

## **BOND FUND ACCOUNTING**

Bonneville Joint School District 93 Board of Trustees supports the need for bond funds to help build and maintain all facilities in the District. Bond fund accounting establishes policies and procedures in connection with the funds to be deposited and retained to pay debt service on general obligation bonds issued by Bonneville Joint School District No. 93.

### **Guidelines**

#### **Creation and Purpose of Bond Fund**

1. Payment of principal and interest due on bonds shall be made by the District from a bond fund account established under the authorizing bond resolution(s).
2. As required by the bond resolution, the bond fund shall be maintained separate and apart from any other accounts of the District.
3. A separate subaccount under the bond fund shall be established for each series of bonds.
4. All bond tax receipts and bond levy subsidy payments, hereinafter defined, shall be credited to the bond fund separate and apart from the funds for the payment of principal or interest on any other series of bonds, and separate and apart from any non-bond levy revenues of the District, as hereinafter defined.

#### **Maintenance of Bond Fund**

1. The bond fund shall be monitored by the District's Chief Financial/Operations Officer.
2. Unless otherwise provided by District resolutions, agreements entered into in connection with the issuance of bonds, or any tax certificate with respect thereto, the Chief Financial/Operations Officer shall maintain records and shall prepare regular, periodic statements regarding the investments, deposits and disbursements involving funds held in the bond fund.

#### **Deposit of Funds into Bond Fund**

1. There shall be deposited into the applicable subaccount under the bond fund no later than five (5) days of receipt in amounts sufficient to meet the payments of principal and interest on Bonds as the same matures, as provided in the applicable bond resolution for all:
  - a. Bond Tax Receipts;
  - b. Bond Levy Subsidy Payments; and

- c. Such other funds as the District shall designate as irrevocably available to pay principal and interest on the applicable bonds.
2. Non-Bond Levy Revenues shall not be deposited into the bond fund.

### **Payment of Bonds**

1. District shall pay debt service on bonds from funds held in the bond fund pursuant to the provisions of the applicable bond resolution.
2. Nothing herein contained shall be construed to prevent the District from paying the interest on or the principal of bonds from any other funds in its hands and available for that purpose.

### **Investment of Funds in Bond Fund**

1. Moneys held in the bond fund and subaccounts thereunder shall be invested and reinvested by the District to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payment of debt service on bonds.
2. All investment earnings shall be retained in the bond fund.
3. For purposes of investment of funds in the bond fund, the District may consider earnings on funds held in the bond fund which are not expected to be used to pay principal and interest on bonds to be held for the purpose of paying principal and interest on other bonds issued or to be issued by the District or to be used for any lawful purpose of the District.

### **State Guaranty Programs**

In the event bonds are guaranteed by one or both of the Bond Guaranty Programs, and pursuant to the provisions of the applicable bond resolution, the District shall transfer moneys from the bond fund to the District's paying agent for such bonds sufficient for the scheduled debt service payment on the bonds at least fifteen (15) days before each principal or interest payment date for the bonds.

### **Definitions**

**Bond Guaranty Programs:** mean collectively the programs of the State of Idaho pursuant to the *Idaho School Bond Guaranty Act*, Idaho Code 33-5301, and the school district bond credit enhancement program under Idaho Code 57-728.

**Bond Levy Subsidy Payments:** mean subsidy payments received by the District from the State of Idaho bond levy equalization fund under Idaho Code, Sections 33-906, 33-906A, and 33-906B, or any successor provision.

**Bond Tax Receipts:** mean funds derived from the District's general obligation bond levy under the applicable bond resolution, levied, assessed, certified, extended and collected by the District or on behalf of the District by Bonneville and Bingham Counties annually at the time when and in the manner in which other general taxes of the District are levied, upon all the taxable property within the limits of the District, in addition to all other authorized taxes and assessments in the amount specified by Idaho Code Sections 33-802 and 33-802A.

**Counties:** means Bonneville County and Bingham County, State of Idaho.

**General Obligation Bond:** means any bond, note, warrant, certificate of indebtedness, or other obligation of payable in whole or in part from revenues derived from property taxes and that constitutes as indebtedness within the meaning of any applicable constitutional or statutory debt limitation.

**Investment Securities:** means such investments as shall be legal investments for such funds under Idaho law as then in effect.

**Non-Bond Levy Revenues:** mean revenues, including but not limited to, property tax revenues and operating levy property tax revenues, state funds in replacement of property tax revenues, sales tax revenue sharing funds, or other funds collected on the District's behalf by the Bonneville and Bingham Counties and then disbursed to the District.

Adopted: 07-11-2018

Reviewed:

Revised:

Legal References: Idaho Code § 33-802 School levies  
Idaho Code § 33-802A Computation of bond and bond interest levies  
Idaho Code § 33-906 Bond levy equalization support program  
Idaho Code § 33-906A Bond levy equalization fund  
Idaho Code § 33-906B Value index calculation  
Idaho Code § 33-5301 Idaho School Bond Guaranty Act  
Idaho Code § 57-728 Credit enhancement program for school district bonds