



***Idaho Housing
and Finance
Association***

www.idahohousing.com

**Audit Report as of
June 30, 2020 and 2019**

Idaho Housing and Finance Association

Table of Contents
June 30, 2020 and 2019

Independent Auditor's Report.....	1
Management's Discussion and Analysis	4
Financial Statements	
Statements of Net Position.....	10
Statements of Revenues, Expenses, and Changes in Net Position	11
Statements of Cash Flows.....	12
Consolidated Statements of Financial Position - The Housing Company	14
Consolidated Statements of Activities - The Housing Company.....	15
Notes to Financial Statements	16
Supplementary Information	
Combined Statement of Net Position – Association Accounts	56
Combined Statement of Revenues, Expenses, and Changes in Net Position – Association Accounts	57
Combined Statement of Net Position – Combined Bondholder Trusts.....	58
Combined Statements of Revenues, Expenses, and Changes in Net Position – Combined Bondholder Trusts	59



Independent Auditor's Report

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

Report on the Financial Statements

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 (the Association), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Idaho Housing and Finance 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Association'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 Association'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 and the discretely presented component unit of the Idaho Housing and Finance Association as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Restatement

As discussed in Note 15 to the financial statements, the Association excluded amounts related to certain agency balances and incorrectly classified certain debt during the prior year. This resulted in an overstatement of assets, liabilities, revenues, and expenses and understatement of net position as of June 30, 2019. Accordingly, amounts reported for those items have been restated in the 2019 financial statements now presented, to correct the errors. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Association has changed its accounting policy for accounting for conduit debt by early adopting the provisions of GASB Statement No. 91, *Conduit Debt Obligations*. Accordingly, the 2019 financial statements have been restated to adopt this update. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 56 through 59 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary financial information on pages 56 through 59 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 basic 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 basic financial statements as a whole.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
September 25, 2020

The Idaho Housing and Finance Association's (the Association) Management Discussion and Analysis presents 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, 2020 and 2019.

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, Connecticut, Iowa, New Mexico, South Dakota, Texas and Washington, and multifamily affordable housing projects in Idaho. The Association administers fourteen (14) Housing and Urban Development (HUD) programs---Emergency Shelter Grants Program, HOME Investment Partnerships Program, Housing Trust Fund, Housing Opportunities for Persons with AIDS, Neighborhood Stabilization Program, Continuum of Care Program, Comprehensive Housing and Counseling Program, Family Self-Sufficiency Program, Section 8 New Construction/Substantial Rehabilitation, Section 8 Performance Based Contract Administration, Housing Choice Voucher Program, Mainstream 5 Year Program, Federal Housing Administration Insured Mortgage Loans, and Public and Indian Housing Loan Guarantee program; two (2) U.S. Treasury programs---Tax Credit Assistance Program, and the Housing Preservation Program; one (1) Department of Veterans Affairs (VA) program---Guaranteed Mortgage Loans; and one (1) U.S. Department of Agriculture (USDA) program---USDA Rural Housing Services Insured Mortgage Loans. The Association also issues bonds to finance nonprofit facilities, economic development projects, and road improvements throughout the State of Idaho.

Financial Highlights

The Association's net position increased during its fiscal year 2020 (FY20), reflecting stronger loan acquisition production, a larger servicing portfolio (as Loan Servicing Contracts (LSC) increased), higher servicing revenue, higher gains on loan sales, and cost containment. The rise in LSC brought a notable increase in Assets to the Cash and Cash Equivalents Held in Trust or as Agent line item, representing funds that the Association will remit as part of fulfilling the loan servicing contracts. The increase in LSC along with market fluctuations also resulted in an increase to the Loan Servicing Contracts, Fair Value line item.

Liabilities increased overall, again driven by LSC increases, notably in the Investor Remittance Liability and Escrow and Project Reserve Deposits line items, mainly representing the Association's obligation to remit payment as part of fulfilling the loan servicing contracts. Additionally, the Association expanded its commercial paper financing facilities to support higher levels of loan acquisition and sales.

The financial highlights of the Association as of June 30, 2020 compared to June 30, 2019, are as follows:

- Total net position, after fair market value and federal pass-through adjustments, increased \$71.6 million or 18.4%
- Total net position, before fair market value and federal pass-through adjustments, increased \$31.0 million or 8.0%
- Total assets increased \$166.4 million or 7.3%
- Total liabilities increased \$90.9 million or 4.7%

The Financial Analysis section of this Management's Discussion and Analysis includes a table that summarizes the changes in net position that occurred during the years ended June 30, 2020, 2019, and 2018 as well as the changes in net position.

The Association experienced a solid, productive FY20 amid a mixed year characterized by the first half of the fiscal year experiencing a strong general economic environment, followed by serious impacts due to the global COVID-19 pandemic. As a result of the crisis, many workers have lost jobs or experienced cuts to income. However, the Idaho real estate market has remained strong in spite of the crisis and interest rates have remained low. The following significant factors characterized and affected the Association's financial results:

1. Increased loan production and servicing portfolio value
2. Increased gains on loan sales

The Association continued to develop marketing and relationship channels in the State of Idaho. This effort along with maintaining servicing partnership relationships with six other state housing finance agencies (HFA) has led to a significant growth in its servicing portfolio and servicing income. The Association expects this trend to continue for the next few years as it continues to absorb each HFA's loan servicing potential. The Association has various joint-venture or subservicing relationships with Connecticut Housing Finance Authority (CHFA), Iowa Finance Authority (IFA), New Mexico Mortgage Finance Authority (MFA), South Dakota Housing Development Authority (SDHDA), Texas Department of Housing and Community Affairs (TDHCA), and Washington State Housing Finance Commission (WSHFC).

Overall, the Association has successfully managed its loan and financing programs during this period. Looking forward, the Association, along with the rest of the country, expects increased uncertainty in the economic, legal, and mortgage-lending environments due to the global COVID-19 pandemic.

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, 2020, 2019, and 2018, as well as the changes in net position.

Idaho Housing and Finance Association

Management's Discussion and Analysis

June 30, 2020 and 2019

As of June 30, (in thousands)	2020		2019 As Restated		2018 As Restated
	Balance	% Change from prior period	Balance	% Change from prior period	Balance
Cash and cash equivalents	\$ 35,729	82.44%	\$ 19,584	27.28%	\$ 15,386
Cash and cash equivalents held in trust or as agent	413,177	68.75%	244,841	46.87%	166,702
Investments, fair value	29,211	(13.91%)	33,931	(43.55%)	60,112
Investments, fair value held in trust	285,701	30.04%	219,696	71.27%	128,273
Loans held for investment, net	272,958	(6.17%)	290,898	(12.97%)	334,232
Loans available for sale	177,016	8.59%	163,006	32.33%	123,180
Loan servicing contracts, fair value	153,593	31.83%	116,510	3.58%	112,479
State of Idaho GARVEE Payable	512,905	(4.53%)	537,242	(5.24%)	566,936
Tax Exempt Mortgage Securities Asset	509,000	(14.82%)	597,571	15.32%	518,203
Loans pending modification	3,591	(40.44%)	6,029	(17.69%)	7,325
Property and Equipment	9,770	0.24%	9,747	50.88%	6,460
Other Assets	52,746	5.55%	49,973	82.42%	27,395
Interest rate swap contracts	31,972	(11.31%)	36,048	(6.33%)	38,483
Total assets and deferred outflow	<u>\$ 2,487,369</u>	6.98%	<u>\$ 2,325,076</u>	10.45%	<u>\$ 2,105,166</u>
Bonds	\$ 903,447	(2.92%)	\$ 930,599	(0.06%)	\$ 931,120
Commercial Paper	165,000	26.92%	130,000	30.00%	100,000
Tax Exempt Mortgage Securities Liability	509,000	(14.82%)	597,571	15.32%	518,203
Swap contract fair value liability	22,939	(5.91%)	24,381	(8.53%)	26,656
Interest payable-swap contract	5,077	(16.47%)	6,078	(15.18%)	7,166
Escrow and Project Reserve Deposits	142,012	19.93%	118,411	39.42%	84,934
Investor Remittances	224,601	133.29%	96,276	57.79%	61,015
Other Liabilities	55,324	66.91%	33,146	87.41%	17,686
Interest rate swap contracts	-	(100.00%)	259	0.00%	4,363
Total liabilities and deferred inflow	<u>\$ 2,027,400</u>	4.68%	<u>\$ 1,936,721</u>	10.60%	<u>\$ 1,751,143</u>
Net investment in capital assets	\$ 9,770	0.24%	\$ 9,747	50.88%	\$ 6,460
Bond funds	178,615	10.74%	161,299	12.62%	143,221
Federal Programs	1,735	785.20%	196	86.67%	105
The HOME Partnership Foundation, Inc fund	1,874	(6.67%)	2,008	(23.53%)	2,626
Unrestricted	<u>267,975</u>	24.58%	<u>215,105</u>	6.69%	<u>201,611</u>
Total net position	<u>\$ 459,969</u>	18.44%	<u>\$ 388,355</u>	9.70%	<u>\$ 354,023</u>

Idaho Housing and Finance Association

Management's Discussion and Analysis

June 30, 2020 and 2019

For the year ended June 30, (in thousands)	2020		2019 As Restated		2018 As Restated
	Balance	% Change from prior period	Balance	% Change from prior period	Balance
Interest on loans and GARVEE pledged revenues	\$ 59,842	(1.64%)	\$ 60,840	(1.62%)	\$ 61,841
Government and multifamily trusts pledged revenues					
Interest on Investments	7,756	12.93%	6,868	44.86%	4,741
Loan servicing fees	45,741	23.58%	37,013	27.03%	29,138
Contract and grant administration fees	12,472	4.25%	11,964	21.92%	9,813
Gains on loan sales	56,471	48.11%	38,128	72.47%	22,107
Other	2,552	(20.32%)	3,203	(32.58%)	4,751
Total revenues	<u>184,834</u>	16.97%	<u>158,016</u>	19.36%	<u>132,391</u>
Interest	63,327	7.17%	59,091	(2.74%)	60,758
Salaries and benefits	19,495	8.42%	17,981	19.99%	14,986
Loan acquisition costs	52,138	45.32%	35,877	3.61%	34,626
General operating	14,011	21.20%	11,560	21.24%	9,535
Bond financing costs	76	(87.07%)	588	(42.69%)	1,026
Grants to others	686	(33.72%)	1,035	22.63%	844
Losses on real estate-owned property	2,531	(20.91%)	3,200	19900.00%	16
Other	1,528	(13.33%)	1,763	10.12%	1,601
Total expenses	<u>153,792</u>	17.31%	<u>131,095</u>	6.24%	<u>123,392</u>
Operating income/(loss)	<u>31,042</u>	15.31%	<u>26,921</u>	199.16%	<u>8,999</u>
Net increase (decrease) in fair value of investments	6,523	(3266.50%)	(206)	(96.25%)	(5,498)
Net increase (decrease) in fair value of servicing rights	37,083	819.95%	4,031	(90.82%)	43,904
Derivative instruments, interest rate swap	(2,831)	(181.70%)	3,465	(38.56%)	5,640
Federal pass-through revenues	45,221	(1.49%)	45,903	0.21%	45,805
Federal pass-through expenses	(45,424)	(0.78%)	(45,782)	(0.95%)	(46,219)
Total non-operating revenues and expenses	<u>40,572</u>	447.46%	<u>7,411</u>	(83.01%)	<u>43,632</u>
Increase/(decrease) in net position	<u>\$ 71,614</u>	108.59%	<u>\$ 34,332</u>	(34.77%)	<u>\$ 52,631</u>
Loans serviced as agent (not reported on statement of net position)	<u>\$ 19,382,928</u>	29.14%	<u>\$ 15,008,892</u>	42.02%	<u>\$ 10,567,997</u>

The fair value adjustments reported in the Statement of Net Position on page 10 and the Statement of Revenues, Expenses, and Changes in Net Position on page 11 are required under GASB Statements No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and No. 72, *Fair Value Measurement and Application*.

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 \$9.77 million (net of accumulated depreciation), an increase of less than 1%, based on no significant additions. Typically, the change in capital assets in any given year is immaterial to the overall operation of the Association.

The Association periodically sells bonds to investors to raise capital. Bonds are marketable securities backed by mortgage loans on residential and multifamily properties. 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.

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 FNMA, FHMLC, and GNMA to purchase loans or guarantee loan securities; the availability of the Federal Housing Administration (FHA), the Veterans Administration (VA), and the Department of Agriculture's Office of Rural Development (RD) to guarantee loans; the continuation and development of servicing relationships outside of Idaho; and the availability of long-term, tax-exempt financing on favorable terms are key elements in providing the resources 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.

The COVID-19 pandemic has developed rapidly in 2020 and has certain effects on economic activity. The Association taken a number of measures to monitor and mitigate the effects of COVID-19. At this stage, the impact on our business and results has not been significant and is expected to remain the case. The Association will continue to follow the various government policies and advice and, monitor all operations, delinquencies, and foreclosures to minimize any future impact.

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 Controller 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

June 30, 2020 and 2019

(in thousands)

	2020	2019 As Restated
Assets		
Cash and cash equivalents	\$ 35,729	\$ 19,584
Cash and cash equivalents held in trust or as agent	413,177	244,841
Investments, fair value	29,211	33,931
Investments held in trust, fair value	285,701	219,696
Loans held for investment, net	272,958	290,898
Loans available for sale	177,016	163,006
Loan servicing contracts, fair value	153,593	116,510
Loans pending modification	3,591	6,029
Property and equipment	9,770	9,747
Other assets	52,746	49,973
Tax exempt mortgage securities asset	509,000	597,571
State of Idaho GARVEE receivable	512,905	537,242
Total assets	<u>2,455,397</u>	<u>2,289,028</u>
Deferred Outflow of Resources		
Interest rate swap contracts, amortized value	18,576	24,010
Interest rate swap contracts, fair value	13,396	12,038
Total deferred outflow of resources	<u>31,972</u>	<u>36,048</u>
Total assets and deferred outflow of resources	<u>\$ 2,487,369</u>	<u>\$ 2,325,076</u>
Liabilities		
Commercial paper	\$ 165,000	\$ 130,000
Bonds and notes	903,447	930,599
Tax Exempt Mortgage Securities Liability	509,000	597,571
Interest payable-swap contract	5,077	6,078
Investor remittance liability	224,601	96,276
Escrow and project reserve deposits	142,012	118,411
Swap contract fair value	22,939	24,381
Other liabilities	55,324	33,146
Total liabilities	<u>2,027,400</u>	<u>1,936,462</u>
Deferred Inflow of Resources		
Interest rate swap contracts, fair value	-	259
Total deferred inflow of resources	<u>-</u>	<u>259</u>
Net Position		
Net investment in capital assets	9,770	9,747
Restricted		
Bond funds	178,615	161,299
Federal Programs	1,735	196
The Home Partnership Foundation, Inc fund	1,874	2,008
Unrestricted	267,975	215,105
Total net position	<u>459,969</u>	<u>388,355</u>
Total liabilities, deferred inflow of resources, and net position	<u>\$ 2,487,369</u>	<u>\$ 2,325,076</u>

Idaho Housing and Finance Association
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2020 and 2019
(in thousands)

	2020	2019 As Restated
Operating Revenues		
Gain on loan sales	\$ 56,471	\$ 38,128
Interest on loans and GARVEE pledged revenues	59,842	60,840
Interest on investments	7,756	6,868
Loan servicing fees	45,741	37,013
Grant and contract administration fees	12,472	11,964
Other	2,552	3,203
Total operating revenues	<u>184,834</u>	<u>158,016</u>
Operating Expenses		
Loan acquisition costs	52,138	35,877
Interest	63,327	59,091
Salaries and benefits	19,495	17,981
General operating	14,011	11,560
Bond financing costs	76	588
Grant to others	686	1,035
Losses on real estate-owned property	2,531	3,200
Other	1,528	1,763
Total operating expenses	<u>153,792</u>	<u>131,095</u>
Operating Income	<u>31,042</u>	<u>26,921</u>
Nonoperating Revenues and (Expenses)		
Net increase (decrease) in fair value of investments	6,523	(206)
Net increase in fair value of servicing contracts	37,083	4,031
Derivative instruments, interest rate swap	(2,831)	3,465
Federal pass-through revenues	45,221	45,903
Federal pass-through expenses	(45,424)	(45,782)
Total nonoperating revenues and (expenses)	<u>40,572</u>	<u>7,411</u>
Increase in Net Position	71,614	34,332
Net Position, Beginning of Year, as Restated	<u>388,355</u>	<u>354,023</u>
Net Position, End of Year	<u>\$ 459,969</u>	<u>\$ 388,355</u>

Idaho Housing and Finance Association

Statements of Cash Flows
Years Ended June 30, 2020 and 2019
(in thousands)

	2020	2019 As Restated
Operating Activities		
Receipts from customers, loan interest, and fees	\$ 3,795,339	\$ 1,880,387
Loan principal payments	103,916	87,719
Principal and interest pass-through remittances as servicing agent	(3,399,497)	(1,629,526)
Loan sales	7,120,313	4,407,372
Loan acquisition costs	(53,896)	(35,877)
Interest paid	(72,890)	(61,122)
Payments to suppliers	(14,539)	(10,231)
Payments for transportation program costs	(13,655)	(6,655)
Payments for loans available for sale	(7,133,268)	(4,467,627)
Payments to employees for services and benefits	(19,804)	(17,562)
Loan principal additions	(86,728)	(39,250)
Net Cash from Operating Activities	225,291	107,628
Noncapital Financing Activities		
Bond financing costs	(76)	(4,258)
Bond and commercial paper payments	(1,021,396)	(545,289)
Bond and commercial paper issued	1,029,310	588,251
Federal pass-through revenues	45,221	45,903
Federal pass-through expenses	(45,424)	(45,782)
Net Cash from Noncapital Financing Activities	7,635	38,825
Capital and Related Financing Activities		
Acquisition and construction of capital assets	(1,439)	(4,376)
Net Cash used for Capital and Related Financing Activities	(1,439)	(4,376)
Investing Activities		
Investment purchases	(5,335,193)	(4,905,229)
Investment redemptions	5,279,681	4,840,575
Investment income	8,506	4,914
Net Cash used for Investing Activities	(47,006)	(59,740)
Net Change in Cash	184,481	82,337
Cash and Cash Equivalents, Beginning of Year	264,425	182,088
Cash and Cash Equivalents, End of Year	\$ 448,906	\$ 264,425

Idaho Housing and Finance Association

Statements of Cash Flows

Years Ended June 30, 2020 and 2019

(in thousands)

	2020	2019 As Restated
Reconciliation of Net Operating Revenues/(Expenses) to Net Cash from Operating Activities		
Operating income	\$ 31,042	\$ 26,921
Adjustments to reconcile operating income to net cash from operating activities		
Loan principal received	103,916	87,719
Loans issued	(86,728)	(39,250)
Bond financing costs	76	4,258
Depreciation and other amortization	1,416	1,886
Changes in assets and liabilities		
Interest receivable	315	312
Interest payable	811	104
Interest on investments	(7,756)	(6,868)
Pledged revenues	32,377	29,694
Other assets	(12,695)	(28,670)
Accounts payable and other liabilities	162,517	31,524
Deposits	-	(2)
	194,249	80,707
Net Cash from Operating Activities	\$ 225,291	\$ 107,628

The Housing Company
 A Component Unit of Idaho Housing and Finance Association
 Consolidated Statements of Financial Position
 December 31, 2019 and 2018

	2019	2018
Assets		
Cash and Cash Equivalents	\$ 7,667,371	\$ 5,976,623
Investments	1,000,000	3,050,000
Restricted Cash	2,844,344	1,282,572
Receivables	180,478	692,760
Prepaid Expenses	254,432	204,659
HOME/HTF Funded Homes Held for Sale	2,425,068	1,684,572
Land	5,498,997	4,987,658
Buildings and Equipment (net of accumulated depreciation)	51,675,893	40,894,048
Tax Credit Fees and Other (net of accumulated amortization)	1,623,364	502,423
	\$ 73,169,947	\$ 59,275,315
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 2,162,666	\$ 839,741
Interest payable	267,411	210,461
Real estate taxes payable	479,204	462,607
Long-term debt, net of unamortized debt issuance costs of \$1,258,317 in 2019 and \$531,874 in 2018	38,480,124	24,516,040
Security deposits payable	397,462	396,425
	41,786,867	26,425,274
Net Assets Without Donor Restrictions		
Controlling interests	9,361,024	9,304,371
Non controlling interests	22,022,056	23,545,670
	\$ 73,169,947	\$ 59,275,315

The Housing Company
 A Component Unit of Idaho Housing and Finance Association
 Consolidated Statements of Activities
 Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Tenant rents	\$ 7,361,546	\$ 6,953,545
Housing assistance payments	2,853,354	2,856,277
Grants and other contributions	500,000	300,000
Interest and dividends	58,238	53,881
Forgiveness of debt on tax credit exchange loan	310,605	310,605
Property management services	127,777	133,428
Other	549,410	343,963
Total revenues	11,760,930	10,951,699
Expenses		
Administrative	3,922,710	2,956,457
Utilities and maintenance	3,347,650	2,966,239
Real estate taxes and insurance	1,306,789	1,235,184
Depreciation and amortization	3,589,038	3,535,830
Interest	988,678	894,839
Total expenses	13,154,865	11,588,549
Subtotal	(1,393,935)	(636,850)
Gain/Loss on Sale of Assets	-	26,291
Change in Net Assets Before Noncontrolling Interests	(1,393,935)	(610,559)
Non Controlling Interest in Partnership Losses	1,450,588	1,847,355
Change in Net Assets Without Donor Restrictions	\$ 56,653	\$ 1,236,796

Note 1 - Authorizing Legislation

The Idaho Housing and Finance Association (the Association) is 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 by the 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.

Note 2 - Summary of Significant Accounting Policies**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.

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 with the same fiscal year-end. THC reports under FASB standards, including FASB ASC 958, *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.

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 loan servicing contracts. It is at least reasonably possible that the significant estimates used will change within the next year.

Program Accounting

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

Business Operations includes the General Operating business unit and various custodial accounts 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 business unit 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 business unit consists primarily of investments and loans receivable and the earnings thereon, as well as the residual income generated through Business Operations each year.

The 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 business unit 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 business units 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.

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.

Tax-exempt mortgage-backed securities (TEMS), established under a separate trust indenture, account for the pass-through activities associated with TEMS. TEMS are tax-exempt securities which are collateralized by mortgage loan pools. The TEMS are special, limited obligations of the Association and are payable solely from pledged mortgages and their revenues. The TEMS are secured by the mortgages, their related revenues, and the Ginnie Mae mortgage-backed security guarantee. Neither the State of Idaho nor any political subdivision thereof is obligated to pay the TEMS. Nor is the faith and credit, nor the taxing power of the State of Idaho or of any political subdivision thereof pledged for the payment of the principal or interest on the TEMS.

TEMS are collateralized by the mortgage loan pool with the same maturity terms as the TEMS. The payments from the mortgages are used to pay the principal and interest payments of the TEMS. The Association is the servicer for the mortgages. The Ginnie Mae trustee holds the deed of trust and the first lien on the properties that underlie the mortgages in a trust that benefits the Association as mortgage pool owner as well as Ginnie Mae as mortgage pool guarantor.

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 are held at Wells Fargo and Key Bank. 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. The Association does not have a formal deposit policy for custodial credit risk. In the opinion of management, the Association is not exposed to this risk at June 30, 2020 and 2019. Restricted cash as of June 30, 2020 consists of \$14.586 million in Federal Programs, \$146.547 million in escrow deposits, and \$252.044 million in General Operating. Restricted cash as of June 30, 2019 consists of \$11.523 million in Federal Programs, \$119.472 million in escrow deposits, and \$113.846 million in General Operating.

Bond Financing Costs/Bond Financing Cost Expense

Bond financing costs are expensed in the period incurred.

Loan Sale Gains, Acquisition Costs, and Servicing Contracts

GASB Statement No. 48 *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* establishes criteria for determining the reporting of proceeds from loan sales. This standard provides that net gain or loss on a sale be calculated by subtracting the carrying value of loans from the proceeds. Since the Association's seller/servicing relationships are independent of the loan acquisition process, service release premiums paid are included in the carrying value of loans and are reported as loan acquisition costs and expensed in the current period. Statement No. 48 does not require an analysis of or valuation of servicing contracts created in the sales process.

Loan Servicing Contracts (LSC) is an asset that represents the rights to service mortgage loans for others. The Association recognizes LSC when loans are sold, securitized, or acquired. Since the Association receives or pays no consideration in its seller/servicing relationships for LSC, the Association maintains a zero basis in the fair value of its servicing contracts. The Association has adopted a non-authoritative principle of valuing these servicing contracts determined by FASB ASC 860 *Transfers and Servicing* and reported using GASB Statement No. 72 *Fair Value Measurement and Application Guidance*. The Association reports LSC at fair values in the Statements of Net Position and changes in the fair value reported in the Statements of Revenues, Expenses, and Changes in Net Position. The Association uses the services of a reputable, nationally recognized company to estimate the fair value of LSC. The Association calculates the present value of estimated future net servicing income and incorporates inputs and assumptions that market participants use in estimating fair value. LSC is fair valued using a third-party proprietary financial model (Level 3 input).

During the years ended June 30, 2020 and 2019, the Association has LSC fair valued on its statements of net position at \$153.593 million and \$116.510 million, respectively. During the years ended June 30, 2020 and 2019, the Association has unrealized LSC fair value increases of \$37.083 million and \$4.031 million, respectively. The Association holds these assets until maturity meaning that the value will ultimately be realized over a long-time horizon as loan servicing fees.

Risks considered in determination of LSC fair value include prepayment speeds, market discount rates, delinquency and foreclosure rates, and interest rate change shock rates. Assumptions included prepayment speeds, market interest rates, earnings rates, servicing costs, acquisition costs, ancillary income, and borrower rates. The average discount rate used in this analysis is 11.23%. The range of prepayment speeds used are from 104 to 441 PSA with an average of 278 PSA.

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. Federal program revenues are recorded when all eligibility requirements have been met.

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, 2020 and 2019 was \$1.203 million and \$0.924 million, respectively. Property and equipment are presented in the statements of net position, net of accumulated depreciation of \$9.770 million and \$9.747 million at June 30, 2020 and 2019, respectively.

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 \$4.331 million as of June 30, 2020 and \$3.118 as of June 30, 2019. The Association has established an allowance for loan loss and REO activity in the Loan Guarantee and Compliance Fund for Association-held loans not recoverable. As of June 30, 2020, and 2019 the Association estimates this amount to be \$0.734 million and \$0.802 million, respectively. 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 losses in the Affordable Housing Investment Trust for Association down-payment assistance loans due to the forgivability on an Association-held primary loan. The Association has established an allowance for forgivable loans in the Affordable Housing Investment Trust for Association down-payment assistance loans not recoverable due to borrowers meeting their obligation on the primary loan and therefore qualifying for loan forgiveness. The Association estimates that amount to be \$11.435 million and \$0.729 million as of June 30, 2020 and 2019, respectively.

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.

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 Statements of Net Position.

Investor Remittance Liability

Investor Remittance Liability is composed of borrower principle and interest payment funds held by the Association pending remittance to the owners of the loans, primarily GNMA, FNMA, and FHLMC. These funds are remitted according to the loan owners’ contractual requirements, which vary, but in no case exceed 30 days. Investor Remittance liabilities payable were \$224.601 million and \$96.276 million at June 30, 2020 and 2019, respectively.

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 business unit. 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, 2020, the Association had \$165.000 million of commercial paper outstanding maturing in 35 to 93 days from date of issue, with weighted average interest rates of 0.447%. As of June 30, 2019, the Association had \$130.000 million of commercial paper outstanding maturing in 15 to 89 days from date of issue, with weighted average interest rates of 2.712%.

Other Real Estate Owned

Assets acquired through, or in lieu of, loan foreclosure are to be sold and are initially recorded at the lower of cost basis in the loan or fair value at the date of foreclosure less estimated costs to sell, establishing a new cost basis. After foreclosure, valuations are periodically performed by management and the asset is carried at the lower of cost or fair value less cost to sell. Expenses from operations are included in other expenses. Revenues, net gains and losses on sales, other disposals of real estate owned, and changes in valuation are included in losses on real estate-owned property.

Net Position

Net Position, the amount of 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 \$182.177 million and \$163.474 million at June 30, 2020 and 2019, respectively, are restricted by bond indentures and programmatic requirements; approximately \$65.410 million and \$59.133 million at June 30, 2020 and 2019, respectively, are designated by the Board for programmatic uses in connection with the Affordable Housing Investment Trust; and the remaining balances of \$212.382 million and \$165.748 million held in the General Operating business unit at June 30, 2020 and 2019, include \$9.770 million and \$9.747 million, respectively, net invested in capital assets, and \$202.565 million and \$156.000 million, respectively, unrestricted and available for general operations of the Association.

Classification of Revenues

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) interest on loans and investments and (2) administration and loan servicing fees. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as (1) federal pass-through awards, (2) change in the fair value of investments, and (3) 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*.

Reclassification

Certain reclassifications have been made, the total effect on net position is an increase of \$0.145 million reported in the financial statements as of June 30, 2019. Refer to Note 15 for details regarding reclassifications.

New Accounting Principles and Restatement of Net Position

GASB has issued the following standards initially effective for the fiscal years presented:

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. In the opinion of the management, these standards do not have a material impact on the Association's financial position given current operations and obligations.

GASB has issued the following standard effective for Fiscal Year 2021:

GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 87, *Leases*, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* and Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. In the opinion of the management, these standards do not have a material impact on the Association's financial position given current operations and obligations.

GASB has issued the following standard effective for Fiscal Year 2022:

GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 87, *Leases*, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, GASB Statement No. 92, *Omnibus 2020*, GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Management has not studied fully these standards but is of the opinion that any impact will be minimal.

GASB has issued the following standard effective for Fiscal Year 2023:

GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 93, *Replacement of Interbank Offered Rates*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Management elected to early adopt GASB Statement No. 91, *Conduit Debt Obligations*, which resulted in one of the restatements described in Note 15. Management has not studied fully the other standards but is of the opinion that any impact will be minimal.

Note 3 - Investments

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application* require certain investments be reported at fair value in the Statements 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, 2020, and 2019, the Association has overnight investments of \$3.595 million and \$0.009 million, respectively, in money market funds and \$31.093 million and \$16.316 million, respectively, in repurchase agreements held by Wells Fargo Bank, respectively. Repurchase agreements are collateralized by U.S. government and agency obligations held in the Association's trustee's name in the Association's account.

GASB Statement No.72 addresses accounting and financial reporting issues related to fair value measurements. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value focuses on market price from the perspective of a seller (exit price). The fair value of a financial asset is determined based on real or potential market transactions in the Association's principal market, or in the absence of a principal market, the Association's most advantageous market. The fair value of a nonfinancial asset takes into account the highest and best use of that asset, which normally is presumed its current use. A fair value measurement of a liability assumes that the liability would be transferred to a market participant and not settled with the counterparty (such as certain liabilities related to derivatives). Therefore, the fair value would be the price that would have to be paid for a third party to assume the liability, not the price that would have to be paid to the counterparty to settle the obligation. GASB Statement No.72 explains that the Association may determine the market price of an asset in one of three ways: 1) actual market transactions for identical or similar items (market approach); 2) the current cost to replace the service capacity of an asset (cost approach); or 3) discounting the current value of future cash flows (income approach). It also establishes a three-tier hierarchy of input quality as follows:

- Level 1 inputs---quoted prices in active markets for identical items;
- Level 2 inputs---directly or indirectly observable prices, but not Level 1; and
- Level 3 inputs---unobservable inputs such as financial models.

As of June 30, 2020, the Association categorizes the combined fair value of \$314.912 million of investments and investments held in trust within this hierarchy. Money market funds of \$98.830 million, U.S. Agency obligations of \$108.420 million, U.S. Treasury bonds of \$0.248 million, U.S. Government mortgage-backed securities of \$112.041 million, TBA Contracts of (\$2.221 million), and accrued interest of \$.706 million are valued using quoted market prices (Level 1). Interest rate swaps of (\$3.112) million are valued using a propriety-pricing model (Level 2).

As of June 30, 2019, the Association categorizes the combined fair value of \$253,738 million of Investments and Investments held in trust within this hierarchy. Money market funds of \$82.144 million, U.S. Agency obligations of \$51.629 million, U.S. Treasury bonds of \$.253 million, U.S. Government mortgage-backed securities of \$123.067 million, TBA Contracts of (\$2.203 million), and Accrued interest of \$.74 million are valued using quoted market prices (Level 1). Interest rate swaps of (\$1.894) million are valued using a propriety pricing model (Level 2).

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.

Idaho Housing and Finance Association
Notes to Financial Statements
June 30, 2020 and 2019

As of June 30, 2020, the Association had the following investments and maturities (in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)							More Than 30
		Less Than 1	1-5	6-10	11-15	16-20	21-25	26-30	
Money market funds	\$ 98,830	\$ 98,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Agency obligations	14,582	-	-	2,232	3,793	8,557	-	-	-
U.S. Agency/Pooled obligation	93,838	-	-	-	-	-	-	93,838	-
U.S. Treasury Bonds	248	-	33	215	-	-	-	-	-
U.S. Government mortgage backed securities	112,041	112,041	-	-	-	-	-	-	-
Interest rate swaps	(3,112)	-	(3,112)	-	-	-	-	-	-
TBA Contracts	(2,221)	(2,221)	-	-	-	-	-	-	-
	314,206	\$ 208,650	\$ (3,079)	\$ 2,447	\$ 3,793	\$ 8,557	\$ -	\$ 93,838	\$ -
Accrued interest	706								
All Investments	\$ 314,912								

As of June 30, 2019, the Association had the following investments and maturities (in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)							More Than 30
		Less Than 1	1-5	6-10	11-15	16-20	21-25	26-30	
Money market funds	\$ 82,033	\$ 82,033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Agency obligations	13,063	-	-	2,100	4,129	6,834	-	-	-
U.S. Agency/Pooled obligation	38,566	-	-	-	-	-	184	38,382	-
U.S. Treasury Bonds	253	-	49	204	-	-	-	-	-
U.S. Government mortgage backed securities	123,067	-	123,067	-	-	-	-	-	-
Interest rate swaps	(1,894)	-	(1,894)	-	-	-	-	-	-
TBA Contracts	(2,201)	(2,201)	-	-	-	-	-	-	-
	252,887	\$ 79,832	\$ 121,222	\$ 2,304	\$ 4,129	\$ 6,834	\$ 184	\$ 38,382	\$ -
Accrued interest	740								
All Investments	\$ 253,627								

At June 30, 2020, the Association's had 12 U.S. agency mortgage-backed security pools, which pay monthly principal and interest.

At June 30, 2019, the Association had 6 U.S. agency mortgage-backed security pools, which pay monthly principal and interest.

At June 30, 2020, the Association had \$182.685 million 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. The Association pays fixed-rate payments between 3.73% and 5.25% and receives variable rate payments based on SIFMA and LIBOR indices. The Association entered the swap contracts in November 2008, which mature between 2020 and 2030. These contracts are not rated.

At June 30, 2019, the Association had \$229.605 million 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. The Association pays fixed-rate payments between 3.73% and 5.25% and receives variable rate payments based on SIFMA and LIBOR indices. The Association entered the swap contracts in November 2008, which mature between 2019 and 2030. These contracts are not rated.

At June 30, 2020 and 2019, the Association has \$419.844 million and \$388.000 million, respectively 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, 2020, 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, 2020, and 2019, the Association’s remaining investments are rated by Moody’s Investor Service as follows (in thousands):

Investment Type	Rating	2020	2019
U.S. Agency Obligations	Aaa	\$ 108,420	\$ 51,629

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, 2020, the Association had investments of five percent or more in Ginnie Mae obligations of \$93.765 million and Deutsch Bank AG obligations of \$112.041 million.

As of June 30, 2019, the Association had investments of five percent or more in Federal Farm Credit Bank obligations of \$7.408 million, Fannie Mae obligations of \$6.003 million, Ginnie Mae obligations of \$37.921 million, and Deutsch Bank AG obligations of \$123.067 million.

During the years ended June 30, 2020 and 2019, the Association realized net gains of \$0.003 million and \$2.056 million, 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 change in the fair value of investments as of June 30, 2020 and 2019, was a \$5.304 million and a \$1.446 million increase, respectively. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the fiscal year. Included in the amount for the years ending June 30, 2020 and 2019, were decreases of \$1.218 million and \$1.240 million, respectively, related to derivative interest rate swap contracts fair market value considered investments. Also, included in the amount for the years ending June 30, 2020 and 2019, is \$0.020 million and \$0.852 million, respectively, related to TBA contracts.

The unrealized gain on investments held at June 30, 2020 and 2019 was \$9.902 million and \$3.361 million, 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. For the years ending June 30, 2020 and 2019, 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.

Note 4 - Loans Held for Investment and Loans Serviced as Agent

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

June 30, 2020 and 2019

A summary of security for loans as of June 30, 2020 is as follows (in thousands):

	Non-Pool Insured	Pool Insured	Total
FHA Insurance	\$ 95,598	\$ -	\$ 95,598
VA Guaranteed	5,092	-	5,092
Commercially Insured	41,364	5,979	47,343
USDA Rural Development Insurance	20,644	-	20,644
Association Insured	17,760	-	17,760
	\$ 180,458	\$ 5,979	186,437
 Other			
Multifamily Bond Financed			1,281
Single Family IHFA Capital Pool			2,497
Multifamily IHFA Capital Pool			62,666
Social Service and Development IHFA Capital Pool			9,564
Construction			19,218
State Small Business Credit Initiative			1,758
SRP			(11,435)
Loan Loss Provision on Forgivable Loans			(734)
Loan Loss Provision			1,706
Interest Receivable on Loans			1,706
Total Loans held for investment, net			\$ 272,958

A summary of security for loans as of June 30, 2019 is as follows (in thousands):

	Non-Pool Insured	Pool Insured	Total
FHA Insurance	\$ 98,744	\$ -	\$ 98,744
VA Guaranteed	8,926	-	8,926
Commercially Insured	45,693	7,458	53,151
USDA Rural Development Insurance	25,940	-	25,940
Association Insured	21,372	-	21,372
	\$ 200,675	\$ 7,458	208,133
 Other			
Multifamily Bond Financed			-
Single Family IHFA Capital Pool			1,527
Multifamily IHFA Capital Pool			2,639
Social Service and Development IHFA Capital Pool			50,996
Construction			9,011
State Small Business Credit Initiative			18,497
Loan Loss Provision			(1,531)
Interest Receivable on Loans			1,626
Total Loans held for investment, net			\$ 290,898

As of June 30, 2020, and 2019, the loans receivable includes \$11.142 million and \$3.773 million, respectively, in notes receivable from The Housing Company (THC), which require repayment within 17 and 23 years, respectively. The notes are secured by various multifamily housing projects and accrue interest at between 3.00 and 4.50 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 9.13 percent during fiscal years 2020 and 2019. 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 Statements 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 not exceed 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, 2020. 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 Statements of Revenues, Expenses and Changes in Net Position. Loans available for 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, 2020 and 2019, the Association realized \$56.471 million and \$38.128 million, respectively, in gains on the sale of loans to FNMA FHMLC, and GNMA. As of June 30, 2020, and 2019, the Association had commitments to sell or secure \$128.922 million and \$122.216 million, respectively, of single-family mortgages to FNMA and FHMLC or through GNMA. As of June 30, 2020, and 2019, the Association had commitments to sell or secure \$29.761 million and \$44.629 million, respectively, of single-family mortgages on behalf of Connecticut Housing Finance Authority. As of June 30, 2020, and 2019, the Association had commitments to sell or secure \$69.443 million and \$51.735 million, respectively, of single-family mortgages on behalf of South Dakota Housing Development Authority. As of June 30, 2020, and 2019, the Association had commitments to sell or secure \$16.378 million and \$23.231 million, respectively, of single-family mortgages on behalf of Iowa Finance Authority. As of June 30, 2020, and 2019, the Association had commitments to sell or secure \$36.318 million and \$27.670 million, respectively, on behalf of New Mexico Mortgage Finance Authority. As of June 30, 2020, and 2019, the Association had commitments to sell or secure \$152.695 million and \$153.584 million, respectively, on behalf of Texas Department of Housing and Community Affairs. As of June 30, 2020, and 2019, the Association had commitments to sell or secure \$35.457 million and \$100.227 million, respectively, on behalf of Washington State Housing Finance Commission.

As of June 30, 2020, and 2019, the Association estimates \$66.035 million and \$68.840 million, 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 \$1,235.580 million and \$1,160.393 million, respectively, of single-family mortgages, which had not yet been funded.

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2020 and 2019

As of June 30, 2020 and 2019, the Association was an agent for the following loans (in thousands):

	2020	2019
Federal Home Loan Mortgage Corporation	\$ 1,629,797	\$ 668,277
Federal National Mortgage Association	6,715,874	5,907,049
Government National Mortgage Association	10,315,971	7,788,921
Iowa Finance Authority	20,846	23,240
Connecticut Housing Finance Authority	42,358	49,134
South Dakota Housing Development Authority	83,863	56,129
New Mexico Mortgage Finance Authority	37,976	22,859
Texas Department of Housing and Community Affairs	306,629	236,107
Washington State Housing Finance Commission	88,790	120,614
Idaho Community Reinvestment Corporation	12,577	14,030
Neighborhood Housing Services	2,999	3,567
Boise Valley Habitat	1,011	826
HOME Loan Balances	82,575	77,897
Neighborhood Stabilization Program	11,978	10,730
Housing Trust Fund	7,019	5,009
Tax Credit Assistance Program	10,051	10,051
TCEP Loan Program	12,126	13,820
Other	488	632
	\$ 19,382,928	\$ 15,008,892
Total loans serviced as agent		

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2020 and 2019

Note 5 - Bonds

Description and Due Date	Average Bond Yield	2020	2019 As Restated
Single-Family Mortgage Bonds			
2000 Indenture			
Variable Rate Class 1	1.964%	\$ 22,355	\$ 28,505
	1.964%	22,355	28,505
2003 Indenture			
Class I Bonds	3.445%	36,520	46,015
Variable Rate Class I	1.347%	41,975	48,765
Variable Rate Class II	1.413%	9,910	10,940
	2.258%	88,405	105,720
2006 Indenture			
Variable Rate Class I	1.850%	62,405	87,445
	1.850%	62,405	87,445
2009 Indenture			
Class I Bonds	4.000%	510	1,665
Class II Bonds	4.375%	740	1,780
Class III Bonds	4.000%	215	745
	4.188%	1,465	4,190
2019 Indenture			
Variable Rate Class I	1.684%	10,110	-
Class I Bonds	3.189%	61,405	-
	2.971%	71,515	-
Total single-family mortgage bonds		246,145	225,860
Direct Placement Note Payable	3.377%	21,426	26,676
Grant and Revenue Anticipation Bonds			
2008 Series A	4.125%	-	7,815
2009 Series A	4.878%	-	7,835
2010 Series A	6.225%	67,620	69,785
2011 Series A	4.877%	62,285	63,765
2012 Series A	4.083%	24,075	25,795
2014 Series A	4.943%	57,280	60,685
2015 Series A	5.000%	146,235	155,895
2017 Series A	5.000%	91,265	91,265
2019 Series A	5.000%	122,130	122,130
	5.086%	570,890	604,970
Total bonds		838,461	857,506
Interest Payable		16,068	15,257
Net Unamortized (Discount)/Premium		48,918	57,836
Total bonds and notes		\$ 903,447	\$ 930,599

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.

Premiums and discounts on bonds are amortized using the bonds outstanding method over the life of the bonds to which they relate.

The outstanding note payable with the balance of \$21,426,000 and \$26,676,000 as of June 30, 2019 and 2018, respectively, has a maturity date of July 21, 2021. The note has a variable interest rate at 1-month LIBOR plus a spread and matures at a rate of approximately \$5,000,000 per year with the balance due on the maturity date.

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.

On July 1, 2019, the Association issued the 2019AB Single Family Mortgage Bonds to currently refund the 2009C and a portion of 2013A Single Family Mortgage Bonds. The 2019AB Bond is intended as a restructuring to provide an adequate asset base and meet indenture parity requirements to maintain the investment grade quality of IHFA's Single Family Mortgage Bond Program. No economic savings are intended to be achieved by this restructuring. The economic gain/loss was \$0, as the refunding moved from one variable rate index to another.

Idaho Housing and Finance Association
Notes to Financial Statements
June 30, 2020 and 2019

The scheduled principal debt service, including July 1, 2020 special redemptions, for the periods subsequent to, and as of, June 30, 2020, is as follows (in thousands):

	2021	2022	2023	2024	2025	2026 2030	2031 2035	2036 2040	2041 2045	2046 2050	TOTAL
Single-Family Mortgage Bonds											
2000 Indenture	\$ 3,249	\$ 2,298	\$ 2,298	\$ 2,202	\$ 2,106	\$ 9,383	\$ 819	\$ -	\$ -	\$ -	\$ 22,355
2003 Indenture	6,445	1,865	2,640	4,770	4,840	19,245	40,125	8,475	-	-	88,405
2006 Indenture	3,535	2,640	2,765	3,140	3,330	3,470	23,695	19,645	185	-	62,405
2009 Indenture	390	85	95	115	115	460	205	-	-	-	1,465
2019 Indenture	2,790	2,885	2,945	2,880	2,790	12,600	13,040	14,725	10,105	6,755	71,515
Direct Placement Term Note											
Rating Compliance and Loan Guarantee	5,000	16,426	-	-	-	-	-	-	-	-	21,426
	<u>21,409</u>	<u>26,199</u>	<u>10,743</u>	<u>13,107</u>	<u>13,181</u>	<u>45,158</u>	<u>77,884</u>	<u>42,845</u>	<u>10,290</u>	<u>6,755</u>	<u>267,571</u>
Grant Revenue and Revenue Anticipation Bonds											
2008 Series A	-	-	-	-	-	-	-	-	-	-	-
2009 Series A	-	-	-	-	-	-	-	-	-	-	-
2010 Series A	2,285	2,410	2,545	-	-	60,380	-	-	-	-	67,620
2011 Series A	1,515	1,545	1,575	1,600	1,615	54,435	-	-	-	-	62,285
2012 Series A	1,790	1,860	1,940	2,010	2,100	11,735	2,640	-	-	-	24,075
2014 Series A	3,575	3,760	3,955	4,155	4,370	31,590	5,875	-	-	-	57,280
2015 Series A	10,640	19,060	19,680	20,765	22,405	53,685	-	-	-	-	146,235
2017 Series A	6,680	7,705	8,455	8,810	8,680	50,935	-	-	-	-	91,265
2019 Series A	-	-	-	-	-	-	67,735	54,395	-	-	122,130
Total GARVEE											570,890
Variable rate principal	15,764	23,309	7,098	7,612	7,771	27,358	50,929	28,155	185	-	168,181
Total principal	<u>\$ 47,894</u>	<u>\$ 62,539</u>	<u>\$ 48,893</u>	<u>\$ 50,447</u>	<u>\$ 52,351</u>	<u>\$ 307,918</u>	<u>\$ 154,134</u>	<u>\$ 97,240</u>	<u>\$ 10,290</u>	<u>\$ 6,755</u>	<u>\$ 838,461</u>
Interest											
Fixed	\$ 30,654	\$ 29,519	\$ 27,572	\$ 25,554	\$ 23,491	\$ 77,544	\$ 30,707	\$ 8,413	\$ 2,215	\$ 706	\$ 256,375
Variable	876	511	466	414	358	1,248	636	112	-	-	4,621
Total interest	<u>\$ 31,530</u>	<u>\$ 30,030</u>	<u>\$ 28,038</u>	<u>\$ 25,968</u>	<u>\$ 23,849</u>	<u>\$ 78,792</u>	<u>\$ 31,343</u>	<u>\$ 8,525</u>	<u>\$ 2,215</u>	<u>\$ 706</u>	<u>\$ 260,996</u>

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2020 and 2019

Long-term bond liability and short-term commercial paper activity for the years ended June 30, 2020 and 2019 was as follows (in thousands):

June 30, 2020	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One year
Par Bonds Payable	\$ 830,830	\$ 73,265	\$ (87,060)	\$ 817,035	\$ 47,894
Note Payable	26,676		(5,250)	21,426	5,000
Interest Payable	15,257	35,534	(34,723)	16,068	16,068
Net Unamortized (Discount)/Premium	<u>57,836</u>	<u>2,658</u>	<u>(11,576)</u>	<u>48,918</u>	<u>4,374</u>
Total bonds payable at June 30, 2020	<u>\$ 930,599</u>	<u>\$ 111,457</u>	<u>\$ (138,609)</u>	<u>\$ 903,447</u>	<u>\$ 73,336</u>
June 30, 2019 (as restated)					
Par Bonds Payable	\$ 838,486	\$ 122,130	\$ (129,786)	\$ 830,830	\$ 66,650
Note Payable	31,676	-	(5,000)	26,676	5,000
Interest Payable	15,726	33,742	(34,211)	15,257	15,295
Net Unamortized (Discount)/Premium	<u>37,267</u>	<u>24,821</u>	<u>(4,252)</u>	<u>57,836</u>	<u>6,149</u>
Total bonds payable at June 30, 2019	<u>\$ 923,155</u>	<u>\$ 180,693</u>	<u>\$ (173,249)</u>	<u>\$ 930,599</u>	<u>\$ 93,094</u>
Commercial Paper at June 30,2020	\$ 130,000	\$ 956,045	\$ (921,045)	\$ 165,000	\$ 165,000
Commercial Paper at June 30,2019	\$ 100,000	\$ 448,455	\$ (418,455)	\$ 130,000	\$ 130,000

Note 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, 2020	For the Year Ended June 30, 2020	For the Year Ended June 30, 2019
Single-Family Mortgage Bonds			
Prior			
2000 Indenture	\$ 900	\$ 2,180	\$ 4,955
2003 Indenture	4,840	14,250	25,070
2006 Indenture	3,120	19,855	38,305
2009 Indenture	330	2,590	3,155
2019 Indenture	<u>840</u>	<u>-</u>	<u>-</u>
Special redeem all bonds	<u>\$ 10,030</u>	<u>\$ 38,875</u>	<u>\$ 71,485</u>

Note 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 as the approximate amount the Association's would pay a market participant to terminate the contractual positions as of June 30, 2020. 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, 2020) 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 and is recorded as a level 2 measurement. Due to historically low interest rates, all of the Association's interest rate swaps had negative value as of June 30, 2020 and 2019. The fair value is reported in the Statements of Net Position at \$22.94 million and \$24.38 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 \$31.97 million and \$36.05 million as of June 30, 2020 and 2019, respectively and as a deferred inflow of resources of \$0 and \$0.26 million as of June 30, 2020 and 2019, respectively. 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 June 30, 2020 and 2019 at \$3.11 million and \$1.89 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 calculate the fair values of contracts as of June 30, 2020 and 2019. The results of the calculation correlate materially with the fair values provided by the Association's counterparties.

Credit risk: As of June 30, 2020, 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), A1 (Moody's), and A (S&P).

Basis risk: All but nineteen of the Association's swaps have a dual basis: Securities Industry and Financial Markets Association (SIFMA) index plus 20 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 plus 20 basis points when LIBOR is 3.5% or greater. Four non-dual basis swaps have a basis of SIFMA plus 20 basis points, five have a basis of LIBOR plus 5 basis points, five have a basis of LIBOR plus 45 basis points, three have a basis of LIBOR plus 75 basis points, one has a basis of LIBOR plus 71 basis points and one has a basis of LIBOR plus 76 basis points. 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, 2020 SIFMA is 0.13 percent and one-month LIBOR is 0.16 percent.

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.

During FY2020, the Association redeemed and reissued bonds that created deemed terminations. Though the terms of the swap contracts were not modified, the redemption and reissue did create a deemed terminating event of the swap contracts, which requires that the value of the Deferred Outflow of Resources at the date of reissuance be amortized to interest expense.

The accounting treatment also provides that deemed borrowings being created, the result of higher off-market fixed rate being paid over the market requirements at the time of modification. These borrowings are amortized and credited to interest expense over the life the of the swap contracts.

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 during the fiscal years. Interest rate swap contracts fair value defers the fair value of effectively hedged swap contracts at June 30, 2020. The fair value of effectively hedged swap positions are fully matched and deferred with this offsetting position.

Interest rate swap contracts amortized value defers the amortizing value of an implicit borrowing position created upon the refunding of variable rate debt associated with swap contracts. At the time of refunding, the swap contracts' fair value became the historical cost basis, which is amortized over the life of the swap contracts. The amortized borrowing value is fully matched and deferred with this offsetting position.

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2020 and 2019

Since the current fair value of the swap contracts differs from the amortized value of the borrowing at June 30, 2020, the Association has elected to report the swap contracts' current fair value to demonstrate the full economic liability to its counterparty. The difference between current fair and amortized value is reported as a gain or loss in the non-operating revenues and expense section of the Statement of Revenues, Expenses, and Changes in Net Position. This effectively results in an historical cost position being reported at current fair value. The Association matches the duration of its swap contracts with the variable debt maturity, and therefore, does not anticipate this difference ever to be realized as a loss or a gain.

Interest Rate Swap Agreements
(in thousands)
2020

Parity Indenture	Parity Indenture	Series	Outstanding Notional Amount		Fair Values		Change in Fair Values	
			Hedging	Investment	Hedging	Investment	Hedging	Investment
2014A	2014A	2000 Series G	\$ 1,615	\$ -	\$ (8)	\$ -	\$ 43	\$ -
2014A	2014A	2001 Series A	-	-	0	-	2	-
2014A	2014A	2001 Series B	85	-	3	-	10	-
2014A	2014A	2001 Series C	20	-	1	-	6	-
2014A	2014A	2001 Series D	2,025	-	(45)	-	19	-
2014A	2014A	2001 Series E	2,025	-	(44)	-	16	-
2014A	2014A	2001 Series F	510	-	7	-	20	-
2014A	2014A	2002 Series A	685	-	5	-	24	-
2014A	2014A	2002 Series B	690	-	5	-	24	-
2014A	2014A	2002 Series C	630	-	6	-	23	-
2014A	2014A	2002 Series D	2,035	-	(45)	-	19	-
2014A	2014A	2002 Series E	795	-	1	-	21	-
2014A	2014A	2002 Series F	1,790	-	(78)	-	(24)	-
2014A	2014A	2002 Series G	1,790	-	(86)	-	59	-
2015A	2015A	2003 Series A	3,380	-	(322)	-	7	-
2015A	2015A	2003 Series B	2,620	-	(130)	-	19	-
2015A	2015A	2003 Series C	1,705	-	(109)	-	(16)	15
2015A	2015A	2003 Series D	3,090	-	(280)	-	25	-
2016A	2016A	2003 Series E	-	3,090	(216)	(38)	85	(65)
2016A	2016A	2004 Series A	3,145	-	(245)	-	(1)	-
2016A	2016A	2004 Series B	3,665	-	(373)	-	31	(37)
2016A	2016A	2004 Series C	-	3,235	(219)	(41)	82	(69)
2016A	2016A	2004 Series D	4,735	-	(519)	-	(57)	-
2016A	2016A	2005 Series A	5,070	-	(599)	-	(70)	-
2009A	2009A	2005 Series B	-	4,895	-	(625)	(111)	50
2009A	2009A	2005 Series C	-	4,970	-	(594)	(106)	29
2016A	2016A	2005 Series D	5,075	-	(587)	-	(69)	-
2016A	2016A	2005 Series E	5,195	-	(627)	-	(72)	-
2009A	2009A	2005 Series F	-	5,445	-	(764)	686	(764)
2009A	2009A	2006 Series A	5,470	-	(777)	-	(80)	-
2009A	2009A	2006 Series B	2,995	-	(264)	-	19	-
2009A	2009A	2006 Series C	2,870	-	(239)	-	24	-
2009A	2009A	2006 Series D	3,350	-	(291)	-	30	-
2012A	2012A	2007 Series D	5,890	-	(511)	-	65	-
2012A	2012A	2007 Series G	15,185	-	(2,221)	-	8	-

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2020 and 2019

Interest Rate Swap Agreements
(in thousands)
2020

Parity Indenture	Series	Fixed Rate Paid by IHFA	Variable Rate		Interest Rate Contract Provider	Credit Rating	Scheduled Termination Date	Inception Date
			Received by IHFA from Interest Rate Contract Provider					
2014A	2000 Series G	5.2500%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2021	11/6/2008
2014A	2001 Series A	4.7600%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2020	11/6/2008
2014A	2001 Series B	4.8660%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2020	11/6/2008
2014A	2001 Series C	4.8600%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2020	11/6/2008
2014A	2001 Series D	4.7300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2022	11/6/2008
2014A	2001 Series E	4.5300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2022	11/6/2008
2014A	2001 Series F	4.7000%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2021	11/6/2008
2014A	2002 Series A	5.0200%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2021	11/6/2008
2014A	2002 Series B	4.9500%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2021	11/6/2008
2014A	2002 Series C	4.8900%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2021	11/6/2008
2014A	2002 Series D	4.7100%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2022	11/6/2008
2014A	2002 Series E	4.4800%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2021	11/6/2008
2014A	2002 Series F	3.7900%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2024	11/6/2008
2014A	2002 Series G	4.1400%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2024	11/6/2008
2015A	2003 Series A	4.5190%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2026	11/6/2008
2015A	2003 Series B	4.0360%	SIFMA+.20%		Barclays Capital	A/A2	7/1/2024	11/6/2008
2015A	2003 Series C	3.7800%	SIFMA+.20%		Barclays Capital	A/A2	7/1/2025	11/6/2008
2015A	2003 Series D	4.8400%	SIFMA+.20%		Barclays Capital	A/A2	7/1/2025	11/6/2008
2016A	2003 Series E	4.5300%	SIFMA+.20%		Barclays Capital	A/A2	7/1/2025	7/6/2016
2016A	2004 Series A	4.0290%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2026	7/6/2016
2016A	2004 Series B	4.3700%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2027	7/6/2016
2016A	2004 Series C	4.3300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2025	7/6/2016
2016A	2004 Series D	3.8500%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2028	7/6/2016
2016A	2005 Series A	3.9000%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2029	7/6/2016
2009A	2005 Series B	3.9850%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2028	11/7/2008
2009A	2005 Series C	3.7300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2028	11/7/2008
2016A	2005 Series D	3.8650%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR		Barclays Capital	A/A2	7/1/2028	7/6/2016
2016A	2005 Series E	3.9300%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR		Barclays Capital	A/A2	1/1/2029	7/6/2016
2009A	2005 Series F	4.0950%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR		Barclays Capital	A/A2	1/1/2029	11/7/2008
2009A	2006 Series A	4.1000%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR		Barclays Capital	A/A2	1/1/2029	11/7/2008
2009A	2006 Series B	4.3500%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR		Barclays Capital	A/A2	7/1/2025	11/7/2008
2009A	2006 Series C	4.3600%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR		Barclays Capital	A/A2	1/1/2025	11/7/2008
2009A	2006 Series D	4.4500%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR		Barclays Capital	A/A2	1/1/2025	11/7/2008
2012A	2007 Series D	4.8930%	LIBOR+.71%		Barclays Capital	A/A2	1/1/2026	7/1/2016
2012A	2007 Series G	4.6910%	LIBOR+.76%		Barclays Capital	A/A2	7/1/2028	12/20/2012

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2020 and 2019

Interest Rate Swap Agreements
(in thousands)
2020

Parity Indenture	Parity Indenture	Series	Outstanding Notional Amount		Fair Values		Change in Fair Values	
			Hedging	Investment	Hedging	Investment	Hedging	Investment
2012A	2012A	2007 Series H	20,125	-	(3,426)	-	204	-
2012A	2012A	2007 Series J	15,865	-	(2,248)	-	(54)	-
2012A	2012A	2007 Series K	14,295	-	(2,256)	-	(145)	-
2013A	2013A	2006 Series E	-	4,150	(222)	(197)	167	(197)
2013A	2013A	2006 Series F	-	4,230	(203)	(199)	161	(199)
2013A	2013A	2006 Series G	4,105	-	(380)	-	(43)	-
2013A	2013A	2007 Series A	4,740	-	(468)	-	(4)	-
2013A	2013A	2007 Series B	5,340	-	(533)	-	(32)	-
2013A	2013A	2007 Series C	5,695	-	(606)	-	(36)	-
2013A	2013A	2008 Series A	14,295	-	(2,255)	-	531	-
2013A	2013A	2008 Series B	-	12,140	(676)	(654)	(12)	19
2013A	2013A	2008 Series C	7,340	-	(638)	-	(34)	-
2013A	2013A	2008 Series D	2,750	-	(220)	-	(21)	-
			<u>\$ 182,685</u>	<u>\$ 42,155</u>	<u>\$ (22,939)</u>	<u>\$ (3,112)</u>	<u>\$ 1,442</u>	<u>\$ (1,218)</u>

Interest Rate Swap Agreements
(in thousands)
2020

Parity Indenture	Series	Fixed Rate Paid by IHFA	Variable Rate		Interest Rate Contract Provider	Credit Rating	Scheduled Termination Date	Inception Date
			Received by IHFA from Interest Rate Contract Provider					
2012A	2007 Series H	5.1980%	LIBOR+.76%		Barclays Capital	A/A2	7/1/2030	7/1/2016
2012A	2007 Series J	4.4150%	LIBOR+.76%		Barclays Capital	A/A2	7/1/2028	7/1/2017
2012A	2007 Series K	4.2310%	LIBOR+.76%		Barclays Capital	A/A2	7/1/2030	7/1/2017
2013A	2006 Series E	5.5180%	One-month LIBOR + .80%		Barclays Capital	A/A2	1/1/2026	7/1/2017
2013A	2006 Series F	5.2900%	One-month LIBOR + .80%		Barclays Capital	A/A2	1/1/2026	7/1/2017
2013A	2006 Series G	5.1670%	One-month LIBOR + .80%		Barclays Capital	A/A2	1/1/2026	7/1/2017
2013A	2007 Series A	5.0310%	One-month LIBOR + .80%		Barclays Capital	A/A2	7/1/2026	7/1/2017
2013A	2007 Series B	4.8820%	One-month LIBOR + .80%		Barclays Capital	A/A2	1/1/2027	7/1/2017
2013A	2007 Series C	4.9720%	One-month LIBOR + .80%		Barclays Capital	A/A2	1/1/2027	7/1/2017
2013A	2008 Series A	4.3820%	One-month LIBOR + .80%		Barclays Capital	A/A2	7/1/2030	7/1/2017
2013A	2008 Series B	4.2350%	One-month LIBOR + .80%		Barclays Capital	A/A2	7/1/2029	7/1/2017
2013A	2008 Series C	4.7190%	One-month LIBOR + .80%		Barclays Capital	A/A2	7/1/2026	7/1/2017
2013A	2008 Series D	4.4370%	One-month LIBOR + .80%		Barclays Capital	A/A2	7/1/2026	7/1/2017

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2020 and 2019

Interest Rate Swap Agreements
(in thousands)
2019

Parity Indenture	Series	Outstanding Notional Amount		Fair Values		Change in Fair Values	
		Hedging	Investment	Hedging	Investment	Hedging	Investment
2014A	2000 Series G	\$ 2,745	\$ -	\$ (51)	\$ -	\$ 230	\$ -
2014A	2001 Series A	560	-	(2)	-	56	-
2014A	2001 Series B	965	-	(7)	-	82	-
2014A	2001 Series C	835	-	(5)	-	74	-
2014A	2001 Series D	2,890	-	(64)	-	210	-
2014A	2001 Series E	2,890	-	(60)	-	197	-
2014A	2001 Series F	1,260	-	(13)	-	95	-
2014A	2002 Series A	1,425	-	(19)	-	117	-
2014A	2002 Series B	1,435	-	(19)	-	115	-
2014A	2002 Series C	1,395	-	(17)	-	111	-
2014A	2002 Series D	2,930	-	(64)	-	213	-
2014A	2002 Series E	1,505	-	(20)	-	103	-
2014A	2002 Series F	2,285	-	(54)	-	115	-
2014A	2002 Series G	2,285	-	(145)	-	52	-
2003A	2003 Series A	3,975	-	(329)	-	145	-
2003B	2003 Series B	3,300	-	(149)	-	132	-
2003C	2003 Series C	-	2,075	(93)	(15)	112	(54)
2003D	2003 Series D	3,685	-	(305)	-	165	-
2003E	2003 Series E	-	3,685	(301)	27	262	(117)
2004A	2004 Series A	3,755	-	(244)	-	109	-
2004B	2004 Series B	-	4,290	(404)	37	280	(153)
2004C	2004 Series C	-	3,870	(301)	28	261	(124)
2004D	2004 Series D	5,385	-	(462)	-	66	-
2005A	2005 Series A	5,765	-	(529)	-	63	-
2005B	2005 Series B	-	5,580	111	(675)	114	(87)
2005C	2005 Series C	-	5,660	106	(623)	108	(101)
2005D	2005 Series D	5,775	-	(518)	-	62	-
2005E	2005 Series E	5,905	-	(555)	-	55	-
2009A	2005 Series F	6,165	-	(686)	-	24	-
2009A	2006 Series A	6,195	-	(697)	-	21	-
2009A	2006 Series B	3,695	-	(283)	-	99	-
2009A	2006 Series C	3,580	-	(263)	-	101	-
2009A	2006 Series D	4,175	-	(321)	-	135	-
2012A	2007 Series D	7,100	-	(576)	-	4	-
2012A	2007 Series G	17,355	-	(2,229)	-	(263)	-

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2020 and 2019

Interest Rate Swap Agreements
(in thousands)
2019

Parity Indenture	Series	Fixed Rate Paid by IHFA	Variable Rate		Interest Rate Contract Provider	Credit Rating	Scheduled Termination Date	Inception Date
			Received by IHFA from Interest Rate Contract Provider					
2014A	2000 Series G	5.2500%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2021	11/6/2008
2014A	2001 Series A	4.7600%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2020	11/6/2008
2014A	2001 Series B	4.8660%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2020	11/6/2008
2014A	2001 Series C	4.8600%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2020	11/6/2008
2014A	2001 Series D	4.7300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2022	11/6/2008
2014A	2001 Series E	4.5300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2022	11/6/2008
2014A	2001 Series F	4.7000%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2021	11/6/2008
2014A	2002 Series A	5.0200%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2021	11/6/2008
2014A	2002 Series B	4.9500%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2021	11/6/2008
2014A	2002 Series C	4.8900%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2021	11/6/2008
2014A	2002 Series D	4.7100%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2022	11/6/2008
2014A	2002 Series E	4.4800%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2021	11/6/2008
2014A	2002 Series F	3.7900%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2024	11/6/2008
2014A	2002 Series G	4.1400%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2024	11/6/2008
2015A	2003 Series A	4.5190%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2026	11/6/2008
2015A	2003 Series B	4.0360%	SIFMA+.20%		Barclays Capital	A/A2	7/1/2024	11/6/2008
2015A	2003 Series C	3.7800%	SIFMA+.20%		Barclays Capital	A/A2	7/1/2025	11/6/2008
2015A	2003 Series D	4.8400%	SIFMA+.20%		Barclays Capital	A/A2	7/1/2025	11/6/2008
2016A	2003 Series E	4.5300%	SIFMA+.20%		Barclays Capital	A/A2	7/1/2025	7/6/2016
2016A	2004 Series A	4.0290%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2026	7/6/2016
2016A	2004 Series B	4.3700%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2027	7/6/2016
2016A	2004 Series C	4.3300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2025	7/6/2016
2016A	2004 Series D	3.8500%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2028	7/6/2016
2016A	2005 Series A	3.9000%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2029	7/6/2016
2009A	2005 Series B	3.9850%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2028	11/7/2008
2009A	2005 Series C	3.7300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2028	11/7/2008
2016A	2005 Series D	3.8650%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR		Barclays Capital	A/A2	7/1/2028	7/6/2016
2016A	2005 Series E	3.9300%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR		Barclays Capital	A/A2	1/1/2029	7/6/2016
2009A	2005 Series F	4.0950%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR		Barclays Capital	A/A2	1/1/2029	11/7/2008
2009A	2006 Series A	4.1000%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR		Barclays Capital	A/A2	1/1/2029	11/7/2008
2009A	2006 Series B	4.3500%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR		Barclays Capital	A/A2	7/1/2025	11/7/2008
2009A	2006 Series C	4.3600%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR		Barclays Capital	A/A2	1/1/2025	11/7/2008
2009A	2006 Series D	4.4500%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR		Barclays Capital	A/A2	1/1/2025	11/7/2008
2012A	2007 Series D	4.8930%	LIBOR+.71%		Barclays Capital	A/A2	1/1/2026	7/1/2016
2012A	2007 Series G	4.6910%	LIBOR+.76%		Barclays Capital	A/A2	7/1/2028	12/20/2012

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2020 and 2019

Interest Rate Swap Agreements
(in thousands)
2019

Parity Indenture	Series	Outstanding Notional Amount		Fair Values		Change in Fair Values	
		Hedging	Investment	Hedging	Investment	Hedging	Investment
2012A	2007 Series H	22,490	-	(3,630)	-	(1,010)	-
2012A	2007 Series J	18,075	-	(2,194)	-	(375)	-
2012A	2007 Series K	16,040	-	(2,113)	-	(544)	-
2013A	2006 Series E	4,970	-	(389)	-	144	-
2013A	2006 Series F	5,070	-	(364)	-	128	-
2013A	2006 Series G	4,950	-	(337)	-	116	-
2013A	2007 Series A	5,595	-	(464)	-	106	-
2013A	2007 Series B	6,310	-	(501)	-	104	-
2013A	2007 Series C	6,715	-	(570)	-	110	-
2013A	2008 Series A	16,040	-	(2,786)	-	(1,075)	-
2013A	2008 Series B	-	13,795	(664)	(673)	558	(604)
2013A	2008 Series C	8,825	-	(604)	-	145	-
2013A	2008 Series D	3,310	-	(199)	-	41	-
		<u>\$ 229,605</u>	<u>\$ 38,955</u>	<u>\$ (24,381)</u>	<u>\$ (1,894)</u>	<u>\$ 2,275</u>	<u>\$ (1,240)</u>

Interest Rate Swap Agreements
(in thousands)
2019

Parity Indenture	Series	Fixed Rate Paid by IHFA	Variable Rate		Interest Rate Contract Provider	Credit Rating	Scheduled Termination Date	Inception Date
			Received by IHFA from Interest Rate Contract Provider					
2012A	2007 Series H	5.1980%	LIBOR+.76%		Barclays Capital	A/A2	7/1/2030	7/1/2016
2012A	2007 Series J	4.4150%	LIBOR+.76%		Barclays Capital	A/A2	7/1/2028	7/1/2017
2012A	2007 Series K	4.2310%	LIBOR+.76%		Barclays Capital	A/A2	7/1/2030	7/1/2017
2013A	2006 Series E	5.5180%	One-month LIBOR + .80%		Barclays Capital	A/A2	1/1/2026	7/1/2017
2013A	2006 Series F	5.2900%	One-month LIBOR + .80%		Barclays Capital	A/A2	1/1/2026	7/1/2017
2013A	2006 Series G	5.1670%	One-month LIBOR + .80%		Barclays Capital	A/A2	1/1/2026	7/1/2017
2013A	2007 Series A	5.0310%	One-month LIBOR + .80%		Barclays Capital	A/A2	7/1/2026	7/1/2017
2013A	2007 Series B	4.8820%	One-month LIBOR + .80%		Barclays Capital	A/A2	1/1/2027	7/1/2017
2013A	2007 Series C	4.9720%	One-month LIBOR + .80%		Barclays Capital	A/A2	1/1/2027	7/1/2017
2013A	2008 Series A	4.3820%	One-month LIBOR + .80%		Barclays Capital	A/A2	7/1/2030	7/1/2017
2013A	2008 Series B	4.2350%	One-month LIBOR + .80%		Barclays Capital	A/A2	7/1/2029	7/1/2017
2013A	2008 Series C	4.7190%	One-month LIBOR + .80%		Barclays Capital	A/A2	7/1/2026	7/1/2017
2013A	2008 Series D	4.4370%	One-month LIBOR + .80%		Barclays Capital	A/A2	7/1/2026	7/1/2017

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2020 and 2019

At June 30, 2020, the Association had \$419.844 million 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				
2020				
Contract	Coupon rate	Outstanding Notional Amount	Fair Values	Counterparty Credit Rating
July, 2020	2.50%	\$ 40,000,000	\$ (240,625)	AAA/Aaa
July, 2020	3.00%	28,000,000	(32,813)	AAA/Aaa
August, 2020	3.00%	28,000,000	(74,375)	AAA/Aaa
August, 2020	3.00%	25,000,000	(89,844)	AAA/Aaa
July, 2020	2.50%	22,000,000	(190,781)	AAA/Aaa
August, 2020	2.50%	22,000,000	(232,031)	AAA/Aaa
August, 2020	2.50%	20,000,000	(171,094)	AAA/Aaa
August, 2020	2.50%	18,000,000	(140,625)	AAA/Aaa
August, 2020	3.50%	17,000,000	20,586	AAA/Aaa
July, 2020	2.50%	15,000,000	(110,156)	AAA/Aaa
July, 2020	3.00%	13,000,000	(18,281)	AAA/Aaa
July, 2020	2.50%	10,000,000	(59,375)	AAA/Aaa
July, 2020	2.50%	10,000,000	(68,750)	AAA/Aaa
July, 2020	2.50%	10,000,000	(92,188)	AAA/Aaa
July, 2020	2.50%	10,000,000	(78,125)	AAA/Aaa
July, 2020	3.00%	10,000,000	(53,125)	AAA/Aaa
July, 2020	3.00%	10,000,000	(53,125)	AAA/Aaa
July, 2020	3.00%	10,000,000	(51,563)	AAA/Aaa
July, 2020	3.00%	10,000,000	(53,125)	AAA/Aaa
August, 2020	2.50%	10,000,000	(86,719)	AAA/Aaa
August, 2020	2.50%	10,000,000	(90,625)	AAA/Aaa
August, 2020	2.50%	10,000,000	(90,625)	AAA/Aaa
August, 2020	3.00%	10,000,000	(33,203)	AAA/Aaa
August, 2020	3.50%	10,000,000	35,937	AAA/Aaa
September, 2020	2.50%	10,000,000	(57,813)	AAA/Aaa
July, 2020	2.50%	7,000,000	(41,563)	AAA/Aaa
July, 2020	2.50%	5,000,000	(38,281)	AAA/Aaa
July, 2020	3.00%	5,000,000	(26,563)	AAA/Aaa
July, 2020	3.00%	5,000,000	(25,781)	AAA/Aaa
August, 2020	3.50%	5,000,000	17,187	AAA/Aaa
July, 2020	2.50%	3,000,000	(15,938)	AAA/Aaa
July, 2020	3.50%	1,114,857	12,803	AAA/Aaa
June, 2020	3.50%	445,178	5,513	AAA/Aaa
July, 2020	4.00%	284,089	3,817	AAA/Aaa
		<u>\$ 419,844,124</u>	<u>\$ (2,221,265)</u>	

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2020 and 2019

TBA Forward Contracts				
2019				
Contract	Coupon rate	Outstanding Notional Amount	Fair Values	Counterparty Credit Rating
July, 2019	3.50%	\$ 4,000,000	\$ (63,125)	AAA/Aaa
July, 2019	3.50%	8,000,000	(138,750)	AAA/Aaa
July, 2019	3.50%	5,000,000	(82,813)	AAA/Aaa
July, 2019	3.50%	4,000,000	(67,500)	AAA/Aaa
July, 2019	3.50%	4,000,000	(61,250)	AAA/Aaa
July, 2019	3.50%	8,000,000	(116,250)	AAA/Aaa
July, 2019	3.50%	14,000,000	(168,984)	AAA/Aaa
July, 2019	4.00%	5,000,000	(34,375)	AAA/Aaa
July, 2019	4.00%	24,000,000	(180,000)	AAA/Aaa
July, 2019	4.00%	8,000,000	(8,750)	AAA/Aaa
July, 2019	4.00%	7,000,000	(29,531)	AAA/Aaa
July, 2019	3.50%	13,500,000	(148,711)	AAA/Aaa
July, 2019	3.50%	4,000,000	(72,500)	AAA/Aaa
July, 2019	3.50%	8,000,000	(97,500)	AAA/Aaa
July, 2019	4.00%	5,000,000	(46,094)	AAA/Aaa
July, 2019	4.00%	8,000,000	(71,250)	AAA/Aaa
July, 2019	4.00%	5,500,000	(6,875)	AAA/Aaa
July, 2019	4.00%	5,000,000	(24,219)	AAA/Aaa
July, 2019	4.50%	32,000,000	(125,000)	AAA/Aaa
August, 2019	3.50%	10,000,000	(105,469)	AAA/Aaa
August, 2019	3.50%	14,000,000	(112,656)	AAA/Aaa
August, 2019	3.50%	8,000,000	(18,750)	AAA/Aaa
August, 2019	3.50%	6,500,000	(25,391)	AAA/Aaa
August, 2019	3.50%	7,000,000	(51,406)	AAA/Aaa
August, 2019	3.50%	25,000,000	(54,688)	AAA/Aaa
August, 2019	3.50%	15,000,000	(37,500)	AAA/Aaa
August, 2019	3.50%	7,000,000	(13,125)	AAA/Aaa
August, 2019	4.00%	11,000,000	(13,750)	AAA/Aaa
August, 2019	3.50%	13,000,000	(36,563)	AAA/Aaa
August, 2019	3.50%	8,000,000	(42,188)	AAA/Aaa
August, 2019	3.50%	1,250,000	(5,859)	AAA/Aaa
August, 2019	3.50%	15,000,000	(62,109)	AAA/Aaa
August, 2019	3.50%	5,000,000	(28,125)	AAA/Aaa
August, 2019	4.00%	12,000,000	(31,875)	AAA/Aaa
August, 2019	4.00%	3,250,000	(10,156)	AAA/Aaa
September, 2019	3.00%	12,000,000	8,437	AAA/Aaa
September, 2019	3.00%	10,000,000	(21,875)	AAA/Aaa
September, 2019	3.50%	10,000,000	(21,094)	AAA/Aaa
September, 2019	3.50%	8,000,000	(11,250)	AAA/Aaa
September, 2019	3.00%	5,000,000	19,531	AAA/Aaa
September, 2019	3.50%	10,000,000	15,625	AAA/Aaa
		<u>\$ 388,000,000</u>	<u>\$ (2,203,713)</u>	

Note 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, 2020 and 2019, were \$1.083 million and \$0.923 million, 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 \$19,000 for those under 50 and \$26,000 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, 2020 and 2019 was \$0.219 million and \$0.193 million, 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.

Note 9 - Conduit Debt Obligations (as Restated)

GASB Statement No. 91 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, 2020, and 2019, there were forty-six and forty-four, 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 \$391.130 million and \$371.565 million, respectively.

The Association services conduit debt obligations for housing and transportation-related bond issuances. The Association is not obligated in any manner for repayment of these housing and transportation related conduit debt obligations. The Association has determined that this series of bonds outstanding meet the description of conduit debt obligations not included in the Association's financial statements. The total outstanding indebtedness and accrued interest as of June 30, 2020 and 2019 is \$621.579 million and \$674,134 million, respectively.

Note 10 - Capital Assets (in thousands)

A summary of activity in the capital assets is as follows:

(in thousands)	Balance at June 30, 2019	Additions	Reclass	Retirements	Balance at June 30, 2020
Capital assets					
Land	\$ 2,065	\$ 5	\$ -	\$ -	\$ 2,070
Buildings and improvements	7,702	466	-	(5)	8,163
Furniture and equipment	5,421	634	-	(74)	5,981
Leasehold improvements	844	28	-	-	872
Computer software	2,559	144	-	(46)	2,657
	<u>18,591</u>	<u>1,277</u>	<u>-</u>	<u>(125)</u>	<u>19,743</u>
Less accumulated depreciation for					
Land					
Buildings and improvements	(3,213)	(185)	-	-	(3,398)
Furniture and equipment	(3,314)	(731)	-	35	(4,010)
Leasehold improvements	(237)	(36)	-	-	(273)
Computer software	(2,080)	(251)	-	39	(2,292)
	<u>(8,844)</u>	<u>(1,203)</u>	<u>-</u>	<u>74</u>	<u>(9,973)</u>
	<u>\$ 9,747</u>	<u>\$ 74</u>	<u>\$ -</u>	<u>\$ (51)</u>	<u>\$ 9,770</u>

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2020 and 2019

(in thousands)	Balance at June 30,2018	Additions	Reclass	Retirements	Balance at June 30,2019
Capital assets					
Land	\$ 811	\$ 1,310	\$ -	\$ (56)	\$ 2,065
Buildings and improvements	6,806	1,732	(142)	(694)	7,702
Furniture and equipment	4,648	885	142	(254)	5,421
Leasehold improvements	754	90	-	-	844
Computer software	2,200	359	-	-	2,559
	<u>15,219</u>	<u>4,376</u>	<u>-</u>	<u>(1,004)</u>	<u>18,591</u>
Total capital assets					
Less accumulated depreciation for					
Land					
Buildings and improvements	(3,630)	(169)	-	586	(3,213)
Furniture and equipment	(3,103)	(463)	-	252	(3,314)
Leasehold improvements	(205)	(32)	-	-	(237)
Computer software	(1,821)	(260)	-	1	(2,080)
	<u>(8,759)</u>	<u>(924)</u>	<u>-</u>	<u>839</u>	<u>(8,844)</u>
Total accumulated depreciation					
Total capital assets, net	<u>\$ 6,460</u>	<u>\$ 3,452</u>	<u>\$ -</u>	<u>\$ (165)</u>	<u>\$ 9,747</u>

Note 11 - Other Assets and Liabilities

Other Assets and Other Liabilities as of June 30, 2020 and 2019 are composed of the accounts and balances as follows (in thousands):

	2020	2019 As Restated
Other Assets		
Accounts receivable	\$ 32,237	\$ 27,181
Prepaid expenses	161	119
Insurance receivable	13,878	15,397
Loans Pending Foreclosure	586	984
Nonconforming loans-Held for sale	434	3,628
REO mortgages receivable	5,450	2,664
	<u>\$ 52,746</u>	<u>\$ 49,973</u>

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2020 and 2019

	2020	2019 As Restated
Other Liabilities		
Accounts payable	\$ 839	\$ 806
Accrued vacation and other payroll related liabilities	995	1,304
Federal programs advances and unapplied program income	12,971	8,568
Unapplied payments	27,872	13,885
Reserve on loans serviced	4,331	3,118
Other accrued liability	8,316	5,465
	\$ 55,324	\$ 33,146

Note 12 - Tax-Exempt Mortgage-Backed Securities

Tax-exempt mortgage-backed securities (TEMS) are tax-exempt securities which are collateralized by mortgage backed securities. The TEMS are special, limited obligations of the Association and are payable solely from pledged mortgages and their revenues. The TEMS are secured by the mortgages, their related revenues, and the Ginnie Mae mortgage-backed security guarantee. Neither the State of Idaho nor any political subdivision thereof is obligated to pay the TEMS. Nor is the faith and credit, nor the taxing power of the State of Idaho or of any political subdivision thereof pledged for the payment of the principal or interest on the TEMS.

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2020 and 2019

TEMS are collateralized by the mortgage loan pool with the same maturity terms as the TEMS. The payments from the mortgages are used to pay the principal and interest payments of the TEMS. The Association is the servicer for the mortgages. A Ginnie Mae authorized document custodian holds note and the deed of trust while the underlying mortgage loans are insured by the US Federal Housing Administration (FHA) or the US Department of Agriculture (USDA). These loans are then contributed to a mortgage backed security, which is guaranteed by Ginnie Mae.

Series	Maturity Date	Security Rate	2020	2019
IHFA HOMES 2014 A	May 2044	3.50%	\$ 6,625	\$ 8,310
IHFA HOMES 2014 B	August 2044	3.50%	5,992	7,882
IHFA HOMES 2014 C	December 2044	3.50%	3,553	4,374
IHFA HOMES 2015 A	April 2045	3.00%	3,560	5,533
IHFA HOMES 2015 B	May 2045	3.00%	7,684	10,069
IHFA HOMES 2015 C	July 2045	3.00%	13,884	16,967
IHFA TEMS 2015A	October 2045	3.50%	12,779	17,728
IHFA TEMS 2015B	November 2045	3.00%	7,385	10,197
IHFA TEMS 2015C	December 2045	3.00%	11,183	14,840
IHFA TEMS 2016A	February 2046	3.00%	24,228	30,542
IHFA TEMS 2016B	March 2046	3.00%	8,253	10,637
IHFA TEMS 2016C	April 2046	3.00%	8,789	12,350
IHFA TEMS 2016D	May 2046	3.00%	12,950	17,574
IHFA TEMS 2016E	June 2046	3.00%	10,973	15,929
IHFA TEMS 2016F	July 2046	3.00%	11,306	16,460
IHFA TEMS 2016G	August 2046	3.00%	18,554	24,027
IHFA TEMS 2016H	September 2046	3.00%	8,029	10,997
IHFA TEMS 2016I	December 2046	3.00%	7,924	10,475
IHFA TEMS 2017A	January 2047	3.00%	12,520	16,410
IHFA TEMS 2017B	February 2047	3.00%	9,284	11,759
IHFA TEMS 2017C	April 2047	3.50%	13,246	18,691
IHFA TEMS 2017D	May 2047	3.50%	13,823	17,720
IHFA TEMS 2017E	July 2047	3.00%	8,159	10,025
IHFA TEMS 2017F	August 2048	3.00%	16,897	20,365
IHFA TEMS 2017G	September 2047	3.00%	10,972	13,653
IHFA TEMS 2017H	October 2047	3.00%	15,009	17,963
IHFA TEMS 2017I	November 2047	3.00%	13,755	16,318
IHFA TEMS 2017J	December 2047	3.00%	18,498	24,516
IHFA TEMS 2018A	January 2048	3.00%	11,325	14,693
IHFA TEMS 2018B	April 2048	3.50%	10,808	14,050
IHFA TEMS 2018C	July 2048	4.00%	9,479	12,322
IHFA TEMS 2018D	August 2048	4.00%	13,381	16,288
IHFA TEMS 2018E	October 2048	4.00%	21,919	27,377
IHFA TEMS 2018F	December 2048	4.00%	22,932	27,391
IHFA TEMS 2019A	January 2049	4.50%	19,038	23,036
IHFA TEMS 2019B	April 2049	4.00%	25,185	28,570
IHFA TEMS 2019C	June 2049	3.50%	20,776	21,533
IHFA TEMS 2019D	July 2019	4.00%	18,830	-
IHFA TEMS 2019E	August 2049	3.50%	19,513	-
Total Tax-Exempt Mortgage-back Securities (TEMS)			\$ 509,000	\$ 597,571

A summary of TEMS activity for the periods reported is as follows (in thousands):

	Beginning Balance as of June 30, 2019	Additions	Reductions	Ending Balance as of June 30, 2020
Tax Exempt Mortgage Securities	\$ 597,571	\$ 40,337	\$ (128,908)	\$ 509,000

	Beginning Balance as of June 30, 2018	Additions	Reductions	Ending Balance as of June 30, 2019
Tax Exempt Mortgage Securities	\$ 518,203	\$ 159,830	\$ (80,462)	\$ 597,571

The scheduled principal payments for the periods subsequent to, and as of, June 30, 2020, is as follows (in thousands):

Year	Principal Payments (in thousands)	Interest Payments (in thousands)
2021	\$ 11,172	\$ 19,162
2022	11,603	18,731
2023	12,051	18,283
2024	12,517	17,817
2025	13,000	17,334
2026-2030	72,928	78,745
2031-2035	88,136	63,537
2036-2040	106,516	45,157
2041-2045	128,729	22,944
2046-2050	52,348	1,960
Total	<u>\$ 509,000</u>	<u>\$ 303,670</u>

Note 13 - 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.

Note 14 - Component Units

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

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, 2019, THC had acquired and was operating fifteen multifamily housing complexes; had constructed and was operating fifteen 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 Montpelier for the purpose of developing and selling workforce housing units; had purchased a single family home in Canyon County with federal NSP funds and turned it into special needs housing as intended by the program; had purchased three duplexes in Canyon County with federal NSP funds to rent as affordable housing; and had constructed and sold three homes in Nez Perce with HOME funds; and had completed construction on three duplexes in Kuna with HOME and Housing Trust Fund moneys and started the renovation of a hotel to turn into a new multifamily complex in Idaho Falls. Started the renovation of a hotel to turn into a new multifamily complex in Idaho Falls. Certain personnel of the Association provide services to THC and an equal number of Association Commissioners serve on THC's Board. As of December 31, 2019, three Association Commissioners and the Association's President serve on THC's Board of Directors. THC pays all expenses associated with THC operations. As of June 30, 2020, and 2019, THC paid the Association \$1.118 million and \$1.129 million, respectively. THC owed \$206,000 and \$187,000 for the years ended June 30, 2020 and 2019, respectively. Complete financial statements for THC can be obtained from THC at P.O. Box 7899, Boise, ID 83707.

THC processes and pays vendor invoices for two IHFA owned REO rental properties. The Association reimburses THC for amounts paid on a quarterly basis.

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.

Note 15 - Restatements

During the fiscal year 2020, the Association identified needed reclassifications within the 2019 financial statements. The Association elected to early adopt GASB Statement No. 91 *Conduit Debt Obligations*, which is intended to eliminate diversity in practice and establish that a conduit debt obligation is not an obligation of the issuer. The term conduit debt obligations refers to certain limited-obligation revenue bonds, issued by the Association 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. Although conduit debt obligations bear the name of the issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf the bonds are issued. Upon further review, the Association determined that the multi-family Falls Creek Bond meets the definition of conduit debt and should not have been included in the financial statement under Bonds but rather should have been included only as a disclosure in footnote number nine. The removal of Falls Creek Bond from the financial statements did not affect the Association's net position.

The Association identified a reclassification in Note 5 related to Grant and Revenue Anticipation Bonds 2009A and 2019A series. The 2009A bond liability was incorrectly listed as \$15.875 million, and the correct amount is \$7.835 million, a decrease of \$8.040 million. The 2019A bond liability was incorrectly listed at \$114.090 million, and it should have been \$122.130 million, an increase of \$8.040 million. The change to Note 5 does not affect the Association's net position.

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2020 and 2019

The third restatement is related to the Association including certain activities related to loans serviced as agent in the financial statements. The effect on net position is an increase of \$0.145 million related to interest. As a result, the financial statements of June 30, 2019, have been restated to correct these errors. The effect of the restatements on the financial position as of June 30, 2019, were as follows:

As of June 30,

	2019	GASB 91	Agency	GARVEE	Restated
Statement of Net Position					
Assets					
Investments held in trust, fair value	\$ 219,807	\$ (111)	\$ -	\$ -	\$ 219,696
Loans held for investment, net	298,688	(7,790)	-	-	290,898
Other assets-Multifamily trusts' pledged revenues	49,877	(49)	145	-	49,973
Total assets	2,296,833	(7,950)	145	-	2,289,028
Liabilities					
Bonds and notes	938,476	(7,877)	-	-	930,599
2009A	15,875	-	-	(8,040)	7,835
2019A	114,090	-	-	8,040	122,130
Other liabilities	33,219	(73)	-	-	33,146
Total liabilities	1,944,412	(7,950)	-	-	1,936,462
Statement of Revenues, Expenses, and Changes in Net Position					
Revenues					
Interest on loans and GARVEE pledged revenues	61,262	(567)	145	-	60,840
Interest on investments	6,871	(3)	-	-	6,868
Total operating revenues	158,441	(570)	145	-	158,016
Expenses					
Interest	59,556	(465)	-	-	59,091
General operating	11,573	(13)	-	-	11,560
Other	1,855	(92)	-	-	1,763
Total operating expenses	131,665	(570)	-	-	131,095

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2020 and 2019

As of June 30,	2019	GASB 91	Agency	GARVEE	Restated
Operating Income	26,776	-	145	-	26,921
Change in Net Position	34,187	-	145	-	34,332
Net Position					
Unrestricted net position	214,960	-	145	-	215,105
Total net position	388,210	-	145	-	388,355
Statement of Cash Flows					
Adjustments to reconcile operating income (loss) to net cash					
from (used for) operating activities					
Interest on investments	(6,871)	3	-	-	(6,868)
Other assets	(28,522)	(3)	(145)	-	(28,670)
Operating income/(loss)	26,776	-	145	-	26,921

Note 16 - COVID-19

Subsequent to year-end, some aspects of the Association's operations have been negatively impacted by the effects of the world-wide coronavirus pandemic. The Association is closely monitoring its operations, liquidity, delinquencies, and foreclosures, and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Association's financial position is not known.

The Housing Preservation Program (HPP) was initially funded in April with a \$250,000 investment by the Home Partnership Foundation. The HPP provides emergency rental assistance to households unable to cover their housing costs as a result of a COVID-19-related hardship. Funds are disbursed directly to landlords or utility companies. In July 2020, Idaho Governor Brad Little and the Coronavirus Financial Advisory Committee had allocated a total of \$10 million to the HPP in two \$5 million installments with the option of one more \$5 million installment at the time of the issuance of the financial statements.



Supplementary Information
June 30, 2020

Idaho Housing and Finance Association

Idaho Housing and Finance Association
 Combined Statement of Net Position – Association Accounts
 June 30, 2020

(in thousands)

	Business Operations			Affordable Housing Investment Trust	Rating Compliance and Loan Guarantee Trust	Combined Bondholder Trusts (1)	Interfund Eliminations	All Association Accounts	The Home Partnership Foundation	Inter- Component Unit Eliminations	All Reporting Entity Accounts
	General Operating and Custodial Accounts	Federally Assisted Program	Combined								
Statement of Net Position											
Assets and Deferred Outflow of Resources											
All cash and cash equivalents	\$ 430,360	\$ 14,586	\$ 444,946	\$ 1	\$ -	\$ 2,521	\$ -	\$ 447,468	\$ 1,438	\$ -	\$ 448,906
All investments, fair value	26,988	-	26,988	-	29,696	257,727	-	314,411	501	-	314,912
Loans held for investment, net	47,865	231	48,096	59,651	2,974	162,218	-	272,939	19	-	272,958
Loans available for sale	177,016	-	177,016	-	-	-	-	177,016	-	-	177,016
Loan servicing contracts	153,593	-	153,593	-	-	-	-	153,593	-	-	153,593
Loans pending modification	3,591	-	3,591	-	-	-	-	3,591	-	-	3,591
Property and equipment	9,727	-	9,727	43	-	-	-	9,770	-	-	9,770
Other assets	77,079	658	77,737	5,767	107,269	3,271	(141,344)	52,700	46	-	52,746
Tax exempt mortgage securities asset	509,000	-	509,000	-	-	-	-	509,000	-	-	509,000
State of Idaho GARVEE payable	-	-	-	-	-	512,905	-	512,905	-	-	512,905
Deferred outflow---interest rate swap contracts	-	-	-	-	-	31,972	-	31,972	-	-	31,972
Total assets and deferred outflow of resources	<u>\$ 1,435,219</u>	<u>\$ 15,475</u>	<u>\$ 1,450,694</u>	<u>\$ 65,462</u>	<u>\$ 139,939</u>	<u>\$ 970,614</u>	<u>\$ (141,344)</u>	<u>\$ 2,485,365</u>	<u>\$ 2,004</u>	<u>\$ -</u>	<u>\$ 2,487,369</u>
Liabilities, Deferred Inflow of Resources, and Net Position											
Commercial paper	\$ 165,000	\$ -	\$ 165,000	\$ -	\$ -	\$ -	\$ -	\$ 165,000	\$ -	\$ -	\$ 165,000
Bonds	-	-	-	-	21,454	881,993	-	903,447	-	-	903,447
Tax exempt mortgage securities liability	509,000	-	509,000	-	-	-	-	509,000	-	-	509,000
Interest payable-swap contract	-	-	-	-	667	4,410	-	5,077	-	-	5,077
Investor remittance liability	224,601	-	224,601	-	-	-	-	224,601	-	-	224,601
Escrow and project reserve deposits	141,649	363	142,012	-	-	-	-	142,012	-	-	142,012
Swap contract fair value liability	-	-	-	-	-	22,939	-	22,939	-	-	22,939
Other liabilities	182,677	13,377	196,054	9	15	460	(141,344)	55,194	130	-	55,324
Deferred inflow---interest rate swap contracts	-	-	-	-	-	-	-	-	-	-	-
Net position	<u>212,292</u>	<u>1,735</u>	<u>214,027</u>	<u>65,453</u>	<u>117,803</u>	<u>60,812</u>	<u>-</u>	<u>458,095</u>	<u>1,874</u>	<u>-</u>	<u>459,969</u>
Total liabilities, deferred inflow of resources, and net position	<u>\$ 1,435,219</u>	<u>\$ 15,475</u>	<u>\$ 1,450,694</u>	<u>\$ 65,462</u>	<u>\$ 139,939</u>	<u>\$ 970,614</u>	<u>\$ (141,344)</u>	<u>\$ 2,485,365</u>	<u>\$ 2,004</u>	<u>\$ -</u>	<u>\$ 2,487,369</u>

Idaho Housing and Finance Association
 Combined Statement of Revenues, Expenses, and Changes in Net Position – Association Accounts
 Year Ended June 30, 2020

(in thousands)

	Business Operations			Affordable Housing Investment Trust	Rating Compliance and Loan Guarantee Trust	Combined Bondholder Trusts (1)	Interfund Eliminations	All Association Accounts	The Home Partnership Foundation	Inter-Component Unit Eliminations	All Reporting Entity Accounts
	General Operating and Custodial Accounts	Federally Assisted Program	Combined								
Statement of Revenues, Expenses and Changes in Net Position											
Operating Revenues											
Gains on loan sales	\$ 56,471	\$ -	\$ 56,471	\$ -	\$ -	\$ -	\$ -	\$ 56,471	\$ -	\$ -	\$ 56,471
Interest on loans and GARVEE pledged revenues	25,840	-	25,840	2,948	201	30,853	-	59,842	-	-	59,842
Interest on investments	594	1	595	4	113	7,042	-	7,754	2	-	7,756
Loan servicing fees	45,501	-	45,501	3	-	237	-	45,741	-	-	45,741
Contract and grant administration fees	12,472	-	12,472	-	-	-	-	12,472	750	(750)	12,472
Other operating revenues	1,396	69	1,465	3	-	28	-	1,496	1,056	-	2,552
Total operating revenues	142,274	70	142,344	2,958	314	38,160	-	183,776	1,808	(750)	184,834
Operating Expenses											
Loan acquisition costs	51,427	-	51,427	711	-	-	-	52,138	-	-	52,138
Interest	23,034	-	23,034	-	759	39,534	-	63,327	-	-	63,327
Salaries and benefits	19,308	43	19,351	-	-	-	-	19,351	144	-	19,495
General operating	13,376	10	13,386	30	13	220	-	13,649	362	-	14,011
Bond financing costs	-	-	-	-	-	76	-	76	-	-	76
Grants to others	-	-	-	-	-	-	-	-	1,436	(750)	686
Loss on real estate owned properties	2,508	-	2,508	23	-	-	-	2,531	-	-	2,531
Other operating expenses	535	609	1,144	384	-	-	-	1,528	-	-	1,528
Total operating expenses	110,188	662	110,850	1,148	772	39,830	-	152,600	1,942	(750)	153,792
Operating Income (Loss)	32,086	(592)	31,494	1,810	(458)	(1,670)	-	31,176	(134)	-	31,042
Nonoperating Revenues and Expenses											
Net increase (decrease) in fair value of investments	(21)	-	(21)	(1)	-	6,545	-	6,523	-	-	6,523
Net increase (decrease) in fair value of servicing contracts	37,083	-	37,083	-	-	-	-	37,083	-	-	37,083
Derivative instruments, interest rate swap	-	-	-	-	-	(2,831)	-	(2,831)	-	-	(2,831)
Federal pass-through revenues	-	45,221	45,221	-	-	-	-	45,221	-	-	45,221
Federal pass-through expenses	-	(45,424)	(45,424)	-	-	-	-	(45,424)	-	-	(45,424)
Total nonoperating revenues and expenses	37,062	(203)	36,859	(1)	-	3,714	-	40,572	-	-	40,572
Change in Net Position	69,148	(795)	68,353	1,809	(458)	2,044	-	71,748	(134)	-	71,614
Net Position, Beginning of Period	163,956	1,916	165,872	59,176	103,934	57,365	-	386,347	2,008	-	388,355
Transfers	(20,812)	614	(20,198)	4,468	14,327	1,403	-	-	-	-	-
Net Position, End of Period	\$ 212,292	\$ 1,735	\$ 214,027	\$ 65,453	\$ 117,803	\$ 60,812	\$ -	\$ 458,095	\$ 1,874	\$ -	\$ 459,969

(1) The detail of the Combined Bondholder Trusts is presented on pages 58-59.

Idaho Housing and Finance Association
 Combined Statement of Net Position – Combined Bondholder Trusts
 June 30, 2020

(in thousands)

	2000	2003	2006	2009	2019	2006	2008A	2009A	2010A	2011	2012A	2014A	2015A	2017A	2019A	Combined
	Indenture	Indenture	Indenture	Indenture	Indenture	Grant and Anticipation Bond	Grant and Anticipation Bond	Grant and Anticipation Bond	Grant and Anticipation Bond	Grant and Anticipation Bond	Grant and Anticipation Bond	Grant and Anticipation Bond	Grant and Anticipation Bond	Grant and Anticipation Bond	Grant and Anticipation Bond	Bonds
Statement of Net Position																
Assets and Deferred Outflow of Resources																
Cash and cash equivalents held in trust	\$ -	\$ -	\$ 2,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,521
Investments, fair value held in trust	6,162	48,022	18,758	968	67,050	-	-	-	1,066	227	169	391	1,037	647	113,230	257,727
Loans held for investment, net	21,951	51,399	70,581	4,016	14,271	-	-	-	-	-	-	-	-	-	-	162,218
Other assets	191	595	1,804	137	544	-	-	-	-	-	-	-	-	-	-	3,271
State of Idaho GARVEE payable	-	-	-	-	-	-	-	-	68,797	64,761	26,397	62,055	154,573	101,537	34,785	512,905
Deferred outflow--interest rate swap contracts	623	6,401	23,767	-	1,181	-	-	-	-	-	-	-	-	-	-	31,972
Total assets and deferred outflow of resources	28,927	106,417	117,431	5,121	83,046	-	-	-	69,863	64,988	26,566	62,446	155,610	102,184	148,015	970,614
Liabilities, Deferred Inflow of Resources and net position																
Bonds	22,557	90,174	62,860	1,496	75,287	-	-	-	69,863	64,988	26,566	62,446	155,610	102,131	148,015	881,993
Interest payable-swap contract	342	1,418	2,418	-	232	-	-	-	-	-	-	-	-	-	-	4,410
Swap contract fair value liability	278	5,315	16,396	-	950	-	-	-	-	-	-	-	-	-	-	22,939
Other liabilities	22	47	309	29	-	-	-	-	-	-	-	-	-	53	-	460
Deferred inflow--interest rate swap contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net position	5,728	9,463	35,448	3,596	6,577	-	-	-	-	-	-	-	-	-	-	60,812
Total liabilities, deferred inflow of resources and net position	28,927	106,417	117,431	5,121	83,046	-	-	-	69,863	64,988	26,566	62,446	155,610	102,184	148,015	970,614
Statement of Revenues, Expenses and Changes in Net Position																
Operating Revenues																
Interest on loans and GARVEE pledged revenues	1,413	3,055	4,086	147	810	-	-	45	4,200	2,909	794	2,474	6,370	3,379	1,171	30,853
Interest on investments	104	1,138	385	14	1,836	-	5	4	12	3	2	4	12	4	3,519	7,042
Loan servicing fees	-	61	142	10	24	-	-	-	-	-	-	-	-	-	-	237
Other operating revenues	-	-	28	-	-	-	-	-	-	-	-	-	-	-	-	28
Total operating revenues	1,517	4,254	4,641	171	2,670	-	5	49	4,212	2,912	796	2,478	6,382	3,383	4,690	38,160

Idaho Housing and Finance Association
 Combined Statements of Revenues, Expenses, and Changes in Net Position – Combined Bondholder Trusts
 Year Ended June 30, 2020

(in thousands)

	2000	2003	2006	2009	2019	2006	2008A	2009A	2010A	2011	2012A	2014A	2015A	2017A	2019A	Combined
	Indenture	Indenture	Indenture	Indenture	Indenture	Grant and Anticipation Bond	Grant and Anticipation Bond	Grant and Anticipation Bond	Grant and Anticipation Bond	Grant and Anticipation Bond	Grant and Anticipation Bond	Grant and Anticipation Bond	Grant and Anticipation Bond	Grant and Anticipation Bond	Grant and Anticipation Bond	Bonds
Operating Expenses																
Interest	1,098	4,274	6,101	76	3,192	-	5	49	4,195	2,897	788	2,462	6,350	3,362	4,685	39,534
General operating	29	41	31	2	3	-	-	-	17	15	8	16	32	21	5	220
Bond financing costs	-	-	-	-	76	-	-	-	-	-	-	-	-	-	-	76
Losses on real estate-owned property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	<u>1,127</u>	<u>4,315</u>	<u>6,132</u>	<u>78</u>	<u>3,271</u>	<u>-</u>	<u>5</u>	<u>49</u>	<u>4,212</u>	<u>2,912</u>	<u>796</u>	<u>2,478</u>	<u>6,382</u>	<u>3,383</u>	<u>4,690</u>	<u>39,830</u>
Operating Income (Loss)	<u>390</u>	<u>(61)</u>	<u>(1,491)</u>	<u>93</u>	<u>(601)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,670)</u>
Nonoperating Revenues and Expenses																
Net increase (decrease) in fair value of investments	106	1,702	1,032	47	3,658	-	-	-	-	-	-	-	-	-	-	6,545
Derivative instruments, interest rate swap	(248)	(1,547)	(1,267)		231	-	-	-	-	-	-	-	-	-	-	(2,831)
Total nonoperating revenues and expenses	<u>(142)</u>	<u>155</u>	<u>(235)</u>	<u>47</u>	<u>3,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,714</u>
Change in Net Position	<u>248</u>	<u>94</u>	<u>(1,726)</u>	<u>140</u>	<u>3,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,044</u>
Net Position, Beginning of Period	5,480	9,372	36,709	5,804	-	-	-	-	-	-	-	-	-	-	-	57,365
Transfers	-	(3)	465	(2,348)	3,289	-	-	-	-	-	-	-	-	-	-	1,403
Net Position, End of Period	<u>\$ 5,728</u>	<u>\$ 9,463</u>	<u>\$ 35,448</u>	<u>\$ 3,596</u>	<u>\$ 6,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,812</u>