



Financial Statements  
June 30, 2011

# 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

We have audited the accompanying financial statements of the Idaho Bond Bank Authority (the Authority), a component unit of the State of Idaho, as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards of 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2011, and the changes in financial position and cash flows for the year then ended in conformity with generally accepted accounting principles of the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2011, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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* and should be considered in assessing the results of our audit.

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, though not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operations, 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 response 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.

*Eide Bailly LLP*

Boise, Idaho  
August 30, 2011

**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 Assets provides information about the nature and amounts of investments in resources (assets) and obligations (liabilities) at the close of fiscal year 2011. The Statement of Activities reports the Authority's operations for fiscal year 2011 and the resulting increase or decrease in net assets. 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 with revenues and expenses recognized on the accrual basis. Bond issuance costs, loan costs and premiums/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**

During fiscal year 2011 the Bond Bank approved two municipal loan applications for projects in two communities, resulting in \$38.49 million in bonds being issued. This activity level remained consistent from FY 2010 when the Bond Bank issued \$28.3 million in bonds to fund projects in two communities.

The following table shows the value of Bond Bank assets, liabilities and net assets summarized as of June 30, 2011 and 2010 as well as liabilities and net assets.

<b>ASSETS</b>	<b>2011</b>	<b>2010</b>	<b>\$ Change</b>	<b>% Change</b>
Total assets	<u>\$ 241,669,202</u>	<u>\$ 207,121,758</u>	<u>34,547,444</u>	17%
 <b>LIABILITIES</b>				
Total current liabilities	\$ 10,501,035	\$ 7,530,505	\$ 2,970,530	39%
Total noncurrent liabilities	<u>231,096,146</u>	<u>199,564,762</u>	<u>31,531,384</u>	16%
Total liabilities	<u>241,597,181</u>	<u>207,095,267</u>	<u>34,501,914</u>	17%
 <b>NET ASSETS</b>				
Unrestricted	<u>72,021</u>	<u>26,491</u>	<u>45,530</u>	172%
Total net assets	<u>72,021</u>	<u>26,491</u>	<u>45,530</u>	172%
Total liabilities and net assets	<u>\$ 241,669,202</u>	<u>\$ 207,121,758</u>	<u>\$ 34,547,444</u>	17%

The following table shows the activity of the Authority including revenues, expenses and changes in net assets summarized as of June 30, 2011 and 2010.

	<b>2011</b>	<b>2010</b>	<b>\$ Change</b>	<b>% Change</b>
<b>OPERATING REVENUES</b>				
Total operating revenues	<u>\$ 10,576,450</u>	<u>\$ 8,662,494</u>	<u>\$ 1,913,956</u>	22%
<b>OPERATING EXPENSES</b>				
Total operating expenses	<u>10,530,920</u>	<u>8,649,606</u>	<u>1,881,314</u>	22%
<b>CHANGE IN NET ASSETS</b>	45,530	12,888	32,642	253%
<b>TOTAL NET ASSETS, BEGINNING OF YEAR</b>	<u>26,491</u>	<u>13,603</u>	<u>12,888</u>	95%
<b>TOTAL NET ASSETS, END OF PERIOD</b>	<u><u>\$ 72,021</u></u>	<u><u>\$ 26,491</u></u>	<u><u>\$ 45,530</u></u>	172%

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 2011 and 2010, there were no unusual or excessive administrative expenses. Refer to Note 2 of the financial statements for more information on long-term debt activity.

**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 Assets  
June 30, 2011

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Assets

Cash held with Idaho State Treasurer	\$ 72,021
Loans receivable	7,320,000
Interest receivable	<u>3,181,035</u>

Total current assets 10,573,056

Deferred bond issuance costs	3,255,635
Deferred loan costs	765,511
Loans receivable, less current portion	<u>227,075,000</u>

Total noncurrent assets 231,096,146

\$ 241,669,202

Liabilities

Revenue bonds payable	\$ 7,320,000
Interest payable	<u>3,181,035</u>

Total current liabilities 10,501,035

Revenue Bonds payable 231,096,146

Total noncurrent liabilities 231,096,146

Total liabilities 241,597,181

Net Assets

Unrestricted 72,021

\$ 241,669,202

Idaho Bond Bank Authority  
Statement of Revenues, Expenses and Changes in Net Assets  
Year Ended June 30, 2011

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Operating Revenues	
Interest income	\$ 10,491,096
Bond issuance fee	75,519
Other income	<u>9,835</u>
Total operating revenues	<u>10,576,450</u>
Operating Expenses	
Interest expense	10,490,585
Other expense	<u>40,335</u>
Total operating expenses	<u>10,530,920</u>
Change in Net Assets	45,530
Total Net Assets, Beginning of Year	<u>26,491</u>
Total Net Assets, End of Year	<u><u>\$ 72,021</u></u>

Idaho Bond Bank Authority  
Statement of Cash Flows  
Year Ended June 30, 2011

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Cash Flows from Operating Activities	
Receipts from bond issuance fees	\$ 75,519
Other operating cash receipts	1,046
Cash payments to suppliers for services	<u>(31,035)</u>
Net Cash from Operating Activities	<u>45,530</u>
Cash Flows from Noncapital Financing Activities	
Receipts from bonds issued	39,114,706
Payments on bond principal	(4,995,000)
Payments of bond interest	(9,508,714)
Payments of issue costs	<u>(547,786)</u>
Net Cash from Noncapital Financing Activities	<u>24,063,206</u>
Cash Flows from Investing Activities	
Disbursements of loans receivable	(38,566,920)
Receipts of loan principal	4,995,000
Receipts of loan interest	<u>9,508,714</u>
Net Cash used for Investing Activities	<u>(24,063,206)</u>
Net Change in Cash and Cash Equivalents	<u>45,530</u>
Cash Equivalents and Cash with Treasurer, Beginning of Year	<u>26,491</u>
Cash Equivalents and Cash with Treasurer, End of Year	<u><u>\$ 72,021</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	<u>\$ 45,530</u>
Net Cash from Operating Activities	<u><u>\$ 45,530</u></u>

## **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 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.

### **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 Assets and the Statement of Revenues, Expenses, and Changes in Net Assets 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The Authority has elected not to follow subsequent private-sector guidance.

The Statement of Net Assets presents the Authority's assets and liabilities, with the difference reported as net assets. Net assets are displayed as unrestricted net assets; however, unrestricted net assets may have constraints or designations placed upon them 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 are 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 180-day Treasury constant maturity rate. All investments are held in trust by a safekeeping bank. An annual audit of the Idaho Treasurer's Office is conducted by the State Legislative Auditors Office. The Legislative Auditor of the State of Idaho has full access to the records of the Idle Pool.

### **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.

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, 2011.

### **Deferred Bond Issuance Costs**

Deferred bond issuance costs represent those direct costs associated with the issuance of the bonds. These costs are capitalized and amortized over the life of the bond. The Authority has incurred \$4,025,371 in deferred bond issuance costs as of June 30, 2011. For the year ended June 30, 2011, additions to deferred bond issuance costs were \$547,786 and there were no deletions.

Amortization of these deferred bond issuance costs for the year ended June 30, 2011 was \$255,284 and is included in the caption, "Interest Expense" on the Statement of Revenues, Expenses and Changes in Net Assets. Accumulated amortization as of June 30, 2011 was \$769,736.

### **Deferred Loan Costs**

Deferred loan costs represent the excess note receivable balance over the cash that was distributed to the participants. The deferred loan costs are capitalized and amortized over the life of the notes in correlation with the amortization of the deferred bond issuance costs. The Authority has incurred \$1,101,366 in deferred loan costs as of June 30, 2011. For the year ended June 30, 2011, additions to deferred loan costs were \$149,938 and there were no deletions. Amortization of these deferred loan costs for the year ended June 30, 2011 was \$81,057 and is included in the caption, "Interest Income" on the Statement of Revenues, Expenses and Changes in Net Assets. Accumulated amortization as of June 30, 2011 was \$335,855.

### **Revenue Bonds Payable**

Bonds and notes payable include bonds issued to make loans to local governments in order to finance infrastructure needs. Bond premiums, as well as issuance costs, 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. The net premiums and discounts on the bonds totaled a net premium of \$5,126,737. Amortization of the bond premiums and discounts were net \$336,341, for the year ended June 30, 2011, and is included in the caption, "Interest Expense" on the Statement of Revenues, Expenses and Changes in Net Assets. Accumulated amortization as of June 30, 2011 was \$1,105,591.

### State Support

The State provides employees who perform services associated with the Authority. These services are donated to the Authority and recorded at the value of the salaries and benefits. In the current year the amount donated was \$9,300. The State donates funds to pay for operating expenses of the Authority. In the current year the State contributed \$535 to cover general expenses, not including payroll, of the Authority.

### 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 bonds Series 2004A were originally issued in the amount of \$11,070,000; Series 2006A bonds had an original issue amount of \$17,415,000; the 2006B issue, consisting of series and term bonds, had an original issue amount of \$9,780,000; the 2007A issue had an original issue amount of \$11,700,000; the 2007B issue, had an original issue amount of \$145,000; the 2008A issue had an original issue amount of \$14,625,000; the 2008B issue had an original issue amount of \$7,095,000; the 2008C issue had an original issue amount of \$23,360,000; the 2008D issue had an original issue amount of \$320,000; the 2008E issue had an original issue amount of \$27,820,000; the 2009A issue had an original issue amount of \$48,795,000; the 2009B issue had an original issue amount of \$10,255,000; the 2009C issue had an original issue amount of \$9,665,000; the 2010A issue had an original issue amount of \$18,595,000; the 2010B issue had an original issue amount of \$28,490,000; and the 2010C issue had an original issue amount of \$10,000,000.

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
2012	\$ 885,000	\$ 283,155	\$ 660,000	\$ 652,438	\$ 565,000	\$ 372,444	\$ 445,000	\$ 421,928
2013	930,000	237,780	685,000	625,538	590,000	349,344	460,000	403,550
2014	975,000	190,155	710,000	594,088	605,000	322,419	480,000	384,750
2015	850,000	144,530	600,000	561,337	645,000	291,169	495,000	365,250
2016	725,000	105,155	630,000	530,588	680,000	258,044	515,000	344,728
2017-2021	1,645,000	259,817	3,610,000	2,188,469	2,175,000	845,169	2,920,000	1,382,044
2022-2026	435,000	15,008	4,460,000	1,331,423	690,000	590,219	3,565,000	727,072
2027-2031	-	-	1,910,000	518,125	885,000	394,344	1,640,000	70,550
2032-2036	-	-	1,575,000	183,938	1,105,000	169,228	-	-
2037-2038	-	-	-	-	250,000	5,156	-	-
Total	\$ 6,445,000	\$ 1,235,600	\$ 14,840,000	\$ 7,185,944	\$ 8,190,000	\$ 3,597,536	\$ 10,520,000	\$ 4,099,872

Interest rate	2.50% to 5.00%	4.00% to 5.00%	4.00% to 5.00%	3.40% to 4.25%
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Idaho Bond Bank Authority  
Notes to Financial Statements  
June 30, 2011

Fiscal Year Ending June 30	Series 2007B		Series 2008A		Series 2008B		Series 2008C	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 15,000	\$ 4,121	\$ 450,000	\$ 617,794	\$ 175,000	\$ 310,800	\$ 395,000	\$ 1,195,663
2013	15,000	3,559	465,000	600,150	185,000	304,500	425,000	1,179,263
2014	15,000	2,989	515,000	580,206	195,000	297,850	440,000	1,161,963
2015	15,000	2,411	530,000	556,531	200,000	290,688	465,000	1,141,538
2016	15,000	1,826	560,000	532,956	205,000	283,094	480,000	1,117,913
2017-2021	30,000	1,845	3,170,000	2,277,316	1,165,000	1,283,350	2,745,000	5,194,195
2022-2026	-	-	3,935,000	1,487,769	2,320,000	925,700	3,345,000	4,394,266
2027-2031	-	-	2,775,000	514,375	2,650,000	245,700	4,400,000	3,312,538
2032-2036	-	-	775,000	192,875	-	-	5,730,000	1,940,376
2037-2038	-	-	370,000	18,750	-	-	4,235,000	349,241
Total	\$ 105,000	\$ 16,751	\$ 13,545,000	\$ 7,378,722	\$ 7,095,000	\$ 3,941,682	\$ 22,660,000	\$ 20,986,956

Interest rate                      3.625% to 4.125%                      3.250% to 5.000%                      3.500% to 5.000%                      4.000% to 5.625%

Fiscal Year Ending June 30	Series 2008D		Series 2008E		Series 2009A		Series 2009B	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 20,000	\$ 13,018	\$ 725,000	\$ 1,218,038	\$ 550,000	\$ 2,216,481	\$ 565,000	\$ 328,138
2013	20,000	12,328	750,000	1,191,288	815,000	2,196,006	575,000	308,113
2014	20,000	11,568	780,000	1,162,600	815,000	2,171,556	605,000	287,688
2015	20,000	10,768	805,000	1,131,875	1,100,000	2,142,831	620,000	274,663
2016	25,000	9,938	845,000	1,098,875	1,005,000	2,111,256	630,000	259,813
2017-2021	85,000	35,897	4,940,000	4,854,588	12,475,000	9,686,594	3,440,000	994,456
2022-2026	95,000	9,984	6,160,000	3,478,500	20,760,000	5,259,041	3,265,000	266,538
2027-2031	-	-	11,205,000	970,188	10,840,000	856,588	-	-
2032-2036	-	-	-	-	-	-	-	-
2037-2038	-	-	-	-	-	-	-	-
Total	\$ 285,000	\$ 103,501	\$ 26,210,000	\$ 15,105,952	\$ 48,360,000	\$ 26,640,353	\$ 9,700,000	\$ 2,719,409

Interest rate                      2.300% to 5.150%                      3.500% to 5.500%                      3.000% to 5.375%                      2.000% to 5.000%

Fiscal Year Ending June 30	Series 2009C		Series 2010A		Series 2010B		Series 2010C	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 365,000	\$ 371,900	\$ 955,000	\$ 772,008	\$ -	\$ 1,618,857	\$ 550,000	\$ 316,450
2013	380,000	357,000	985,000	742,908	-	1,618,857	555,000	305,400
2014	395,000	341,500	1,015,000	715,446	590,000	1,610,007	565,000	291,375
2015	415,000	325,300	1,035,000	682,058	605,000	1,589,057	585,000	274,125
2016	425,000	308,500	1,080,000	645,158	630,000	1,564,357	600,000	256,350
2017-2021	2,415,000	1,258,800	5,845,000	2,584,773	3,560,000	7,400,379	3,280,000	995,581
2022-2026	2,810,000	708,400	7,680,000	1,084,864	4,240,000	6,459,099	3,865,000	388,094
2027-2031	2,150,000	176,400	-	-	5,095,000	5,107,797	-	-
2032-2036	-	-	-	-	6,205,000	3,364,219	-	-
2037-2038	-	-	-	-	7,565,000	1,219,844	-	-
Total	\$ 9,355,000	\$ 3,847,800	\$ 18,595,000	\$ 7,227,215	\$ 28,490,000	\$ 31,552,473	\$ 10,000,000	\$ 2,827,375

Interest rate                      4.000% to 5.000%                      2.500% to 5.060%                      3.000% to 6.250%                      2.000% to 4.000%

Idaho Bond Bank Authority  
Notes to Financial Statements  
June 30, 2011

Fiscal Year Ending June 30	Total	
	Principal	Interest
2012	\$ 7,320,000	\$ 10,713,233
2013	7,835,000	10,435,584
2014	8,720,000	10,126,160
2015	8,985,000	9,784,131
2016	9,050,000	9,428,551
2017-2021	53,500,000	41,243,273
2022-2026	67,625,000	27,125,977
2027-2031	43,550,000	12,166,605
2032-2036	15,390,000	5,850,636
2037-2038	12,420,000	1,592,991
	<u>\$ 234,395,000</u>	<u>\$ 138,467,141</u>

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, and 2010C 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, 2011 are as follows:

Long-Term Liabilities	Balances at July 1, 2010	Increases	Reductions	Balances at June 30, 2011	Amounts Due Within One Year
Revenue Bonds - 2004A	\$ 7,290,000	\$ -	\$ (845,000)	\$ 6,445,000	\$ 885,000
Revenue Bonds - 2006A	15,470,000	-	(630,000)	14,840,000	660,000
Revenue Bonds - 2006B	8,460,000	-	(270,000)	8,190,000	565,000
Revenue Bonds - 2007A	10,945,000	-	(425,000)	10,520,000	445,000
Revenue Bonds - 2007B	120,000	-	(15,000)	105,000	15,000
Revenue Bonds - 2008A	13,965,000	-	(420,000)	13,545,000	450,000
Revenue Bonds - 2008B	7,095,000	-	-	7,095,000	175,000
Revenue Bonds - 2008C	23,030,000	-	(370,000)	22,660,000	395,000
Revenue Bonds - 2008D	305,000	-	(20,000)	285,000	20,000
Revenue Bonds - 2008E	26,910,000	-	(700,000)	26,210,000	725,000
Revenue Bonds - 2009A	48,795,000	-	(435,000)	48,360,000	550,000
Revenue Bonds - 2009B	10,255,000	-	(555,000)	9,700,000	565,000
Revenue Bonds - 2009C	9,665,000	-	(310,000)	9,355,000	365,000
Revenue Bonds - 2010A	18,595,000	-	-	18,595,000	955,000
Revenue Bonds - 2010B	-	28,490,000	-	28,490,000	-
Revenue Bonds - 2010C	-	10,000,000	-	10,000,000	550,000
Total Revenue Bonds	<u>200,900,000</u>	<u>38,490,000</u>	<u>(4,995,000)</u>	<u>234,395,000</u>	<u>7,320,000</u>
Premiums/(Discounts)	<u>3,659,762</u>	<u>697,724</u>	<u>(336,341)</u>	<u>4,021,145</u>	
Total bonds payable	<u>\$ 204,559,762</u>	<u>\$ 39,187,724</u>	<u>\$ (5,331,341)</u>	<u>238,416,145</u>	<u>\$ 7,320,000</u>
			Current portion	<u>7,320,000</u>	
			Long term portion	<u>\$ 231,096,145</u>	

**Note 3 - Subsequent Events**

The Authority issued Series 2011A Revenue Bonds on August 30, 2011 in the amount of \$10,670,000. Proceeds of bonds will be used by the Authority to make a loan to the City of Garden City, located in Ada County, Idaho, Lemhi County and Payette County, each an Idaho municipality and political subdivision in order to refinance certain public capital improvements.



Other Information  
June 30, 2011

# Idaho Bond Bank Authority



**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 the accompanying financial statements of Idaho Bond Bank Authority, (the Authority) as of and for the year ended June 30, 2011, and have issued our report thereon dated August 30, 2011. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Idaho Bond Bank Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Idaho Bond Bank Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Idaho Bond Bank Authority's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Idaho Bond Bank Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Idaho Bond Bank Authority's financial statements that is more than inconsequential will not be prevented or detected by Idaho Bond Bank Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Idaho Bond Bank Authority's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Idaho Bond Bank Authority's financial statements are free of 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*.

This report is intended solely for the information and use of the State of Idaho, Members of Idaho Bond Bank Authority and management and is not intended to be and should not be used by anyone other than these specified parties.

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

Boise, Idaho  
August 31, 2011