



Financial Statements
June 30, 2015

Idaho Bond Bank Authority

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Independent Auditor's Report

To Honorable Ron Crane, Idaho State Treasurer, Chair and Authority Members
Idaho Bond Bank Authority
Boise, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of Idaho Bond Bank Authority (the Authority), a component unit of the State of Idaho, which comprise the statement of net position as of June 30, 2015, and the related statement of revenues, expenses and changes in net position and the statement of cash flows for the year then ended, and the related notes to the financial statements.

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 an opinion 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 Authority'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 Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Idaho Bond Bank Authority as of June 30, 2015, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters**Required Supplementary Information**

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 21, 2015 on our consideration of the Authority'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 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 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 Idaho Bond Bank Authority's internal control over financial reporting and compliance.



Boise, Idaho
September 21, 2015

FINANCIAL CONDITION

The Authority's financial statements are presented in accordance with applicable provisions of the Governmental Accounting Standards Board Statements.

The financial statements report short and long-term financial information about the Authority. The Statement of Net Position provides information about the nature and amounts of investments in resources (assets) and obligations (liabilities) at the close of fiscal year 2015. The Statement of Revenues, Expenses and Changes in Net Position report the Authority's operations for fiscal year 2015 and the resulting decrease in net position. The Statement of Cash Flows provides information about the Authority's cash receipts, cash payments and net changes in cash resulting from operations, investing and financial activities and the flow of cash during the fiscal year.

The Idaho Bond Bank Authority is a single-purpose governmental entity and is an enterprise fund for financial reporting purposes with revenues and expenses recognized on the accrual basis. Premiums and discounts are capitalized and amortized using the effective interest method. The notes to the financial statements contain, among other information, descriptions of the Authority's significant accounting policies and are an integral part of the financial statements.

FINANCIAL HIGHLIGHTS AND LONG-TERM DEBT

During fiscal year 2015, the Bond Bank approved four municipal loan applications for projects in four communities, resulting in \$35.73 million in bonds being issued. This activity level decreased from fiscal year 2014 when the Bond Bank issued \$70.01 million in bonds to fund projects in 4 communities. The decrease was primarily due to the size of the projects that were funded.

The following table shows the value of Bond Bank assets, liabilities and net position summarized as of June 30, 2015 and 2014.

	2015	2014	\$ Change	% Change
ASSETS				
Total assets	<u>\$ 421,956,332</u>	<u>\$ 427,770,522</u>	<u>\$ (5,814,190)</u>	-1%
LIABILITIES				
Total current liabilities	23,635,665	23,245,225	390,440	2%
Total noncurrent liabilities	<u>403,832,132</u>	<u>409,756,088</u>	<u>(5,923,956)</u>	-1%
Total liabilities	427,467,797	433,001,313	(5,533,516)	-1%
NET POSITION				
Unrestricted	<u>(5,511,465)</u>	<u>(5,230,791)</u>	<u>(280,674)</u>	5%
Total liabilities and net position	<u>\$ 421,956,332</u>	<u>\$ 427,770,522</u>	<u>\$ (5,814,190)</u>	-1%

The following table shows the activity of Bond Bank including revenues, expenses and changes in net position summarized as of June 30, 2015 and 2014.

	2015	2014	\$ Change	% Change
OPERATING REVENUES				
Total operating revenues	\$ 15,523,172	\$ 14,609,220	\$ 913,952	6%
OPERATING EXPENSES				
Total operating expenses	<u>15,803,846</u>	<u>15,256,055</u>	<u>547,791</u>	4%
CHANGE IN NET POSITION	(280,674)	(646,835)	366,161	-57%
NET POSITION, BEGINNING OF YEAR	<u>(5,230,791)</u>	<u>(4,583,956)</u>	<u>(646,835)</u>	14%
NET POSITION, END OF YEAR	<u><u>\$ (5,511,465)</u></u>	<u><u>\$ (5,230,791)</u></u>	<u><u>\$ (280,674)</u></u>	5%

The negative net position is the result of the accounting treatment of GASB 65 and not a result of operations. As a result of the implementation of GASB 65, the Bond Bank expenses the cost of issuance of bonds issued during each fiscal year. The premiums and discounts of the bonds payable and the notes receivable are amortized over the life of the bonds and notes respectively. The difference in the timing of the treatment of these items creates a negative net position that will move to zero as the bonds mature. Although the amortization of outstanding premiums will move the net position closer to zero, new bonds that are issued will result in a larger negative net position for the current year. We do not expect the net position to affect the ability of the Bond Bank to operate going forward.

The regular financial activity for the year involved receipt of semi-annual interest and principal payments from participants on outstanding loans receivable. Interest and principal payments are received by the trustee and then used to make principal and interest payments due on outstanding bonds payable. During fiscal years 2015 and 2014, there were no unusual or excessive administrative expenses.

OTHER INFORMATION

The Bond Bank did submit a response to the SEC under the MCDC initiative. As of Financial Statement issue date, we have not received a response from the SEC with regards to the IBBA MCDC submission.

CONTACT INFORMATION

This financial report is designed to provide our customers, investors, and creditors with a general overview of the Bond Bank's finances and to demonstrate the Bond Bank's accountability of its assets. If you have any questions about this report or need additional information, contact the Idaho State Treasurer's Office at (208) 334-3200.

Idaho Bond Bank Authority
Statement of Net Position
June 30, 2015

ASSETS

Cash held with Idaho State Treasurer	\$ 316,647
Loans and notes receivable, current portion	18,585,000
Interest receivable	<u>5,050,665</u>
Total current assets	<u>23,952,312</u>
Loans and notes receivable, net of current portion, net of discounts / premiums	<u>398,004,020</u>
Total noncurrent assets	<u>398,004,020</u>
	<u>\$ 421,956,332</u>

LIABILITIES

Revenue bonds payable, current portion	\$ 18,585,000
Interest payable	<u>5,050,665</u>
Total current liabilities	<u>23,635,665</u>
Revenue bonds payable, net of current portion, net of premium / discounts	<u>403,832,132</u>
Total noncurrent liabilities	<u>403,832,132</u>
Total liabilities	427,467,797

NET POSITION

Unrestricted	<u>(5,511,465)</u>
	<u>\$ 421,956,332</u>

Idaho Bond Bank Authority
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2015

OPERATING REVENUES

Interest income	\$ 15,470,501
Origination fee	52,671
	<hr/>
Total operating revenues	15,523,172

OPERATING EXPENSES

Interest expense	14,798,752
Cost of issuance	949,224
Other expense	55,870
	<hr/>
Total operating expenses	15,803,846

CHANGE IN NET POSITION (280,674)

NET POSITION, BEGINNING OF YEAR

(5,230,791)

NET POSITION, END OF YEAR

\$ (5,511,465)

Idaho Bond Bank Authority
Statement of Cash Flows
Year Ended June 30, 2015

Operating Activities	
Receipts from bond issuance fees	\$ 52,671
Cash payments to suppliers for services	(56,694)
	(4,023)
Net Cash used for Operating Activities	(4,023)
Noncapital Financing Activities	
Receipts from bonds issued	38,994,281
Payments on bond principal	(42,060,000)
Payments of bond interest	(17,315,034)
Payments of issue costs	(949,224)
	(21,329,977)
Net Cash used for Noncapital Financing Activities	(21,329,977)
Investing Activities	
Disbursements of loans receivable	(38,045,057)
Receipts of loan principal	42,060,000
Receipts of loan interest	17,315,034
	21,329,977
Net Cash from Investing Activities	21,329,977
Net Change in Cash and Cash Equivalents	(4,023)
Cash Held with Idaho State Treasurer, Beginning of Year	320,670
Cash Held with Idaho State Treasurer, End of Year	\$ 316,647
Reconciliation of Operating Income to Net Cash used for Operating Activities	
Operating loss	\$ (280,674)
Adjustments to reconcile operating loss to net cash used for operating activities	
Cost of issuance expense	949,224
Note receivable premium / discount amortization	1,744,520
Bond premium / discount amortization	(2,416,908)
Change in assets and liabilities	
Accounts payable	(185)
	(185)
Net Cash used for Operating Activities	\$ (4,023)

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

The Idaho Bond Bank Authority was created by Idaho Code, Section 67-8703, authorizing the Authority to issue bonds to make loans to local governments for infrastructure. The objective of the Authority is to obtain lower interest rate and underwriting costs than local governments can achieve individually. The Authority is administered by a five member board, of which two members are appointed by the governor and three are elected officials.

The Authority is included as a component unit in the State of Idaho financial statements. The Authority can obligate state sales tax revenue as a source of payment or security for bonds issued, which imposes a potential direct financial burden on the State.

These statements present only the balances and activities of the Authority and are not intended to present the financial position and the results of operations of the State of Idaho in conformity with generally accepted accounting principles of the United States.

Basis of Accounting and Financial Statement Presentation

The Authority is accounted for and reported as a proprietary-type enterprise fund. Accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position display information about the Authority. These statements include the financial activity of the overall reporting entity. These statements report all activities of the Authority as a business type activity. Operations are financed primarily from interest income.

The Statement of Net Position presents the Authority's assets and liabilities, with the difference reported as net position. Net position is displayed as unrestricted; however, unrestricted net position may have constraints or designations placed upon it by management, which can be unilaterally removed.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses.

Cash Held with Idaho State Treasurer

The Authority involuntarily participates in the State of Idaho Treasurer's Pooled Idle Fund (Idle Pool). The Idle Pool is an internal investment pool managed by the State Treasurer's Office on behalf of participants. The funds of the Idle Pool are invested pursuant to *Idaho Code* 67-1210 and 67-1210A and generally invested in US Treasury and US Government Agency obligations, investment grade corporate obligations, high quality commercial paper and bank certificates of deposit. For performance evaluation, the Idle Pool is compared to the 90-day Treasury constant maturity rate. All investments are held in trust by a safekeeping bank.

Loans Receivable and Provisions for Loan Losses

Loans receivable consist of loans to local governments in order to finance infrastructure needs. The terms of the loans receivable are identical to the terms of the bonds payable. The face value of the notes receivable as of June 30, 2015 is \$400,120,000, with \$18,585,000 receivable within one year. Interest rates range from 2.00% to 6.25%.

Periodic evaluation of the loans receivable portfolio is performed in order to determine whether an allowance for loan losses should be established and reflected in current operations. Due to various levels of security, including the ability of the Authority to intercept State-shared revenues designated for distribution to borrowing communities, and the Authority's low delinquency rates in its loan portfolio, management determined that no allowance for loan losses was necessary for the year ended June 30, 2015. The allowance for loan loss is considered a significant estimate and it is at reasonably possible that this estimate will change.

Discount or premium on notes receivable represent the difference between the note receivable balance and the cash that was distributed to the participants. The note premium or discount is capitalized and amortized over the life of the notes and recognized as revenue using the effective interest method. Notes receivable are reported net of applicable premium or discount. Net discount or premium on notes totaled \$20,794,677 in net premiums as of June 30, 2015. Amortization of note discount or premium for the year ended June 30, 2015 was \$1,744,520 and is included in the caption, Interest Income on the Statement of Revenues, Expenses and Changes in Net Position. Accumulated amortization as of June 30, 2015 was \$4,325,656 with a premium, net of accumulated amortization, of \$16,469,021.

Revenue Bonds Payable

Bonds and notes payable include bonds issued to make loans to local governments in order to finance infrastructure needs. Bond premiums / discounts are deferred and amortized over the life of the loan.

The Authority's financial statements report long-term obligations, such as bonds and notes payable, as liabilities, with the portion payable within twelve months designated separately from the portion payable in more than twelve months. Bonds payable are reported net of applicable bond premium or discount. Net premium or discount on the bonds totaled \$29,248,250 in net premium as of June 30, 2015. Amortization of bond premium or discount for the year ended June 30, 2015 was \$2,416,908 and is included in the caption, Interest Expense on the Statement of Revenues, Expenses and Changes in Net Position. Accumulated amortization as of June 30, 2015 was \$6,951,118 with a premium, net of accumulated amortization, of \$22,297,132.

Note 2 - Long-Term Liabilities

The Authority is authorized to issue and sell revenue bonds under provisions of the Idaho Constitution, Article VIII, Section 2A, and Idaho Code, Sections 67-8701 through 67-8728. The bonds are used by the Authority to make loans to local governments in order to finance infrastructure needs. The bonds are limited obligations of the Authority and do not constitute a debt of the State of Idaho or any of its political subdivisions.

Revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Series 2004A		Series 2006A		Series 2006B		Series 2007A	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 725,000	\$ 105,155	\$ 630,000	\$ 249,743	\$ 680,000	\$ 258,044	\$ 515,000	\$ 344,728
2017	315,000	79,155	660,000	217,493	710,000	223,294	540,000	322,969
2018	330,000	65,010	155,000	197,893	745,000	186,919	560,000	300,281
2019	345,000	51,840	165,000	191,328	485,000	156,169	585,000	277,031
2020	320,000	38,540	170,000	184,250	115,000	141,744	605,000	253,231
2021-2025	770,000	40,280	960,000	804,921	660,000	623,370	3,425,000	870,021
2026-2030	-	-	1,205,000	559,038	840,000	437,470	2,410,000	156,131
2031-2035	-	-	1,505,000	253,238	1,060,000	214,735	-	-
2036-2040	-	-	345,000	7,763	490,000	20,419	-	-
2041-2045	-	-	-	-	-	-	-	-
Total	\$ 2,805,000	\$ 379,980	\$ 5,795,000	\$ 2,665,667	\$ 5,785,000	\$ 2,262,164	\$ 8,640,000	\$ 2,524,392
Interest Rate	2.50% - 5.00%		4.00% - 5.00%		4.00% - 5.00%		4.00 - 4.25%	

Fiscal Year Ending June 30	Series 2007B		Series 2008A		Series 2008B		Series 2008C	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 15,000	\$ 1,826	\$ 560,000	\$ 532,956	\$ 205,000	\$ 283,094	\$ 480,000	\$ 1,117,913
2017	15,000	1,226	580,000	509,281	215,000	274,950	500,000	1,092,788
2018	15,000	619	610,000	482,869	225,000	266,150	530,000	1,067,076
2019	-	-	625,000	455,681	230,000	257,050	555,000	1,039,919
2020	-	-	665,000	428,716	245,000	247,550	590,000	1,011,338
2021-2025	-	-	3,765,000	1,671,038	1,985,000	1,029,475	3,170,000	4,575,720
2026-2030	-	-	3,500,000	671,250	3,235,000	379,576	4,165,000	3,552,205
2031-2035	-	-	740,000	230,750	-	-	5,440,000	2,240,572
2036-2040	-	-	540,000	41,500	-	-	5,505,000	611,005
2041-2045	-	-	-	-	-	-	-	-
Total	\$ 45,000	\$ 3,671	\$ 11,585,000	\$ 5,024,041	\$ 6,340,000	\$ 2,737,845	\$ 20,935,000	\$ 16,308,536
Interest Rate	3.625% - 4.125%		3.25% - 5.00%		3.50% - 5.00%		4.00% - 5.625%	

Fiscal Year Ending June 30	Series 2008D		Series 2008E		Series 2009A		Series 2009B	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 25,000	\$ 6,605	\$ 845,000	\$ 1,098,875	\$ 1,005,000	\$ 1,260,138	\$ 630,000	\$ 259,813
2017	25,000	5,530	875,000	1,063,381	960,000	1,230,663	645,000	243,069
2018	25,000	4,418	960,000	1,020,788	1,060,000	1,199,038	665,000	224,225
2019	5,000	3,255	980,000	972,288	2,530,000	1,136,663	685,000	202,263
2020	-	3,015	1,010,000	925,063	1,770,000	1,056,925	710,000	177,850
2021-2025	60,000	4,530	5,920,000	3,781,894	10,100,000	3,926,406	4,000,000	413,588
2026-2030	-	-	12,560,000	1,539,860	10,080,000	1,076,788	-	-
2031-2035	-	-	-	-	-	-	-	-
2036-2040	-	-	-	-	-	-	-	-
2041-2045	-	-	-	-	-	-	-	-
Total	\$ 140,000	\$ 27,353	\$ 23,150,000	\$ 10,402,149	\$ 27,505,000	\$ 10,886,621	\$ 7,335,000	\$ 1,520,808
Interest Rate	2.30% - 5.15%		3.50% - 5.50%		3.00% - 5.375%		2.00% - 5.00%	

Idaho Bond Bank Authority
Notes to Financial Statements
June 30, 2015

Fiscal Year Ending June 30	Series 2009C		Series 2010A		Series 2010B		Series 2010C	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 425,000	\$ 308,500	\$ 1,080,000	\$ 645,158	\$ 630,000	\$ 1,564,357	\$ 600,000	\$ 256,350
2017	445,000	291,100	1,115,000	609,167	655,000	1,537,838	620,000	238,050
2018	465,000	272,900	1,140,000	567,431	685,000	1,509,363	635,000	219,225
2019	480,000	254,000	1,165,000	521,021	710,000	1,480,607	655,000	199,875
2020	500,000	231,900	1,195,000	470,564	740,000	1,451,763	675,000	179,925
2021-2025	2,845,000	821,500	6,565,000	1,442,126	4,100,000	6,682,337	3,730,000	530,000
2026-2030	2,640,000	272,200	2,345,000	59,328	4,905,000	5,411,053	830,000	16,600
2031-2035	-	-	-	-	5,965,000	3,743,844	-	-
2036-2040	-	-	-	-	7,270,000	1,683,438	-	-
2041-2045	-	-	-	-	1,635,000	51,094	-	-
	<u>\$ 7,800,000</u>	<u>\$ 2,452,100</u>	<u>\$ 14,605,000</u>	<u>\$ 4,314,795</u>	<u>\$ 27,295,000</u>	<u>\$ 25,115,694</u>	<u>\$ 7,745,000</u>	<u>\$ 1,640,025</u>

Interest Rate 4.00% - 5.00% 2.50% - 5.06% 3.00% - 6.25% 2.00% - 4.00%

Fiscal Year Ending June 30	Series 2011A		Series 2012A		Series 2012B		Series 2012C	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 730,000	\$ 335,500	\$ 540,000	\$ 403,313	\$ 835,000	\$ 808,725	\$ 1,470,000	\$ 436,269
2017	745,000	317,025	565,000	386,738	860,000	785,450	1,530,000	397,306
2018	775,000	294,225	580,000	369,563	880,000	757,100	1,550,000	378,056
2019	790,000	266,800	600,000	354,863	915,000	716,625	1,570,000	356,594
2020	670,000	237,600	600,000	342,863	965,000	679,275	1,595,000	304,944
2021-2025	3,230,000	786,000	2,990,000	1,466,456	4,855,000	2,739,400	5,065,000	621,059
2026-2030	2,030,000	151,750	2,670,000	883,750	4,035,000	1,715,900	1,820,000	68,131
2031-2035	-	-	2,275,000	240,125	2,935,000	972,700	-	-
2036-2040	-	-	-	-	2,490,000	484,800	-	-
2041-2045	-	-	-	-	1,140,000	46,000	-	-
	<u>\$ 8,970,000</u>	<u>\$ 2,388,900</u>	<u>\$ 10,820,000</u>	<u>\$ 4,447,671</u>	<u>\$ 19,910,000</u>	<u>\$ 9,705,975</u>	<u>\$ 14,600,000</u>	<u>\$ 2,562,359</u>

Interest Rate 2.00% - 5.00% 2.00% - 5.00% 2.00% - 5.00% 1.25% - 5.00%

Fiscal Year Ending June 30	Series 2012D		Series 2013A		Series 2013B		Series 2014A	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 3,445,000	\$ 2,345,488	\$ 490,000	\$ 129,200	\$ 350,000	\$ 572,956	\$ 1,050,000	\$ 1,920,920
2017	3,560,000	2,239,838	500,000	114,350	365,000	558,656	1,065,000	1,902,432
2018	3,695,000	2,094,738	515,000	99,125	375,000	541,981	1,085,000	1,867,320
2019	3,855,000	1,982,288	535,000	83,375	400,000	526,606	1,140,000	1,831,645
2020	3,930,000	1,865,138	545,000	67,175	410,000	510,356	1,155,000	1,794,220
2021-2025	19,945,000	6,920,488	800,000	211,450	2,355,000	2,236,506	7,720,000	7,991,675
2026-2030	14,605,000	2,714,338	-	175,000	2,680,000	1,605,856	14,430,000	5,998,150
2031-2035	5,360,000	578,841	-	175,000	3,015,000	1,001,828	17,640,000	2,502,762
2036-2040	1,665,000	101,641	-	175,000	2,610,000	269,000	4,750,000	396,835
2041-2045	-	-	1,000,000	87,500	-	-	-	-
	<u>\$ 60,060,000</u>	<u>\$ 20,842,798</u>	<u>\$ 4,385,000</u>	<u>\$ 1,317,175</u>	<u>\$ 12,560,000</u>	<u>\$ 7,823,745</u>	<u>\$ 50,035,000</u>	<u>\$ 26,205,959</u>

Interest Rate 2.00% - 5.00% 3.00% - 3.50% 2.00% - 5.00% 1.50% - 5.00%

Fiscal Year Ending June 30	Series 2014B		Series 2014C		Series 2015A		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 95,000	\$ 239,900	\$ 135,000	\$ 535,825	\$ 395,000	\$ 889,212	\$ 18,585,000	\$ 16,910,563
2017	100,000	237,462	150,000	532,975	665,000	838,413	18,980,000	16,250,599
2018	100,000	234,962	675,000	524,725	700,000	804,288	19,735,000	15,550,288
2019	100,000	232,462	690,000	511,075	735,000	768,413	21,530,000	14,829,736
2020	235,000	227,687	700,000	493,675	775,000	730,663	20,890,000	14,055,970
2021-2025	1,300,000	1,004,585	4,855,000	1,871,500	4,810,000	3,002,188	109,980,000	56,068,513
2026-2030	1,600,000	697,049	3,640,000	680,675	6,550,000	1,746,238	102,775,000	30,568,336
2031-2035	2,015,000	261,625	2,570,000	225,025	7,685,000	611,381	58,205,000	13,252,426
2036-2040	-	-	-	-	-	-	25,665,000	3,791,401
2041-2045	-	-	-	-	-	-	3,775,000	184,594
	<u>\$ 5,545,000</u>	<u>\$ 3,135,732</u>	<u>\$ 13,415,000</u>	<u>\$ 5,375,475</u>	<u>\$ 22,315,000</u>	<u>\$ 9,390,796</u>	<u>\$ 400,120,000</u>	<u>\$ 181,462,426</u>

Interest Rate 2.50% - 5.00% 2.00% - 5.00% 3.00% - 5.00%

Idaho Bond Bank Authority
Notes to Financial Statements
June 30, 2015

The revenue bonds are secured by loan payments from local governments, investment earnings on amounts held by the trustee, and any other monies received by the Authority as designated revenues. The Series 2006A, 2006B, 2007A, 2007B, 2008A, 2008B, 2008C, 2008D, 2009B, 2009C, 2010A, 2010B, 2010C, 2011A, 2012A, 2012B, 2012C, 2012D, 2013A, 2013B, 2014A, 2014B, 2014C and 2015A bonds are further secured by monies in the debt service reserve funds held by each participant. The reserve requirement is equal to the lesser of 125 percent of the annual debt service, the maximum annual debt service, or 10 percent of the original issue amount.

The changes in long-term liabilities for the fiscal year ended June 30, 2015 are as follows:

Long-Term Liabilities	Balances at June 30, 2014	Increases	Reductions	Balances at June 30, 2015	Amounts Due Within One Year
Revenue Bonds - 2004A	\$ 3,655,000	\$ -	\$ (850,000)	\$ 2,805,000	\$ 725,000
Revenue Bonds - 2006A	12,785,000	-	(6,990,000)	5,795,000	630,000
Revenue Bonds - 2006B	6,430,000	-	(645,000)	5,785,000	680,000
Revenue Bonds - 2007A	9,135,000	-	(495,000)	8,640,000	515,000
Revenue Bonds - 2007B	60,000	-	(15,000)	45,000	15,000
Revenue Bonds - 2008A	12,115,000	-	(530,000)	11,585,000	560,000
Revenue Bonds - 2008B	6,540,000	-	(200,000)	6,340,000	205,000
Revenue Bonds - 2008C	21,400,000	-	(465,000)	20,935,000	480,000
Revenue Bonds - 2008D	160,000	-	(20,000)	140,000	25,000
Revenue Bonds - 2008E	23,955,000	-	(805,000)	23,150,000	845,000
Revenue Bonds - 2009A	46,180,000	-	(18,675,000)	27,505,000	1,005,000
Revenue Bonds - 2009B	7,955,000	-	(620,000)	7,335,000	630,000
Revenue Bonds - 2009C	8,215,000	-	(415,000)	7,800,000	425,000
Revenue Bonds - 2010A	15,640,000	-	(1,035,000)	14,605,000	1,080,000
Revenue Bonds - 2010B	27,900,000	-	(605,000)	27,295,000	630,000
Revenue Bonds - 2010C	8,330,000	-	(585,000)	7,745,000	600,000
Revenue Bonds - 2011A	9,690,000	-	(720,000)	8,970,000	730,000
Revenue Bonds - 2012A	11,245,000	-	(425,000)	10,820,000	540,000
Revenue Bonds - 2012B	20,725,000	-	(815,000)	19,910,000	835,000
Revenue Bonds - 2012C	16,025,000	-	(1,425,000)	14,600,000	1,470,000
Revenue Bonds - 2012D	63,445,000	-	(3,385,000)	60,060,000	3,445,000
Revenue Bonds - 2013A	4,855,000	-	(470,000)	4,385,000	490,000
Revenue Bonds - 2013B	12,865,000	-	(305,000)	12,560,000	350,000
Revenue Bonds - 2014A	51,600,000	-	(1,565,000)	50,035,000	1,050,000
Revenue Bonds - 2014B	5,545,000	-	-	5,545,000	95,000
Revenue Bonds - 2014C	-	13,415,000	-	13,415,000	135,000
Revenue Bonds - 2015A	-	22,315,000	-	22,315,000	395,000
Total Revenue Bonds	406,450,000	35,730,000	(42,060,000)	400,120,000	18,585,000
Premiums/(Discounts)	21,401,088	3,312,952	(2,416,908)	22,297,132	-
Total Bonds Payable	\$ 427,851,088	\$ 39,042,952	\$ (44,476,908)	422,417,132	\$ 18,585,000
			Current portion	<u>18,585,000</u>	
			Long-term portion	<u>\$ 403,832,132</u>	

Note 3 - Advanced Refundings

Middleton School District deposited bond proceeds of \$20,051,558 to purchase United States Treasury instruments and placed them into an irrevocable escrow to advance refund, \$17,575,000 of the Series 2009A Bonds. The Bond proceeds were from a Bond issued by the School District that was not through the IBBA. As a result, the Series 2009A Bonds are considered to be partially defeased and the receivable from the School District and the liability for the defeased bonds have been removed from these financial statements. The District achieved an economic gain of approximately \$941,258 as a result of the refunding. At June 30, 2015, \$17,575,000 of the defeased bonds were outstanding.

The Authority issued \$6,050,000 of the 2014C refunding bonds at a premium of \$1,015,936 to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable escrow for the purpose of generating resources for future debt service payments of \$6,390,000 of the 2006A revenue bonds. As a result, the refunded bonds are considered to be partially defeased and the receivable from the participants and the liability for the defeased bonds has been removed from these financial statements. This advance refunding was undertaken to reduce total debt service payments by \$442,675 with an economic gain of \$349,625 for the participants. At June 30, 2015, \$6,390,000 of the defeased bonds were outstanding.



Other Information
June 30, 2015

Idaho Bond Bank Authority



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 Honorable Ron Crane, Idaho State Treasurer, Chair and Authority Members
Idaho Bond Bank Authority
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 Idaho Bond Bank Authority (the Authority) as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated September 21, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 over financial reporting 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 financial reporting 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 yet been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 result 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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
September 21, 2015