



Financial Statements
June 30, 2018

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, 2018, and the related statement of revenues, expenses and changes in net position and the statement of cash flows the 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, 2018, 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 28, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Idaho Bond Bank Authority's internal control over financial reporting and compliance.

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

Boise, Idaho
September 28, 2018

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 2018. The Statement of Revenues, Expenses and Changes in Net Position report the Authority's operations for fiscal year 2018 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. 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

At the end of fiscal year 2017 and during 2018 the Authority approved two municipal loan applications resulting in \$18 million in bonds being issued in fiscal year 2018. This activity level decreased from fiscal year 2017 when the Bond Bank issued \$29.95 million in bonds. The decrease was primarily due to the size of the projects that were funded in the prior year.

The Authority issued revenue bond 2017C totaling \$14,050,000 to finance the renovation of existing hospital facilities owned by the participant within the Power County Hospital District and issued revenue bonds 2018A totaling \$3,950,000 to finance participant infrastructure projects in the City of Rupert.

The Payette Lakes Recreational Water and Sewer District (PLRWSD) agreed to annex the City of McCall's wastewater services on May 25, 2017. As required by the annexation plan, PLRWSD assumed and refinanced the City of McCall's Wastewater Revenue Bonds. As a result, the Authority redeemed \$1,150,000 of the Series 2004A Bonds and advance refunded \$5,920,000 of the Series 2008B Bonds.

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

	2018	2017	\$ Change	% Change
Assets				
Total assets	\$ 341,898,746	\$ 352,256,731	\$ (10,357,985)	-3%
Liabilities				
Total current liabilities	\$ 25,048,558	\$ 23,811,758	\$ 1,236,800	5%
Total noncurrent liabilities	316,538,374	328,122,929	(11,584,555)	-4%
Total liabilities	341,586,932	351,934,687	(10,347,755)	-3%
Net Position				
Unrestricted	311,814	322,044	(10,230)	-3%
Total liabilities and net position	\$ 341,898,746	\$ 352,256,731	\$ (10,357,985)	-3%

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

	2018	2017	\$ Change	% Change
Operating Revenues				
Total operating revenues	\$ 10,659,059	\$ 11,949,389	\$ (1,290,330)	-11%
Operating Expenses				
Total operating expenses	10,669,289	11,930,934	(1,261,645)	-11%
Change in Net Position	(10,230)	18,455	(28,685)	-155%
Net Position, Beginning of Year	322,044	303,589	18,455	6%
Net Position, End of Year	\$ 311,814	\$ 322,044	\$ (10,230)	-3%

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 2018 and 2017, there were no unusual or excessive administrative expenses.

See Note 2 for additional information concerning the long-term liabilities of the Authority.

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, 2018

Assets	
Cash held with Idaho State Treasurer	\$ 311,814
Loans and notes receivable, current portion	21,135,000
Interest receivable	<u>3,913,558</u>
Total current assets	<u>25,360,372</u>
Loans and notes receivable, net of current portion, net of discounts / premiums	<u>316,538,374</u>
Total noncurrent assets	<u>316,538,374</u>
	<u><u>\$ 341,898,746</u></u>
Liabilities	
Revenue bonds payable, current portion	\$ 21,135,000
Interest payable	<u>3,913,558</u>
Total current liabilities	<u>25,048,558</u>
Revenue bonds payable, net of current portion, net of premium / discounts	<u>316,538,374</u>
Total noncurrent liabilities	<u>316,538,374</u>
Total liabilities	341,586,932
Net Position	
Unrestricted	<u>311,814</u>
	<u><u>\$ 341,898,746</u></u>

Idaho Bond Bank Authority
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2018

Operating Revenues	
Interest income	\$ 10,254,642
Origination fees	369,290
Other income	35,127
	<u>10,659,059</u>
Total operating revenues	
Operating Expenses	
Interest expense	10,254,642
Cost of issuance	369,290
Other expense	45,357
	<u>10,669,289</u>
Total operating expenses	
Change in Net Position	(10,230)
Net Position, Beginning of Year	<u>322,044</u>
Net Position, End of Year	<u><u>\$ 311,814</u></u>

Idaho Bond Bank Authority
Statement of Cash Flows
Year Ended June 30, 2018

Operating Activities	
Receipts from bond issuance fees and other income	\$ 35,127
Cash payments to suppliers for services	(45,357)
	<u>(10,230)</u>
Net Cash used for Operating Activities	<u>(10,230)</u>
Noncapital Financing Activities	
Receipts from bonds issued	18,000,000
Receipts from bond premium	1,311,580
Payments on bond principal	(26,415,000)
Payments of bond interest	(13,498,977)
Payments of bond issuance costs	(369,290)
	<u>(20,971,687)</u>
Net Cash used for Noncapital Financing Activities	<u>(20,971,687)</u>
Investing Activities	
Disbursements of loans receivable	(18,000,000)
Disbursement of premium	(1,311,580)
Receipts of loan principal	26,415,000
Receipts of loan interest	13,498,977
Receipt of origination fees	369,290
	<u>20,971,687</u>
Net Cash from Investing Activities	<u>20,971,687</u>
Net Change in Cash	(10,230)
Cash Held with Idaho State Treasurer, Beginning of Year	<u>322,044</u>
Cash Held with Idaho State Treasurer, End of Year	<u>\$ 311,814</u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Change in net position	\$ (10,230)
Adjustments to reconcile operating income to net cash used for operating activities	
Note receivable premium / discount amortization	2,836,135
Bond premium / discount amortization	(2,836,135)
	<u>(10,230)</u>
Net Cash used for Operating Activities	<u>\$ (10,230)</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 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 of America.

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 a blended Index made up of 80% Bank of America 0-1 year U.S. Treasury and 20% Bank of America Merrill Lynch U.S. Corporate & Government 1-10 years A rated and above. 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, 2018 is \$316,705,000, with \$21,135,000 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, 2018. 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 \$36,220,682 in net premiums as of June 30, 2018. Amortization of note discount or premium for the year ended June 30, 2018 was \$2,836,135 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, 2018 was \$15,252,308. The premium on notes receivable net of accumulated amortization totaled \$20,968,374 at June 30, 2018.

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 \$36,220,682 in net premium as of June 30, 2018. Amortization of bond premium or discount for the year ended June 30, 2018 was \$2,836,135 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, 2018 was \$15,252,308. The premium on bonds payable net of accumulated amortization totaled \$20,968,374 at June 30, 2018.

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 2006B	
	Principal	Interest	Principal	Interest
2019	\$ 70,000	\$ 6,980	\$ 375,000	\$ 9,375
2020	35,000	4,880	-	-
2021	40,000	3,360	-	-
2022	40,000	1,700	-	-
2023	20,000	430	-	-
2024-2028	-	-	-	-
2029-2033	-	-	-	-
2034-2038	-	-	-	-
2039-2043	-	-	-	-
2044-2048	-	-	-	-
Total	<u>\$ 205,000</u>	<u>\$ 17,350</u>	<u>\$ 375,000</u>	<u>\$ 9,375</u>
Interest Rate	2.50% - 5.00%		4.00% - 5.00%	

Fiscal Year Ending June 30	Series 2007A		Series 2008A	
	Principal	Interest	Principal	Interest
2019	\$ 150,000	\$ 70,775	\$ 625,000	\$ 36,200
2020	155,000	64,675	40,000	22,125
2021	160,000	58,375	40,000	20,475
2022	170,000	51,775	40,000	18,825
2023	175,000	44,766	245,000	60,625
2024-2028	985,000	107,191	115,000	5,875
2029-2033	-	-	-	-
2034-2038	-	-	-	-
2039-2043	-	-	-	-
2044-2048	-	-	-	-
Total	<u>\$ 1,795,000</u>	<u>\$ 397,557</u>	<u>\$ 1,105,000</u>	<u>\$ 164,125</u>
Interest Rate	4.00% - 4.25%		3.25% - 5.00%	

Idaho Bond Bank Authority
Notes to Financial Statements
June 30, 2018

Fiscal Year Ending June 30	Series 2008C		Series 2008D	
	Principal	Interest	Principal	Interest
2019	\$ 555,000	\$ 16,706	\$ 5,000	\$ 3,255
2020	45,000	1,069	-	3,015
2021	-	-	30,000	3,015
2022	-	-	30,000	1,515
2023	-	-	-	-
2024-2028	-	-	-	-
2029-2033	-	-	-	-
2034-2038	-	-	-	-
2039-2043	-	-	-	-
2044-2048	-	-	-	-
Total	<u>\$ 600,000</u>	<u>\$ 17,775</u>	<u>\$ 65,000</u>	<u>\$ 10,800</u>
Interest Rate	4.00% - 5.625%		2.30% - 5.15%	

Fiscal Year Ending June 30	Series 2008E		Series 2009A	
	Principal	Interest	Principal	Interest
2019	\$ 980,000	\$ 24,500	\$ 2,530,000	\$ 45,150
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024-2028	-	-	-	-
2029-2033	-	-	-	-
2034-2038	-	-	-	-
2039-2043	-	-	-	-
2044-2048	-	-	-	-
Total	<u>\$ 980,000</u>	<u>\$ 24,500</u>	<u>\$ 2,530,000</u>	<u>\$ 45,150</u>
Interest Rate	3.50% - 5.50%		3.00% - 5.375%	

Fiscal Year Ending June 30	Series 2009C		Series 2010A	
	Principal	Interest	Principal	Interest
2019	\$ 480,000	\$ 254,000	\$ 1,165,000	\$ 521,021
2020	500,000	231,900	1,195,000	470,564
2021	525,000	208,900	1,230,000	416,591
2022	545,000	187,500	1,270,000	356,477
2023	570,000	165,200	1,310,000	291,203
2024-2028	2,725,000	486,900	5,100,000	437,184
2029-2033	1,120,000	45,200	-	-
2034-2038	-	-	-	-
2039-2043	-	-	-	-
2044-2048	-	-	-	-
Total	<u>\$ 6,465,000</u>	<u>\$ 1,579,600</u>	<u>\$ 11,270,000</u>	<u>\$ 2,493,040</u>
Interest Rate	4.00% - 5.00%		2.50% - 5.06%	

Idaho Bond Bank Authority
Notes to Financial Statements
June 30, 2018

Fiscal Year Ending June 30	Series 2010B		Series 2010C	
	Principal	Interest	Principal	Interest
2019	\$ 710,000	\$ 1,480,607	\$ 655,000	\$ 199,875
2020	740,000	1,451,763	675,000	179,925
2021	770,000	1,420,807	695,000	158,506
2022	790,000	1,382,900	720,000	134,613
2023	820,000	1,338,891	745,000	108,044
2024-2028	4,550,000	5,966,320	2,400,000	145,438
2029-2033	5,510,000	4,455,503	-	-
2034-2038	6,715,000	2,557,031	-	-
2039-2043	4,720,000	450,313	-	-
2044-2048	-	-	-	-
Total	<u>\$ 25,325,000</u>	<u>\$ 20,504,135</u>	<u>\$ 5,890,000</u>	<u>\$ 926,401</u>
Interest Rate	3.00% - 6.25%		2.00% - 4.00%	

Fiscal Year Ending June 30	Series 2011A		Series 2012A	
	Principal	Interest	Principal	Interest
2019	\$ 790,000	\$ 266,800	\$ 600,000	\$ 354,863
2020	670,000	237,600	600,000	342,863
2021	705,000	210,100	620,000	326,013
2022	730,000	181,400	640,000	308,763
2023	575,000	155,300	655,000	294,994
2024-2028	3,250,000	390,950	2,855,000	1,147,938
2029-2033	-	-	2,435,000	494,375
2034-2038	-	-	730,000	18,250
2039-2043	-	-	-	-
2044-2048	-	-	-	-
Total	<u>\$ 6,720,000</u>	<u>\$ 1,442,150</u>	<u>\$ 9,135,000</u>	<u>\$ 3,288,059</u>
Interest Rate	2.00% - 5.00%		3.50% - 5.00%	

Fiscal Year Ending June 30	Series 2012B		Series 2012C	
	Principal	Interest	Principal	Interest
2019	\$ 915,000	\$ 716,625	\$ 1,570,000	\$ 356,594
2020	965,000	679,275	1,595,000	304,944
2021	995,000	644,900	1,245,000	233,944
2022	1,030,000	599,250	1,305,000	170,194
2023	1,015,000	548,125	1,370,000	103,319
2024-2028	4,315,000	2,075,725	2,965,000	181,734
2029-2033	3,605,000	1,234,700	-	-
2034-2038	2,300,000	676,200	-	-
2039-2043	2,195,000	179,900	-	-
2044-2048	-	-	-	-
Total	<u>\$ 17,335,000</u>	<u>\$ 7,354,700</u>	<u>\$ 10,050,000</u>	<u>\$ 1,350,729</u>
Interest Rate	2.00% - 5.00%		1.25% - 5.00%	

Idaho Bond Bank Authority
Notes to Financial Statements
June 30, 2018

Fiscal Year Ending June 30	Series 2012D		Series 2013A	
	Principal	Interest	Principal	Interest
2019	\$ 3,855,000	\$ 1,982,288	\$ 535,000	\$ 83,375
2020	3,930,000	1,865,138	545,000	67,175
2021	4,080,000	1,704,938	260,000	55,100
2022	4,245,000	1,538,438	265,000	47,225
2023	4,145,000	1,391,363	275,000	39,125
2024-2028	17,975,000	4,336,813	-	175,000
2029-2033	8,660,000	1,112,663	-	175,000
2034-2038	2,105,000	225,391	-	175,000
2039-2043	365,000	5,703	1,000,000	157,500
2044-2048	-	-	-	-
Total	<u>\$ 49,360,000</u>	<u>\$ 14,162,735</u>	<u>\$ 2,880,000</u>	<u>\$ 974,500</u>
Interest Rate	2.00% - 5.00%		3.00% - 3.50%	

Fiscal Year Ending June 30	Series 2013B		Series 2014A	
	Principal	Interest	Principal	Interest
2019	\$ 400,000	\$ 526,606	\$ 1,140,000	\$ 1,831,645
2020	410,000	510,356	1,155,000	1,794,220
2021	430,000	491,506	1,210,000	1,735,095
2022	445,000	471,781	1,275,000	1,672,970
2023	470,000	448,906	1,335,000	1,607,720
2024-2028	2,625,000	1,860,656	10,945,000	6,918,750
2029-2033	2,830,000	1,250,591	19,565,000	4,020,913
2034-2038	3,160,000	572,250	8,950,000	908,145
2039-2043	700,000	17,500	1,260,000	25,830
2044-2048	-	-	-	-
Total	<u>\$ 11,470,000</u>	<u>\$ 6,150,152</u>	<u>\$ 46,835,000</u>	<u>\$ 20,515,288</u>
Interest Rate	2.00% - 5.00%		1.50% - 5.00%	

Fiscal Year Ending June 30	Series 2014B-1		Series 2014B-2	
	Principal	Interest	Principal	Interest
2019	\$ -	\$ 111,000	\$ 100,000	\$ 121,462
2020	-	111,000	235,000	116,687
2021	-	111,000	240,000	108,962
2022	-	111,000	250,000	100,387
2023	-	111,000	260,000	90,812
2024-2028	-	555,000	1,465,000	279,042
2029-2033	1,355,000	434,625	480,000	17,556
2034-2038	865,000	43,875	-	-
2039-2043	-	-	-	-
2044-2048	-	-	-	-
Total	<u>\$ 2,220,000</u>	<u>\$ 1,588,500</u>	<u>\$ 3,030,000</u>	<u>\$ 834,908</u>
Interest Rate	2.50% - 5.00%		2.50% - 4.560%	

Idaho Bond Bank Authority
Notes to Financial Statements
June 30, 2018

Fiscal Year Ending June 30	Series 2014C		Series 2015A	
	Principal	Interest	Principal	Interest
2019	\$ 690,000	\$ 511,075	\$ 735,000	\$ 768,413
2020	700,000	493,675	775,000	730,663
2021	730,000	464,925	810,000	691,038
2022	760,000	427,675	850,000	649,538
2023	1,070,000	381,925	895,000	605,913
2024-2028	5,015,000	1,078,650	6,035,000	2,245,263
2029-2033	2,410,000	385,875	7,240,000	1,066,728
2034-2038	1,080,000	38,150	3,215,000	101,328
2039-2043	-	-	-	-
2044-2048	-	-	-	-
Total	<u>\$ 12,455,000</u>	<u>\$ 3,781,950</u>	<u>\$ 20,555,000</u>	<u>\$ 6,858,884</u>
Interest Rate	2.00% - 5.00%		3.00% - 5.00%	

Fiscal Year Ending June 30	Series 2015B		Series 2017A	
	Principal	Interest	Principal	Interest
2019	\$ 80,000	\$ 956,063	\$ 1,000,000	\$ 968,000
2020	630,000	948,963	1,660,000	919,800
2021	640,000	933,063	1,725,000	843,475
2022	660,000	913,563	1,800,000	755,350
2023	675,000	890,163	1,905,000	662,725
2024-2028	3,835,000	3,976,456	7,630,000	1,998,250
2029-2033	6,080,000	2,755,500	3,130,000	865,200
2034-2038	6,495,000	1,139,125	2,260,000	299,000
2039-2043	1,370,000	34,250	480,000	27,375
2044-2048	-	-	-	-
Total	<u>\$ 20,465,000</u>	<u>\$ 12,547,146</u>	<u>\$ 21,590,000</u>	<u>\$ 7,339,175</u>
Interest Rate	2.00% - 5.00%		2.00% - 5.00%	

Fiscal Year Ending June 30	Series 2017B		Series 2017C	
	Principal	Interest	Principal	Interest
2019	\$ 155,000	\$ 317,015	\$ 270,000	\$ 536,613
2020	160,000	311,890	275,000	531,163
2021	165,000	306,203	280,000	525,613
2022	175,000	300,253	285,000	519,963
2023	180,000	293,815	295,000	509,738
2024-2028	1,000,000	1,361,450	1,645,000	2,370,513
2029-2033	1,205,000	1,153,645	1,975,000	2,040,238
2034-2038	1,460,000	894,350	2,965,000	1,606,963
2039-2043	1,780,000	560,575	2,390,000	1,004,688
2044-2048	1,720,000	149,813	3,670,000	317,925
Total	<u>\$ 8,000,000</u>	<u>\$ 5,649,009</u>	<u>\$ 14,050,000</u>	<u>\$ 9,963,417</u>
Interest Rate	3.00% - 4.25%		2.00% - 5.00%	

Fiscal Year Ending June 30	Series 2018A	
	Principal	Interest
2019	\$ -	\$ 151,046
2020	-	153,606
2021	75,000	151,731
2022	75,000	147,981
2023	85,000	143,981
2024-2028	480,000	665,681
2029-2033	600,000	535,431
2034-2038	730,000	399,909
2039-2043	870,000	263,250
2044-2048	1,035,000	95,656
Total	<u>\$ 3,950,000</u>	<u>\$ 2,708,272</u>

Interest Rate 3.00% - 5.00%

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

	Total	
	Principal	Interest
2019	\$ 21,135,000	\$ 13,227,927
2020	17,690,000	12,548,934
2021	17,700,000	11,827,635
2022	18,395,000	11,051,036
2023	19,090,000	10,288,083
2024-2028	87,910,000	38,766,779
2029-2033	68,200,000	22,043,743
2034-2038	43,030,000	9,654,967
2039-2043	17,130,000	2,726,884
2044-2048	6,425,000	563,394
	<u>\$ 316,705,000</u>	<u>\$ 132,699,382</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 2004A, 2006B, 2007A, 2008A, 2008C, 2008D, 2008E, 2009A, 2009C, 2010A, 2010B, 2010C, 2011A, 2012A, 2012B, 2012C, 2012D, 2013A, 2013B, 2014A, 2014B-1, 2014B-2, 2014C, 2015A, 2015B, 2017A, 2017B, 2017C and 2018A bonds are further secured by monies in the debt service reserve funds held by each participant. The reserve requirement of each participant 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.

Idaho Bond Bank Authority
Notes to Financial Statements
June 30, 2018

The changes in long-term liabilities for the fiscal year ended June 30, 2018 are as follows:

Long-Term Liabilities	Balances at June 30, 2017	Increases	Reductions	Balances at June 30, 2018	Amounts Due Within One Year
Revenue Bonds - 2004A	\$ 1,765,000	\$ -	\$ (1,560,000)	\$ 205,000	\$ 70,000
Revenue Bonds - 2006B	1,015,000	-	(640,000)	375,000	375,000
Revenue Bonds - 2007A	1,940,000	-	(145,000)	1,795,000	150,000
Revenue Bonds - 2007B	15,000	-	(15,000)	-	-
Revenue Bonds - 2008A	1,715,000	-	(610,000)	1,105,000	625,000
Revenue Bonds - 2008B	5,920,000	-	(5,920,000)	-	-
Revenue Bonds - 2008C	1,130,000	-	(530,000)	600,000	555,000
Revenue Bonds - 2008D	90,000	-	(25,000)	65,000	5,000
Revenue Bonds - 2008E	1,940,000	-	(960,000)	980,000	980,000
Revenue Bonds - 2009A	3,590,000	-	(1,060,000)	2,530,000	2,530,000
Revenue Bonds - 2009B	665,000	-	(665,000)	-	-
Revenue Bonds - 2009C	6,930,000	-	(465,000)	6,465,000	480,000
Revenue Bonds - 2010A	12,410,000	-	(1,140,000)	11,270,000	1,165,000
Revenue Bonds - 2010B	26,010,000	-	(685,000)	25,325,000	710,000
Revenue Bonds - 2010C	6,525,000	-	(635,000)	5,890,000	655,000
Revenue Bonds - 2011A	7,495,000	-	(775,000)	6,720,000	790,000
Revenue Bonds - 2012A	9,715,000	-	(580,000)	9,135,000	600,000
Revenue Bonds - 2012B	18,215,000	-	(880,000)	17,335,000	915,000
Revenue Bonds - 2012C	11,600,000	-	(1,550,000)	10,050,000	1,570,000
Revenue Bonds - 2012D	53,055,000	-	(3,695,000)	49,360,000	3,855,000
Revenue Bonds - 2013A	3,395,000	-	(515,000)	2,880,000	535,000
Revenue Bonds - 2013B	11,845,000	-	(375,000)	11,470,000	400,000
Revenue Bonds - 2014A	47,920,000	-	(1,085,000)	46,835,000	1,140,000
Revenue Bonds - 2014B	5,350,000	-	(100,000)	5,250,000	100,000
Revenue Bonds - 2014C	13,130,000	-	(675,000)	12,455,000	690,000
Revenue Bonds - 2015A	21,255,000	-	(700,000)	20,555,000	735,000
Revenue Bonds - 2015B	20,540,000	-	(75,000)	20,465,000	80,000
Revenue Bonds - 2017A	21,945,000	-	(355,000)	21,590,000	1,000,000
Revenue Bonds - 2017B	8,000,000	-	-	8,000,000	155,000
Revenue Bonds - 2017C		14,050,000	-	14,050,000	270,000
Revenue Bonds - 2018A		3,950,000	-	3,950,000	-
Total Revenue Bonds	325,120,000	18,000,000	(26,415,000)	316,705,000	21,135,000
Premiums/(Discounts)	35,174,892	1,311,580	(265,790)	36,220,682	-
Accumulated Amortization	(12,681,963)	(2,836,135)	265,790	(15,252,308)	-
Total Bonds Payable	<u>\$ 347,612,929</u>	<u>\$ 16,475,445</u>	<u>\$ (26,415,000)</u>	<u>337,673,374</u>	<u>\$ 21,135,000</u>
			Current portion	<u>21,135,000</u>	
			Long-term portion	<u>\$ 316,538,374</u>	

Note 3 - Advanced Refundings

The Payette Lakes Recreational Water and Sewer District (PLRWSD) agreed to annex the City of McCall's wastewater services on May 25, 2017. As required by the annexation plan, the district assumed responsibility and refinanced The City of McCall's Wastewater Revenue Bonds. PLRWSD used bond proceeds of \$1,173,315 to redeem \$1,150,000 of the Series 2004A and pay accrued interest. PLRWSD deposited bond proceeds of \$6,244,427 to purchase United States Treasury instruments and placed them into an irrevocable escrow to advance refund \$5,920,000 of the Series 2008B Bonds. The Bond proceeds were from a bond issued by the PLRWSD that was not through the Authority. As a result, the Series 2004A Bonds are considered partially redeemed, and Series 2008B Bonds are considered to be partially defeased and the receivable from the PLRWSD and the liability have been removed from these financial statements. As a result of the refunding, the PLRWSD increased total debt service by \$1,211,478 and achieved an economic gain of approximately \$321,772.

The outstanding balance of defeased bonds as of June 30, 2018 are as follows:

Bond Series Defeased	Outstanding at June 30, 2017	Current Year Defeasances	Bonds Redeemed	Outstanding at June 30, 2018
2008A	\$ 8,730,000	\$ -	\$ -	\$ 8,730,000
2008B	-	5,920,000	225,000	5,695,000
2008C	18,825,000	-	-	18,825,000
2008E	19,490,000	-	-	19,490,000
2009A	39,525,000	-	-	39,525,000
2009B	5,395,000	-	5,395,000	-
Total	<u>\$ 91,965,000</u>	<u>\$ 5,920,000</u>	<u>\$ 5,620,000</u>	<u>\$ 92,265,000</u>



Other Information
June 30, 2018

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), which comprise the statement of net position, statement of revenues, expenses and changes in net position, and cash flows, as of and for the year ended June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated September 28, 2018.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 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 Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
September 28, 2018