Idaho Housing and Finance Association

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Independent Auditor's Report

To the Board of Commissioners
Idaho Housing and Finance Association
Boise, Idaho

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Idaho Housing and Finance Association, as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

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 opinions 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 entity'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 entity'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 opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, of the Idaho Housing and Finance Association as of June 30, 2013 and 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-8 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Idaho Housing and Finance Association's basic financial statements. The supplementary financial information on pages 62 through 86 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary financial information on pages 62 through 86 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The accompanying verification of required insurance and adjusted net worth calculation is presented for purposes of additional analysis is required by the Governmental National Mortgage Association (Ginnie Mae) and is also not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2013, on our consideration of the Idaho Housing and Finance Association's internal control over financial reporting and on 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 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 Housing and Finance Association's internal control over financial reporting and compliance.

Eide Bailly LLP

Boise, Idaho
September 30, 2013

IDAHO HOUSING AND FINANCE ASSOCIATION
Management's Discussion and Analysis

June 30, 2013

The Idaho Housing and Finance Association's (Association) Management Discussion and Analysis present readers of the Association's financial statements a narrative overview and analysis of the financial activities of the Association for the years ended June 30, 2013 and 2012.

Organizational Overview

The Association is a self-supporting organization that must generate all revenue necessary to cover the cost of its operations. The Association services loans for single-family borrowers in Idaho and New Mexico and multifamily affordable housing projects in Idaho. The Association administers seventeen Housing and Urban Development (HUD) programs such as Section 8 Rental Assistance, Low Rent Public Housing, the HOME Program in rural Idaho, Neighborhood Stabilization, Rapid Re-housing, and Tax Credit assistance; and two U.S. Treasury programs. The Association also issues bonds to finance nonprofit facilities, economic development projects, and road improvements throughout the State of Idaho.

Financial Highlights

On an overall basis, the Association's net assets and position from operating activities increased, reflecting primarily a decrease in the fair value of its swap contract liability plus positive operating income offset by a decrease in the fair value of investments. The Association's asset base decreased with declines in loans held for investment, investments at fair value, net receivables from state and federal government highway and employment security trusts, and real estate-owned (REO) mortgage receivable offset by increases in cash and loans available for sale. Liabilities also declined with decreases in outstanding bond debt mostly offset by increases in interest rate swap contract fair values and other liabilities (receipt of pre-due date mortgage payments). Operating revenues increased reflecting increases in loan sale gains, loan servicing fees, and other income (reflecting one-time grant source funding). Operating expenses increased modestly reflecting a decrease in interest expense and actual and provisioned loan losses netted with an increase in loan acquisition costs. Nonoperating revenues and expenses decreased while the fair value of investments increased.

The financial highlights of the Association as of June 30, 2013 compared to June 30, 2012 are as follows:

- Total net position, after fair market value and federal pass-through adjustments, increased $10.53 million or 5.27%.
- Total net position, before fair market value and federal pass-through adjustments, increased $15.95 million or 8.40%.
- Total assets decreased $303.09 million or 12.54%
- Total deferred outflow of resources decreased $28.14 million or 24.29%
- Total liabilities decreased $347.88 million or 14.90%
- Cash and investments decreased $115.57 million or 19.91%
- Loans held for investment decreased $199.97 million or 20.08%
- Loans held for sale increased $40.65 million or 71.14%
- Government highway and security employment trusts receivables decreased $23.48 million or 3.12%
- REO mortgage receivable decreased $3.37 million or 16.42%
- Bonds payable decreased $327.76 million or 15.41%
- Interest rate swap contracts' fair value decreased $31.84 million or 27.48%
- Other liabilities increased $11.37 million or 57.63%
- Interest on loans decreased $11.86 million or 19.11%
- Interest on investments decreased $2.84 million or 28.09%
- Gain on loan sales increased $17.42 million or 152.66%
- Other revenue increased $11.26 million or 171.90%
- Loan acquisition cost expense increased $15.48 million or 159.09%
- General operating expense increased $.04 million or .75%

- Bond financing cost expense decreased $1.48 million or 80.80%
- Provision for loan loss decreased $5.75 million or 99.67%
- Losses on real-estate property (not charged to loss provision) decreased $.55 or 85.69%
- Fair value of investments decreased $5.44 million
- Federal pass-through revenues decreased $6.53 million or 12.31%
- Federal pass-through expenses decreased $6.71 million or 12.61%

The value of the Association's servicing portfolio not included in total assets increased $470.06 million from $1,271.65 million to $1,741.71 million.

The Association experienced a solid, productive year amid a continuing difficult financial and weak economic environment. The following significant factors characterize and affect the Association's financial results:

1) weak economic recovery;
2) historically low interest rate environment;
3) distorted capital and financial markets;
4) expiration and wind-down of federal "stimulus" programs used to incentivize a return to normal economic conditions, and;
5) a master servicing agreement with New Mexico housing finance agency.

The Association continues to experience fallout from the financial crisis of 2008-2009. This crisis, in part precipitated by poor underwriting standards of subprime and exotic loans during the 2004 to 2007 period, led to a severe disruption of the world, and particularly the United States, economy and financial markets. The Association experienced significant loan losses beginning in fiscal year 2010, experienced economics making it disadvantageous to issue traditional mortgage revenue bonds as a means of financing loan acquisition, and experienced an historically and unusually low interest rate and yield environment, leading to historically high loan production and gains on loans sales.

While the Association never participated in the market for subprime or other exotic loans, weak economic conditions and the erosion of the property values from 2008 to 2012 led to losses on loans, primarily associated with conventionally insured loans secured by property, which value fell below thresholds covered by insurance. The Association provisioned a loan loss reserve during fiscal years 2010-2012 for these losses. During fiscal year 2013, the Association experienced a significant reduction in loan losses because of a reduction of compromised loans (through previous foreclosure) in the Association's owned-loan portfolio along with improved property values. As a result, the Association did not provision an additional allowance for fiscal year 2013, while maintaining a healthy $6,880,000 allowance for prospective losses. The Association also experienced a dramatic improvement in loan delinquency rates of all aging categories during fiscal year 2013.

The Association's mortgage revenue bond issuance activities were impaired by disruptions in the U.S. capital markets. The Association has not been able to use its traditional means of financing and acquiring loans using tax-exempt financing. To address this and the lack of market liquidity support for variable rate bonds, the U.S. Treasury developed the Housing Finance Initiative for housing finance agencies. The Association participated in two of the initiative's programs: The Temporary Credit and Liquidity Facilities Program (TCLP) and Temporary New Issue Program (NIBP). These programs are intended to provide a means to lower the Association's bond liquidity support costs and for the Association to competitively issue debt to finance the acquisition of loans. The programs were established to provide housing finance agencies financing facilities approximating more normal economic and financial conditions. The Association issued $172 million in debt under the NIBP to secure the ability to use the program in fiscal year 2010 and used $18 million of this facility to issue the $30 million Series 2010A bond issue in fiscal year 2011. During fiscal year 2013, the Association exited the NIBP by redeeming the remaining original bonds of the program. The Association is working to reduce its participation in the TCLP prior to the expiration of the TCLP in December 2015. The Association is working on a number of market alternatives that would reduce the amount of outstanding variable rate demand obligations and reduce the need for liquidity support for such variable rate bonds. Indeed, during fiscal year 2013, the Association issued the 2012A bonds for $202.6 million. These bonds redeemed variable rate demand bonds of several issues with floating rate notes, allowing the Association to exit eight liquidity facilities.

By not issuing significant single-family mortgage revenues bonds, the Association has experienced a significant change in the composition of its servicing portfolio, changing its business practice of acquiring, holding, and servicing loans to one of acquiring, selling, and retaining servicing rights to loans. To acquire and retain servicing rights, the Association has entered into relationships to sell, while retaining the servicing component, certain loans to the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC) and through the Government National Mortgage Association (GNMA). This has allowed the Association to avoid much of the fallout related to the continued difficulties in the regional and national housing markets and the resulting impact on the mortgage lending environment. This has led to a steady decline in loans held for investment, an increase in loans available for sale, and an increase in off-balance sheet servicing rights. The mortgage lending markets now adhere to more restrictive or tighter underwriting and lending standards, which has not been detrimental to the Association's loan production or servicing activity. Indeed, by adopting this business model, the Association has been able to sustain its high production level, meet demand, and grow its loan servicing pool. To facilitate increased loan production and acquisition and provide adequate capital, during fiscal year 2013, the Association entered into a $25 million short-term borrowing facility agreement with Barclays Capital.

Because of historically and unusually low interest rates and yields, investors seeking high-quality yield have been offering premium bids for securities backed by loans acquired and sold by the Association. These premiums, along with increased loan production, have provided the Association strong revenue as gains on loan sales. The Association intends to use the vehicles best suited for the Association and borrower as conditions and circumstances warrant. The Association expects fiscal year 2014 loan production to be higher than 2013, with increased loan serving revenue as a result of an increase in the loan servicing portfolio size.

During fiscal year 2013, the Association entered into and implemented a master servicing agreement with New Mexico Mortgage Finance Authority (MFA) to provide servicing to New Mexico borrowers who use MFA single-family loan products. While a significant relationship for the Association, to-date and expected activity is not expected to have a material effect on the Association's financial position.

The Association has successfully managed its loan and financing programs during this period. Looking forward, the Association expects continued uncertainty in the economic, legal, and mortgage-lending environments but continued loan portfolio stability. The Association has provisioned for non-loan losses on certain legacy transactions associated with its administration of its loans held for investment. Additionally, the Association has developed an economic development bond program to enhance its offering of products providing financing opportunities to promote economic growth in Idaho.

Investments at fair value declined reflecting use in paying down outstanding Association single-family debt and in paying highway construction costs funded by GARVEE bonds.

The Association implemented the State Small Business Credit Initiative (SSBCI) in fiscal year 2012, a U.S. Treasury program designed to aid small business development by providing liquid collateral to qualified businesses, with bona fide but market-conditioned, distressed collateral, to be used in securing bank loans and lines of credit. The Treasury fronted an additional $8.72 million in fiscal year 2013 over $4.35 million paid in fiscal year 2012 to initially fund this program, which is reflected as an increase from fiscal year 2012 of other revenue.

The Association experienced decreased revenue for administrating the Section 8 Housing Choice Voucher (HCV) program due to the federal budget "sequester", which is reflected as a decrease from fiscal year 2012 in contracts and grant administration fees.

The Association continues to administer legacy federal "stimulus" programs introduced in fiscal years 2009 and 2010, albeit with a marked decrease in federal pass-through revenues and expenses as the initial funding for the these programs have been awarded and distributed. The Association expects federal pass-through revenues and expenses to decrease as federal funding reverts to funding levels prior to fiscal year 2010.

See the financial analysis section of this Management's Discussion and Analysis for additional information on the Government Accounting Standards Board (GASB) required fair value adjustments.

Overview of the Financial Statements

This annual financial report consists of three parts: Management's Discussion and Analysis; the financial statements, including notes to the financial statements; and supplemental schedules. Summary information is presented for separate mortgage revenue bond programs in the supplemental schedules.

According to the American Institute of Certified Public Accountants (AICPA), in its Audit Guide for Not-For-Profit Organizations, the Association meets the definition of a governmental entity and incorporates GASB accounting standards into its financial statements. However, due to the nature of the Association, it is considered a Special Purpose Governmental Entity engaged only in business-type activities. Accordingly, the Association uses Proprietary Enterprise Fund reporting and the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The Association's financial statements provide detailed information about the most significant activities within the Proprietary Fund. Some of the activities are required by the Department of Housing and Urban Development (HUD) or by certain bond requirements. However, the Association has established others to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money.

Component units are organizations legally separate from but financially accountable to the Association and their relationship with the Association is such that exclusion would cause the Association's financial statements to be misleading. The Association has determined that The Housing Company and the Home Partnership Foundation are integral and material components of the Association's reporting entity and their respective financial statements have been incorporated as such. Accordingly, The Housing Company's basic financial statements are presented immediately following the Association's basic financial statements while the Home Partnership Foundation's basic financial statements have been blended with the Association's basic financial statements.

Financial Analysis

The following table summarizes the changes in net position that occurred during the years ended June 30, 2013, 2012, and 2011 as well as the changes in net income.

As of June 30, (in thousands)	2013 Balance	2013 % Change from prior period	2012 Balance	2012 % Change from prior period	2011 Balance
Cash and Cash Equivalents	$ 142,652	197.84%	$ 47,896	39.10%	$ 34,434
Investments, fair value	322,180	(39.50%)	532,509	(20.19%)	667,231
Loans held for investment, net	795,972	(20.08%)	995,940	(15.21%)	1,174,582
Loans available for sale	97,796	71.14%	57,143		25,124
GARVEE highway project cost receivable, net	576,142	5.28%	547,227	10.41%	495,616
Employment security fund receivable	152,940		205,331		
Property and Equipment	6,128	(2.30%)	6,272	(3.49%)	6,499
Other Assets	20,019	(18.64%)	24,604	(31.83%)	36,094
Interest rate swap contracts	87,705	(24.29%)	115,848		85,489
Total Assets and Deferred Outflow	$ 2,201,534	(13.08%)	$ 2,532,770	0.30%	$ 2,525,069
Bonds	$ 1,799,601	(15.41%)	$ 2,127,359	(2.06%)	$ 2,172,091
Commercial Paper	50,000	0.00%	50,000	0.00%	50,000
Swap contract fair value liability	84,010	(27.48%)	115,848	35.51%	85,489
Interest payable-swap contract	13,172	(1.33%)	13,350	(2.38%)	13,676
Escrow and Project Reserve Deposits	8,374	6.68%	7,850	0.67%	7,798
Other Liabilities	31,102	57.63%	19,731	46.84%	13,437
Interest rate swap contracts	4,987		-	#DIV/0!	-
Total Liabilities and Deferred Inflow	$ 1,991,246	(14.69%)	$ 2,334,138	(0.36%)	$ 2,342,491
Net invested in capital assets	$ 6,128	(2.30%)	$ 6,272	(3.49%)	$ 6,499
Bond funds	135,879	(6.58%)	145,448	3.27%	140,843
Section 8 voucher HAP fund	1,536	9.87%	1,398	12.29%	1,245
Unrestricted	66,745	43.10%	46,642	37.22%	33,991
Total Net Position	$ 210,288	5.27%	$ 199,760	9.41%	$ 182,578
Interest on Loans	$ 50,206	(19.11%)	$ 62,070	(9.26%)	$ 68,403
Government and multifamily trusts' pledged revenues	29,252	(0.50%)	29,398	19.22%	24,659
Interest on Investments	7,280	(28.09%)	10,124	(11.79%)	11,477
Loan servicing fees	10,167	6.76%	9,523	12.94%	8,432
Contract and grant administration fees	6,509	(4.25%)	6,798	17.37%	5,792
Gains on loan sales	28,831	152.66%	11,411	273.27%	3,057
Other	17,812	171.90%	6,551	223.35%	2,026
Total Revenues	150,057	10.44%	135,875	9.71%	123,846
Interest	89,339	(5.21%)	94,245	(1.19%)	95,381
Salaries and benefits	10,286	7.99%	9,525	7.88%	8,829
Loan acquisition costs	25,202	159.09%	9,727	60.35%	6,066
General operating	5,921	0.75%	5,877	28.83%	4,562
Bond financing costs	352	(80.80%)	1,833	311.91%	445
Grants to others	1,021	(1.83%)	1,040	34.89%	771
Losses on real estate-owned property	91	(85.69%)	636	(83.55%)	3,866
Provision for loan loss	19	(99.67%)	5,765	(64.47%)	16,228
Other	656	49.77%	438	(14.62%)	513
Total Expenses	132,887	2.94%	129,086	(5.54%)	136,661
Operating income/(loss)	17,170	152.91%	6,789	(152.98%)	(12,815)
Net increase (decrease) in Fair value of investments	(5,442)	(153.98%)	10,081	(368.11%)	(3,760)
Net change between swap contract amortized and fair value	(1,225)				
Federal pass-through revenues	46,490	(12.31%)	53,016	(12.67%)	60,710
Federal pass-through expenses	(46,465)	(12.61%)	(53,171)	(11.88%)	(60,342)
Total non-operating revenues and expenses	(6,642)	(166.92%)	9,926	(392.63%)	(3,392)
Increase/(decrease) in net position	$ 10,528	(37.01%)	$ 16,715	(203.13%)	$ (16,207)

The Association's total Net Position at June 30, 2013 included $6,128,000 Invested in Capital Assets, Net of Related Debt; $137,415,000 in Restricted Net Position; and $66,745,000 in Unrestricted Net Position, of which $18,832,000 is available for business operations of the Association.

The fair value adjustments reported in the Statement of Net Position on page 9 and the Statement of Revenues, Expenses, and Changes in Net Position on page 10 are required under GASB Statements No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

Capital Asset and Debt Administration

Capital Assets: The Association's capital assets include land, buildings, office, and computer equipment. Capital assets are presented in the financial statements at $6.13 million (net of accumulated depreciation), a decrease of 2.30%. Typically, the change in capital assets in any given year is immaterial to the overall operation of the Association.

Debt: The Association sells bonds to investors to raise capital. Bonds are marketable securities backed by mortgage loans on residential and multifamily properties and GARVEE transportation projects. The Association's bond issues are highly rated because, in addition to a mortgage on the property being financed, the bond issue requires cash reserves along with mortgage insurance and other safeguards, giving the investor or bondholder additional assurance that the bond issuer (the Association) will repay the loan. The Association's bond portfolio decreased by $327.76 million or 15.41% during the last year to $1,799.60 million. The Association issued $34.89 million in GARVEE transportation bonds and redeemed and reissued $202.61 million in single-family bonds in fiscal year 2012.

Additional information about our long-term liabilities is presented in the notes to the financial statements.

Economic Factors

The primary business activity of the Association is funding the purchase and servicing of single-family home mortgages. The Association's mortgage financing activities are sensitive to the level of interest rates, the spread between the rate available on Association loans and those available in the conventional mortgage markets and the availability of affordable housing. The availability of long-term, tax-exempt financing on favorable terms and the availability of FNMA, FHMLC, and GNMA to purchase or guarantee loans are a key element in providing the funding necessary for the Association to continue its mortgage financing and servicing activities. In addition, the funding of the Association's federal programs activities is dependent on budget appropriations from the U.S. Department of Housing and Urban Development, as contained in the Federal budget.

Contacting the Association's Financial Management

This financial report is designed to provide a general overview of Idaho Housing and Finance Association's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer at Idaho Housing and Finance Association, P.O. Box 7899, Boise, ID 83707-1899, or contact our website at www.idahohousing.com.

IDAHO HOUSING AND FINANCE ASSOCIATION
Statements of Net Position

As of June 30,	2013	2012
	(in thousands)	
Assets		
Cash and cash equivalents	$ 142,652	$ 47,896
Investments, fair value	322,180	532,509
Loans held for investment, net	795,972	995,940
Loans available for sale	97,796	57,143
GARVEE highway project costs receivable, net	576,142	547,227
Employment security reserve fund receivable	152,940	205,331
Property and equipment	6,128	6,272
Other assets	20,019	24,604
Total Assets	2,113,829	2,416,922
Deferred Outflow of Resources		
Loan acquisition costs		1,128
Interest rate swap contracts	87,705	115,848
Total Deferred Outflow of Resources	87,705	116,976
Total Assets and Deferred Outflow of Resources	$ 2,201,534	$ 2,533,898
Liabilities		
Bonds	$ 1,799,601	$ 2,127,359
Commercial paper	50,000	50,000
Swap contract fair value	84,010	115,848
Interest payable-swap contract	13,172	13,350
Escrow and project reserve deposits	8,374	7,850
Other liabilities	31,102	19,731
Total Liabilities	1,986,259	2,334,138
Deferred Inflow of Resources		
Interest rate swap contracts	4,987	
Total Deferred Inflow of Resources	4,987	-
Net Position		
Net invested in capital assets	6,128	6,272
Restricted:		
Bond funds	135,879	145,448
Section 8 voucher HAP fund	1,536	1,398
Unrestricted	66,745	46,642
Total Net Position	210,288	199,760
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 2,201,534	$ 2,533,898

The accompanying notes are an integral part of these financial statements.

IDAHO HOUSING AND FINANCE ASSOCIATION
Statements of Revenues, Expenses, and Changes in Net Position

For the Fiscal Years Ended June 30,	2013	2012
	(in thousands)	
Operating Revenues		
Interest on loans	$ 50,206	$ 62,070
Government and multifamily trusts' pledged revenues	29,252	29,398
Interest on investments	7,280	10,124
Loan servicing fees	10,167	9,523
Contract and grant administration fees	6,509	6,798
Gains on loan sales	28,831	11,411
Other	17,812	6,551
Total operating revenues	150,057	135,875
Operating Expenses		
Interest	89,339	94,245
Salaries and benefits	10,286	9,525
Loan acquisition costs	25,202	9,727
General operating	5,921	5,877
Bond financing costs	352	1,833
Grant to others	1,021	1,040
Losses on real estate-owned property	91	636
Provision for loan loss	19	5,765
Other	656	438
Total operating expenses	132,887	129,086
Operating income (loss)	17,170	6,789
Nonoperating Revenues and Expenses		
Net increase (decrease) in fair value of investments	(5,442)	10,081
Net change between swap contract amortized and fair value	(1,225)	
Federal pass-through revenues	46,490	53,016
Federal pass-through expenses	(46,465)	(53,171)
Total nonoperating revenues and expenses	(6,642)	9,926
Increase (Decrease) in Net Position	10,528	16,715
Net Position		
Net Position-beginning of year	199,760	183,045
Net Position-end of year	$ 210,288	$ 199,760

The accompanying notes are an integral part of these financial statements.

IDAHO HOUSING AND FINANCE ASSOCIATION
Statements of Cash Flows

For the Fiscal Years Ended June 30,	2013	2012
	(in thousands)	
Cash Flows from Operating Activities		
Receipts from customers, loan interest, and fees	$ 263,569	$ 214,365
Loan principal payments	184,423	131,932
Loan sales	699,292	435,409
Loan origination costs	(24,074)	(9,727)
Interest paid	(89,896)	(91,595)
Payments to suppliers	(13,239)	(9,956)
Payments for transportation program costs	(52,302)	(73,459)
Payments for federal government	-	(202,402)
Payments for loans available for sale	(741,408)	(468,335)
Payments to employees for services and benefits	(10,286)	(9,525)
Loan principal additions	(17,450)	(9,746)
Net cash provided/(used) by operating activities	198,629	(93,039)
Cash Flows from Noncapital Financing Activities		
Bond financing cost	(352)	(7,078)
Bond and commercial paper payments	(554,787)	(578,462)
Bond and commerical paper issued	241,067	538,384
Federal pass-through revenues	46,490	53,016
Federal pass-through expenses	(46,465)	(53,171)
Net cash provided/(used) by noncapital financing activities	(314,047)	(47,311)
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(467)	(320)
Net cash provided/(used) by capital and related financing activities	(467)	(320)
Cash Flows from Investing Activities		
Investment purchases	(1,987,002)	(1,540,316)
Investment redemptions	2,190,736	1,686,747
Investment income	6,907	7,701
Net cash provided/(used) by investing activities	210,641	154,132
Net Increase/(Decrease) in Cash	94,756	13,462
Cash and cash equivalents, beginning of year	47,896	34,434
Cash and cash equivalents, end of year	$ 142,652	$ 47,896

The accompanying notes are an integral part of these financial statements.

IDAHO HOUSING AND FINANCE ASSOCIATION
Statements of Cash Flows

For the Years Ended June 30,	2013	2012
	(in thousands)	
Reconciliation of net operating revenues/(expenses) to net cash provided/(used) by operating activities:		
Operating income/(loss)	$ 17,170	$ 6,789
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Loan principal received	184,423	131,932
Loans issued	(17,450)	(9,746)
Bond financing costs	352	7,078
Decrease (increase) in interest receivable	1,456	1,502
Depreciation and other amortization	(6,142)	547
Increase (decrease) in interest payable	(7,285)	2,422
Interest on investments	(7,280)	(10,124)
Decrease (increase) in GARVEE highway project costs receivable, net	42	(21,981)
Decrease (increase) in employment security reserve fund receivable	53,433	(205,331)
Decrease (increase) in other assets	(33,031)	(3,074)
Increase (decrease) in accounts payable and other liabilities	12,939	6,948
Increase (decrease) in deposits	2	(1)
Total adjustments	181,459	(99,828)
Net cash provided/(used) by operating activities	$ 198,629	$ (93,039)

The accompanying notes are an integral part of these financial statements.

THE HOUSING COMPANY
A Component Unit of Idaho Housing and Finance Association
Consolidated Statements of Financial Position

As of December 31,	2012	2011
ASSETS		
Cash	$ 2,342,959	$ 1,834,149
Investments	1,300,772	2,098,496
Escrow and Reserve Deposits	1,292,592	1,321,749
Receivables	193,536	262,249
Prepaid Expenses	206,299	159,985
Neighborhood Stabilization and HOME Funded Homes Held for Sale	310,595	630,166
Land	5,376,275	4,449,116
Buildings and Equipment (net of accumulated depreciation)	30,144,901	32,198,594
Financing Costs and Other (net of accumulated amortization)	292,808	304,047
	$ 41,460,737	$ 43,258,551
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 231,688	$ 270,100
Neighborhood Stabilization and HOME Funded Homes Held for Sale	240,877	483,704
Interest Payable	140,670	154,016
Real Estate Taxes Payable	391,040	369,068
Mortgages and Notes Payable	24,534,658	25,519,477
Security Deposits Payable	298,153	285,451
	25,837,086	27,081,816
NET ASSETS, UNRESTRICTED		
Controlling Interests	6,302,642	6,041,471
Non Controlling Interests	9,321,009	10,135,264
LIABILITIES AND NET ASSETS	$ 41,460,737	$ 43,258,551

THE HOUSING COMPANY
A Component Unit of Idaho Housing and Finance Association
Consolidated Statements of Activities

For the Years ended December 31,	2012	2011
REVENUES		
Tenant Rents	$ 4,573,879	$ 4,312,849
Housing Assistance Payments	2,625,537	2,657,159
Other Grants and Contributions	435,000	
Interest	26,426	29,813
Developer Fees	90,432	168,927
Forgiveness of Debt on Tax Credit Exchange Loan	310,605	310,605
Other	271,791	228,635
TOTAL REVENUES	$ 8,333,670	$ 7,707,988
EXPENSES		
Administrative	$ 2,161,358	$ 2,220,500
Utilities and Maintenance	2,137,840	2,156,485
Real Estate Taxes and Insurance	1,039,676	962,122
Depreciation and Amortization	2,466,608	2,399,522
Interest	1,063,272	1,105,936
TOTAL EXPENSES	$ 8,868,754	$ 8,844,565
SUBTOTAL	(535,084)	(1,136,577)
DECREASE IN NET ASSETS BEFORE NONCONTROLLING INTERESTS	$ (535,084)	$ (1,136,577)
Minority Interest in Partnership Losses	796,255	1,066,528
INCREASE (DECREASE) IN NET ASSETS	$ 261,171	$ (70,049)

THE HOUSING COMPANY
A Component Unit of Idaho Housing and Finance Association
Consolidated Statements of Cash Flows

For the Years ended December 31,	2012	2011
Cash Flows from Operating Activities:		
Increase (Decrease) in Net Assets	$ 261,171	$ (70,049)
Adjustments for Non-cash Items:		
Depreciation and Amortization	2,466,608	2,399,522
Non-Controlling Interest in Partnership Losses	(796,255)	(1,066,528)
Loss in Disposal of Assets	13,215	25,227
Write off Financing Costs		5,333
Forgiveness on Tax Credit Exchange Funds	(310,605)	(310,605)
Changes in Assets and Liabilities:		
Decrease (Increase) in Receivables	68,713	(34,057)
Increase in Prepaid Expenses	(46,314)	(14,874)
Decrease in Accounts Payable and Accrued Liabilities	(281,239)	(5,682)
(Decrease) Increase in Interest Payable	(13,346)	11,345
Increase in Real Estate Taxes Payable	21,972	17,600
Increase in Other Liabilities	12,702	13,173
CASH PROVIDED FROM OPERATING ACTIVITIES	1,396,622	970,405
Cash Flows from Investing Activities:		
Purchase of Land	(927,159)	(63,082)
Purchases of Building and Equipment	(411,254)	(919,040)
Cost to Rehabilitate Homes Purchased with NSP and HOME funds	319,571	(110,207)
Payment of Financing Costs and Pre-Development Costs	(3,637)	(7,934)
Purchase of Investments	(2,102,276)	(3,798,706)
Sales of Investments	2,900,000	3,100,000
Decrease in Escrow and Reserve Deposits	29,157	217,862
CASH USED FOR INVESTING ACTIVITIES	(195,598)	(1,581,107)
Cash Flows from Financing Activities:		
Principal Payments on Mortgages Payable	(801,849)	(1,197,560)
Additions to Mortgages or Notes Payable	127,635	1,548,347
Equity Distributions	(18,000)	(15,000)
CASH PROVIDED FROM FINANCING ACTIVITIES	(692,214)	335,787
INCREASE (DECREASE) IN CASH	508,810	(274,915)
CASH, BEGINNING OF PERIOD	1,834,149	2,109,064
CASH, END OF PERIOD	$ 2,342,959	$ 1,834,149

THE HOUSING COMPANY
A Component Unit of Idaho Housing and Finance Association
Consolidated Statements of Cash Flows, continued

	Non-Controlling Interests	Controlling Interests
NET ASSETS, UNRESTRICTED, December 31, 2010	$ 11,216,792	$ 6,111,520
Distributions	(15,000)	-
Decrease in Net Assets	(1,066,528)	(70,049)
NET ASSETS, UNRESTRICTED, December 31, 2011	10,135,264	6,041,471
Distributions	(18,000)	-
Decrease in Net Assets	(796,255)	261,171
NET ASSETS, UNRESTRICTED, December 31, 2012	$ 9,321,009	$ 6,302,642

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

June 30, 2013 and 2012

1. Authorizing Legislation

The Idaho Housing and Finance Association (Association) was created, as an independent public body corporate and politic, by the Idaho Legislature under the provisions of Chapter 62, Title 67 of the Idaho Code, as amended (Act). The Act empowers the Association, among other things, to issue notes and bonds in furtherance of its purpose of providing safe and sanitary housing for persons and families of limited income residing in Idaho and, in addition, to coordinate and encourage cooperation among private enterprise and State and local governments to sponsor, build and rehabilitate residential housing for such persons; to issue notes and bonds in furtherance of its purpose of financing economic development projects in partnership with private financial institutions and State and local economic development entities; and to issue notes and bonds to finance projects that improve the transportation infrastructure in Idaho.

The enabling legislation, along with bond indentures and bond resolutions adopted by the Association, contains specific provisions pertaining to (a) the use of the proceeds from the sale of notes and bonds, (b) the application of pledged receipts and recoveries of principal from mortgages, and (c) the creation of certain accounts along with the accounting policies of such accounts. Association administrative obligations from bond and other housing programs extend to the year 2042.

2. Summary of Significant Accounting Policies

A. Basis of Accounting

The accounting and reporting policies of the Association conform to generally accepted accounting principles of the Governmental Accounting Standards Board (GASB) and follow the accrual basis of accounting. The Association is accounted for as an Enterprise Fund.

The accompanying combined financial statements include the accounts of the Enterprise Fund of the Association. All interfund balances and transactions have been eliminated.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Association's policy is to first apply the expense towards restricted resources, and then toward unrestricted resources.

B. Reporting Entity

Although the State of Idaho considers the Association a component unit for financial reporting purposes in accordance with GASB Statement No. 61, *The Financial Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, and the State's governor appoints the Board of Commissioners of the Association, the Association is legally separate from the State of Idaho, is not a State agency under State law, and uses no State funds or State employees to support its operations.

The Home Partnership Foundation (HPF) and The Housing Company (THC) are component units of the Association and the financial statements of each have been incorporated into these financial statements and notes. The degree of control governs the reporting presentation; as such, HPF's presentation has been blended and THC's presentation has been discretely presented.

HPF reports under GASB standards in the same manner as the Association. HPF uses a calendar year basis as its fiscal year and the most recent audited financial statements of HPF have been blended.

THC reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to THC's entity presentation in the Association's financial statements for these differences. THC uses a calendar year basis as its fiscal year and the most recent audited financial statements are presented.

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

2. Summary of Significant Accounting Policies, continued

C. 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. Significant estimates used in preparing these financial statements include those assumed in determining the collectability of receivables, determining the recoverability on other real estate owned property, the fair value of interest rate swaps, and determining bond yield arbitrage liability. It is at least reasonably possible that the significant estimates used will change within the next year.

D. Program Accounting

Financial activities of the Association are recorded in accounts established under various bond indentures and bond resolutions and in accounts established for the administration of the various programs empowered by the Act.

Business Operations includes the General Operating Account established to administer the ongoing responsibilities of programs maintained by the Association. Direct administrative and operational activities, including the operating expenses of various programs, are recorded in this account. Revenues in this account are primarily generated from fees earned for administering federal programs, fees earned for servicing loans, and earnings on investments held to finance future programs.

The Federally Assisted Program area was established to account for activities directly related to the limited-income rental assistance and other related programs funded by the U.S. Department of Housing and Urban Development (HUD). This account is primarily used for housing assistance pass-through funds and for properties owned and utilized in affordable housing programs. The funding of the Association's federal programs activities is dependent on budget appropriations from HUD, as contained in the Federal budget.

The Affordable Housing Investment Trust was established to account for activities intended for affordable housing projects in Idaho. This account consists primarily of investments and loans receivable and the earnings thereon, as well as the residual income generated through Business Operations each year.

The Bond Rating Compliance and Loan Guaranty Trust was established to account for activities intended to meet bond rating agency requirements for asset security and bond debt service liquidity. This account consists primarily of investments and loans receivable and earnings thereon.

Single-Family Mortgage Bonds, established under separate trust indentures, account for the proceeds from the sale of Single-Family Mortgage Bonds and the debt service requirements of these bonds. Activities within these accounts are, in general, limited to the purchase of mortgage loans made by mortgage lenders to qualifying, limited-income persons for single-family, owner-occupied housing in Idaho.

Multifamily Housing Bonds, established under separate trust indentures, account for the proceeds from the sale of Multifamily Mortgage Bonds and the debt service requirements of these bonds. Bond proceeds for multifamily programs are used to finance affordable multifamily developments that house limited-income households throughout Idaho.

Grant and Revenue Anticipation Bonds (GARVEE), established under a separate trust indenture, account for the proceeds from the sale of GARVEE Bonds and the debt service requirements of these bonds. The GARVEE Bonds program allows the Association to advance funds to the State of Idaho for improving and enhancing the State's highway infrastructure.

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

2. Summary of Significant Accounting Policies, continued

E. Cash and Cash Equivalents
Cash and cash equivalents include General Operating Account cash, General Operating Account investments with maturities of less than three months at the date of purchase, Federally Assisted Program cash and Affordable Housing Investment Trust cash. Cash and cash equivalents deposited at Wells Fargo Bank are collateralized with U.S. Treasury obligations and U.S. Agency obligations and are held by Wells Fargo Bank in the Association's name. Custodial credit risk is the risk that the Association's deposits may not be returned in the event of a bank failure. In the opinion of management, the Association is not exposed to this risk at June 30, 2013. The Association does not have a formal deposit policy for custodial credit risk. Restricted cash as of June 30, 2013 consists of $85,000,000 in the Bond Funds.

F. Deferred Bond Financing Costs/Bond Financing Cost Expense
Bond financing costs are expensed in the current reporting period.

G. Loan Acquisition Costs/Loan Origination Fees/Servicing Rights
In the Association's mortgage purchase programs, excluding home improvement loan programs, mortgage loans are purchased primarily at par, or at a discount, from participating lenders. Loan acquisition costs are expensed at the time a loan is acquired.

H. Federally Assisted Program Advances and Fees
In accordance with the terms of contracts between the Association and HUD, the Association administers rental assistance programs as HUD's agent in certain areas of Idaho. Under these programs, persons of limited income receive rental subsidies from HUD through the Association. HUD advances funds sufficient to cover the monthly housing assistance payments and the Association's management service fees. These management service fees are recognized as revenue to the Association when earned. Federal Pass-Through Revenues and Expenses on the Statement of Revenues, Expenses and Changes in Net Position represent housing assistance payments and related federal funding that is passed through the Association to carry out such programs.

I. Property and Equipment
Property and equipment held by the General Operating and Federally Assisted Program Accounts are recorded at cost and depreciated over the estimated useful lives of the related assets. The Association uses the straight-line method of depreciation with estimated lives of three to seven years for office and computer equipment and 40 years for real property and buildings. Depreciation expense for the years ending June 30, 2013 and 2012 was $611,000 and $547,000, respectively. Property and equipment are presented in the Statement of Net Position, net of accumulated depreciation of $9,431,000 and $8,859,000 at June 30, 2013 and 2012, respectively.

J. Provisions for Loan Losses
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. The evaluation of a loan loss provision considers both loans receivable and real estate owned (REO) property, estimated value of the collateral, subsidies, guarantees, mortgage insurance, economic conditions, and historical loss experience for each loan type. The provision's charge against current operations considers holding costs, including accrued interest.

The Association has established an allowance for losses in the General Operating Account on recourse obligations related to FNMA-held, FHLMC-held, and GNMA-secured loan foreclosures. The Association estimates this amount to be $2,900,000. The Association has established an allowance for loan loss and REO activity in the Loan Guarantee and Compliance Fund for Association-held loan losses not recoverable. The Association estimates this amount to be $6,439,000. Actual losses are charged against this provision and allocated, via an operating transfer, on a pro-rata basis to bond trusts with current year losses. The Association has established an allowance for loan loss and REO activity in the Affordable Housing Investment Trust for Association down-payment assistance loans not recoverable due to the loss on an Association-held primary loan. The Association estimates that amount to be $444,000.

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

2. Summary of Significant Accounting Policies, continued

J. Provisions for Loan Losses, continued
Generally, loans in default are reported in Loans until foreclosed. A loan is considered past due when payment is 30 days late. When payment is 90 days late, a 30-day demand to “pay in full or bring the account current” letter is issued. If payment is not made and payment is 120 days late, the loan is then moved to the foreclosure process. Once a loan is foreclosed, it is reclassified from Loans to Other Assets as REO mortgage receivable, pending recovery from the relevant source(s) of security and subject to indemnification limitations of those guarantors and insurance providers.

K. Escrow and Project Reserve Deposits
Escrow and project reserve deposits represent amounts held by the Association for insurance, real estate taxes and as reserves for replacement and operation. The Association invests these funds and allows earnings on multifamily project escrows to accrue to the benefit of the mortgagors of those projects. Earnings on single-family escrow balances accrue to the benefit of the Association. All escrow and project reserve deposits are included in Cash and Cash Equivalents in the Statement of Net Position.

L. Commercial Paper
The commercial paper facility provides funds to purchase single-family mortgage loans on an interim basis as well as financing for multifamily construction loans. Commercial paper activity is recorded in the General Operating Account. The Association transfers mortgage loans purchased with proceeds from commercial paper to bond accounts or to sell to FNMA or FHLMC or to securitize through GNMA. Mortgage acquisition monies from bond accounts or from FNMA or FHLMC sale proceeds or GNMA securitization proceeds, respectively, reimburse the commercial paper facility. Transfers associated with bond accounts will be made prior to the end of the acquisition period as specified in the applicable bond indentures. As of June 30, 2013 and 2012, the Association had $50,000,000 of commercial paper outstanding maturing in 12 to 67 and 1 to 77 days from date of issue, respectively, with weighted average interest rates of .42150% and .47899%, respectively. The Association has a stand-by revolving credit facility of $25,000,000, available for draws. At June 30, 2013, $0 is drawn against this facility.

M. Net Position
Net Position, the amount total assets plus deferred outflows of resources exceeding total liabilities plus deferred inflow of resources, is an aggregation of all Association bond trust and program accounts. Restricted net positions are those required to meet the various covenants as defined in bond indentures or other laws or regulations. Designated net position indicates that position set aside at the discretion of the Association to be used for a specific purpose and not for general operations. Net positions in the amount of $135,879,000 and $145,448,000 at June 30, 2013 and 2012, respectively, are restricted by bond indentures and programmatic requirements; approximately $38,030,000 and $37,762,000 at June 30, 2013 and 2012, respectively, are designated by the Board for programmatic uses in connection with the Affordable Housing Investment Trust; and the remaining balances of $19,960,000 and $14,788,000 held in the General Operating Account at June 30, 2013 and 2012, include $6,128,000 and $6,272,000, respectively, net invested in capital assets, and $13,832,000 and $8,516,000, respectively, unrestricted and available for general operations of the Association.

N. Classification of Revenues
Operating revenues include activities that have the characteristics of exchange transactions, such as (1) interest on loans and investments, (2) administration and loan servicing fees, and (3) change in the fair value of investments. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as federal pass-through awards and any other revenue sources that the Association may receive that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.*

O. Reclassification
Certain reclassifications have been made, none of which affected the results of activities and changes in Net position, to present the financial statements on a consistent basis.

2. Summary of Significant Accounting Policies, continued

P. New Accounting Principles and Restatement of Net Position

During fiscal year 2012, the Association implemented GASB Statement No. 65*, Items Previously Reported as Assets and Liabilities*, which applies GASB accounting concepts characteristics of deferred outflow of resources to Association loan origination and bond financing costs. In essence, under these concepts, an asset is redefined from being a future economic benefit to a resource with present service capacity. Standard No. 65 explicitly defines these costs as not having present service capacity, requiring their immediate expensing. Also, the Association implemented GASB Statement No. 66, *Technical Corrections---2012*, which modified vague or conflicting guidance provided in previous statement issues. Implementation did not have a material impact on the Association's reporting position.

In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans,* effective for fiscal year 2014 and Statement No. 68, *Accounting and Financial Reporting for Pensions,* effective for fiscal year 2015. The Association has not completed a complete analysis of the impact of these standards on its financial reporting position but is of the opinion that any impact will be immaterial to its overall financial position. In early 2013, GASB issued Statement Nos. 69, *Government Combinations and Disposals of Government Operations*, and 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, both effective for fiscal year 2014. In the opinion of the Association, these two standards will not have an impact on the Association's financial position given current operations and obligations.

3. Investments

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* requires certain investments be reported at fair value in the Statement of Net Position. The Association reports all investments at fair value in the Statements of Net Position. The Association has entered into investing agreements with Wells Fargo and KeyBank, banks where excess cash balances (classified as Cash and cash equivalents) are invested overnight in money market mutual funds and repurchase agreements. Investments are held in the Association's account in the name of the respective bank. As of June 30, 2013, the Association has overnight investments of $2,664,000 in money market funds and $15,905,000 in repurchase agreements held by Wells Fargo Bank and $1,658,000 in repurchase agreements held by KeyBank Bank. Repurchase agreements are collateralized by U.S. government and agency obligations held in the Association's trustee's name in the Association's account.

Interest Rate Risk: The Association has adopted bond indentures, bond resolutions, and trust resolutions as policy for the determination of investment maturities. These indentures and resolutions provide that investment maturities be based upon the cash requirements of the Association's accounts, as determined by authorized Association investment officers.

3. Investments, continued

As of June 30, 2013 and 2012, the Association had the following investments and maturities (in thousands):

2013

			Investment Maturities (in Years)					
	Fair Value	Less Than 1	1-5	6-10	11-15	16-20	21-25	26-30
Investment Type								
Money market funds	$ 141,893	$ 141,893						
Investment agreements	90,239	37,925	$ 24,634		$ 53	$ 16,023	$ 11,291	$ 313
U.S. Government obligations	10,961		5,902	$ 1,296	3,763			
U.S. Agency obligations	69,098	2,079	2,120	15,440	1,516	14,720	33,223	
Corporate obligations	4,601	3,544	1,057					
Interest rate swaps	(3,759)			(2,190)	(1,408)	(161)		
TBA contracts	3,913	3,913						
Land and townhomes	3,552		3,552					
U.S. Treasury Escrow	-							
	320,498	$ 189,354	$ 37,265	$ 14,546	$ 3,924	$ 30,582	$ 44,514	$ 313
Accrued interest and premiums and discounts	1,682							
Total Investments	$ 322,180							

2012

			Investment Maturities (in Years)					
	Fair Value	Less Than 1	1-5	6-10	11-15	16-20	21-25	26-30
Investment Type								
Money market funds	$ 167,555	$ 167,555						
Investment agreements	148,675	22,133	$ 54,079		$ 656	$ 14,754	$ 44,123	$ 12,930
U.S. Government obligations	17,167	9,491	1,005	$ 23	4,563	2,085		
U.S. Agency obligations	109,902	1,025	17,274	26,438	59	11,827	44,097	9,182
Corporate obligations	9,763	5,096	4,667					
Interest rate swaps	(3,296)			(2,077)	(1,013)	(206)		
Land and townhomes	3,552		3,552					
U.S. Treasury Escrow	77,240	77,240						
	530,558	$ 282,540	$ 80,577	$ 24,384	$ 4,265	$ 28,460	$ 88,220	$ 22,112
Accrued interest and premiums and discounts	1,951							
Total Investments	$ 532,509							

Among the Association's marketable investments at June 30, 2013, are 26 U.S. agency mortgage-backed security pools which pay monthly principal and interest. In addition, the Association held four U.S. agency securities with an outstanding principal amount of $17,000,000 that are subject to call provisions. Of the $17,000,000 callable amount, $2,000,000 is exercisable in 2013, $10,000,000 is exercisable in 2014 and $5,000,000 is exercisable in 2016. Of the Association's U.S. Government obligations, $1,521,000 is held by JPMorgan as collateral in connection with the Association's participation in the Fannie Mae Affordable Advantage mortgage program.

3. Investments, continued

At June 30, 2013, the Association has $589,410,000 in notional amount of fixed payer/variable receiver interest rate swap contracts outstanding in connection with its outstanding variable rate demand note mortgage revenue bond issues. Of this amount, $31,630,000 does not have associated variable rate debt and is considered an investment derivative with negative fair value. The Association pays fixed-rate payments between 3.368% and 5.3% and receives variable rate payments based on SIFMA and LIBOR indices. The Association entered the swap contracts in November 2008, which mature between 2018 and 2030. These contracts are not rated.

At June 30, 2013, the Association has $123,000,000 in forward sales contracts (“To Be Announced” or “TBA” contracts) or GNMA securities in order to lock in the sales price for the securitization of single-family loans. These contracts are considered investment derivatives and are not rated.

Credit Risk: Investments for each bond issue are those permitted by the various bond indentures and bond resolutions adopted by the Association. Program account investments are restricted to those empowered by the Act or by Federal regulations. The Association has adopted resolutions as policy for the Affordable Housing Investment and Loan Guarantee Trusts. The Association has not adopted a formal policy related to the Association’s Business Operations investments. As of June 30, 2013, the Association’s investments in money market funds, investment agreements, U.S. government obligations, and Government National Mortgage Association obligations are unrated. As of June 30, 2013 and 2012, the Association’s remaining investments are rated by Moody’s Investor Service as follows (in thousands):

Investment Type	Rating	2013	2012
U.S. Agency Obligations	Aaa	$ 69,098	$ 109,902
Corporate Obligations	Aa	2,011	2,097
Corporate Obligations	A3	1,057	105
Corporate Obligations	Baa	1,533	6,610

The Association’s U.S. government and U.S. agency obligations are held by the Association’s trustee in the Association’s name. Corporate and other obligations are held by the Association’s trustee in either the Association’s account or in the Association’s name.

Investment agreements are non-participating investments with financial institutions, are carried at cost, and not rated by rating agencies. Securities are not used as collateral for these Investment agreements. Investment agreements are structured for both short-term and long-term bond proceeds in connection with the Association’s single-family mortgage bond programs. Financial institutions providing the agreements have been rated by nationally recognized rating agencies at debt ratings sufficient to rate the Association’s mortgage revenue bonds investment grade by those rating agencies.

Concentration of Credit Risk: The Association places no limit on the amount the Association may invest in any one issuer. The Affordable Housing Investment Trust investment policy places limits on the amounts the Association may invest in certain types of investments authorized by the Act. As of June 30, 2013, the Association had investments of five percent or more in Bayerische Landesbank guaranteed investment contracts (GICS) of $62,878,000, Federal Farm Credit Bank obligations of $32,308,000, and in Trinity GICS of $20,135,000.

During the years ended June 30, 2013 and 2012, the Association realized net gains/(losses) of $1,234,000 and $2,044,000 respectively, from sales of investments. The calculation of realized gains is independent of the calculation of the change in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in a current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net (decrease)/increase in the fair value of investments as of June 30, 2013 and 2012 is $(8,892,000) and $11,471,000, respectively. This amount takes into

3. Investments, continued

account all changes in fair value (including purchases and sales) that occurred during the fiscal year. Included in the amount for the year ending June 30, 2013, is $(3,913,000) related to derivative interest rate swap contracts fair market value considered investments.

The unrealized gain/(loss) on investments held at June 30, 2013 and 2012 is $6,559,000 and $15,627,000, respectively. The Association matches the duration of its investments with the maturity debt in various bond accounts, and therefore, does not anticipate material unrealized gains or losses to be realized, usually, in the near-term. For the years ending June 30, 2013 and 2012, the Association's financial report uses GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* as amended, to report derivative interest rate swap and forward sale contracts.

4. Loans

The Association has single-family, multifamily and other loans. The majority of the Association's loan portfolio consists of single-family mortgage loans to persons of limited income residing in Idaho. The Association has obtained various levels of security for loans. All loans are secured by mortgages or deeds of trust on the related properties. Additionally, loans are insured or guaranteed by the federal government, commercial mortgage insurers or by Association self-insurance reserves. In some cases, as required by bond resolutions or bond indentures, master mortgage guaranty insurance (pool insurance) provides a final level of security for certain losses sustained by reason of default, which are in excess of FHA, VA or primary insurance.

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

4. Loans, continued

A summary of security for loans as of June 30, 2013 and 2012 is as follows (in thousands):

2013

	Non-Pool Insured	Pool Insured	Total
FHA Insurance	$ 314,295		$ 314,295
VA Guaranteed	32,214		32,214
Commercially Insured	222,069	$ 115,553	337,622
USDA Rural Development Insurance	73,148		73,148
Association Insured	4,269		4,269
	$ 645,995	$ 115,553	761,548
Other			
Multifamily Bond Financed			16,629
Single Family IHFA Capital Pool			18
Multifamily IHFA Capital Pool			3,885
Social Service and Development IHFA Capital Pool			7,134
Construction			2,066
State Small Business Credit Initiative			7,158
Loan Loss Provision			(6,883)
Interest Receivable on Loans			4,417
Total Loans			$ 795,972

2012

	Non-Pool Insured	Pool Insured	Total
FHA Insurance	$ 422,783		$ 422,783
VA Guaranteed	42,877		42,877
Commercially Insured	258,360	140,458	398,818
USDA Rural Development Insurance	90,385		90,385
Association Insured	5,027		5,027
	$ 819,432	$ 140,458	959,890
Other			
Multifamily Bond Financed			25,043
Single Family IHFA Capital Pool			13
Multifamily IHFA Capital Pool			3,998
Social Service and Development IHFA Capital Pool			7,258
Construction			3,492
State Small Business Credit Initiative			2,081
Loan Loss Provision			(11,712)
Interest Receivable on Loans			5,877
Total Loans			$ 995,940

4. Loans, continued

Loans receivable includes $9,865,000 in notes receivable from The Housing Company (THC), which require repayment within 28 years. The notes are secured by various multifamily housing projects and accrue interest at between 3.00 and 9.125 percent.

Construction, bridge and permanent financing, and multifamily projects, throughout Idaho are included as "Other". In addition to holding a first lien on the majority of these loans, performance bonds are in place to ensure completion of the projects under construction.

Interest charged on loans ranged from approximately 0 to 10.27 percent during fiscal years 2013 and 2012. Loan interest rates are fixed over the loan term at levels exceeding yields on corresponding debt issued to purchase the loans. Federal tax law limits such excess yields. Loan terms range from less than one year to 40 years.

Each mortgage loan for all single-family financing programs is serviced pursuant to a Mortgage Loan Servicing Agreement as designated by the bond indenture or bond resolution. Beginning with the 1983 Series B Single-Family Mortgage purchase program, a master servicing arrangement was implemented. The mortgage servicer may, but need not, be a lending institution and a program participant.

Loan servicing fees depicted in the Statement of Revenues, Expenses and Changes in Net Position relate to an internally assessed charge of between thirty-three and eighty-three one hundredths of one percent per annum of the outstanding mortgage balance for Association-held loans. The Association records the loan servicing fee income by reducing interest income within each of the related bond funds. In addition to the internal reclassification of interest income to loan servicing income, the General Operating Account charges the bond funds sixteen-hundredths of one percent per annum of the outstanding mortgage balance for actual Association servicing costs. The fee paid to the General Operating Account is eliminated in the financial statements. Loans held by non-Association typically generate between twenty-five and seventy-five one hundredths of one percent per annum of the outstanding mortgage balance. The Association records the loan service by reducing interest income, collecting the fees in the General Operating Account, and remitting principal and remaining interest to the loan owner or its trustee.

Mortgage loans to be serviced externally or by the Association are purchased at par or a discount of one to two percent of the outstanding principal balance as of the date of purchase. For loans serviced, but not owned, by the Association, loans are purchased at a premium of up to 3%, at par, or a discount of 1% or 2% of the outstanding principal balance is paid to the originating lender as of the date of purchase as consideration for the assignment of the servicing rights.

Loans and bonds are valued at their carrying amounts, which approximate par value. Due to the structured financing characteristics of the Association's bond issues and restrictions under various trust indentures, the Association is restricted from selling loans at a value that would impair its ability to service the bonds to which those loans are specifically pledged. The loans are specifically identified with a particular bond issue and pledged under the applicable trust indenture. Any changes in market interest rates subsequent to bond issuance and loan origination would be expected to approximate an equal impact on the fair value of the bonds and the related mortgages. Mortgage rates on loans originated from bond proceeds are based directly upon the bond rates established at the time of issuance. The Association establishes the yield spread between the interest rate on the mortgages and related bonds to approximate 1.125 percent, the maximum allowed by Section 143 of the Internal Revenue Code.

Loans originated and intended for sale to FNMA or FHLMC, or securitized through GNMA are carried at the lower of aggregate cost or fair value, as determined by hedge coverage and the difference in the loan yield and the 60-day commitment rate yield offered by FNMA, FHLMC or GNMA MBS rate on June 30, 2013. IHFA services loans sold to FNMA or FHLMC or secured by GNMA. Gains or losses are recognized based on the difference between the selling price and the carrying value of the related mortgage loan sold. Net unrealized losses are charged to Operating Expenses in the Statement of Revenues, Expenses and Changes in Net Position. Loans available for

4. Loans, continued

sale to FNMA or FHLMC or secured by GNMA have different characteristics and fewer restrictions than loans financed by the issuance of debt and owned and serviced in the Association's loan portfolio.

Loans available for sale are determined as a function of the Association's liquidity preference, customer preference, contractual requirements, and regulatory requirements. For the fiscal years ending June 30, 2013 and 2012, the Association realized $28,831,000 and $11,411,000, respectively, in gains on the sale of loans to FNMA FHMLC, and GNMA. As of June 30, 2013, the Association had commitments to sell or secure $185,699,000 of single-family mortgages to FNMA and FHMLC or through GNMA. As of June 30, 2013, the Association had commitments to sell or secure $9,353,000 of single-family mortgages on behalf of New Mexico Mortgage Finance Authority.

As of June 30, 2013 and 2012, the Association estimates $161,236,000 and $120,230,000, respectively, of loans receivable as current. Estimates consider loan principal due during the next twelve months plus anticipated prepayments made on outstanding principal balances. The Association had commitments to purchase $227,460,000 and $122,296,000, respectively, of single-family mortgages, which had not yet been funded. As of June 30, 2013 and 2012, the Association serviced $1,774,000 and $1,303,984,000, respectively, in loans of other lenders and not included in the Association's financial statements.

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

5. Bonds (dollars in thousands)

Description and Due Date	Average Bond Yield	Delivery Date	2013	2012
Single-Family Mortgage Bonds:				
1993 Series B				
Senior Bonds 1994 -- 2025	5.797%	12/93		$ 190
	5.797%		-	190
1994 Series A				
Senior Bonds 1996 -- 2026	6.104%	4/94	$ 225	375
	6.104%		225	375
1994 Series F				
Senior Bonds 1996 -- 2027	7.525%	12/94	40	85
	7.525%		40	85
1995 Series B				
Senior Bonds 1997 -- 2028	6.567%	5/95		325
Mezzanine Bonds 2012	0.000%	5/95		10
	6.567%		-	335
1995 Series C				
Senior Bonds 1997 -- 2027	6.394%	6/95	85	285
Mezzanine Bonds 2012	0.000%	6/95		10
	6.394%		85	295
1995 Series D				
Senior Bonds 1998 -- 2028	6.210%	6/95		30
	6.210%		-	30
1995 Series E				
Senior Bonds 1998 -- 2028	6.430%	7/95	275	380
Mezzanine Bonds 2012	0.000%	7/95		10
	6.430%		275	390
1995 Series F				
Senior Bonds 1998 -- 2028	6.435%	8/95		250
	6.435%		-	250
1995 Series G				
Senior Bonds 1998 -- 2028	6.200%	10/95		150
Mezzanine Bonds 2012	0.000%	10/95		5
	6.200%		-	155
1995 Series H				
Senior Bonds 1998 -- 2028	6.032%	12/95	395	625
	6.032%		395	625
1996 Series A				
Senior Bonds 1998 -- 2028	6.174%	4/96	90	300
Mezzanine Bonds 2013	6.050%	4/96		25
	6.171%		90	325
1996 Series B				
Senior Bonds 1999 -- 2028	6.369%	4/96		80
Mezzanine Bonds 2013	6.250%	4/96		10
	6.361%		-	90
1996 Series C				
Senior Bonds 1999 -- 2028	6.280%	5/96		160
Mezzanine Bonds 2013	6.250%	5/96		10
	6.288%		-	170

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

5. Bonds, continued

Description and Due Date	Average Bond Yield	Delivery Date	2013	2012
1996 Series D				
Senior Bonds 1998 -- 2028	6.466%	7/96	225	315
Mezzanine Bonds 2014	6.450%	7/96	15	35
	6.465%		240	350
1996 Series E				
Senior Bonds 1998 -- 2028	6.347%	8/96	240	315
Mezzanine Bonds 2014	6.350%	8/96	15	35
	6.347%		255	350
1996 Series F				
Senior Bonds 1998 -- 2028	6.278%	9/96	330	510
Mezzanine Bonds 2014	6.250%	9/96	15	40
	6.276%		345	550
1996 Series G				
Senior Bonds 1998 -- 2028	6.328%	10/96	185	235
Mezzanine Bonds 2014	6.250%	10/96	5	20
	6.325%		190	255
1996 Series H				
Senior Bonds 1998 -- 2028	6.328%	12/96	555	835
Mezzanine Bonds 2014	6.050%	12/96	25	65
	6.130%		580	900
1997 Series A				
Senior Bonds 1999 -- 2028	6.134%	2/97	590	745
Mezzanine Bonds 2014	6.050%	2/97	25	60
	6.130%		615	805
1997 Series B				
Senior Bonds 1999 -- 2028	5.934%	3/97	610	725
Mezzanine Bonds 2014	5.850%	3/97	25	55
	5.930%		635	780
1997 Series C				
Senior Bonds 1999 -- 2028	6.092%	4/97	855	995
Mezzanine Bonds 2014	6.100%	4/97	45	85
	6.091%		900	1,080
1997 Series D				
Senior Bonds 1999 -- 2028	6.225%	5/97	335	420
Mezzanine Bonds 2014	6.100%	5/97	15	35
	6.219%		350	455
1997 Series E				
Senior Bonds 2000 -- 2028	6.049%	6/97	880	1,100
Mezzanine Bonds 2014	5.950%	6/97	95	130
	6.040%		975	1,230
1997 Series F				
Senior Bonds 2006 -- 2029	5.879%	7/97	1,180	1,290
Mezzanine Bonds 2015	5.850%	7/97	100	160
	5.877%		1,280	1,450

5. Bonds, continued

Description and Due Date	Average Bond Yield	Delivery Date	2013	2012
1997 Series G				
Senior Bonds 2004 -- 2029	5.787%	9/97	2,105	2,165
Mezzanine Bonds 2015	5.700%	9/97	10	30
	5.786%		2,115	2,195
1997 Series H				
Senior Bonds 1999 -- 2029	5.637%	10/97	770	1,020
Mezzanine Bonds 2015	5.625%	10/97	50	105
	5.636%		820	1,125
1997 Series I				
Senior Bonds 1999 -- 2029	5.737%	12/97	520	840
Mezzanine Bonds 2015	5.700%	12/97	35	85
	5.734%		555	925
1998 Series A				
Senior Bonds 2000 -- 2029	5.480%	1/98	590	895
Mezzanine Bonds 2016	5.450%	1/98	50	105
	5.477%		640	1,000
1998 Series B				
Senior Bonds 2000 -- 2029	5.320%	3/98	720	960
Mezzanine Bonds 2016	5.200%	3/98	65	115
	5.310%		785	1,075
1998 Series C				
Senior Bonds 2008 -- 2029	5.150%	4/98	1,310	1,715
Mezzanine Bonds 2016	5.300%	4/98	140	225
	5.166%		1,450	1,940
1998 Series D				
Senior Bonds 2000 -- 2029	5.537%	5/98	1,100	1,190
Mezzanine Bonds 2018	5.500%	5/98	115	155
	5.534%		1,215	1,345
1998 Series E				
Senior Bonds 2001 -- 2029	5.433%	6/98	1,120	1,500
Mezzanine Bonds 2018	5.450%	6/98	115	180
	5.434%		1,235	1,680
1998 Series F				
Senior Bonds 2008 -- 2030	5.387%	7/98	1,865	2,050
Mezzanine Bonds 2020	5.400%	7/98	210	245
Subordinate Bonds 2012	0.000%	7/98	-	30
	5.389%		2,075	2,325
1998 Series G				
Senior Bonds 2008 -- 2030	5.369%	9/98	1,220	1,385
Mezzanine Bonds 2020	5.400%	9/98	130	160
	5.372%		1,350	1,545
1998 Series H				
Senior Bonds 2000 -- 2030	5.121%	11/98	1,610	2,110
Mezzanine Bonds 2020	5.100%	11/98	190	275
Subordinate Bonds 2012	0.000%	11/98		35
	5.119%		1,800	2,420

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

5. Bonds, continued

Description and Due Date	Average Bond Yield	Delivery Date	2013	2012
1998 Series I				
Senior Bonds 2000 -- 2030	5.185%	1/99	1,745	2,180
Mezzanine Bonds 2020	5.200%	1/99	210	290
Subordinate Bonds 2012	0.000%	1/99		40
	5.187%		1,955	2,510
1999 Series A				
Senior Bonds 2006 -- 2030	5.177%	2/99	2,005	2,565
Mezzanine Bonds 2020	5.150%	2/99	275	340
Subordinate Bonds 2013	4.850%	2/99	15	80
	5.170%		2,295	2,985
1999 Series B				
Senior Bonds 2001 -- 2030	5.226%	4/99	1,310	1,875
Mezzanine Bonds 2020	5.200%	4/99	195	255
Subordinate Bonds 2013	5.000%	4/99	20	65
	5.219%		1,525	2,195
1999 Series C				
Senior Bonds 2001 -- 2030	5.226%	5/99	1,720	1,980
Mezzanine Bonds 2020	5.250%	5/99	220	235
Subordinate Bonds 2013	5.050%	5/99	15	60
	5.226%		1,955	2,275
1999 Series D				
Senior Bonds 2001 -- 2030	5.388%	6/99	1,920	2,235
Mezzanine Bonds 2020	5.400%	6/99	300	325
Subordinate Bonds 2013	5.150%	6/99	25	80
	5.386%		2,245	2,640
1999 Series E				
Senior Bonds 2001 -- 2031	5.737%	7/99	975	1,285
Mezzanine Bonds 2021	5.750%	7/99	150	195
	5.739%		1,125	1,480
1999 Series F				
Senior Bonds 2001 -- 2031	5.826%	8/99	1,485	1,685
Mezzanine Bonds 2021	5.800%	8/99	215	235
Subordinate Bonds 2014	5.625%	8/99	50	115
	5.816%		1,750	2,035
1999 Series G				
Senior Bonds 2001 -- 2031	5.973%	10/99	1,345	1,585
Mezzanine Bonds 2021	5.950%	10/99	210	235
Subordinate Bonds 2014	5.750%	10/99	50	120
	5.962%		1,605	1,940
1999 Series H				
Senior Bonds 2001 -- 2031	6.145%	11/99	1,160	1,230
Mezzanine Bonds 2021	6.150%	11/99	80	85
Subordinate Bonds 2014	5.850%	11/99	30	45
	6.138%		1,270	1,360

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

5. Bonds, continued

Description and Due Date	Average Bond Yield	Delivery Date	2013	2012
1999 Series I				
Senior Bonds 2001 -- 2031	0.000%	12/99		950
Mezzanine Bonds 2021	0.000%	12/99		125
Subordinate Bonds 2014	0.000%	12/99		140
	0.000%		-	1,215
2000 Series A				
Senior Bonds 2002 -- 2031	6.428%	3/00	1,235	1,335
Mezzanine Bonds 2022	6.450%	3/00	125	135
Subordinate Bonds 2014	6.200%	3/00	60	100
	6.420%		1,420	1,570
2000 Series B				
Senior Bonds 2002 -- 2031	6.222%	4/00	1,400	1,525
Mezzanine Bonds 2022	6.250%	4/00	150	155
Subordinate Bonds 2014	6.000%	4/00	135	215
	6.207%		1,685	1,895
2000 Series C				
Senior Bonds 2002 -- 2031	6.124%	5/00	1,470	1,560
Mezzanine Bonds 2022	6.150%	5/00	140	155
Subordinate Bonds 2014	6.050%	5/00	135	225
	6.120%		1,745	1,940
2000 Series D				
Senior Bonds 2002 -- 2031	6.306%	6/00	1,370	1,420
Mezzanine Bonds 2022	6.350%	6/00	160	160
Subordinate Bonds 2014	6.200%	6/00	165	265
	6.289%		1,695	1,845
2000 Series E				
Senior Bonds 2002 -- 2032	5.985%	8/00	1,465	1,515
Mezzanine Bonds 2023	6.100%	8/00	160	160
Subordinate Bonds 2015	5.900%	8/00	205	305
	5.985%		1,830	1,980
2000 Series F				
Variable Rate Class I	0.159%	10/00	4,115	5,045
Class II Bonds 2025	6.000%	10/00	280	280
Class III Bonds 2019	6.000%	10/00	795	885
	1.338%		5,190	6,210
2000 Series G				
Variable Rate Class I	0.159%	12/00	6,900	7,100
Class II Bonds 2025	5.950%	12/00	320	320
Class III Bonds 2019	5.950%	12/00	815	925
	0.989%		8,035	8,345
2001 Series A				
Variable Rate Class I	0.159%	3/01	5,910	6,960
Class II Bonds 2026	5.600%	3/01	300	315
Class III Bonds 2020	5.550%	3/01	655	780
	0.903%		6,865	8,055

5. Bonds, continued

Description and Due Date	Average Bond Yield	Delivery Date	2013	2012
2001 Series B				
Variable Rate Class I	0.159%	5/01	3,820	3,955
Class II Bonds 2026	5.750%	5/01	220	220
Class III Bonds 2020	5.750%	5/01	500	560
	1.055%		4,540	4,735
2001 Series C				
Variable Rate Class I	0.159%	7/01	6,225	7,705
Class II Bonds 2026	5.550%	7/01	275	325
Class III Bonds 2020	5.600%	7/01	440	600
	0.730%		6,940	8,630
2001 Series D				
Variable Rate Class I	0.159%	9/01	8,755	10,310
	0.159%		8,755	10,310
2001 Series E				
Variable Rate Class I	0.159%	11/01	5,400	5,490
Class II Bonds 2026	5.450%	11/01		400
Class III Bonds 2020	5.400%	11/01		605
	0.287%		5,400	6,495
2001 Series F				
Variable Rate Class I	0.159%	12/01	6,450	7,910
	0.159%		6,450	7,910
2002 Series A				
Variable Rate Class I	0.159%	2/02	6,600	7,400
Class II Bonds 2026	5.600%	2/02	270	300
Class III Bonds 2020	5.600%	2/02	805	980
	0.928%		7,675	8,680
2002 Series B				
Variable Rate Class I	0.175%	4/02	6,055	6,160
Class II Bonds 2026	5.550%	4/02	225	235
Class III Bonds 2020	5.550%	4/02	755	835
	0.936%		7,035	7,230
2002 Series C				
Variable Rate Class I	0.159%	5/02	6,715	7,550
Class II Bonds 2026	5.550%	5/02	160	175
Class III Bonds 2020	5.500%	5/02	780	960
	0.820%		7,655	8,685
2002 Series D				
Variable Rate Class I	0.159%	6/02	9,250	10,230
Class II Bonds 2026	5.500%	6/02	355	390
Class III Bonds 2020	5.400%	6/02	895	1,075
	0.791%		10,500	11,695
2002 Series E				
Variable Rate Class I	0.159%	9/02	6,635	7,480
Class II Bonds 2030	5.400%	9/02	285	380
Class III Bonds 2022	5.300%	9/02	730	1,015
	0.876%		7,650	8,875

5. Bonds, continued

Description and Due Date	Average Bond Yield	Delivery Date	2013	2012
2002 Series F				
Variable Rate Class I	0.159%	11/02	6,010	6,625
Class III Bonds 2023	4.875%	11/02	970	1,275
	0.837%		6,980	7,900
2002 Series G				
Variable Rate Class I	0.159%	12/02	4,520	4,600
Class III Bonds 2023	5.150%	12/02	1,120	1,370
	1.191%		5,640	5,970
2003 Series A				
Variable Rate Class I	0.159%	2/03	8,645	9,205
Class II Bonds 2026	5.200%	2/03	440	470
Class III Bonds 2020	5.150%	2/03	1,225	1,355
	0.969%		10,310	11,030
2003 Series B				
Variable Rate Class I	0.159%	5/03	7,225	7,265
Class II Bonds 2026	5.050%	5/03	370	400
Class III Bonds 2020	5.100%	5/03	1,110	1,280
	1.020%		8,705	8,945
2003 Series C				
Variable Rate Class I	0.159%	7/03	5,575	6,010
Class II Bonds 2033	4.600%	7/03	335	390
Class III Bonds 2023	4.500%	7/03	960	1,180
	0.993%		6,870	7,580
2003 Series D				
Variable Rate Class I	0.159%	9/03	7,725	9,420
Class II Bonds 2033	5.450%	9/03		380
Class III Bonds 2023	5.450%	9/03		1,830
	0.666%		7,725	11,630
2003 Series E				
Variable Rate Class I	0.159%	10/03	7,570	7,570
Class II Bonds 2033	5.200%	10/03	410	545
Class III Bonds 2023	5.150%	10/03	1,810	2,085
	1.320%		9,790	10,200
2004 Series A				
Variable Rate Class I	0.159%	4/04	7,520	8,260
Class II Bonds 2034	4.800%	4/04	405	525
Class III Bonds 2024	4.750%	4/04	1,600	2,090
	1.169%		9,525	10,875
2004 Series B				
Class I Bonds 2004 -- 2035	0.159%	7/04	7,560	7,850
Variable Rate Class I	5.300%	7/04	290	370
Class II Bonds 2034	5.400%	7/04	840	1,135
Class III Bonds 2024	0.885%		8,690	9,355

5. Bonds, continued

Description and Due Date	Average Bond Yield	Delivery Date	2013	2012
2004 Series C				
Class I Bonds 2004 -- 2036	0.159%	9/04	9,445	9,445
Variable Rate Class I	5.200%	9/04	365	430
Class II Bonds 2035	5.350%	9/04	2,020	2,365
Class III Bonds 2025	1.225%		11,830	12,240
2004 Series D				
Variable Rate Class I	0.183%	11/04	9,690	11,580
Class III Bonds 2027	5.000%	11/04	2,410	3,265
	1.164%		12,100	14,845
2005 Series A				
Variable Rate Class I	0.164%	3/05	10,750	11,570
Class II Bonds 2027	4.600%	3/05	655	770
Class III Bonds 2022	4.550%	3/05	1,795	2,165
	0.980%		13,200	14,505
2005 Series B				
Class II Bonds 2035	5.000%	5/05	680	730
Class III Bonds 2025	5.000%	5/05	1,600	1,735
	5.000%		2,280	2,465
2005 Series C				
Class II Bonds 2036	4.800%	6/05	585	600
Class III Bonds 2026	4.800%	6/05	2,835	3,050
	4.800%		3,420	3,650
2005 Series D				
Variable Rate Class I	0.169%	8/05	10,330	10,330
Class II Bonds 2036	4.900%	8/05	445	525
Class III Bonds 2026	4.900%	8/05	1,965	2,445
	1.104%		12,740	13,300
2005 Series E				
Variable Rate Class I	0.150%	10/05	11,155	12,270
Class II Bonds 2036	4.875%	10/05	660	790
Class III Bonds 2026	4.875%	10/05	2,190	2,660
	1.140%		14,005	15,720
2005 Series F				
Class II Bonds 2036	5.000%	1/06	705	760
Class III Bonds 2026	5.000%	1/06	2,380	2,640
	5.000%		3,085	3,400
2006 Series A				
Class I Bonds 2008 -- 2037	4.228%	3/06		335
Class II Bonds 2036	4.875%	3/06	685	725
Class III Bonds 2026	4.875%	3/06	3,320	3,680
	4.875%		4,005	4,740

5. Bonds, continued

Description and Due Date	Average Bond Yield	Delivery Date	2013	2012
2006 Series B				
Class I Bonds 2008 -- 2037	4.719%	5/06	3,685	4,230
Class II Bonds 2036	5.050%	5/06	925	925
Class III Bonds 2026	5.000%	5/06	2,305	2,595
	4.858%		6,915	7,750
2006 Series C				
Class I Bonds 2008 -- 2038	4.490%	6/06		1,785
Class II Bonds 2037	5.100%	6/06	520	690
Class III Bonds 2027	5.100%	6/06	2,290	3,045
	5.053%		2,810	5,520
2006 Series D				
Class I Bonds 2008 -- 2038	4.587%	7/06	990	2,520
Class II Bonds 2037	5.200%	7/06	700	845
Class III Bonds 2027	5.200%	7/06	1,370	1,740
	4.988%		3,060	5,105
2006 Series E				
Class I Bonds 2008 -- 2038	4.493%	9/06	410	3,235
Variable Rate Class I	0.159%	9/06	11,545	12,390
Class II Bonds 2037	5.000%	9/06	695	835
Class III Bonds 2028	5.000%	9/06	3,645	4,585
	1.736%		16,295	21,045
2006 Series F				
Class I Bonds 2008 -- 2038	4.420%	11/06	2,855	5,070
Variable Rate Class I	0.159%	11/06	10,020	11,735
Class II Bonds 2037	4.800%	11/06	670	840
Class III Bonds 2028	4.800%	11/06	4,155	4,880
	2.151%		17,700	22,525
2006 Series G				
Class I Bonds 2009-- 2038	4.085%	1/07	370	3,395
Variable Rate Class I	0.159%	1/07	11,860	12,540
Class II Bonds 2037	4.650%	1/07	710	895
Class III Bonds 2028	4.600%	1/07	2,910	3,880
	1.413%		15,850	20,710
2007 Series A				
Class I Bonds 2009 -- 2038	4.368%	3/07	1,375	3,285
Variable Rate Class I	0.159%	3/07	11,175	12,905
Class II Bonds 2037	4.850%	3/07	450	515
Class III Bonds 2028	4.850%	3/07	530	620
	1.050%		13,530	17,325
2007 Series B				
Class I Bonds 2009 -- 2038	4.328%	4/07	3,660	5,030
Variable Rate Class I	0.159%	4/07	11,040	13,465
Class II Bonds 2037	4.750%	4/07	360	360
Class III Bonds 2028	4.600%	4/07	1,490	1,735
	1.543%		16,550	20,590

5. Bonds, continued

Description and Due Date	Average Bond Yield	Delivery Date	2013	2012
2007 Series C				
Class I Bonds 2009-- 2038	4.562%	5/07	5,690	7,000
Variable Rate Class I	0.159%	5/07	12,400	14,155
Class II Bonds 2037	4.900%	5/07	1,095	1,240
Class III Bonds 2028	4.750%	5/07	3,875	4,655
	2.238%		23,060	27,050
2007 Series D				
Class I Bonds 2009 -- 2038	4.353%	5/07	1,490	4,845
Variable Rate Class I	0.159%	5/07		17,020
Class II Bonds 2037	4.900%	5/07	390	920
Class III Bonds 2028	4.850%	5/07	4,510	7,135
	4.719%		6,390	29,920
2007 Series E				
Class I Bonds 2009 -- 2038	4.586%	6/07	3,305	6,715
Variable Rate Class I	0.159%	6/07		22,005
Class II Bonds 2037	4.950%	6/07	740	1,770
Class III Bonds 2028	4.850%	6/07	3,290	4,405
	4.737%		7,335	34,895
2007 Series F				
Class I Bonds 2009 -- 2039	4.929%	7/07	9,725	11,690
Variable Rate Class I	0.206%	7/07	-	27,495
Class II Bonds 2038	5.250%	7/07	650	2,005
Class III Bonds 2029	5.125%	7/07	5,420	7,530
	5.021%		15,795	48,720
2007 Series G				
Class I Bonds 2027 -- 2039	5.140%	8/07	475	8,150
Variable Rate Class I	0.206%	8/07	-	28,750
Class II Bonds 2038	5.200%	8/07	1,180	1,990
Class III Bonds 2029	5.125%	8/07	6,015	7,405
	5.137%		7,670	46,295
2007 Series H				
Class I Bonds 2027 -- 2039	5.478%	11/07	5,480	13,870
Variable Rate Class I	0.159%	11/07	-	29,505
Class II Bonds 2036	5.250%	11/07	1,710	3,290
Class III Bonds 2028	5.000%	11/07	6,485	6,960
	5.247%		13,675	53,625
2007 Series I				
Class I Bonds 2027 -- 2039	5.445%	9/07	4,855	10,500
Variable Rate Class I	0.206%	9/07	-	24,000
Class II Bonds 2036	5.500%	9/07	1,330	1,760
Class III Bonds 2028	5.375%	9/07	5,225	6,765
	5.419%		11,410	43,025

5. Bonds, continued

Description and Due Date	Average Bond Yield	Delivery Date	2013	2012
2007 Series J				
Class I Bonds 2027 -- 2039	5.145%	10/07	2,540	12,260
Variable Rate Class I	0.159%	10/07	-	30,000
Class II Bonds 2036	5.200%	10/07	1,530	2,010
Class III Bonds 2028	5.000%	10/07	5,740	6,510
	5.082%		9,810	50,780
2007 Series K				
Class I Bonds 2027 -- 2039	5.290%	12/07	2,070	7,975
Variable Rate Class I	0.205%	12/07	-	27,000
Class II Bonds 2036	5.375%	12/07	1,350	1,900
Class III Bonds 2028	5.200%	12/07	4,030	4,260
	5.260%		7,450	41,135
2008 Series A				
Class I Bonds 2010 -- 2039	4.988%	5/08	3,805	9,010
Class II Bonds 2036	5.850%	5/08	1,985	1,985
Class III Bonds 2028	5.700%	5/08	6,575	6,865
	5.495%		12,365	17,860
2008 Series B				
Class I Bonds 2010 -- 2039	5.278%	6/08	7,775	10,810
Class II Bonds 2036	5.550%	6/08	2,035	2,035
Class III Bonds 2028	5.400%	6/08	6,780	7,070
	5.361%		16,590	19,915
2008 Series C				
Class I Bonds 2010 -- 2039	0.159%	8/08	3,930	12,120
Variable Rate Class I	5.071%	8/08	19,790	21,635
Class II Bonds 2036	5.850%	8/08	1,280	1,895
Class III Bonds 2028	5.800%	8/08	6,465	6,920
	2.332%		31,465	42,570
2008 Series D				
Class I Bonds 2010 -- 2039	5.057%	10/08	11,875	13,825
Variable Rate Class I	14.300%	10/08	5,190	5,985
Class II Bonds 2036	5.450%	10/08	790	1,430
Class III Bonds 2028	5.350%	10/08	3,615	3,830
	3.930%		21,470	25,070
2009 Series A				
Class I Bonds 2010 -- 2039	4.076%	7/09	330	855
Variable Rate Class I	14.300%	7/09	71,910	77,480
Class III Bonds 2028	5.250%	7/09	3,765	4,640
	0.424%		76,005	82,975
2009 Series B				
Class I Bonds 2010 -- 2039	4.178%	7/09	3,230	8,910
Variable Rate Class I	0.143%	7/09	55,435	56,585
Class II Bonds 2036	5.550%	7/09	650	655
Class III Bonds 2028	5.650%	7/09	11,810	17,540
	1.439%		71,125	83,690

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

5. Bonds, continued

Description and Due Date	Average Bond Yield	Delivery Date	2013	2012
2009 Series C				
Class I Bonds 2010 -- 2039	3.820%	12/09	28,720	29,300
Class II Bonds 2036	4.950%	12/09	2,670	2,675
Class III Bonds 2028	4.500%	12/09	2,160	2,305
	3.955%	12/09	33,550	34,280
2009 Series 1				
Variable Rate Class I	0.000%	12/09		77,240
	0.000%			77,240
2010 Series A				
Class I Bonds 2012 -- 2041	3.049%	10/10	24,700	25,200
Class II Bonds 2032	4.375%	10/10	2,240	2,250
Class III Bonds 2024	4.000%	10/10	2,330	2,480
	3.226%		29,270	29,930
2012 Series A				
Variable Rate Class I	0.841%	11/12	199,610	
	0.841%		199,610	-
FHA Insured Housing Revenue Bonds:				
1998 Series A 1999 -- 2039	0.000%	12/98		8,485
2000 Series 2032	0.820%	5/00	5,115	5,270
2000 Series 2033	0.820%	10/01	4,105	4,215
2007 Series	5.900%	4/07	8,298	8,360
			17,518	26,330
Multifamily Housing/Refunding Bonds:				
1994 Series A 1995 -- 2024	0.000%	5/94		11,375
			-	11,375
Grant and Revenue Anticipation Bonds:				
2006 Series 2007-2024	4.856%	5/06	124,610	129,730
2008 Series A 2008-2026	4.968%	4/08	154,235	155,725
2009 Series A 2008-2026	4.861%	2/09	142,680	155,030
2010 Series A 2008-2026	5.893%	1/10	80,995	82,660
2011 Series A 2011-2029	4.732%	7/11	71,730	72,925
2012 Series A 2012-2030	3.855%	10/12	34,890	
	4.951%		609,140	596,070
Revenue Bonds:				
2011 Series Unemployment Compensation	4.353%	8/12	144,145	187,570
Interest Payable			26,255	33,540
Net Original (Discount)/Premium			26,583	29,764
TOTAL BONDS			1,799,601	2,127,359

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

5. Bonds, continued

* The Association periodically issues bonds to finance various multifamily housing developments in Idaho. As part of these bond financings, the Association acts as mortgagee in the creation of a mortgage loan that is pledged to the bond Trustee to secure repayment of the outstanding bonds. The bonds are limited obligations of the Association, and are secured by the respective mortgages on each development as well as a lien on all revenues as defined in each respective bond indenture. The Association does not have a financial stake in these bond transactions, other than the collection of fees related to its service as bond issuer, and does not guarantee the repayment of principal and interest on the outstanding bonds.

The bonds are either special or general obligations of the Association and do not constitute a debt of the State of Idaho or any political subdivision thereof. Each bond issue is secured by the pledge of repayments of mortgage loans purchased with the bond proceeds and of all revenue earned relating to those bonds.

Serial bonds and term bonds are subject to redemption at the option of the Association and subject to the terms of the respective bond indenture or bond resolution, in whole or in part, on various dates at prescribed redemption prices ranging from 100 to 103 percent. The bonds are also subject to special redemption from (i) unexpended proceeds of the bonds not committed to purchase mortgage loans, (ii) forfeited commitment fees, and (iii) early recoveries of principal and pledged receipts at any time.

The Association has issued debt in a variable rate mode. The bulk of the variable rate debt is re-marketed on a weekly basis by a Remarketing Agent, retained by the Association, to periodically re-market the debt at the prevailing interest rates.

GARVEE bonds and any interest due thereon are payable solely and only from federal highway funds received from the Federal Highway Administration through a continuous appropriation by the Idaho legislature. The Association assumes no liability if federal highway funds are not available for payment. The Idaho legislature has continuously appropriated amounts projected to be sufficient to meet principal and interest requirements on the Bonds. Such payments are provided for under a Master Financing Agreement dated as of October 13, 2005, as supplemented, among the Association, the Idaho Transportation Board, and the Idaho Transportation Department. The supplemental information to the financial statements provides additional disclosure.

The Association accumulates GARVEE project costs in a designated account and are reported, net of any pledged debt service receipts received, as the GARVEE highway project costs receivable, net on the Statement of Net Position. The reported amount represents actual program costs incurred and a claim to those highway funds committed through the continuous appropriation. As costs incur, investments are drawn upon for payment, resulting in an increase in the receivable and a decrease in Investments. Subsequently, as bonds mature, or otherwise, are retired or redeemed, the receivable and bonds decrease, representing a reduction in that claim. The Association anticipates the receivable initially increasing in subsequent years as further project costs are incurred and declining later as outstanding bonds mature, or otherwise, are retired or redeemed.

During fiscal year 2013, the Association redeemed $76.86 million of the Series 2009 1 bonds. These bonds were originally issued as part of New Issue Bond Program to assist the Association in its efforts to issue Mortgage Revenue Bonds. The market conditions anticipated to make the program effective never materialized and the Association elected to discontinue participation in the program. This redemption ended that participation.

The Association redeemed and reissued as the 2012A bonds the 2007D through 2007K variable rate demand obligations. The redemption and reissuance were at par with variable and fixed payments associated with underlying interest rate swap contracts matched to result in a $70,000 gain, which was used to offset underwriting costs. This current refunding exchanged variable rate demand obligations with indexed floating rate obligations, eliminating liquidity and remarketing risks associated with the original 2007D through 2007K bonds.

5. Bonds, continued

The scheduled principal debt service, including July 1, 2013 special redemptions, for the periods subsequent to, and as of, June 30, 2013, is as follows (in thousands):

	2014	2015	2016	2017	2018	2019 2023	2024- 2028
Single-Family Mortgage Bonds:							
1994 Series A	$ 145	$ 5				$ 50	$ 25
1994 Series F	40						
1995 Series C	85						
1995 Series E	70	15	$ 20	$ 10	$ 10	70	80
1995 Series H	100	20	30	20	20	100	105
1996 Series A	65		5				20
1996 Series D	185	5	10	5		5	30
1996 Series E	160	10	10	5		25	45
1996 Series F	75	20	25	25	10	90	100
1996 Series G	75	10	10	5		30	60
1996 Series H	215	20	30	25	20	120	150
1997 Series A	95	35	30	30	30	175	200
1997 Series B	370	20	10	20	20	100	85
1997 Series C	195	45	35	45	50	250	250
1997 Series D	155	15	10	10	10	50	100
1997 Series E	335	50	40	40	40	215	230
1997 Series F	310	60	60	55	60	300	365
1997 Series G	65	60	90	130	140	725	765
1997 Series H	315	35	30	30	30	155	185
1997 Series I	345	15	20	15	10	50	90
1998 Series A	165	20	20	30	25	130	195
1998 Series B	230	20	30	30	30	200	205
1998 Series C	315	65	105	90	70	350	350
1998 Series D	275	45	55	70	60	265	340
1998 Series E	210	60	60	60	60	305	390
1998 Series F	305	90	95	100	110	530	605
1998 Series G	215	50	60	70	70	375	385
1998 Series H	415	60	60	60	65	475	470
1998 Series I	430	60	75	70	70	520	525
1999 Series A	235	90	90	100	105	595	725
1999 Series B	385	50	55	60	60	350	375
1999 Series C	340	85	90	90	90	465	510
1999 Series D	455	90	100	105	110	535	580
1999 Series E	115	45	50	60	60	320	280
1999 Series F	245	70	80	80	80	455	465
1999 Series G	260	70	70	70	70	400	400
1999 Series H	180	40	50	60	70	320	350
2000 Series A	165	50	45	50	60	365	375
2000 Series B	140	100	60	70	80	470	455
2000 Series C	320	100	60	65	70	390	445
2000 Series D	160	115	70	70	70	400	485
2000 Series E	180	150	70	80	80	450	450
2000 Series F	635	235	225	255	270	1,000	1,505
2000 Series G	445	340	345	350	350	1,650	2,650
2001 Series A	725	295	295	300	300	1,325	1,860

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

5. Bonds, continued

The scheduled principal debt service, including July 1, 2013 special redemptions, for the periods subsequent to, and as of, June 30, 2013, is as follows (in thousands):

	2029-2033	2034-2038	2039-2043	TOTAL
Single-Family Mortgage Bonds:				
1994 Series A				$ 225
1994 Series F				40
1995 Series C				85
1995 Series E				275
1995 Series H				395
1996 Series A				90
1996 Series D				240
1996 Series E				255
1996 Series F				345
1996 Series G				190
1996 Series H				580
1997 Series A	$ 20			615
1997 Series B	10			635
1997 Series C	30			900
1997 Series D				350
1997 Series E	25			975
1997 Series F	70			1,280
1997 Series G	140			2,115
1997 Series H	40			820
1997 Series I	10			555
1998 Series A	55			640
1998 Series B	40			785
1998 Series C	105			1,450
1998 Series D	105			1,215
1998 Series E	90			1,235
1998 Series F	240			2,075
1998 Series G	125			1,350
1998 Series H	195			1,800
1998 Series I	205			1,955
1999 Series A	355			2,295
1999 Series B	190			1,525
1999 Series C	285			1,955
1999 Series D	270			2,245
1999 Series E	195			1,125
1999 Series F	275			1,750
1999 Series G	265			1,605
1999 Series H	200			1,270
2000 Series A	310			1,420
2000 Series B	310			1,685
2000 Series C	295			1,745
2000 Series D	325			1,695
2000 Series E	370			1,830
2000 Series F	1,065			5,190
2000 Series G	1,905			8,035
2001 Series A	1,765			6,865

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

5. Bonds, continued

(Dollars in thousands)

	2014	2015	2016	2017	2018	2019-2023	2024-2028
Single-Family Mortgage Bonds:							
2001 Series B	195	220	215	210	210	905	1,340
2001 Series C	665	265	290	260	250	1,225	1,910
2001 Series D	685	290	320	300	270	1,360	2,230
2001 Series E	240	190	205	185	170	895	1,090
2001 Series F	595	220	235	220	190	950	1,240
2002 Series A	710	310	325	315	295	1,330	1,390
2002 Series B	280	280	305	310	300	1,330	1,325
2002 Series C	725	285	315	310	290	1,350	1,325
2002 Series D	885	380	430	420	390	1,890	1,945
2002 Series E	760	245	280	295	310	1,350	1,320
2002 Series F	585	245	260	275	295	1,380	1,305
2002 Series G	255	230	230	245	265	1,310	1,005
2003 Series A	515	460	460	480	470	2,065	1,965
2003 Series B	240	385	395	410	420	1,770	1,705
2003 Series C	500	250	280	285	300	1,530	1,450
2003 Series D	325	265	265	270	275	1,545	1,845
2003 Series E	310	430	430	435	440	2,485	2,055
2004 Series A	365	220	365	370	375	2,150	2,045
2004 Series B	110	180	320	335	335	1,825	1,970
2004 Series C	315	275	475	470	470	2,630	2,540
2004 Series D	690	225	395	410	420	2,275	2,565
2005 Series A	505	80	300	420	470	2,745	2,755
2005 Series B	130	80	125	130	130	695	480
2005 Series C	130	130	165	200	210	1,270	835
2005 Series D	190	90	260	430	435	2,445	2,745
2005 Series E	585	90	260	440	460	2,595	2,995
2005 Series F	95	95	130	180	185	1,070	765
2006 Series A	185	140	135	240	250	1,390	1,075
2006 Series B	835	825	820	705	180	870	935
2006 Series C	360	220	235	240	115	615	575
2006 Series D	1,390	140	135	140	60	335	320
2006 Series E	1,005	260	300	465	455	2,705	3,255
2006 Series F	1,345	655	685	805	445	2,755	3,375
2006 Series G	1,605	120	125	245	375	2,260	2,785
2007 Series A	1,010	280	300	325	475	1,515	1,890
2007 Series B	560	595	630	650	930	3,170	3,180
2007 Series C	1,235	725	765	795	1,010	3,215	3,925
2007 Series D	2,475	385	420	445	515	835	1,055
2007 Series E	380	420	465	520	575	1,035	1,365
2007 Series F	2,490	1,150	1,210	1,295	1,380	2,030	2,590
2007 Series G	4,070	150	150	160	160	990	1,215
2007 Series H	3,760	310	315	360	365	2,185	2,690
2007 Series I	3,670	180	180	200	205	1,340	1,735
2007 Series J	3,830	185	200	220	225	1,350	1,720
2007 Series K	2,670	120	120	130	140	840	1,045
2008 Series A	2,250	600	655	635	695	2,480	2,625

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

5. Bonds, continued

(Dollars in thousands)

	2029-2033	2034-2038	2039-2043	TOTAL
Single-Family Mortgage Bonds:				
2001 Series B	1,245			4,540
2001 Series C	2,075			6,940
2001 Series D	3,300			8,755
2001 Series E	2,425			5,400
2001 Series F	2,800			6,450
2002 Series A	2,665	$ 335		7,675
2002 Series B	2,570	335		7,035
2002 Series C	2,700	355		7,655
2002 Series D	3,680	480		10,500
2002 Series E	2,475	615		7,650
2002 Series F	2,145	490		6,980
2002 Series G	1,740	360		5,640
2003 Series A	2,975	920		10,310
2003 Series B	2,420	960		8,705
2003 Series C	1,745	530		6,870
2003 Series D	2,200	735		7,725
2003 Series E	2,445	760		9,790
2004 Series A	2,340	1,295		9,525
2004 Series B	2,325	1,290		8,690
2004 Series C	2,755	1,900		11,830
2004 Series D	3,000	2,120		12,100
2005 Series A	3,200	2,725		13,200
2005 Series B	335	175		2,280
2005 Series C	300	180		3,420
2005 Series D	3,100	3,045		12,740
2005 Series E	3,320	3,260		14,005
2005 Series F	350	215		3,085
2006 Series A	345	245		4,005
2006 Series B	920	825		6,915
2006 Series C	250	200		2,810
2006 Series D	300	240		3,060
2006 Series E	3,525	4,325		16,295
2006 Series F	3,430	4,205		17,700
2006 Series G	3,550	4,785		15,850
2007 Series A	3,205	4,530		13,530
2007 Series B	3,180	3,655		16,550
2007 Series C	4,775	6,615		23,060
2007 Series D	175	85		6,390
2007 Series E	1,160	1,415		7,335
2007 Series F	1,675	1,975		15,795
2007 Series G	460	315		7,670
2007 Series H	1,560	2,130		13,675
2007 Series I	1,400	2,500		11,410
2007 Series J	885	1,195		9,810
2007 Series K	1,010	1,275	$ 100	7,450
2008 Series A	1,385	1,035	5	12,365

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

5. Bonds, continued

(Dollars in thousands)

	2014	2015	2016	2017	2018	2019-2023	2024-2028
Single-Family Mortgage Bonds:							
2008 Series B	2,835	660	680	705	745	2,920	3,195
2008 Series C	4,375	425	460	515	580	4,125	5,105
2008 Series D	1,110	605	625	650	695	3,205	3,490
2009 Series A	2,760	315	780	1,725	2,070	12,190	15,060
2009 Series B	6,585	610	605	660	725	10,860	11,620
2009 Series C	655	670	690	715	740	4,600	5,460
2010 Series A	520	535	545	570	590	3,670	4,390
2012 Series A	5,750	5,555	9,865	16,810	17,425	79,825	56,195
FHA Insured Housing Revenue Bonds:							
2000 Series							
2002 Series							
2007 Series							
Grant Revenue and Revenue Anticipation Bonds:							
2006 Series	5,710	6,355	7,060	7,820	8,635	57,785	31,245
2008 Series A	8,080	8,015	7,990	7,950	7,930	38,545	75,725
2009 Series A	5,915	6,190	6,460	6,720	7,035	40,790	69,570
2010 Series A	1,715	1,765	1,820	1,890	1,965	11,460	
2011 Series A	1,225	1,255	1,295	1,345	1,400	7,560	9,295
2012 Series A	1,405	1,440	1,485	1,530	1,585	8,960	10,875
Revenue Bonds;							
2011 Series Unemployment Compensation	46,130	47,940	50,075				
TOTAL	$ 152,425	$ 99,045	$ 109,095	$ 69,705	$ 72,240	$ 377,930	$ 402,980
Variable rate principal	$ 24,025	$ 10,430	$ 16,285	$ 24,815	$ 26,680	$ 141,510	$ 138,375
Interest:							
Fixed	$ 50,547	$ 47,108	$ 43,021	$ 39,896	$ 37,763	$ 154,993	$ 91,961
Variable	1,889	1,852	1,799	1,692	1,545	5,505	2,324
TOTAL	$ 52,436	$ 48,960	$ 44,820	$ 41,588	$ 39,308	$ 160,498	$ 94,285

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

5. Bonds, continued

(Dollars in thousands)

	2029-2033	2034-2038	2039-2044	TOTAL
Single-Family Mortgage Bonds:				
2008 Series B	2,235	2,450	165	16,590
2008 Series C	5,610	8,475	1,795	31,465
2008 Series D	3,900	5,935	1,255	21,470
2009 Series A	19,685	21,420		76,005
2009 Series B	14,015	22,940	2,505	71,125
2009 Series C	6,790	10,260	2,970	33,550
2010 Series A	5,570	8,590	4,290	29,270
2012 Series A	8,185	-	-	199,610
FHA Insured Housing Revenue Bonds:				
2000 Series	5,115			5,115
2002 Series	4,105			4,105
2007 Series			8,298	8,298
Grant Revenue and Revenue Anticipation Bonds:				
2006 Series				124,610
2008 Series A				154,235
2009 Series A				142,680
2010 Series A	60,380			80,995
2011 Series A	48,355			71,730
2012 Series A	7,610			34,890
Revenue Bonds;				
2011 Series Unemployment Compensation				144,145
TOTAL	$ 297,260	$ 144,700	$ 21,383	$ 1,746,763
Variable rate principal	$ 138,740	$ 100,115	$ 4,770	$ 625,745
Interest:				
Fixed	$ 22,734	$ 10,006	$ 2,087	$ 500,116
Variable	602	163	8	$ 17,379
TOTAL	$ 23,336	$ 10,169	$ 2,095	$ 517,495

5. Bonds, continued,

Long-term bond liability and short-term commercial paper activity for the years ended June 30, 2013 and 2012 was as follows (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One year
Par Bonds payable	$ 2,064,055	$ 237,495	$ (554,787)	$ 1,746,763	$ 152,425
Interest payable	33,540	57,450	(64,735)	26,255	26,255
Net Original (Discount)/Premium	29,764	3,566	(6,747)	26,583	6,804
Total Bonds payable at June 30, 2013	$ 2,127,359	$ 298,511	$ (626,269)	$ 1,799,601	$ 185,484
Par Bonds payable	$ 2,122,773	$ 260,495	$ (319,213)	$ 2,064,055	$ 265,945
Interest payable	30,642	65,559	(62,661)	33,540	33,540
Net Original (Discount)/Premium	18,676	18,589	(7,501)	29,764	778
Total Bonds payable at June 30, 2012	$ 2,172,091	$ 344,643	$ (389,375)	$ 2,127,359	$ 300,263
Commercial Paper at June 30, 2013	$ 50,000	$ 172,389	$ (172,389)	$ 50,000	$ 50,000
Commercial Paper at June 30, 2012	$ 50,000	$ 259,300	$ (259,300)	$ 50,000	$ 50,000

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

6. Redemption of Bonds

Special redemptions were made in the following bond issues (in thousands):

BOND SERIES REDEEMED	PAR VALUE OF BONDS REDEEMED		
	July 1, 2013	For the Year Ended June 30,2013	For the Year Ended June 30, 2012
Single-Family Mortgage Bonds			
1992 Series E			$ 90
1993 Series B		$ 180	365
1994 Series A	$ 130	140	320
1994 Series B			135
1994 Series C			215
1994 Series E			105
1994 Series F	35	40	35
1995 Series A			45
1995 Series B		315	105
1995 Series C	80	190	115
1995 Series D		25	180
1995 Series E	65	95	205
1995 Series F		235	210
1995 Series G		145	125
1995 Series H	90	210	295
1996 Series A	60	225	95
1996 Series B		80	185
1996 Series C		160	135
1996 Series D	175	100	145
1996 Series E	150	85	145
1996 Series F	55	190	295
1996 Series G	65	55	280
1996 Series H	195	295	120
1997 Series A	60	170	195
1997 Series B	340	120	240
1997 Series C	140	150	410
1997 Series D	145	90	285
1997 Series E	285	225	135
1997 Series F	240	130	285
1997 Series G		45	25
1997 Series H	280	275	365
1997 Series I	335	350	240
1998 Series A	140	335	585
1998 Series B	205	265	415
1998 Series C	230	425	515
1998 Series D	225	100	545
1998 Series E	155	410	440
1998 Series F	210	175	615
1998 Series G	160	165	600

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

6. Redemption of Bonds, continued

(Dollars in thousands):

BOND SERIES REDEEMED	PAR VALUE OF BONDS REDEEMED		
	July 1, 2013	For the Year Ended June 30,2013	For the Year Ended June 30, 2012
1998 Series H	350	550	510
1998 Series I	365	480	570
1999 Series A	145	530	450
1999 Series B	325	550	575
1999 Series C	255	265	390
1999 Series D	350	335	475
1999 Series E	90	335	300
1999 Series F	140	230	280
1999 Series G	160	275	10
1999 Series H	110	60	275
1999 Series I		1,165	105
2000 Series A	95	110	70
2000 Series B	0	145	230
2000 Series C	175	120	235
2000 Series D		75	210
2000 Series E	25	75	125
2000 Series F	380	905	690
2000 Series G		155	
2001 Series A	430	1,040	865
2001 Series B		95	60
2001 Series C	400	1,540	385
2001 Series D	385	1,385	1,610
2001 Series E		1,025	5,485
2001 Series F	375	1,330	1,545
2002 Series A	405	980	730
2002 Series B	5	180	15
2002 Series C	440	1,010	780
2002 Series D	475	1,170	180
2002 Series E	495	1,210	1,785
2002 Series F	335	900	580
2002 Series G	10	310	2,520
2003 Series A	50	630	560
2003 Series B	5	225	2,080
2003 Series C	345	670	960
2003 Series D	200	3,860	525
2003 Series E	55	370	2,305
2004 Series A	285	1,310	2,195
2004 Series B	80	645	3,025
2004 Series C	215	365	1,360
2004 Series D	615	2,705	1,040

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

6. Redemption of Bonds, continued

(Dollars in thousands):

BOND SERIES REDEEMED	PAR VALUE OF BONDS REDEEMED		
	July 1, 2013	For the Year Ended June 30,2013	For the Year Ended June 30, 2012
2005 Series A	420	1,260	2,010
2005 Series B	55	150	410
2005 Series C		180	405
2005 Series D	95	510	2,595
2005 Series E	495	1,665	1,850
2005 Series F		265	1,420
2006 Series A	45	590	2,205
2006 Series B		145	1,385
2006 Series C	125	2,175	2,125
2006 Series D	1,010	1,460	1,290
2006 Series E	765	4,265	3,200
2006 Series F	725	4,315	4,320
2006 Series G	1,420	4,360	3,385
2007 Series A	755	3,385	6,170
2007 Series B		3,530	5,055
2007 Series C	545	3,405	3,550
2007 Series D	2,805	6,200	2,540
2007 Series E	970	5,800	6,385
2007 Series F	2,535	6,250	10,855
2007 Series G	3,860	9,730	9,285
2007 Series H	3,440	9,805	8,445
2007 Series I	3,440	7,390	5,825
2007 Series J	3,615	10,800	9,665
2007 Series K	2,515	6,635	7,710
2008 Series A	1,500	4,810	6,480
2008 Series B	2,205	2,880	4,765
2008 Series C	3,600	10,235	8,840
2008 Series D	555	3,115	3,415
2009 Series A	2,445	6,740	9,345
2009 Series B	5,885	11,920	7,125
2009 Series C		150	
2009 Series 1			76,860
2010 Series A		215	
2012 Series A		2,995	
Multifamily Housing Bonds			
1994 A & B		11,375	3,030
Mallard Pointe			4,395
Blue Meadows		8,485	
	$ 58,645	$ 192,700	$ 272,270

7. Derivatives

The Association has entered into multiple interest rate swap agreements to reduce the Association's overall cost of borrowing long-term capital and protect against the risk of rising interest rates. To do this, the Association issued variable rate debt in connection with the same Single Family Mortgage Bond issues. The swap agreements, when combined with the associated variable rate debt, create a synthetic fixed rate debt obligation. From 2000 through 2008, the Association's use of these instruments allowed it to competitively price and acquire single-family loans while reducing interest rate risk.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* defines derivative instruments and requires that they be reported at fair value in the Statements of Net Position. The swap agreements the Association has entered into are characterized as derivatives. Offsetting changes in fair value are carried on the Statements of Net Position as either a deferred inflow or outflow or recognized in earnings of the current period as a change in investments fair value. Changes in fair value are reported depending on whether the derivative instrument is considered an effective hedge. Effective hedge fair value changes are reported as deferred inflows or outflows while non-effective hedge fair value changes are recognized in earnings in the current period. Statement No. 53 provides several methods for determining effectiveness.

The fair values of swap agreements were estimated by the Association's counterparties to the swaps and approximate the termination payments that would have been due had the swaps been terminated as of June 30, 2013. While key assumptions and methods used in deriving fair value are proprietary; in general, the fair values are determined as the difference between the present value of the fixed-rate payments made to the counterparty and the variable-rate (based on interest rates as of June 30, 2013) payments paid to the Association. A positive fair value represents the amount due the Association by the counterparty upon termination of the swap while a negative fair value represents the amount payable by the Association. Due to historically low interest rates, all of the Association's interest rate swaps had negative value as of June 30, 2013 and 2012. The fair value is reported in the Statements of Net Position in Other Liabilities of $84.01 million and $115.85 million, respectively.

The Association has determined that a substantial portion of its interest rate swaps effectively hedge against changes in variable interest rates. As such, changes in fair value for hedge swaps are reported as a deferred outflow of resources in the Statements of Net Position of $87.71 million. A portion of the interest rate swaps are considered non-effective for hedging purposes and are reported in the Statements of Net Position in Investments at $(3.8 million). This portion represents the notional amount of interest rate swaps that exceeds the notional amount of underlying variable debt.

The Association engaged an independent third party to verify the reasonableness of fair values of contracts as of June 30, 2013. The results from the verification correlated materially with the fair values provided by the Association's counterparties.

Credit risk: As of June 30, 2013, the Association is not exposed to credit risk on any outstanding swaps due to their negative fair values. If interest rates rise such that the variable rate the Association receives exceeds the fixed rate the Association pays, the Association will post a positive fair value. The Association would be exposed to credit risk to the extent of the positive fair value. The Association's counterparty has a current rating of A (Fitch), A2 (Moody's), and A (S&P).

Basis risk: All but five of the Association's swaps have a dual basis: Securities Industry and Financial Markets Association (SIFMA) index plus 20 (10 for the 2008D issue) basis points when the one-month London Interbank Offered Rate (LIBOR) is less than either 3.5% or 4.0% (depending on the bond series) and 68% of LIBOR when LIBOR is 3.5% or greater. Four non-dual basis swaps have a basis of SIFMA plus 20 basis points and one has a basis of LIBOR plus 71 or 76 basis points, depending on maturation date. The Association is exposed to basis risk on dual basis swaps when variable payments received are based on LIBOR and do not offset the variable rate paid on bonds, which is based on SIFMA. On June 30, 2013 SIFMA is 6 basis points and one-month LIBOR is 19 basis points.

7. Derivatives, continued

Rollover risk: Rollover risk relates to a mismatch in the amortization of the swaps with the amortization of the variable rate bonds. The Association has structured its debt such that not all variable debt is matched by interest rate swaps and calls certain variable rate bonds independent of the expiration of the associated interest rate swap. This exposes the Association to the risk of incurring a higher interest expense than it might otherwise incur. Swap notional amounts no longer associated with variable rate debt are reported as investment derivatives.

Termination risk: The Association or Barclays Capital may terminate an interest rate swap if the other party fails to perform under the terms of the contract. If any of the swaps are terminated, the associated variable rate bonds would no longer carry synthetic fixed interest rates and the Association would be exposed to changing interest rates and incurring interest rate risk. A termination event also results in the loss of hedge accounting, requiring all fair value deferrals to be recognized immediately. The economic risk also includes requiring making payments to the counter party to the extent of any negative fair value amounts. The risk may be offset by identifying a suitable counter party willing to enter into identical swap contracts at the termination date.

On January 1, 2013, the Association modified the terms of eight swap contracts (2007D through 2007K issues) to match the variable rate structure of the 2012A refunding issue. Statement No. 53 deems this event a terminating event such the fair value presented in the Deferred Outflow of Resources at the time of termination be amortized over the life of the new issue. The manner of the restructuring resulted in a present value gain to the Association of $70,000 and did not substantively change the Association’s economic position with its counter party. A deemed borrowing has been created, the result of higher off-market fixed rate being paid over the market requirements at the time of modification. This borrowing also is amortized identically to the Deferred Outflow amortization, resulting in no period gains or charges to income. The requirements of the accounting standard result in a dual presentation of the Deferred Outflow resources at both amortized and fair values and the presentation in the Deferred Inflow of Resources of an amount that reflect the change in the fair value of the modified contracts between January 1 and June 30, 2013. To present the fair value of the Association’s economic position with the counterparty, the difference between the amortized value and fair value of these contracts is presented as a nonoperating charge in the Statement of Revenue, Expense, and Changes in Net Position.

7. Derivatives, continued

Interest Rate Swap Agreements

	Outstanding Notional Amount		Fair Values		Change in Fair Values	
Series	Hedging	Investment	Hedging	Investment	Hedging	Investment
2000 Series F	4,115		(360)	(135)	343	(135)
2000 Series G	6,900	1,835	(930)	(627)	545	(79)
2001 Series A	5,910		(768)		269	
2001 Series B	3,820	2,515	(413)	(470)	220	78
2001 Series C	6,225		(853)		292	
2001 Series D	8,755		(1,271)	(79)	513	(79)
2001 Series E	5,400	3,355	(706)	(566)	230	184
2001 Series F	6,450		(882)		297	
2002 Series A	6,600		(870)	(132)	456	(132)
2002 Series B	6,055	600	(634)	(359)	451	(129)
2002 Series C	6,715		(893)	(87)	407	(87)
2002 Series D	9,250		(1,131)	(274)	722	(274)
2002 Series E	6,635		(874)		291	
2002 Series F	6,010		(693)		250	
2002 Series G	4,520	1,490	(553)	(243)	189	84
2003 Series A	8,645		(1,367)	(72)	531	(72)
2003 Series B	7,225	2,024	(903)	(179)	316	62
2003 Series C	4,750		(559)		218	
2003 Series D	7,725		(1,404)		455	
2003 Series E	7,570	155	(1,174)	(91)	396	33
2004 Series A	7,520	-	(1,079)		369	
2004 Series B	7,560	555	(1,247)	(118)	410	38
2004 Series C	7,815		(1,258)		407	
2004 Series D	9,610		(1,318)		511	
2005 Series A	9,890		(1,416)		549	
2005 Series B	9,700		(1,438)		541	
2005 Series C	9,845		(1,286)		521	
2005 Series D	10,330		(1,345)	(55)	512	22
2005 Series E	10,190		(1,473)		555	
2005 Series F	10,550		(1,655)		600	
2006 Series A	10,255		(1,626)		597	
2006 Series B	7,445		(1,210)		379	
2006 Series C	7,230		(1,174)		366	
2006 Series D	8,435		(1,414)		435	
2006 Series E	9,855		(1,549)		504	
2006 Series F	10,020		(1,422)		501	
2006 Series G	9,955		(1,333)		481	
2007 Series A	10,290		(1,498)		540	
2007 Series B	11,805	765	(1,495)	(103)	702	(103)
2007 Series C	12,400		(1,751)		646	

7. Derivatives, continued

Interest Rate Swap Agreements

Series	Fixed Rate Paid by IHFA	Variable Rate Received by IHFA from Interest Rate Contract Provider	Interest Rate Contract Provider	Credit Rating	Scheduled Termination Date	Inception Date
2000 Series F	5.3000%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2018	11/6/2008
2000 Series G	5.2500%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2021	11/6/2008
2001 Series A	4.7600%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2020	11/6/2008
2001 Series B	4.8660%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2020	11/6/2008
2001 Series C	4.8600%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2020	11/6/2008
2001 Series D	4.7300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2022	11/6/2008
2001 Series E	4.5300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2022	11/6/2008
2001 Series F	4.7000%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2021	11/6/2008
2002 Series A	5.0200%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2021	11/6/2008
2002 Series B	4.9500%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2021	11/6/2008
2002 Series C	4.8900%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2021	11/6/2008
2002 Series D	4.7100%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2022	11/6/2008
2002 Series E	4.4800%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2021	11/6/2008
2002 Series F	3.7900%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2024	11/6/2008
2002 Series G	4.1400%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2024	11/6/2008
2003 Series A	4.5190%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2026	11/6/2008
2003 Series B	4.0360%	SIFMA+.20%	Barclays Capital	A/A2	7/1/2024	11/6/2008
2003 Series C	3.7800%	SIFMA+.20%	Barclays Capital	A/A2	1/1/2025	11/6/2008
2003 Series D	4.8400%	SIFMA+.20%	Barclays Capital	A/A2	7/1/2025	11/6/2008
2003 Series E	4.5300%	SIFMA+.20%	Barclays Capital	A/A2	7/1/2025	11/6/2008
2004 Series A	4.0290%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2026	11/7/2008
2004 Series B	4.3700%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2027	11/7/2008
2004 Series C	4.3300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2025	11/7/2008
2004 Series D	3.8500%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2028	11/7/2008
2005 Series A	3.9000%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2029	11/7/2008
2005 Series B	3.9850%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2028	11/7/2008
2005 Series C	3.7300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2028	11/7/2008
2005 Series D	3.8650%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR	Barclays Capital	A/A2	7/1/2028	11/7/2008
2005 Series E	3.9300%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR	Barclays Capital	A/A2	1/1/2029	11/7/2008
2005 Series F	4.0950%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR	Barclays Capital	A/A2	1/1/2029	11/7/2008
2006 Series A	4.1000%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR	Barclays Capital	A/A2	1/1/2029	11/7/2008
2006 Series B	4.3500%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR	Barclays Capital	A/A2	7/1/2025	11/7/2008
2006 Series C	4.3600%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR	Barclays Capital	A/A2	1/1/2025	11/7/2008
2006 Series D	4.4500%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR	Barclays Capital	A/A2	1/1/2025	11/7/2008
2006 Series E	4.2800%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR	Barclays Capital	A/A2	1/1/2026	11/7/2008
2006 Series F	4.0300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2026	11/7/2008
2006 Series G	3.9100%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2026	11/7/2008
2007 Series A	4.0438%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2026	11/7/2008
2007 Series B	3.8950%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2027	11/7/2008
2007 Series C	3.9770%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	1/1/2027	11/7/2008

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

7. Derivatives, continued

Interest Rate Swap Agreements

	Outstanding Notional Amount		Fair Values		Change in Fair Values	
Series	Hedging	Investment	Hedging	Investment	Hedging	Investment
2008 Series A	24,000		(1,944)		(2,790)	-
2008 Series B	24,545		(2,403)		(381)	-
2008 Series C	17,385		(3,424)		88	-
2008 Series D	5,190	1,330	(4,844)	(169)	2,726	-
2012/07D Series A	14,340		(5,453)		4,024	129
2012/07E Series A	17,475		(3,639)		2,019	-
2012/07F Series A	21,815		(4,465)		3,904	-
2012/07G Series A	25,000		(3,675)		4,624	-
2012/07H Series A	29,505		(3,403)		2,843	-
2012/07I Series A	21,000		(2,885)		1,760	-
2012/07J Series A	26,250	495	(2,131)		(466)	-
2012/07K Series A	24,000		(519)		(4,030)	(3)
	$ 570,480	$ 15,119	$ (84,010)	$ (3,759)	$ 31,838	$ (463)

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

7. Derivatives, continued

Interest Rate Swap Agreements

Series	Fixed Rate Paid by IHFA	Variable Rate Received by IHFA from Interest Rate Contract Provider	Interest Rate Contract Provider	Credit Rating	Scheduled Termination Date	Inception Date
2008 Series A	3.7190%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2030	11/7/2008
2008 Series B	3.5950%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2029	11/7/2008
2008 Series C	3.7500%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2026	11/7/2008
2008 Series D	3.3680%	SIFMA+.10% (LIBOR < 3.5%)/68% LIBOR	Barclays Capital	A/A2	7/1/2026	10/2/2008
2012/07D Series A	4.8930%	LIBOR+.71%	Barclays Capital	A/A2	1/1/2026	11/7/2008
2012/07E Series A	4.9360%	LIBOR+.71%	Barclays Capital	A/A2	1/1/2026	11/7/2008
2012/07F Series A	5.2840%	LIBOR+.71%	Barclays Capital	A/A2	1/1/2026	11/7/2008
2012/07G Series A	5.3920%	LIBOR+.76%	Barclays Capital	A/A2	1/1/2030	11/7/2008
2012/07H Series A	5.1980%	LIBOR+.76%	Barclays Capital	A/A2	1/1/2030	11/7/2008
2012/07I Series A	5.1420%	LIBOR+.76%	Barclays Capital	A/A2	1/1/2030	11/7/2008
2012/07J Series A	5.1020%	LIBOR+.76%	Barclays Capital	A/A2	1/1/2030	11/7/2008
2012/07K Series A	4.9320%	LIBOR+.76%	Barclays Capital	A/A2	1/1/2030	11/7/2008

7. Derivatives, continued

At June 30, 2013, the Association has $113,000,000 in forward sales contracts ("To Be Announced" or "TBA" contracts) to issue GNMA securities in order to lock in the sales price for the securitization of single-family loans. These securities represent pools of qualified first mortgage loans originated by Association-approved lenders and brokers. Under this program, the Association periodically enters into forward contracts to sell GNMA Mortgage Backed Securities to investors before the securities are ready for delivery. The Association enters into TBA Mortgage-Backed Security Contracts to hedge the interest rate risk for loan commitments made to originating mortgage lenders. These contracts are considered investment derivatives and are not rated.

TBA Forward Contracts

Contract	Coupon rate	Outstanding Notional Amount	Fair Values	Counterparty Credit Rating
July 2013	3.00%	$ 10,000,000	$ 658,000	A+/A2
July 2013	3.00%	10,000,000	639,000	BBB/Baa
July 2013	3.00%	10,000,000	620,000	A/A2
July 2013	3.00%	5,000,000	151,000	A+/A2
July 2013	3.00%	10,000,000	(25,000)	BBB/Baa
August 2013	3.00%	10,000,000	533,000	A/A2
August 2013	3.00%	10,000,000	511,000	A+/A2
August 2013	3.00%	10,000,000	255,000	AAA/Aaa
August 2013	3.00%	10,000,000	245,000	A/A2
August 2013	3.50%	3,000,000	46,000	BBB/Baa
September 2013	3.00%	15,000,000	438,000	BBB+/Baa
September 2013	3.50%	10,000,000	(158,000)	AAA/Aaa
		$ 113,000,000	$ 3,913,000	

8. Retirement Plans

The Idaho Housing and Finance Association Defined Contribution Retirement Plan covers substantially all Association employees. The Association contributes eight percent of annual compensation for each eligible permanent employee to a segregated account held in trust by Wells Fargo Bank. Employees are eligible to participate in the retirement plan after completion of 1,040 hours of continuous employment, and 100 percent vesting is achieved ratably over a period of five years. Plan provisions and contribution requirements are established, and may be amended, by the Association. The Association's retirement plan expense for the years ending June 30, 2013 and 2012 were $615,000 and $579,000, respectively. Employees do not contribute to this Plan.

The Association also offers a deferred compensation plan qualified under Section 457 of the Internal Revenue Code. All employees who have completed 30 days of continuous employment with the Association are eligible to participate. The plan permits employees to defer up to 100 percent per year (or a maximum of $16,500 for those under 50 and $22,000 for those 50 and older), of salary before taxes. The Association will match up to two percent of the employee's deferral to be deposited into the employee's account and immediately vested. The Association's deferred compensation plan expense for the years ending June 30, 2013 and 2012 was $129,000 and $180,000, respectively. Investment choices for all contributions are employee-directed. The assets for these retirement plans are not included in the Association's financial statements as they are substantially the property of employees and are held in segregated trust accounts.

9. Conduit Debt Obligations

Interpretation No. 2 of the GASB requires disclosure of conduit debt obligations. Conduit debt obligations are certain limited obligation debt instruments issued for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. From time to time, the Association has issued bonds to provide financial assistance to entities for the construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying investments. Upon repayment of the bonds, ownership of the constructed facilities transfers to the entity served by the bond issuance. The Association is not obligated in any manner for repayment of these bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2013 and 2012 there were thirty-seven and thirty-five, respectively, series of bonds outstanding that meet the description of conduit debt obligations not included in the Association’s financial statements. They had aggregate principal amounts payable of $221,020,000 and $212,205,000, respectively.

The Association has included within the financial statements conduit debt obligations for housing and transportation-related bond issuances. The Association has determined that including these conduit debt obligations and related assets presents a more informed perspective of housing-related and relationship-significant debt obligations issued by the Association. The Association is not obligated in any manner for repayment of these housing and transportation related conduit debt obligations. The total outstanding indebtedness and accrued interest as of June 30, 2013 and 2012 is $813,448,000 and $850,712,000, respectively.

Since conduit debt by definition does not create net position to the Association, those issuances included within the financial statements with a net position have their net position reclassed to either an asset or a liability depending on the initial net position. To facilitate this reclass, a reporting classification titled “*Government and multifamily trusts' pledged revenues*” appears on the Statements of Revenues, Expenses, and Changes in Net Position. These amounts represent changes in net claims/(advance receipt(s)) to/(of) revenue sufficient to cover obligations and expenses of the issuance. Asset and liability amounts are reported in Other Assets and Other Liabilities in the Statements of Net Position, the Supplemental Financial Information Section (Bondholder Trusts, combined and detailed), and Footnote 11 (Multifamily and GARVEE bonds pledged revenues adjustment). Asset balances represent claims to future receipts sufficient to cover a shortfall between total receipts and total current obligations; liability balances represent receipt of total revenues that exceed what is sufficient and required for total current obligations.

IDAHO HOUSING AND FINANCE ASSOCIATION
Notes to Financial Statements

10. Capital Assets (in thousands)

A summary of activity in the Capital Assets is as follows:

	Balance at June 30, 2012	Additions	Reclass	Retirements	Balance at June 30, 2013
Capital assets:					
Land,	$ 993				$ 993
Buildings and improvements	9,655	$ 46	$ (70)		9,631
Furniture and equipment	2,817	363	70	$ (39)	3,211
Leasehold improvements	243	20			263
Computer software	1,423	38			1,461
Total capital assets	15,131	467	-	(39)	15,559
Less accumulated depreciation for:					
Land					
Buildings and improvements	(5,153)	(223)			(5,376)
Furniture and equipment	(2,180)	(336)		39	(2,477)
Leasehold improvements	(215)	(5)			(220)
Computer software	(1,311)	(47)			(1,358)
Total accumulated depreciation	(8,859)	(611)	-	39	(9,431)
Total capital assets, net	$ 6,272	$ (144)	$ -	$ -	$ 6,128

11. Other Assets and Liabilities

	2013		2012	
Other Assets:				
Accounts Receivable	$	1,246	$	1,199
Multifamily trusts' pledged revenues receivable		831		841
Prepaid expenses		777		2,028
REO mortgages receivable		17,165		20,536
	$	20,019	$	24,604

	2013		2012	
Other Liabilities				
Accounts Payable	$	192	$	193
Accrued vacation and other payroll related liabilities		554		453
Arbitrage rebate		1,818		2,749
Deferred buydowns		-		1
Federal programs advances and unapplied program income		2,486		2,146
Interest payable - Bonds		7,446		607
Multifamily trusts' pledged revenues payable				305
Security deposits		16		14
Unapplied payments		15,192		7,212
Other accrued liability		3,398		6,051
	$	31,102	$	19,731

12. Risk Management

The Association maintains commercial insurance coverage for officer errors and omissions, tort claims, and property loss and other casualties. The State Fund of Idaho, a competitive state fund, writes the Association's worker compensation coverage. The Association's premiums and loss experience modifications are based on the loss experience of the Association.

13. Commitments and Contingencies

The Association had filed an action against Genworth Mortgage Insurance Corporation in the Federal District Court of Idaho seeking a declaration of coverage for certain mortgage insurance and or damages for failure to pay on mortgage insurance policies. At this time there has been no counterclaim against the Association. During 2013, both parties resolved the issue and the Association withdrew its filing.

The Lehman Brothers Bankruptcy Estate, Southern Federal District Court of New York, has made a claim alleging that Lehman Brothers should have been paid a higher termination amount as a result of the Association's termination of its interest rate swap agreements. $29.85 million has been claimed and, in the opinion of the Association's legal counsel, the Association has a strong defense and will vigorously defend against the claim. In the opinion of management, any settlement will not have a material effect to the Association's financial position.

14. Component Units

The Housing Company (THC) and The Home Partnership Foundation (HPF) are legally separate 501(c)3 component units of the Association.

14. Component Units, continued

THC was formed to develop, acquire and operate real estate for the benefit of elderly, disadvantaged, limited-income or otherwise needy persons throughout the state of Idaho. As of December 31, 2012, THC had acquired and was operating fifteen multifamily housing complexes; had constructed and was operating ten multifamily housing complexes; had constructed two additional phases of housing to existing developments; had completed renovation of a hotel and turned into a new multifamily complex; had built a single family home known as The Cottage with HOME funds; had purchased land in Coeur d'Alene and Montpelier for the purpose of developing and selling workforce housing units; had purchased a single family home in Canyon County with federal NSP funds with intentions of turning it into special needs housing as intended by the program; and had purchased three duplexes in Canyon County with federal NSP funds to rent as affordable housing, and had purchased land in Twin Falls for the purpose of developing and operating a multifamily affordable housing complex. Certain personnel of the Association provide services to THC and an equal number of Association Commissioners serve on THC's Board. As of June 30, 2013, three Association Commissioners and the Association's President serve on THC's Board of Directors. THC pays all expenses associated with THC operations. THC paid the Association $877,500 and owed $71,000 for the year ended June 30, 2013. Complete financial statements for THC can be obtained from THC at P.O. Box 7899, Boise, ID 83707.

HPF helps people build a strong foundation for their lives through stable, safe, and affordable housing by making available financial resources they would not be able to obtain elsewhere. The Foundation supports shelters and shelter services for Idaho's homeless and most disadvantaged, encourages financial independence by educating individuals and families, invests in workforce housing, and facilitates tax-advantaged land donations for housing development. HPF's Board of Directors, consists primarily of Association Commissioners plus one non-Association Commission member. Certain general, administrative and fundraising expenses of the Foundation are paid by the Association. The Association also provides occupancy, accounting, gift receipting and cash management services to the Foundation. The value of these services is not reflected in the accompanying financial statements since they are not susceptible to objective measurement or valuation. Complete financial statements for HPF can be obtained from HPF at P.O. Box 7899, Boise, ID 83707.

THC processes and pays vendor invoices for a townhome project, Valley Centre Townhomes, owned by the Association and 50 IHFA owned REO rental properties. The Association reimburses THC for amounts paid on a quarterly basis.

IDAHO HOUSING AND FINANCE ASSOCIATION

Supplemental Financial Information

The following schedules present the separate financial accounts of the Association as required by bond resolutions, bond indentures, and federal program regulations. After considering certain interfund and inter-component unit eliminations, the accounts combine to the Association's Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position for the Year Ended June 30, 2013

Association Accounts (in thousands)

	Business Operations			
	General Operating Account	Federally Assisted Program	Combined	Affordable Housing Investment Trust
Statement of Net Position				
ASSETS AND DEFERRED OUTFLOW OF RESOURCES				
Cash and Cash Equivalents	$ 47,381	$ 11,453	$ 58,834	
Investments	3,922		3,922	9,889
Loans Held for Investment, net	2,249	7,158	9,407	31,232
Loans available for sale	97,796		97,796	
GARVEE highway project costs receivable, net				
Employment Security Reserve Fund receivable				
Property and Equipment	4,817	1,311	6,128	
Other Assets	382,928	216	383,144	144
Deferred Outflow---Interest Rate Swap Contracts				
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 539,093	$ 20,138	$ 559,231	$ 41,265
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION				
Bonds				
Commercial Paper	$ 50,000		$ 50,000	
Swap Contract Fair Value Liability				
Interest Payable-Swap Contract				
Escrow and Project Reserve Deposits	8,056	$ 318	8,374	
Other Liabilities	462,388	3,911	466,299	$ 3,235
Deferred Inflow---Interest Rate Swap Contracts				
Net Position	18,649	15,909	34,558	38,030
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	$ 539,093	$ 20,138	$ 559,231	$ 41,265
Statement of Revenues, Expenses and Changes in Net Position				
OPERATING REVENUES				
Interest on Loans	$ 2,802	$ 7	$ 2,809	$ 1,586
Interest on Investments	(74)		(74)	24
Contract and Grant Administration Fees	9,330		9,330	
Gains on Loan Sales	28,831		28,831	
Loan Servicing Fees	8,428		8,428	68
Multifamily and GARVEE bonds pledged revenues				
Other	1,173	9,014	10,187	32
TOTAL OPERATING REVENUES	50,490	9,021	59,511	1,710
OPERATING EXPENSES				
Interest	232		232	
Salaries and Benefits	9,926	254	10,180	
General Operating	29,351	1,149	30,500	745
Bond financing costs				
Grants to Others				665
Loss on Real Estate Owned Properties	91		91	
Provision for loan loss				
Other	552	74	626	30
TOTAL OPERATING EXPENSES	40,152	1,477	41,629	1,440
OPERATING INCOME	10,338	7,544	17,882	270
NONOPERATING REVENUES AND EXPENSES				
Net Increase (Decrease) in Fair Value of Investments	3,913		3,913	(2)
Net change between swap contract amortized and fair value				
Federal Pass-Through Revenues		46,490	46,490	
Federal Pass-Through Expenses		(46,465)	(46,465)	
TOTAL NONOPERATING REVENUES AND EXPENSES	3,913	25	3,938	(2)
CHANGE IN NET POSITION	14,251	7,569	21,820	268
NET POSITION, Beginning of Period, as restated	6,887	5,851	12,738	37,762
TRANSFERS	(2,489)	2,489	-	
NET POSITION, End of Period	$ 18,649	$ 15,909	$ 34,558	$ 38,030

(1) The detail of the Combined Bondholder Trusts is presented on pages 65-86.

IDAHO HOUSING AND FINANCE ASSOCIATION
Supplemental Financial Information

Association Accounts (in thousands)

	Bond Rating Compliance and Loan Guarantee Trust	Combined Bondholder Trusts (1)	Interfund Eliminations	All Association Accounts
Statement of Net Position				
ASSETS AND DEFERRED OUTFLOW OF RESOURCES				
Cash and Cash Equivalents		$ 82,378		$ 141,212
Investments	$ 47,185	261,184		322,180
Loans Held for Investment, net	31,166	723,777		795,582
Loans available for sale				97,796
GARVEE highway project costs receivable, net		576,142		576,142
Employment Security Reserve Fund receivable		152,940		152,940
Property and Equipment				6,128
Other Assets	67,124	342,451	$ (772,844)	20,019
Deferred Outflow---Interest Rate Swap Contracts		87,705		87,705
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 145,475	$ 2,226,577	$ (772,844)	$ 2,199,704
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION				
Bonds		$ 1,799,601		$ 1,799,601
Commercial Paper				50,000
Swap Contract Fair Value Liability		84,010		84,010
Interest Payable-Swap Contract		13,172		13,172
Escrow and Project Reserve Deposits				8,374
Other Liabilities	$ 7,399	327,004	$ (772,844)	31,093
Deferred Inflow---Interest Rate Swap Contracts		4,987		4,987
Net Position	138,076	(2,197)	-	208,467
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	$ 145,475	$ 2,226,577	$ (772,844)	$ 2,199,704
Statement of Revenues, Expenses and Changes in Net Position				
OPERATING REVENUES				
Interest on Loans	$ 2,415	$ 43,396		$ 50,206
Interest on Investments	737	6,593		7,280
Contract and Grant Administration Fees			$ (2,821)	6,509
Gains on Loan Sales				28,831
Loan Servicing Fees	79	3,834	(2,242)	10,167
Multifamily and GARVEE bonds pledged revenues		29,252		29,252
Other	417	6,611		17,247
TOTAL OPERATING REVENUES	3,648	89,686	(5,063)	149,492
OPERATING EXPENSES				
Interest	2,537	86,570		89,339
Salaries and Benefits				10,180
General Operating	1,591	3,325	(5,063)	31,098
Bond financing costs		352		352
Grants to Others				665
Loss on Real Estate Owned Properties				91
Provision for loan loss				-
Other				656
TOTAL OPERATING EXPENSES	4,128	90,247	(5,063)	132,381
OPERATING INCOME	(480)	(561)	-	17,111
NONOPERATING REVENUES AND EXPENSES				
Net Increase (Decrease) in Fair Value of Investments	(739)	(8,614)		(5,442)
Net change between swap contract amortized and fair value		(1,225)		(1,225)
Federal Pass-Through Revenues				46,490
Federal Pass-Through Expenses				(46,465)
TOTAL NONOPERATING REVENUES AND EXPENSES	(739)	(9,839)	-	(6,642)
CHANGE IN NET POSITION	(1,219)	(10,400)	-	10,469
NET POSITION, Beginning of Period, as restated	119,270	28,228		197,998
TRANSFERS	20,025	(20,025)		-
NET POSITION, End of Period	$ 138,076	$ (2,197)	$ -	$ 208,467

(1) The detail of the Combined Bondholder Trusts is presented on pages 65-86.

IDAHO HOUSING AND FINANCE ASSOCIATION
Supplemental Financial Information

Association Accounts (in thousands)

	The Home Partnership Foundation	Inter-Component Unit Eliminations	All Reporting Entity Accounts
Statement of Net Position			
ASSETS AND DEFERRED OUTFLOW OF RESOURCES			
Cash and Cash Equivalents	$ 1,440		$ 142,652
Investments			322,180
Loans Held for Investment, net	390		795,972
Loans available for sale			97,796
GARVEE highway project costs receivable, net			576,142
Employment Security Reserve Fund receivable			152,940
Property and Equipment			6,128
Other Assets			20,019
Deferred Outflow---Interest Rate Swap Contracts			87,705
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 1,830	$ -	$ 2,201,534
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION			
Bonds			$ 1,799,601
Commercial Paper			50,000
Swap Contract Fair Value Liability			84,010
Interest Payable-Swap Contract			13,172
Escrow and Project Reserve Deposits			8,374
Other Liabilities	$ 9		31,102
Deferred Inflow---Interest Rate Swap Contracts			4,987
Net Position	1,821	-	210,288
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	$ 1,830	$ -	$ 2,201,534
Statement of Revenues, Expenses and Changes in Net Position			
OPERATING REVENUES			
Interest on Loans			$ 50,206
Interest on Investments			7,280
Contract and Grant Administration Fees			6,509
Gains on Loan Sales			28,831
Loan Servicing Fees			10,167
Multifamily and GARVEE bonds pledged revenues			29,252
Other	$ 1,230	$ (665)	17,812
TOTAL OPERATING REVENUES	1,230	(665)	150,057
OPERATING EXPENSES			
Interest			89,339
Salaries and Benefits	106		10,286
General Operating	25		31,123
Bond financing costs			352
Grants to Others	1,021	(665)	1,021
Loss on Real Estate Owned Properties			91
Provision for loan loss	19		19
Other			656
TOTAL OPERATING EXPENSES	1,171	(665)	132,887
OPERATING INCOME	59	-	17,170
NONOPERATING REVENUES AND EXPENSES			
Net Increase (Decrease) in Fair Value of Investments			(5,442)
Net change between swap contract amortized and fair value			(1,225)
Federal Pass-Through Revenues			46,490
Federal Pass-Through Expenses			(46,465)
TOTAL NONOPERATING REVENUES AND EXPENSES	-	-	(6,642)
CHANGE IN NET POSITION	59	-	10,528
NET POSITION, Beginning of Period, as restated	1,762		199,760
TRANSFERS	-		-
NET POSITION, End of Period	$ 1,821	$ -	$ 210,288

(1) The detail of the Combined Bondholder Trusts is presented on pages 65-86.

IDAHO HOUSING AND FINANCE ASSOCIATION
Supplemental Financial Information

Combined Bondholder Trusts (in thousands)

	1992E Single-Family Mortgage Bond	1993B Single-Family Mortgage Bond	1994A Single-Family Mortgage Bond	1994B Single-Family Mortgage Bond	1994C Single-Family Mortgage Bond	1994D Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents			$ 147			
Investments			72			
Loans Held for Investment, net			1,069			
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets			25			
Deferred Outflow--Interest Rate Swap Contracts						
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ -	$ -	$ 1,313	$ -	$ -	$ -
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION						
Bonds			$ 232			
Swap Contract Fair Value Liability						
Interest Payable-Swap Contract						
Other Liabilities			52			
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	-	-	1,029	-	-	-
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ -	$ -	$ 1,313	$ -	$ -	$ -
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans		$ 30	$ 73			$ 2
Interest on Investments		3	1			
Loan Servicing Fees		2	4			
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	-	35	78	-	-	2
OPERATING EXPENSES						
Interest		6	18			
General Operating		1	3			
Bond Financing Costs						
Other						
TOTAL OPERATING EXPENSES	-	7	21	-	-	-
OPERATING INCOME	-	28	57	-	-	2
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments		(3)	(6)			
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	-	(3)	(6)	-	-	-
CHANGE IN NET POSITION	-	25	51	-	-	2
NET POSITION, Beginning of Period, as restated	$ (2)	877	978	$ (5)	$ (5)	1,119
TRANSFERS	2	(902)		5	5	(1,121)
NET POSITION, End of Period	$ -	$ -	$ 1,029	$ -	$ -	$ -

(2) The combined totals for Bondholder Trusts are presented on page 63.

IDAHO HOUSING AND FINANCE ASSOCIATION
Supplemental Financial Information

Combined Bondholder Trusts, continued (in thousands)

	1994E Single-Family Mortgage Bond	1994F Single-Family Mortgage Bond	1995A Single-Family Mortgage Bond	1995B Single-Family Mortgage Bond	1995C Single-Family Mortgage Bond	1995D Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents		$ 42			$ 88	
Investments		143			80	
Loans Held for Investment, net		562			571	
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets		-			39	
Deferred Outflow--Interest Rate Swap Contracts						
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ -	$ 747	$ -	$ -	$ 778	$ -
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION						
Bonds		$ 42			$ 88	
Swap Contract Fair Value Liability						
Interest Payable-Swap Contract						
Other Liabilities		98			10	
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	-	607	-	-	680	-
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ -	$ 747	$ -	$ -	$ 778	$ -
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans		$ 47		$ 40	$ 49	$ 26
Interest on Investments		(2)		3	12	7
Loan Servicing Fees		2		2	2	2
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	-	47	-	45	63	35
OPERATING EXPENSES						
Interest		6		6	13	2
General Operating		1		3	2	1
Bond Financing Costs						
Other						
TOTAL OPERATING EXPENSES	-	7	-	9	15	3
OPERATING INCOME	-	40	-	36	48	32
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments		(2)		(5)	(7)	
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	-	(2)	-	(5)	(7)	-
CHANGE IN NET POSITION	-	38	-	31	41	32
NET POSITION, Beginning of Period, as restated	$ (6)	569	$ (5)	839	639	769
TRANSFERS	6		5	(870)		(801)
NET POSITION, End of Period	$ -	$ 607	$ -	$ -	$ 680	$ -

(2) The combined totals for Bondholder Trusts are presented on page 63.

IDAHO HOUSING AND FINANCE ASSOCIATION
Supplemental Financial Information

Combined Bondholder Trusts, continued (in thousands)

	1995E Single-Family Mortgage Bond	1995F Single-Family Mortgage Bond	1995G Single-Family Mortgage Bond	1995H Single-Family Mortgage Bond	1996A Single-Family Mortgage Bond	1996B Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	$ 79			$ 112	$ 68	
Investments	29			144	16	
Loans Held for Investment, net	900			1,067	762	
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets	(1)	$ 2		-	-	
Deferred Outflow--Interest Rate Swap Contracts						
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 1,007	$ 2	$ -	$ 1,323	$ 846	$ -
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION						
Bonds	$ 284			$ 407	$ 93	
Swap Contract Fair Value Liability						
Interest Payable-Swap Contract						
Other Liabilities	5	$ 2		4	9	
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	718		-	912	744	-
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 1,007	$ 2	$ -	$ 1,323	$ 846	$ -
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 65	$ 37	$ 26	$ 79	$ 53	$ 28
Interest on Investments	8	6	9	12	9	8
Loan Servicing Fees	3	2	1	4	3	2
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	76	45	36	95	65	38
OPERATING EXPENSES						
Interest	22	4	1	30	10	2
General Operating	2		1	2	2	
Bond Financing Costs						
Other						
TOTAL OPERATING EXPENSES	24	4	2	32	12	2
OPERATING INCOME	52	41	34	63	53	36
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	(5)	(5)	(1)	(7)	(5)	(2)
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	(5)	(5)	(1)	(7)	(5)	(2)
CHANGE IN NET POSITION	47	36	33	56	48	34
NET POSITION, Beginning of Period, as restated	671	786	737	856	696	619
TRANSFERS		(822)	(770)			(653)
NET POSITION, End of Period	$ 718	$ -	$ -	$ 912	$ 744	$ -

(2) The combined totals for Bondholder Trusts are presented on page 63.

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Combined Bondholder Trusts, continued (in thousands)

	1996C Single-Family Mortgage Bond	1996D Single-Family Mortgage Bond	1996E Single-Family Mortgage Bond	1996F Single-Family Mortgage Bond	1996G Single-Family Mortgage Bond	1996H Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents		$ 193	$ 168	$ 81	$ 81	$ 228
Investments		39	31	35	11	39
Loans Held for Investment, net		703	681	1,015	821	1,042
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets		(1)	-	-	59	-
Deferred Outflow--Interest Rate Swap Contracts						
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ -	$ 934	$ 880	$ 1,131	$ 972	$ 1,309
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION						
Bonds		$ 248	$ 263	$ 356	$ 196	$ 598
Swap Contract Fair Value Liability						
Interest Payable-Swap Contract						
Other Liabilities		13	25	10	7	13
Deferred Inflow--Interest Rate Swap Contracts						
Net Position		673	592	765	769	698
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ -	$ 934	$ 880	$ 1,131	$ 972	$ 1,309
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 21	$ 52	$ 52	$ 72	$ 62	$ 77
Interest on Investments	12	19	13	10	6	16
Loan Servicing Fees	1	2	2	3	3	4
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	34	73	67	85	71	97
OPERATING EXPENSES						
Interest	2	20	18	27	15	45
General Operating		2	2	3	2	2
Bond Financing Costs						
Other						
TOTAL OPERATING EXPENSES	2	22	20	30	17	47
OPERATING INCOME	32	51	47	55	54	50
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	(3)	(7)	(6)	(7)	(4)	(12)
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	(3)	(7)	(6)	(7)	(4)	(12)
CHANGE IN NET POSITION	29	44	41	48	50	38
NET POSITION, Beginning of Period, as restated	564	631	553	717	719	660
TRANSFERS	(593)	(2)	(2)			
NET POSITION, End of Period	$ -	$ 673	$ 592	$ 765	$ 769	$ 698

(2) The combined totals for Bondholder Trusts are presented on page 63.

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Combined Bondholder Trusts, continued (in thousands)

	1997A Single-Family Mortgage Bond	1997B Single-Family Mortgage Bond	1997C Single-Family Mortgage Bond	1997D Single-Family Mortgage Bond	1997E Single-Family Mortgage Bond	1997F Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	$ 94	$ 379	$ 197	$ 166	$ 344	$ 318
Investments	44	28	114	83	121	260
Loans Held for Investment, net	1,203	1,009	1,329	820	1,272	1,762
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets	-	-	-	-	70	59
Deferred Outflow--Interest Rate Swap Contracts						
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 1,341	$ 1,416	$ 1,640	$ 1,069	$ 1,807	$ 2,399
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION						
Bonds	$ 634	$ 654	$ 927	$ 361	$ 1,004	$ 1,318
Swap Contract Fair Value Liability						
Interest Payable-Swap Contract						
Other Liabilities	8	28	12	19	14	125
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	699	734	701	689	789	956
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 1,341	$ 1,416	$ 1,640	$ 1,069	$ 1,807	$ 2,399
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 81	$ 76	$ 97	$ 63	$ 101	$ 131
Interest on Investments	9	18	14	5	22	9
Loan Servicing Fees	4	4	5	3	5	7
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	94	98	116	71	128	147
OPERATING EXPENSES						
Interest	42	40	59	26	67	80
General Operating	2	3	2	2	3	3
Bond Financing Costs						
Other						
TOTAL OPERATING EXPENSES	44	43	61	28	70	83
OPERATING INCOME	50	55	55	43	58	64
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	(8)	(11)	(11)	(6)	(16)	(17)
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	(8)	(11)	(11)	(6)	(16)	(17)
CHANGE IN NET POSITION	42	44	44	37	42	47
NET POSITION, Beginning of Period, as restated	657	690	657	654	785	909
TRANSFERS				(2)	(38)	
NET POSITION, End of Period	$ 699	$ 734	$ 701	$ 689	$ 789	$ 956

(2) The combined totals for Bondholder Trusts are presented on page 63.

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Combined Bondholder Trusts, continued (in thousands)

	1997G Single-Family Mortgage Bond	1997H Single-Family Mortgage Bond	1997I Single-Family Mortgage Bond	1998A Single-Family Mortgage Bond	1998B Single-Family Mortgage Bond	1998C Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	$ 96	$ 323	$ 389	$ 144	$ 241	$ 322
Investments	1,729	124	23	82	128	179
Loans Held for Investment, net	1,328	1,472	1,232	1,541	1,620	1,944
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets	1	-	-	-	-	-
Deferred Outflow--Interest Rate Swap Contracts						
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 3,154	$ 1,919	$ 1,644	$ 1,767	$ 1,989	$ 2,445
LIABILITIES, DEFERRED INFLOW OF RESOURCES						
Bonds	$ 2,176	$ 843	$ 571	$ 647	$ 806	$ 1,487
Swap Contract Fair Value Liability						
Interest Payable-Swap Contract						
Other Liabilities	17	11	11	6	8	12
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	961	1,065	1,062	1,114	1,175	946
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 3,154	$ 1,919	$ 1,644	$ 1,767	$ 1,989	$ 2,445
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 93	$ 105	$ 88	$ 96	$ 103	$ 126
Interest on Investments	83	17	54	48	44	40
Loan Servicing Fees	5	6	4	5	6	7
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	181	128	146	149	153	173
OPERATING EXPENSES						
Interest	125	55	38	45	50	81
General Operating	3	5	3	4	3	4
Bond Financing Costs				1		
Other						
TOTAL OPERATING EXPENSES	128	60	41	50	53	85
OPERATING INCOME	53	68	105	99	100	88
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	(16)	(17)	(14)	(12)	(13)	(19)
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	(16)	(17)	(14)	(12)	(13)	(19)
CHANGE IN NET POSITION	37	51	91	87	87	69
NET POSITION, Beginning of Period, as restated	933	1,014	971	1,027	1,088	877
TRANSFERS	(9)					
NET POSITION, End of Period	$ 961	$ 1,065	$ 1,062	$ 1,114	$ 1,175	$ 946

(2) The combined totals for Bondholder Trusts are presented on page 63.

Combined Bondholder Trusts, continued (in thousands)

	1998D Single-Family Mortgage Bond	1998E Single-Family Mortgage Bond	1998F Single-Family Mortgage Bond	1998G Single-Family Mortgage Bond	1998H Single-Family Mortgage Bond	1998I Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	$ 289	$ 219	$ 316	$ 226	$ 431	$ 451
Investments	215	164	199	187	105	260
Loans Held for Investment, net	1,541	1,659	2,215	1,794	2,248	2,344
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets	104		1	4	24	48
Deferred Outflow--Interest Rate Swap Contracts						
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 2,149	$ 2,042	$ 2,731	$ 2,211	$ 2,808	$ 3,103
LIABILITIES, DEFERRED INFLOW OF RESOURCES						
Bonds	$ 1,249	$ 1,269	$ 2,131	$ 1,386	$ 1,846	$ 2,006
Swap Contract Fair Value Liability						
Interest Payable-Swap Contract						
Other Liabilities	88	69	52	59		31
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	812	704	548	766	962	1,066
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 2,149	$ 2,042	$ 2,731	$ 2,211	$ 2,808	$ 3,103
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 110	$ 107	$ 140	$ 117	$ 142	$ 151
Interest on Investments	14	5	17	9	33	28
Loan Servicing Fees	6	6	7	6	8	9
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	130	118	164	132	183	188
OPERATING EXPENSES						
Interest	72	72	118	79	108	115
General Operating	4	4	3	3	5	5
Bond Financing Costs						
Other						
TOTAL OPERATING EXPENSES	76	76	121	82	113	120
OPERATING INCOME	54	42	43	50	70	68
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	(13)	(15)	(20)	(14)	(24)	(26)
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	(13)	(15)	(20)	(14)	(24)	(26)
CHANGE IN NET POSITION	41	27	23	36	46	42
NET POSITION, Beginning of Period, as restated	771	679	525	730	917	1,027
TRANSFERS		(2)			(1)	(3)
NET POSITION, End of Period	$ 812	$ 704	$ 548	$ 766	$ 962	$ 1,066

(2) The combined totals for Bondholder Trusts are presented on page 63.

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Combined Bondholder Trusts, continued (in thousands)

	1999A Single-Family Mortgage Bond	1999B Single-Family Mortgage Bond	1999C Single-Family Mortgage Bond	1999D Single-Family Mortgage Bond	1999E Single-Family Mortgage Bond	1999F Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	$ 249	$ 405	$ 351	$ 471	$ 137	$ 246
Investments	318	218	222	211	139	284
Loans Held for Investment, net	2,486	1,750	2,166	2,593	1,221	1,844
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets	70	2	2			
Deferred Outflow--Interest Rate Swap Contracts						
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 3,123	$ 2,375	$ 2,741	$ 3,275	$ 1,497	$ 2,374
LIABILITIES, DEFERRED INFLOW OF RESOURCES						
Bonds	$ 2,354	$ 1,565	$ 2,006	$ 2,305	$ 1,157	$ 1,801
Swap Contract Fair Value Liability						
Interest Payable-Swap Contract						
Other Liabilities	53	53	50	90	53	62
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	716	757	685	880	287	511
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 3,123	$ 2,375	$ 2,741	$ 3,275	$ 1,497	$ 2,374
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 157	$ 120	$ 137	$ 170	$ 85	$ 130
Interest on Investments	18	23	15	30	17	14
Loan Servicing Fees	9	7	8	9	4	7
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	184	150	160	209	106	151
OPERATING EXPENSES						
Interest	127	94	107	131	76	110
General Operating	5	4	4	5	2	5
Bond Financing Costs						
Other						
TOTAL OPERATING EXPENSES	132	98	111	136	78	115
OPERATING INCOME	52	52	49	73	28	36
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	(23)	(27)	(20)	(29)	(18)	(21)
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	(23)	(27)	(20)	(29)	(18)	(21)
CHANGE IN NET POSITION	29	25	29	44	10	15
NET POSITION, Beginning of Period, as restated	687	736	656	838	277	496
TRANSFERS		(4)		(2)		
NET POSITION, End of Period	$ 716	$ 757	$ 685	$ 880	$ 287	$ 511

(2) The combined totals for Bondholder Trusts are presented on page 63.

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Combined Bondholder Trusts, continued (in thousands)

	1999G Single-Family Mortgage Bond	1999H Single-Family Mortgage Bond	1999I Single-Family Mortgage Bond	2000A Single-Family Mortgage Bond	2000B Single-Family Mortgage Bond	2000C Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	$ 257	$ 189		$ 175	$ 122	$ 303
Investments	177	152		387	587	298
Loans Held for Investment, net	1,452	1,327		1,030	1,239	1,243
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets		51			69	
Deferred Outflow--Interest Rate Swap Contracts						
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 1,886	$ 1,719	$ -	$ 1,592	$ 2,017	$ 1,844
LIABILITIES, DEFERRED INFLOW OF RESOURCES						
Bonds	$ 1,653	$ 1,309		$ 1,466	$ 1,737	$ 1,798
Swap Contract Fair Value Liability						
Interest Payable-Swap Contract						
Other Liabilities	62			260	473	266
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	171	410	-	(134)	(193)	(220)
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 1,886	$ 1,719	$ -	$ 1,592	$ 2,017	$ 1,844
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 104	$ 102	$ 13	$ 77	$ 91	$ 90
Interest on Investments	19	10	1	9	7	15
Loan Servicing Fees	5	5	2	3	4	4
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	128	117	16	89	102	109
OPERATING EXPENSES						
Interest	103	81	1	96	110	110
General Operating	2	3		3	2	3
Bond Financing Costs						
Other						
TOTAL OPERATING EXPENSES	105	84	1	99	112	113
OPERATING INCOME	23	33	15	(10)	(10)	(4)
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	(21)	(35)				(6)
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	(21)	(35)	-	-	-	(6)
CHANGE IN NET POSITION	2	(2)	15	(10)	(10)	(10)
NET POSITION, Beginning of Period, as restated	169	412	(296)	(124)	(180)	(207)
TRANSFERS			281		(3)	(3)
NET POSITION, End of Period	$ 171	$ 410	$ -	$ (134)	$ (193)	$ (220)

(2) The combined totals for Bondholder Trusts are presented on page 63.

IDAHO HOUSING AND FINANCE ASSOCIATION
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Combined Bondholder Trusts, continued (in thousands)

	2000D Single-Family Mortgage Bond	2000E Single-Family Mortgage Bond	2000F Single-Family Mortgage Bond	2000G Single-Family Mortgage Bond	2001A Single-Family Mortgage Bond	2001B Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	$ 133	$ 155	$ 530	$ 194	$ 611	$ 118
Investments	490	656	1,734	4,147	3,883	711
Loans Held for Investment, net	1,246	1,230	2,212	1,768	2,508	2,824
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets	1			55		80
Deferred Outflow--Interest Rate Swap Contracts			360	929	768	413
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 1,870	$ 2,041	$ 4,836	$ 7,093	$ 7,770	$ 4,146
LIABILITIES, DEFERRED INFLOW OF RESOURCES						
Bonds	$ 1,737	$ 1,885	$ 5,209	$ 8,074	$ 6,896	$ 4,563
Swap Contract Fair Value Liability			360	929	768	413
Interest Payable-Swap Contract			110	231	142	155
Other Liabilities	542	518	12	-	14	4
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	(409)	(362)	(855)	(2,141)	(50)	(989)
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 1,870	$ 2,041	$ 4,836	$ 7,093	$ 7,770	$ 4,146
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 94	$ 90	$ 155	$ 124	$ 169	$ 191
Interest on Investments	9	9	131	254	209	45
Loan Servicing Fees	5	5	8	6	10	11
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	108	104	294	384	388	247
OPERATING EXPENSES						
Interest	110	113	338	596	406	390
General Operating	4	2	4	9	9	11
Bond Financing Costs			1			
Other						
TOTAL OPERATING EXPENSES	114	115	343	605	415	401
OPERATING INCOME	(6)	(11)	(49)	(221)	(27)	(154)
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	(3)	(4)	(137)	(82)	(5)	48
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	(3)	(4)	(137)	(82)	(5)	48
CHANGE IN NET POSITION	(9)	(15)	(186)	(303)	(32)	(106)
NET POSITION, Beginning of Period, as restated	(400)	(346)	(667)	(1,836)	(18)	(883)
TRANSFERS		(1)	(2)	(2)		
NET POSITION, End of Period	$ (409)	$ (362)	$ (855)	$ (2,141)	$ (50)	$ (989)

(2) The combined totals for Bondholder Trusts are presented on page 63.

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Combined Bondholder Trusts, continued (in thousands)

	2001C Single-Family Mortgage Bond	2001D Single-Family Mortgage Bond	2001E Single-Family Mortgage Bond	2001F Single-Family Mortgage Bond	2002A Single-Family Mortgage Bond	2002B Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	$ 564	$ 561	$ 49	$ 510	$ 600	$ 172
Investments	3,330	4,938	706	3,074	3,940	3,537
Loans Held for Investment, net	3,860	3,809	4,734	3,426	3,263	3,045
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets	62	43	5	54	50	70
Deferred Outflow--Interest Rate Swap Contracts	853	1,271	707	882	869	634
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 8,669	$ 10,622	$ 6,201	$ 7,946	$ 8,722	$ 7,458
LIABILITIES, DEFERRED INFLOW OF RESOURCES						
Bonds	$ 6,964	$ 8,761	$ 5,404	$ 6,455	$ 7,710	$ 7,066
Swap Contract Fair Value Liability	853	1,271	707	882	869	634
Interest Payable-Swap Contract	153	210	200	153	168	167
Other Liabilities	43	2	13	3	1	4
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	656	378	(123)	453	(26)	(413)
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 8,669	$ 10,622	$ 6,201	$ 7,946	$ 8,722	$ 7,458
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 261	$ 238	$ 286	$ 233	$ 224	$ 195
Interest on Investments	188	296	66	148	234	200
Loan Servicing Fees	14	14	17	14	12	11
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	463	548	369	395	470	406
OPERATING EXPENSES						
Interest	419	510	455	377	470	451
General Operating	12	14	8	10	11	11
Bond Financing Costs						
Other						
TOTAL OPERATING EXPENSES	431	524	463	387	481	462
OPERATING INCOME	32	24	(94)	8	(11)	(56)
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	(68)	(154)	155	(53)	(207)	(191)
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	(68)	(154)	155	(53)	(207)	(191)
CHANGE IN NET POSITION	(36)	(130)	61	(45)	(218)	(247)
NET POSITION, Beginning of Period, as restated	695	509	(185)	502	195	(163)
TRANSFERS	(3)	(1)	1	(4)	(3)	(3)
NET POSITION, End of Period	$ 656	$ 378	$ (123)	$ 453	$ (26)	$ (413)

(2) The combined totals for Bondholder Trusts are presented on page 63.

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Combined Bondholder Trusts, continued (in thousands)

	2002C Single-Family Mortgage Bond	2002D Single-Family Mortgage Bond	2002E Single-Family Mortgage Bond	2002F Single-Family Mortgage Bond	2002G Single-Family Mortgage Bond	2003A Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	$ 626	$ 735	$ 686	$ 513	$ 172	$ 334
Investments	3,795	5,163	1,318	2,574	1,850	4,481
Loans Held for Investment, net	3,728	4,885	6,539	4,419	3,227	5,366
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets	51	117	164			52
Deferred Outflow--Interest Rate Swap Contracts	893	1,130	874	693	553	1,367
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 9,093	$ 12,030	$ 9,581	$ 8,199	$ 5,802	$ 11,600
LIABILITIES, DEFERRED INFLOW OF RESOURCES						
Bonds	$ 7,686	$ 10,540	$ 7,682	$ 7,008	$ 5,672	$ 10,359
Swap Contract Fair Value Liability	893	1,130	874	693	553	1,367
Interest Payable-Swap Contract	166	220	151	116	126	198
Other Liabilities	7	3	1	10	17	-
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	341	137	873	372	(566)	(324)
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 9,093	$ 12,030	$ 9,581	$ 8,199	$ 5,802	$ 11,600
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 245	$ 328	$ 401	$ 245	$ 199	$ 322
Interest on Investments	205	276	80	113	(12)	156
Loan Servicing Fees	14	18	24	16	12	20
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	464	622	505	374	199	498
OPERATING EXPENSES						
Interest	459	606	436	343	355	563
General Operating	13	18	16	13	9	18
Bond Financing Costs						
Other						
TOTAL OPERATING EXPENSES	472	624	452	356	364	581
OPERATING INCOME	(8)	(2)	53	18	(165)	(83)
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	(166)	(357)	(71)	(118)	3	(151)
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	(166)	(357)	(71)	(118)	3	(151)
CHANGE IN NET POSITION	(174)	(359)	(18)	(100)	(162)	(234)
NET POSITION, Beginning of Period, as restated	519	504	894	473	(398)	(83)
TRANSFERS	(4)	(8)	(3)	(1)	(6)	(7)
NET POSITION, End of Period	$ 341	$ 137	$ 873	$ 372	$ (566)	$ (324)

(2) The combined totals for Bondholder Trusts are presented on page 63.

Combined Bondholder Trusts, continued (in thousands)

	2003B Single-Family Mortgage Bond	2003C Single-Family Mortgage Bond	2003D Single-Family Mortgage Bond	2003E Single-Family Mortgage Bond	2004A Single-Family Mortgage Bond	2004B Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	$ 93	$ 418	$ 205	$ 158	$ 378	$ 136
Investments	2,836	1,519	2,512	3,340	2,192	2,830
Loans Held for Investment, net	5,449	5,200	5,003	6,052	7,387	6,988
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets	19		71	152	86	
Deferred Outflow--Interest Rate Swap Contracts	903	559	1,404	1,174	1,078	1,248
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 9,300	$ 7,696	$ 9,195	$ 10,876	$ 11,121	$ 11,202
LIABILITIES, DEFERRED INFLOW OF RESOURCES						
Bonds	$ 8,748	$ 6,903	$ 7,730	$ 9,853	$ 9,578	$ 8,726
Swap Contract Fair Value Liability	903	559	1,404	1,174	1,078	1,248
Interest Payable-Swap Contract	169	91	189	177	153	179
Other Liabilities	1	15	3	-	4	1,036
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	(521)	128	(131)	(328)	308	13
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 9,300	$ 7,696	$ 9,195	$ 10,876	$ 11,121	$ 11,202
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 308	$ 254	$ 309	$ 358	$ 402	$ 431
Interest on Investments	(3)	(9)	138	5	18	(32)
Loan Servicing Fees	21	19	19	22	27	27
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	326	264	466	385	447	426
OPERATING EXPENSES						
Interest	477	298	517	539	479	496
General Operating	15	14	16	17	20	15
Bond Financing Costs						
Other						
TOTAL OPERATING EXPENSES	492	312	533	556	499	511
OPERATING INCOME	(166)	(48)	(67)	(171)	(52)	(85)
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	38	(18)	(78)	(2)	(62)	(36)
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	38	(18)	(78)	(2)	(62)	(36)
CHANGE IN NET POSITION	(128)	(66)	(145)	(173)	(114)	(121)
NET POSITION, Beginning of Period, as restated	(382)	199	16	(143)	436	160
TRANSFERS	(11)	(5)	(2)	(12)	(14)	(26)
NET POSITION, End of Period	$ (521)	$ 128	$ (131)	$ (328)	$ 308	$ 13

(2) The combined totals for Bondholder Trusts are presented on page 63.

IDAHO HOUSING AND FINANCE ASSOCIATION
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Combined Bondholder Trusts, continued (in thousands)

	2004C Single-Family Mortgage Bond	2004D Single-Family Mortgage Bond	2005A Single-Family Mortgage Bond	2005B Single-Family Mortgage Bond	2005C Single-Family Mortgage Bond	2005D Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	$ 335	$ 722	$ 529	$ 147	$ 142	$ 211
Investments	4,117	1,588	3,750	4,293	5,125	4,676
Loans Held for Investment, net	7,422	10,087	8,989	8,899	7,824	8,608
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets	70	199	209	-	(1)	-
Deferred Outflow--Interest Rate Swap Contracts	1,259	1,318	1,416	1,439	1,286	1,345
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 13,203	$ 13,914	$ 14,893	$ 14,778	$ 14,376	$ 14,840
LIABILITIES, DEFERRED INFLOW OF RESOURCES						
Bonds	$ 11,900	$ 12,167	$ 13,264	$ 2,337	$ 3,502	$ 12,806
Swap Contract Fair Value Liability	1,259	1,318	1,416	1,439	1,286	1,345
Interest Payable-Swap Contract	172	187	196	196	186	353
Other Liabilities	(1)	3	2	10,391	9,039	882
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	(127)	239	15	415	363	(546)
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 13,203	$ 13,914	$ 14,893	$ 14,778	$ 14,376	$ 14,840
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 431	$ 527	$ 501	$ 505	$ 481	$ 494
Interest on Investments	6	6	6	(15)	(19)	5
Loan Servicing Fees	27	43	36	41	44	40
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	464	576	543	531	506	539
OPERATING EXPENSES						
Interest	564	588	606	591	619	723
General Operating	22	48	27	23	24	31
Bond Financing Costs						
Other						
TOTAL OPERATING EXPENSES	586	636	633	614	643	754
OPERATING INCOME	(122)	(60)	(90)	(83)	(137)	(215)
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	(44)	(47)	(63)	(71)	(67)	(38)
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	(44)	(47)	(63)	(71)	(67)	(38)
CHANGE IN NET POSITION	(166)	(107)	(153)	(154)	(204)	(253)
NET POSITION, Beginning of Period, as restated	46	367	199	605	586	(272)
TRANSFERS	(7)	(21)	(31)	(36)	(19)	(21)
NET POSITION, End of Period	$ (127)	$ 239	$ 15	$ 415	$ 363	$ (546)

(2) The combined totals for Bondholder Trusts are presented on page 63.

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Combined Bondholder Trusts, continued (in thousands)

	2005E Single-Family Mortgage Bond	2005F Single-Family Mortgage Bond	2006A Single-Family Mortgage Bond	2006B Single-Family Mortgage Bond	2006C Single-Family Mortgage Bond	2006D Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	$ 622	$ 127	$ 213	$ 858	$ 317	$ 1,397
Investments	4,301	5,067	3,945	6,270	1,864	2,092
Loans Held for Investment, net	9,866	8,282	9,777	9,021	8,386	10,820
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets	8	169	14	-	324	335
Deferred Outflow--Interest Rate Swap Contracts	1,473	1,654	1,626	1,210	1,173	1,414
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 16,270	$ 15,299	$ 15,575	$ 17,359	$ 12,064	$ 16,058
LIABILITIES, DEFERRED INFLOW OF RESOURCES						
Bonds	$ 14,082	$ 3,162	$ 4,103	$ 7,083	$ 2,882	$ 3,137
Swap Contract Fair Value Liability	1,473	1,654	1,626	1,210	1,173	1,414
Interest Payable-Swap Contract	677	542	782	579	433	672
Other Liabilities	760	10,236	9,643	8,235	7,706	11,046
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	(722)	(295)	(579)	252	(130)	(211)
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 16,270	$ 15,299	$ 15,575	$ 17,359	$ 12,064	$ 16,058
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 548	$ 510	$ 575	$ 570	$ 513	$ 691
Interest on Investments	5	(15)	(8)	223	37	44
Loan Servicing Fees	45	43	50	53	45	50
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	598	538	617	846	595	785
OPERATING EXPENSES						
Interest	1,039	912	1,142	1,090	753	1,007
General Operating	36	25	29	31	33	30
Bond Financing Costs						
Other						
TOTAL OPERATING EXPENSES	1,075	937	1,171	1,121	786	1,037
OPERATING INCOME	(477)	(399)	(554)	(275)	(191)	(252)
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	(68)	(79)	(80)	(149)	(119)	(153)
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	(68)	(79)	(80)	(149)	(119)	(153)
CHANGE IN NET POSITION	(545)	(478)	(634)	(424)	(310)	(405)
NET POSITION, Beginning of Period, as restated	(95)	238	119	751	194	242
TRANSFERS	(82)	(55)	(64)	(75)	(14)	(48)
NET POSITION, End of Period	$ (722)	$ (295)	$ (579)	$ 252	$ (130)	$ (211)

(2) The combined totals for Bondholder Trusts are presented on page 63.

IDAHO HOUSING AND FINANCE ASSOCIATION
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Combined Bondholder Trusts, continued (in thousands)

	2006E Single-Family Mortgage Bond	2006F Single-Family Mortgage Bond	2006G Single-Family Mortgage Bond	2007A Single-Family Mortgage Bond	2007B Single-Family Mortgage Bond	2007C Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	$ 1,036	$ 1,431	$ 1,649	$ 1,056	$ 650	$ 1,413
Investments	2,684	3,103	1,967	1,966	2,908	3,048
Loans Held for Investment, net	12,033	11,913	13,818	13,587	14,882	16,644
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets	703	769	533	754	310	1,254
Deferred Outflow--Interest Rate Swap Contracts	1,549	1,422	1,332	1,498	1,495	1,751
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 18,005	$ 18,638	$ 19,299	$ 18,861	$ 20,245	$ 24,110
LIABILITIES, DEFERRED INFLOW OF RESOURCES						
Bonds	$ 16,429	$ 17,886	$ 15,949	$ 13,621	$ 16,680	$ 23,317
Swap Contract Fair Value Liability	1,549	1,422	1,332	1,498	1,495	1,751
Interest Payable-Swap Contract	594	205	198	211	236	248
Other Liabilities	78	194	2,290	4,012	2,843	12
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	(645)	(1,069)	(470)	(481)	(1,009)	(1,218)
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 18,005	$ 18,638	$ 19,299	$ 18,861	$ 20,245	$ 24,110
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 757	$ 703	$ 788	$ 787	$ 859	$ 986
Interest on Investments	32	16	46	123	54	71
Loan Servicing Fees	66	78	88	95	87	112
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	855	797	922	1,005	1,000	1,169
OPERATING EXPENSES						
Interest	1,118	893	749	717	859	1,128
General Operating	56	59	62	100	63	92
Bond Financing Costs				(1)		
Other						
TOTAL OPERATING EXPENSES	1,174	952	811	816	922	1,220
OPERATING INCOME	(319)	(155)	111	189	78	(51)
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	(171)	(148)	(135)	(186)	(264)	(191)
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	(171)	(148)	(135)	(186)	(264)	(191)
CHANGE IN NET POSITION	(490)	(303)	(24)	3	(186)	(242)
NET POSITION, Beginning of Period, as restated	(100)	(678)	(351)	(282)	(502)	(679)
TRANSFERS	(55)	(88)	(95)	(202)	(321)	(297)
NET POSITION, End of Period	$ (645)	$ (1,069)	$ (470)	$ (481)	$ (1,009)	$ (1,218)

(2) The combined totals for Bondholder Trusts are presented on page 63.

IDAHO HOUSING AND FINANCE ASSOCIATION
Supplemental Financial Information

Combined Bondholder Trusts, continued (in thousands)

	2007D Single-Family Mortgage Bond	2007E Single-Family Mortgage Bond	2007F Single-Family Mortgage Bond	2007G Single-Family Mortgage Bond	2007H Single-Family Mortgage Bond	2007I Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	$ 2,566	$ 475	$ 2,776	$ 4,192	$ 3,966	$ 3,889
Investments	1,717	3,697	4,885	5,766	5,879	4,473
Loans Held for Investment, net	21,826	24,169	31,709	28,074	32,130	26,163
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets	900	983	1,181	1,213	1,312	894
Deferred Outflow--Interest Rate Swap Contracts	2,071	2,532	3,540	5,445	6,390	4,156
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 29,080	$ 31,856	$ 44,091	$ 44,690	$ 49,677	$ 39,575
LIABILITIES, DEFERRED INFLOW OF RESOURCES						
Bonds	$ 6,541	$ 7,510	$ 16,191	$ 7,867	$ 14,039	$ 11,719
Swap Contract Fair Value Liability	1,945	2,404	3,424	4,844	5,453	3,639
Interest Payable-Swap Contract	447	443	212	328	218	195
Other Liabilities	20,666	23,288	23,278	30,548	29,910	23,991
Deferred Inflow--Interest Rate Swap Contracts	268	306	377	770	1,068	646
Net Position	(787)	(2,095)	609	333	(1,011)	(615)
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 29,080	$ 31,856	$ 44,091	$ 44,690	$ 49,677	$ 39,575
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 1,251	$ 1,442	$ 1,924	$ 1,818	$ 2,005	$ 1,607
Interest on Investments	122	60	84	160	163	102
Loan Servicing Fees	141	159	271	235	244	209
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	1,514	1,661	2,279	2,213	2,412	1,918
OPERATING EXPENSES						
Interest	1,204	1,311	1,600	1,408	1,985	1,243
General Operating	123	143	201	178	182	154
Bond Financing Costs						
Other						
TOTAL OPERATING EXPENSES	1,327	1,454	1,801	1,586	2,167	1,397
OPERATING INCOME	187	207	478	627	245	521
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	(245)	(292)	(454)	(465)	(278)	(347)
Net change between swap contract amortized and fair value	(138)	(173)	(255)	(159)	(118)	(121)
TOTAL NONOPERATING REVENUES AND EXPENSES	(383)	(465)	(709)	(624)	(396)	(468)
CHANGE IN NET POSITION	(196)	(258)	(231)	3	(151)	53
NET POSITION, Beginning of Period, as restated	(310)	(1,287)	1,279	664	(662)	(236)
TRANSFERS	(281)	(550)	(439)	(334)	(198)	(432)
NET POSITION, End of Period	$ (787)	$ (2,095)	$ 609	$ 333	$ (1,011)	$ (615)

(2) The combined totals for Bondholder Trusts are presented on page 63.

IDAHO HOUSING AND FINANCE ASSOCIATION
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Combined Bondholder Trusts, continued (in thousands)

	2007J Single-Family Mortgage Bond	2007K Single-Family Mortgage Bond	2008A Single-Family Mortgage Bond	2008B Single-Family Mortgage Bond	2008C Single-Family Mortgage Bond	2008D Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	$ 3,998	$ 2,806	$ 2,430	$ 3,115	$ 4,671	$ 1,346
Investments	4,881	4,352	3,590	2,662	3,843	1,973
Loans Held for Investment, net	31,421	28,485	22,134	25,855	21,931	17,282
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets	1,039	918	1	600	470	218
Deferred Outflow--Interest Rate Swap Contracts	5,114	4,296	3,403	2,886	2,132	518
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 46,453	$ 40,857	$ 31,558	$ 35,118	$ 33,047	$ 21,337
LIABILITIES, DEFERRED INFLOW OF RESOURCES						
Bonds	$ 10,058	$ 7,646	$ 12,927	$ 17,035	$ 31,906	$ 21,785
Swap Contract Fair Value Liability	4,465	3,675	3,403	2,886	2,132	518
Interest Payable-Swap Contract	202	212	163	158	192	111
Other Liabilities	31,155	29,195	14,687	15,663	15	2,001
Deferred Inflow--Interest Rate Swap Contracts	808	744				
Net Position	(235)	(615)	378	(624)	(1,198)	(3,078)
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 46,453	$ 40,857	$ 31,558	$ 35,118	$ 33,047	$ 21,337
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 1,927	$ 1,633	$ 1,400	$ 1,562	$ 1,443	$ 989
Interest on Investments	313	118	97	109	170	79
Loan Servicing Fees	181	170	98	135	90	64
Multifamily and GARVEE bonds pledged revenues						
Other			9			2
TOTAL OPERATING REVENUES	2,421	1,921	1,604	1,806	1,703	1,134
OPERATING EXPENSES						
Interest	1,411	1,179	1,427	1,641	1,513	1,181
General Operating	167	139	49	74	77	52
Bond Financing Costs			-			
Other						
TOTAL OPERATING EXPENSES	1,578	1,318	1,476	1,715	1,590	1,233
OPERATING INCOME	843	603	128	91	113	(99)
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	(403)	(295)	(275)	(320)	(314)	(176)
Net change between swap contract amortized and fair value	(149)	(112)				
-	(552)	(407)	(275)	(320)	(314)	(176)
CHANGE IN NET POSITION	291	196	(147)	(229)	(201)	(275)
NET POSITION, Beginning of Period, as restated	(280)	(661)	620	(364)	(892)	(2,770)
TRANSFERS	(246)	(150)	(95)	(31)	(105)	(33)
NET POSITION, End of Period	$ (235)	$ (615)	$ 378	$ (624)	$ (1,198)	$ (3,078)

(2) The combined totals for Bondholder Trusts are presented on page 63.

IDAHO HOUSING AND FINANCE ASSOCIATION
Supplemental Financial Information

Combined Bondholder Trusts, continued (in thousands)

	2009A Single-Family Mortgage Bond	2009B Single-Family Mortgage Bond	2009C Single-Family Mortgage Bond	2009 1 Single-Family Mortgage Bond	2010A Single-Family Mortgage Bond	2012A Single-Family Mortgage Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents	$ 2,771	$ 6,834	$ 1,238		$ 912	$ 3,750
Investments	202	33	6,176	$ 93	4,059	
Loans Held for Investment, net			26,381		24,686	
GARVEE highway project costs receivable, net						
Employment Security Reserve Fund receivable						
Other Assets	69,666	58,980	216	-	-	195,618
Deferred Outflow--Interest Rate Swap Contracts						
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 72,639	$ 65,847	$ 34,011	$ 93	$ 29,657	$ 199,368
LIABILITIES AND NET POSITION						
Bonds	$ 76,156	$ 71,579	$ 34,213		$ 29,742	$ 200,450
Swap Contract Fair Value Liability						
Interest Payable-Swap Contract						
Other Liabilities	5	11	-	$ 465	259	3
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	(3,522)	(5,743)	(202)	(372)	(344)	(1,085)
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 72,639	$ 65,847	$ 34,011	$ 93	$ 29,657	$ 199,368
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans			$ 1,331		$ 915	
Interest on Investments			150		55	
Loan Servicing Fees			110		104	
Multifamily and GARVEE bonds pledged revenues						
Other						
TOTAL OPERATING REVENUES	-	-	1,591	-	1,074	-
OPERATING EXPENSES						
Interest	$ 329	$ 1,068	1,333	$ (22)	951	$ 1,022
General Operating	128	76	80	24	72	3
Bond Financing Costs						60
Other			-			
TOTAL OPERATING EXPENSES	457	1,144	1,413	2	1,023	1,085
OPERATING INCOME	(457)	(1,144)	178	(2)	51	(1,085)
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments			(258)		(137)	
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	-	-	(258)	-	(137)	-
CHANGE IN NET POSITION	(457)	(1,144)	(80)	(2)	(86)	(1,085)
NET POSITION, Beginning of Period, as restated	(3,065)	(4,599)	(99)	(370)	(249)	-
TRANSFERS			(23)		(9)	
NET POSITION, End of Period	$ (3,522)	$ (5,743)	$ (202)	$ (372)	$ (344)	$ (1,085)

(2) The combined totals for Bondholder Trusts are presented on page 63.

IDAHO HOUSING AND FINANCE ASSOCIATION
Supplemental Financial Information

Combined Bondholder Trusts (in thousands)

	1994 A and B Multifamily Housing Revenue Bond	Blue Meadow 1998A-FHA Insured Housing Revenue Bond	Balmoral Variable Rate Demand Housing Revenue Bond	Balmoral II Variable Rate Demand Housing Revenue Bond	Falls Creek Variable Rate Demand Housing Revenue Bond	2006 Grant and Revenue Anticipation Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents						
Investments					$ 100	$ 600
Loans Held for Investment, net			$ 5,115	$ 3,722	7,791	
GARVEE highway project costs receivable, net						130,216
Employment Security Reserve Fund receivable						
Other Assets				383	448	1
Deferred Outflow--Interest Rate Swap Contracts						
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ -	$ -	$ 5,115	$ 4,105	$ 8,339	$ 130,817
LIABILITIES, DEFERRED INFLOW OF RESOURCES						
Bonds			$ 5,115	$ 4,105	$ 8,339	$ 130,817
Swap Contract Fair Value Liability						
Interest Payable-Swap Contract						
Other Liabilities				-	-	-
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	-	-	-	-	-	-
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ -	$ -	$ 5,115	$ 4,105	$ 8,339	$ 130,817
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans	$ 2	$ 119	$ 9	$ 19	$ 618	
Interest on Investments	(16)	8				
Loan Servicing Fees						
Multifamily and GARVEE bonds pledged revenues		3		5	(65)	$ 5,773
Other		-		-	-	314
TOTAL OPERATING REVENUES	(14)	130	9	24	553	6,087
OPERATING EXPENSES						
Interest		122	9	16	537	6,060
General Operating		8		8	16	27
Bond Financing Costs	2					-
Other						
TOTAL OPERATING EXPENSES	2	130	9	24	553	6,087
OPERATING INCOME	(16)	-	-	-	-	-
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments	(4)					
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	(4)	-	-	-	-	-
CHANGE IN NET POSITION	(20)	-	-	-	-	-
NET POSITION, Beginning of Period, as restated	9,172	-	-	-	-	-
TRANSFERS	(9,152)					
NET POSITION, End of Period	$ -	$ -	$ -	$ -	$ -	$ -

(2) The combined totals for Bondholder Trusts are presented on page 63.

IDAHO HOUSING AND FINANCE ASSOCIATION
Supplemental Financial Information

Combined Bondholder Trusts (in thousands)

	2008A Grant and Revenue Anticipation Bond	2009A Grant and Revenue Anticipation Bond	2010A Grant and Revenue Anticipation Bond	2011 Unemployment Compensation Revenue Bond	2011A Grant and Revenue Anticipation Bond	2012 Grant and Revenue Anticipation Bond
Statement of Net Position						
ASSETS AND DEFERRED OUTFLOW OF RESOURCES						
Cash and Cash Equivalents						
Investments	$ 823	$ 629	$ 1,729		$ 38,208	$ 24,817
Loans Held for Investment, net						
GARVEE highway project costs receivable, net	161,927	150,454	82,037		37,391	14,117
Employment Security Reserve Fund receivable				$ 152,940		
Other Assets	-	-	-	-	-	-
Deferred Outflow--Interest Rate Swap Contracts						
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 162,750	$ 151,083	$ 83,766	$ 152,940	$ 75,599	$ 38,934
LIABILITIES, DEFERRED INFLOW OF RESOURCES						
Bonds	$ 162,750	$ 151,083	$ 83,766	$ 152,940	$ 75,599	$ 38,934
Swap Contract Fair Value Liability						
Interest Payable-Swap Contract						
Other Liabilities	-	-	-	-	-	-
Deferred Inflow--Interest Rate Swap Contracts						
Net Position	-	-	-	-	-	-
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 162,750	$ 151,083	$ 83,766	$ 152,940	$ 75,599	$ 38,934
Statement of Revenues, Expenses and Changes in Net Position						
OPERATING REVENUES						
Interest on Loans						
Interest on Investments			$ 18	$ 1	$ 466	$ 194
Loan Servicing Fees						
Multifamily and GARVEE bonds pledged revenues	$ 7,305	$ 6,604	4,741	1,042	2,805	1,039
Other	389	382	39	5,331	145	-
TOTAL OPERATING REVENUES	7,694	6,986	4,798	6,374	3,416	1,233
OPERATING EXPENSES						
Interest	7,663	6,955	4,774	6,344	3,396	944
General Operating	31	31	24	30	20	
Bond Financing Costs	-	-	-	-	-	289
Other						
TOTAL OPERATING EXPENSES	7,694	6,986	4,798	6,374	3,416	1,233
OPERATING INCOME	-	-	-	-	-	-
NONOPERATING REVENUES AND EXPENSES						
Net Increase (Decrease) in Fair Value of Investments						
Net change between swap contract amortized and fair value						
TOTAL NONOPERATING REVENUES AND EXPENSES	-	-	-	-	-	-
CHANGE IN NET POSITION	-	-	-	-	-	-
NET POSITION, Beginning of Period, as restated	-	-	-	-	-	-
TRANSFERS						
NET POSITION, End of Period	$ -	$ -	$ -	$ -	$ -	$ -

(2) The combined totals for Bondholder Trusts are presented on page 63.

IDAHO HOUSING AND FINANCE ASSOCIATION
Supplemental Financial Information

Combined Bondholder Trusts (in thousands)

	Combined Bondholder Trusts (2)
Statement of Net Position	
ASSETS AND DEFERRED OUTFLOW OF RESOURCES	
Cash and Cash Equivalents	$ 82,378
Investments	261,184
Loans Held for Investment, net	723,777
GARVEE highway project costs receivable, net	576,142
Employment Security Reserve Fund receivable	152,940
Other Assets	342,451
Deferred Outflow--Interest Rate Swap Contracts	87,705
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 2,226,577
LIABILITIES, DEFERRED INFLOW OF RESOURCES	
Bonds	$ 1,799,601
Swap Contract Fair Value Liability	84,010
Interest Payable-Swap Contract	13,172
Other Liabilities	327,004
Deferred Inflow--Interest Rate Swap Contracts	4,987
Net Position	(2,197)
TOTAL LIABILITIES ,DEFERRED INFLOW OF RESOURCES AND NET POSITION	2,226,577
Statement of Revenues, Expenses and Changes in Net Position	
OPERATING REVENUES	
Interest on Loans	$ 43,396
Interest on Investments	6,593
Loan Servicing Fees	3,834
Multifamily and GARVEE bonds pledged revenues	29,252
Other	6,611
TOTAL OPERATING REVENUES	89,686
OPERATING EXPENSES	
Interest	86,570
General Operating	3,325
Bond Financing Costs	352
Other	-
TOTAL OPERATING EXPENSES	90,247
OPERATING INCOME	(561)
NONOPERATING REVENUES AND EXPENSES	
Net Increase (Decrease) in Fair Value of Investments	(8,614)
Net change between swap contract amortized and fair value	(1,225)
TOTAL NONOPERATING REVENUES AND EXPENSES	(9,839)
CHANGE IN NET POSITION	(10,400)
NET POSITION, Beginning of Period, as restated	28,228
TRANSFERS	(20,025)
NET POSITION, End of Period	$ (2,197)

(2) The combined totals for Bondholder Trusts are presented on page 63.

Supplementary Reports
Required by Ginnie Mae
For the Year Ended June 30, 2013

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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 the Board of Commissioners
Idaho Housing and Finance Association
Boise, Idaho

We have audited, in accordance with the 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 the business-type activities and the discretely presented component unit of the Idaho Housing and Finance Association (the Association), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Idaho Housing and Finance Association's basic financial statements, and have issued our report thereon dated September 30, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association'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 Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 results 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Boise, Idaho
September 30, 2013

Independent Auditor's Report on Compliance with Specific Program Requirements That Could Have A Direct and Material Effect on Each Major HUD-Assisted Program

To the Board of Commissioners
Idaho Housing and Finance Association
Boise, Idaho

Report on Compliance for Each Major HUD Program

We have audited the Idaho Housing and Finance Association's compliance with the compliance requirements described in the *Consolidated Audit Guide for Audits of HUD Programs* (the Guide) that could have a direct and material effect on each of the Idaho Housing and Finance Association's major U.S. Department of Housing and Urban Development (HUD) programs for the year ended June 30, 2013. The Idaho Housing and Finance Association's major HUD programs are as follows: Governmental National Mortgage Association (Ginnie Mae) guaranteed mortgage.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its HUD programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Governmental National Mortgage Association (Ginnie Mae) guaranteed mortgage's major HUD programs based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major HUD program occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major HUD program. However, our audit does not provide a legal determination of the Idaho Housing and Finance Association's compliance.

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Opinion on Each Major HUD Program

In our opinion, the Idaho Housing and Finance Association complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major HUD programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Idaho Housing and Finance Association is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Idaho Housing and Finance Association's internal control over compliance with the requirements that could have a direct and material effect on each major HUD program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major HUD program and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Idaho Housing and Finance Association's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a compliance requirement of a HUD program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement of a HUD program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a compliance requirement of a HUD program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose

Eide Bailly LLP

Boise, Idaho
September 30, 2013

IDAHO HOUSING AND FINANCE ASSOCIATION
Verification of Adequate Fidelity Bond and Mortgagee errors and omission Insurance coverage with Proper Ginnie Mae Endorsement

June 30, 2013

A. **Identification of affiliated Ginnie Mae Issuers:**

Affiliated Ginne Mae Issuers:
(Issuer name and Ginnie Mae issuer identification number)

Affiliated issuers on same insurance policies:
(Issuer name and Ginnie Mae issuer identification number)

B. **Required insurance calculation:**

Servicing portfolio:		
Ginnie Mae	$	893,055,465
Fannie Mae		587,268,538
Freddie Mac		259,413,494
Conventional (other)		-
Total servicing portfolio	$	1,739,737,497
Required fidelity bond coverage	$	2,264,737
Required mortgage servicing errors and omissions coverage	$	2,264,737

C. **Verification of insurance coverage:**

Fidelity bond coverage at end of reporting period	$	3,000,000
Mortgage servicing errors and omissions coverage at end of reporting period	$	3,000,000

D. **Excess (deficit) insurance coverage:**

Fidelity bond coverage	$	735,263
Required mortgage servicing errors and omissions coverage	$	735,263

E. **Ginnie Mae loss payable endorsement**

Fidelity bond coverage	YES
Mortgage servicing errors and omissions coverage	YES

IDAHO HOUSING AND FINANCE ASSOCIATION
Computation of Adjusted Net Worth

June 30, 2013

A.	**Adjusted net worth calculation:**				
		Stockholder's equity per statement of financial condition at end of reporting period		$	210,288,000
	Less:				
		Itemized unacceptable assets:			
		1. Bond trust assets (see note 1 below)	135,879,000		
		2. Federally Assisted Programs (see note 2 below)	15,909,000		
		3. Other assets (see note 3 below)	-	$	151,788,000
	Adjusted net worth			$	58,500,000
B.	**Required net worth calculation:**				
		Unpaid principal balance of securities outstanding (Note: number of pools = 185)		$	893,055,465
	Plus:				
		Outstanding balance of commitment authority issued and requested		$	289,105,739
		Total outstanding portfolio and authority		$	1,182,161,204
	Required net worth				
		Base	1,000,000		
		$5M - $20M - 1%	150,000		
		Over $20M - 2%	23,243,224		
		Total required		$	24,393,224
C	**Excess (deficit) net worth** (Adjusted net worth - required net worth)			$	34,106,776

Note 1:
These are the net assets associated with the housing bonds sold by Idaho Housing and Finance Association (the Association). The total includes the net assets of the Bond Rating Compliance and Loan Guarantee Trust and Combined Bondholder Trusts. See page 63 of the audited financial statements.

Note 2: These are the net assets associated with the Federal grant programs administered through the Association. Net assets are restricted for grant use only.

Note 3: Page 61 of the Financial Statements has a detail of all other assets. The majority of these other assets are associated with the bond funds. The remaining amounts associated with the Association are the Accounts receivable, Cost of Issue receivable, REO mortgage receivable, prepaid expenses, and Loans available for sale. All these assets are acceptable.