



Financial Statements
June 30, 2016

Idaho Bond Bank Authority

Independent Auditor’s Report.....	1
Management's Discussion and Analysis	3
Financial Statements	
Statement of Net Position	5
Statement of Revenues, Expenses and Changes in Net Position	6
Statement of Cash Flows.....	7
Notes to Financial Statements.....	8
Other Information	
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 <i>Government Auditing Standards</i>	15



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, 2016, 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, 2016, 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.

Restatement and Reissuance

In our report dated September 19, 2016, we expressed an unmodified opinion on the 2016 financial statements of Idaho Bond Bank Authority. Subsequent to that date, it was discovered that the table presenting future interest payments for Series 2008E, 2009A and total interest payments in Note 2 to the financial statements were incorrect. The future interest payments table in Note 2 to the financial statements has been restated to correct these errors. Our opinion on the revised statements, as expressed herein, remains unmodified.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 19, 2016 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 19, 2016, except as to the future interest payments for Series 2008E, 2009A and total interest payments in Note 2 which is as of November 10, 2016.

FINANCIAL CONDITION

The Idaho Bond Bank 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 Idaho Bond Bank Authority (the Bond Bank) or (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 2016. The Statement of Revenues, Expenses and Changes in Net Position report the Authority's operations for fiscal year 2016 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 2016 the Authority approved three municipal loan applications to refund projects in two communities, resulting in \$20.56 million in bonds being issued. This activity level decreased from FY 2015 when the Bond Bank issued \$35.73 million in bonds to fund projects in four 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, 2016 and 2015.

	2016	2015	\$ Change	% Change
ASSETS				
Total assets	<u>\$ 361,612,180</u>	<u>\$ 421,956,332</u>	<u>\$ (60,344,152)</u>	-14%
LIABILITIES				
Total current liabilities	23,785,606	23,635,665	149,941	1%
Total noncurrent liabilities	<u>342,618,225</u>	<u>403,832,132</u>	<u>(61,213,907)</u>	-15%
Total liabilities	366,403,831	427,467,797	(61,063,966)	-14%
NET POSITION				
Unrestricted	<u>(4,791,651)</u>	<u>(5,511,465)</u>	<u>719,814</u>	-13%
Total liabilities and net position	<u>\$ 361,612,180</u>	<u>\$ 421,956,332</u>	<u>\$ (60,344,152)</u>	-14%

The following table shows the activity of Bond Bank including revenues, expenses and changes in net position summarized as of June 30, 2016 and 2015.

	2016	2015	\$ Change	% Change
OPERATING REVENUES				
Total operating revenues	\$ 14,071,009	\$ 15,523,172	\$ (1,452,163)	-9%
OPERATING EXPENSES				
Total operating expenses	<u>13,351,195</u>	<u>15,803,846</u>	<u>(2,452,651)</u>	-16%
CHANGE IN NET POSITION	719,814	(280,674)	1,000,488	-356%
NET POSITION, BEGINNING OF YEAR	<u>(5,511,465)</u>	<u>(5,230,791)</u>	<u>(280,674)</u>	5%
NET POSITION, END OF YEAR	<u>\$ (4,791,651)</u>	<u>\$ (5,511,465)</u>	<u>\$ 719,814</u>	-13%

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 2016 and 2015, 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, 2016

ASSETS

Cash held with Idaho State Treasurer	\$ 303,589
Loans and notes receivable, current portion	19,000,000
Interest receivable	<u>4,785,606</u>
Total current assets	<u>24,089,195</u>
Loans and notes receivable, net of current portion, net of discounts / premiums	<u>337,522,985</u>
Total noncurrent assets	<u>337,522,985</u>
	<u>\$ 361,612,180</u>

LIABILITIES

Revenue bonds payable, current portion	\$ 19,000,000
Interest payable	<u>4,785,606</u>
Total current liabilities	<u>23,785,606</u>
Revenue bonds payable, net of current portion, net of premium / discounts	<u>342,618,225</u>
Total noncurrent liabilities	<u>342,618,225</u>
Total liabilities	366,403,831

NET POSITION

Unrestricted	<u>(4,791,651)</u>
	<u>\$ 361,612,180</u>

Idaho Bond Bank Authority
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2016

OPERATING REVENUES	
Interest income	\$ 14,035,972
Origination fee	35,037
	<hr/>
Total operating revenues	14,071,009
	<hr/>
OPERATING EXPENSES	
Interest expense	12,936,388
Cost of issuance	365,194
Other expense	49,613
	<hr/>
Total operating expenses	13,351,195
	<hr/>
CHANGE IN NET POSITION	719,814
NET POSITION, BEGINNING OF YEAR	<hr/> (5,511,465)
NET POSITION, END OF YEAR	<hr/> <u>\$ (4,791,651)</u>

Idaho Bond Bank Authority
Statement of Cash Flows
Year Ended June 30, 2016

Operating Activities	
Receipts from bond issuance fees	\$ 36,555
Cash payments to suppliers for services	(49,613)
	(13,058)
Net Cash used for Operating Activities	
Noncapital Financing Activities	
Receipts from bonds issued	23,738,381
Payments on bond principal	(81,490,000)
Payments of bond interest	(16,282,773)
Payments of issue costs	(365,194)
	(74,399,586)
Net Cash used for Noncapital Financing Activities	
Investing Activities	
Disbursements of loans receivable	(23,373,187)
Receipts of loan principal	81,490,000
Receipts of loan interest	16,282,773
	74,399,586
Net Cash from Investing Activities	
Net Change in Cash and Cash Equivalents	
	(13,058)
Cash Held with Idaho State Treasurer, Beginning of Year	
	316,647
Cash Held with Idaho State Treasurer, End of Year	
	\$ 303,589
Reconciliation of Operating Income to Net Cash used for Operating Activities	
Change in net position	\$ 719,814
Adjustments to reconcile operating loss to net cash used for operating activities	
Cost of issuance expense	365,194
Note receivable premium / discount amortization	1,983,260
Bond premium / discount amortization	(3,081,326)
	(13,058)
Net Cash used for Operating Activities	
	\$ (13,058)

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, 2016 is \$339,190,000, with \$19,000,000 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, 2016. 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 \$23,641,901 in net premiums as of June 30, 2016. Amortization of note discount or premium for the year ended June 30, 2016 was \$1,983,260 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, 2016 was \$6,308,915 with a discount, net of accumulated amortization, of \$17,332,986.

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 \$32,460,669 in net premium as of June 30, 2016. Amortization of bond premium or discount for the year ended June 30, 2016 was \$3,081,326 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, 2016 was \$10,032,444 with a premium, net of accumulated amortization, of \$22,428,225.

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.

Individual 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
2017	\$ 315,000	\$ 79,155	\$ 660,000	\$ 98,915	\$ 710,000	\$ 223,294	\$ 540,000	\$ 322,969
2018	330,000	65,010	135,000	79,715	745,000	186,919	560,000	300,281
2019	345,000	51,840	145,000	73,970	485,000	156,169	585,000	277,031
2020	320,000	38,540	145,000	67,844	115,000	141,744	605,000	253,231
2021	335,000	25,273	150,000	61,575	120,000	137,044	630,000	228,531
2022-2026	435,000	15,008	875,000	201,659	690,000	590,220	3,565,000	727,071
2027-2031	-	-	415,000	19,513	885,000	394,345	1,640,000	70,550
2032-2036	-	-	-	-	1,105,000	169,229	-	-
2037-2041	-	-	-	-	250,000	5,156	-	-
2042-2046	-	-	-	-	-	-	-	-
Total	\$ 2,080,000	\$ 274,826	\$ 2,525,000	\$ 603,191	\$ 5,105,000	\$ 2,004,120	\$ 8,125,000	\$ 2,179,664
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
2017	\$ 15,000	\$ 1,226	\$ 580,000	\$ 509,281	\$ 215,000	\$ 274,950	\$ 500,000	\$ 69,575
2018	15,000	619	610,000	482,869	225,000	266,150	530,000	43,863
2019	-	-	625,000	455,681	230,000	257,050	555,000	16,706
2020	-	-	665,000	428,716	245,000	247,550	45,000	1,069
2021	-	-	690,000	400,769	250,000	237,650	-	-
2022-2026	-	-	3,935,000	1,487,769	2,320,000	925,700	-	-
2027-2031	-	-	2,775,000	514,375	2,650,000	245,701	-	-
2032-2036	-	-	775,000	192,875	-	-	-	-
2037-2041	-	-	370,000	18,750	-	-	-	-
2042-2046	-	-	-	-	-	-	-	-
Total	\$ 30,000	\$ 1,845	\$ 11,025,000	\$ 4,491,085	\$ 6,135,000	\$ 2,454,751	\$ 1,630,000	\$ 131,213
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 (As Restated)		Series 2009A (As Restated)		Series 2009B	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 25,000	\$ 5,530	\$ 875,000	\$ 115,594	\$ 960,000	\$ 139,150	\$ 645,000	\$ 243,069
2018	25,000	4,418	960,000	73,000	1,060,000	107,525	665,000	224,225
2019	5,000	3,255	980,000	24,500	2,530,000	45,150	685,000	202,263
2020	-	3,015	-	-	-	-	710,000	177,850
2021	30,000	3,015	-	-	-	-	735,000	147,050
2022-2026	30,000	1,515	-	-	-	-	3,265,000	266,538
2027-2031	-	-	-	-	-	-	-	-
2032-2036	-	-	-	-	-	-	-	-
2037-2041	-	-	-	-	-	-	-	-
2042-2046	-	-	-	-	-	-	-	-
Total	\$ 115,000	\$ 20,748	\$ 2,815,000	\$ 213,094	\$ 4,550,000	\$ 291,825	\$ 6,705,000	\$ 1,260,995
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, 2016

Fiscal Year Ending June 30	Series 2009C		Series 2010A		Series 2010B		Series 2010C	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	525,000	208,900	1,230,000	416,591	770,000	1,420,807	695,000	158,506
2022-2026	2,810,000	708,400	7,680,000	1,084,864	4,240,000	6,459,098	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	-	-
2037-2041	-	-	-	-	7,565,000	1,219,844	-	-
2042-2046	-	-	-	-	-	-	-	-
Total	\$ 7,375,000	\$ 2,143,600	\$ 13,525,000	\$ 3,669,638	\$ 26,665,000	\$ 23,551,336	\$ 7,145,000	\$ 1,383,675

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
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	705,000	210,100	620,000	326,013	995,000	644,900	1,245,000	233,944
2022-2026	3,175,000	657,900	2,935,000	1,373,569	4,660,000	2,506,500	4,415,000	424,434
2027-2031	1,380,000	69,750	2,585,000	752,375	4,050,000	1,550,200	1,225,000	30,813
2032-2036	-	-	1,795,000	138,375	2,580,000	862,400	-	-
2037-2041	-	-	-	-	2,590,000	383,200	-	-
2042-2046	-	-	-	-	580,000	11,600	-	-
Total	\$ 8,240,000	\$ 2,053,400	\$ 10,280,000	\$ 4,044,359	\$ 19,075,000	\$ 8,897,250	\$ 13,130,000	\$ 2,126,091

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
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	4,080,000	1,704,938	260,000	55,100	430,000	491,506	1,210,000	1,735,095
2022-2026	19,640,000	6,076,613	540,000	191,350	2,470,000	2,118,031	8,565,000	7,645,000
2027-2031	12,400,000	2,059,263	-	175,000	2,700,000	1,484,478	16,290,000	5,419,712
2032-2036	4,210,000	418,322	-	175,000	3,055,000	865,550	14,845,000	1,862,850
2037-2041	1,245,000	56,172	-	175,000	2,005,000	153,625	3,630,000	226,765
2042-2046	-	-	1,000,000	52,500	-	-	-	-
Total	\$ 56,615,000	\$ 18,497,310	\$ 3,895,000	\$ 1,187,975	\$ 12,210,000	\$ 7,250,789	\$ 48,985,000	\$ 24,285,039

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		Series 2015 B	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 100,000	\$ 237,462	\$ 150,000	\$ 532,975	\$ 665,000	\$ 838,413	\$ 20,000	\$ 958,563
2018	100,000	234,962	675,000	524,725	700,000	804,288	75,000	957,613
2019	100,000	232,462	690,000	511,075	735,000	768,413	80,000	956,063
2020	235,000	227,687	700,000	493,675	775,000	730,663	630,000	948,963
2021	240,000	219,962	730,000	464,925	810,000	691,038	640,000	933,063
2022-2026	1,350,000	952,623	5,365,000	1,616,000	5,210,000	2,757,738	3,530,000	4,302,931
2027-2031	1,675,000	620,674	2,880,000	549,375	6,785,000	1,514,463	5,115,000	3,314,375
2032-2036	1,650,000	170,000	2,090,000	146,900	6,240,000	396,569	6,550,000	1,791,500
2037-2041	-	-	-	-	-	-	3,920,000	300,250
2042-2046	-	-	-	-	-	-	-	-
Total	\$ 5,450,000	\$ 2,895,832	\$ 13,280,000	\$ 4,839,650	\$ 21,920,000	\$ 8,501,585	\$ 20,560,000	\$ 14,463,321

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

Total revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Total (As Restated)	
	Principal	Interest
2017	\$ 19,000,000	\$ 14,028,071
2018	19,790,000	13,327,209
2019	21,590,000	12,605,927
2020	18,170,000	11,896,270
2021	18,125,000	11,156,295
2022-2026	95,565,000	43,478,625
2027-2031	72,695,000	24,069,159
2032-2036	51,100,000	10,553,789
2037-2041	21,575,000	2,538,762
2042-2046	1,580,000	64,100
Total	<u>\$ 339,190,000</u>	<u>\$ 143,718,207</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, 2010C, 2011A, 2012A, 2012B, 2012C, 2012D, 2013A, 2013B, 2014A, 2014B, 2014C, 2015A and 2015B 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, 2016 are as follows:

Long-Term Liabilities	Balances at June 30, 2015	Increases	Reductions	Balances at June 30, 2016	Amounts Due Within One Year
Revenue Bonds - 2004A	\$ 2,805,000	\$ -	\$ (725,000)	\$ 2,080,000	\$ 315,000
Revenue Bonds - 2006A	5,795,000	-	(3,270,000)	2,525,000	660,000
Revenue Bonds - 2006B	5,785,000	-	(680,000)	5,105,000	710,000
Revenue Bonds - 2007A	8,640,000	-	(515,000)	8,125,000	540,000
Revenue Bonds - 2007B	45,000	-	(15,000)	30,000	15,000
Revenue Bonds - 2008A	11,585,000	-	(560,000)	11,025,000	580,000
Revenue Bonds - 2008B	6,340,000	-	(205,000)	6,135,000	215,000
Revenue Bonds - 2008C	20,935,000	-	(19,305,000)	1,630,000	500,000
Revenue Bonds - 2008D	140,000	-	(25,000)	115,000	25,000
Revenue Bonds - 2008E	23,150,000	-	(20,335,000)	2,815,000	875,000
Revenue Bonds - 2009A	27,505,000	-	(22,955,000)	4,550,000	960,000
Revenue Bonds - 2009B	7,335,000	-	(630,000)	6,705,000	645,000
Revenue Bonds - 2009C	7,800,000	-	(425,000)	7,375,000	445,000
Revenue Bonds - 2010A	14,605,000	-	(1,080,000)	13,525,000	1,115,000
Revenue Bonds - 2010B	27,295,000	-	(630,000)	26,665,000	655,000
Revenue Bonds - 2010C	7,745,000	-	(600,000)	7,145,000	620,000
Revenue Bonds - 2011A	8,970,000	-	(730,000)	8,240,000	745,000
Revenue Bonds - 2012A	10,820,000	-	(540,000)	10,280,000	565,000
Revenue Bonds - 2012B	19,910,000	-	(835,000)	19,075,000	860,000
Revenue Bonds - 2012C	14,600,000	-	(1,470,000)	13,130,000	1,530,000
Revenue Bonds - 2012D	60,060,000	-	(3,445,000)	56,615,000	3,560,000

Long-Term Liabilities	Balances at June 30, 2015	Increases	Reductions	Balances at June 30, 2016	Amounts Due Within One Year
Revenue Bonds - 2013A	4,385,000	-	(490,000)	3,895,000	500,000
Revenue Bonds - 2013B	12,560,000	-	(350,000)	12,210,000	365,000
Revenue Bonds - 2014A	50,035,000	-	(1,050,000)	48,985,000	1,065,000
Revenue Bonds - 2014B	5,545,000	-	(95,000)	5,450,000	100,000
Revenue Bonds - 2014C	13,415,000	-	(135,000)	13,280,000	150,000
Revenue Bonds - 2015A	22,315,000	-	(395,000)	21,920,000	665,000
Revenue Bonds - 2015B	-	20,560,000	-	20,560,000	20,000
Total Revenue Bonds	400,120,000	20,560,000	(81,490,000)	339,190,000	19,000,000
Premiums/(Discounts)	22,297,132	3,212,418	(3,081,325)	22,428,225	-
Total Bonds Payable	\$ 422,417,132	\$ 23,772,418	\$ (84,571,325)	361,618,225	\$ 19,000,000
			Current portion	<u>19,000,000</u>	
			Long-term portion	<u>\$ 342,618,225</u>	

Note 3 - Advanced Refundings

Middleton School District deposited bond proceeds of \$24,597,274 to purchase United States Treasury instruments and placed them into an irrevocable escrow to advance refund, \$21,950,000 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 \$2,536,725 as a result of the refunding.

Madison School District deposited bond proceeds and excess debt service funds of \$16,239,562 to purchase United States Treasury instruments and placed them into an irrevocable escrow to advance refund, \$14,440,000 of the Series 2008E Bonds. The Bond proceeds were from a Bond issued by the School District that was not through the IBBA. As a result, the Series 2008E 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 \$2,128,397 as a result of the refunding.

Minidoka School District deposited bond proceeds of \$2,942,541 to purchase United States Treasury instruments and placed them into an irrevocable escrow to advance refund, \$2,665,000 of the Series 2008E Bonds. The Bond proceeds were from a Bond issued by the School District that was not through the IBBA. As a result, the Series 2008E 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 \$358,899 as a result of the refunding.

Madison Library District deposited bond proceeds of \$2,625,009 to purchase United States Treasury instruments and placed them into an irrevocable escrow to advance refund, \$2,385,000 of the Series 2008E Bonds. The Bond proceeds were from a Bond issued by the School District that was not through the IBBA. As a result, the Series 2008E 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 \$288,619 as a result of the refunding.

The Authority issued \$20,560,000 of the 2015B refunding bonds at a premium of \$3,212,418 to provide resources to purchase United State Treasury instruments that were placed in an irrevocable escrow for the purpose of generating resources for future debt service payments of \$2,640,000 of the 2006A revenue bonds and \$18,825,000 of the 2008C 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 \$569,798 with an economic gain of \$191,592 for the 2006A participant and reduce total debt service payments by \$3,371,802 with an economic gain of \$1,527,010 for the 2008C participants.

In fiscal 2015 Middleton School District deposited bond proceeds of \$20,051,551,558 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

In fiscal year 2015 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.

The outstanding balance of defeased bonds as of June 30, 2016 are as follows:

Bond Series Defeased	Outstanding at June 30, 2015	Current Year Defeasances	Bonds Redeemed	Outstanding at June 30, 2016
2006A	\$ 6,390,000	\$ 2,640,000	\$ -	\$ 9,030,000
2008C	-	18,825,000	-	18,825,000
2008E	-	19,490,000	-	19,490,000
2009A	17,575,000	21,950,000	-	39,525,000
Total	\$ 23,965,000	\$ 62,905,000	\$ -	\$ 86,870,000

Note 4 - Subsequent Events

On September 15, 2016, the City of Ketchum called the remaining balance of their 2006A Water bonds in the amount of \$1,865,000. The Authority simultaneously called the remaining balance of the IBBA series 2006A bonds. As of September 15, 2016 the IBBA series 2006A bonds are fully redeemed.



Other Information
June 30, 2016

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, 2016, and the related notes to the financial statements, and have issued our report thereon dated September 19, 2016.

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 cursive script that reads "Eide Sully LLP".

Boise, Idaho
September 19, 2016