Assigns. All the covenants, promises and agreements in this Indenture contained by or on behalf of the Issuer, or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 15.7. Headings for Convenience Only. The descriptive headings in this Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 15.8. Counterparts. This Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; and such counterparts shall together constitute but one and the same instrument.

Section 15.9. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall not be a Business Day, then payment of interest or principal or redemption price need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest on such payment shall accrue for the period after such date.

Section 15.10. Applicable Law. This Indenture shall be governed by and construed in accordance with the laws of the State of Idaho.

Section 15.11. Force Majeure. Notwithstanding any other provision of this Indenture, the Trustee shall not be obligated to perform any obligation hereunder and shall not incur any liability for the nonperformance or breach of any obligations hereunder to the extent that the Trustee is delayed in performing, unable to perform or breaches such obligation because of acts of God, war, terrorism, fire, floods, strikes, electrical outages, equipment or transmission failures, or other causes reasonably beyond its control, it being understood that the Trustee shall use commercially reasonable efforts consistent with accepted practices for corporate trustees to maintain performance without delay or resume performance as soon as reasonably practicable under the circumstances.

Section 15.12. Electronic Communications. The Trustee shall have the right to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the instructions or directions shall be signed by a person as may be designated and authorized to sign for the Issuer by an Designated Representative, who shall provide to the Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent

written instruction. The Issuer agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be executed by its Mayor and Chief Deputy City Clerk and the Trustee has caused this Indenture to be executed by one of its Authorized Officers, all as of the day and year first above written.

CITY OF BOISE CITY, IDAHO
As Issuer

By: ______________________________
Mayor

ATTEST:

By: ______________________________
City Clerk

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as TRUSTEE

By: ______________________________
Authorized Officer, Zions Bank Division

EXHIBIT A

FORM OF REQUISITION - 2021 BONDS

City of Boise City, Idaho
Airport Revenue and Revenue Refunding Bonds, Series 2021
(Parking Facilities Project)

REQUISITION PURSUANT TO TRUST INDENTURE

Zions Bancorporation, National Association
Corporate Trust
800 W. Main Street, Ste 700
Boise, ID 83702
Attn: Twyla D. Lehto, Senior Vice President

The undersigned, who is authorized to make such request under Section 3.2 of the Trust Indenture, dated as of August 1, 2021 (the "Trust Indenture"), between Zions Bancorporation, National Association, as Trustee ("Trustee") and the City of Boise City, Idaho (the "Issuer"), hereby requests the Trustee as follows:

1. Requisition Number ____________________________

2. Payment is due to: See Attached Schedule.

3. The amount to be disbursed is: $_________________________.

4. The obligation mentioned above for which payment is requested in this Requisition is due, is a proper charge against the [Non-AMT/AMT] Bond Proceeds Account of the Project Fund and has not been previously paid from said fund or from the proceeds of the [2021A/2021B] Bonds.

5. [This payment is for costs of issuing the [2021A/2021B] Bonds, which costs of issuance, including any prior disbursements, shall not exceed the amount of $_________, with no more than $___________payable from proceeds of the [2021A/2021B] Bonds, plus the Issuer's contribution of $___________.] [All of this requested payment is for Costs of Construction of the [Public Parking Facilities/Employee Parking Facilities] Project.]

6. Issuer shall provide to the Trustee a completed IRS Form W-9 for each payee that does not currently have an IRS Form W-9 on file with the Trustee.

Attachments: ______________

DATED: ___________

CITY OF BOISE CITY, IDAHO
as Issuer

____
Issuer Authorized Officer

Terms used herein shall be as defined in the Trust Indenture.

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APPENDIX C

AUDITED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2020 (INCLUDING 2019 FINANCIAL INFORMATION)

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April 27, 2021

Joseph Dailey
Zions Bank, Corporate Trust
800 W. Main St.
Ste. 700
Boise, ID 83702

Re: SEC Rule 15c2-12 Disclosure, Annual Report - City of Boise City, Idaho, Airport Revenue Bonds, Series 2012

Sent via email to Joseph.Dailey@zionsbank.com

Dear Joseph:

Please provide to the Repository through EMMA (Electronic Municipal Market Access) the following link (in PDF format) to the City of Boise's Comprehensive Annual Financial Report for fiscal year ending September 30, 2020, for the bond referenced above in accordance with Section 3(a) of the continuing Disclosure Undertaking.

http://dfa.cityofboise.org/financial-management/budget-and-financial-reports/cafr-and-pafr-library/

Also, attached is additional supplemental disclosure information in accordance with Section 3(b) of the same Continuing Disclosure Undertaking.

Please confirm posting date through EMMA.

Sincerely,

Lynda Lowry

Lynda Lowry
Director of Finance & Administration, City of Boise

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CITY *of* BOISE

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the year ended September 30, 2020

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COMPREHENSIVE ANNUAL
FINANCIAL REPORT

CITY OF BOISE, IDAHO

For the Fiscal Year Ended September 30, 2020

The Department of Finance and Administration's Central Accounting division is responsible for the preparation of this report.

Table of Contents

Table of Contents

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COMPREHENSIVE ANNUAL

FINANCIAL REPORT

INTRODUCTION

DEPARTMENT OF FINANCE AND ADMINISTRATION

MAYOR: Lauren McLean | DIRECTOR: Lynda Lowry

March 3, 2021

Honorable Mayor McLean,
Members of the Boise City Council,
Residents of the City of Boise,
and our Valued Employees

Ladies and Gentlemen:

The Department of Finance and Administration is pleased to present to you the accompanying Comprehensive Annual Financial Report (CAFR) of the City of Boise for the fiscal year ended September 30, 2020. State law requires that a complete set of financial statements, presented in conformance with generally accepted accounting principles (GAAP), audited by licensed independent certified public accountants be released to the public within nine months of fiscal year-end by submitting to the Idaho Legislative Council. This report is being issued to fulfill these statutory requirements.

Responsibility for both the accuracy of the information presented and the completeness and fairness of its presentation, including all disclosures, is vested in management of the city. Management believes that the data as presented is accurate in all material respects; that the report is presented in a manner designed to fairly set forth the financial activity of the city's various funds; and that all disclosures necessary have been included to enable the reader to gain the maximum understanding of the city's financial affairs.

Internal Controls

Management of the City of Boise has established a comprehensive internal control framework that is designed to provide reasonable, but not absolute assurance that assets are safeguarded against loss from unauthorized use or disposition, and ensure that the financial records for preparing the financial statements and maintaining accountability for assets are reliable. The concept of reasonable assurance recognizes that the costs of the control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgements by management. We believe that the City of Boise's internal control framework fulfills this objective.

Independent Audit

In compliance with the laws of the State of Idaho, the City of Boise's financial statements have been audited by Eide Bailly LLP, a firm of licensed independent certified public accountants, in accordance with generally accepted governmental auditing standards. The audit was

BOISE CITY HALL: 150 N. Capitol Boulevard | MAIL: P.O. Box 500, Boise, Idaho 83701-0500 | P: 208-972-8170 | F: 208-384-3995 | TDD/TTY: 800-377-3529
BOISE CITY COUNCIL: Elaine Clegg (President), Lisa Sánchez (President Pro Tem), Patrick Bageant, Jimmy Hallyburton, TJ Thomson, Holli Woodings

CITYOFBOISE.ORG

performed to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used for significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor issued an unmodified opinion on the City of Boise's financial statements for the fiscal year (FY) ended September 30, 2020. The independent auditors' report is presented as the first component in the financial section of this report.

The independent audit of the financial statements also included a broader, federally mandated audit over expenditures of federal awards, designed to meet the special needs of federal grantor agencies. The standards governing these federal programs require the independent auditor report not only on the fair presentation of the financial statements but also on the government's internal controls and compliance with legal requirements, with special emphasis on those involving the administration of federal awards. These reports are contained in the "Single Audit" section of this report.

The basic structure and contents of the CAFR are defined in GAAP and is set up in three distinct sections: introductory section, financial section, and statistical section. Management's discussion and analysis (MD&A), included within the financial section, is included to provide an objective and clear analysis of the government's financial activities for the year ended September 30, 2020. The city's MD&A can be found immediately following the independent auditors' report and should be read in conjunction with this transmittal letter.

Profile of City Government

The City of Boise was chartered in 1866 under the laws of the Territory of Idaho. Since 1961, the city has been governed through a mayor-council form of government. Pursuant to city code, the mayor is the chief executive officer (CEO) of the city and directs its operations, participating with a six-member city council in developing policy. The mayor and six members of the city council are elected at large by popular vote. The Boise City Council serves part-time, holding budget and policy-setting authority for the city. The Chief of Staff and Chief Operating Officer to the mayor and all department directors comprise the executive management team (EMT). This group recommends budget and operational priorities to the mayor and city council.

The City of Boise provides the following services: public safety (police and fire), parks and recreation, libraries and culture (arts and history), community services (planning and development services), airport, public works, parking and code enforcement, and general government services. Boise's streets and sidewalks are owned and maintained by the Ada County Highway District. The city provides transportation services through a contract with Valley Regional Transit and animal control services through a contract with the Idaho Humane Society.

The financial report also includes two component units due to their close relationship with the city; The financial statements of the Harris Ranch Community Infrastructure District No. 1 and Boise Municipal Health Care Trust assets, liabilities, fund balance (net position), revenues, and expenditures (expenses) are blended into the city's financial statements. Additional information about these entities can be found in the notes to the financial statements.

Economic Condition

The information presented in the financial statements is best understood when considered from the broader perspective of the specific environment within which the city operates. Based on the local economic factors and the strong financial position, we believe the city is poised to continue to transform our community.

Local Economy

Boise has an estimated population of 240,380 people, which makes it the 97th largest city in the United States. The larger Boise City-Nampa metropolitan area, which includes five counties, has a population of 620,000 and is the largest metro area in the state, containing the three largest cities in Idaho: Boise, Nampa, and Meridian. Boise is also the 3rd most populous metro area in the Pacific Northwest after Seattle and Portland.

Figures provided by the Idaho Department of Labor indicate, as expected, the Boise labor market has been affected by the COVID-19 pandemic. At the start of FY 2020, Boise City had an unadjusted unemployment rate of 2.0%. This figure rose slowly to 2.6% in March, 2020 until jumping to 12.3% in April, 2020, the first full month after emergence of the pandemic. Since then, employment has recovered steadily, ending the fiscal year with an unemployment rate of 6.0% in September, 2020. Compared to several other western metropolitan areas, Boise's Metropolitan Statistical Area (MSA) has the third lowest unemployment rate figure, behind Salt Lake City and Fort Collins. At 6.0%, the Boise MSA is tied for 151st out of 389 MSAs nationwide.

Boise Airport passenger traffic is an important economic indicator. The COVID-19 pandemic affected air traffic globally, including here in Boise. In April, 2020, passenger volume fell to only 6% of the volumes from April, 2019, but then improved steadily. By September of 2020, the last month of this fiscal year, passenger volumes were 53% of the volumes from September, 2019.

Long-term financial planning

In the last six months of fiscal year 2020, our community has experienced unprecedented hardship; made sacrifices to protect the health of others; called upon ourselves to address public safety and our nation's history of racism; and demonstrated, through it all, that we are committed to ensuring that together, we create a community that protects people, welcomes all, and offers opportunity for everyone. In these challenging times is the opportunity to rebuild stronger and safer, to seek ways to recover as a more resilient community. To address the financial impact of COVID-19 on city resources, we have reduced costs and set aside funds in a COVID-19 reserve to cover the additional costs related to the pandemic in the event that we aren't reimbursed by the state or federal government. And, we have included investments that will help launch efforts aimed at supporting economic recovery and opportunity for everyone.

We've also faced the challenge of a sputtering economy that has been impacted by the pandemic. COVID-19 has laid bare many of the inequities in our economy, disproportionately affected marginalized communities and will continue to affect the community and the city budget moving forward. As we work to build a better future for all, we do it with an eye on the budget. Keeping in mind the financial impact this crisis has had on residents we took a zero percent base growth of property tax, our General Fund's primary revenue source, and the City Council turned down their scheduled raise.

The city's financial planning process includes a five-year financial forecast, which forecasts revenues, expenditures/expenses, and capital needs per current and future trends and economic data. Financial modeling is performed on the revenue and expense assumptions to ensure growth in fixed costs are sustainable in the event of worse than expected economic outcomes.

The city also prepares a five-year capital improvement plan that serves as a tool for efficient, transparent, and proactive planning of public improvement projects throughout the city. It specifies the capital improvement and construction projects to maintain or enhance the city's capital assets in the governmental and enterprise funds. The Capital Improvement Fund is primarily supported by an annual transfer from the General Fund and allows for improvements to the city's open space, public buildings, and technology infrastructure. The Airport, Geothermal, and Sewer capital plans are funded through dedicated revenue streams and the projects that they support must have a direct nexus to the associated revenue source.

Relevant Financial Policies

Financial policies serve as the framework for the financial operation of the city as well as the basis for budget development. The city has adopted a broad set of financial policies and regulations that are contained within our Business Operations Manual. These policies and regulations have been established by the city's Department of Finance and Administration, reviewed by departmental chief administrative officers, and approved by the Boise City Council.

Major Initiatives and Accomplishments

Over the last 12 months, everyone at the city has gone to work with the health and safety of residents as our top priority. Here are some of the initiatives we completed in the last year:

- We've taken action to stop the spread of COVID-19 both with partners and alone when necessary. In the early days of the pandemic, Boise was a leader on public health orders requiring physical distancing. At the end of the year, we've again become a leader creating the first enforcement program in the state to support businesses that are doing the right thing. During 2020, we developed a cutting-edge wastewater testing system that provides an early indicator of the prevalence of COVID infections in the Treasure Valley.

- We've worked with community partners to keep our most vulnerable safe, housed and healthy. We've reimagined how we provide essential services, created curbside pickup at the library, physically distanced softball leagues, and increased virtual access to services.

- We hired a new Police Chief and a new Fire Chief who bring a wealth of knowledge and experience to Boise. We surveyed residents about what they wanted from their police department and have begun creating a more transparent and modern BPD to reflect the community's desires and needs. At Boise Fire, we've started to develop a new vision for fire facilities as hubs for community and wellness activities.

- We've reimagined housing policy and have begun working to ensure a home for everyone. Boise is utilizing multiple new tools to tackle price and availability. We've developed a Land Trust to provide housing options at all price points. The first land trust project is the planned Franklin/Orchard development, scheduled to bring 200 new affordable housing units. We've created a Housing Bonus Ordinance to incentivize affordable housing at all income levels, and we're re-examining our zoning code to ensure new development aligns with Boiseans' vision for the future of our city. And during 2020, we opened Valor Pointe, a 27-unit apartment building offering vulnerable veterans access to health care, mental health counseling and substance abuse treatment.

- And, we are leading on climate to weather the impacts and ensure our city thrives. We created a climate action division and set a goal for municipal operations to be carbon neutral by 2035. Boise is developing a climate economy incubator to position our community as a leader in innovation and to create partnerships across the Treasure Valley and the world. Boise will demonstrate that an equitable community powered by clean, renewable energy and great paying jobs creates opportunity.

Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Boise for its CAFR for the fiscal year ended September 30, 2019. This is the 25th consecutive year that the City of Boise has earned this distinction. To be awarded a Certificate of Achievement, the city must publish, in a prescribed format, a thorough and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements. The Certificate of Achievement is valid for one year only. We believe that our most recent CAFR will continue to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The Mayor and the Boise City Council have continued to demonstrate a commitment to allocate the resources needed to ensure its ability to account, audit, report, monitor, and control the financial operations and transactions of the City of Boise in a responsible and progressive manner. The Department of Finance and Administration would like to express appreciation to participating city staff in every department whose dedicated efforts resulted in a timely and successful completion of this year's report.

Sincerely,

Lynda Lowry
CFO & Director of Finance and Administration

Steve Allison, CPA
Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Boise
Idaho

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

CITIZENS OF BOISE

MAYOR LAUREN MCLEAN

- AIRPORT
- ARTS AND HISTORY
- FINANCE AND ADMINISTRATION
- FIRE
- HUMAN RESOURCES
- INFORMATION TECHNOLOGY
- LEGAL
- LIBRARY
- PARKS AND RECREATION
- PLANNING AND DEVELOPMENT SERVICES
- POLICE
- PUBLIC WORKS
- OFFICE OF POLICE OVERSIGHT
- OFFICE OF COMMUNITY ENGAGEMENT

CITY COUNCIL

- OFFICE OF INTERNAL AUDIT

Organization

Boise City is one of 200 cities in the State of Idaho. Cities are "creatures of the state" authorized for organization by the Idaho Constitution. "The legislature shall provide by general laws for the incorporation, organization and classification of the cities and town in proportion to the population," (Idaho Constitution Article 12, Section 1). "The legislature by general and uniform laws shall provide for such township, precinct and municipal (city) officers as probable convenience may require," (Idaho Constitution Article 18, Section 6). Boise City operates under the mayor-council system of government as a city of the first class under the general laws of the State of Idaho with a mayor and six council members. The mayor is elected to a four-year term. Council members are also elected for four-year terms, three being elected every two years to stagger the terms for continuity. The Mayor is the chief executive officer for the City, responsible for carrying out policies set by the council and for enforcing the ordinances existing in the City Code.

The Mayor is assisted in this responsibility by Department Directors appointed by the Mayor and confirmed with the consent of the council. For CAFR reporting purposes, the City's General Fund is divided into eight functions/ programs:

1) General Government
2) Fire
3) Police
4) Parks and Recreation
5) Culture
6) Community Service
7) Community and Economic Development
8) Interest and Fiscal Charges

Additionally, the CAFR reports business-type activities of the City's Airport, Water Renewal, Solid Waste and Boise Municipal HealthCare Trust Funds. Smaller funds are reported in aggregate for both governmental and business-type activities. This required reporting structure does not necessarily equate to the operational structure of the City of Boise which is shown on the preceding page.

City of Boise

Principal City Officials (as of September 30, 2020)

Name	Position - Title	Department
Lauren McLean	Mayor	Executive
Elaine Clegg	Council member - Council President	Legislative
Holli Woodings	Council member - Council Pro Tem	Legislative
TJ Thomson	Council member	Legislative
Lisa Sanchez	Council member	Legislative
Patrick Bageant	Council member	Legislative
Jimmy Hallyburton	Council member	Legislative
Courtney Washburn	Chief of Staff to the Mayor and Council	Mayor's Office
Erika Cobb	Director	Information and Technology
Kristine Miller	Director (Interim)	Library
Mark Lavin	Director	Planning and Development Services
Jayme Sullivan	City Attorney	Legal
Romeo Gervais	Chief (Interim)	Fire
Doug Holloway	Director	Parks and Recreation
Ryan Lee	Chief	Police
Rebecca Hupp	Director	Airport
Corey Pence	Director (Interim)	Human Resources
Steve Burgos	Director	Public Works
Lynda Lowry	Director	Finance & Administration
Terri Schorzman	Director	Arts and History

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FINANCIAL SECTION

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Boise, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boise, Idaho (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter – Change in Reporting Entity

As described in Note 9 to the financial statements, The City no longer reports the Health Trust as a fiduciary fund of the City and, as a result, changed reporting of the Health Trust as an Enterprise Fund in accordance with the provisions of GASB Statement No. 10, which has resulted in a restatement of the net position as of October 1, 2019. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Revenue, Expenditures, and Change in Fund Balances – Budget and Actual, Schedule of Changes in the Total OPEB Liability and Related Ratios, and the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions, as stated in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedule of revenues and expenditures - airport fund, schedule of passenger facility charges, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules, schedule of revenues and expenditures - airport fund, schedule of passenger facility charges and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, schedule of revenues and expenditures - airport fund, schedule of passenger facility charges and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued a report dated March 10, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Eide Bailly LLP

Boise, Idaho
March 10, 2021

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Management's Discussion and Analysis

(In thousands)

As management of the City of Boise (the "City"), we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Overview of the Financial Statements

This discussion and analysis is an introduction to the City's basic financial statements, which include the following three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this financial report includes required supplementary information, other supplementary information, a statistical section and a section that includes the single audit of federal funds.

Government Wide-Financial Statements

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

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

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

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

<u>Governmental activities</u> encompass most of the City's basic services such as General Government, Planning & Development Services, Parks, and Public Safety. Taxes and fees charged for services are the major funding sources for most of these activities.

<u>Business-type activities</u> account for operations that function in a manner similar to a private business, where all or a significant portion of costs are recovered through user fees and charges to external customers. These activities primarily include Water Renewal, Solid Waste Management, and Airport.

Fund Financial Statements

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

The City's funds are divided into the following three categories:

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

Two schedules in the governmental fund financial statements (pages 38 and 40) reconcile the amounts reported on the governmental fund financial statements (short-term focus) with governmental activities and balances reported on the appropriate government-wide statements (long-term focus). Comparing the information presented for governmental funds with similar information presented in the government-wide financial statements may provide a better understanding of the long-term impact of the City's near-term financing decisions.

2) Proprietary funds account for activities similar to for-profit enterprises, where the determination of net income

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

Notes to the Financial Statements

The notes to the financial statements are an integral part of the financial statements. They provide additional disclosures that are essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements immediately follow the basic financial statements in this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information and other supplementary information. The required supplementary information presents the budget/actual comparison for the City's general fund and schedules required for the disclosure of the City's pension and other post-employment benefits. Other Supplementary information includes actual and budgetary comparisons for other City funds, and combining financial statements for Non-major governmental, proprietary and internal service funds.

Financial Analysis of the City as a Whole

The largest component of the City's net position, 67.7% ($745.6 million), reflects its investment in capital assets (e.g., land, infrastructure, buildings, etc.). The City uses these capital assets to provide services to citizens. These assets are not available for future spending.

Restricted, expendable net position is 3.4% of the City's net position ($37.2 million). These resources are not available for general use due to restrictions placed on them by external parties such as creditors, grantors, contributors, or by state or city laws.

The remaining 28.9% ($318.4 million) of the City's net position represents unrestricted net position, which may be used at the City's discretion but often has limitations on use based on state or city laws.

City of Boise's Net Position (In thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019*	2020	2019
Current and other assets	$ 437,741	$ 395,671	$ 170,233	$ 167,220	$ 607,974	$ 562,891
Capital assets	281,926	280,752	542,769	520,309	824,695	801,061
Total Assets	719,667	676,423	713,002	687,529	1,432,669	1,363,952
Deferred Outflows of Resources	21,982	10,425	4,829	2,900	26,811	13,325
Long-term liabilities	126,963	92,369	38,855	32,830	165,818	125,199
Other liabilities	47,751	38,098	11,192	14,598	58,943	52,696
Total Liabilities	174,714	130,467	50,047	47,428	224,761	177,895
Deferred Inflows of Resources	132,364	180,742	1,238	4,009	133,602	184,751
Net Position:						
Net investment in capital assets	235,341	234,527	510,209	492,126	745,550	726,653
Restricted, expendable	26,517	29,361	10,677	16,210	37,194	45,571
Unrestricted	172,712	111,751	145,660	130,656	318,372	242,407
Total Net Position	$ 434,570	$ 375,639	$ 666,546	$ 638,992	$ 1,101,116	$ 1,014,631

May not add due to rounding

** Health care trust was added in FY20 as a proprietary fund from fiduciary fund and FY19 totals have been adjusted accordingly.*

Management's Discussion and Analysis

(In thousands)

Summary Changes in Net Position (In thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019*	2020	2019
Revenues:						
Program Revenues:						
Charges for services	$ 49,849	$ 54,497	$ 144,378	$ 149,107	$ 194,227	$ 203,604
Operating grants and contributions	31,120	1,163	12,767	3,181	43,887	4,344
Capital grants and contributions	7,372	20,118	18,947	17,094	26,319	37,212
General Revenues:						
Property taxes	168,574	159,414	-	-	168,574	159,414
Other taxes	33,898	32,913	-	-	33,898	32,913
Other	6,742	5,522	5,407	7,253	12,149	12,775
Total Revenues	297,555	273,627	181,499	176,635	479,054	450,262
Expenses:						
General Government	42,634	36,710	-	-	42,634	36,710
Fire	50,470	44,772	-	-	50,470	44,772
Police	62,393	57,412	-	-	62,393	57,412
Parks and Recreation	33,901	36,839	-	-	33,901	36,839
Culture	15,336	13,619	-	-	15,336	13,619
Community Services	30,071	26,348	-	-	30,071	26,348
Community Development	2,175	3,980	-	-	2,175	3,980
Interest and fiscal charges	1,559	1,545	-	-	1,559	1,545
Airport	-	-	37,917	35,075	37,917	35,075
Water Renewal	-	-	53,614	51,235	53,614	51,235
Solid Waste	-	-	37,049	36,324	37,049	36,324
Boise Municipal Healthcare Trust			20,440	17,850	20,440	17,850
Other	-	-	5,009	6,788	5,009	6,788
Total Expenses	238,539	221,225	154,029	147,272	392,568	368,497
Increase in net position before transfers	59,016	52,402	27,470	29,363	86,486	81,765
Net transfers	(84)	(668)	84	668	(0)	-
Increase in Net Position	58,932	51,734	27,554	30,031	86,486	81,765
Net position - beginning as restated	375,638	323,904	638,992	608,962	1,014,630	932,866
Net Position - Ending	$ 434,570	$ 375,638	$ 666,546	$ 638,993	$ 1,101,116	$ 1,014,631

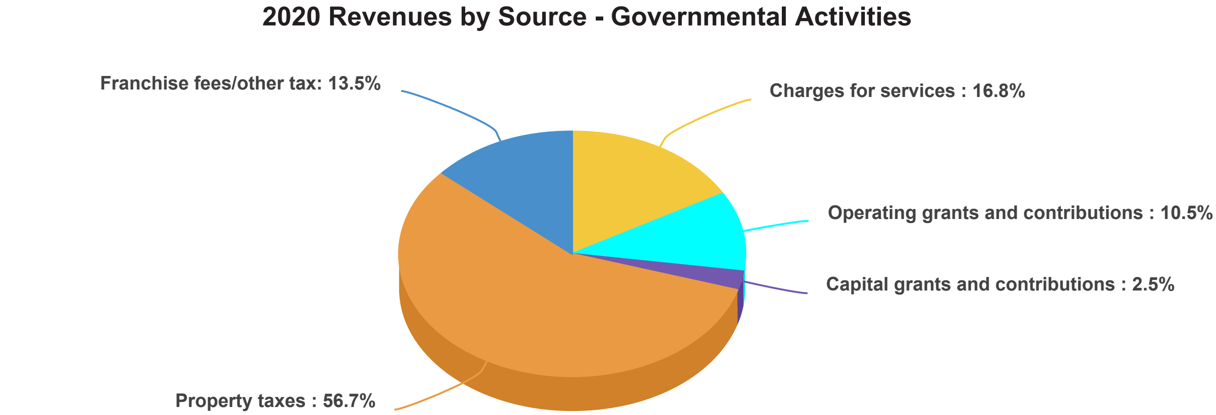
** Health care trust was added in FY20 as a proprietary fund from fiduciary fund and FY19 totals have been adjusted accordingly.*

Government-type Activities

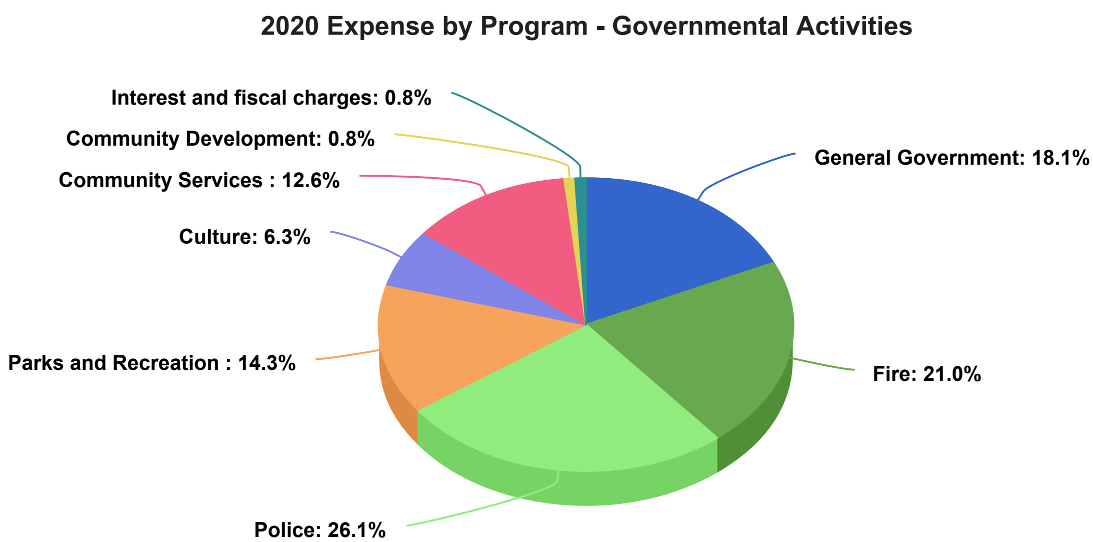
Governmental revenues increased by 8.7% or $23.9 million. Operating grants and Contributions increased $29.9 million, largely due to $27.9 million from the Governor's Public Safety Initiative, which allocates $27.9 million to property tax relief. These funds were received by the City in FY 2020. This saving will be passed on to Boise City property tax payers during FY 2021 by way of reducing the property tax revenue paid to the City. Charges for services decreased $4.6 million as certain governmental activities experienced pandemic-related declines, including parks user fees, a reduction in business and animal licensing fees, parking revenues, and fire and police contracts. Capital grants and contributions decreased to more typical levels in 2020 from 2019. Last year's (2019) capital grants and contributions were significantly above normal due to large 2019 contributions to the Boise City Zoo and the 2019 donation of downtown property to Boise City (a portion of 8th Street).

Management's Discussion and Analysis

(In thousands)



Governmental expenses increased by 7.8% or $17.3 million in FY 2020 compared to FY 2019. Budgeted and expected increases in Fire, Police, General Government, and Community Projects totaled $20.3 million. Pandemic-related savings in Parks and Recreation operations of $3.0 million offset these increases so that total governmental expenses increased by only $17.3 million.

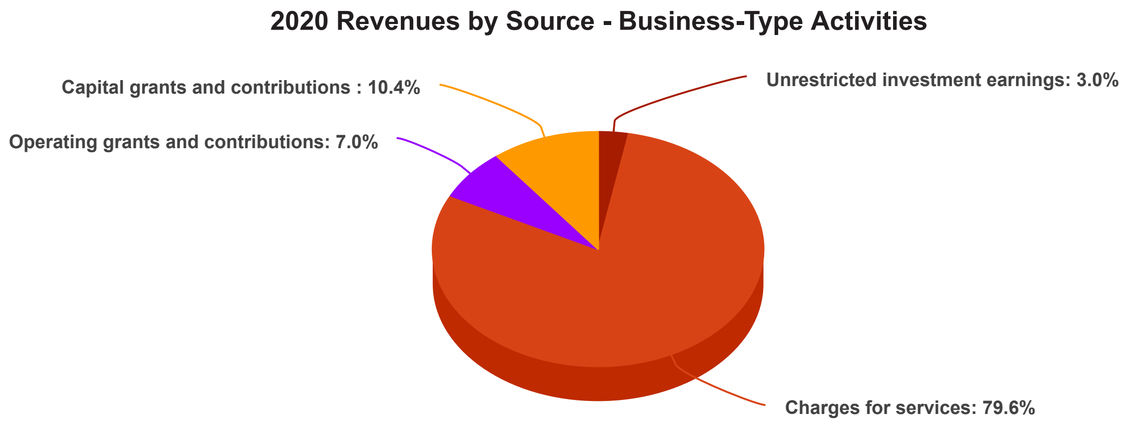


Management's Discussion and Analysis

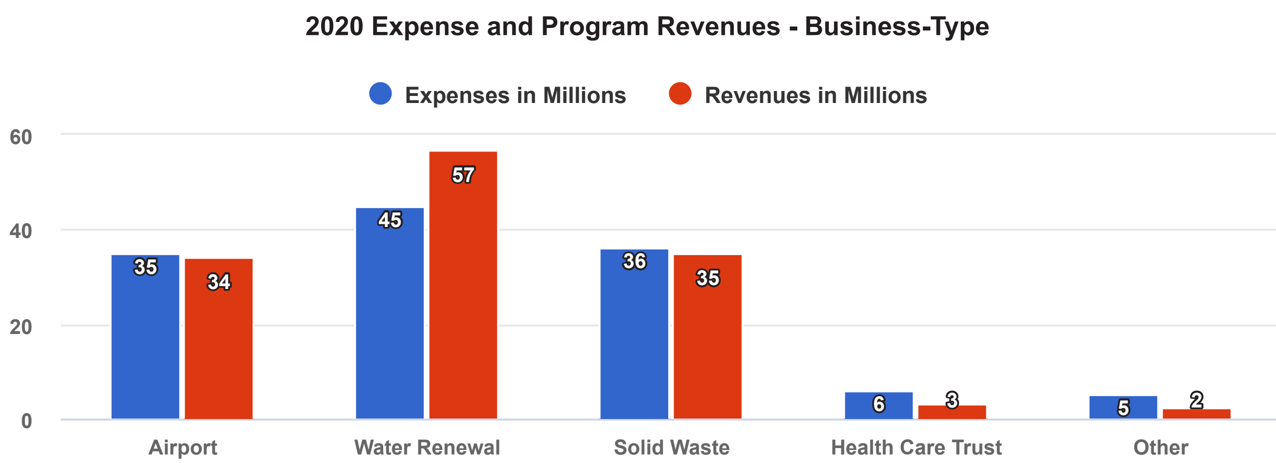
(In thousands)

Business-type Activities

Revenues for business-type activities increased by $13.4 million, primarily due to the reclassification and addition of the Boise Municipal Healthcare Trust as a business-type activity, which caused business-type revenues to increase by $19.6 million from FY 2019 to FY 2020. FY 2020 also saw a modest growth in Water Renewal and Solid Waste fees of $2.6 million. These increases were offset by reductions in Airport revenues including rent, parking and other fees totaling $8.8 million



Expenses increased by $7.0 million due to increases related to growth of services in the top four business type activities: Airport, Water Renewal, Solid Waste, and the Boise Municipal Healthcare Trust.



Management's Discussion and Analysis

(In thousands)

Total Fund Balance - Governmental Funds (In thousands)

	2020	2019
Nonspendable		
Inventory	$ 372	$ 429
Prepaid items	2,981	1,418
Advances - long term	1,304	1,460
Permanent fund principal	11	11
Subtotal Nonspendable	4,668	3,318
Restricted		
Drug enforcement	740	785
Impact fees	10,825	12,372
Heritage funds	3,434	3,400
Debt service	2,910	2,870
Foothills levy	8,598	9,923
Subtotal Restricted	26,507	29,350
Committed to		
Homelessness prevention	2,007	2,000
Assigned to		
Property held for resale	2,148	2,042
Property tax relief	27,903	-
General Government	7,539	4,767
Fire	2,581	1,359
Police	3,156	2,772
Parks and Recreation	4,946	3,757
Culture	840	1,436
Community projects	12,274	10,116
Debt service and post retirement benefits	2,005	1,788
Community and Economic Development	82	159
Capital projects	60,887	48,859
Subtotal Assigned to	124,362	77,055
Unassigned	34,826	28,361
Total fund balance	$ 192,370	$ 140,084

Financial Analysis of the City's Funds

Governmental Funds

At the close of the fiscal year, the City's governmental funds reported combined ending fund balances of $192.4 million, an increase of $52.3 million compared to fiscal year 2019. Governmental fund balances are classified as follows:

- Nonspendable either due to a fund's form or legal constraints such as permanent trusts: $4.7 million, or 2.4%.
- Restricted for a specific purpose either by creditors, grantors, constitutional provisions, or enabling Legislation $26.5 million (13.8 %) .
- Committed for specific purposes by the Legislature or for satisfying contractual requirements: $2.0 million or 1.0 %.
- Assigned for a specific purpose as that intent is expressed by the Legislature or by a governing body or official: $124.3 million or 64.6%.
- Unassigned is the General Fund balance that has not been designated for another fund and that has not been restricted, committed, or assigned to a specific purpose within the General Fund: $34.8 million or 18.1%.

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

Within governmental funds, the City's general fund and capital improvement funds experienced the largest increases in fund balances. Fund balances in the general fund increased by $39.2 million, from $40.6 million in 2019 to $79.8 million in 2020. The largest part of this increase is due to the Governor's Public Safety Grant Initiative, which allocates $27.9 million to property tax relief. This funding was recognized by the City in FY 2020. These savings will be passed on to Boise City's property tax payers during FY 2021 by way of reducing the property tax revenue paid to the City. These savings will be passed to Boise City's property tax payers. Another $4.6 million of this increase came from increases in amounts assigned for general government and community services. An increase in unassigned fund balances of $6.5 million also contributes to this $39.2 million increase in general fund

Management's Discussion and Analysis

(In thousands)
balance.

The City assigned additional fund balances in general government activities to pandemic-related IT equipment to facilitate remote work, and set aside funds for budget contingencies, priority based budgeting, and a CARES (federal) funded Small Business Cash Grant program. In community services, the City assigned funds to homeless prevention, Grow Our Housing, and sustainability programs, as well as to capital projects like the St. Luke's roundabout, gating for Table Rock and repair and maintenance of City housing.

Proprietary Funds

At the end of fiscal year 2020 net position in proprietary funds increased by $27.6 million with the Airport increasing by $10.8 million and Water Renewal increasing by $17.3 million. After the pandemic emergence in March, 2020, the Airport saw a large drop off in revenues associated with flights, rental cars, parking, and concessions. These revenues in FY 2020 came in $8.9 million less than in FY 2019, but were more than offset by an FY 2020 FAA pandemic-related grant that caused total Airport grant revenues in FY 2020 to exceed FY 2019 grant revenues by $10.6 million. Water Renewal has seen increases in both rates and in customers with the growth of the City and the planning for water renewal facilities improvements.

Within proprietary funds, the Airport and Water Renewal funds experienced the largest increases in net position during fiscal year 2020. The Airport's net position increased by $10.7 million as net investments in capital assets increased by $5.5 million as expected with continued long-term airport expansion plans. Unrestricted net position at the Airport also increased by $4.7 million. Similarly, the Water Renewal fund's net position increased by $17.7 million as net investment in capital assets increased by $7.8 million and unrestricted net position increased by $9.5 million. Water renewal's increase in capital assets is expected as significant investments are continuing at both the Lander Street water renewal facility and the West Boise water treatment facilities.

General Fund Budgetary Highlights

General Fund revenues increased in fiscal year 2020 by $33.7 million. The largest portion of this increase was $27.9 million in CARES grant funds associated with the Governor's Public Safety Grant Initiative, a program designed to reimburse local governments for public safety personnel costs. Property taxes were higher by $6.6 million due to continued growth of real estate in Boise. Charges for services and fines and forfeitures declined by $2.9 million and $0.7 million respectively, consistent with the pandemic-related reductions in parks programs (and associated fees) along with some reductions in parking enforcement revenues.

General Fund expenditures for fiscal year 2020 were $5.0 million greater than 2019. Expected increases in the expenditures for general government, fire, police, and community services of $7.4 million were offset by decreases in parks and recreation, which realized cost savings from pandemic-related program reductions of $1.9 million.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities at September 30, 2020 amounted to $824.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, service lines, vehicles and equipment, streetlights and public art. Sidewalks, bridges, and roads located within the City of Boise belong to the Ada County Highway District. For September 30, 2020, the City's investment in capital assets increased by 3.0% in comparison to the prior year. Of this percentage, business-type activities accounted for $22.5 million of the $23.6 million total increase in capital assets. Additional information on the City's capital assets can be found in note 3 to the financial statements. The Airport and Water Renewal programs continue to invest the most in capital assets, with the Airport in the midst of an expansion program, and Water Renewal continuing the capital improvement projects at the Lander Street Water Renewal Facility.

Governmental Activities

Additions to Capital Assets in Governmental activities totaled $20.2 million. J.A. & Kathryn Albertson Foundation contributed over $3.1 million in land improvement at the city's new Bike Park. The city spent $2.2 million completing the Downtown Police Micro-district station, Seaman Gulch land was purchased for $1.2 million, we increased our library collection by $1.0 million. We spent $0.8 million for police vehicles, and made $1.3 million in park improvements for Pierce Park and Hobble Creek. Other increases of $10.7 million came from land purchases, miscellaneous park and building improvements and fleet upgrades.

Management's Discussion and Analysis

(In thousands)

Business-Type Activities

Additions to Capital Assets in Business-type activities totaled $46.9 million. In the Water Renewal Fund, the Lander Street improvement/expansion continues with construction in progress increasing by $15.1 million. The West Boise treatment plant had enhancement projects for $3.9 million. Other significant capital expenses in Water Renewal included sewer lines of $3.9 million and $1.6 million for utility maintenance, fleet, lab equipment and miscellaneous building improvements. The Airport invested in airfield projects of $12.6 million, parking improvement of $3.1 million, terminal renovations of $1.4 million, tenant improvements of $4.3 million and $1.0 million of other capital assets.

Long-term Debt

At September 30, 2020, the City had $63.8 million in outstanding debt consisting of general obligation (GO) bonds, revenue bonds and directly placed debt.

	Governmental Activities		Proprietary-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenue Bonds (RB)	$16,820	$17,968	$19,111	$24,284	$35,931	$42,252
Direct Placement RB			$2,222	2,670	2,222	2,670
General Obligation Bonds (GO)	17,202	3,589	-	-	17,202	3,589
Direct Placement GO	8,430	22,239	-	-	8,430	22,239
Total	$42,452	$43,796	$21,333	$26,954	$63,785	$70,750

(In thousands)

Additional information on the City's Long-term debt can be found in Note 3 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The City prepares a five-year financial forecast which provides a multiyear view of anticipated General Fund revenues and expenditures. The Forecast assumes current service levels, is updated regularly, and is presented to the City Council as part of the quarterly financial reports and annual budget document. Updates are made for actual revenue receipts and expenditures, and other factors that change or become known and have a bearing on the City's financial future (e.g., legislative changes, new facilities, service delivery changes). Periodic reports are transmitted to the City Council providing actual information relative to these projections.

The City's Capital Improvement Plan (CIP) includes all proposed capital projects citywide. As part of the due diligence process, projects are subject to prioritization criteria, which is discussed in the Capital Funds section. While each capital project may meet a specific identified need, all proposed capital projects must compete for limited resources. The end result of the prioritization process is a five-year Capital Improvement Plan, of which the first year is presented as part of the annual budget.

The following were taken into consideration by the City Council when it adopted the forecast for use in reviewing and approving the fiscal year budget ending September 30, 2021:

- The COVID-19 pandemic began affecting our community in mid-March of 2020, approximately one-half of the way through the fiscal year. Given the wide-ranging impacts of the pandemic on public health and the economy, economic impacts and recovery timeframe are unknown.
- Calendar year 2020 is projected to have a reduction in gross domestic product (GDP) loss of 4.0%, followed by 3.5% growth for calendar year 2021. A return to a more normal economy hinges on availability of a vaccine.
- When compared with September 2019, Boise's unemployment rate in September 2020, is 3.7% higher, at 5.8%.
- Construction continues at a steady but slightly lower level. There is optimism that the pace will increase over time, and that the planning and commencement of larger new projects will resume. A housing shortage has become more severe. An exceptionally low supply of homes and very low interest rates have increased prices.
- Personnel expenditures will increase less in fiscal year 2021 than in the past, based on the City's decision to allow only limited base compensation increases (for lower paid employees). In 2021, there will be no across-the-board pay increases for non-union City employees. Collective labor agreements for public safety departments drive compensation and compensation increases for these personnel.

Management's Discussion and Analysis

(In thousands)

- Property tax revenues, approximately two-thirds of the general fund revenues have been affected by the pandemic. As many local governments have, the City chose not to increase property taxes by the statutorily-allowable 3% for property tax year 2020. Additionally, the City participated in the Idaho Governor's Public Safety Initiative, which allowed the City to provide $27.9 million in additional property tax relief for property tax year 2020.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Department of Finance and Administration, City of Boise, Post Office Box 500, Boise, Idaho 83701.

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Statement of Net Position
September 30, 2020
(In Thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 30,515	$ 17,863	$ 48,378
Investments	160,275	106,561	266,836
Restricted cash and investments	2,910	2,128	5,038
Receivables, net of allowance for uncollectables			
Taxes receivable	140,639	-	140,639
Accounts and interest	10,141	16,100	26,241
Grants	30,898	16,929	47,827
Assessments	17	1,046	1,063
Interfund loans receivable (payable)	2,571	(2,571)	-
Inventory	372	3,489	3,861
Prepaid items	3,082	31	3,113
Mortgage loans receivable, net	-	8,500	8,500
Property held for resale	2,148	157	2,305
Net pension asset	54,173	-	54,173
Capital assets, not being depreciated			
Land	87,177	38,046	125,223
Intangible assets	874	478	1,352
Construction in progress	7,016	51,198	58,214
Capital assets, net of accumulated depreciation			
Land improvements	-	25,501	25,501
Leasehold improvements	1,347	-	1,347
Buildings	86,896	184,356	271,252
Improvements other than buildings	60,475	9,248	69,723
Service lines	-	179,616	179,616
Automobiles and trucks	12,348	10,210	22,558
Machinery and equipment	11,852	41,962	53,814
Intangible assets	1,351	702	2,053
Other capital assets	12,590	1,452	14,042
Total assets	719,667	713,002	1,432,669
Deferred Outflows of Resources			
Pension and OPEB obligations	21,868	4,829	26,697
Deferred charge on debt refunding	114	-	114
Total deferred outflows of resources	21,982	4,829	26,811

See Notes to Financial Statements
Totals may not add due to rounding

Statement of Net Position
September 30, 2020
(In Thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	38,037	3,257	41,294
Accrued liabilities	234	1,284	1,518
Interest payable	291	99	390
Claim liability	3,255	1,053	4,308
Refundable deposits	826	1,482	2,308
Unearned revenue	383	2,559	2,942
Noncurrent liabilities			
Current portion of noncurrent liabilities	4,725	1,458	6,183
Noncurrent liabilities due in more than one year			
Pension liability	67,428	15,336	82,764
OPEB liability	12,764	2,372	15,136
Noncurrent liabilities due in more than one year	46,771	21,147	67,918
Total liabilities	174,714	50,047	224,761
Deferred Inflows of Resources			
Pension and OPEB obligations	3,390	1,238	4,628
Unavailable property tax	128,975	-	128,975
Total deferred inflows of resources	132,364	1,238	133,602
Net Position			
Net investment in capital assets	235,341	510,209	745,550
Restricted			
Held in trust for Employees' health insurance benefits	-	8,549	8,549
Permanent fund principal	11	-	11
Drug enforcement	740	-	740
Impact fees projects	10,825	-	10,825
Debt service	2,909	1,627	4,536
Heritage funds	3,434	-	3,434
Capital expansion	-	501	501
Foothills levy	8,598	-	8,598
Unrestricted	172,712	145,660	318,371
Total net position	$ 434,570	$ 666,546	$ 1,101,115

See Notes to Financial Statements
Totals may not add due to rounding

Statement of Activities
Year ended September 30, 2020
(In Thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities				
General government	$ 42,634	$ 11,773	$ 858	$ -
Fire	50,470	11,195	14,025	835
Police	62,393	6,069	14,405	467
Parks and recreation	33,901	6,674	623	5,979
Culture	15,336	400	166	91
Community services	30,071	13,694	1,043	-
Community and economic development	2,175	44	-	-
Interest and fiscal charges	1,559	-	-	-
Total governmental activities	238,539	49,849	31,120	7,372
Business-type activities				
Airport	37,917	27,328	11,174	8,344
Water Renewal	53,614	57,756	129	10,603
Solid Waste	37,049	37,248	-	-
Boise Municipal Healthcare Trust	20,440	19,620	-	-
Other	5,009	2,426	1,464	-
Total business-type activities	154,029	144,378	12,767	18,947
Total primary government	$ 392,568	$ 194,227	$ 43,887	$ 26,319

General revenues
Taxes
Property taxes, levied for general purposes
Property taxes, levied for debt service
Franchises, based on receipts
Liquor, based on sales
Sales tax, based on receipts
Unrestricted investment earnings
Interfund transfers, net
Total general revenues and transfers

Change in Net Position

Net Position - Beginning of Year - as restated

Net Position - End of Year

See Notes to Financial Statements
Totals may not add due to rounding

Statement of Activities
Year ended September 30, 2020
(In Thousands)

Net (Expense) Revenue and Changes in Net Position Primary Government		
Governmental Activities	Business-type Activities	Total
$ (30,003)	$ -	$ (30,003)
(24,415)	-	(24,415)
(41,452)	-	(41,452)
(20,625)	-	(20,625)
(14,679)	-	(14,679)
(15,334)	-	(15,334)
(2,131)	-	(2,131)
(1,559)	-	(1,559)
(150,198)	-	(150,198)
-	8,929	8,929
-	14,874	14,874
-	199	199
-	(820)	(820)
-	(1,119)	(1,119)
-	22,063	22,063
(150,198)	22,063	(128,135)
168,174	-	168,174
400	-	400
8,186	-	8,186
4,747	-	4,747
20,965	-	20,965
6,742	5,407	12,149
(84)	84	-
209,130	5,491	214,621
58,932	27,554	86,486
375,638	638,992	1,014,630
$ 434,570	$ 666,546	$ 1,101,116

Balance Sheet – Governmental Funds
September 30, 2020
(In Thousands)

	General	Capital Improvement	Foothills Levy	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 6,994	$ 12,522	$ 1,311	$ 6,216	$ 27,043
Investments	66,385	66,528	7,250	12,105	152,268
Restricted cash and investments	-	-	-	2,910	2,910
Receivables, net					
Taxes receivable	139,222	-	-	1,417	140,639
Accounts and interest	8,631	1,256	37	89	10,013
Grants	29,868	1,030	-	-	30,898
Assessments	16	-	-	-	16
Due from other funds	1,473	-	-	-	1,473
Interfund loans receivable	1,200	-	-	-	1,200
Inventory	372	-	-	-	372
Prepaid items and other assets	1,638	1,278	-	65	2,981
Property held for resale	-	2,148	-	-	2,148
Total assets	$ 255,799	$ 84,762	$ 8,598	$ 22,802	$ 371,961
Liabilities					
Accounts payable and accrued liabilities	$ 35,990	$ -	$ -	$ 2,047	$ 38,037
Due to other funds	-	-	-	1	1
Unearned revenue	205	-	-	178	383
Deposits	826	-	-	-	826
Total liabilities	37,021	-	-	2,226	39,247
Deferred Inflows of Resources					
Unavailable property taxes	138,928	-	-	1,417	140,345
Total deferred inflows of resources	138,928	-	-	1,417	140,345
Fund Balances					
Nonspendable					
Inventory	372	-	-	-	372
Prepaid items	1,638	1,278	-	65	2,981
Advances - long-term	1,304	-	-	-	1,304
Permanent fund principal	-	-	-	11	11
Restricted					
Drug enforcement	740	-	-	-	740
Impact fees projects	173	-	-	10,652	10,825
Heritage funds	-	-	-	3,434	3,434
Debt service	-	-	-	2,910	2,910
Foothills levy	-	-	8,598	-	8,598
Committed to					
Homelessness prevention	2,007	-	-	-	2,007
Assigned to					
Property held for resale	-	2,148	-	-	2,148
Property tax relief	27,903				27,903
General government	4,244	3,295	-	-	7,539
Fire	337	2,244	-	-	2,581
Police	667	2,489	-	-	3,156
Parks and recreation	1,526	3,420	-	-	4,946
Culture	52	788	-	-	840
Community services	4,061	8,213	-	-	12,274
Debt service and post retirement benefits	-	-	-	2,005	2,005
Community and economic development	-	-	-	82	82
Capital projects	-	60,887	-	-	60,887
Unassigned	34,826	-	-	-	34,826
Total fund balances	79,850	84,762	8,598	19,159	192,369
Total liabilities, deferred inflow of resources and fund balances	$ 255,799	$ 84,762	$ 8,598	$ 22,802	$ 371,961

See Notes to Financial Statements
Totals may not add due to rounding

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2020
(In Thousands)

Amounts reported for governmental activities in the statement of activities are different because:		
Total fund balances - total governmental funds		$ 192,369
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds. This amount is capital assets ($281,582) netted with retainage payable ($234).		281,348
Internal service funds are used to charge the costs of certain activities, such as insurance, automotive equipment, and plant material and trees, to individual funds. The assets, liabilities, and deferred resources of the internal service funds are included in governmental activities in the statement of net position.		
Internal service funds	7,240	
Net investment in capital assets	343	
		7,583
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds.		11,369
Net pension assets, liabilities and associated deferred items not available to pay for current period expenditures and therefore are not reported in the funds:		
Deferred outflow of resources	21,554	
Deferred inflow of resources	(3,374)	
Net pension asset, fire plan	54,173	
Net pension liability, base plan	(66,321)	
		6,032
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest	(291)	
Bonds payable	(38,712)	
Special assessments	(3,525)	
Deferred amount of refunding	114	
Bond premium	(216)	
Capital lease	(1,631)	
Other Post Employment Benefits (OPEB) and Compensated absences	(19,870)	
		(64,131)
Net position of governmental activities		$ 434,570

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year ended September 30, 2020
(In Thousands)

	General	Capital Improvement	Foothills Levy	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes, levied for general purposes	$ 159,619	$ -	$ -	$ 916	$ 160,535
Property taxes, levied for debt service	-	-	-	400	400
Franchise fees	5,197	2,989	-	-	8,186
Licenses and permits	9,043	-	-	-	9,043
Impact fees	30	-	-	2,854	2,884
Intergovernmental revenues	56,550	515	-	-	57,065
Charges for services	36,475	237	-	-	36,712
Fines and forfeitures	2,388	-	-	-	2,388
Donations	111	-	-	320	431
Investment income	2,531	2,884	307	646	6,368
Miscellaneous revenues	1,275	33	-	65	1,373
Total revenues	273,219	6,658	307	5,201	285,385
Current expenditures					
General government	3,107	1,535	-	-	4,642
Fire	58,242	117	-	2	58,361
Police	66,909	108	-	-	67,017
Parks and recreation	33,347	1,259	15	252	34,873
Culture	13,508	306	-	-	13,814
Community services	29,611	1,235	-	-	30,846
Community and economic development	-	-	-	2,175	2,175
Capital outlay	1,262	13,509	1,617	-	16,388
Debt service					
Bond issuance costs	-	-	-	60	60
Principal payments	-	-	-	3,778	3,778
Interest and fiscal charges	-	-	-	1,518	1,518
Total expenditures	205,986	18,069	1,632	7,785	233,472
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,233	(11,411)	(1,325)	(2,584)	51,913
Other Financing Sources (Uses)					
Interfund transfers in	208	25,671	-	5,487	31,366
Interfund transfers out	(28,493)	(7)	-	(5,083)	(33,583)
Proceeds from sale of assets	125	143	-	-	268
Insurance recoveries	164	35	-	-	199
Issuance of debt	-	-	-	2,122	2,122
Total other financing sources (uses)	(27,996)	25,842	-	2,526	372
Net Change in Fund Balances	39,237	14,431	(1,325)	(58)	52,285
Fund Balance - Beginning of Year	40,613	70,331	9,923	19,217	140,084
Fund Balance - End of Year	$ 79,850	$ 84,762	$ 8,598	$ 19,159	$ 192,369

See Notes to Financial Statements
Totals may not add due to rounding

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year ended September 30, 2020
(In Thousands)

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 52,285
Compensated absences and Other Post Employment Benefits (OPEB) are not recorded in the fund balance but are included in the government-wide change in net position due to governmental activities.		(1,695)
Net revenues of internal service funds is included within governmental activities.		1,874
Some of the City's taxes will be collected after year end, but, are not available soon enough for the current period's expenditures and therefore are reported as unavailable revenue in the funds. The amount represents the net change in unavailable revenue.		7,639
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is the amount by which capital outlay ($16,388) exceeded depreciation ($16,368) in the current period.		20
The net effect of various transactions involving capital assets (i.e., sales and donations) is to increase net position.		
Donation of capital assets	3,764	
Loss on disposal of capital assets	(2,536)	
		1,228
Interest expense in the Statement of Activities differ from the amount reported in governmental funds. Additional accrued interest was calculated for bonds and notes payable, and the difference arising from the advance refunding and is being amortized (added to interest expense for the year). This amount represents the net change in accrued interest.		
Interest paid on long-term debt	8	
Amortization of bond premiums	33	
Amortization of deferred charge on refunding	(17)	
		24
Net pension expense		(4,099)
The proceeds from long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount represents the net effect of these differences in the treatment of long-term debt and related items.		
Payments on long-term obligations	3,778	
Issuance of bonds	(2,122)	
		1,656
Change in net position of governmental activities		$ 58,932

	Enterprise Funds		
	Airport	Water Renewal	Solid Waste
Assets			
Current assets			
Cash and cash equivalents	$ 7,267	$ 9,404	$ 336
Investments	39,799	50,506	1,915
Receivables, net			
Accounts and interest	2,713	9,857	2,607
Grants	16,711	-	-
Assessments	-	1,041	-
Inventory	451	2,581	-
Prepaid items and other assets	11	20	-
Total current assets	66,952	73,409	4,858
Noncurrent assets			
Restricted cash and cash equivalents	2,128	-	-
Interfund loans receivable	-	-	101
Mortgage loans receivable	-	-	-
Property held for resale	-	-	-
Capital assets, not being depreciated			
Land	20,347	14,331	-
Intangible assets	-	469	-
Construction in progress	20,918	30,280	-
Capital assets, being depreciated			
Land improvements / Taxi-ways	86,985	-	-
Buildings	167,288	166,873	172
Improvements other than buildings	32,457	15,096	112
Service lines	-	239,206	-
Automobiles and trucks	11,777	16,320	252
Machinery and equipment	33,317	75,897	251
Intangible assets	1,226	1,850	-
Other capital assets	1,074	732	23
Less accumulated depreciation	(195,316)	(215,960)	(567)
Capital assets, net	180,073	345,094	243
Total noncurrent assets	182,201	345,094	344
Total assets	249,153	418,503	5,202
Deferred Outfows of Resources			
Pension and OPEB obligations	1,551	2,948	83
Total deferred outflows of resources	1,551	2,948	83

See Notes to Financial Statements
Totals may not add due to rounding

Statement of Net Position – Proprietary Funds
September 30, 2020
(In Thousands)

	Enterprise Funds			Governmental Activities
	Boise Municipal Healthcare Trust	Other Nonmajor Proprietary Funds	Totals	Internal Service Funds
	$ 137	$ 719	$ 17,863	$ 3,472
	10,384	3,957	106,561	8,007
	618	305	16,100	129
	-	218	16,929	-
	-	5	1,046	-
	-	457	3,489	-
	-	-	31	101
	11,139	5,661	162,019	11,709
	-	-	2,128	-
	-	-	101	-
	-	8,500	8,500	-
	-	157	157	-
	-	3,368	38,046	-
	-	9	478	-
	-	-	51,198	-
	-	-	86,985	-
	-	14,462	348,795	1,215
	-	2,528	50,193	84
	-	10,793	249,999	-
	-	115	28,464	582
	-	740	110,205	175
	-	28	3,104	242
	-	-	1,829	-
	-	(14,684)	(426,527)	(1,955)
	-	17,359	542,769	343
	-	26,016	553,655	343
	11,139	31,677	715,674	12,052
	-	247	4,829	314
	-	247	4,829	314

	Enterprise Funds		
	Airport	Water Renewal	Solid Waste
Liabilities			
Current liabilities			
Accounts payable	2,012	562	409
Interest payable	96	3	-
Claim liability	-	-	-
Other accrued liabilities	-	371	890
Compensated absences	13	34	1
Unearned revenue	72	1,332	789
Deposits	312	309	768
Interfund loans payable	-	-	1,200
Interfund payables	-	-	-
Current portion of long-term debt	940	468	-
Total current liabilities	3,445	3,079	4,057
Noncurrent liabilities			
Compensated absences - noncurrent	313	837	31
Total OPEB liability	592	1,627	47
Net pension liability	4,624	9,731	269
Bonds payable	18,171	1,754	-
Total noncurrent liabilities	23,700	13,949	347
Total liabilities	27,145	17,028	4,404
Deferred Inflows of Resources			
Pension and OPEB obligations	564	551	19
Total deferred inflows of resources	564	551	19
Net Position			
Net investment in capital assets	154,248	338,359	243
Restricted for debt	1,627	-	-
Restricted for capital expansion	501	-	-
Held in trust for Employees' health insurance benefits	-	-	-
Unrestricted	66,619	65,513	619
Total net position	$ 222,995	$ 403,872	$ 862

See Notes to Financial Statements
Totals may not add due to rounding

Statement of Net Position – Proprietary Funds
September 30, 2020
(In Thousands)

Enterprise Funds			Governmental Activities
Boise Municipal Healthcare Trust	Other Nonmajor Proprietary Funds	Totals	Internal Service Funds
65	209	3,257	-
-	-	99	-
1,053	-	1,053	3,255
-	23	1,284	-
-	2	50	15
-	366	2,559	-
-	93	1,482	-
-	-	1,200	101
1,472	-	1,472	-
-	-	1,408	-
2,590	693	13,864	3,371
-	41	1,222	97
-	106	2,372	197
-	712	15,336	1,102
-	-	19,925	-
-	859	38,855	1,396
2,590	1,552	52,719	4,767
-	104	1,238	16
-	104	1,238	16
-	17,359	510,209	343
-	-	1,627	-
-	-	501	-
8,549	-	8,549	-
-	12,909	145,660	7,240
$ 8,549	$ 30,268	$ 666,546	$ 7,583

	Enterprise Funds		
	Airport	Water Renewal	Solid Waste
Operating Revenues			
Charges for services			
Rental income	$ 10,662	$ 55	$ -
User fees	6,258	57,618	37,182
Employer contributions	-	-	-
Member contributions	-	-	-
Parking and concessions	10,100	-	-
Miscellaneous	308	83	66
Pharmacy rebate	-	-	-
Donations	108	-	-
Total operating revenues	27,436	57,756	37,248
Operating Expenses			
Personnel services	9,741	22,587	659
Contractual, supplies and materials	14,737	14,852	36,075
Utilities	1,215	2,374	128
Insurance	349	716	8
Other	73	212	145
Depreciation	10,893	12,812	34
Total operating expenses	37,008	53,553	37,049
Operating Income (Loss)	(9,572)	4,203	199
Nonoperating Revenues (Expenses)			
Grants	11,066	129	-
Gain (loss) on property	(19)	(8)	-
Interest revenue	1,850	2,503	312
Interest expense	(890)	(53)	-
Total nonoperating revenues (expenses)	12,007	2,571	312
Income (Loss) Before Interfund Transfers and Contributions	2,435	6,774	511
Capital contributions	5,717	10,603	-
Passenger facility charges	1,343	-	-
Customer facility charges	1,284	-	-
Interfund transfers in	-	-	-
Interfund transfers out	-	(92)	(103)
Change in Net Position	10,779	17,285	408
Net Position - Beginning of Year	212,216	386,587	454
Net Position - End of Year	$ 222,995	$ 403,872	$ 862

See Notes to Financial Statements
Totals may not add due to rounding

Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
Year ended September 30, 2020
(In Thousands)

Boise Municipal Healthcare Trust	Other Nonmajor Proprietary Funds	Totals	Governmental Activities Internal Service Funds
$ -	$ 1,223	$ 11,940	$ -
-	685	101,743	8,151
16,724	-	16,724	-
1,938	-	1,938	-
-	-	10,100	-
-	518	975	3
958	-	958	-
-	-	108	5
19,620	2,426	144,486	8,159
-	1,301	34,288	2,753
-	2,643	68,307	2,127
-	342	4,059	31
18,099	40	19,212	3,718
2,341	4	2,775	51
-	637	24,376	101
20,440	4,967	153,017	8,781
(820)	(2,541)	(8,531)	(622)
-	1,464	12,659	-
-	(42)	(69)	(6)
334	408	5,407	374
-	-	(943)	(5)
334	1,830	17,054	363
(486)	(711)	8,523	(259)
-	-	16,320	-
-	-	1,343	-
-	-	1,284	-
-	279	279	2,133
-	-	(195)	-
(486)	(432)	27,554	1,874
9,035	30,700	638,992	5,709
$ 8,549	$ 30,268	$ 666,546	$ 7,583

	Enterprise Funds		
	Airport	Water Renewal	Solid Waste
Operating Activities			
Receipts from customers and users	$ 26,119	$ 56,409	$ 37,155
Receipts from interfund services provided	-	-	-
Other operating revenue received	438	83	66
Payments to suppliers	(16,367)	(18,212)	(36,711)
Payments to employees	(8,949)	(20,741)	(599)
Payments for loans provided	-	-	-
Payments for interfund services used	-	-	-
Net Cash from (used for) Operating Activities	1,241	17,539	(89)
Noncapital Financing Activities			
Interfund transfers to other funds	-	(92)	(103)
Receipts from interfund loans to other funds	8	-	61
Noncapital grants received	359	129	-
Interfund transfers from other funds	-	-	-
Payments for interfund loans from other funds	-	-	(150)
Net Cash from (used for) Noncapital Financing Activities	367	37	(192)
Capital and Related Financing Activities			
Acquisition and construction of capital assets	(21,603)	(22,691)	-
Proceeds from sale of capital assets	2	11	-
Principal paid on debt	(5,085)	(460)	-
Interest paid on financing	(957)	(45)	-
Capital contributions received	-	9,216	-
Capital grants received	6,838	-	-
Sewer connection fees received	-	156	-
Passenger facility charges (payments)	1,343	-	-
Customer facility charges	1,284	-	-
Net Cash from (used for) Capital and Related Financing Activities	(18,178)	(13,813)	-
Investing Activities			
Purchase of investment securities	(17,038)	(13,020)	(3,228)
Proceeds from sale and maturities of investment securities	32,326	8,397	3,236
Reclassify cash and cash equivalents	(2,314)	478	(7)
Interest on investments and loans	1,274	1,463	291
Net Cash from (used for) Investing Activities	14,248	(2,682)	292
Net Change in Cash and Cash Equivalents	(2,322)	1,081	11
Cash and Cash Equivalents, Beginning of Year (includes $2,142 of Airport restricted cash and investments)	11,717	8,323	325
Cash and Cash Equivalents, End of Year (includes $2,128 of Airport restricted cash and investments)	$ 9,395	$ 9,404	$ 336

See Notes to Financial Statements

Totals may not add due to rounding

Statement of Cash Flows – Proprietary Funds
Year ended September 30, 2020
(In Thousands)

Enterprise Funds: Boise Municipal Healthcare Trust	Enterprise Funds: Other Nonmajor Business - type Funds	Enterprise Funds: Totals	Governmental Activities Internal Service Funds
$ 18,381	$ 2,293	$ 140,357	$ -
-	-	-	8,151
958	518	2,063	8
(20,428)	(3,032)	(94,750)	(6,071)
-	(1,207)	(31,496)	(2,525)
-	(2,391)	(2,391)	-
-	-	-	(50)
(1,089)	(3,819)	13,783	(487)
-	-	(195)	-
-	-	69	-
-	1,521	2,009	-
1,165	279	1,444	2,133
-	-	(150)	(69)
1,165	1,800	3,177	2,064
-	-	(44,294)	(11)
-	-	13	5
-	-	(5,545)	-
-	-	(1,002)	(5)
-	-	9,216	-
-	-	6,838	-
-	-	156	-
-	-	1,343	-
-	-	1,284	-
-	-	(31,991)	(11)
(11,596)	(1,952)	(46,834)	(5,704)
11,649	3,610	59,218	5,976
(1,011)	(250)	(3,104)	(65)
197	357	3,582	209
(761)	1,765	12,862	416
(685)	(254)	(2,169)	1,982
822	973	22,160	1,490
$ 137	$ 719	$ 19,991	$ 3,472

	Enterprise Funds		
	Airport	Water Renewal	Solid Waste
Reconciliation of Operating Income (Loss) to Net Cash			
(used for) operating activities			
Operating income (loss)	$ (9,572)	$ 4,203	$ 199
Adjustments to reconcile operating income (loss) to net			
cash from (used for) operating activities			
Depreciation	10,893	12,812	34
Net pension obligation & associated deferred items	681	1,617	50
Provision for bad debts	73	34	11
Changes in			
Accounts receivable	(984)	(1,443)	(58)
Mortgage loans receivable	-	-	-
Inventory	(70)	(35)	-
Prepaid items	100	(5)	-
Accounts payable	(23)	(18)	(355)
Compensated absences & other employee benefits	111	229	10
Customer deposits	22	1	(98)
Other accrued liabilities	-	74	118
Unearned revenue	10	70	-
Net Cash from (used for) Operating Activities	$ 1,241	$ 17,539	$ (89)
Noncash investing, capital and financing activities:			
Increase in fair value of investments	$ 635	$ 1,026	$ 18
Capital assets purchased on account	$ 1,940	$ 505	$ -
Contributions of capital assets	$ -	$ 1,387	$ -
Gain/Loss on disposal of assets	$ (19)	$ (8)	$ -

See Notes to Financial Statements
Totals may not add due to rounding

Statement of Cash Flows – Proprietary Funds
Year ended September 30, 2020
(In Thousands)

Enterprise Funds: Boise Municipal Healthcare Trust	Enterprise Funds: Other Nonmajor Business - type Funds	Enterprise Funds: Totals	Governmental Activities Internal Service Funds
$ (820)	$ (2,541)	$ (8,531)	$ (622)
-	637	24,376	101
-	91	2,439	199
-	6	124	-
(281)	8	(2,758)	(27)
-	(1,967)	(1,967)	-
-	(53)	(158)	-
-	5	100	27
(28)	45	(379)	-
-	3	353	29
-	4	(71)	-
40	13	245	(194)
-	(70)	10	-
$ (1,089)	$ (3,819)	$ 13,783	$ (487)
$ 137	$ 60	$ 1,876	$ 164
$ -	$ -	$ 2,445	$ -
$ -	$ -	$ 1,387	$ -
$ -	$ (42)	$ (69)	$ (6)

Notes to Financial Statements

1) Summary of Significant Accounting Policies

Reporting Entity

The City of Boise (the City) was chartered in 1866 under the laws of the Territory of Idaho. Since 1961, the City has been governed through a Mayor-Council form of government. Pursuant to City Code, the Mayor directs the operations of the City, participating with a six-member City Council in developing policy.

The accompanying financial statements present the financial position and results of operations of the entity as a whole, by major fund, and non-major funds in aggregate, that are governed by the Mayor.

The accounting and reporting policies of the City conform to generally accepted accounting principles in the United States (GAAP) as applicable to state and local governments. The City's reporting entity consists of the primary government as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable is defined as appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the potential for the component unit to provide a finance benefit or impose financial burden on the primary government. Additionally, a component unit may be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Organizations for which the City is accountable because it appoints a voting majority of the board but is not financially accountable are referred to as related organizations. Financial information of related organizations is not included in the City's financial statements. The related organizations of the City are Capital City Development Corporation (CCDC) and the Boise City/Ada County Housing Authority (the Authority).

Blended Component Units

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

Harris Ranch Community Infrastructure District No. 1 (the District) is a separate legal entity that is duly organized and operated under Chapter 31, Title 50 of the Idaho Code to facilitate the costs of regional community infrastructure in advance of actual development growth needs. The assets, deferred outflows, liabilities, deferred inflows, revenues, and expenditures of this entity are blended within the City's financial statements since three members of the City Council serve as the District's board, this component unit was created solely to provide financing for construction needs to directly benefit within City limits and management of the primary government has operational responsibility for the component unit.

Boise Municipal Health Care Trust (the Health Trust) is a separate legal entity that is organized as a joint public agency self-funded health care plan pursuant to Title 41, Chapter 41 of the Idaho State Code. The Health Trust provides health care service benefits to employees of the City of Boise, Valley Regional Transit, and COMPASS, each of which are separate governmental entities recognized by the state of Idaho. The Health Trust is funded through contributions from employers and employees. Claims for self-funded benefits are processed and paid by third-party claims processors and are then reimbursed by the Health Trust. The City has reviewed the fund type associated with the Health Trust and based on authoritative guidance for Public Entity Risk Pools, is changing the presentation this fund for the year ending September 30, 2020, to be that of an enterprise fund as opposed to a fiduciary fund (see also footnote 9).

The Health Trust Board is comprised of 5 members elected by the Boise City Council and one member for each additional public agency elected by that governing body of that public agency as its representative. The member elected by the governing body of each additional public agency member shall be a non-voting member of the Board. As a result, the Health Trust's financial statements are blended within the City's financial statements. The Health Trust's financial statements may be obtained from the following address: Boise Municipal Health Care Trust, 150 N Capitol Blvd, Boise, ID 83702.

Related Organizations

The Boise City/Ada County Housing Authority (the Authority) was organized on February 14, 1963, by Boise City under Section 50-1905 of the Idaho Code, for the purpose of providing housing to low-income residents of Boise

Notes to Financial Statements

City through participation in federal assistance programs administered and financed by the U.S. Department of Housing and Urban Development (HUD). The appointment of the Authority's commissioners alternates every other year between Ada County, Idaho and the mayor. The Authority is a separate and distinct legal entity and does not meet the financial benefit or burden relationship or imposition of will requirements in order to be considered a component unit for financial reporting purposes.

Capital City Development Corporation (CCDC) is an urban renewal agency created by and existing under the Idaho Urban Renewal Law of 1965, as amended, and is an independent public body, corporate and politic. The appointment of CCDC's directors alternates every other year between Ada County, Idaho and by the Mayor. CCDC is a separate and distinct legal entity and does not meet the financial benefit or burden relationship or imposition of will requirements in order to be considered a component unit for financial reporting purposes.

Government-Wide and Fund Financial Statements

The government-wide financial statements and the major-fund financial statements along with the notes to the financial statements comprise the City's basic financial statements. The government-wide financial statements (the statement of net position and the statement of activities) concentrate on the City as a whole and do not emphasize fund types but rather a governmental and business-type classification. The governmental activities and business-type activities comprise the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The purpose of the government-wide financial statements is to allow users of the financial statements to be able to determine if the City is in a better or worse financial position than the prior year.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function. Taxes and other revenues are reported as general revenues.

The City's major funds are presented in separate columns on the governmental fund financial statements and the proprietary fund financial statements. The definition of a major fund is one that meets certain criteria set-forth in Governmental Accounting Standards Board (GASB) Statement Number 34, *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments*. The funds that do not meet the criteria of a major fund are combined into a single column on the fund financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between the City's sewer and solid waste functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions presented. Indirect charges have been eliminated in the entity-wide statements.

Internal service fund activity is reported in full on the proprietary fund financial statements. The individual internal service funds are combined and thus reported in a single summary column on the proprietary fund financial statements. However, the internal service fund activity has been eliminated – except for outside activity – and is combined on the government-wide financial statements as governmental activities. The outside activities may be premiums paid from outside entities for auto and equipment repair.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity or net position, revenues, expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Notes to Financial Statements

The government-wide financial statements are prepared on a full accrual basis using the economic resources measurement focus, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues and expenses generally result from providing services, producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary and internal service funds are charges to customers for sales and services. Operating expenses for proprietary funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental fund financial statements are prepared on the modified accrual basis of accounting using the current financial resources measurement focus. Under modified accrual basis, revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property tax revenues to be available if they are collected within 60 days of the end of the current period. Property taxes, sales and liquor taxes, franchise fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual; and so have been recognized as revenues of the current period. Expenditures generally are recorded when a liability is incurred. An exception to this general rule includes principal and interest on general long-term debt, which is recognized when due, and expenditures related to compensated absences, claims, and judgments are recorded only when payment is due.

When both restricted and unrestricted resources are available, restricted resources will be used first for incurred expenses, and then unrestricted as needed. When using the unrestricted resources, committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The City reports the following major funds in the governmental fund financial statements:

General Fund

The General Fund is the government's primary operating fund that is used to account for all financial resources, except those required to be accounted for in another fund.

Foothills Levy

The Foothills Levy fund, a capital projects fund, is used to further preserve and protect the Boise Foothills and Boise River. This fund is used to account for financial resources used for the acquisition, construction, and improvement of major capital assets which were collected through the Foothills levy approved by voters in both 2001 and 2015.

Capital Improvement

Capital Improvement, a capital projects fund, is used to account for expenditures to be used for the acquisition or construction of major capital assets and projects of the City other than those financed by proprietary funds.

The City reports the following major funds in the proprietary fund financial statements:

Airport

The Airport fund is used to account for the activities related to the operation of the City-owned municipal airport.

Notes to Financial Statements

Water Renewal Fund

The Water Renewal Fund is used to account for the activities related to the operation of the portion of the sewer system owned by the City. Two independent sewer districts collect sewage within the City and contract with the City to process it in one of the two City operated plants.

Solid Waste

The Boise Solid Waste Program is used to account for the City's refuse disposal service. The disposal service is contracted by the City with an independent firm and Ada County landfill facilities.

Boise Municipal HealthCare Trust Fund

The health insurance trust is used to account for the City's self-insured health insurance. Plan assets are dedicated to providing health benefits to current and retired employees.

The City reports the following other fund types:

Non-major Governmental Funds

The non-major governmental funds are a combination of special revenue, debt service, and capital project funds.

- Special revenue funds are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are committed or legally restricted to finance particular functions or activities.
- The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term debt of governmental funds.

Non-major Proprietary Funds

The non-major enterprise funds are a combination of geothermal, municipal irrigation, and housing rehabilitation activities and operations.

Internal Service Funds

Internal service funds account for vehicle maintenance, risk management, and arboretum services provided to other departments of the government or other government entities on a cost reimbursement basis. Activities conducted by the internal service funds are mostly related to governmental activities. Therefore, residual amounts of the internal service funds are consolidated and presented in the governmental activities column of the government-wide statements.

Permanent Fund

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs—that is, for the benefit of the government or its citizenry.

Use of Estimates

The preparation of the financial statements requires management to make a number of estimates and assumptions relating to the reported amounts of assets, deferred outflow of resources, liabilities, and deferred inflow of resources and the disclosure of contingent items at the date of the financial statements. Preparation of the financial statements also requires management to make a number of estimates and assumptions related to the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

Notes to Financial Statements

Budgetary Information

Budgets and Budgetary Accounting

Budgets have been adopted by City Council for all City funds. Capital projects costs are budgeted in the year they are anticipated to be obligated. In subsequent years, the unused budget is reappropriated until the project is completed. Proprietary funds are budgeted on a basis consistent with GAAP, except capital and debt related transactions are based upon cash receipts and disbursements. The annual budgets serve as the legal authorization for expenditures. Expenditures cannot legally exceed the total amount budgeted for each fund. The City Council must approve all interim budget changes, which change the legally adopted total appropriation for a fund. Authority to transfer budget is delegated to the Budget Manager. If during the fiscal year, additional revenues become available for appropriation in excess of those estimated in the budget, City Council may make a motion via the interim budget change process to increase spending authority up to the amount of the excess. Appropriations lapse at fiscal year end.

Assets, Liabilities, Deferred Inflow/Outflow of Resources, and Net Position or Equity

Cash, Cash Equivalents and Investments

The City considers cash to represent demand deposits and cash on hand. Some of the cash resources of the individual funds are combined to form a pool of cash for cash management purposes except those whose cash and investments must be segregated due to legal or other restrictions. In addition, the City considers short-term, highly liquid investments, such as the Idaho Local Government Investment Pool (LGIP), that are both readily convertible to cash and so near their maturity that any changes in interest rates would cause only immaterial risk of change in value, as cash equivalents. The LGIP is invested in accordance with Section 67-1210 and Section 67-1210A Idaho Code. The State Treasurer is a custodian of the LGIP and no other regulatory oversight for the pool is established. The City's monies placed with the LGIP for participation in the State's investment pool represent an interest in the pool rather than ownership of specific securities and are recorded at fair value.

Interest earned on pooled cash is allocated to the various funds based on the average daily balance of pooled cash of each fund. The City reports all investments at fair value except for money market investments with a remaining life to maturity at time of purchase of less than one year which is recorded at amortized cost.

For purposes of the Statements of Cash Flows, the City considers cash and equity in pooled cash and investments (unrestricted and restricted) to be considered cash and cash equivalents. Restricted cash equivalents are defined differently than unrestricted cash equivalents because they are restricted by an outside source.

The City has entered into a custodial agreement with a financial institution for the purpose of providing safekeeping and custody of certain investments owned by the City. Idaho Code provides authorization for the investment of funds as well as specific guidelines as to what constitutes an allowable investment. The City's policy is consistent with these guidelines.

Accounts Receivable

Idaho Code provides taxing entities the ability to levy property taxes for the current or ensuing year. The City levies property taxes, as most entities do, for the ensuing year. This results in the tax collections being received in the fiscal year they are budgeted for and used to pay expenditures of that period.

In proprietary funds, accounts receivable are shown net of an allowance for uncollectible amounts which generally is equivalent to the receivables that are 6% of the receivable balance in the Water Renewal and 16% Solid Waste funds.

Interfund Receivables/Interfund Payables

During the fiscal year, the City has activity between funds for various purposes. Any outstanding balances between funds at year end are reported as interfund receivables or interfund payables. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as interfund balances.

Notes to Financial Statements

Inventory

Inventories that consist of materials and supplies are stated at cost by using the first-in, first-out method. The cost of inventory items is recognized as expenditures in governmental fund financial statements and as expenses in government-wide and proprietary fund financial statements when used (consumption method). Inventories reported within the governmental funds are classified as non-spendable fund balance.

Property Held for Resale

Property held for resale consists of real-estate holdings which the City intends to sell.

Prepaid Items

Some payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. Governmental funds account for prepaid items based on the purchases method and proprietary funds account for these items using the consumption method.

Restricted Assets

Cash and cash equivalents held to meet bond reserve and debt service requirements for the debt service and enterprise funds, deferred compensation amounts held for the benefit of employees, and cash from Passenger Facility Charges are classified as restricted assets since applicable bond indenture provisions, trust agreements, and federal regulations limit their use.

Capital Assets

Capital assets include artwork, property, buildings, major equipment, vehicles, intangible assets, and service lines (infrastructure assets). Service lines are defined as public domain capital assets such as sewer lines, runways, and similar assets that are immovable and of value only to the City. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements, as well as the proprietary fund financial statements. The City's capitalization threshold for capitalizing property, plant, and equipment is an individual cost of $10 ($5 for assets purchased with federal grant funds) and an estimated useful life of at least three years. Capital assets are recorded at historical cost. Donated capital assets are valued at their acquisition value. When an asset is disposed of, cost and related accumulated depreciation is removed. Any gain or loss arising from the disposal is credited or charged back to operations.

Depreciation is calculated using of the straight-line method over the estimated useful lives of the related assets. The ranges of the useful lives are as follows:

Asset	Years
Buildings	7-50
Improvements other than buildings	7-75
Automobiles and trucks	3-20
Machinery and equipment	3-50
Leasehold improvements	10-45
Service lines	20-100
Intangible assets	3-10
Public art & library collection	10-30

Notes to Financial Statements

Deferred Outflows / Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources reported represent deferred charges on debt refunding and various items impacting the pension and other post retirement benefits obligations in the City's government-wide statement of net position and the proprietary funds' statement of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred charge on pension and other post employment benefits results from differences between expected and actual experience, changes in assumptions or other inputs, changes in employer's proportion and differences between the employer's contributions and the City's proportionate contributions and City's contributions subsequent to the measurement date. These amounts will be recognized as increases in benefits expense in future years.

Deferred inflows of resources represent an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City's unavailable revenues from property taxes and various items impacting pension and other post retirement benefits obligations are reported as deferred inflows of resources on the governmental funds balance sheet and government-wide statement of net position, respectively. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. A deferred charge on pension and other post employment benefits results from differences between expected and actual experience, net difference between projected and actual earnings on pension plan investments, and changes in the proportion and differences between the City's proportionate contributions. These amounts will be recognized as reductions in benefit expense in future years.

Capital Lease Obligations

For capital lease obligations in the governmental funds, expenditure for the asset and the offsetting other financing source is reflected in the fund financial statements in the year of inception.

Unearned Revenue

Unearned revenues represent revenues collected in advance of services performed and will be recognized when the services are rendered.

Compensated Absences

The City maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from City service if certain criteria are met. These benefits, including their related taxes and retirement costs, are classified as compensated absences.

Vacation and sick leave benefits are provided to non-temporary full-time and part-time employees who regularly work 19 hours/week or more. Accrued vacation is paid to employees when taken or upon separation of employment, other than retirement. Accrued vacation is paid to the employee's beneficiary(s) upon death. Police Lieutenants may elect to be paid each year for one-half of their accrued unused vacation balance at the end of each calendar year. The value of unused vacation accumulated by City employees is accrued as expense when incurred in proprietary funds and the entity-wide financial statements. In the governmental fund statements, only the amount that normally would be liquidated with expendable available financial resources is accrued as current year expenditures and therefore compensated absences are recognized only when they mature. Unless it is anticipated that compensated absences will be used in excess of a normal year's accumulation, no additional expenditures are accrued.

Sick leave is paid to employees when taken and the cost is recognized when payment is made. Employees that have reached the specified minimum funding standard may not have funds paid to VEBA above that dollar amount. Rather, they receive cash payment for remaining sick leave balances in their final pay. Employees

Notes to Financial Statements

who separate for reasons other than retirement receive no cash payment for accrued, unused sick leave. See the separate discussion of the VEBA on page 57.

Unamortized Bond Premiums and Discounts

Bond premiums and discounts related to long-term debt are being amortized over the life of the debt, principally by the effective interest method. Notes payable and revenue bonds payable in the government-wide and proprietary fund financial statement are shown net of unamortized premiums/discounts. Premiums/ discounts related to general long-term debt in the governmental fund financial statements are recorded as expenditures or other financing sources when paid or received and, therefore, are not accounted for in subsequent periods.

Deferred Compensation

The City has two deferred compensation plans. The first is available to regular employees other than sworn police officers and the second for regular sworn police officers including Lieutenants, Commanders and the Chief. Employees may make voluntary contributions to the plans within the dollar limits allowed by the Internal Revenue Service Code Section 457. The City makes a non-elective contribution for sworn police officers of 6.2% base salary each plan year; Lieutenants are matched at 3.5%; Commanders are matched at 7.5% and the Chief is matched at 8%. The City also matches the contribution of general employees other than senior managers, up to a maximum of 2%. Senior managers are matched up to 4%. The City matches contributions made by department heads up to 4.5% of salary per plan year. The City makes a non-elective contribution for Fire Fighters in the amount of 6.2% as long as they are contributing a minimum of 1% into the PERSI Choice 401(k) plan. The City contributed a total of $2,287 to both deferred compensation plans during the year ended September 30, 2020.

The City has no liability for losses under the plan but the Administrative Board does have fiduciary responsibility regarding oversight of the plan and the investment options made available to participants. The assets held in the City's deferred compensation accounts are not presented in the City's comprehensive annual financial report.

Voluntary Employees' Beneficiary Association

The City has a Voluntary Employees' Beneficiary Association Plan (VEBA) for all regular full and part-time employees working 20 hours or more per week. The City makes annual contributions to a medical trust established under IRS code section 501(c)(9) on behalf of the participants utilizing existing funding sources. Individual accounts are established for the benefit of and are the property of each participant. Each participant is responsible for selecting the investment options for his/her account. Upon separation from service, the employee may use the accumulated balance for IRS allowable medical expenses for themselves and qualified dependents. The City has no ongoing responsibility for the trust and is not included in these financial statements. The City contributed $793 during the year ended September 30, 2020.

Pension

In the government-wide and proprietary funds statement of net position, liabilities are recognized for the City's proportionate share of the Public Employee Retirement System of Idaho (PERSI) net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by PERSI. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms.

OPEB

In the government-wide and proprietary funds statement of net position, liabilities are recognized for the City's post retirement benefits other than pensions (OPEB). The city's OPEB is an uninsured, defined benefit plan used to provide OPEB to only its employees. Assets used to pay for these benefits are not administered through a

Notes to Financial Statements

qualifying trust, therefore total OPEB liability, deferred outflows/inflows of resources, and OPEB expense are recorded in these financial statements.

Net Position

In the government-wide and proprietary fund financial statements net position is categorized as net investments in capital assets, restricted, and unrestricted. Net investments in capital assets include capital assets, net of related debt and deferred amount on refunding. Restricted net position indicates amounts that have constraints on their use externally imposed by creditors, through debt covenants, by grantors, or by law. Restricted assets are being reported for: capital projects, debt service and special revenue funds. The government-wide statement of net position reports $26,517 of governmental activities restricted net position.

Fund Balance

In the governmental fund financial statements, the City reports fund balance as either non-spendable or spendable components. Nonspendable fund balance represents resources that cannot be spent due to their form or legally or contractually required to be maintained intact.

Governmental fund balance that is available for spending is classified as follows:

- Restricted fund balance – amounts that have constraints on their use externally imposed by creditors, through debt covenants, by grantors, or by law.
- Committed fund balance – amounts constrained for a specific purpose imposed by a formal action by City Council, the highest level of decision making authority. A resolution approved by Council is the formal action that is required to establish, modify, or rescind a commitment of fund balance.
- Assigned fund balance – amounts that are intended to be used for specific purposes that are not restricted or committed. City Council vests with the Chief Financial Officer of the Department of Finance and Administration the authorization to assign amounts to specific purposes approved by Council as described in the City's adopted fund balance policy.
- Unassigned fund balance – represents resources that have not been classified in one of the aforementioned categories. The general fund is the only fund that reports a positive unassigned fund balance.

It is the policy of the City that expenditures, for which more than one category of fund balance could be used, will be expended in the following categorical order: restricted, committed, assigned, and unassigned.

A stabilization arrangement is incorporated into the City's adopted fund balance policy that was formally adopted by resolution. This stabilization arrangement consists of two components: cashflow reserve and service maintenance reserve. The cashflow reserve is intended to be a reserve for unexpected events that would have a significant impact on the City's ability to maintain sufficient working capital. The service maintenance reserve may be used to provide funding associated with fluctuations in fiscal cycles and operating requirements that exceed $500. Policy allows funding for the two reserves to be between 5-8% of the subsequent annual budgeted general fund base revenues. As of September 30, 2020, $19,165 is recorded as the total stabilization arrangement which is 8.0% of the 2021 General Fund adopted budget. Any usage or addition to the reserves must be appropriated/approved by City Council. The reserves are recorded in the governmental funds balance sheet within the unassigned fund balance category.

Recently issued and Adopted Accounting Pronouncements

Due to the COVID-19 pandemic, the Governmental Accounting Standards Board issued GASB 95 - Postponement of the Effective Dates of Certain Authoritative Guidance. The City will be implementing two new pronouncements for the fiscal year ending September 30, 2021:

GASB 84: Majority Equity Interests - an amendment of GASB Statements No. 117 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's

Notes to Financial Statements

majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.

GASB 90: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post employment benefit arrangements that are fiduciary activities.

GASB 87: The City is also preparing for the implementation of GASB 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The City is preparing to implement this standard as of October 1, 2021 in order to prepare Fiscal Year 2022 financial statements in compliance with this new standard.

2) Property Taxes

The City of Boise is one of several taxing districts receiving revenue in the form of property taxes assessed, levied, collected, and distributed by Ada County. Property taxes are levied for general purposes and debt service of the City. Taxes are remitted to the City in the month following collection.

The property tax calendar is as follows:

- Property tax year runs from January 1st to December 31st
- Taxes are levied on the second Monday in September
- Primary assessments are mailed on or before the 4th Monday of November each year
- Property taxes attach as an enforceable lien on property as of January 1st
- The first half of the taxes are payable to Ada County by December 20th and the second by June 20th of the following year

Tax Abatements

The City is not authorized under Idaho State Code to enter into agreements with an individual or entity in which the City is promising to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the City or its citizens. Ada County, nor any other governments have entered into agreements that in turn reduces the City's tax revenues.

Notes to Financial Statements

3) Detailed notes on All Funds

Cash, Cash Equivalents, and Investments

At September 30, 2020, the City had the following cash, cash equivalents, investments, and maturities including restricted investments:

	Fair Value	Rating	Effective Duration	Portfolio Percentage
Cash and cash equivalents				
Cash on hand	$ 66	liquid daily	n/a	n/a
Demand deposits	7,690	liquid daily	n/a	n/a
Local Government Investment Pool (LGIP)	40,622	not rated	0.35	n/a
Total cash and cash equivalents	$ 48,378			
Investments				
U.S. Agency Securities	$ 177,173	Aaa	2.45	66%
U.S. Treasury Note	29,900		1.24	11%
Corporate Bonds	36,416	A2 - Aa1	2.19	14%
Money Market Mutual Funds	25,331	Aaa-m	1-day	9%
Total investments	$ 268,820		1.83	100%
Restricted cash held in trust	$ 3,054	liquid daily	n/a	n/a

FY20 cash of $3,054 is restricted cash held in trust and not included in cash and cash equivalents or investments.

Deposit and Investment Policies

Idaho Code 50-1013 limits the City's legal investments to savings accounts, prime commercial paper, general obligations of the State of Idaho and United States Treasury, notes, bonds, and obligations of Government Sponsored Enterprises (FNMA, FHLMC, FFCB, FHLB), A-rated corporate bonds, and money market and mutual funds whose portfolios consist of the aforementioned underlying instruments. Any funds not matched to a specific cash flow or other specific purpose allowed by law or City Council resolution shall not be invested in securities longer than 10 years from the date of purchase. The City, except as indicated below, is limited to the following general types of investments:

- Certain revenue bonds, general obligation bonds, local improvement district bonds, tax and revenue anticipation notes, and registered warrants of state and local government entities.
- Time deposit accounts.
- Bonds, treasury bills, interest-bearing notes, debentures or other similar obligations of the United States Government and the Farm Credit System and its agencies and instrumentalities. U.S. Government Securities include U.S. Treasury receipts and U.S. Treasury Stripped Interest Payment series (STRIPS).
- Repurchase agreements.
- Banker's acceptance and prime commercial paper.
- Mutual or Money Market Funds.
- Corporate bonds rated A or better at the time of purchase.

Investments associated with the Health Insurance Trust Fund must be allowable under both Idaho Code 50-1013 and 41-4109 et. Seq.

The City's investment policy requires that investments within the portfolio be diversified as to security type, duration, and issuer in order to maintain a balanced portfolio. The City only conducts investment purchases on a delivery-vs-payment basis with all securities maintained through a third-party custodial safekeeping agreement which requires that they be held in the City's name.

Interest Rate Risk, Credit Risk, Custodial Credit Risk

In accordance with the City's investment policy of diversifying its investments as to type, issuer, and maturity,

Notes to Financial Statements

the City chooses to monitor its interest rate risk exposure utilizing effective duration. Effective duration is the preferred method for callable securities and measures the price sensitivity of an investment or portfolio, taking into account that expected cash flows will change as interest rates change. The effective duration of the City's investment portfolio was 1.83 years on September 30, 2020.

As of September 30, 2020, the City maintained an executed contract with a third-party custodian that holds investments in the City's name in order to mitigate custodial credit risk. The City's demand deposits are insured up to Federal depository insurance limits and collateralized by an irrevocable letter of credit issued by the Federal Home Loan Bank of Cincinnati up to an amount of $20,000. The LGIP is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Concentration of Credit Risk

On September 30, 2020, the City's investment portfolio of $299,055 and Boise Municipal Health Care Trust $10,383 exceeded 5% of total portfolio value in the following issuers:

City Of Boise Portfolio

Issuer	Portfolio Percentage
Federal Home Loan Bank	24.95%
Federal Farm Credit Bank	23.78%
Local Government Investment Pool	13.58%
US Treasury	9.92%
Federal National Mortgage Assn	8.84%
First American Government Obligations MM	7.55%

Boise Municipal Health Care Trust

Issuer	Portfolio Percentage
Federal Farm Credit Bank	17.93%
First American Government Obligations MM	26.49%
Federal Home Loan Bank	11.00%
Federal National Mortgage Assn	19.56%

Fair Value Measurements

Fair value accounting guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value guidance also establishes a fair value hierarchy that requires a government to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Based on the inputs used to determine fair value, a three-level hierarchy is used as follows:

- Level 1: fair value is determined using quoted prices (unadjusted) for identical assets or liabilities in active markets that the government can access at the measurement date.
- Level 2: fair value is determined using inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly, such as quotes prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs are derived principally from or corroborated by observable market data.
- Level 3: fair value is determined using unobservable inputs for an asset or liability and requires the government to develop its own assumptions, based on the best information available in the circumstances, about the considerations market participants would use in pricing the asset or liability.

The following table represents the City's investments that are measured or disclosed at fair value on a recurring basis. The City does not have any financial assets that are measured at fair value on a non-recurring basis.

	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
Debt Securities				
U.S. Agency Securities	$ 177,173	$ -	$ -	$ 177,173
U.S. Treasury Note	29,900	-	-	29,900
Corporate Bonds	-	36,416	-	36,416
Money Market Mutual Funds	25,331	-	-	25,331
	$ 232,403	$ 36,416	$ -	$ 268,820

Investments categorized as Level 1 are valued based on prices quoted in active markets for those securities. The City utilizes a market pricing service to update fair value of investment securities.

Investments categorized as Level 2 are valued based on prices obtained from reputable pricing vendors, using models that are market-based measurements representing their good faith opinion as to the exit value of the

Notes to Financial Statements

investment, in an orderly transaction under current market conditions. Such models take into account quoted prices, nominal yield spreads, benchmark yield curves, prepayment speeds, and other market corroborated inputs.

Receivables

At September 30, 2020, receivables for the City's major funds and all other funds in aggregate were as follows:

	General	Capital Improvement	Foothills Levy	Non-Major Governmental Funds	Total Governmental Funds
Interest	$ 294	$ 323	$ 37	$ 75	$ 729
Taxes	139,222	-	-	1,417	140,639
Accounts	8,337	933	-	14	9,284
Special Assessments	16	-	-	-	16
Grants	29,868	1,030	-	-	30,898
Less: Allowance					
	$ 177,737	$ 2,286	$ 37	$ 1,506	$ 181,566

	Airport	Water Renewal	Solid Waste	Boise Municipal Healthcare Trust	Other Enterprise Funds	Total Enterprise Funds	Total Internal Service Funds
Interest	$ 234	$ 278	$ 25	$ 41	$ 286	$ 864	$ 129
Accounts	2,556	10,155	3,090	577	21	16,399	-
Special Assessments	-	1,041	-	-	5	1,046	-
Grants	16,711	-	-	-	218	16,929	-
Loans **	-	-	-	-	8,782	8,782	-
Less: Allowance for uncollectibles	(77)	(576)	(508)	-	(284)	(1,445)	-
	$ 19,424	$ 10,898	$ 2,607	$ 618	$ 9,028	$ 42,575	$ 129

** Loans are recorded as noncurrent assets in the respective statements of net position.

Restricted Assets

Assets that are restricted as to use are classified as restricted assets for payment of governmental and enterprise fund debt service requirements. These monies are limited to use as defined in applicable debt agreements. The total amount of restricted assets and their use at September 30, 2020 is presented below.

	Debt Reserve Funds	Bond/Interest Lease Pmt Fund	Specific Purposes	Total
Government Fund Type				
Harris Ranch CID #1	$ 881	$ 45	$ -	$ 926
GO Bonds 2015	-	1,984	-	1,984
Total governmental funds	881	2,029	-	2,910
Enterprise Fund Type				
Airport Maint Facility 2015	794	-	-	794
Airport Garage 2012	830	3	-	833
Airport PFC restrictions	-	-	-	-
Airport DEQ Trust	-	-	501	501
Total enterprise funds	1,624	3	501	2,128
Total Restricted Assets	$ 2,505	$ 2,032	$ 501	$ 5,038

Notes to Financial Statements

Capital Assets

Capital asset activity for the fiscal year ended September 30, 2020, was as follows:

Governmental activities

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets, not being depreciated					
Land	$ 85,034	$ 2,217	$ 22	$ (96)	$ 87,177
Intangible assets	874	-	-	-	874
Construction in progress	12,910	10,070	(14,006)	(1,958)	7,016
Total capital assets, not being depreciated	98,818	12,287	(13,984)	(2,054)	95,067
Capital assets, being depreciated					
Buildings	137,297	97	6,021	(889)	142,526
Improvements other than buildings	115,935	3,327	2,130	(785)	120,607
Automobiles and trucks	37,068	2,363	336	(610)	39,157
Machinery and equipment	36,106	878	1,061	(813)	37,232
Leasehold improvements	3,104	39	-	-	3,143
Intangible assets	7,056	187	-	-	7,243
Other capital assets	13,517	1,060	4,479	(466)	18,590
Total capital assets being depreciated	350,083	7,951	14,027	(3,563)	368,498
Less accumulated depreciation for					
Buildings	51,674	4,461	-	(505)	55,630
Improvements other than buildings	55,562	5,301	-	(731)	60,132
Automobiles and trucks	24,723	2,662	34	(610)	26,809
Machinery and equipment	24,209	1,927	9	(765)	25,380
Leasehold improvements	1,611	185	-	-	1,796
Intangible assets	4,867	1,025	-	-	5,892
Other capital assets	5,503	908	-	(411)	6,000
Total accumulated depreciation	168,149	16,469	43	(3,022)	181,639
Total capital assets, being depreciated, net	181,934	(8,518)	13,984	(541)	186,859
Governmental activities capital assets, net	$ 280,752	$ 3,769	$ -	$ (2,595)	$ 281,926

Notes to Financial Statements

Business-type Activities

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets, not being depreciated					
Land	$ 37,434	$ 612	$ -	$ -	$ 38,046
Intangible assets	478	-	-	-	478
Construction in progress	33,573	41,281	(23,614)	(42)	51,198
Total capital assets, not being depreciated	71,485	41,893	(23,614)	(42)	89,722
Capital assets, being depreciated					
Buildings	336,784	459	11,553	-	348,796
Land improvements/terminal parking	78,595	4	8,386	-	86,985
Improvements other than buildings	50,058	189	(55)	-	50,192
Service lines	246,790	1,456	1,753	-	249,999
Automobiles and trucks	27,268	1,739	(35)	(507)	28,465
Machinery and equipment	107,160	1,182	1,948	(84)	110,206
Intangible assets	3,070	-	54	(20)	3,104
Other capital assets	1,830	-	-	-	1,830
Total capital assets being depreciated	851,555	5,029	23,604	(611)	879,577
Less accumulated depreciation for					
Buildings	155,212	9,228	-	-	164,440
Land improvements/terminal parking	57,743	3,741	-	-	61,484
Improvements other than buildings	39,867	1,077	-	-	40,944
Service lines	67,565	2,818	-	-	70,383
Automobiles and trucks	16,885	1,890	(35)	(485)	18,255
Machinery and equipment	62,964	5,318	25	(63)	68,244
Intangible assets	2,154	268	-	(20)	2,402
Other capital assets	341	36	-	-	377
Total accumulated depreciation	402,731	24,376	(10)	(568)	426,529
Total capital assets, being depreciated, net	448,824	(19,347)	23,614	(43)	453,048
Business-type activities capital assets, net	$ 520,309	$ 22,546	$ -	$ (85)	$ 542,770

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	$ 2,936
Fire	2,718
Police	1,079
Parks and Recreation	6,666
Culture and Library	1,743
Community Service	1,226
Internal Service Funds	101
Total depreciation for governmental activities	$ 16,469

Business-type Activities	
Airport	$ 10,893
Water Renewal	12,812
Solid Waste	34
Other	637
Total depreciation for business-type activities	$ 24,376

Notes to Financial Statements

Interfund Transactions
Due To/From Other Funds
The composition of the interfund balances at September 30, 2020 is:

	Due From		
	Non-major governmental funds	Boise Municipal Healthcare Trust	Total
Due To			
General fund	$ 1	$ 1,472	$ 1,473

The majority of interfund balances as of September 30, 2020 are due to interfund billings for services.

Interfund Transfers
Interfund transfers for the year ended September 30, 2020 consisted of the following:

	Transfers in					
	General	Capital Improvement	Non-major Governmental	Non-major Enterprise	Internal Service	Total
Transfers out						
General	$ -	$ 20,594	$ 5,487	$ 279	$ 2,133	$ 28,493
Capital Improvement	7	-	-	-	-	7
Solid Waste	103	-	-	-	-	103
Water Renewal	92	-	-	-	-	92
Non-major governmental funds	6	5,077	-	-	-	5,083
	$ 208	$ 25,671	$ 5,487	$ 279	$ 2,133	$ 33,778

The majority of transfers were recurring annual transfers for capital projects and debt service payments that are made on a routine basis. Significant transfers during the year ended September 30, 2020 were as follows:

a) net transfer from the General Fund to the Capital Projects Fund for authorized projects $20,594
b) transfers from the General Fund to the Debt Service Fund for debt service payments $5,487
c) transfers from the General Fund to the Workers Comp fund for future claims costs $2,000
d) transfers from the Non-major governmental funds to the Capital Projects funds for authorized projects $5,077

Interfund loans
Interfund loans for the year ended September 30, 2020 consisted of the following:

	Interfund Loan Receivable		
	General Fund	Solid Waste	Total
Interfund Loan Payable			
Solid Waste	$ 1,200	$ -	$ 1,200
Internal Service Funds	-	101	101
	$ 1,200	$ 101	$ 1,301

Notes to Financial Statements

The advance to Solid Waste was established to fund environmental remediation being performed at Esther Simplot Park. The balance will be repaid at $150 per year. Advances to the internal service funds was established to fund fleet service building improvements. The balance will be repaid based on amortization schedules for a period of 25 years. These advances are not expected to be repaid within one year.

Governmental Fund Balances

Governmental fund balances have been assigned for the following projects and programs:

- General government - Procure to pay software, Animal control vehicles, Timekeeping system upgrade/ replacement, ERP system upgrade, Permit management system, ADA assessment, Operating contingency, and Small business cash grant.
- Fire - Major equipment including a brush rig, two pumpers, chemical detector, and utility vehicle.
- Police - Business plan continuation, crisis intervention training, downtown police station and vehicles.
- Parks and Recreation - Cottonwood park restroom, downtown plaza and significant space, Bowden park restroom, Fort Boise community center restrooms, playground repairs, Riverside restroom, Molenaar park amenities, Redwood park restroom, and various work trucks.
- Culture - Library strategic plan, Westside park art, Hayman House plaza, Vista Gateway, Percent for art, and Depot bench art.
- Community Services - Grow our housing, energize and neighborhood investment, City Hall facilities R&M, rental housing R&M, St Lukes roundabout, Table Rock gate, fire station #6 remodel, and Hayman house remodel.
- Debt service and post retirement benefits
- Community and economic development

Below is a summary of significant encumbrances included within assigned fund balance at September 30, 2020:

Function	General	Capital Projects Fund	Total
General Gov	$ 1,163	$ 345	$ 1,508
Fire	30	251	281
Police	14	2,075	2,089
Parks & Rec	-	2,526	2,526
Culture	47	265	312
Community service	748	718	1,466
Subtotal	$ 2,002	$ 6,180	$ 8,182

Notes to Financial Statements

Noncurrent Liabilities

Changes in noncurrent liabilities

The following is a summary of changes in noncurrent liabilities of the City at September 30, 2020:

	Beginning Balance	Additions	Deletions	Ending Balance	Amount due in One Year
Governmental Activities					
Bonds:					
Refunding Bonds 2011A	$ 17,720	$ -	$ (1,115)	$ 16,605	$ 1,150
Plus premium	248	-	(33)	215	-
Other long-term debt obligations					
Harris Ranch CID SA Bond	3,589	-	(64)	3,525	69
Direct Placement -					
GO Bonds 2015	10,205	-	(1,775)	8,430	1,810
Other long-term debt obligations					
Harris Ranch CID GO Bond 2015B	3,414	-	(83)	3,331	86
Harris Ranch CID GO Bond 2016	1,166	-	(58)	1,108	59
Harris Ranch CID GO Bond 2017A	1,101	-	(50)	1,051	51
Harris Ranch CID GO Bond 2017B	557	-	(23)	534	23
Harris Ranch CID GO Bond 2018	1,874	-	(105)	1,769	108
Harris Ranch CID GO Bond 2019	3,922	-	(160)	3,762	153
Harris Ranch CID GO Bond 2020	-	2,122	-	2,122	115
Total, bonded debt	43,796	2,122	(3,466)	42,452	3,624
Other noncurrent liabilities:					
Capital leases	1,978	-	(347)	1,631	671
Compensated Absences (1)	6,123	2,174	(884)	7,413	430
Total, other noncurrent liabilities	8,101	2,174	(1,231)	9,044	1,101
Total noncurrent liabilities, governmental activities	51,897	4,296	(4,697)	51,496	4,725
Business-Type Activities					
Revenue bonds:					
Airport Revenue Refunding 2012	8,450	-	(525)	7,925	550
Plus premium	356	-	(46)	310	-
Airport Revenue Refunding 2011	4,185	-	(4,185)	-	-
Plus premium	44	-	(44)	-	-
Airport Maintenance Fac, 2015	11,300	-	(375)	10,925	390
Less discount	(51)	-	2	(49)	-
Direct Placement -					
WW Facility Refunding 2012	2,710	-	(460)	2,250	468
Less discount	(40)	-	12	(28)	-
Total, bonded debt	26,954	-	(5,621)	21,333	1,408
Other noncurrent liabilities:					
Compensated Absences	1,009	412	(150)	1,271	50
Total, other noncurrent liabilities	1,009	412	(150)	1,271	50
Total noncurrent liabilities business-type activities	27,963	412	(5,771)	22,604	1,458
Total noncurrent liabilities primary government	$ 79,860	$ 4,708	$ (10,468)	$ 74,100	$ 6,183

(1) Compensated absences typically have been liquidated in the general fund and other governmental funds.

Notes to Financial Statements

	Interest Rates	Issue Date	Maturity	Issue Amount	Indebtness September 30, 2020
Governmental Activities					
Bonds:					
Refunding Bonds, Series 2011A	3.00% - 4.00%	2011	2032	$ 24,665	$ 16,605
plus premium					$ 215
Harris Ranch CID SA Bond, 2011	9.00%	2011	2040	$ 3,920	$ 3,525
Direct Placement -					
Harris Ranch CID Bond, Series 2015B	3.44%	2015	2045	$ 3,587	$ 3,331
Harris Ranch CID Bond, Series 2016	2.19%	2016	2036	$ 1,331	$ 1,108
Harris Ranch CID Bond, Series 2017A	2.37%	2017	2037	$ 1,201	$ 1,051
Harris Ranch CID Bond, Series 2017B	3.48%	2017	2037	$ 600	$ 534
Harris Ranch CID Bond, Series 2018	3.71%	2018	2033	$ 1,980	$ 1,769
Harris Ranch CID Bond, Series 2019	2.80%	2019	2039	$ 3,922	$ 3,762
Harris Ranch CID Bond, Series 2020	2.44%	2020	2036	$ 2,122	$ 2,122
GO Bonds, Series 2015	0.62% - 2.44%	2015	2025	$ 17,000	$ 8,430
Other noncurrent liabilities:					
Lease Obligation	1.99%	2015	2021	$ 1,036	$ 427
Lease Obligation	1.99%	2016	2022	$ 1,026	$ 529
Lease Obligation	1.99%	2017	2022	$ 1,205	$ 675
Business-type Activities					
Revenue bonds:					
Airport Refunding Revenue Bond, Series 2012	2.00% - 4.00%	2012	2032	$ 11,760	$ 7,925
plus premium					$ 310
Airport Refunding Revenue Bond, Series 2011	4.00% - 5.75%	2011	2020	$ 32,480	$ -
plus premium					$ -
Airport Refunding Revenue Bonds, Series 2015	3.00% - 4.00%	2015	2040	$ 12,665	$ 10,925
less discount					$ (49)
Direct Placement -					
Wastewater Facility Refunding Revenue Bond, Series 2012	1.74%	2012	2026	$ 16,699	$ 2,250
less discount					$ (28)

Governmental Activities

- Revenue Refunding Bonds, Series 2011A - $24,665 of Refunding Bonds were issued to refinance $23,850 of outstanding principal amounts of the Revenue Refunding Bonds, Series 2001A and to pay for debt issuance costs. All General Fund revenues are pledged for payment of debt service. Parity is allowed as long as the aggregate maximum annual debt service of the obligations constituting a parity lien does not exceed 15% of the General Fund Revenue. The outstanding debt contains a provision that in the event of default, the remaining balance including both principal and interest, are immediately due. Additionally, the trustee of the bond may pursue all remedies legally available to enforce the rights they represent on behalf of the bondholders. Default can be either a failure to pay debt service when due or through a failure to honor the debt covenants. If the City is unable to pay debt service when due, the City has insurance to cover the payment. If the insurance company covers a payment, the City then owes the insurance company for the covered payment, plus interest, and any fees and expenses. If the City cannot pay these costs, then the insurance company is entitled to pursue legal action to recoup what it is owed, as long as those actions do not adversely affect the bondholders.
- General Obligation (GO) Bonds, Series 2015 – $17,000 these bonds were issued for the purpose of constructing and equipping a new firefighter training facility to meet national standards, repairing existing fire stations, as well as constructing and equipping new fire stations to reduce emergency response service gaps and to enhance neighborhood safety. The full faith, credit and taxing power of the City are pledged for payment of the debt service and any redemption premiums if needed.
- Harris Ranch Community Infrastructure District (the District), a blended component unit of the City, issues debt to fund regional community infrastructure.
    - The Special Assessment bonds are repaid by assessments against individual properties within the

Notes to Financial Statements

District. The bonds are secured by a first lien on all property within the assessed area within the District. The full faith and diligence of the District is pledged toward annual assessments, collections and payments of the assessments for debt service.

- Series 2015 General Obligation Bonds issued in the amount of $158 were issued to redeem the Series 2013 General Obligation Bonds.
- All General Obligation debt series were issued via direct placement to reimburse the District's developer and to reimburse property owners for land transferred for public usage in accordance with the development agreement for projects within the District. These debt issues are direct obligations of the district and are not obligations of the City. The debt issues are secured by a pledge of the full faith and credit and all taxable real property in the District.

- Capital Leases – The City entered into leases for the construction and use of fire trucks/engines. The City has the option and intends to purchase the fire trucks at the end of the lease terms.

Business-type Activities

- Airport Refunding Revenue Bonds, Series 2012 – The City issued Airport Revenue Refunding Bonds, Series 2012 in the amount of $11,760. The bonds were issued to construct an expansion of the existing parking structure at the Airport. The pledged revenue to cover the bonds includes all Airport operating revenue, interest income, operating grant and excludes revenue from capital grants, customer facility charges and passenger facility charges. Operating and maintenance expenses excludes interest expense, gain on property sale/exchange, depreciation, expenses and debt service on any obligations payable from airport revenues. In FY 2020 the net available revenue pledged to the bonds was $14,237. The debt service was $525 principal and $301 interest giving a coverage ratio of 17.24.
- Airport Refunding Revenue Bonds, Series 2011 – The City issued the Airport Revenue Refunding Bonds Series 2011 in the amount of $32,480. The bonds were used to: a) refinance the outstanding principal amount of the Airport Revenue COPS, Series 2000 originally issued in the aggregate amount of $52,000 and (b) to pay the costs of issuing the bonds. The pledged revenue to cover the bonds includes all Airport operating revenue, interest income, operating grants and passenger facility charges. Operating and maintenance expenses excludes interest expense, gain on property sale/exchange, depreciation, expenses and debt service on any obligations payable from airport revenues. In FY 2020 the net available revenue pledged to the bonds was $17,718. The debt service was $4,185 principal and $241 interest giving a coverage ratio of 4.00. This series of bonds was completely paid off as of the end of FY2020.
- Airport Revenue Bonds, Series 2015 – The City issued Airport Revenue Bonds, Subordinate Series 2015 in the amount of $12,665. The bonds were issued to acquire aircraft maintenance facilities at the Boise Airport. Subordinate net revenues are pledged to the payment of the bonds which means revenues of the system less operation and maintenance expenses after payment of the senior bonds and any additional senior lien obligations issued hereafter. The pledged revenue to cover the bonds includes all Airport operating revenue, interest income, operating grants and excludes revenue from capital grants, customer facility charges and passenger facility charges. Operating and maintenance expenses excludes interest expense, gain on property sale/exchange, depreciation, expenses and debt service on any obligations payable from airport revenues. The debt service coverage requirement in the rate covenant stipulates that net revenues and pledged excluded revenues (which includes passenger facility charges) will equal at least 115% of aggregate debt service on all senior or subordinate issues combined. In FY 2020, the net available revenue pledged to the bonds was $17,718 The aggregate debt service was $5,085 principal and $957 interest giving a coverage ratio of 2.93.
- Wastewater Facility Refunding Bonds –The City issued the Wastewater Facility Refunding Bonds, Series 2012 in the amount of $16,699. The proceeds from the refunding bonds were used to extinguish two forms of debt: a) refinance $9,945 of outstanding principal of the 1999 Refunding Bonds originally issued in the aggregate amount of $22,145; (b) to refund $7,339 of outstanding DEQ Loans originally issued in the aggregate amount of $9,856; and (c) to pay the costs of issuing the bonds. In FY 2020, the net available revenue pledged to bonds was $31,903. The debt service was $460 principal and $45 interest giving a coverage ratio of 63.22.

The business-type revenue bonds contain the following provisions that would constitute an event of default:

- Non-punctual payment of principal or interest.
- Failure to perform or observe the covenants in the indenture or in the bonds for a specified period (30-60 days, depending on the bond)

Notes to Financial Statements

- Material misrepresentation or warranty by the Issuer
- Insolvency, receivership, bankruptcy, reorganization, dissolution, or liquidation or inability to pay its obligations
- Judgement against the pledged net revenues that is not dischargeable within the near term (90-120 days, depending on the bond)
- If there is a final determination by the Internal Revenue Service (not subject to further review or approval), or an opinion of Counsel, that interest on the Bonds is not excluded from gross income for federal income tax purposes.

In the event of default, the bond trustee may declare unpaid principal and accrued interest immediately due and pursue and exercise any other remedy available at law or in equity to enforce its rights under the bond indenture.

Conduit Bonds

The City is authorized under Title 50 Chapter 27 of the *Idaho Code* to create an industrial development corporation for the purpose of issuing Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of manufacturing, processing, production, assembly, warehousing, solid waste disposal, ski area and energy facilities (excluding facilities to transmit, distribute or produce electrical energy). Ordinance No. 4700 of the City created the Industrial Development Corporation of the City of Boise, Idaho. From time to time, the City, through the Industrial Development Corporation, has issued Industrial Revenue Bonds. The bonds are payable solely from payments received from the private-sector entity served by the issuance. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity. Pursuant to Title 50 Chapter 2706 of the *Idaho Code*, neither the City, the State, nor any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2020, there were no Industrial Revenue Bonds issued or outstanding.

Capital Lease Obligations

Capital lease obligations at September 30, 2020 amounted to $1,631. These obligations, which are collateralized by vehicles, have total annual installments ranging from $115 to $152 including interest of 1.9886% and mature through 2023. As of year end, vehicles currently leased under capital leases in the governmental activities had historical costs of $3,280 and accumulated depreciation of $1,302.

Debt Service Requirements

Debt service requirements on long-term debt, including current maturities, at September 30, 2020 are as follows:

	Governmental Activities				Business-type Activities			
Fiscal	Bonds		Direct Placement		Bonds		Direct Placement	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 1,219	$ 879	$ 2,405	$ 571	$ 940	$ 683	$ 468	$ 37
2022	1,259	838	2,449	523	965	654	476	29
2023	1,304	795	2,506	467	995	623	365	21
2024	1,349	750	2,565	406	1,035	585	372	15
2025	1,399	703	1,644	341	1,070	548	378	8
2026-2030	7,828	2,660	3,618	1,346	5,865	2,224	191	2
2031-2035	4,269	1,089	3,823	794	4,460	1,151	-	-
2036-2040	1,503	429	2,197	319	3,520	433	-	-
2041-2045	-	-	900	94	-	-	-	-
Total	$ 20,130	$ 8,143	$ 22,107	$ 4,861	$ 18,850	$ 6,901	$ 2,250	$ 112

Notes to Financial Statements

Future minimum capital lease obligations as of September 30, 2020 were as follows:

Fiscal Year	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 671	$ 33	$ -	$ -	$ 671	$ 33
2022	565	20	-	-	565	20
2023	395	8	-	-	395	8
Total	$ 1,631	$ 61	$ -	$ -	$ 1,630	$ 61

In Idaho, a municipality is allowed a debt limit of two percent of the market valuation of the real and personal property in its taxing area. The City's legal debt limit for 2020, based on data available from Ada County, would be approximately $555 million.

Arbitrage Requirements

Any excess interest earnings on tax-exempt bond proceeds must be remitted to the federal government in five-year intervals. Even though a payment may not be required until several years into the future, the liability is recognized as it is probable and measurable. The liability would be recorded in both governmental and business-type activities, as applicable. During fiscal year September 30, 2020, the City had no earnings on tax-exempt bond proceeds.

4) Operating Leases

Total rental expense of $1,095 is recorded in the statement of activities for governmental activities and $88 for business-type activities for the year ended September 30, 2020.

5) State Retirement Programs

Defined Benefit - Pensions

Plan Description

All City employees may be covered by the Public Employee Retirement Fund Base Plan (PERSI Base Plan) which is a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employee Retirement System of Idaho (PERSI) that covers substantially all employees of the State of Idaho, its agencies, and various participating political subdivisions. Enrollment into the PERSI Base Plan is automatic. Participants are classified as either "class 1 – general member" or "class 2 – police officer/fire." The cost to administer the plan is financed through contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at **www.persi.idaho.gov.**

The City also contributes to the Firefighter Retirement Fund (FRF) which is a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employee Retirement System of Idaho (PERSI) that covers a closed group of firefighters who were hired before October 1, 1980 and who received benefits in addition to those provided under the PERSI Base Plan. Participants are classified as either:

- Active: A paid firefighter who meets the basic requirements for membership and is making contributions to the fund through payroll deduction.
- Inactive: A former active member with at least five years of active service, who is not receiving a retirement benefit, has not received a separation benefit and has not reached the age of 60.
- Retired: A former active member who is receiving a retirement allowance.
- Beneficiary: A surviving spouse or minor child receiving a retirement allowance because of the death of a firefighter.
- Option I and Option II: Firefighters hired before July 1, 1976 had the choice to become Option I (Class A) or Option II (Class B) members. Firefighters hired after July 1, 1976 and before October 1, 1980 automatically became Option II (Class C) members. Class C FRF members merged with Class B on April 1, 1990. Contributions and benefits are different for the two options.

- Option I - Contributions and benefits are based on the state average paid firefighters salary.
- Option II - Contributions and benefits are based on the firefighter's own individual salary.

The cost to administer the plan is financed through the contributions and investment earnings of the FRF. Additional FRF funding is obtained from receipts from a state fire insurance premium tax. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at **www.persi.idaho.gov**. Responsibility for administration of the PERSI Base Plan and FRF is assigned to the PERSI Board (the Board) comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active PERSI Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the PERSI Base Plan except by reason of having served on the Board.

Pension Benefits

The PERSI Base Plan provides retirement, disability, death and survivor benefits for eligible members or beneficiaries. Benefits are based on the member's years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the PERSI Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The PERSI Base Plan is required to provide a 1% minimum cost of living increase per year provided the consumer price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the consumer price index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

The FRF provides retirement, disability, death and survivor benefits for eligible members or beneficiaries. Benefits are based on members' years of service as well as the final average salary. A firefighter must have five years of service to be eligible for a lifetime retirement allowance at age 60. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance is based on Idaho Code Title 72 Chapter 14.

The benefit payments for the FRF are calculated using a benefit formula adopted by the Idaho Legislature. The FRF cost of living increase is based on the increase in the statewide average firefighter's wage.

Member and Employer Contributions

Member and employer contributions paid to the PERSI Base Plan and FRF are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due. For governmental activities, the general fund generally liquidates employer contributions and pension obligations.

The PERSI Base Plan contribution rates for employees are set by statute at 60% of the employer rate for general employees and 72% for police and firefighters. For the period October 1, 2019 to September 30, 2020 it was 7.16% for general employees and 8.81% for police and firefighters. The PERSI Base Plan employer contribution rate as a percent of covered payroll is set by the Retirement Board and was 11.94% for general employees and 12.28% for police and firefighters. The City contributions were $15,365 for the year ended September 30, 2020.

Notes to Financial Statements

The total FRF employer contribution rate for the period October 1, 2019 to September 30, 2020 was 17.28%. This includes the employer excess rate of 5.00% plus the PERSI class 2 firefighters rate of 12.28%. The employer excess rate of 5.00% ended on July 1, 2020. The FRF member rate for the period for class B is 11.45% which is 2.64% above the class 2 rate of 8.81%. The City's contributions to FRF were $1,200 for the year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

PERSI Base Plan

At September 30, 2020, the City reported a pension liability of $82,759 for its proportionate share of the net pension liability of the PERSI Base Plan. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the PERSI Base Plan pension plan related to the total contributions of all participating PERSI Base Plan employers. At July 1, 2020, the City's proportionate share was 3.56%, a .001% increase from the City's proportionate share at July 1, 2019.

For the year ended September 30, 2020, the City recognized pension expense of $29,971 related to the PERSI Base Plan. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to PERSI Base Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 6,466	$ 2,702
Changes in assumptions or other inputs	1,400	-
Net difference between projected and actual earnings on pension plan investments	9,486	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	294	896
City's contributions subsequent to the measurement date	4,183	-
Total	$ 21,829	$ 3,598

Deferred outflows of resources in the amount of $4,183 resulting from employer contributions to the PERSI Base Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2021.

The average of the expected remaining service lives of all employees that are provided with pensions through the PERSI Base Plan (active and inactive employees) determined at June 30, 2020 is 4.7.

Fireman's Retirement Fund

At September 30, 2020, the City reported a pension asset of $54,173 for its proportionate share of the net pension asset of the FRF. The net pension asset was measured as of June 30, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City's share of contributions in the FRF pension plan relative to the total contributions of all participating FRF employers. At June 30, 2020, the City's proportionate share was 36.38%, a .31% increase from the City's proportionate share at July 1, 2019.

Notes to Financial Statements

For the year ended September 30, 2020, the City recognized pension revenue of $6,173 related to the FRF. At September 30, 2020, the City reported deferred outflows of resources and deferred inflow of resources related to FRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ -
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	2,246	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	-
City's contributions subsequent to the measurement date	115	-
Total	$ 2,361	$ -

Deferred outflows of resources in the amount of $115 resulting from employer contributions to FRF subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending September 30, 2021.

The average of the expected remaining service lives of all employees that are provided with pensions through the PERSI (active and inactive employees) determined July 1, 2019 the beginning of the measurement period ended June 30, 2020 is 1.0 year and 1.0 year for the measurement period June 30, 2019.

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

Year ended September 30	Base Plan	FRF
2021	$ (25)	$ (646)
2022	3,346	618
2023	4,546	973
2024	6,181	1,301
	$ 14,048	$ 2,246

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups using the entry age normal cost method. Under the entry age normal cost method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The PERSI Base Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the PERSI Base Plan permitted under Section 59-1322, Idaho Code, is 25 years.

The unfunded actuarial accrued liability for FRF is the difference between the actuarial present value of the FRF benefits not provided by the PERSI Base Plan and the FRF assets. Currently FRF assets exceed this actuarial present value; therefore, there is not an unfunded liability to amortize at this time. The maximum amortization period for the FRF permitted under Section 59-1394, Idaho Code, is 50 years.

Notes to Financial Statements

The total pension liability of the PERSI Base Plan and total pension asset of the FRF in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	PERSI Base Plan	FRF
Inflation	3.00%	3.00%
Salary increases	3.75%	3.75%
Long-term rate of return	7.05%	7.05%
Cost-of-living adjustments	1.00%	3.18%

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

- Set back 3 years for teachers
- No offset for male fire and police
- Forward one year for female fire and police
- Set back one year for all general employees and all beneficiaries

Experience studies were performed for the period 2013 through 2017 for the PERSI Base Plan; and the period 2013 through 2017 for FRF. These studies reviewed economic and demographic assumptions including mortality. Mortality and all economic assumptions were studied in 2018 for the period from July 1, 2013 through June 30, 2017 for the Base Plan and FRF.

The Total Pension Liability (Base Plan) and Asset (FRF) as of September 30, 2020 is based on the results of an actuarial valuation date of July 1, 2020.

Long-term Expected Rate of Return

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

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

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as follows:

Asset Class	Target Allocation	Expected Return
Equities		
Broad Domestic Equity	55.00%	6.30%
International	15.00%	6.45%
Fixed Income	30.00%	0.55%
Long-term expected geometric rate of return, net of investment expenses		7.05%

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate

Notes to Financial Statements

of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

The following presents the sensitivity of the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.05%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.05%) or 1-percentage-point higher (8.05%) than the current rate:

	1% Decrease (6.05%)	Current Discount Rate (7.05%)	1% Increase (8.05%)
Employer's proportionate share of the net pension liability (asset)			
Base Plan	$ 169,715	$ 82,759	$ 10,860
FRF	$ (44,534)	$ (54,173)	$ (62,430)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report that is a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at the **www.persi.idaho.gov.**

The fiduciary net position has been determined on the same basis used by the pension plan in the PERSI's basic financial statements. Reconciliations were provided to reconcile total employer contributions to employer contributions shown in the PERSI's statement of changes in fiduciary net position.

Payable to the Pension Plan

At September 30, 2020, the City reported payables to the defined benefit pension plan of $545 and $136 for legally required employer contributions and employee contributions which had been withheld from employee wages but not yet remitted to PERSI for the PERSI Base Plan and FRF, respectively.

Defined Contribution – PERSI Choice 401(k)

Employees of the City participating in the PERSI Base Plan or FRF may enroll in the PERSI Choice 401(k) defined contribution retirement savings plan available to active members and this participation is voluntary. The PERSI choice 401(k) is intended to be a governmental plan within the meaning of Code Section 414(d) and within the meaning of section 3(32) of the Employee Retirement Income Security Act (ERISA) and as such, is exempt from provisions of Title I ERISA. The City will match participants' contributions in either the 457 deferred compensation plan or the PERSI Choice 401(k) up to 2% of base annual salary. A participant shall be 100% vested in their individual account at all times. The authority of the benefit and contribution terms are established and amended by the PERSI Board. The City recognized $2,254 contributions to the PERSI Choice 401(k) as benefits expense during the year ended September 30, 2020. The City recognized $88 for the employer's liability outstanding for contributions for the period ended September 30, 2020.

6) Postretirement Benefits other than Pensions (OPEB)

General Information about the OPEB Plan

Plan Description and Benefits Provided

By City Council authorization, the City provides all employees eligible to retire under PERSI, a $10,000 life insurance policy, the premium of which is paid for by the City. Additionally, the City contributes $100 per month toward a retiree health insurance plan for retirees under the age of 65 and is administered as part of the Boise Municipal Health Care Trust (Health Trust). For post-65 retirees, the City contributes $50 per month towards a City-offered Medicare Advantage plan which is administered through an agreement with a third-party administrator. Retiring employees working 20 hours/week or more have accrued vacation and sick leave paid

Notes to Financial Statements

into their individual VEBA account. These health benefits are provided as a defined benefit post employment healthcare plan (the Plan). Amounts related to the proprietary fund types are accounted for separately in those funds. This is a single employer plan and all changes and/or amendments to the plan require City Council approval. The decision on funding methodology resides with the Mayor and the City Council. There is no separate trust through which benefits for retirees are funded. However, assets are currently earmarked for this purpose. All approved benefits are paid from the City's general assets, when due on a pay-as-you-go basis.

Employees Covered by Benefit Terms

At September 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	767
Active employees entitled but not yet receiving benefit payments	1,735

Total OPEB Liability

The City's total OPEB liability of $15,136 was measured as of September 30, 2020, and was determined by an actuarial valuation as of September 30, 2020.

Actuarial Methods and Assumptions

The total OPEB liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

- Inflation 2.20%
- Salary increases 3.00%, plus promotions and longevity
- Discount rate 2.25%
- Healthcare cost trend rates N/A
- The percentage of eligible retirees electing spousal health coverage is 30% for general employees and 20% for fire and police employees.
- The termination rates for general employees are based on the July 1, 2020 Public Employees Retirement System of Idaho assumptions. Termination rates for fire and police employees are based on Boise City historical data.
- Employees are assumed to retire based upon the July 1, 2020 Public Employees Retirement System of Idaho assumptions.
- The discount rate was based on the Bond Buyer General Obligation 20-Year Municipal Bond Index.
- Mortality rates were based on RP-2000 Combined Table for Health Individuals for Males and Females, with adjustments for generational mortality adjustments using projection scale AA. The projection scale is applied from the year 2000 to the year in which the mortality assumption is being applied.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2019	$ 14,468
Changes for the year:	
Service cost	725
Interest	386
Changes in benefit terms	-
Differences between expected and actual experience	(320)
Changes in assumptions or other inputs	771
Benefit payments	(894)
Net changes	668
Balance at September 30, 2020	$ 15,136

Changes of assumptions and other inputs reflect a change in discount rate from 2.62% in 2019 to 2.25% in 2020.

Notes to Financial Statements

Sensitivity of total OPEB liability to changes in the discount rate
The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using the discount rate that is 1-percentage-point lower or 1-percentage-point higher that the current discount rate:

	1% Decrease 1.25%	Discount Rate 2.25%	1% Increase 3.25%
Total OPEB liability	$ 17,564	$ 15,136	$ 13,183

Sensitivity of total OPEB liability to changes in healthcare cost trend rates
There is no healthcare trend rate since the City has no obligation for benefits which would require trending.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended September 30, 2020, the City recognized OPEB expense of $1,384. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 280
Change of assumptions	2,506	750
	$ 2,506	$ 1,030

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30	
2021	$ 273
2022	273
2023	273
2024	273
2025	272
Thereafter	112
	$ 1,476

7) Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors or omissions, or employee injuries. Workers' compensation, property and general liability are being provided on a self-insured basis up to specified limits and is recorded in the City's risk management funds (internal service fund to account for and finance these risks of loss).

The self-insured retention is summarized as follows:

Fiscal Year	Liability Coverage		Property Coverage		Workers' Compensation Coverage	
	Per Incident	Aggregate	Per Incident	Aggregate	Per Incident	Aggregate
2020	$ 500	unlimited	$ 50	unlimited	$1,000 Police & Fire $500 All Other	unlimited unlimited
2019	$ 500	unlimited	$ 50	unlimited	$750 Police & Fire $500 All Other	unlimited unlimited

The City has purchased commercial insurance for claims in excess of these amounts. Settled claims resulting from the risks described above have not exceeded commercial insurance coverage for the past five years. The City insurance program did not have significant reduction in insurance coverages compared to prior years.

All funds of the City participate in the program except for airport liability coverage for the Airport Fund, which is insured under a separate policy purchased from an outside insurance carrier. Amounts to be provided for

Notes to Financial Statements

funding of the self-insured retention are based on actuarial estimates of the amounts necessary to pay and current year claims, prior year claims, and to establish a reserve for catastrophic losses.

A liability in the amount of $3,256 was actuarially determined using a discount rate of 2% to cover reported and unreported insurance claims payable at September 30, 2020. It is estimated that $700 and $1,495 of the liability is current and due within one year for liability and workers compensation, respectively. The remaining amount will be due in future years.

The following schedule represents the changes in claims liability for the past two fiscal years for the City's self-insurance program:

Periods	Beginning Liability	Current Year Claims	Claim Payments & Change in Estimate	Ending Liability
9/30/20	$ 3,449	$ 2,521	$ (2,714)	$ 3,256
9/30/19	$ 3,039	$ 2,159	$ (1,749)	$ 3,449

8) Commitments and Contingencies

Construction Commitments

Construction-in-progress in the governmental funds as of September 30, 2020 was $7,016. Capital related commitments of $19,625 were assigned in the Capital Improvement Fund at fiscal year-end. Of this latter amount, $13,446 is attributable to budgeting capital projects whereas $6,180 is associated with encumbrances. See Note 1 for City commitments that are included in fund balance designations. Construction-in-progress in the proprietary funds as of September 30, 2020 was $51,197. The estimated cost to complete proprietary construction projects was approximately $71,341, of which approximately $34,150 will be funded by state and/or federal grants and passenger facility charges as included in the budget for the year ended September 30, 2021.

Grants

All expenditures financed by Federal and State grants are subject to audit by the granting agencies to determine if such expenditures comply with conditions of the grant. Management believes that no material liability will arise from any such audits.

Claims and Lawsuits

The City is involved in several claims and is a defendant in pending and threatened litigation. While it is not feasible to predict or determine the ultimate outcome of all these matters, in management's opinion, they will not have a material adverse effect upon the accompanying financial statements.

9) Prior Period Adjustment

Through September 30, 2019, the City reported the "Boise Municipal Health Care Trust" as a Fiduciary fund. During the fiscal year ending September 30, 2020, the City determined the appropriate presentation for this entity, a Public Entity Risk Pool, is as an enterprise fund. Therefore, the beginning net position of Business-Type activities and Fiduciary Funds have been restated.

Net position as of September 30, 2019 has been adjusted as follows:

	Business-type Activities	Fiduciary Funds
Net Position, Beginning of Year, as previously restated	$ 629,957	$ 9,035
Re-presentation of Boise Municipal Health Care Trust as an Enterprise Fund	9,035	(9,035)
Net Position, Beginning of Year, as restated	$ 638,992	$ -

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COMPREHENSIVE ANNUAL

FINANCIAL REPORT

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
Year ended September 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances with Final Budget
Revenues				
Property taxes	$ 159,472	$ 159,472	$ 159,619	$ 147
Franchise fees	5,495	5,495	5,197	(298)
License and permits	8,072	8,072	9,043	971
Impact fees	14	14	30	16
Intergovernmental revenues	24,436	28,812	56,550	27,738
Charges for services	38,533	39,029	36,475	(2,554)
Fines and forfeitures	3,125	3,125	2,388	(737)
Donations	158	158	111	(47)
Investment income	583	583	2,531	1,948
Miscellaneous revenue	1,270	1,197	1,275	78
Total revenues	241,158	245,957	273,219	27,262
Current expenditures				
General Government	8,577	14,071	3,107	10,964
Fire	59,136	59,384	58,242	1,142
Police	69,842	70,149	66,909	3,240
Parks and recreation	35,902	35,776	33,347	2,429
Culture	14,386	14,304	13,508	796
Community services	31,047	36,989	29,611	7,378
Capital outlay	1,063	1,468	1,262	206
Total expenditures	219,953	232,141	205,986	26,155
Excess of Revenues over expenditures	21,205	13,816	67,233	53,417
Other Financing Sources (Uses)				
Interfund transfer in	103	14,252	208	(14,044)
Interfund transfer out	(21,371)	(28,131)	(28,493)	(362)
Proceeds from sale of assets	-	-	125	125
Capital lease	-	-	-	-
Insurance recoveries	-	-	164	164
Issuance of debt	63	63	-	(63)
Total other financing sources (uses)	(21,205)	(13,816)	(27,996)	(14,180)
Net Change in Fund Balance	-	-	39,237	39,237
Fund Balance, Beginning of Year	40,613	40,613	40,613	-
Fund Balance, End of Year	$ 40,613	$ 40,613	$ 79,850	$ 39,237

See Notes to Required Supplementary Information

Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios - Last 10 Fiscal Years
Year Ended September 30, 2020
(In Thousands)

Total OPEB Liability	2020	2019	2018 **
Service Costs	$ 725	$ 521	$ 569
Interest	387	487	447
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(320)	-	-
Changes in assumptions	771	2,564	(1,200)
Benefit payments	(895)	(449)	(342)
Net change in total OPEB liability	668	3,123	(526)
Total OPEB liability - beginning	14,468	11,345	11,871
Total OPEB liability - ending	$ 15,136	$ 14,468	$ 11,345
Covered payroll *	-	-	-
Total OPEB liability as a percentage of covered payroll *	-	-	-

* OPEB benefits are not based on payroll.
** GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See Notes to Required Supplementary Information

Schedule of Employer's Share of Net Pension Liability
Year Ended September 30, 2020
(In Thousands)

Schedule of Employer's Share of Net Pension Liability
PERSI - Base Plan
Last 10 - Fiscal Years*

	2020	2019	2018	2017	2016	2015
Employer's portion of net the pension liability	3.5639%	3.5563%	3.6405%	3.6062%	3.6601%	3.6033%
Employer's proportionate share of the net pension liability	$ 82,759	$ 40,596	$ 53,698	$ 56,693	$ 74,194	$ 47,358
Employer's covered payroll	$ 97,805	$ 91,007	$ 87,987	$ 84,080	$ 92,500	$ 94,509
Employer's proportional share of the net pension liability as a percentage of its covered payroll	84.62%	44.61%	61.03%	67.43%	80.21%	50.11%
Plan fiduciary net position as a percentage of the total pension liability	88.22%	93.79%	91.69%	90.68%	91.38%	91.38%

Schedule of Employer's Share of Net Pension Liability
FRF
Last 10 - Fiscal Years*

	2020	2019	2018	2017	2016	2015
Employer's portion of net the pension liability	36.3821%	36.0689%	36.5802%	36.4402%	37.0971%	36.9251%
Employer's proportionate share of the net pension asset	$ 54,173	$ 51,850	$ 41,398	$ 31,264	$ 19,939	$ 19,943
Employer's covered payroll	$ 29,660	$ 28,093	$ 27,364	$ 26,388	$ 25,233	$ 23,477
Employer's proportional share of the net pension liability as a percentage of its covered payroll	182.65%	184.57%	151.29%	118.48%	79.02%	84.95%
Plan fiduciary net position as a percentage of the total pension liability	155.55%	152.74%	140.15%	129.65%	118.08%	118.08%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Data reported is measured as of July 1, 2020 (measurement date).

See Notes to Required Supplementary Information

Schedule of Employer's Contributions
Year Ended September 30, 2020
(In Thousands)

Schedule of Employer Contributions
Base Plan
Last 10 - Fiscal Years*

	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 15,365	$ 13,673	$ 13,259	$ 12,681	$ 12,118	$ 11,558
Contributions in relation to the statutorily required contribution	$ 15,365	$ 13,673	$ 13,259	$ 12,681	$ 12,118	$ 11,558
Contributions (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 101,189	$ 92,187	$ 92,324	$ 84,080	$ 84,353	$ 100,646
Contributions as a percentage of covered payroll	15.18%	14.83%	14.36%	15.08%	14.37%	11.48%

Schedule of Employer Contributions
FRF
Last 10 - Fiscal Years*

	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 1,200	$ 1,416	$ 1,369	$ 1,330	$ 1,268	$ 2,129
Contributions in relation to the statutorily required contribution	$ 1,200	$ 1,416	$ 1,369	$ 1,330	$ 1,268	$ 2,129
Contributions (deficiency) excess	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 29,550	$ 28,765	$ 28,324	$ 26,388	$ 26,370	$ 24,095
Contributions as a percentage of covered payroll	4.06%	4.92%	4.83%	5.04%	4.81%	8.84%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Data reported is measured as of September 30, 2020.

See Notes to Required Supplementary Information

Notes to Required Supplementary Information

Budgets and Budgetary Accounting

The basis of budgeting refers to the conventions for recognition of costs and revenues in budget development and in establishing and reporting appropriations, which are the legal authority to spend or to collect revenues.

The City used a modified accrual basis for budgeting in governmental funds. Under Idaho State Law, unspent appropriations from prior years must be specifically "rebudgeted," via resolution of the City Council, or "encumbered," in order to be carried forward into the next fiscal year. A valid, legal commitment such as a contract or purchase order is required for encumbrances.

Proprietary funds are budgeted using accrual concepts. However, all operating and capital expenses that will be incurred during the year and income to be received and credited to the year are identified in the budgeting process because of the need for appropriation authority.

The budget is fully reconciled to the accounting system at the beginning of the year, and in preparing the Comprehensive Annual Financial Report (CAFR) at year end. A number of adjustments are made to reflect balance sheet needs and their effect on the budget. These include changes in designations and reserves and recognition, via studies and analysis of various sorts, of accrued liabilities. Amounts needed for such long-term liabilities as future payoffs of accumulated employee vacation and sick leave, are budgeted as they are recognized via actuarial projections and subsequently adjusted to actual amounts. The budget does not recognize capital construction expense in enterprise funds in the same manner as in the Comprehensive Annual Financial Report. Reconciliations are completed in quarterly and annual budget to actual reports.

Idaho State Code requires the City to adopt an annual budget each year through formal publishing and hearing requirements and by adopting an annual appropriation ordinance.

The following procedures are used to establish budgetary control:

1) Prior to October 1, the budget for all governmental and proprietary funds is legally enacted (adoption) through passage of an ordinance which includes public process hearings.
2) Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Total appropriations represent budget amounts as originally adopted plus current year adjustments for City Council approved prior year encumbrances, uncompleted items (primarily capital and equipment) carried forward to the following year and new projects or expenditures approved by City Council from prior year turn back dollars and appropriation changes approved during the year.
3) Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Capital Projects, Enterprise, Internal Service and certain Trust Funds. To provide oversight and control, the Mayor's Executive Management Team reviews all proposed changes to the budget that are exceptions to department director authority.
4) During the fiscal year, all expenditures are authorized by Invoice, Purchase Order, or Journal Entry. These expenditures are reviewed according to procedures outlined in the City Code related to budget authority, funds availability, adherence to City purchasing procedures, and sound business practice.
5) Department directors have defined discretionary authority to transfer budget appropriation amounts within approved budget totals, between line items within funds. Department directors cannot initiate inter-departmental transfers without City Council approval.
6) Transfer of budget appropriations between funds are approved by the City Council. Revisions increasing total expenditure appropriation of any fund or adding permanent employee positions must be approved by the City Council. Any transfers of contingent funds require Mayor and City Council approval. State law does not allow fund expenditures to exceed fund appropriation. Appropriations lapse at year-end unless they are carried forward through the City's budgetary process.

Idaho State Code allows the City to reopen the annual budget if a need for increased appropriations beyond the budgeted total is experienced. The reopened budget must be adopted by following a process similar to

Notes to Required Supplementary Information

that, which was used to adopt the original budget, including public hearings and adoption of a revised annual appropriations ordinance. The legal requirement of budgetary control in the State of Idaho is at the fund level.

Schedule of Changes in Total OPEB Liability and Related Ratios

There are no assets accumulated in a separate trust for OPEB benefits. However, assets are assigned for this purpose in governmental fund balance. Changes in assumptions when calculating total liability reflects a change in discount rate from 2.62% in 2019 to 2.25% in 2020.

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COMPREHENSIVE ANNUAL

FINANCIAL REPORT

OTHER SUPPLEMENTARY INFORMATION

	Special Revenue Community and Economic Development	Special Revenue Heritage Fund	Harris Ranch Community Infrastructure District No. 1
Assets			
Cash and cash equivalents	$ 11	$ 1,773	$ 2,223
Investments	64	1,822	-
Restricted cash and investments	-	-	926
Receivables, net			
Taxes receivable	-	-	1,417
Accounts and interest	7	17	-
Prepaid items and other assets	-	-	-
Total assets	$ 82	$ 3,612	$ 4,566
Liabilities			
Accounts payable and accrued liabilities	$ -	$ -	$ 2,047
Due to other funds	-	-	1
Unavailable revenue	-	178	-
Total liabilities	-	178	2,048
Deferred Inflows of Resources			
Unavailable property taxes	-	-	1,417
Total deferred inflows of resources	-	-	1,417
Fund Balances			
Nonspendable			
Prepaid items	-	-	-
Permanent fund principal	-	-	-
Restricted, expendable, for			
Impact fees project	-	-	-
Heritage funds	-	3,434	-
Debt service	-	-	926
Assigned to			
Debt service and post retirement benefits	-	-	175
Community and economic development	82	-	-
Total fund balances	82	3,434	1,101
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 82	$ 3,612	$ 4,566

Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2020
(In Thousands)

Permanent Fund Dedicated	Capital Projects Impact Fees Fund	Debt Service Fund	Total Nonmajor Governmental Funds
$ 2	$ 1,619	$ 588	$ 6,216
9	8,984	1,226	12,105
-	-	1,984	2,910
-	-	-	1,417
-	49	16	89
-	65	-	65
$ 11	$ 10,717	$ 3,814	$ 22,802
$ -	$ -	$ -	$ 2,047
-	-	-	1
-	-	-	178
-	-	-	2,226
-	-	-	1,417
-	-	-	1,417
-	65	-	65
11	-	-	11
-	10,652	-	10,652
-	-	-	3,434
-	-	1,984	2,910
-	-	1,830	2,005
-	-	-	82
11	10,717	3,814	19,159
$ 11	$ 10,717	$ 3,814	$ 22,802

	Special Revenue Community and Economic Development	Special Revenue Heritage Fund	Harris Ranch Community Infrastructure District No. 1
Revenues			
Property taxes, levied for general purposes	$ -	$ -	$ 916
Property taxes, levied for debt service	-	-	400
Impact fees	-	-	-
Charges for services	-	-	-
Donations	-	320	-
Investment income	3	102	4
Miscellaneous revenues	44	21	-
Total revenues	47	443	1,320
Expenditures			
Fire	-	2	-
Parks and recreation	-	252	-
Community and economic development	124	-	2,051
Capital Outlay	-	-	-
Debt Service			
Bond issuance costs	-	-	60
Principal payments	-	-	542
Interest and fiscal charges	-	-	679
Total expenditures	124	254	3,332
Excess (Deficiency) of Revenues Over (under) expenditures	(77)	189	(2,012)
Other Financing Sources (Uses)			
Interfund transfers in	-	1,414	-
Interfund transfers out	-	(260)	-
Issuance of debt	-	-	2,122
Total other financing sources (uses)	-	1,154	2,122
Net Change in Fund Balances	(77)	1,343	110
Fund Balance, Beginning of Year	159	2,091	991
Fund Balance, End of Year	$ 82	$ 3,434	$ 1,101

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
Year ended September 30, 2020
(In Thousands)

Permanent Fund Dedicated	Capital Projects Impact Fees Fund	Debt Service Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ 916
-	-	-	400
-	2,854	-	2,854
-	-	-	-
-	-	-	320
-	388	149	646
-	-	-	65
-	3,242	149	5,201
-	-	-	2
-	-	-	252
-	-	-	2,175
-	-	-	-
-	-	-	60
-	-	3,236	3,778
-	-	839	1,518
-	-	4,075	7,785
-	3,242	(3,926)	(2,584)
-	-	4,073	5,487
-	(4,823)	-	(5,083)
-	-	-	2,122
-	(4,823)	4,073	2,527
-	(1,581)	147	(58)
11	12,298	3,667	19,217
$ 11	$ 10,717	$ 3,814	$ 19,159

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Capital Improvement Fund
Year ended September 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances with Final Budget
Revenues				
Franchise fees	$ 3,273	$ 3,273	$ 2,989	$ (284)
Intergovernmental revenues	-	394	515	121
Charges for services	-	-	237	237
Donations	-	800	-	(800)
Investment income	200	200	2,884	2,684
Miscellaneous revenues	-	878	33	(845)
Total revenues	3,473	5,545	6,658	1,113
Current expenditures				
General government	-	3,058	1,535	1,523
Fire	-	235	117	118
Police	-	271	108	163
Parks and recreation	-	1,600	1,259	341
Culture	-	445	306	139
Community services	500	6,995	1,235	5,760
Capital outlay	15,964	37,675	13,509	24,166
Total expenditures	16,464	50,279	18,069	32,210
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,991)	(44,734)	(11,411)	33,323
Other Financing Sources (Uses)				
Interfund transfers in	19,393	31,380	25,671	(5,709)
Interfund transfer out	-	-	(7)	(7)
Other financing sources	5,689	5,689	178	(5,511)
Total other financing sources (uses)	25,082	37,069	25,842	(11,227)
Net Change in Fund Balance	12,091	(7,665)	14,431	22,096
Fund Balance, Beginning of Year	70,331	70,331	70,331	-
Fund Balance, End of Year	$ 82,422	$ 62,666	$ 84,762	$ 22,096

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Foothills Levy
Year ended September 30, 2020
(In Thousands)

	Budgeted Amounts		Actual	Variances with
	Original	Final	Amounts	Final Budget
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Investment income	100	100	307	207
Miscellaneous revenues	-	-	-	-
Total revenues	100	100	307	207
Current expenditures				
Parks and recreation	-	15	15	-
Capital Outlay	5,000	5,191	1,617	3,574
Total expenditures	5,000	5,206	1,632	3,574
Excess (Deficiency) of Revenues Over Expenditures	(4,900)	(5,106)	(1,325)	3,781
Other Financing Sources (Uses)				
Interfund transfer in	-	-	-	-
Interfund transfer out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balance	(4,900)	(5,106)	(1,325)	3,781
Fund Balance, Beginning of Year	9,923	9,923	9,923	-
Fund Balance, End of Year	$ 5,023	$ 4,817	$ 8,598	$ 3,781

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Harris Ranch CID
Year ended September 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances with Final Budget
Revenues				
Property taxes, levied for general purposes	$ 849	$ 849	$ 916	$ 67
Property taxes, levied for debt service	401	401	400	(1)
Investment income	-	-	4	4
Miscellaneous revenues	-	-	-	-
Total revenues	1,250	1,250	1,320	70
Current expenditures				
Community and economic development	3,681	3,681	2,051	1,630
Debt Service				
Bond issuance costs	88	88	60	28
Principal payments	530	530	542	(12)
Interest and fiscal charges	691	691	679	12
Total expenditures	4,990	4,990	3,332	1,658
Excess (Deficiency) of Revenues Over Expenditures	(3,740)	(3,740)	(2,012)	1,728
Other Financing Sources (Uses)				
Interfund transfer in	-	-	-	-
Interfund transfer out	-	-	-	-
Issuance of debt	4,000	4,000	2,122	(1,878)
Total other financing sources (uses)	4,000	4,000	2,122	(1,878)
Net Change in Fund Balance	260	260	110	(150)
Fund Balance, Beginning of Year	991	991	991	-
Fund Balance, End of Year	$ 1,251	$ 1,251	$ 1,101	$ (150)

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Economic Development
Year ended September 30, 2020
(In Thousands)

	Budgeted Amounts		Actual	Variances with
	Original	Final	Amounts	Final Budget
Revenues				
Charges for services	$ 40	$ 40	$ -	$ (40)
Investment income	3	3	3	-
Miscellaneous revenues	-	-	44	44
Total revenues	43	43	47	4
Current expenditures				
Community and economic development	138	138	124	14
Total expenditures	138	138	124	14
Excess (Deficiency) of Revenues Over Expenditures	(95)	(95)	(77)	18
Other Financing Sources (Uses)				
Interfund transfer in	-	-	-	-
Interfund transfer out	-	-	-	-
Issuance of debt	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balance	(95)	(95)	(77)	18
Fund Balance, Beginning of Year	159	159	159	-
Fund Balance, End of Year	$ 64	$ 64	$ 82	$ 18

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Heritage Fund
Year ended September 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances with Final Budget
Revenues				
Donations	$ 975	$ 975	$ 320	$ (655)
Investment income	35	35	102	67
Miscellaneous revenues	-	-	21	21
Total revenues	1,010	1,010	443	(567)
Current expenditures				
Fire	5	5	2	3
Parks and recreation	500	495	252	243
Culture	5	1,425	-	1,425
Capital outlay	500	254	-	254
Total expenditures	1,010	2,179	254	1,925
Excess (Deficiency) of Revenues Over Expenditures	-	(1,169)	189	1,358
Other Financing Sources (Uses)				
Interfund transfer in	-	1,415	1,414	(1)
Interfund transfer out	-	(716)	(260)	456
Total other financing sources (uses)	-	699	1,154	455
Net Change in Fund Balance	-	(470)	1,343	1,813
Fund Balance, Beginning of Year	2,091	2,091	2,091	-
Fund Balance, End of Year	$ 2,091	$ 1,621	$ 3,434	$ 1,813

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Debt Services Fund
Year ended September 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances with Final Budget
Revenues				
Investment income	$ 247	$ 247	$ 149	$ (98)
Total revenues	247	247	149	(98)
Current expenditures				
Principal	3,236	3,236	3,236	-
Interest and fiscal charges	840	840	839	1
Total expenditures	4,076	4,076	4,075	1
Deficiency of Revenues Under Expenditures	(3,829)	(3,829)	(3,926)	(97)
Other Financing Sources (Uses)				
Interfund transfer in	4,079	4,079	4,073	(6)
Interfund transfer out	-	-	-	-
Total other financing sources (uses)	4,079	4,079	4,073	(6)
Net Change in Fund Balance	250	250	147	(103)
Fund Balance, Beginning of Year	3,667	3,667	3,667	-
Fund Balance, End of Year	$ 3,917	$ 3,917	$ 3,814	$ (103)

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - Permanent Fund – Dedicated
Year ended September 30, 2020
(In Thousands)

	Budgeted Amounts		Actual	Variances with
	Original	Final	Amounts	Final Budget
Revenues				
Investment income	$ -	$ -	$ -	$ -
Miscellaneous revenues	-	-	-	-
Total revenues	-	-	-	-
Current expenditures				
Community services	-	-	-	-
Excess of Revenues Over Expenditures	-	-	-	-
Other Financing Sources (Uses)				
Interfund transfer out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	11	11	11	-
Fund Balance, End of Year	$ 11	$ 11	$ 11	$ -

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Projects Fund Impact Fees
Year ended September 30, 2020
(In Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variances with Final Budget
Revenues				
Impact fees	$ 2,471	$ 2,471	$ 2,854	$ 383
Investment income	60	60	388	328
Total revenues	2,531	2,531	3,242	711
Current expenditures				
Excess of Revenues Over Expenditures	2,531	2,531	3,242	711
Other Financing Sources (Uses)				
Interfund transfers out	(2,135)	(10,225)	(4,823)	5,403
Total other financing sources (uses)	(2,135)	(10,225)	(4,823)	5,403
Net Change in Fund Balance	396	(7,694)	(1,581)	6,114
Fund Balance, Beginning of Year	12,298	12,298	12,298	-
Fund Balance, End of Year	$ 12,694	$ 4,604	$ 10,718	$ 6,114

Combining Statement of Net Position – Nonmajor Proprietary Funds
September 30, 2020
(In Thousands)

	Geothermal	Municipal Irrigation	Housing Rehabilitation	Total Nonmajor Proprietary - type Funds
Assets				
Current assets				
Cash and cash equivalents	$ 158	$ 37	$ 524	$ 719
Investments	841	202	2,914	3,957
Receivables, net				
Accounts and interest	14	1	290	305
Grants	-	-	218	218
Assessments	-	5	-	5
Inventory	457	-	-	457
Total current assets	1,470	245	3,946	5,661
Noncurrent assets				
Mortgage loans receivable, net	-	-	8,500	8,500
Property held for resale	-	-	157	157
Capital assets, not being depreciated				
Land	-	-	3,368	3,368
Intangible assets	9	-	-	9
Capital assets, being depreciated				
Buildings	110	-	14,352	14,462
Improvements other than buildings	2,378	-	150	2,528
Service lines	10,643	150	-	10,793
Automobiles and trucks	-	-	115	115
Machinery and equipment	509	115	116	740
Intangible assets	-	-	28	28
Less accumulated depreciation	(5,164)	(126)	(9,394)	(14,684)
Total capital assets, net	8,485	139	8,735	17,359
Total noncurrent assets	8,485	139	17,392	26,016
Total assets	9,955	384	21,338	31,677
Deferred Outflows of Resources				
Pension and OPEB obligation	16	-	231	247
Total deferred outflows of resources	16	-	231	247

City of Boise, Idaho
Combining Statement of Net Position – Nonmajor Proprietary Funds
September 30, 2020
(In Thousands)

	Geothermal	Municipal Irrigation	Housing Rehabilitation	Total Nonmajor Proprietary - type Funds
Liabilities				
Current liabilities				
Accounts payable	-	-	209	209
Other accrued liabilities	-	-	23	23
Compensated absences	-	-	2	2
Unearned revenue	366	-	-	366
Deposits	-	-	93	93
Total current liabilities	366	-	327	693
Noncurrent liabilities				
Compensated absences - noncurrent	6	-	35	41
Total OPEB liability	11	-	95	106
Net pension liability	56	-	656	712
Total noncurrent liabilities	73	-	786	859
Total liabilities	439	-	1,113	1,552
Deferred Inflows of Resources				
Pension and OPEB obligation	1	-	103	104
Total deferred inflows of resources	1	-	103	104
Net Position				
Net investment in capital assets	8,485	139	8,735	17,359
Unrestricted	1,046	245	11,618	12,909
Total net position	$ 9,531	$ 384	$ 20,353	$ 30,268

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Proprietary Funds
Year ended September 30, 2020
(In Thousands)

	Geothermal	Municipal Irrigation	Housing Rehabilitation	Total Nonmajor Proprietary-type Funds
Operating Revenues				
Charges for services				
Rental income	$ -	$ -	$ 1,223	$ 1,223
User fees	638	47	-	685
Miscellaneous revenue	334	2	182	518
Total operating revenues	972	49	1,405	2,426
Operating Expenses				
Personnel services	222	5	1,074	1,301
Contractual, supplies and materials	306	9	2,328	2,643
Utilities	14	9	319	342
Insurance	3	-	37	40
Other	3	1	-	4
Depreciation	266	6	365	637
Total expenses	814	30	4,123	4,967
Operating Income (Loss)	158	19	(2,718)	(2,541)
Nonoperating Revenues (Expenses)				
Grants	-	-	1,464	1,464
Gain (loss) on property	-	-	(42)	(42)
Interest revenue	41	9	358	408
Total nonoperating revenues (expenses)	41	9	1,780	1,830
Income (Loss) Before Interfund Transfers	199	28	(938)	(711)
Interfund transfers in	-	-	279	279
Change in Net Position	199	28	(659)	(432)
Net Position, Beginning of Year	9,332	356	21,012	30,700
Net Position, End of Year	$ 9,531	$ 384	$ 20,353	$ 30,268

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Combining Statement Cash Flows – Nonmajor Proprietary Funds
Year ended September 30, 2020
(In Thousands)

	Geothermal	Municipal Irrigation	Housing Rehabilitation	Total Nonmajor Proprietary-Type Funds
Operating Activities				
Receipts from customers and users	$ 560	$ 47	$ 1,686	$ 2,293
Other operating revenue received	334	2	182	518
Payments to suppliers	(379)	(19)	(2,634)	(3,032)
Payments to employees	(210)	(5)	(992)	(1,207)
Payments for loans provided	-	-	(2,391)	(2,391)
Net Cash from (used for) Operating Activities	305	25	(4,149)	(3,819)
Noncapital Financing Activities				
Noncapital grants received	-	-	1,521	1,521
Interfund transfers from other funds	-	-	279	279
Net Cash from (used for) Noncapital Financing Activities	-	-	1,800	1,800
Capital and Related Financing Activities				
Net Cash from (used for) Capital and Related Financing				
Investing Activities				
Purchase of investment securities	(425)	(48)	(1,479)	(1,952)
Proceeds from sale and maturities of investment securities	115	19	3,476	3,610
Reclassify cash and cash equivalents	41	4	(295)	(250)
Interest on investments and advances	21	5	331	357
Net Cash from (used for) Investing Activities	(248)	(20)	2,033	1,765
Net Change in Cash	57	5	(316)	(254)
Cash and Cash Equivalents, Beginning of Year	101	32	840	973
Cash and Cash Equivalents, End of Year	$ 158	$ 37	$ 524	$ 719

City of Boise, Idaho
Combining Statement Cash Flows – Nonmajor Proprietary Funds
Year ended September 30, 2020
(In Thousands)

	Geothermal	Municipal Irrigation	Housing Rehabilitation	Total Nonmajor Proprietary-Type Funds
Reconciliation of operating income (loss) to net cash from (used for) operating activities				
Operating income (loss)	$ 158	$ 19	$ (2,718)	$ (2,541)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	266	6	365	637
Net pension expense	11	-	80	91
Provision for bad debts	3	-	3	6
Change in				
Accounts receivable	(11)	-	19	8
Mortgage loans receivable	-	-	(1,967)	(1,967)
Inventory	(53)	-	-	(53)
Prepaid items	-	-	5	5
Accounts payable	-	-	45	45
Compensated absences and other employee benefits	1	-	2	3
Customer deposits	-	-	4	4
Other accrued liabilities	-	-	13	13
Unearned revenues	(70)	-	-	(70)
Net Cash from (used for) Operating Activities	$ 305	$ 25	$ (4,149)	$ (3,819)
Noncash investing, capital and financing activities:				
Increase in fair value of investments	$ 19	$ 4	$ 37	$ 60
Loss on disposal of assets	$ -	$ -	$ (42)	$ (42)

Schedule of Revenues and Expenses – Airport Fund
Year ended September 30, 2020
(In Thousands)

	2020 Actual Amounts	2019 Actual Amounts
Operating Revenues		
Airport landing fees	$ 3,423	$ 4,404
Airline rent	3,329	3,586
Parking fees	8,111	12,485
Car rental	4,681	5,836
Concessions	1,583	2,825
Rental income	5,181	5,071
Other	1,019	2,083
Total operating revenues	27,327	36,290
Operating Expenses		
Personnel services	9,741	7,716
Maintenance and Operating Expense	16,372	15,485
Total operating expenses	26,113	23,201
Operating Income	1,214	13,089
Nonoperating Revenues (Expenses)		
Asset sales	109	-
Grants	11,066	475
Asset write-offs	(20)	(71)
Interest revenue	1,850	2,806
Interest expense	(890)	(1,135)
Total nonoperating revenues, net	12,115	2,075
Net Income Before Depreciation and Capital Contributions	13,329	15,164
Depreciation	(10,894)	(10,668)
Customer facility charges	1,284	1,193
Passenger facility charges	1,343	-
Capital Contributions	5,717	7,489
Net Income After Depreciation and Capital Grants	$ 10,779	$ 13,178

Schedule of Passenger Facility Charges Collected, Held and Used – Airport Fund
Year Ended September 30, 2020

PFC Quarterly Report - Summary

City of Boise
Boise Airport

Charge Expiration Date: September 1, 2015
Quarter ending: 2020 Q4

Authority and Cumulative Expenditures

Authorizing Document	Authority: Impose	Authority: Use	Cumulative: Collections + Int	Cumulative: Expenditures
94-01-C-02-BOI	$ 9,650,423	$ 9,650,423	$ 9,650,453	$ 9,650,453
96-02-C-02-BOI	10,540,607	10,540,607	10,540,605	10,540,605
99-03-C-02-BOI	84,362,062	84,362,062	84,362,062	80,554,961
06-04-C-00-BOI	5,377,736	5,377,736	5,377,736	4,910,420
20-05-C-00-BOI				
Total	$ 109,930,828	$ 109,930,828	$ 109,930,856	$ 105,656,439

Collections and Interest

	Previously Reported	Current Quarter	Prior Period Adjustments	Cumulative
PFC Revenue	$ 108,728,812	$ 722,018	$ -	$ 109,450,830
Interest Earned	2,214,198	1	-	2,214,199
Total	$ 110,943,010	$ 722,019	$ -	$ 111,665,029

Remaining Authorized Collections	$ 9,417,495
PFC Account Balance	$ 0

Combining Statement of Net Position – Internal Service Funds
September 30, 2020
(In Thousands)

	Fleet Services	L.M. Cunningham	Risk Management	Total Internal Service Funds
Assets				
Current Assets				
Cash and cash equivalents	$ 206	$ 56	$ 3,210	$ 3,472
Investments	1,127	309	6,571	8,007
Receivables, net				
Accounts and interest	92	2	35	129
Prepaid items	17	-	84	101
Total current assets	1,442	367	9,900	11,709
Noncurrent Assets				
Capital assets, being depreciated				
Buildings	1,215	-	-	1,215
Improvements other than buildings	84	-	-	84
Automobiles and trucks	582	-	-	582
Machinery and equipment	175	-	-	175
Intangible assets	242	-	-	242
Less accumulated depreciation	(1,955)	-	-	(1,955)
Total capital assets, net	343	-	-	343
Total assets	1,785	367	9,900	12,052
Deferred Outflows of Resources				
Unamortized pension costs and subsequent contributions	204	-	110	314
Total deferred outflows of resources	204	-	110	314
Liabilities				
Current Liabilities				
Claim liability	-	-	3,255	3,255
Compensated absences	9	-	6	15
Interfund loan	101	-	-	101
Total current liabilities	110	-	3,261	3,371
Noncurrent Liabilities				
Compensated absences - noncurrent	61	-	36	97
Total OPEB liability	108	-	89	197
Net pension liability	683	-	419	1,102
Total noncurrent liabilities	852	-	544	1,396
Total liabilities	962	-	3,805	4,767
Deferred Inflows of Resources				
Unamortized pension and OPEB costs	65	-	(49)	16
Total deferred outflows of resources	65	-	(49)	16
Net Position				
Net investment in capital assets	343	-	-	343
Unrestricted	619	367	6,254	7,240
Total net position	$ 962	$ 367	$ 6,254	$ 7,583

Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds
Year ended September 30, 2020
(In Thousands)

	Fleet Services	L.M. Cunningham	Risk Management	Total Internal Service Funds
Operating Revenues				
Charges for services				
User fees	$ 3,343	$ 7	$ 4,801	$ 8,151
Miscellaneous revenues	-	-	3	3
Donations	-	5	-	5
Total operating revenues	3,343	12	4,804	8,159
Operating Expenses				
Personnel services	1,473	-	1,280	2,753
Contractual, supplies and materials	1,887	25	215	2,127
Utilities	27	2	2	31
Insurance	41	-	3,677	3,718
Other	-	-	51	51
Depreciation	101	-	-	101
Total operating expenses	3,529	27	5,225	8,781
Operating Income (Loss)	(186)	(15)	(421)	(622)
Nonoperating Revenues (Expenses)				
Asset sales and other gains	5	(11)	-	(6)
Interest revenue	44	13	317	374
Interest expense	(5)	-	-	(5)
Total nonoperating revenues (expenses)	44	2	317	363
Income (Loss) Before Interfund Transfers	(142)	(13)	(104)	(259)
Interfund transfers in	133	-	2,000	2,133
Interfund transfers out	-	-	-	-
Change in Net Position	(9)	(13)	1,896	1,874
Net Position, Beginning of Year	971	380	4,358	5,709
Net Position, Prior period adjustment	-	-	-	-
Net Position, End of Year	$ 962	$ 367	$ 6,254	$ 7,583

Combining Statement of Cash Flows – Internal Service Funds
Year ended September 30, 2020
(In Thousands)

	Fleet Services	L.M. Cunningham	Risk Management	Totals
Operating Activities				
Receipts from interfund services provided	$ 3,343	$ 7	$ 4,801	$ 8,151
Other operating revenue received	-	5	3	8
Payments to suppliers	(1,984)	(27)	(4,060)	(6,071)
Payments to employees	(1,353)	-	(1,172)	(2,525)
Payments for interfund services used	-	-	(50)	(50)
Net Cash from (used for) Operating Activities	6	(15)	(478)	(487)
Noncapital Financing Activities				
Interfund transfers from other funds	133	-	2,000	2,133
Payments for interfund loans from other funds	(69)	-	-	(69)
Net Cash from (used for) Noncapital Financing Activities	64	-	2,000	2,064
Capital and Related Financing Activities				
Acquisition and construction of capital assets	-	(11)	-	(11)
Proceeds from sale of capital assets	5	-	-	5
Interest paid on financing	(5)	-	-	(5)
Net Cash from (used for) Capital and Related Financing Activities	-	(11)	-	(11)
Investing Activities				
Purchase of investment securities	(462)	(28)	(5,214)	(5,704)
Proceeds from sale and maturities of of investment securities	380	48	5,548	5,976
Reclassify cash and cash equivalents	8	(4)	(69)	(65)
Interest on investments and advances	22	7	180	209
Net Cash from (used for) Investing Activities	(52)	23	445	416
Net Change in Cash	18	(3)	1,967	1,982
Cash and Cash Equivalents, Beginning of Year	188	59	1,243	1,490
Cash and Cash Equivalents, End of Year	$ 206	$ 56	$ 3,210	$ 3,472

City of Boise, Idaho
Combining Statement of Cash Flows – Internal Service Funds
Year ended September 30, 2020
(In Thousands)

	Fleet Services	L.M. Cunningham	Risk Management	Totals
Reconciliation of Operating Income (loss) to Net cash from (used for) operating activities				
Operating income (loss)	$ (186)	$ (15)	$ (421)	$ (622)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities				
Depreciation	101	-	-	101
Net pension expense	105	-	94	199
Change in				
Accounts receivable	(27)	-	-	(27)
Prepaid items	(2)	-	29	27
Compensated absences	15	-	14	29
Other accrued liabilities	-	-	(194)	(194)
Net Cash from (used for) Operating Activities	$ 6	$ (15)	$ (478)	$ (487)
Noncash investing, capital and financing activities:				
Increase in fair value of investments	$ 22	$ 6	$ 136	$ 164
Gain/Loss on disposal of assets	$ 5	$ (11)	$ -	$ (6)

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COMPREHENSIVE ANNUAL

FINANCIAL REPORT

STATISTICAL SECTION

Statistical Section (unaudited)

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding with the information in the financial statements, note disclosures and required supplemental information.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader access the City's most significant local revenue sources, property tax, and sales and use taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the service the City provides and the activities it performs.

Net Position by Component
Last Ten Fiscal Years
(In Thousands)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Net Investment in capital assets	$ 235,341	$ 234,527	$ 204,556	$ 195,115	$ 171,978	$ 157,103	$ 169,659	$ 164,746	$ 186,760	$ 184,211
Restricted	253,260	29,361	9,915	12,074	15,337	19,767	16,721	14,314	18,072	12,148
Unrestricted	172,712	111,751	109,433	82,641	77,396	59,144	59,718	48,379	18,285	19,946
Total governmental activities net position	661,313	375,639	323,904	289,830	264,711	236,014	246,098	227,439	223,117	216,305
Business-type Activities										
Net Investment in capital assets	$ 510,209	492,126	477,639	472,942	462,135	441,429	413,847	399,960	398,046	386,676
Restricted	10,176	7,175	10,501	13,855	14,837	24,132	21,185	28,675	34,010	33,065
Unrestricted	145,660	130,656	112,858	95,912	76,653	67,849	89,608	79,141	64,402	65,385
Total business-type activities net Position	666,045	629,957	600,998	582,709	553,625	533,410	524,640	507,776	496,458	485,126
Primary government										
Net Investment in capital assets	745,550	726,653	682,195	668,057	634,113	598,532	583,506	564,706	584,806	570,887
Restricted	263,436	36,536	20,416	25,929	30,174	43,899	37,906	42,989	52,082	45,213
Unrestricted	318,372	242,407	222,291	178,553	154,049	126,993	149,326	127,520	82,687	85,331
Total primary government activities net position	$ 1,327,358	$ 1,005,596	$ 924,902	$ 872,539	$ 818,336	$ 769,424	$ 770,738	$ 735,215	$ 719,575	$ 701,431

Changes in Net Position
Last Ten Fiscal Years
Amounts Expressed in Thousands

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities										
General Government	$ 42,634	$ 36,710	$ 9,266	$ 7,988	$ 11,100	$ 29,662	$ 27,964	$ 29,842	$ 28,255	$ 33,915
Public Safety:										
Fire	50,470	44,772	45,205	48,526	44,126	39,322	46,418	43,900	43,876	41,485
Police	62,393	57,412	65,986	61,338	57,902	47,108	48,666	47,160	47,591	46,051
Parks and recreation	33,901	36,839	38,776	36,425	34,021	26,292	25,600	24,197	22,362	22,634
Culture	15,336	13,619	14,102	13,376	11,666	10,053	10,092	10,537	10,253	10,471
Community Services	30,071	26,348	32,501	26,819	25,974	21,076	21,124	18,607	13,287	13,674
Community Development	2,175	3,980	4,414	1,779	1,367	3,353	228	1,761	842	935
Interest and fiscal charges	1,559	1,545	1,234	2,193	1,763	1,283	1,273	1,245	1,195	1,549
Total governmental activities expenses	238,539	221,225	211,484	198,444	187,919	178,149	181,365	177,249	167,661	170,714
Business-type activities										
Airport	37,917	35,075	36,232	35,335	34,845	34,369	31,597	32,699	30,983	31,934
Water Renewal	53,614	51,235	45,248	44,825	39,159	34,796	33,872	32,191	31,853	30,468
Solid Waste	37,049	36,324	36,381	31,213	27,804	30,852	25,085	24,501	24,406	24,044
Boise Municipal Health Care Trust	20,440	-								
Other	5,009	6,788	5,897	3,839	4,777	3,539	4,015	5,108	4,875	3,977
Total Business-type activities expenses	154,029	129,422	123,758	115,212	106,585	103,556	94,569	94,499	92,117	90,423
Total primary government expenses	$ 392,568	$ 350,647	$ 335,242	$ 313,656	$ 294,504	$ 281,705	$ 275,934	$ 271,748	$ 259,778	$ 261,137
Program Revenues										
Governmental activities										
Charges for services:										
General government	$ 11,773	$ 11,979	$ 12,798	$ 10,185	$ 9,334	$ 11,616	$ 11,130	$ 6,571	$ 6,697	$ 8,296
Public Safety:										
Fire	11,195	10,510	10,147	9,417	8,975	8,280	8,143	7,401	7,149	7,366
Police	6,069	5,875	5,836	5,944	5,666	5,666	5,882	4,984	5,171	4,941
Parks and recreation	6,674	10,301	9,374	8,887	8,701	8,422	7,926	6,252	6,203	6,129
Community services	400	701	601	532	11,659	12,507	11,134	9,188	8,103	6,661
Other activities	13,738	15,131	14,051	11,698	757	743	1,518	511	639	734
Operation grants and contributions	31,120	1,163	3,456	1,781	1,834	2,892	1,830	22,343	19,221	20,085
Capital grants and contributions	7,372	20,118	8,213	4,268	8,701	5,700	6,581	2,924	4,027	5,069
Total governmental activities revenues	88,341	75,778	64,476	52,712	55,627	55,826	54,144	60,174	57,210	59,281

Changes in Net Position
Last Ten Fiscal Years
(In thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Business-type activities										
Charges for services:										
Airport	27,328	36,290	33,548	31,987	30,680	27,092	24,363	23,380	22,824	22,980
Water Renewal	57,756	55,545	57,363	61,453	40,428	37,281	36,258	32,291	28,625	28,019
Solid Waste	37,248	36,953	34,762	31,972	28,144	26,675	25,933	24,430	23,976	23,386
Boise Municipal Healthcare Trust	19,620									
Other	2,426	2,346	2,465	2,549	4,283	4,167	2,465	2,418	2,473	2,470
Operation grants and contributions	12,767	3,181	3,265	2,913	1,551	1,094	350	1,037	5,610	6,512
Capital grants and contributions	18,947	17,094	8,258	12,860	19,886	18,184	20,562	18,939	18,715	15,844
Total business-type activities and program revenues	176,092	151,409	139,661	143,734	124,972	114,493	109,931	102,495	102,223	99,211
Total primary government program revenues	$ 264,433	$ 227,187	$ 204,137	$ 196,446	$ 180,599	$ 170,319	$ 164,075	$ 162,669	$ 159,433	$ 158,492
Net (Expense)/Revenue										
Governmental activities	$ (150,198)	$ (145,447)	$ (147,009)	$ (145,732)	$ (132,292)	$ (122,323)	$ (127,221)	$ (117,075)	$ (110,451)	$ (111,433)
Business-type activities	22,063	21,987	15,903	28,522	18,387	10,937	15,362	7,996	10,106	8,788
Total primary government net expense	$ (128,135)	$ (123,460)	$ (131,106)	$ (117,210)	$ (113,905)	$ (111,386)	$ (111,859)	$ (109,079)	$ (100,345)	$ (102,645)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes	$ 168,574	$ 159,414	$ 150,325	$ 138,636	$ 131,600	$ 125,024	$ 119,740	$ 114,201	$ 109,314	$ 105,534
Franchise fees	8,186	8,302	8,619	8,720	8,237	8,107	8,476	8,047	7,189	6,849
Liquor & Sales tax (Note1)	20,965	24,611	23,296	21,487	20,075	18,594	17,260	-	-	-
Investment earnings	6,742	5,522	1,515	939	1,208	840	385	356	941	854
Special items	-	-	-	-	-	13	129	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	(84)	(668)	(993)	(266)	(131)	(124)	(110)	(27)	108	(56)
Total governmental activities	204,383	197,181	182,762	169,516	160,989	152,454	145,880	122,577	117,552	113,181
Business-type activities										
Investment earnings	5,407	6,304	1,718	1,631	1,697	1,689	1,386	456	1,334	1,367
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Special items	-	-	-	-	-	(698)	6	-	-	-
Transfers	84	668	993	266	131	124	110	27	(108)	56
Total business-type activities	5,491	6,972	2,711	1,897	1,828	1,115	1,502	483	1,226	1,423
Total primary government	$ 209,874	$ 204,153	$ 185,473	$ 171,413	$ 162,817	$ 153,569	$ 147,382	$ 123,060	$ 118,778	$ 114,604
Changes In Net Position										
Governmental activities	$ 58,932	$ 51,734	$ 35,753	$ 23,784	$ 28,697	$ 30,131	$ 18,659	$ 5,502	$ 7,101	$ 1,748
Business-type activities	27,554	28,959	18,614	30,419	20,215	12,052	16,864	8,479	11,332	10,211
Total primary government	$ 86,486	$ 80,693	$ 54,367	$ 54,203	$ 48,912	$ 42,183	$ 35,523	$ 13,981	$ 18,433	$ 11,959

Note 1: Reported within Operating Grants & Contributions prior to FY 2014.

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(In Thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011[1]
General Fund										
Nonspendable	$ 3,314	$ 2,933	$ 3,328	$ 3,530	$ 4,150	$ 4,448	$ 1,824	$ 2,559	$ 1,935	$ 1,259
Restricted	913	2,233	1,951	1,998	1,730	1,867	1,777	1,608	1,361	3,120
Committed	2,007	2,000	2,019	1,971	2,041	2,018	2,000	2,082	2,323	556
Assigned	38,790	5,086	4,500	4,066	3,873	4,921	8,485	4,692	6,536	1,561
Unassigned	34,826	28,361	31,152	23,385	38,390	25,977	21,274	20,856	16,317	16,800
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total general fund	79,850	40,613	42,950	34,950	50,184	39,231	35,360	31,797	28,472	23,296
All Other Governmental Funds										
Nonspendable	1,354	385	1,309	294	4,515	7,936	7,774	7,666	7,544	7,544
Restricted	25,594	27,117	20,385	17,467	12,240	13,026	10,108	7,912	10,085	6,720
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	85,570	71,969	59,797	58,204	45,659	47,771	29,835	20,543	17,787	21,182
Unassigned	-	-	-	-	3,591	-	(3,526)	-	-	-
Total all other governmental funds	112,518	99,471	81,491	75,965	66,005	68,733	44,191	36,121	35,416	35,446
Total all governmental funds	$ 192,368	$ 140,084	$ 124,441	$ 110,915	$ 116,189	$ 107,964	$ 79,551	$ 67,918	$ 63,888	$ 58,742

(1) For FY 2011 forward, Fund Balance is required to be segregated into nonspendable / spendable components per GASB 54.

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(In Thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Property taxes	$ 160,935	$ 158,965	$ 150,259	$ 138,006	$ 131,986	$ 124,521	$ 119,818	$ 114,095	$ 108,733	$ 105,925
Franchise fees	8,186	8,302	8,619	8,720	8,237	8,107	8,476	8,047	7,189	6,849
Licenses and permits	9,043	9,794	9,346	7,840	12,257	10,766	9,267	7,276	6,548	4,928
Intergovernmental revenues	2,884	2,973	3,208	3,112	21,524	20,483	19,207	19,626	18,441	17,875
Program income	57,065	28,738	25,389	22,742	-	-	59	-	144	67
Charges for services	36,712	39,494	37,174	34,365	31,646	34,958	33,903	30,563	29,632	28,889
Fines and forfeitures	2,388	3,498	3,011	3,036	2,612	2,921	437	3,041	3,348	3,422
Donations	431	614	1,969	991	917	2,065	390	875	539	868
Dev. Reimb. & Sp. Asses.	-	-	-	-	34	486	3,216	-	-	-
Investment income	6,368	5,066	1,478	878	1,207	756	541	358	858	736
Miscellaneous revenue	1,373	1,564	3,183	1,208	1,904	1,819	2,906	1,991	1,183	2,918
Total Revenue	285,385	259,008	243,636	220,898	212,324	206,882	198,220	185,872	176,615	172,477
Expenditures										
General government	4,642	2,430	6,401	5,244	10,620	29,148	28,137	26,256	29,039	32,078
Public safety										
Fire	58,361	56,882	53,812	52,474	48,503	42,480	44,784	42,856	41,755	40,265
Police	67,017	64,998	61,749	59,783	57,038	49,321	47,305	46,485	46,421	45,150
Parks and recreation	34,873	39,517	37,005	32,139	33,709	23,405	25,558	20,595	18,731	18,816
Culture	13,814	14,624	13,686	12,262	15,652	9,791	10,691	9,530	9,234	9,294
Community services	30,846	28,358	27,586	26,238	26,592	21,224	20,641	19,499	18,330	12,854
Community development	2,175	3,980	2,352	1,779	1,364	3,554	966	368	811	925
Capital outlay	16,388	30,526	24,181	34,503	8,278	18,681	6,321	14,960	16,205	17,561
Debt service										
Principal	3,778	3,552	3,380	3,223	2,910	1,318	1,624	1,548	539	1,136
Interest	1,518	1,495	1,493	1,531	1,619	1,173	1,165	1,253	1,462	1,497
Issuance costs	60	65	-	53	31	206	-	-	732	333
Total expenditures	233,473	246,427	231,645	229,229	206,316	200,301	187,192	183,350	183,259	179,909
Excess of revenues over (under) expenditures	51,912	12,581	11,991	(8,331)	6,008	6,581	11,028	2,522	(6,644)	(7,432)
Other financing sources uses										
Bonds issuance & costs	2,122	3,922	1,979	1,802	2,357	21,780	52	319	25,223	3,995
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	(23,850)	-
Capital asset sale proceeds	268	591	300	134	284	177	650	1,277	4,447	-
Capital Lease	-	-	-	1,205	-	-	-	-	-	-
Insurance Recovery	199	217	252	96	-	-	-	-	-	-
Transfers out	(33,583)	(53,492)	(31,389)	55,337	(26,665)	(24,253)	(17,185)	(16,976)	(9,662)	(18,954)
Transfers in	31,366	51,824	30,394	(55,518)	26,241	24,129	17,088	16,888	10,505	19,905
Total other financing sources (uses)	372	3,062	1,536	3,056	2,217	21,833	605	1,508	6,663	4,946
Net change in fund balance	$ 52,284	$ 15,643	$ 13,527	$ (5,275)	$ 8,225	$ 28,414	$ 11,633	$ 4,030	$ 19	$ (2,486)
Debt service as a percentage of noncapital expenditures	2.44%	2.34%	2.35%	2.44%	2.29%	1.37%	1.54%	1.66%	1.20%	1.62%

Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Amounts Expressed in Thousands

Fiscal Year Ended 9/30	Residential Property	Commercial Property	Farm Property	Personal Property	Manufacturing Property	Operating Property	Other Property	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2011	11,251,079	4,052,540	17,974	1,377,247	895,673	295,102	22,847	4,058,033	13,854,429	7.78
2012	10,936,859	3,932,257	16,430	1,525,207	886,238	298,951	21,726	3,985,975	13,631,693	8.32
2013	12,105,733	4,011,930	16,684	1,079,019	931,802	295,138	21,090	3,910,996	14,550,400	8.04
2014	13,869,969	4,268,104	10,483	1,179,510	969,759	303,642	32,357	4,308,829	16,324,995	7.48
2015	15,077,728	4,627,336	11,151	1,093,458	1,026,033	299,570	36,163	4,634,294	17,537,145	7.35
2016	16,407,719	5,056,092	9,832	1,583,404	1,064,709	327,283	42,935	5,506,416	18,985,558	7.13
2017	18,061,910	5,507,465	9,127	1,764,483	1,121,074	339,210	46,326	6,199,333	20,650,262	7.12
2018	20,510,756	6,210,770	9,010	1,815,702	1,289,869	360,007	40,669	6,705,328	23,531,455	6.60
2019	24,211,615	6,818,108	4,564	2,033,761	1,397,950	357,604	51,992	7,163,520	27,712,074	5.70
2020	25,885,685	7,315,506	644	1,760,854	1,556,621	390,028	51,660	7,083,174	29,877,823	5.37

Source: Ada County Auditor's Office

Note 1: Property is assessed at 100% of the actual value, therefore, the assessed values are equal to actual value.

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $1,000 of assessed value)

City Direct Rates			Overlapping Rates 1								Overlapping Rates 1						
Fiscal Year	Basic Rate	Total Direct	Ada County	Ada County Highway District	Boise Independent School District	Meridian School District	Whitney Fire	Flood Control	Emergency Medical/ North Ada Search & Rescue	Dry Creek Cemetery	Joplin Cemetery	Meridian Cemetery	NW Sewer	Ada Cty. Ambulance	Mosquito Abatement	West Ada Recreation	Harris Ranch [1]
2011	7.78	7.78	3.32	1.29	5.50	3.40	2.40	0.13	2.41	0.05	0.01	0.03	0.19	-	0.04	0.11	0.09
2012	8.32	8.32	3.36	1.29	6.11	4.60	2.40	0.14	2.41	0.05	0.01	0.05	0.19	0.18	0.04	0.11	3.08
2013	8.04	8.04	3.20	1.19	5.71	4.64	2.40	0.15	2.40	0.04	0.01	0.04	0.18	0.17	0.03	0.10	2.93
2014	7.48	7.48	3.02	1.08	5.23	4.09	2.08	0.13	2.40	0.04	0.01	0.14	-	0.16	0.03	0.09	3.01
2015	7.35	7.35	3.11	1.01	5.05	4.22	2.09	0.13	2.41	0.04	0.01	0.06	-	0.15	0.03	0.09	2.93
2016	7.13	7.13	3.02	0.96	4.93	4.02	1.87	0.13	2.40	0.04	0.01	0.06	-	0.15	0.03	0.09	2.90
2017	7.12	7.12	2.95	0.92	4.66	3.77	1.74	0.13	2.40	0.04	0.01	0.05	-	0.15	0.03	0.08	3.08
2018	6.60	6.60	2.76	0.86	4.66	3.67	1.53	0.12	2.39	0.03	0.01	0.04	-	0.14	0.03	0.08	2.75
2019	5.70	5.70	2.55	0.77	4.28	3.08	1.55	0.11	2.40	0.03	0.01	0.04	-	0.12	0.02	0.04	2.90
2020	5.37	5.37	2.15	0.70	4.29	2.38	1.50	0.11	2.36	0.03	0.01	0.05	-	0.12	0.02	0.04	2.89

Source: Certification of Ada County Tax Levies provided by Ada County - Form L1.

Note 1: Overlapping rates are those of local and county governments that apply to property owners within the City of Boise. Not all overlapping rates apply to all Boise Property owners; for example, although the county property tax rate apply to all the city property owners, the Joplin Cemetery rate applies only to the city property owners whose property is located within the district's geographical boundaries.

Principal Property Tax Payers
Current Year and Nine Years Prior
Amount Expressed in Thousands

	2020			2011		
	Taxable Valuation	Rank	Percentage of Total Taxable Valuation	Taxable Valuation	Rank	Percentage of Total Taxable Valuation
Micron Technology	$ 312,396	1	1.05%	$ 358,097	1	2.58%
Boise Mall LLC	147,839	2	0.49%	118,383	3	0.85%
Idaho Power	146,118	3	0.49%	104,470	4	0.75%
Suez Water Idaho Inc	122,457	4	0.41%			
Broadway Park Holdings LLC	93,572	5	0.31%			
LN City Center Plaza LLC	78,056	6	0.26%			
Winco Foods LLC	63,165	7	0.21%			
Eighth & Main LLC	62,738	8	0.21%			
Boise Retirement Community	60,124	9	0.20%			
Kensington Apartments LLC	57,206	10	0.19%			
Hewlett Packard				127,382	2	0.92%
United Water (Boise Water Corp)				74,590	5	0.54%
CenturyLink				72,335	6	0.52%
MP Mask Technology Center				70,580	7	0.51%
Albertsons (Supervalu)				58,798	8	0.42%
New Albertson's Inc				49,030	9	0.35%
MK Plaza Trust (WGI)				41,663	10	0.30%
	1,143,671		3.81%	1,075,328		7.74%
Total Market Valuation	29,877,823			13,854,429		

Source: 2020 Ada County Report of Highest 25 Taxpayers, 2020 Abstract of property roll Ada County & 2011 City CAFR

Property Tax Levies and Collections,
Last Ten Fiscal Years
(in Thousands)

		Collected within the Fiscal Year of the Levy			Total Collection to Date	
Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years (Note 1)	Amount	Percentage of Levy
2011	105,839	103,832	98.10%	2,143	105,975	100.10%
2012	108,073	107,027	99.00%	1,474	108,501	100.40%
2013	113,608	112,852	99.30%	1,751	114,603	100.88%
2014	118,699	118,639	99.80%	1,080	119,719	100.86%
2015	124,052	122,887	99.06%	979	123,866	99.85%
2016	130,735	130,084	99.50%	876	130,960	100.17%
2017	137,416	136,393	99.26%	905	137,298	99.91%
2018	149,349	148,404	99.37%	776	149,180	99.89%
2019	157,768	157,069	99.56%	533	157,602	99.89%
2020	159,187	158,676	99.68%			

Sources: Ada County Tax Auditor's Office and Boise City Treasury and Accounting Departments
Note 1: New construction completed during year can cause collections to be higher than levied amount

Ratio of Outstanding Debt By Type
Last Ten Fiscal Years
Amounts Expressed in Thousands

Governmental Activities

Fiscal Year	Revenue Bonds	General Obligation Bonds	Capital Leases	Special Assessment Bonds	Total Debt[1]	Debt per Capita	Debt to Personal Income	Population	Personal Income
2011	23,850	-	1,685	-	25,535	124	0.36%	206,470	7,048,060
2012	24,665	-	1,147	-	25,812	124	0.36%	207,730	7,119,738
2013	23,760	-	585	-	24,345	116	0.33%	209,700	7,413,734
2014	22,825	370	1,036	3,835	28,066	129	0.35%	217,730	8,008,109
2015	21,865	20,744	1,965	3,795	48,369	224	0.59%	216,282	8,216,769
2016	20,875	20,394	2,976	3,751	47,996	220	0.55%	218,281	8,721,636
2017	20,174	20,347	2,650	3,702	46,873	210	0.51%	223,154	9,136,594
2018	19,088	20,386	2,317	3,648	45,439	201	0.46%	226,570	9,879,811
2019	17,720	22,239	1,978	3,589	45,525	199	0.43%	228,790	10,518,163
2020	16,605	22,107	1,631	3,525	43,868	192	0.45%	228,959	9,682,905

(1) Includes Harris Ranch CID Debt for beginning FY2014

Business-type Activities

Fiscal Year	Revenue Bonds	Installment Loans	Other Long-Term Obligations	Total Debt	Debt per Capita	Debt to Personal Income	Population	Personal Income
2011	43,051	7,574	840	51,465	249	0.73%	206,470	7,048,060
2012	44,919	700	-	45,619	220	0.64%	207,730	7,119,738
2013	51,284	560	-	51,844	247	0.70%	209,700	7,413,734
2014	45,827	420	-	46,247	212	0.58%	217,730	8,008,109
2015	52,832	280	-	53,112	246	0.65%	216,282	8,216,769
2016	46,657	140	-	46,797	214	0.54%	218,281	8,721,636
2017	40,900	-	-	40,900	183	0.45%	223,154	9,136,594
2018	34,062	-	-	34,062	150	0.34%	226,570	9,879,811
2019	26,645	-	-	26,645	105	0.23%	228,790	10,518,163
2020	21,100	-	-	21,100	92	0.22%	228,959	9,682,905

Ratio of Net General Bonded Debt Outstanding

Fiscal Year	General Obligation Bonds	Available Restricted Resources	Net General Bonded Debt Outstanding	Percentage of Taxable Value of Property	Debt Per Capita	Debt to Personal Income	Population	Personal Income
2015	20,744	2,183	18,561	0.11%	86	0.23%	216,282	8,216,769
2016	20,394	2,265	18,129	0.10%	83	0.21%	218,281	8,721,636
2017	20,347	2,103	18,244	0.09%	82	0.20%	223,154	9,136,594
2018	20,386	2,422	17,964	0.08%	79	0.18%	226,570	9,879,811
2019	22,239	2,468	19,771	0.08%	86	0.19%	228,790	10,518,163
2020	22,107	2,506	19,601	0.07%	86	0.20%	228,959	9,682,905

Direct and Overlapping Governmental Activities Debt
As of September 30, 2020
(In Thousands)

Direct Governmental Indebtedness:

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt	Debt per Capita	Debt to Personal Income	Population	Personal Income
Revenue Refunding Bonds 2011	$ 16,820	100%	$ 16,820	73	0.17%	228,959	9,682,905
General Obligation Bonds 2015	8,430	100%	8,430	37	0.09%		
Harris Ranch Comm. Inf. District	17,202	100%	17,202	75	0.18%		
Capital Leases	1,631	100%	1,631	7	0.02%		
Total Direct Governmental Indebtedness	44,083		44,083	192	0.46%		
Overlapping Bonded Indebtedness:							
Capital City Development Corporation	11,715	100%	11,715	51	0.12%		
Meridian School District	157,465	22%	35,391	155	0.37%		
Boise School Dist. #[1]	167,790	100%	167,790	733	1.73%		
Total Overlapping Bonded Indebtedness	336,970		214,896	939	2.22%		
Total Direct and Overlapping Debt	$ 381,053		$ 258,979	1,131	2.68%		

Sources: Net taxable value of real and personal property (provided by Ada County) was used to determine the percentage applicable for the Ada County overlapping debt.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of Boise City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of the overlapping government.

Legal Debt Margin Information
Last Ten Fiscal Years
Amounts Expressed in Thousands

Fiscal Year	Debt Limit	Total Net Debt Applicable to the limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of the debt limit
2011	277,693	77,000	200,693	27.73%
2012	273,229	71,256	201,973	26.08%
2013	294,200	69,786	224,414	23.72%
2014	327,112	68,243	258,869	20.86%
2015	351,147	89,314	261,833	25.43%
2016	380,310	80,766	299,544	21.24%
2017	413,005	70,672	342,333	17.11%
2018	470,629	61,001	409,628	12.96%
2019	471,587	51,544	420,042	10.93%
2020	555,260	50,960	504,300	9.18%

Note: A municipality in Idaho is allowed a debt limit of two percent of the market valuation of real and personal property.

Pledged Revenue Coverage
Last Ten Fiscal Years
(In Thousands)

Revenue Refunding Bonds, Series 2011A

Fiscal Year	Operating Revenue	15% of General Fund Revenue	Debt Service for All Outstanding General Fund Obligations [1]	Available for Future Debt Service
2012	170,632	25,595	523	25,072
2013	178,366	26,755	1,820	24,935
2014	188,723	28,308	1,714	26,594
2015	196,130	29,420	1,711	27,709
2016	202,935	30,440	3,690	26,750
2017	212,300	31,845	3,692	28,153
2018	226,233	33,935	3,695	30,240
2019	239,516	35,927	3,695	32,232
2020[2]	273,216	40,982	3,688	37,295

(1) Parity debt is allowed so long as the maximum annual principal and interest requirements on all outstanding obligations constituting a lien upon General Fund Revenues, and on the obligations proposed to be issued does not exceed 15% of the General Fund Revenues and any other revenues available to pay such obligations as set forth on the most recent audited financial statement. (Trust indenture section 2.11)

(2) The large year-over-year increase in 2020 revenue from operating grant revenue from the CARES Act.

Airport Revenue Refunding Bonds, Series 2011--Air Terminal Project

Fiscal Year	Pledged Revenue [1]	Operating Expenses [2]	Net Available Revenue [3]	Debt Service Principal	Debt Service Interest	Coverage
2011	29,587	17,369	12,218	1,400	815	5.52
2012	27,293	17,731	9,562	2,860	1,560	2.16
2013	27,399	17,804	9,595	2,975	1,446	2.17
2014	28,792	18,361	10,431	3,095	1,327	2.36
2015	32,251	19,078	13,173	3,255	1,172	2.98
2016	35,320	19,595	15,725	3,415	1,010	3.55
2017	36,769	21,564	15,205	3,585	839	3.44
2018	37,998	23,760	14,238	3,750	675	3.22
2019	43,052	23,201	19,851	3,960	488	4.48
2020	43,833	26,115	17,718	4,185	241	4.00

(1) Includes Operating Revenue, Interest Income, and Passenger Facilities Charges.
(2) Excludes Interest Expense, Depreciation, Gain or Loss on Property Sale/Exchange/Disposal.
(3) Excludes Grant Revenues and Capital Expenses funded through the FAA'S Airline Improvement Program

Airport Revenue Bonds, Series 2012

Fiscal Year	Pledged Revenue [1]	Operating Expenses [2]	Net Available Revenue [3]	Debt Service Principal	Debt Service Interest	Coverage
2012	23,816	17,731	6,085	-	-	N/A
2013	23,921	17,804	6,117	525	301	7.40
2014	25,314	18,361	6,953	430	399	8.39
2015	28,769	19,078	9,691	440	386	11.64
2016	31,839	19,595	12,244	455	373	14.79
2017	33,289	21,564	11,725	470	359	14.14
2018	34,514	23,760	10,754	485	340	13.03
2019	39,571	23,201	16,370	505	321	19.82
2020	40,352	26,115	14,237	525	301	17.24

(1) Includes Operating Revenue and Interest Income
(2) Excludes Interest Expense, Depreciation, Gain or Loss on Property Sale/Exchange/Disposal.
(3) Excludes Grant Revenues and Capital Expenses funded through the FAA'S Airline Improvement Program

Pledged Revenue Coverage (continued)
Last Ten Fiscal Years
(In Thousands)

Airport Revenue Bonds, Series 2015

Fiscal Year	Pledged Revenue (1)	Operating Expenses (2)	Net Available Revenue (3)	Aggregate Debt Service (4)		
				Principal	Interest	Coverage
2011	29,587	17,369	12,218	1,400	815	5.52
2012	27,293	17,731	9,562	2,860	1,560	2.16
2013	27,399	17,804	9,595	3,500	1,747	1.83
2014	28,792	18,361	10,431	3,525	1,726	1.99
2015	32,251	19,078	13,173	3,695	1,558	2.50
2016	35,320	19,595	15,725	4,175	1,870	2.60
2017	36,769	21,564	15,205	4,395	1,651	2.51
2018	37,998	23,760	14,238	4,590	1,454	2.36
2019	43,052	23,201	19,851	4,830	1,217	3.28
2020	43,833	26,115	17,718	5,085	957	2.93

(1) Includes Operating Revenue and Interest Income and Passenger Facility Charges
(2) Excludes Interest Expense, Depreciation, Gain or Loss on Property Sale/Exchange/Disposal
(3) Excludes Grant Revenues and Capital Expenses funded through the FAA'S Airline Improvement Program
(4) Includes Principal and interest on the Airport 2015 Bonds and the Senior 2011 and 2012 Bonds. Prior to FY-2016 there is not principal or interest For the Series 2015 Airport Revenue Bond.

Wastewater Facility Refunding Bonds, Series 2012

Fiscal Year	Pledged Revenue (1)	Operating Expenses (2)	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage
2012	32,455	22,379	10,076	-	-	N/A
2013	32,629	22,855	9,774	1,895	283	4.49
2014	37,102	24,519	12,583	1,932	243	5.79
2015	38,113	25,104	13,009	1,965	209	5.98
2016	41,399	28,539	12,860	2,000	174	5.92
2017	62,166	33,030	11,322	2,031	139	5.22
2018	58,219	33,125	25,094	2,065	104	11.57
2019	64,593	37,898	20,234	2,101	67	9.33
2020	69,476	37,573	31,903	460	45	63.22

(1) Includes Operating Revenue, and Interest Income 2017, 2018, and 2019 revenue have been corrected from prior year to include connection fees.
(2) Excludes Interest Expense, Depreciation, Gain or Loss on Property Sale/Exchange/Disposal.

Demographic and Economic Statistics
Last Ten Calendar Years

Fiscal Year	Population 1	K-12 School Enrollment 2	Percent High School Graduate or Higher 3	Total Personal Income (in thousands)	Per Capita Personal Income 4	Unemployment Rate 5	Median Age 6
2011	206,470	76,358	92.8%	$ 7,188,253	$ 34,815	9.2%	36.3
2012	207,730	77,639	93.1%	$ 7,581,730	$ 36,498	8.3%	35.7
2013	209,700	78,601	94.7%	$ 7,883,881	$ 37,596	7.1%	36.4
2014	217,730	79,389	93.9%	$ 8,610,786	$ 39,548	6.0%	35.3
2015	216,282	79,088	93.6%	$ 8,941,314	$ 41,341	4.7%	35.5
2016	218,281	79,817	94.6%	$ 9,215,606	$ 42,219	4.0%	34.9
2017	223,154	82,958	94.5%	$ 9,868,986	$ 44,225	2.4%	36.4
2018	226,570	83,254	94.4%	$ 10,572,662	$ 46,664	2.1%	36.6
2019	228,790	82,307	94.9%	$ 10,954,694	$ 47,881	2.9%	38.2
2020	228,959	*	95.2%	*	*	4.9%	37.8

Sources

1	US Census Bureau (as of July 1)
2	US Census Bureau, American Community Survey 1-Year Estimate for Ada County (ID S1401)
3	US Census Bureau, American Community Survey 1-Year Estimate (ID S1501), Population 25 and older
4	US Department of Commerce Bureau of Economic Analysis, Per Capita Personal Income by Metropolitan Area (CA1 Personal Income Summary)
5	Idaho Department of Labor, November 2018 Boise Metro Area Report
6	US Census Bureau, American Community Survey 1-Year Estimate (ID S0101)
*	Data is not available for 2020 due to delay associated with Pandemic

City of Boise, Idaho
Principal Employers

		July 2018 - June 2019 Average[1]		FY2011 [2]		
Rank	Business	Employment Range	Percentage of Total Boise MSA Employment	Employees	Rank	Percentage of Total Boise MSA Employment
1	St Luke's Health Systems (Total Ada County)	7,000-7,999	1.0%	8,000	2	3.02%
2	Micron Technology Inc.	5,000-5,999	0.8%	5,000	4	1.89%
3	St Alphonsus Regional Medical Center	5,000-5,999	0.7%	2,960	7	1.12%
4	Boise School District	4,000-4,999	0.6%			
5	West Ada School District	4,000-4,999	0.3%			
6	Boise State University	3,000-3,999	0.4%			
7	Wal-Mart Associates Inc.	3,000-3,999	0.4%	7,136	3	2.70%
8	Albertsons Inc.	3,000-3,999	0.4%			
9	Department of Health & Welfare	2,000-2,999	0.3%			
10	J R Simplot Company	2,000-2,999	0.3%	3,400	5	1.28%
11	Ada County	2,000-2,999	0.1%			
12	City of Boise	1,700-1,999	0.2%			
13	Hewlett Packard	1,000-1,999	0.1%	3,000	6	1.13%
14	Department of Corrections	1,000-1,999	0.1%			
15	Fred Meyer	1,000-1,999	0.1%	1,905	10	0.72%
16	Idaho Power	1,000-1,999	0.1%	2,038	9	
17	Wells Fargo	1,000-1,999	0.1%	2,278	8	0.86%
18	Ataraxis, Inc	1,000-1,999	0.1%			
19	McDonalds	1,000-1,999	0.1%			
	Total Employment in Boise MSA (3)	710,743		310,000		

* Includes Ada, Boise, Canyon, Gem and Owyhee Counties
Note: Only employers that have given the Department permission to release employment range data

Sources:
1 - Boise Valley Economic Partnership Top Employers (Idaho Dept. of Labor, Communications and Research)
2 - FY 2011 City of Boise Audit CAFR
3 - Idaho Dept. of Labor, Workforce Trends November 2020

Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Department/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
Mayor's Office	18.30	15.30	15.3	12.8	14.4	13.0	12.4	22.0	22.0	22.0
City Council (1)	10.50	10.50	10.5	10.5	10.5	10.0	9.0	-	-	-
Office of Community Engagement (2)	13.00	13.00	12.0	7.6	2.0					
Legal Department	53.35	52.35	52.4	52.4	52.4	50.0	50.9	50.3	50.3	50.0
Customer and Support										
Finance and Administration	88.33	88.33	88.3	75.2	69.2	62.0	61.0	60.0	61.0	60.0
Human Resources	21.80	18.80	18.8	17.8	18.8	16.0	14.4	12.8	12.8	13.0
Information Technology	64.75	59.75	59.8	57.0	57.0	56.0	53.0	53.0	53.0	53.0
Public Safety (3)										
Fire Department	293.25	290.25	289.3	286.3	288.8	285.0	284.3	283.0	282.3	294.0
Police Department	405.90	399.90	392.9	394.9	396.4	398.0	395.4	400.0	405.1	387.0
Parks and Recreation	166.25	159.25	156.9	150.4	150.4	152.0	151.6	145.6	145.6	149.0
Culture										
Arts and History	12.50	11.50	11.4	9.5	8.0	7.0	6.0	5.0	5.0	5.0
Library	122.20	122.20	122.2	109.2	109.2	110.0	110.1	110.0	113.3	113.0
Community Services										
Planning & Development	91.93	90.93	87.9	94.9	95.9	91.0	90.9	90.0	93.0	98.0
Public Works	29.48	30.98	31.0	27.6	27.6	28.0	25.6	26.4	26.4	27.0
Airport	134.00	109.00	109.0	109.0	109.0	109.0	109.0	109.0	109.0	108.0
Water Renewal	237.02	235.02	228.8	218.3	215.3	210.0	195.3	184.0	179.8	179.0
Geothermal	1.00	1.00	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Solid Waste	6.50	6.50	6.0	6.0	5.0	5.0	4.0	4.8	4.8	5.0
Risk Management	6.95	6.45	6.5	5.7	5.7	5.0	4.1	5.2	5.2	5.0
Workers Comp	4.25	3.75	3.8	3.5	3.5	3.0	2.5	1.0	1.0	1.0
Fleet Services	20.25	19.25	19.3	18.3	18.3	18.0	18.3	18.3	18.3	18.0
Housing Services	14.57	14.57	14.6	14.6	14.6	17.0	16.6	17.0	16.5	17.0
Total	1,816.08	1,758.58	1,737.7	1,682.5	1,673.0	1,646.0	1,615.4	1,598.4	1,605.4	1,605.0

Notes:
(1) City Council Office was reported as a separate department beginning FY2014. It was previously reported as part of the Mayor's Office.
(2) Office of community Engagement was a new department in FY 2016.
(3) The 7.0 full-time equivalent count for Police, Fire and Administration Division is equally split between Fire and Police Departments.

Source: Boise City annually published budget documents

Operating Indicators by Function/Program
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
Mayor and City Council										
Number of Neighborhood Reinvestment project grants awarded	21	16	7	16	20	23	23	26	28	18
Number of active Neighborhood Reinvestment project grants	41	31	25	27	27	35	62	43	27	24
Ordinances and resolutions adopted	672	668	663	700	707	713	696	531	482	468
General Government Administration										
Number of Licenses (animal/business) issued (Note 1)	15,500	17,415	17,688	20,856	14,725	20,200	n/a	n/a	n/a	n/a
Number of square feet of facilities maintained (Facilities Maintenance)	550,000	550,000	711,189	518,767	530,528	530,528	530,528	530,528	537,317	504,979
Legal										
Criminal matters processed (Boise only)	11,861	12,459	13,515	12,308	14,126	15,796	15,419	16234	17,296	17,972
Criminal matters processed (other than Boise)	5,194	7,507	8,026	7,429	8,318	6,676	5,390	5,632	6,655	5,372
Information and Technology										
Number of supported PCs (Note 4)	3,780	4,001	3,464	3,334	3,170	2,874	2,694	2,399	2,100	2,060
Number of help desk incidents/work requests	24,854	28,167	28,401	28,758	26,760	25,573	25,923	25,408	25,410	20,436
Average number of mapping requests per month (internet)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	15,037
Monthly avg. # of GIS map image, ArcGIS server and geocode requests (Note 1)	n/a	n/a	n/a	n/a	n/a	n/a	220,565	217,714	181,297	n/a
Financial Services										
Number of purchase orders issued	1,031	1,029	1,070	955	856	740	1,005	740	1,123	1,130
Number of dollars recovered by Collections (thousands)	$ 5,357	$ 5,274	$ 4,738	$ 4,642	$ 3,988	$ 3,950	$ 3,896	$ 3,240	$ 3,166	$ 2,982
Ratio of interest earned vs. interest expense (Note 7)	2.50	2.47	1.87	0.69	0.95	0.54	0.40	0.31	0.36	0.39
Ratio of portfolio yield vs. Fed funds (Note 8, Note 10)	18.333	1.153	0.899	1.000	1.656	2.440	2.172	2.256	2.860	3.796
Number of loans internally serviced (water renewal & housing)	375	503	680	535	557	635	717	762	803	849
Public Safety										
Fire										
90th percentile response time	7:15	7:12	7:11	n/a	6:18	6:42	6:47	6:38	6:18	6:10
Number of fires investigated	77	86	111	117	120	118	91	132	119	85
Number of plans reviewed	203	187	254	270	492	174	357	388	276	313
Police										
Number of police reports taken	23,306	25,775	25,925	31,791	25,372	24,027	22,235	22,519	29,912	30,615
Number of crime scenes processed	318	251	369	432	564	440	405	316	339	326
Number of citations for hazardous moving violations (Note 1)	8,422	12,706	13,052	9,879	11,660	11,308	13,787	16,284	n/a	n/a
Number of DUI arrests	529	916	915	895	1,025	1,079	1,007	1,065	1,123	1,355
Parks and Recreation										
Miles of trails maintained	248	248	247	247	192	180	145	145	148	148
Open space acres maintained (Note 1)	5,870	5,414	5,251	4,386	4,332	n/a	n/a	n/a	n/a	n/a
Number of adaptive programs offered	302	489	471	430	392	354	358	300	282	286
Number of acres maintained	2,307	2,285	2,228	2,213	2,119	2,094	2,069	1,894	1,739	1,739
Zoo attendance	151,686	342,701	391,239	328,728	353,495	344,078	329,972	336,558	322,771	323,741
Idaho Ice World attendance	258,013	295,228	302,029	292,310	300,884	324,741	318,334	306,486	373,541	365,729
Number of rounds at Warm Springs/Quail Hollow Golf courses (Note 2)	73,479	72,035	73,335	67,944	71,783	78,050	74,016	49,191	46,828	49,242
Total scholarship amount (Note 5)	132,624	182,456	192,577	181,738	159,320	146,684	155,263	151,542	134,465	135,051
Average youth scholarship amount (Note 1, Note 5)	n/a	n/a	n/a	n/a	n/a	$ 13.39	$ 22.65	$ 37.45	$ 40.72	$ 50.00
Number of youth scholarships awarded	9,025	15,855	15,392	10,611	11,455	10,949	6,915	4,046	3,302	30,006
Number of youth served	419,327	534,907	566,544	552,222	568,322	562,562	561,598	554,083	511,724	655,492
Number of school-based youth visits (Note 1)	153,020	184,514	182,481	170,846	128,469	n/a	n/a	n/a	n/a	n/a

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Culture										
Arts										
Number of public art pieces owned by City	928	908	781	657	590	464	329	329	225	180
Number of historic artifacts cataloged (Note 1)	-	828	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of archival collections processed (Note 1)	28	25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Estimated # of citizens participating/exposed to programs and publications (Note 9)	501,150	2,000,000	1,015,400	1,100,000	1,095,000	1,090,000	1,092,674	2,100,000	1,310,000	1,218,365
Number of print and electronic publications	60,000	55,000	53,880	730	635	625	531	525	325	10
Number of public program series	114	149	28	98	110	125	105	45	25	18
Number of projects completed (Note 1)	55	122	350	130	232	225	95	95	52	n/a
Number of A&H cultural/facility plans completed (Note 1)	4	1	1	3	3	3	1	1	n/a	n/a
Number of A&H studies completed (Note 1)	5	-	2	3	1	5	1	1	n/a	n/a
Number of A&H presentations, facilitations, and consultations (Note 1)	16	67	320	217	110	182	98	6	1	n/a
Number of citizens who received history walking tours (Note 1)	40	375	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of citizens who received public art walking tours (Note 1)	-	198	756	605	315	2,500	950	1,800	850	n/a
Library										
Annual circulation	2,071,212	2,747,344	2,684,531	2,662,933	2,388,649	2,343,101	2,219,680	214,471	2,297,905	2,340,898
Reference questions per capita	0.70	0.84	0.90	0.99	1.08	1.00	1.00	0.99	1.31	1.30
Number of special programs	8,125	12,840	9,199	5,464	3,721	3,484	3,214	3,110	2,719	2,711
Community Service										
Planning and Development Services										
Total construction permit value (millions)	$ 792	$ 800	$ 960	$ 568	$ 761	$ 604	$ 433	$ 361	$ 399	$ 297
Total number of permits	21,632	22,033	22,845	20,845	20,917	20,233	18,263	16,493	15,328	14,378
Percent of commercial plans reviewed <30 days	54%	75%	80%	90%	93%	90%	92%	92%	83%	87%
Number of affordable housing units available	306	306	306	306	306	299	284	284	281	274
Parking Control										
Parking tickets issued	48,914	76,412	66,515	61,251	59,557	71,708	65,618	63,082	62,474	68,458
Cemetery										
Number of burials	169	166	158	146	158	158	158	158	158	158
Airport										
Airline cost per enplaned passenger	4.71	3.53	3.62	3.97	4.45	$ 4.55	$ 4.60	$ 4.59	$ 4.36	$ 4.81
Number of enplanements	1,258,191	2,025,960	1,898,766	1,721,661	1,593,745	1,456,633	1,347,989	1,306,548	1,328,767	1,393,611

Operating Indicators by Function/Program
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Works										
Total number of street lights	12,372	12,115	11,606	11,691	11,890	11,778	11,137	11,021	10,885	10,693
Number of geothermal customers	88	87	86	84	82	76	76	81	73	66
Water Renewal										
Dollars per foot of constructed 8" sewer pipe	$ 200.00	$ 150.00	$ 144.00	$ 125.00	$ 125.00	$ 128.10	$ 122.00	$ 114.85	$ 111.88	$ 110.25
Number of sewer backups per 100 miles of pipe	0.84	1.50	1.69	3.00	1.09	2.76	4.40	2.25	4.71	4.42
Miles of sewer pipe	954	950	949	915	914	905	799	711	704	702
Million gallons (MG) treated per day	28	28	28	28	27	27	27	26	27	27
Solid Waste										
Residential tons recycled per fiscal year (Note 3)	11,376	10,926	11,560	12,019	12,345	12,422	13,396	12,878	12,602	12,496
Residential compost per fiscal year (Note 6)	33,238	31,578	29,529	8,808	n/a	n/a	n/a	n/a	n/a	n/a
Percentage of solid waste recycled	41%	38%	40%	36%	13%	13%	15%	15%	15%	14%
Percentage of City customers recycling	99.0%	98.0%	97.4%	98.0%	97.5%	97%	97%	0.96	n/a	n/a

Source: various City of Boise Departments

Note 1: Ten years of data not available
Note 2: Quail Hollow added in 2014.
Note 3: Water Renewal-Tons of solid waste per capita changed to Tons recycled per fiscal year.
Note 4: Changed to PC's only in 2014 - printers are no longer owned by the City of Boise.
Note 5: Total scholarship amount will replace average youth scholarship amount. In addition to youth scholarships, senior and adventure scholarships are now offered.
Note 6: residential compost program was started in 2017
Note 7: Starting in 2018 interest income excludes unrealized gains and losses
Note 8: Starting in 2018 Fed Funds rate is EFFR instead of upper bound of target rate
Note 9: Correction to FY18 total
Note 10: The high ratio is the result of securities with higher interest rates purchased before the Federal Reserve cut interest rates being compared against interest rates that are close to zero

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Primary Government										
Governmental activities:										
Fire										
Fire trucks	4	5	4	4	4	4	4	4	4	4
Fire engines	28	28	28	28	25	25	23	23	22	19
Rescue/utility vehicles	14	12	12	12	10	10	12	12	15	14
Fire facilities	19	19	19	19	19	18	18	17	18	19
Brush rigs	9	9	9	9	9	9	7	7	7	7
Fire hydrants	5,585	5,775	5,980	5,980	6,266	6,570	6,654	6,590	6,450	6,490
Police										
Vehicles	280	280	280	280	284	284	289	294	273	268
Motorcycles	12	15	14	14	14	14	14	14	14	14
Police station (non city owned)	2	2	2	2	2	2	2	1	1	1
Police mobile substation	1	1	1	1	1	1	1	1	1	1
Parks and recreation										
Park sites	93	92	91	91	90	90	89	88	98	129
Picnic areas	109	86	82	82	82	77	75	75	67	67
Recreation/community centers	11	11	10	10	10	6	6	6	6	6
Ice skating facilities	1	1	1	1	1	1	1	1	1	1
Playgrounds	78	78	77	77	76	80	79	79	78	77
Basketball courts	25	25	25	25	25	28	27	27	25	25
Cultural/historical sites	6	6	6	6	5	5	4	4	4	4
Golf courses	2	2	2	2	2	2	2	2	1	1
Tennis courts	95	83	83	83	83	86	85	85	85	85
Youth baseball fields	34	34	34	34	32	32	32	32	32	35
Soccer fields	46	46	46	46	51	48	48	48	48	48
Skate parks	3	3	3	3	3	3	3	3	3	3
Pools	7	7	7	7	7	7	7	7	7	7
Zoo	1	1	1	1	1	1	1	1	1	1
Bike, walking or hiking trails	248	248	247	247	247	190	180	150	145	148
Foothills-special levy (acres)	4,777	4,321	4,313	4,313	3,562	3,538	3,882	3,842	3,842	3,582

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
Culture										
Public art investments	928	867	781	781	656	587	359	359	222	200
Library Locations	5	5	5	5	5	4	4	4	4	4
Items in library collection (thousands)	374	360	384	384	388	371	385	427	420	424
Community Services										
Cemeteries	3	3	3	3	3	3	3	3	3	3
Streetlights	8,791	8,431	8,084	8,084	9,761	9,233	9,103	8,811	7,850	7,754
Business-type activities:										
Airport										
Runways (commercial)	2	2	2	2	2	2	2	2	2	2
Total parking spaces	5,397	4,545	4,545	4,545	4,545	4,545	4,350	4,350	4,350	3,600
Water Renewal										
Wastewater treatment plants	3	3	3	3	3	3	2	2	2	2
Other										
Single family home rental units	35	35	39	39	35	32	29	28	18	14
Apartment rental units	269	269	274	274	269	270	270	268	268	267

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

SINGLE AUDIT

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2020
(In thousands)

Federal Grantor/Program Title	Federal CFDA Number	Identifying Number	Current Year Disbursements	Disbursements to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
Direct Programs				
Partnership Agreements	10.699	18-CS-11040201-010	$ 4	$ -
Passed Through Idaho Department of Education				
Child and Adult Care Food Program	10.558	4026	2	-
Passed Through Idaho Department of Lands Forestry Assistance Bureau				
Cooperative Forestry Assistance	10.664	15LSR-ACM	11	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			17	-
U.S. DEPARTMENT OF HUD				
Direct Programs				
Community Development Block Grant-Entitlement Grants	14.218	B-14-MC-16-0001	22	-
Community Development Block Grant-Entitlement Grants	14.218	B-15-MC-16-0001	1	-
Community Development Block Grant-Entitlement Grants	14.218	B-16-MC-16-0001	65	-
Community Development Block Grant-Entitlement Grants	14.218	B-17-MC-16-0001	3	-
Community Development Block Grant-Entitlement Grants	14.218	B-18-MC-16-0001	362	-
Community Development Block Grant-Entitlement Grants	14.218	B-19-MC-16-0001	423	194
COVID-19 - Community Development Block Grant-Entitlement Grants	14.218	B-20-MW-16-0001	255	255
Community Development Block Grant-Program Income	14.218	Program Income	16	-
Total CDBG Cluster			1,147	449
HOME Investment Partnerships Programs	14.239	M-15-MC-16-0200	10	7
HOME Investment Partnerships Programs	14.239	M-16-MC-16-0200	193	193
HOME Investment Partnerships Programs	14.239	M-17-MC-16-0200	86	86
HOME Investment Partnerships Programs	14.239	M-19-MC-16-0200	121	-
HOME Investment Partnerships Programs-Program Income	14.239	Program Income	2,837	526
Total Program			3,247	812
Continuum of Care Program	14.267	ID0083L0E001700	7	-
Continuum of Care Program	14.267	ID0083L0E001800	20	-
Total Program			27	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			4,421	1,261

See Notes to Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2020
(In thousands)

Federal Grantor/Program Title	Federal CFDA Number	Identifying Number	Current Year Disbursements	Disbursements to Subrecipients
U.S. DEPARTMENT OF INTERIOR				
Direct Programs				
Recreation and Visitor Services	15.225	L17AC00115	44	-
Passed Through Idaho Department of Parks and Recreation				
Outdoor Recreation Acquisition, Development and Planning	15.916	16-00587	250	-
TOTAL U.S. DEPARTMENT OF INTERIOR			294	-
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0528	86	6
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0279	87	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0853	21	-
Total Program			194	6
Passed Through Idaho State Office of Attorney General				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1123	74	-
Missing Children Assistance	16.543	2016-MC-FX-K044	6	-
Missing Children Assistance	16.543	2019-MC-FX-K06	3	-
Total Program			9	-
TOTAL U.S. DEPARTMENT OF JUSTICE			277	6
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs				
Airport Improvement Program	20.106	3-16-0003-063	8	-
Airport Improvement Program	20.106	3-16-0003-069	112	-
Airport Improvement Program	20.106	3-16-0003-070	1,452	-
Airport Improvement Program	20.106	3-16-0003-071	34	-
Airport Improvement Program	20.106	3-16-0003-072	4,223	-
COVID-19 - Airport Improvement Program	20.106	3-16-0003-073	10,640	-
Total Program			16,469	-
Passed Through Idaho Department of Transportation				
Highway planning and Construction	20.205	A020(639)	138	-
Passed Through Idaho Department of Highway Safety				
State and Community Highway Safety	20.600	CP-2020-02-00-00	14	-
State and Community Highway Safety	20.600	PT-2020-02-00	40	-
State and Community Highway Safety	20.600	DD-2020-10-00	17	-
State and Community Highway Safety	20.600	PT-2020-02-00-00	23	-
State and Community Highway Safety	20.6	PT-2020-02-00-00	51	-
State and Community Highway Safety	20.600	OP-2020-EB-00-00	22	-
National Priority Safety Programs	20.616	DD-2020-01-00-00	47	-
National Priority Safety Programs	20.616	M5HVE-2020-EA-00	15	-
National Priority Safety Programs	20.616	M5HVE-2020-EB-00	4	-
National Priority Safety Programs	20.616	MFHVE-2020-EC-00	11	-
Total Highway Safety Cluster			244	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			16,851	-

See Notes to Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2020
(In thousands)

Federal Grantor/Program Title	Federal CFDA Number	Identifying Number	Current Year Disbursements	Disbursements to Subrecipients
U.S. DEPARTMENT OF THE TREASURY				
Passed Through the Idaho State Controllers Office				
COVID-19 - Coronavirus Relief Funds	21.019	396842	2,385	-
COVID-19 - Coronavirus Relief Funds	21.019		27,903	-
TOTAL U.S. DEPARTMENT OF THE TREASURY			30,288	-
NATIONAL ENDOWMENT FOR THE ARTS				
Passed Through Idaho Commission on the Arts				
Promotion of the Arts Partnership Agreements	45.025	1855939-61-19	1	-
TOTAL NATIONAL ENDOWMENT FOR THE ARTS			1	-
ENVIRONMENTAL PROTECTION AGENCY				
Passed Through Idaho State Dept of Environmental Quality				
Capitalization Grants for Drinking Water State Revolving Funds	66.468	FS98003017-S558	3	-
TOTAL ENVIRONMENTAL PROTECTION AGENCY			3	-
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through State of Idaho Office of Emergency Management				
Disaster Grants - Public Assistance	97.036	DR-4342	13	-
Homeland Security Grant Program	97.067	EMW-2019-SS-00047-S01	58	-
Homeland Security Grant Program	97.067	EMW-2017-SS-0054	14	-
Homeland Security Grant Program	97.067	EMW-2019-SS-00047-S01	2	-
Homeland Security Grant Program	97.067	EMW-2018-SS-00040-S01	28	-
Homeland Security Grant Program	97.067	EMW-2019-SS-00047-S01	7	-
Total Program			109	-
TOTAL DEPARTMENT OF HOMELAND SECURITY			122	-
TOTAL FEDERAL AWARDS			$ 52,274	$ 1,267

See Notes to Schedule of Expenditures of Federal Awards

Notes to Schedule of Expenditures of Federal Awards

1) BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Boise, Idaho (the City) under programs of the federal government for the year ended September 30, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City and is presented as supplemental information within the City's comprehensive financial annual report for the year ended September 30, 2020.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on modified accrual basis of accounting where expenditures are generally recorded when a liability is incurred. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The City has chosen not to use the 10% de-minimus indirect cost rate as allowed under the Uniform Guidance. Federal non-cash assistance included in the Schedule, such as donated property or donated equipment, is valued at acquisition value at the time of receipt or the assessed value provided by the federal agency.

3) SUBRECIPIENTS

The City passed through certain federal awards to other non-Federal entities, as subrecipients, to carry out part of a federal program. Expenditures are recorded when awards are disbursed to subrecipients. The City is responsible for monitoring its subrecipients to ensure these subawards are used to fulfill the program requirements in accordance with contracts, laws, regulations and that the subrecipients meet program goals. Expenditures made to subrecipients are separately disclosed on the Schedule.

4) LOANS WITHOUT CONTINUING COMPLIANCE REQUIREMENTS

The City has revolving loan fund programs which were originally funded with federal financial assistance through the Community Development Block Grants/Entitlement Grants Cluster (CFDA Number 14.218). Under these loan agreements, the City has either loaned money to eligible homeowners to rehabilitate their homes or to eligible homebuyers to obtain affordable housing, in the form of a low-interest loan with a 1st or 2nd Deed of Trust. New loans originated from the revolving loan fund programs are subject to the same compliance requirements imposed by the Federal Department of Housing and Urban Development (HUD) as the initial loans. The loans under this program have no continuing compliance requirements other than continued loan payments, therefore, the outstanding loan balances of such loans have not been included in the Schedule of Expenditures of Federal Awards (SEFA) and major program determination. The outstanding balance on these loans at September 30, 2020 was $2,337,818.

5) MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Mayor and
Members of the City Council
City of Boise, Idaho

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Boise, Idaho (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 10, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as the basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Boise, Idaho
March 10, 2021

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for Each Major Federal Program; and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Honorable Mayor and
Members of the City Council
City of Boise, Idaho

Report on Compliance for Each Major Federal Program
We have audited the City of Boise, Idaho's (the City's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program
In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control over Compliance
Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Boise, Idaho
March 10, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516?	No

Identification of major programs:

Name of Federal Program	CFDA Number
COVID-19 -Coronavirus Relief Fund	21.019
Airport Improvement Program	20.106

Dollar threshold used to distinguish between Type A and Type B programs:	$ 1,560,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None reported

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control over Compliance

To the Honorable Mayor,
Members of the City Council, and Federal Aviation Administration
Boise, Idaho

Report on Compliance for Passenger Facility Charge Program

We have audited the Boise Airport's (the Airport) compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), for its passenger facility charge program for the year ended September 30, 2020.

Management's Responsibility

Management is responsible for compliance with the requirements of laws and regulation applicable to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on the Airport's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Airport's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Airport's compliance with those requirements.

Opinion

In our opinion, the Airport complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the Airport is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the Airport's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the passenger facility charge program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charge program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of City Council and management of the City, and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties.

Eide Bailly LLP

Boise, Idaho
March 10, 2021

City of Boise

Department of Finance and Administration
150 N. Capitol Boulevard
Boise, Idaho 83702

CITYOFBOISE.ORG

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APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE UNDERTAKING

City of Boise City, Idaho
$36,450,000 Airport Revenue and Revenue Refunding Bonds, Series 2021A (Non-AMT) (Public Parking Facilities Project)
$19,750,000 Airport Revenue Bonds, Series 2021B (AMT) (Employee Parking Facilities Project)

THIS CONTINUING DISCLOSURE UNDERTAKING (the "Undertaking") is executed and delivered by the City of Boise City, Idaho (the "Issuer") and Zions Bancorporation, National Association (the "Disclosure Agent") in connection with the issuance $36,450,000 Airport Revenue and Revenue Refunding Bonds, Series 2021A (Non-AMT) (Public Parking Facilities Project) and $19,750,000 Airport Revenue Bonds, Series 2021B (AMT) (Employee Parking Facilities Project) (collectively, the "Bonds") being issued pursuant to a Trust Indenture dated as of August 1, 2021 between the Issuer and Zions Bancorporation, National Association as Trustee (the "Indenture"). The Undertaking is executed and delivered as of the date set forth below in order for the Issuer to authorize and direct the Disclosure Agent, as the agent of the Issuer, to make certain information available to the public in compliance with Section (b)(5)(i) of Rule 15c2-12, as hereinafter defined.

WITNESSETH:

1. Background. The Issuer has resolved to issue the Bonds pursuant to pursuant to Ordinance No. 36-21 adopted by the City Council on July 13, 2021 (the "Ordinance"). The CUSIP number assigned to the final maturity of the Series 2021A Bonds is 097428 EG7. The CUSIP number assigned to the final maturity of the Series 2021B Bonds is 097428 FC5.

2. Appointment of Disclosure Agent. The Issuer hereby appoints the Disclosure Agent and any successor Disclosure Agent acting as such under the Indenture as its agent under this Undertaking to disseminate the financial information and notices furnished by the Issuer hereunder in the manner and at the times as herein provided and to discharge the other duties assigned.

3. Annual Reports of the Issuer.

a. Provisions of Annual Reports. The Issuer agrees, in accordance with the provisions of Rule 15c2-12, to provide or cause to be provided through the Repository, not later than 210 days following the close of each fiscal year of the Issuer (October 1 - September 30) for all fiscal years beginning with the fiscal year ending September 30, 2021, the annual financial information and operating data (the "Annual Report") described in Section 3b herein. The Issuer further agrees, in accordance with the Rule 15c2-12, to provide or cause to be provided in a timely manner through the Repository notice of any failure to provide or cause to be provided the Annual Report or any part thereof, as described in this paragraph.

b. Contents of Annual Report. The Annual Report shall include the audited financial statements of the Issuer prepared in accordance with generally-accepted accounting principles, together with the report thereon of the Issuer's independent auditors, beginning with the Fiscal Year ending September 30, 2021. If audited financial statements are not available by the time specified herein, unaudited financial statements will be provided and audited financial statements will be provided when, and if, available. The Issuer shall include with each submission a written representation addressed to the Disclosure Agent to the effect that the financial statements are the financial statements required by this Undertaking and that they comply with the applicable requirements of this Undertaking. For the purposes of determining whether information received from the Issuer is the required financial statements, the Disclosure Agent shall be entitled conclusively to rely on the Issuer's written representation made pursuant to this Section.

The Annual Report shall also include the other financial, statistical and operating data for said fiscal year of the Issuer in the form and scope similar to the financial, statistical, and operating data contained in the Official Statement, specifically the tables and/or information contained under the following headings and subheadings of the Official Statement:

- Updated Table Five entitled "Historical Enplaned Passengers" in the Section entitled "Recent Passenger Activity" in the Official Statement.
- Updated Table Six entitled "Selected Historical and Operating Results" in the Section entitled "Summary of Historical Operating Results" in the Official Statement.
- Updated Table Eight entitled "Compliance with Covenants to Maintain Airport Rates and Charges" in the Section entitled "Report of the Airport Consultant" in the Official Statement, but only as to historical Debt Service Coverage information, *i.e.*, from the most recent Fiscal Year.

Any or all of the items listed above in Sections 3b may be incorporated by reference from other documents, including official statements of debt issues of the Issuer which have been previously submitted to the Repository or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such document incorporated by reference.

4. <u>Notice of Certain Events</u>. The Issuer agrees, in accordance with the provisions of the Rule 15c2-12, to provide or cause to be provided through the Repository, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies (which for the purpose of this Undertaking shall mean the Issuer's failure to provide funds to the Trustee for payments of principal and interest at the times specified in the Indenture);

(2) Nonpayment-related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

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

(7) Modifications to rights of security holders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution or sale of property securing repayment of the securities, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person[1];

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

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material; and

(15) Incurrence of a Financial Obligation of the obligated person, if material; or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect securities holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

The Disclosure Agent shall attempt to promptly advise the Issuer whenever, in the course of performing its duties under the Indenture, the Disclosure Agent identifies an occurrence which would require the Issuer to provide a notice of the occurrence of any of the events listed in this Section 4; provided that the failure of the Disclosure Agent so to advise the Issuer of such occurrence shall not constitute a breach by the Disclosure Agent of any of its duties and responsibilities hereunder or under the Indenture.

5. Manner and Time by Which Information is to be made Public by the Disclosure Agent. The information required to be provided by the Issuer pursuant to Section 3 hereof shall be referred to as the Continuing Disclosure Information (the "Continuing Disclosure

[1] For the purposes of the event identified in paragraph (12) above, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of an obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of an obligated person.

Information"), and the notices required to be provided by the Issuer pursuant to Section 4 hereof shall be referred to as the Event Information (the "Event Information").

After the receipt of any Continuing Disclosure Information or any Event Information from the Issuer, the Disclosure Agent will deliver the information as provided in this Section 5.

a. Manner and Time of Delivery. It shall be the Disclosure Agent's duty:

(1) to deliver the Continuing Disclosure Information to the Repository once it is received from the Issuer not later than five (5) days after receipt thereof;

(2) to deliver the Event Information to the Repository as soon as possible following receipt from the Issuer, but in no event later than the next business day;

(3) to determine the identity and address of the Repository to which Continuing Disclosure Information and Event Information must be sent under rules and regulations promulgated by the MSRB or by the SEC.

The Issuer shall deliver Continuing Disclosure Information and Event Information to the Disclosure Agent in a timely manner so that the Disclosure Agent can deliver such information to the Repository.

b. Limitation of Disclosure Agent's Duty. The Disclosure Agent shall have no duty or obligation to disclose to the Repository any information other than (i) Continuing Disclosure Information that the Disclosure Agent actually has received from the Issuer and (ii) Event Information about which the Disclosure Agent has received notice from the Issuer. Any such disclosures shall be required to be made only as and when specified in this Undertaking. The Disclosure Agent's duties and obligations are only those specifically set forth in this Undertaking, and the Disclosure Agent shall have no implied duties or obligations.

c. Form of Disclosure. All Continuing Disclosure Information and Event Information, or other financial information and notices pursuant to this Undertaking are to be provided to the Repository in electronic PDF format (word-searchable) as prescribed by the MSRB. All documents provided to the MSRB pursuant to this Undertaking must be accompanied by identifying information as prescribed by the MSRB, which the Issuer shall provide to the Disclosure Agent in a timely manner.

6. Indemnification. The Disclosure Agent shall have no obligation to examine or review the Continuing Disclosure Information and shall have no liability or responsibility for the compliance of this Undertaking with Rule 15c2-12 or the accurateness or completeness of the Continuing Disclosure Information disseminated by the Disclosure Agent hereunder. The Continuing Disclosure Information shall contain a legend to such effect.

The Issuer hereby agrees to hold harmless and to indemnify the Disclosure Agent, its employees, officers, directors, agents and attorneys from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorneys' fees and expenses, whether incurred before trial, at trial, or on appeal, or in any bankruptcy or arbitration proceedings), which may be incurred by the Disclosure Agent by reason of or in connection with the disclosure of information in accordance with this Undertaking, except to the extent such claims, damages, losses, liabilities, costs or expenses result directly from the willful or negligent conduct of the Disclosure Agent in the performance of its duties under this Undertaking.

7. **Compensation.** The Issuer hereby agrees to compensate the Disclosure Agent for the services provided and the expenses incurred pursuant to this Undertaking in an amount to be agreed upon from time to time hereunder. Such compensation shall be in addition to any fees previously agreed upon with respect to the fiduciary services of the Disclosure Agent in its capacity as Trustee under the Indenture.

8. **Enforcement.** The obligations of the Issuer under this Undertaking shall be for the benefit of the registered and beneficial holders of the Bonds. Any holder of the Bonds then outstanding, including any Beneficial Owner (as defined in the Indenture) of the Bonds, may enforce specific performance of such obligations by any judicial proceeding available. However, any failure by the Issuer to perform in accordance with this Undertaking shall not constitute a default under the Indenture. Neither the Issuer nor the Disclosure Agent shall have any power or duty to enforce this Undertaking.

This Undertaking shall inure solely to the benefit of the Issuer, the Disclosure Agent and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

9. **Definitions.** As used herein, the following terms shall have the following meanings: "MSRB" shall mean the Municipal Securities Rulemaking Board.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b); provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in Rule15c2-12) has been provided to the MSRB consistent with Rule 15c2-12.

"Official Statement" shall mean the final Official Statement relating to the Bonds dated August 3, 2021.

"Obligated person" as defined in Rule 15c2-12 shall mean any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the municipal securities to be sold in the offering (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities.

"Repository" shall mean the MSRB through its Electronic Municipal Market Access system ("EMMA") at http://emma.msrb.org, or such other nationally recognized municipal securities information repository recognized by the SEC from time to time pursuant to Rule 15c2-12.

"Rule 15c2-12" shall mean Rule 15c2-12, as amended, promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

"SEC" shall mean the Securities and Exchange Commission.

9. Amendments and Termination. This Undertaking may be amended with the mutual agreement of the Issuer and the Disclosure Agent and without the consent of any registered or beneficial holders of the Bonds under the following conditions:

a. the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted;

b. this Undertaking, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12, as well as any change in circumstances; and

c. the amendment does not materially impair the interests of holders of the Bonds, as determined by parties unaffiliated with the Issuer (such as nationally recognized bond counsel).

Any party to this Undertaking may terminate this Undertaking by giving written notice of an intent to terminate to the other parties at least thirty (30) days prior to such termination, provided that no such termination shall relieve the obligation of the Issuer to comply with Rule 15c2-12(b)(5) either through a successor agent or otherwise.

The Issuer's next annual financial report must explain, in narrative form, the reasons for any such amendment or termination of the undertaking contained in this Undertaking and the impact, as applicable, of any change in the type of operating data or financial information being provided or, in the case of accounting principles, the presentation of such operating data or financial information.

The undertaking contained in this Undertaking shall be in effect from and after the issuance and delivery of the Bonds and shall extend to the earlier of (i) the date all principal and interest on the Bonds shall have been paid pursuant to the terms of the Indenture; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of Rule 15c2-12; or (iii) the date on which those portions of Rule 15c2-12 that require this written undertaking (a) are held to be invalid by a court of competent jurisdiction in a nonappealable action, (b) have been repealed retroactively, or (c) in the opinion of counsel who is an expert in federal securities laws, acceptable to the Issuer or the Disclosure Agent, otherwise, do not apply to the Bonds. The Issuer shall notify the Repository if this Undertaking is terminated pursuant to (iii), above.

11. Successor Disclosure Agent. Upon the transfer of the duties created under the Indenture from the current Disclosure Agent in its capacity as Trustee, to a successor Disclosure Agent, in its capacity as successor trustee, such successor Disclosure Agent shall succeed to the duties under this Undertaking without any further action on the part of any party, and the then current Disclosure Agent shall have no further duties or obligations upon the transfer to a successor Disclosure Agent. Such Successor Disclosure Agent may terminate this Undertaking or cause it to be amended as provided in Section 10 hereof.

12. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating (or cause the Disclosure Agent to disseminate) any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Continuing Disclosure Information or notice of the occurrence of any Event Information, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Continuing Disclosure Information or Event Information in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Continuing Disclosure Information or notice of occurrence of any Event Information.

If the Issuer provides to the Disclosure Agent information relating to the Issuer or the Bonds, which information is not designated as Event Information, and directs the Disclosure Agent to provide such information to the Repository, the Disclosure Agent shall provide such information in a timely manner to the Repository.

13. **Notices.** Notices and the required information under this Undertaking shall be given to the parties at their addresses set forth below under their signatures or at such places as the parties to this Undertaking may designate from time to time.

14. **Counterparts.** This Undertaking may be executed in one or more counterparts, and each such instrument shall constitute an original counterpart of this Undertaking.

15. **Governing Law.** This Undertaking shall be governed by the laws of the State of Idaho and Rule 15c2-12.

[*Signatures on following page]*

IN WITNESS WHEREOF, the Issuer and the Disclosure Agent have caused this Undertaking to be executed and delivered by a duly authorized officer of each of them, all as of this _____ day of _________ , 2021.

ISSUER: **THE CITY OF BOISE CITY, IDAHO**

By: ________________________________

Notice Address:
150 North Capitol Blvd. (City Hall), 1st Floor
Boise, ID 83702
Attention:

DISCLOSURE AGENT: **ZIONS BANCORPORATION, NATIONAL ASSOCIATION**

By: ________________________________

Notice Address:

____

____

APPENDIX E

PROPOSED FORM OF BOND COUNSEL OPINION

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SKINNER FAWCETT LLP

LAW OFFICES

RICHARD A. SKINNER
CHARLES W. FAWCETT
DENNIS GIBALA
HENRY C. RUDOLPH
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POST OFFICE BOX 700
BOISE, IDAHO 83701
TELEPHONE (208) 345-2663
TELECOPIER (208) 345-2668

____________, 2021

The Honorable Mayor and
Members of the City Council
City of Boise City, Idaho
Boise City Hall
150 N. Capitol Blvd.
Boise, Idaho 83702

RE: City of Boise City, Idaho, $36,450,000 Airport Revenue and Revenue Refunding Bonds, Series 2021A (Non-AMT) (Public Parking Facilities Project) and $19,750,00 Airport Revenue Bonds, Series 2012B (AMT) (Employee Parking Facilities Project)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by the City of Boise City (the "City"), in the State of Idaho, of its $36,450,000 aggregate principal amount of Airport Revenue and Revenue Refunding Bonds, Series 2021A (Non-AMT) (Public Parking Facilities Project) (the "Series 2021A Bonds") and its $19,750,000 aggregate principal amount of Airport Revenue Bonds, Series 2021B (AMT) (Employee Parking Facilities Project) (the "Series 2021B Bonds" and together with the Series 2021A Bonds, collectively the "Bonds"). The Bonds are issued in accordance with Idaho law, and by virtue of Ordinance No. 36-21 (the "Bond Ordinance") adopted by the City Council of the City on July 13, 2021, approving a Trust Indenture dated as of August 1, 2021 (the "Indenture"), between the City and Zions Bancorporation, National Association, as trustee (the "Trustee"). The Series 2021A Bonds are being issued to (i) finance a portion of the costs of the acquisition, construction, and installation of certain public parking facilities at the Boise Air Terminal/Gowen Field (the "Airport"), (ii) to defease and refund the City's outstanding Airport Revenue Bonds, Series 2012 (Parking Facilities Project), (iii) to fund a portion of the required deposit into the Reserve Fund, and (iv) to pay certain issuance expenses of the Series 2021A Bonds. The Series 2021B Bonds are being issued to (i) finance a portion of the costs of the acquisition, construction, and installation of certain employee parking facilities at the Airport, (ii) fund a portion of the required deposit into the Reserve Fund, and (iii) to pay certain issuance expenses of the Series 2021B Bonds. Capitalized terms shall have the meanings set forth in the Indenture unless otherwise defined herein.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement dated August 3, 2021, (the "Official Statement") or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto.

The conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the City. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the fifth paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Bond Ordinance, the Indenture, and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against the State of Idaho. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets.

We have examined originals or true copies of such certificates, records and opinions as we consider necessary to issue this opinion. We have relied upon the certified proceedings and other certifications of public officials regarding questions of fact material to our opinion and have not undertaken to verify the same by independent investigation. We have also received, reviewed and relied upon the opinion of the City Attorney as to paragraphs 1, 2 and 3 below.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The City has been duly organized and is validly existing under the laws of the State of Idaho, and has full power and authority to enter into the Indenture and to cause the Bonds to be issued thereunder. Further, the City has full power and authority under the laws and Constitution of the State of Idaho to adopt the Bond Ordinance approving the Indenture and to carry out the transactions contemplated by the Indenture.

2. The issuance and sale of the Bonds have been duly and validly authorized by the City and the Bonds have been duly executed and delivered by the City. The Bonds are valid and binding limited obligations of the City in accordance with their terms.

3. The Indenture has been duly and lawfully executed and delivered by the City and is a valid, legal and binding obligation of the City enforceable against the City in accordance with its respective terms.

4. The interest on the Bonds received by the Registered Owners of the Bonds is excluded from gross income for federal income tax purposes, interest on the Series 2021A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and interest on the Series 2021B Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. We express no opinion regarding other federal income tax consequences caused by the accrual or receipt of interest represented by the Bonds.

5. Interest on the Bonds is excluded from gross income for purposes of taxation by the State of Idaho.

We call your attention to the fact that the Bonds are limited obligations of the City, payable only out of Net Revenues and the funds and accounts held under the Indenture. The general fund revenues and the full faith and credit of the City are not pledged to the payment of the Bonds.

Very truly yours,

SKINNER FAWCETT LLP

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APPENDIX F

BOOK-ENTRY SYSTEM

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SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC--bracketed material may apply only to certain issues)

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

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

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

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by

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

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

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

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

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

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

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

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

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

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CITY OF BOISE CITY, IDAHO • AIRPORT REVENUE AND REVENUE REFUNDING BONDS, SERIES 2021A (NON-AMT) (PUBLIC PARKING FACILITIES PROJECT) AND AIRPORT REVENUE BONDS, SERIES 2021B (AMT) (EMPLOYEE PARKING FACILITIES PROJECT)

BOISE

CITY OF TREES

Mixed Sources
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