



***Idaho Housing
and Finance
Association***

www.idahohousing.com

**Audit Report as of
June 30, 2022 and 2021**

Idaho Housing and Finance Association

Table of Contents

June 30, 2022 and 2021

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	59
Combined Statement of Revenues, Expenses, and Changes in Net Position – Association Accounts	60
Combined Statement of Net Position – Combined Bondholder Trusts	61
Combined Statements of Revenues, Expenses, and Changes in Net Position – Combined Bondholder Trusts	63



Independent Auditor's Report

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Idaho Housing and Finance Association (the Association), as of and for the years ended June 30, 2022 and 2021, 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.

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, 2022 and 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Correction of Error

As discussed in Note 17 to the financial statements, the Association excluded amounts related to various derivative balances and incorrectly classified certain aspects of net position during the prior year. This resulted in an understatement of assets, liabilities, revenues, and expenses and understatement of net position as of June 30, 2021. Accordingly, amounts reported for those items have been restated in the 2021 financial statements now presented, to correct the omission. Our opinion is not modified with respect to this matter.

Adoption of New Accounting Standard

As discussed in Note 2 and Note 17 to the financial statements, the Association has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made as of July 1, 2021, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 is the responsibility of management and 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.

Supplementary 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 59 through 64 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic 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 black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
September 28, 2022

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, 2022 and 2021.

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; three (3) U.S. Treasury programs---Tax Credit Assistance Program, Homeowner Assistance Fund, and Emergency Rental Assistance; 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 2022 (FY22), reflecting continued loan acquisition production, a larger servicing portfolio (as loan servicing contracts increased), higher servicing revenue, a significant increase in the fair value of loan servicing contracts, and cost containment. These factors were offset by a large decrease in gains on loan sales which was caused by market conditions and loan pricing.

Fiscal year 2022 loan acquisition volume was lower than fiscal year 2021 which resulted in an overall reduction in cash and loans held as assets. The substantial increase in fair value of loan servicing contracts in fiscal year 2022 was due to significant interest rate increases which caused a sharp decline in the number of mortgage refinances. Loans projected to remain in the portfolio longer resulted in the higher fair value. Loans pending modification also increased significantly due to loans coming out of the COVID forbearance period and the sharp increase in interest rates that began at the end of fiscal year 2022.

Liabilities decreased overall, driven by the decrease in volume of loan acquisition production for fiscal year 2022. Notably, the investor remittance liability, mainly representing the Association's obligation to remit payment as part of fulfilling the loan servicing contracts, decreased as a result of the lower volume. Additionally, tax exempt mortgage securities continued to pay down decreasing the liability and associated asset. Bonds increased due to the issuance of a new Transportation Expansion and Congestion Mitigation (TECM) bond series during fiscal year 2022.

The financial highlights of the Association as of June 30, 2022 compared to June 30, 2021, are as follows:

- Total net position, after fair market value and federal pass-through adjustments, increased \$118.1 million which is an increase of 19.85%.
- Operating income decreased from \$47.8 million to \$18.6 million which is a decrease of 61%. This decrease was mainly attributable to the decline in gains on loan sales from \$82.6 million in fiscal year 2021 to \$36.6 million in fiscal year 2022.
- Total assets and deferred outflows of resources decreased \$22.2 million or 1%.
- Total liabilities decreased \$140.2 million or 6%.

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, 2022, 2021, and 2020, as well as the changes in net position.

Fiscal year 2022 was characterized by increasing interest rates and the ending of COVID 19 forbearance periods for many mortgages. While the Idaho real estate market remained strong through much of the fiscal year, the market began showing signs of softening near the end of the period. Increased loan servicing portfolio value and decreased gains on loan sales characterized and affected the Association's financial results for fiscal year 2022.

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 more uncertainty in the economic, legal, and mortgage-lending environments as the impacts of interest rate changes and the ongoing effects of the global COVID-19 pandemic continue.

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, the Home Partnership Foundation, and IHFA Community Investment Holdings LLC 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 and IHFA Community Investment Holdings LLC's basic financial statements have been blended with the Association's basic financial statements.

Idaho Housing and Finance Association
Management's Discussion and Analysis
June 30, 2022 and 2021

Financial Analysis

The following table summarizes the changes in net position that occurred during the years ended June 30, 2022, 2021, and 2020 as well as the changes in net position.

As of June 30, (in thousands)	2022		2021 As Restated		2020
	Balance	% Change from prior period	Balance	% Change from prior period	Balance
Cash and cash equivalents	\$ 46,846	49.63%	\$ 31,308	(12.37%)	\$ 35,729
Cash and cash equivalents held in trust or as agent	227,900	(29.70%)	324,193	21.59%	266,630
Cash held in escrow	189,801	2.44%	185,272	26.42%	146,547
Investments, fair value	65,584	67.55%	39,143	33.91%	29,231
Investments, fair value held in trust	539,465	(9.76%)	597,826	109.25%	285,701
Loans held for investment, net	216,695	(9.59%)	239,693	(12.19%)	272,958
Loans available for sale	97,409	(40.28%)	163,117	(11.66%)	184,646
Loan servicing contracts, fair value	352,283	57.01%	224,376	46.08%	153,593
Loans pending modification	132,668	6064.87%	2,152	(40.07%)	3,591
Property and equipment	10,112	(7.82%)	10,970	12.28%	9,770
Right of use lease asset	1,697	(14.94%)	1,995	(22.25%)	2,566
Derivative assets	-	(100.00%)	8,049	(46.20%)	14,960
Other assets	83,360	(5.12%)	87,858	66.57%	52,746
Tax exempt mortgage securities asset	215,714	(33.56%)	324,694	(36.21%)	509,000
State of Idaho GARVEE Payable	567,474	9.58%	517,843	0.96%	512,905
Interest rate swap contracts	12,569	(45.97%)	23,264	(27.24%)	31,972
Total assets and deferred outflow	\$ 2,759,577	(0.80%)	\$ 2,781,753	10.71%	\$ 2,512,545
Bonds	\$ 1,077,773	5.66%	\$ 1,020,062	12.91%	\$ 903,447
Short-term and other borrowing	314,163	1.35%	309,977	87.86%	165,000
Tax exempt mortgage securities liability	215,714	(33.56%)	324,694	(36.21%)	509,000
Swap contract fair value liability	6,162	(59.70%)	15,291	(33.34%)	22,939
Interest payable-swap contract	3,359	(19.33%)	4,164	(17.98%)	5,077
Escrow and project reserve deposits	179,107	1.82%	175,906	23.87%	142,012
Investor remittances	176,474	(37.42%)	282,018	25.56%	224,601
Other liabilities	71,781	30.95%	54,815	(5.45%)	57,974
Derivative liabilities	2,160		-	0.00%	2,247
Total liabilities and deferred inflow	\$ 2,046,693	(6.41%)	\$ 2,186,927	7.61%	\$ 2,032,297
Net investment in capital assets	\$ 10,112	(7.82%)	\$ 10,970	12.28%	\$ 9,770
Bond funds	55,974	(9.24%)	61,673	(65.47%)	178,615
Federal Programs	1,255	(36.93%)	1,990	14.70%	1,735
The HOME Partnership Foundation, Inc fund	4,187	138.44%	1,756	(6.30%)	1,874
Idaho Community Investment Holdings, LLC	5,983		1,144		-
Unrestricted	635,373	22.83%	517,293	79.46%	288,254
Total net position, as restated	\$ 712,884	19.85%	\$ 594,826	23.86%	\$ 480,248

Idaho Housing and Finance Association
Management's Discussion and Analysis
June 30, 2022 and 2021

For the years ended June 30, (in thousands)	2022		As Restated		2020
	Balance	% Change from prior period	Balance	% Change from prior period	Balance
Interest on loans and GARVEE pledged revenues	\$ 57,318	11.59%	\$ 51,365	(14.17%)	\$ 59,842
Government and multifamily trusts pledged revenues					
Interest on Investments	4,886	(18.27%)	5,978	(22.92%)	7,756
Loan servicing fees	56,777	18.44%	47,939	4.81%	45,741
Contract and grant administration fees	16,616	21.56%	13,669	9.60%	12,472
Gains on loan sales	36,566	(55.71%)	82,569	46.21%	56,471
Other	5,026	(18.54%)	6,170	141.77%	2,552
Total revenues	177,189	(14.69%)	207,690	12.37%	184,834
Interest	52,135	(8.15%)	56,761	(10.44%)	63,376
Salaries and benefits	30,331	21.58%	24,947	27.97%	19,495
Loan acquisition costs	49,327	(17.46%)	59,763	14.62%	52,138
General operating	20,133	21.65%	16,550	13.50%	14,582
Bond financing costs	513	(0.39%)	515	577.63%	76
Grants to others	1,322	101.83%	655	(4.52%)	686
Losses on real estate-owned property	2,290	22800.00%	10	(99.60%)	2,531
Other	2,513	240.98%	737	(25.71%)	992
Total expenses	158,564	(0.86%)	159,938	3.94%	153,876
Operating income/(loss)	18,625	(61.00%)	47,752	54.25%	30,958
Net increase (decrease) in fair value of investments	(12,312)	(335.05%)	5,238	(19.70%)	6,523
Net increase (decrease) in fair value of derivative instruments	(15,427)		(8,130)		7,838
Net increase (decrease) in fair value of servicing rights	127,907	80.70%	70,783	90.88%	37,083
Federal pass-through revenues	88,518	25.13%	70,741	56.43%	45,221
Federal pass-through expenses	(89,253)	24.30%	(71,806)	58.08%	(45,424)
Total non-operating revenues and expenses	99,433	48.79%	66,826	30.42%	51,241
Increase/(decrease) in net position	\$ 118,058	3.04%	\$ 114,578	39.39%	\$ 82,199
Loans serviced as agent (not reported on statement of net position)	\$ 24,549,688	9.73%	\$ 22,373,187	15.75%	\$ 19,328,928

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 \$10.112 million (net of accumulated depreciation), a decrease of less than 9%, 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 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.

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, 2022 and 2021

(in thousands)

	2022	2021 As Restated
Assets		
Cash and cash equivalents	\$ 46,846	\$ 31,308
Cash and cash equivalents held in trust or as agent	227,900	324,193
Cash held in escrow	189,801	185,272
Investments, fair value	65,584	39,143
Investments held in trust, fair value	539,465	597,826
Loans held for investment, net	216,695	239,693
Loans available for sale	97,409	163,117
Loan servicing contracts, fair value	352,283	224,376
Loans pending modification	132,668	2,152
Capital assets	10,112	10,970
Right of use lease asset	1,697	1,995
Derivative assets	-	8,049
Other assets	83,360	87,858
Tax exempt mortgage securities asset	215,714	324,694
State of Idaho GARVEE receivable	567,474	517,843
Total assets	2,747,008	2,758,489
Deferred Outflow of Resources		
Interest rate swap contracts, amortized value	10,270	14,189
Interest rate swap contracts, fair value	2,299	9,075
Total deferred outflow of resources	12,569	23,264
Total assets and deferred outflow of resources	\$ 2,759,577	\$ 2,781,753
Liabilities		
Short-term and other borrowing	\$ 314,163	\$ 309,977
Bonds and notes	1,077,773	1,020,062
Tax exempt mortgage securities liability	215,714	324,694
Interest payable-swap contract	3,359	4,164
Investor remittance liability	176,474	282,018
Escrow and project reserve deposits	179,107	175,906
Swap contract fair value	6,162	15,291
Derivative liabilities	2,160	-
Other liabilities	71,781	54,815
Total liabilities	2,046,693	2,186,927
Net Position		
Net investment in capital assets	10,112	10,970
Restricted		
Bond funds	55,974	61,673
Federal Programs	1,255	1,990
The Home Partnership Foundation, Inc fund	4,187	1,756
Unrestricted		
Idaho Community Investment Holdings, LLC	5,983	1,144
General Unrestricted	635,373	517,293
Total net position, as restated	712,884	594,826
Total liabilities, deferred inflow of resources, and net position	\$ 2,759,577	\$ 2,781,753

Idaho Housing and Finance Association
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2022 and 2021
(in thousands)

	2022	2021 As Restated
Operating Revenues		
Gain on loan sales	\$ 36,566	\$ 82,569
Interest on loans and GARVEE pledged revenues	57,318	51,365
Interest on investments	4,886	5,978
Loan servicing fees	56,777	47,939
Grant and contract administration fees	16,616	13,669
Other	5,026	6,170
Total operating revenues	177,189	207,690
Operating Expenses		
Loan acquisition costs	49,327	59,763
Interest	52,135	56,761
Salaries and benefits	30,331	24,947
General operating	20,133	16,550
Bond financing costs	513	515
Grant to others	1,322	655
Losses on real estate-owned property	2,290	10
Other	2,513	737
Total operating expenses	158,564	159,938
Operating Income	18,625	47,752
Nonoperating Revenues and (Expenses)		
Net increase (decrease) in fair value of investments	(12,312)	5,238
Net increase (decrease) in fair value of derivatives	(15,427)	(8,130)
Net increase in fair value of servicing contracts	127,907	70,783
Federal pass-through revenues	88,518	70,741
Federal pass-through expenses	(89,253)	(71,806)
Total nonoperating revenues and (expenses)	99,433	66,826
Increase in Net Position	118,058	114,578
Net Position, Beginning of Year	594,826	459,969
Net Position, Beginning of Year, as Restated	594,826	480,248
Net Position, End of Year	\$ 712,884	\$ 594,826

Idaho Housing and Finance Association

Statements of Cash Flows
Years Ended June 30, 2022 and 2021
(in thousands)

	2022	2021 As Restated
Operating Activities		
Receipts from customers, loan interest, and other	\$ 5,473,057	\$ 6,123,223
Loan principal payments	78,516	103,721
Principal and interest pass-through remittances as servicing agent	(5,487,743)	(5,712,829)
Escrow deposits	900,733	822,990
Escrow disbursements	(897,504)	(788,069)
Loan sales	6,676,842	7,994,360
Loan acquisition costs	(49,327)	(59,763)
Interest paid	(95,781)	(66,039)
Payments to suppliers	(2,015)	(19,486)
Payments for transportation program costs	(89,030)	(47,293)
Payments for loans available for sale	(6,577,836)	(8,053,716)
Payments to employees for services and benefits	(30,259)	(24,422)
Loan principal additions	(74,247)	(82,417)
Net Cash from (used for) Operating Activities	(174,594)	190,260
Noncapital Financing Activities		
Bond financing costs	30,907	(515)
Bond and short-term borrowings payments	(1,990,479)	(742,745)
Bond and short-term borrowings issued	2,027,835	964,367
Federal pass-through revenues	88,518	70,741
Federal pass-through expenses	(89,253)	(71,806)
Net Cash from Noncapital Financing Activities	67,528	220,042
Capital and Related Financing Activities		
Acquisition and construction of capital assets	(1,100)	(2,376)
Net Cash used for Capital and Related Financing Activities	(1,100)	(2,376)
Investing Activities		
Proceeds from sale of assets	19	-
Investment purchases	(3,821,514)	(4,759,066)
Investment redemptions	3,848,549	4,436,872
Investment income	4,886	6,135
Net Cash from (used for) Investing Activities	31,940	(316,059)
Net Change in Cash	(76,226)	91,867
Cash and Cash Equivalents, Beginning of Year	540,773	448,906
Cash and Cash Equivalents, End of Year	\$ 464,547	\$ 540,773

Idaho Housing and Finance Association

Statements of Cash Flows
Years Ended June 30, 2022 and 2021
(in thousands)

	2022	2021 As Restated
Reconciliation of Net Operating Revenues/(Expenses) to Net Cash from (used for) Operating Activities		
Operating income	\$ 18,625	\$ 47,752
Adjustments to reconcile operating income to net cash from (used for) operating activities		
Loan principal received	78,516	103,721
Loans issued	(74,247)	(82,417)
Bond financing costs	30,907	515
Depreciation and other amortization	2,237	6,504
Changes in assets and liabilities		
Interest receivable	347	432
Interest payable	(2,069)	759
Interest on investments	(4,866)	(5,978)
Pledged revenues	(71,530)	(14,310)
Other assets	(160,099)	(54,445)
Accounts payable and other liabilities	7,585	187,727
Net Cash from (used for) Operating Activities	<u>\$ (174,594)</u>	<u>\$ 190,260</u>

The Housing Company
 A Component Unit of Idaho Housing and Finance Association
 Consolidated Statements of Financial Position
 December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 9,987,991	\$ 9,066,628
Investments in subsidiaries	2,332	979
Restricted cash	4,552,189	3,546,817
Receivables	1,505,291	1,520,267
Mortgage proceeds held in trust	14,936,017	-
Prepaid expenses	493,852	351,634
Land	7,979,712	7,159,913
Buildings and equipment (net of accumulated depreciation)	81,553,398	58,968,268
Tax credit fees and other (net of accumulated amortization)	561,926	2,502,885
	<u><u>\$ 121,572,708</u></u>	<u><u>\$ 83,117,391</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 3,044,928	\$ 2,136,316
Interest payable	352,370	188,803
Real estate taxes payable	484,531	460,232
Long-term debt and construction loans payable (net of unamortized debt issuance costs)	77,996,527	41,320,669
Security deposits payable	446,787	414,506
	82,325,143	44,520,526
Net Assets Without Donor Restrictions		
Controlling interests	10,132,736	10,319,615
Noncontrolling interests	29,114,829	28,277,250
	<u><u>\$ 121,572,708</u></u>	<u><u>\$ 83,117,391</u></u>

The Housing Company
 A Component Unit of Idaho Housing and Finance Association
 Consolidated Statements of Activities
 Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues		
Tenant rents	\$ 8,580,966	\$ 7,995,130
Housing assistance payments	2,887,448	2,897,103
Grants and other contributions	2,505	-
Interest and dividends	5,958	21,199
Developer fees	386,948	494,600
Forgiveness of debt on tax credit exchange loan	137,673	310,605
Property management services	310,605	113,896
Other	605,869	741,388
Total revenues	<u>12,917,972</u>	<u>12,573,921</u>
Expenses		
Administrative	3,538,937	3,579,358
Utilities and maintenance	3,409,019	3,623,629
Real estate taxes and insurance	1,612,869	1,367,526
Depreciation and amortization	4,751,776	4,591,728
Interest	1,444,151	1,440,616
Total expenses	<u>14,756,752</u>	<u>14,602,857</u>
Net Loss	(1,838,780)	(2,028,936)
Loss on sale of assets	(13,879)	(29,613)
Loss on disposal of assets	(150,465)	(578,649)
Gain on involuntary conversion of assets	-	62,363
Gain or loss in subsidiaries	(651)	-
Decrease in Net Assets Without Donor Restrictions Before Noncontrolling Interests	<u>(2,003,775)</u>	<u>(2,574,835)</u>
Noncontrolling Interests in Partnership Losses	<u>1,816,896</u>	<u>3,533,426</u>
Change in Net Assets Without Donor Restrictions	<u>\$ (186,879)</u>	<u>\$ 958,591</u>

Note 1 - Authorizing Legislation

The Idaho Housing and Finance Association (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 2054.

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), The Housing Company (THC), and IHFA Community Investment Holdings LLC (ICIH LLC) 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 and ICIH LLC's presentations have been blended and THC's presentation has been discretely presented.

HPF and ICIH LLC report 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, 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, 2022 and 2021. Restricted cash as of June 30, 2022 consists of \$32.808 million in Federal Programs, \$189.801 million in escrow deposits, and \$191.448 million in General Operating. Restricted cash as of June 30, 2021 consists of \$26.378 million in Federal Programs, \$185.272 million in escrow deposits, and \$297.815 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, 2022 and 2021, the Association has LSC fair valued on its statements of net position at \$352.283 million and \$224.376 million, respectively. During the years ended June 30, 2022 and 2021, the Association has unrealized LSC fair value increases of \$127.907 million and \$70.783 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 10.66%. The range of prepayment speeds used are from 100 to 399 PSA with an average of 128 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.

Capital Assets

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, 2022 and 2021, was \$1.088 million and \$1.176 million, respectively. Property and equipment are presented in the Statements of Net Position, net of accumulated depreciation of \$10.112 million and \$10.970 million at June 30, 2022 and 2021, 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 \$6.500 million as of June 30, 2022 and \$3.687 as of June 30, 2021. The Association has established an allowance for loan loss and REO activity in the Loan Guarantee and Compliance Fund for Association-held loan losses not recoverable. As of June 30, 2022 and 2021, the Association estimates this amount to be \$0.800 million and \$0.804 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 \$11.891 million and \$15.299 million as of June 30, 2022 and 2021, 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. 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 \$176.474 million and \$282.018 million at June 30, 2022 and 2021, respectively.

Short-Term and Other Borrowings

The Association has a commercial paper facility that provides funds to purchase single-family mortgage loans on an interim basis as well as financing for multifamily construction loans. This commercial paper facility was expanded to support higher levels of loan acquisition and sales in fiscal year 2022. Additionally, the Association has two lines of bank revolving credit facilities, and a warehouse facility with Federal Home Loan Bank during fiscal year 2022.

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 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 \$61.138 million and \$65.214 million at June 30, 2022 and 2021, respectively, are restricted by bond indentures and programmatic requirements; approximately \$134.324 million and \$67.803 million at June 30, 2022 and 2021, respectively, are designated by the Board for programmatic uses in connection with the Affordable Housing Investment Trust; and the remaining balances of \$517.442 million and \$461.809 million held in the General Operating business unit at June 30, 2022 and 2021, include \$10.112 million and \$10.970 million, respectively, net invested in capital assets, and \$505.613 million and \$448.844 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*.

New Accounting Principles

GASB has issued the following standards effective for fiscal year 2022:

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, and GASB Statement No. 98, *The Annual Comprehensive Financial Report*. The Association implemented GASB Statement No. 87, *Leases* in fiscal year 2022 and the effects can be seen in the Restatements footnote. In the opinion of the management, the other standards do not have a material impact on the Association's financial position given current operations and obligations.

GASB has issued the following standards effective for fiscal year 2023:

GASB Statement No. 99, *Omnibus 2022*, 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. 93, *Replacement of Interbank Offered Rates*. In the opinion of the management, this standard does not have a material impact on the Association's financial position given current operations and obligations. Management has not studied fully the other standards but is of the opinion that any impact will be minimal.

GASB has issued the following standards effective for fiscal year 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, and GASB Statement No. 101, *Compensated Absences*. Management has not studied fully the 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, 2022 and 2021, the Association has overnight investments of \$0.00 million and \$.337 million, respectively, in money market funds and \$9.740 million and \$19.904 million, respectively, in repurchase agreements held by Wells Fargo Bank. Repurchase agreements are collateralized by U.S. government and agency obligations held in the Association's trustee's name in the Association's account.

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)

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

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, 2022, the Association categorizes the combined fair value of \$605.049 million of Investments and Investments held in trust within this hierarchy. Money market funds of \$255.655 million, U.S. Agency obligations of \$53.163 million, U.S. Government mortgage-backed securities of \$51.434, U.S. Treasury bonds of \$24.234 million, U.S. Treasury bills of \$217.506 million, Municipal bonds of \$1.900 million, Other of \$0.160 million and accrued interest of \$0.455 million are valued using quoted market prices (Level 1). Interest rate swaps of \$0.542 million are valued using a propriety-pricing model (Level 2).

As of June 30, 2021, the Association categorizes the combined fair value of \$636.969 million of Investments and Investments held in trust within this hierarchy. Money market funds of \$129.311 million, U.S. Agency obligations of \$143.432 million, U.S. Treasury bonds of \$0.231 million, U.S. Government mortgage-backed securities of \$220.961 million, TBA Contracts of \$.115 million, Commercial Paper of \$145.769 million, Other of \$0.160 million and Accrued interest of \$.550 million are valued using quoted market prices (Level 1). Interest rate swaps of (\$3.445) 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.

As of June 30, 2022, the Association had the following investments and maturities (in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)							
		Less Than 1	1-5	6-10	11-15	16-20	21-25	26-30	More Than 30
Interest rate swaps	\$ 542	\$ 542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Money market funds	255,655	255,655	-	-	-	-	-	-	-
Property	160	160	-	-	-	-	-	-	-
U.S. Agency obligations	14,299	-	2,844	4,850	6,605	-	-	-	-
U.S. Agency/Pooled obligation	38,864	-	-	-	-	-	15,009	23,855	-
U.S. Government mortgage-backed securities	51,434	51,434	-	-	-	-	-	-	-
U.S. Treasury Bonds	24,234	2	24,232	-	-	-	-	-	-
U.S. Treasury Bills	217,506	131,056	86,450	-	-	-	-	-	-
Municipal Bonds	1,900	-	-	-	-	-	900	1,000	-
	604,594	<u>\$ 438,849</u>	<u>\$ 113,526</u>	<u>\$ 4,850</u>	<u>\$ 6,605</u>	<u>\$ -</u>	<u>\$ 15,909</u>	<u>\$ 24,855</u>	<u>\$ -</u>
Accrued interest	455								
All Investments	<u>\$ 605,049</u>								

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

As of June 30, 2021, the Association had the following investments and maturities (in thousands):

Investment Type	Fair Value	Investment Maturities (in Years) As Restated							More Than 30
		Less Than 1	1-5	6-10	11-15	16-20	21-25	26-30	
Money market funds	\$ 129,311	\$ 129,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Agency obligations	96,815	60,666	-	2,134	11,391	255	10,141	12,228	-
U.S. Agency/Pooled obligations	46,617	-	-	-	-	-	-	46,617	-
U.S. Treasury Bonds	231	-	31	200	-	-	-	-	-
U.S. Government mortgage-backed securities	220,961	220,961	-	-	-	-	-	-	-
Interest rate swaps	(3,445)	-	(60)	(3,385)	-	-	-	-	-
Commercial Paper	145,769	145,769	-	-	-	-	-	-	-
Other	160	160	-	-	-	-	-	-	-
	636,419	<u>\$ 556,867</u>	<u>\$ (29)</u>	<u>\$ (1,051)</u>	<u>\$ 11,391</u>	<u>\$ 255</u>	<u>\$ 10,141</u>	<u>\$ 58,845</u>	<u>\$ -</u>
Accrued interest	550								
All Investments	<u>\$ 636,969</u>								

At June 30, 2022, the Association had 13 U.S. agency mortgage-backed security pools, which pay monthly principal and interest.

At June 30, 2021, the Association had 10 U.S. agency mortgage-backed security pools, which pay monthly principal and interest.

At June 30, 2022, the Association had \$92.335 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 3.5% and 5.0% and receives variable rate payments based on SIFMA and LIBOR indices. The Association entered into the swap contracts in November 2008, which mature between 2022 and 2030. These contracts are not rated.

At June 30, 2021, the Association had \$118.705 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 5.52% and receives variable rate payments based on SIFMA and LIBOR indices. The Association entered into the swap contracts in November 2008, which mature between 2021 and 2030. These contracts are not rated.

At June 30, 2022 and 2021, the Association has \$267.000 million and \$600.000 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.

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, 2022, 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, 2022 and 2021, the Association's remaining investments are rated by Moody's Investor Service as follows (in thousands):

Investment Type	Rating	2022	2021
U.S. Agency Obligations	Aaa	\$ 53,163	\$ 143,432

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, 2022, the Association had investments of five percent or more in Ginnie Mae obligations of \$38.865 million, U.S. Treasury Bond obligations of \$217.508 million, Federal Home Loan obligations of \$54.543 million, and Fidelity of \$255.149 million.

As of June 30, 2021, the Association had investments of five percent or more in Ginnie Mae obligations of \$46.617 million, Deutsch Bank AG obligations of \$76.252 million, and new for FY21, Federal Home Loan obligations of \$149.999 million, and Wells Fargo Commercial Paper of \$145.769 million.

During the years ended June 30, 2022 and 2021, the Association realized net gains of \$0.0 million and realized net losses of \$0.004 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, 2022 and 2021, was a \$10.934 million increase and a \$2.686 million decrease, 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, 2022 and 2021, were an increase of \$3.986 million and a decrease of \$0.332 million, respectively, related to derivative interest rate swap contracts fair market value considered investments.

The unrealized gain on investments held at June 30, 2022 and 2021, was \$(1.268) million and \$7.181 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, 2022 and 2021, 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.

A summary of security for loans as of June 30, 2022, is as follows (in thousands):

	Non-Pool Insured	Pool Insured	Total
FHA Insurance	\$ 59,774	\$ -	\$ 59,774
VA Guaranteed	7,855	-	7,855
Commercially Insured	22,678	2,975	25,653
USDA Rural Development Insurance	13,902	-	13,902
Association Insured	12,682	-	12,682
	<u>\$ 116,891</u>	<u>\$ 2,975</u>	<u>119,866</u>
Other			
Single Family IHFA Capital Pool			14,688
Multifamily IHFA Capital Pool			2,291
Social Service and Development IHFA Capital Pool			70,125
State Small Business Credit Initiative			19,202
SRP			730
Loan Loss Provision on Forgivable Loans			(11,892)
Loan Loss Provision			(800)
Interest Receivable on Loans			<u>2,485</u>
Total loans held for investment, net			<u>\$ 216,695</u>

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

A summary of security for loans as of June 30, 2021, is as follows (in thousands):

	Non-Pool Insured	Pool Insured	Total
FHA Insurance	\$ 93,078	\$ -	\$ 93,078
VA Guaranteed	8,690	-	8,690
Commercially Insured	28,515	3,840	32,355
USDA Rural Development Insurance	15,399	-	15,399
Association Insured	14,623	-	14,623
	<u>\$ 160,305</u>	<u>\$ 3,840</u>	164,145
Other			
Single Family IHFA Capital Pool			1,433
Multifamily IHFA Capital Pool			2,622
Social Service and Development IHFA Capital Pool			63,901
Construction			-
State Small Business Credit Initiative			20,314
SRP			1,243
Loan Loss Provision on Forgivable Loans			(15,299)
Loan Loss Provision			(804)
Interest Receivable on Loans			<u>2,138</u>
Total loans held for investment, net			<u>\$ 239,693</u>

As of June 30, 2022 and 2021, the loans receivable includes \$3.176 million and \$3.383 million, respectively, in notes receivable from The Housing Company (THC), which require repayment within 16 and 17 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 2022 and 2021, respectively. 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 38 years.

Each mortgage loan for all single-family financing programs is serviced pursuant to a Mortgage Loan Servicing Agreement. A master servicing arrangement was implemented beginning with the 1983 Series B Single-Family Mortgage purchase program. 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 generally between nineteen and sixty-nine 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. 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. These 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, if sold. 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. 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 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, 2022 and 2021, the Association realized \$36.566 million and \$82.569 million, respectively, in gains on the sale of loans to FNMA, FHMLC, and GNMA. As of June 30, 2022 and 2021, the Association had commitments to sell or secure \$77.092 million and \$104.393 million, respectively, of single-family mortgages to FNMA and FHMLC or through GNMA. As of June 30, 2022 and 2021, the Association had commitments to sell or secure \$28.790 million and \$26.749 million, respectively, of single-family mortgages on behalf of Connecticut Housing Finance Authority. As of June 30, 2022 and 2021, the Association had commitments to sell or secure \$10.666 million and \$47.019 million, respectively, of single-family mortgages on behalf of South Dakota Housing Development Authority. As

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

of June 30, 2022 and 2021, the Association had commitments to sell or secure \$24.091 million and \$30.524 million, respectively, of single-family mortgages on behalf of Iowa Finance Authority. As of June 30, 2022 and 2021, the Association had commitments to sell or secure \$28.790 million and \$41.993 million, respectively, on behalf of New Mexico Mortgage Finance Authority. As of June 30, 2022 and 2021, the Association had commitments to sell or secure \$56.107 million and \$104.329 million, respectively, on behalf of Texas Department of Housing and Community Affairs. As of June 30, 2022 and 2021, the Association had commitments to sell or secure \$55.145 million and \$97.865 million, respectively, on behalf of Washington State Housing Finance Commission.

As of June 30, 2022 and 2021, the Association estimates \$72.407 million and \$92.650 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 \$764.264 million and \$1,189.858 million, respectively, of single-family mortgages, which had not yet been funded as of June 30, 2022 and 2021.

As of June 30, 2022 and 2021, the Association was an agent for the following loans (in thousands):

Loans serviced as agent

	2022	2021
Federal Home Loan Mortgage Corporation	\$ 1,972,887	\$ 1,694,137
Federal National Mortgage Association	6,738,928	6,626,685
Government National Mortgage Association	15,003,993	13,226,566
Iowa Finance Authority	39,374	38,761
Connecticut Housing Finance Authority	52,206	41,842
South Dakota Housing Development Authority	79,114	68,013
New Mexico Mortgage Finance Authority	44,678	40,922
Texas Department of Housing and Community Affairs	333,772	332,472
Washington State Housing Finance Commission	145,693	160,620
Idaho Community Reinvestment Corporation	11,683	12,837
Neighborhood Housing Services	2,347	2,314
Boise Valley Habitat	1,135	886
Lewiston-Clarkston Habitat for Humanity	1,245	1,080
HOME Loan Balances	83,440	85,212
Neighborhood Stabilization Program	11,659	11,834
Housing Trust Fund	8,446	8,166
Tax Credit Assistance Program	10,051	10,051
TCEP Loan Program	8,737	10,432
Other	300	357
Total loans serviced as agent	<u>\$ 24,549,688</u>	<u>\$ 22,373,187</u>

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

Note 5 - Capital Assets

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

(in thousands)	Balance at June 30, 2021	Additions	Reclass	Retirements	Balance at June 30, 2022
Capital assets					
Land	\$ 2,183	\$ -	\$ -	\$ -	\$ 2,183
Buildings and improvements	9,799	389	-	(547)	9,641
Furniture and equipment	6,538	223	(321)	(1,085)	5,355
Leasehold improvements	872	-	-	-	872
Computer software	2,726	20	-	(2,387)	359
Total capital assets	22,118	632	(321)	(4,019)	18,410
Less accumulated depreciation for					
Buildings and improvements	(3,595)	(244)	-	259	(3,580)
Furniture and equipment	(4,705)	(715)	287	1,109	(4,024)
Leasehold improvements	(309)	(36)	-	-	(345)
Computer software	(2,539)	(93)	-	2,283	(349)
Total accumulated depreciation	(11,148)	(1,088)	287	3,651	(8,298)
Total capital assets, net	\$ 10,970	\$ (456)	\$ (34)	\$ (368)	\$ 10,112
(in thousands)	Balance at June 30, 2020	Additions	Reclass	Retirements	Balance at June 30, 2021
Capital assets					
Land	\$ 2,070	\$ 113	\$ -	\$ -	\$ 2,183
Buildings and improvements	8,163	1,636	-	-	9,799
Furniture and equipment	5,981	557	-	-	6,538
Leasehold improvements	872	-	-	-	872
Computer software	2,657	69	-	-	2,726
Total capital assets	19,743	2,375	-	-	22,118
Less accumulated depreciation for					
Buildings and improvements	(3,398)	(197)	-	-	(3,595)
Furniture and equipment	(4,010)	(695)	-	-	(4,705)
Leasehold improvements	(273)	(36)	-	-	(309)
Computer software	(2,292)	(247)	-	-	(2,539)
Total accumulated depreciation	(9,973)	(1,175)	-	-	(11,148)
Total capital assets, net	\$ 9,770	\$ 1,200	\$ -	\$ -	\$ 10,970

Note 6 - Leases

The Association entered an agreement to lease office space in Boise, Idaho for 36 months, beginning April 2022. The lease terminates April 2025. Under the terms of the lease, IHFA pays a monthly base fee of \$31,927, increasing 3.0% annually on the anniversary of the agreement. In conjunction with this property, the Association also pays for sixty-seven (67) parking permits. The Association pays a monthly base fee of \$7,708 for parking, increasing 3% annually on the anniversary of the agreement. The Association has an option to terminate the lease if, and only if, they purchase or lease another property that is owned by an ownership group consisting of a majority of the ownership group of the building.

The Association entered into an agreement to lease office space in Twin Falls, Idaho for 12 months, beginning July 2022. The lease terminates July 2023. Under the terms of the lease, the Association pays a monthly base fee of \$4,200 and any increase in property taxes will be prorated to the monthly lease amount for the following year.

The Association entered into an agreement to lease office space in Lewiston, Idaho for 12 months, beginning July 2022. The lease terminates August 2027. Under the terms of the lease, the Association pays a monthly base fee of \$4,385 with no annual increase.

At June 30, 2022, the Association has recognized right to use assets of \$1,697,000 and lease liabilities of \$2,007,000. During the fiscal year, the Association recorded \$571,067 in amortization expense and \$30,976 in interest expense for the right to use the office space. The Association used a discount rate of 1.7%, based on the Association's incremental borrowing rate during fiscal year 2022.

Remaining obligations associated with these leases are as follows:

June 30, 2022

	Period	Interest		
2023	\$ 579	\$ 21		
2024	444	13		
2025	358	5		
2026	56	2		
2027	57	1		
Total	<u>\$ 1,494</u>	<u>\$ 42</u>		
	July 1, 2021	Additions	Deletions	June 30, 2022
Office Space	\$ 3,137	\$ 468	\$ -	\$ 3,605
Equipment	321	-	(59)	262
Amortization	(1,463)	(766)	59	(2,170)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Right of Use Asset	<u>\$ 1,995</u>	<u>\$ (298)</u>	<u>\$ -</u>	<u>\$ 1,697</u>

Note 7 - Other Assets and Liabilities

Other Assets and Other Liabilities as of June 30, 2022 and 2021, are composed of the accounts and balances as follows (in thousands):

	2022	2021
Other Assets		
Accounts receivable	\$ 58,202	\$ 76,860
Multifamily trusts' pledged revenues receivable	5,105	-
Prepaid expenses	623	299
Insurance receivable	4,599	4,676
REO mortgages receivable	14,831	6,023
	<u>\$ 83,360</u>	<u>\$ 87,858</u>
	2022	2021 As Restated
Other Liabilities		
Accounts payable	\$ 290	\$ 1,534
Accrued vacation and other payroll related liabilities	1,592	1,520
Arbitrage rebate	632	-
Federal programs advances and unapplied program income	31,029	23,514
Unapplied payments	22,085	14,136
Reserve on loans serviced	6,500	3,687
Other accrued liability	9,653	10,424
	<u>\$ 71,781</u>	<u>\$ 54,815</u>

Note 8 - Short-Term and Other Borrowings

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. The commercial paper borrowing is not backed by collateral. As of June 30, 2022, the Association had \$210.000 million of commercial paper outstanding maturing in 7 to 34 days, with weighted average interest rates of 1.355%. As of June 30, 2021, the Association had \$170.000 million of commercial paper outstanding maturing in 91 to 92 days, with weighted average interest rates of 0.173%.

The borrowings at PNC Bank and Zions Bank are not backed by collateral. As of June 30, 2022, the Association had \$30.545 million of borrowings outstanding with PNC Bank maturing in May 2025 with a variable interest rate equal to the "Bank Index Rate", which means the sum of the Daily BSBY Rate and sixty hundredths of a percent (0.60%). As of June 30, 2022, the Association had \$30.617 million of borrowings outstanding with Zions Bank maturing in June 2023, with a variable interest rate of the sum of the AMERIBOR 30-Day Index and sixty-five hundredths of a percent. As of June 30, 2021, the Association had \$8.634 million of borrowings outstanding with PNC Bank maturing in May 2023 with a variable interest rate equal to the sum of the Daily LIBOR rate (base LIBOR rate of twenty-five basis points) and sixty-five hundredths of a percent. As of June 30, 2021, the Association had \$7.313 million of borrowings outstanding with Zions Bank maturing in June 2023, with a variable interest rate of the sum of the AMERIBOR 30-Day Index and sixty-five hundredths of a percent.

The borrowings with the Federal Home Loan Bank are collateralized with pledged securities. As of June 30, 2022, the Association had \$43.000 million of short-term borrowing outstanding with Federal Home Loan Bank maturing in 222 to 252 days from date of issue, with weighted average interest rates of 1.256%. As of June 30, 2021, the Association had \$124.030 million of short-term borrowing outstanding with Federal Home Loan Bank maturing in 182 to 183 days from date of issue, with weighted average interest rates of 0.288%.

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

Note 9 - Bonds

Description and Due Date	Average Bond Yield	2022	2021
Single-Family Mortgage Bonds			
2000 Indenture			
Variable Rate Class 1	1.023%	\$ 11,531	\$ 17,296
	1.023%	11,531	17,296
2003 Indenture			
Class I Bonds	3.550%	19,845	28,915
Variable Rate Class I	0.500%	27,545	35,905
Variable Rate Class II	0.502%	4,650	9,810
	1.664%	52,040	74,630
2006 Indenture			
Variable Rate Class I	0.663%	28,860	47,880
	0.663%	28,860	47,880
2019 Indenture			
Variable Rate Class I	0.531%	6,640	8,345
Class I Bonds	3.393%	37,215	57,730
	2.959%	43,855	66,075
Total single-family mortgage bonds		136,286	205,881
Grant and Revenue Anticipation Bonds			
2010 Series A	6.317%	62,925	65,335
2011 Series A		-	60,770
2012 Series A	4.098%	20,425	22,285
2014 Series A	4.935%	49,945	53,705
2015 Series A	5.000%	116,535	135,595
2017 Series A	5.000%	76,880	84,585
2019 Series A	5.000%	114,090	114,090
2021 Series A	4.539%	172,860	172,860
	4.970%	613,660	709,225
Transportation Expansion and Congestion Mitigation Bonds			
Class I Bonds	5.000%	184,590	-
	5.000%	184,590	-
Multifamily Housing Revenue Bonds			
Sunset 2021 Series A			
Class I Bonds	2.022%	13,740	-
	2.022%	13,740	-
Total bonds and notes		948,276	915,106
Interest Payable		17,379	15,310
Net Unamortized (Discount)/Premium		112,118	89,646
Total bonds and notes		\$ 1,077,773	\$ 1,020,062

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

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.

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, 2022 and 2021

The scheduled principal debt service, including July 1, 2022 special redemptions, for the periods subsequent to, and as of June 30, 2022, is as follows (in thousands):

	2023	2024	2025	2026	2027	2028 2032
Single-Family Mortgage Bonds						
2000 Indenture	\$ 3,244	\$ 1,257	\$ 1,202	\$ 1,066	\$ 984	\$ 3,778
2003 Indenture	7,485	3,445	3,475	2,290	1,700	14,630
2006 Indenture	8,925	-	-	-	-	4,595
2019 Indenture	10,130	4,100	3,770	3,500	3,215	8,980
	<u>29,784</u>	<u>8,802</u>	<u>8,447</u>	<u>6,856</u>	<u>5,899</u>	<u>31,983</u>
Grant Revenue and Revenue Anticipation Bonds						
2010 Series A	2,545	2,700	2,875	3,060	3,260	48,485
2011 Series A	-	-	-	-	-	-
2012 Series A	20,425	-	-	-	-	-
2014 Series A	3,955	4,155	4,370	4,595	4,830	28,040
2015 Series A	19,680	20,765	22,405	22,620	31,065	-
2017 Series A	8,455	8,810	8,680	10,075	3,315	37,545
2019 Series A	-	-	-	-	-	12,875
2021 Series A	-	-	-	-	-	60,465
	<u>55,060</u>	<u>36,430</u>	<u>38,330</u>	<u>40,350</u>	<u>42,470</u>	<u>187,410</u>
Total GARVEE						
Transportation Expansion and Congestion Mitigation Bonds						
2022 Series A	-	3,800	3,995	4,200	4,415	25,710
	<u>-</u>	<u>3,800</u>	<u>3,995</u>	<u>4,200</u>	<u>4,415</u>	<u>25,710</u>
Total TECM						
Multifamily Housing Revenue Bonds						
Sunset 2021 Series A	-	-	5,710	110	55	595
	<u>-</u>	<u>-</u>	<u>5,710</u>	<u>110</u>	<u>55</u>	<u>595</u>
Total Multifamily Housing Revenue Bonds						
	<u>-</u>	<u>-</u>	<u>5,710</u>	<u>110</u>	<u>55</u>	<u>595</u>
Total principal	<u>\$ 84,844</u>	<u>\$ 49,032</u>	<u>\$ 56,482</u>	<u>\$ 51,516</u>	<u>\$ 52,839</u>	<u>\$ 245,698</u>
Variable rate principal	17,404	2,802	2,767	2,546	2,854	19,808
Interest						
Fixed	\$ 35,927	\$ 37,907	\$ 35,578	\$ 33,147	\$ 30,682	\$ 113,169
Variable	437	353	332	313	294	1,137
	<u>36,364</u>	<u>38,260</u>	<u>35,910</u>	<u>33,460</u>	<u>30,976</u>	<u>114,306</u>
Total interest						

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

	2033 2037	2038 2042	2043 2047	2048 2052	2053 2057	TOTAL
Single-Family Mortgage Bonds						
2000 Indenture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,531
2003 Indenture	18,730	285	-	-	-	52,040
2006 Indenture	11,740	3,600	-	-	-	28,860
2019 Indenture	5,380	4,050	730	-	-	43,855
	<u>35,850</u>	<u>7,935</u>	<u>730</u>	<u>-</u>	<u>-</u>	<u>136,286</u>
Grant Revenue and Revenue Anticipation Bonds						
2010 Series A	-	-	-	-	-	62,925
2011 Series A	-	-	-	-	-	-
2012 Series A	-	-	-	-	-	20,425
2014 Series A	-	-	-	-	-	49,945
2015 Series A	-	-	-	-	-	116,535
2017 Series A	-	-	-	-	-	76,880
2019 Series A	82,170	19,045	-	-	-	114,090
2021 Series A	41,850	70,545	-	-	-	172,860
	<u>124,020</u>	<u>89,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>613,660</u>
Total GARVEE						
Transportation Expansion and Congestion Mitigation Bonds						
2022 Series A	33,015	42,400	67,055	-	-	184,590
	<u>33,015</u>	<u>42,400</u>	<u>67,055</u>	<u>-</u>	<u>-</u>	<u>184,590</u>
Total TECM						
Multifamily Housing Revenue Bonds						
Sunset 2021 Series A	-	1,300	-	-	5,970	13,740
	<u>-</u>	<u>1,300</u>	<u>-</u>	<u>-</u>	<u>5,970</u>	<u>13,740</u>
Total Multifamily Housing Revenue Bonds						
	<u>\$ 192,885</u>	<u>\$ 141,225</u>	<u>\$ 67,785</u>	<u>\$ -</u>	<u>\$ 5,970</u>	<u>\$ 948,276</u>
Total principal						
Variable rate principal	26,610	4,435	-	-	-	79,226
Interest						
Fixed	\$ 68,685	\$ 29,308	\$ 11,180	\$ 1,248	\$ 466	\$ 397,297
Variable	490	26	-	-	-	3,382
	<u>\$ 69,175</u>	<u>\$ 29,334</u>	<u>\$ 11,180</u>	<u>\$ 1,248</u>	<u>\$ 466</u>	<u>\$ 400,679</u>
Total interest						

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

Long-term bond liability and short-term borrowing activity for the years ended June 30, 2022 and 2021, was as follows (in thousands):

June 30, 2022	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One year
Par Bonds Payable	\$ 915,106	\$ 198,330	\$ (165,160)	\$ 948,276	\$ 84,844
Interest Payable	15,310	35,781	(33,712)	17,379	36,364
Net Unamortized (Discount)/Premium	89,646	37,553	(15,081)	112,118	22,187
Total bonds payable at June 30, 2022	<u>\$ 1,020,062</u>	<u>\$ 271,664</u>	<u>\$ (213,953)</u>	<u>\$1,077,773</u>	<u>\$ 143,395</u>
June 30, 2021					
Par Bonds Payable	\$ 817,035	\$ 172,860	\$ (74,789)	\$ 915,106	\$ 140,940
Note Payable	21,426	-	(21,426)	-	-
Interest Payable	16,068	32,108	(32,866)	15,310	33,359
Net Unamortized (Discount)/Premium	48,918	81,534	(40,806)	89,646	7,404
Total bonds payable at June 30, 2021	<u>\$ 903,447</u>	<u>\$ 286,502</u>	<u>\$ (169,887)</u>	<u>\$1,020,062</u>	<u>\$ 181,703</u>
Short-Term and Other Borrowing at June 30,2022	\$ 309,977	\$ 1,829,505	\$ (1,825,319)	\$ 314,163	\$ 314,163
Short-Term and Other Borrowing at June 30,2021	\$ 165,000	\$ 791,507	\$ (646,530)	\$ 309,977	\$ 309,977

Note 10 - Redemption of Bonds

Special redemptions were made in the following bond issues for the years ended June 30, 2022 and 2021 (in thousands):

Bond Series Redeemed	Par Value of Bonds Redeemed		
	July 1, 2022	For the Year Ended June 30, 2022	For the Year Ended June 30, 2021
Single-Family Mortgage Bonds			
Prior			
2000 Indenture	\$ 1,800	\$ 3,800	\$ 2,710
2003 Indenture	3,770	18,830	9,920
2006 Indenture	7,845	16,705	14,110
2009 Indenture	-	-	1,405
2019 Indenture	5,650	17,535	1,835
	<u>19,065</u>	<u>56,870</u>	<u>29,980</u>
Grant Revenue and Revenue Anticipation Bonds			
2011 Series A	-	59,225	-
2012 Series A	18,485	-	-
	<u>18,485</u>	<u>59,225</u>	<u>-</u>
Special redeem all bonds	<u>\$ 37,550</u>	<u>\$ 116,095</u>	<u>\$ 29,980</u>

Note 11 - 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.

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.

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

Series	Maturity Date	Security Rate	2022	2021
IHFA HOMES 2014 A	May 2044	3.50%	\$ 2,715	\$ 3,605
IHFA HOMES 2014 B	August 2044	3.50%	2,616	4,122
IHFA HOMES 2014 C	December 2044	3.50%	1,786	2,612
IHFA HOMES 2015 A	April 2045	3.00%	1,940	2,171
IHFA HOMES 2015 B	May 2045	3.00%	2,709	3,841
IHFA HOMES 2015 C	July 2045	3.00%	7,563	9,794
IHFA TEMS 2015A	October 2045	3.50%	5,551	7,780
IHFA TEMS 2015B	November 2045	3.00%	4,212	5,676
IHFA TEMS 2015C	December 2045	3.00%	5,254	7,498
IHFA TEMS 2016A	February 2046	3.00%	11,454	15,911
IHFA TEMS 2016B	March 2046	3.00%	3,032	4,909
IHFA TEMS 2016C	April 2046	3.00%	4,517	6,013
IHFA TEMS 2016D	May 2046	3.00%	6,594	8,908
IHFA TEMS 2016E	June 2046	3.00%	5,045	7,554
IHFA TEMS 2016F	July 2046	3.00%	4,928	7,701
IHFA TEMS 2016G	August 2046	3.00%	9,819	13,264
IHFA TEMS 2016H	September 2046	3.00%	3,966	5,517
IHFA TEMS 2016I	December 2046	3.00%	3,747	5,391
IHFA TEMS 2017A	January 2047	3.00%	6,488	9,564
IHFA TEMS 2017B	February 2047	3.00%	2,688	5,207
IHFA TEMS 2017C	April 2047	3.50%	5,730	8,988
IHFA TEMS 2017D	May 2047	3.50%	5,163	8,372
IHFA TEMS 2017E	July 2047	3.50%	3,849	5,099
IHFA TEMS 2017F	August 2048	3.00%	6,918	10,707
IHFA TEMS 2017G	September 2047	3.00%	5,423	7,589
IHFA TEMS 2017H	October 2047	3.00%	6,394	8,591
IHFA TEMS 2017I	November 2047	3.00%	6,270	8,650
IHFA TEMS 2017J	December 2047	3.00%	8,335	11,029
IHFA TEMS 2018A	January 2048	3.00%	4,672	8,022
IHFA TEMS 2018B	April 2048	3.50%	3,023	5,816
IHFA TEMS 2018C	July 2048	4.00%	3,443	5,749
IHFA TEMS 2018D	August 2048	4.00%	5,701	8,635
IHFA TEMS 2018E	October 2048	4.00%	7,613	13,063
IHFA TEMS 2018F	December 2048	4.00%	10,272	14,311
IHFA TEMS 2019A	January 2049	4.50%	6,745	10,151
IHFA TEMS 2019B	April 2049	4.00%	7,893	14,943
IHFA TEMS 2019C	June 2049	3.50%	7,435	13,647
IHFA TEMS 2019D	July 2019	4.00%	5,705	11,088
IHFA TEMS 2019E	August 2049	3.50%	8,506	13,206
Total Tax-Exempt Mortgage-back Securities (TEMS)			<u>\$ 215,714</u>	<u>\$ 324,694</u>

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

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

	Beginning Balance as of June 30, 2021	Additions	Reductions	Ending Balance as of June 30, 2022
Tax Exempt Mortgage Securities	\$ 324,694	\$ -	\$ (108,980)	\$ 215,714
	Beginning Balance as of June 30, 2020	Additions	Reductions	Ending Balance as of June 30, 2021
Tax Exempt Mortgage Securities	\$ 509,000	\$ -	\$ (184,306)	\$ 324,694

The scheduled principal payments for the periods subsequent to, and as of, June 30, 2022, is as follows (in thousands):

Year	Principal Payments (in thousands)	Interest Payments (in thousands)
2023	\$ 5,459	\$ 8,008
2024	5,667	7,801
2025	5,883	7,585
2026	6,107	7,361
2027	6,339	7,128
2028-2032	35,507	31,832
2033-2037	42,802	24,537
2038-2042	51,595	15,744
2043-2048	56,355	5,172
Total	<u>\$ 215,714</u>	<u>\$ 115,168</u>

Note 12 - 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, 2022. 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, 2022) payments paid to the Association. A positive fair value represents the amount due the Association by the counterparty upon termination of the swap while a negative fair value represents the amount payable by the Association. Due to historically low interest rates, all of the Association's interest rate swaps had negative value as of June 30, 2022 and 2021. The fair value is reported in the Statements of Net Position at \$6.6162 million and \$15.291 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 \$12.569 million and \$23.264 million as of June 30, 2022 and 2021, respectively. The Association reported no deferred inflows of resources of as of both June 30, 2022 and 2021. 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, 2022 and 2021 at \$0.542 million and \$3.445 million, respectively. 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, 2022 and 2021. The results of the calculation correlate materially with the fair values provided by the Association's counterparties.

Credit risk: As of June 30, 2022, 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, 2022 SIFMA is 0.91 percent and one-month LIBOR is 01.79 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.

The swaps were entered into for the purpose of hedging the change in interest rates of specific series of variable rate bonds. From time to time, certain hedged bonds may be redeemed early, refinanced or reissued resulting in the termination of existing hedging relationships and the creation of new hedging relationships if permitted. The accounting rules provide that at the time such events occur, the swap's then fair value, or balance in the deferral account, for the related swap should be reduced to zero and offset by a new balance which shall be amortized on fixed rate interest expense basis over a period equal to the shorter of the remaining term of the refunding bonds, refunded bonds, or swap. In future periods reductions in the amortizing balances are recorded as interest expense, and to the extent a new hedging relationship can be established by the swap, it is a hedging swap and future changes in fair value are recorded as deferred inflows/outflows. If no new hedging relationship can be established, it is an investment swap and the change in fair value for the swap is recognized as investment earnings in the current period.

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

Hedging Fair Values in the table below include the value of the amortizing balances.

Interest Rate Swap Agreements (in thousands) 2022

Parity Indenture	Series	Outstanding Notional Amount		Fair Values		Change in Fair Values	
		Hedging	Investment	Hedging	Investment	Hedging	Investment
2014A	2000 Series G	-	-	-	-	(4)	-
2014A	2001 Series D	195	-	3	-	(25)	-
2014A	2001 Series E	195	-	3	-	(24)	-
2014A	2001 Series F	-	-	-	-	-	-
2014A	2002 Series A	-	-	-	-	-	-
2014A	2002 Series B	-	-	-	-	-	-
2014A	2002 Series C	-	-	-	-	-	-
2014A	2002 Series D	150	-	2	-	(24)	-
2014A	2002 Series E	-	-	-	-	(1)	-
2014A	2002 Series F	770	-	1	-	(42)	-
2014A	2002 Series G	770	-	-	-	(45)	-
2015A	2003 Series A	2,205	-	(46)	-	(154)	-
2015A	2003 Series B	1,230	-	-	-	(70)	-
2019	2003 Series C	1,000	-	(6)	-	(58)	-
2015A	2003 Series D	1,910	-	(36)	-	(135)	-
2016A	2003 Series E	-	1,910	(59)	31	(65)	60
2016A	2004 Series A	2,000	-	(23)	-	(128)	-
2019	2004 Series B	2,510	-	(67)	-	(182)	-
2016A	2004 Series C	-	2,020	(63)	35	(64)	66
2016A	2004 Series D	3,515	-	(88)	-	(261)	-
2016A	2005 Series A	3,795	-	(115)	-	(294)	-
2009A	2005 Series B	-	3,635	71	(206)	17	307
2009A	2005 Series C	-	3,685	68	(181)	16	305
2016A	2005 Series D	3,780	-	(110)	-	(291)	-
2016A	2005 Series E	3,900	-	(124)	-	(305)	-
2009A	2005 Series F	-	4,120	83	(262)	20	367
2009A	2006 Series A	4,145	-	(184)	-	(353)	-
2009A	2006 Series B	1,740	-	(43)	-	(121)	-
2009A	2006 Series C	1,600	-	(36)	-	(111)	-
2009A	2006 Series D	1,865	-	(49)	-	(127)	-
2012A	2007 Series D	3,630	-	(8)	-	(281)	-
2017B	2007 Series G	11,080	-	(667)	-	(1,117)	-

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

Interest Rate Swap Agreements (in thousands)

2022

Parity ndenture	Series	Variable Rate				Credit Rating	Scheduled Termination Date	Inception Date
		Fixed Rate Paid by IHFA	Received by IHFA from Interest Rate Contract		Interest Rate Contract Provider			
			Provider					
2014A	2000 Series G	5.2500	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	7/1/2021	11/6/2008
2014A	2001 Series D	4.7300	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	7/1/2022	11/6/2008
2014A	2001 Series E	4.5300	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	7/1/2022	11/6/2008
2014A	2001 Series F	4.7000	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2021	11/6/2008
2014A	2002 Series A	5.0200	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2021	11/6/2008
2014A	2002 Series B	4.9500	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2021	11/6/2008
2014A	2002 Series C	4.8900	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2021	11/6/2008
2014A	2002 Series D	4.7100	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	7/1/2022	11/6/2008
2014A	2002 Series E	4.4800	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	7/1/2021	11/6/2008
2014A	2002 Series F	3.7900	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2024	11/6/2008
2014A	2002 Series G	4.1400	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2024	11/6/2008
2015A	2003 Series A	4.5190	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2026	11/6/2008
2015A	2003 Series B	4.0360	100% 1W SIFMA + 20 bp		Barclays Capital	A/A1	7/1/2024	11/6/2008
2019	2003 Series C	3.7800	100% 1W SIFMA + 20 bp		Barclays Capital	A/A1	7/1/2025	11/6/2008
2015A	2003 Series D	4.8400	100% 1W SIFMA + 20 bp		Barclays Capital	A/A1	7/1/2025	11/6/2008
2016A	2003 Series E	4.5300	100% 1W SIFMA + 20 bp		Barclays Capital	A/A1	7/1/2025	7/6/2016
2016A	2004 Series A	4.0290	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2026	7/6/2016
2019	2004 Series B	4.3700	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2027	7/6/2016
2016A	2004 Series C	4.3300	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	7/1/2025	7/6/2016
2016A	2004 Series D	3.8500	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2028	7/6/2016
2016A	2005 Series A	3.9000	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2029	7/6/2016
2009A	2005 Series B	3.9850	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	7/1/2028	11/7/2008
2009A	2005 Series C	3.7300	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	7/1/2028	11/7/2008
2016A	2005 Series D	3.8650	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A/A1	7/1/2028	7/6/2016
2016A	2005 Series E	3.9300	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A/A1	1/1/2029	7/6/2016
2009A	2005 Series F	4.0950	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A/A1	1/1/2029	11/7/2008
2009A	2006 Series A	4.1000	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A/A1	1/1/2029	11/7/2008
2009A	2006 Series B	4.3500	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A/A1	7/1/2025	11/7/2008
2009A	2006 Series C	4.3600	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A/A1	1/1/2025	11/7/2008
2009A	2006 Series D	4.4500	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A/A1	1/1/2025	11/7/2008
2012A	2007 Series D	4.8930	100% 1M LIBOR + 71 bp		Barclays Capital	A/A1	1/1/2026	7/1/2016
2017B	2007 Series G	4.6911	100% 1M LIBOR + 5 bp		Barclays Capital	A/A1	7/1/2028	1/1/2013

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

Interest Rate Swap Agreements (in thousands)

2022

2012A	2007 Series H	-	15,615	(1,641)	967	(537)	979
2012A	2007 Series I	-	-	-	-	-	-
2017B	2007 Series J	11,690	-	(658)	-	(1,163)	-
2017B	2007 Series K	11,035	-	(741)	-	(1,149)	-
2013A	2006 Series E	-	2,580	(40)	(4)	(56)	154
2013A	2006 Series F	-	2,615	(32)	(4)	(51)	156
2015A	2006 Series G	2,525	-	(31)	-	(198)	-
2019	2007 Series A	3,130	-	(61)	-	(261)	-
2015A	2007 Series B	3,530	-	(73)	-	(296)	-
2013A	2007 Series C	3,810	-	(95)	-	(329)	-
2017B	2008 Series A	-	11,035	(939)	188	(257)	863
2017B	2008 Series B	-	9,055	(278)	(18)	(96)	733
2013A	2008 Series C	4,630	-	(66)	-	(370)	-
2013A	2008 Series D	-	1,735	(14)	(3)	(137)	(3)
		<u>\$ 92,335</u>	<u>\$ 58,005</u>	<u>\$ (6,162)</u>	<u>\$ 543</u>	<u>\$ (9,129)</u>	<u>\$ 3,987</u>

Interest Rate Swap Agreements (in thousands)

2022

2012A	2007 Series H	5.1980	100% 1M LIBOR + 76 bp	Barclays Capital	A/A1	7/1/2030	7/1/2016
2012A	2007 Series I	-	100% 1M LIBOR + 76 bp	Barclays Capital	A/A1	7/1/2028	1/1/2013
2017B	2007 Series J	4.4150	100% 1M LIBOR + 5 bp	Barclays Capital	A/A1	7/1/2028	7/3/2017
2017B	2007 Series K	4.2311	100% 1M LIBOR + 5 bp	Barclays Capital	A/A1	7/1/2030	7/3/2017
2013A	2006 Series E	5.5175	100% 1M LIBOR + 75 bp	Barclays Capital	A/A1	1/1/2026	7/3/2017
2013A	2006 Series F	5.2899	100% 1M LIBOR + 75 bp	Barclays Capital	A/A1	1/1/2026	7/3/2017
2015A	2006 Series G	5.1666	100% 1M LIBOR + 75 bp	Barclays Capital	A/A1	1/1/2026	7/3/2017
2019	2007 Series A	5.0307	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2015A	2007 Series B	4.8823	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	1/1/2027	7/3/2017
2013A	2007 Series C	4.9715	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	1/1/2027	7/3/2017
2017B	2008 Series A	4.3820	100% 1M LIBOR + 5 bp	Barclays Capital	A/A1	7/1/2030	7/3/2017
2017B	2008 Series B	4.2349	100% 1M LIBOR + 5 bp	Barclays Capital	A/A1	7/1/2029	7/3/2017
2013A	2008 Series C	4.7185	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series D	4.4367	100% 1M LIBOR + 45 bp	Barclays Capital	A/A1	7/1/2026	7/3/2017

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

Interest Rate Swap Agreements (in thousands)

2021

Parity Indenture	Series	Outstanding Notional Amount		Fair Values		Change in Fair Values	
		Hedging	Investment	Hedging	Investment	Hedging	Investment
2014A	2000 Series G	\$ 445	\$ -	\$ 9	\$ -	\$ 47	\$ -
2014A	2001 Series D	1,055	-	(2)	-	64	-
2014A	2001 Series E	1,055	-	(3)	-	61	-
2014A	2001 Series F	-	-	-	-	5	-
2014A	2002 Series A	-	-	-	-	12	-
2014A	2002 Series B	-	-	-	-	13	-
2014A	2002 Series C	-	-	-	-	10	-
2014A	2002 Series D	1,100	-	-	-	65	-
2014A	2002 Series E	100	-	2	-	16	-
2014A	2002 Series F	1,300	-	(35)	-	51	-
2014A	2002 Series G	1,300	-	(38)	-	56	-
2015A	2003 Series A	2,820	-	(197)	-	132	(1)
2015A	2003 Series B	1,925	-	(61)	-	79	-
2019B-2	2003 Series C	1,345	-	(62)	-	52	-
2015A	2003 Series D	2,500	-	(167)	-	123	(1)
2016A4	2003 Series E	-	2,500	(120)	(29)	91	(25)
2016A4	2004 Series A	2,565	-	(149)	-	104	(1)
2019B-2	2004 Series B	3,080	-	(249)	-	132	(1)
2016A4	2004 Series C	-	2,615	(124)	(31)	89	(27)
2016A3	2004 Series D	4,115	-	(352)	-	173	(1)
2016A3	2005 Series A	4,425	-	(413)	-	193	(1)
2009A	2005 Series B	-	4,240	85	(514)	(6)	(210)
2009A	2005 Series C	-	4,315	81	(486)	(6)	(202)
2016A3	2005 Series D	4,410	-	(404)	-	190	(1)
2016A3	2005 Series E	4,530	-	(434)	-	200	(1)
2009A	2005 Series F	-	4,765	98	(629)	(7)	(248)
2009A	2006 Series A	4,795	-	(541)	-	243	(1)
2009A	2006 Series B	2,345	-	(159)	-	115	(1)
2009A	2006 Series C	2,215	-	(141)	-	109	(1)
2009A	2006 Series D	2,585	-	(168)	-	136	(1)
2016	2007 Series D	4,730	-	(285)	-	247	(1)
2017A	2007 Series G	13,100	-	(1,799)	-	449	(4)

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

Interest Rate Swap Agreements (in thousands) 2021

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 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
2019B-2	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
2016A4	2003 Series E	4.5300%	SIFMA+.20%		Barclays Capital	A/A2	7/1/2025	7/6/2016
2016A4	2004 Series A	4.0290%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2026	7/6/2016
2019B-2	2004 Series B	4.3700%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2027	7/6/2016
2016A4	2004 Series C	4.3300%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	7/1/2025	7/6/2016
2016A3	2004 Series D	3.8500%	SIFMA+.20% (LIBOR < 3.5%)/68% LIBOR		Barclays Capital	A/A2	1/1/2028	7/6/2016
2016A3	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
2016A3	2005 Series D	3.8650%	SIFMA+.20% (LIBOR < 4.0%)/68% LIBOR		Barclays Capital	A/A2	7/1/2028	7/6/2016
2016A3	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
2016	2007 Series D	4.8930%	LIBOR+.71%		Barclays Capital	A/A2	1/1/2026	7/1/2016
2017A	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, 2022 and 2021

Interest Rate Swap Agreements (in thousands)

2021

Parity Indenture	Series	Outstanding Notional Amount		Fair Values		Change in Fair Values	
		Hedging	Investment	Hedging	Investment	Hedging	Investment
2012A	2007 Series H	-	17,845	(2,217)	(12)	1,235	6
2017A	2007 Series J	13,735	-	(1,837)	-	436	(4)
2017A	2007 Series K	12,625	-	(1,912)	-	360	(3)
2012A	2006 Series E	-	3,350	(92)	(158)	85	(101)
2013A	2006 Series F	-	3,405	(78)	(160)	78	(102)
2013A	2006 Series G	3,295	-	(226)	-	169	(1)
2019B-2	2007 Series A	3,920	-	(320)	-	161	(1)
2013A	2007 Series B	4,395	-	(369)	-	180	(1)
2013A	2007 Series C	4,720	-	(424)	-	198	(1)
2017A	2008 Series A	-	12,625	(1,220)	(675)	1,052	671
2017A	2008 Series B	-	10,560	(389)	(751)	146	(64)
2013A	2008 Series C	5,945	-	(430)	-	231	(2)
2013A	2008 Series D	2,230	-	(149)	-	80	(1)
		<u>\$ 118,705</u>	<u>\$ 66,220</u>	<u>\$ (15,291)</u>	<u>\$ (3,445)</u>	<u>\$ 7,649</u>	<u>\$ (333)</u>

Interest Rate Swap Agreements (in thousands)

2021

Parity Indenture	Series	Variable Rate				Credit Rating	Scheduled Termination Date	Inception Date
		Fixed Rate Paid by IHFA	Received by IHFA from Interest Rate Contract		Interest Rate Contract Provider			
			Provider					
2012A	2007 Series H	5.1980%	LIBOR+.76%		Barclays Capital	A/A2	7/1/2030	7/1/2016
2017A	2007 Series J	4.4150%	LIBOR+.76%		Barclays Capital	A/A2	7/1/2028	7/1/2017
2017A	2007 Series K	4.2310%	LIBOR+.76%		Barclays Capital	A/A2	7/1/2030	7/1/2017
2012A	2006 Series E	5.5180%	One-month LIBOR + .75%		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
2019B-2	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
2017A	2008 Series A	4.3820%	One-month LIBOR + .80%		Barclays Capital	A/A2	7/1/2030	7/1/2017
2017A	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, 2022 and 2021

At June 30, 2022 and 2021, the Association had \$267.000 million and \$600.000 million, respectively, 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 (in thousands)

2022

Contract	Coupon rate	Outstanding Notional Amount	Fair Values	Counterparty Credit Rating
September 14, 2022	5.00%	\$ 1,500	\$ 14	AAA/Aaa
July 21, 2022	3.50%	2,000	(36)	AAA/Aaa
August 11, 2022	4.50%	2,000	(9)	AAA/Aaa
September 14, 2022	5.00%	2,000	7	AAA/Aaa
August 11, 2022	4.50%	2,500	(27)	AAA/Aaa
August 11, 2022	4.50%	3,000	(35)	AAA/Aaa
August 11, 2022	4.50%	3,000	(12)	AAA/Aaa
July 21, 2022	4.50%	4,000	12	AAA/Aaa
August 11, 2022	4.50%	4,000	(7)	AAA/Aaa
August 18, 2022	5.00%	4,000	(17)	AAA/Aaa
July 21, 2022	3.50%	5,000	63	AAA/Aaa
July 21, 2022	3.50%	5,000	(44)	AAA/Aaa
July 21, 2022	3.50%	5,000	83	AAA/Aaa
August 18, 2022	4.00%	7,000	123	AAA/Aaa
September 21, 2022	5.00%	7,000	24	AAA/Aaa
August 18, 2022	5.00%	8,000	110	AAA/Aaa
September 21, 2022	5.00%	8,000	27	AAA/Aaa
September 21, 2022	5.00%	9,000	70	AAA/Aaa
July 21, 2022	4.50%	10,000	88	AAA/Aaa
July 21, 2022	4.50%	10,000	30	AAA/Aaa
August 18, 2022	4.50%	12,000	120	AAA/Aaa
August 11, 2022	4.00%	13,000	(101)	AAA/Aaa
August 11, 2022	5.00%	19,000	(89)	AAA/Aaa
August 18, 2022	3.50%	20,000	391	AAA/Aaa
August 11, 2022	4.50%	27,000	(207)	AAA/Aaa
August 18, 2022	5.00%	29,000	285	AAA/Aaa
August 18, 2022	5.00%	45,000	570	AAA/Aaa
		<u>\$ 267,000</u>	<u>\$ 1,433</u>	

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

TBA Forward Contracts (in thousands) 2021 As Restated				
Contract	Coupon rate	Outstanding Notional Amount	Fair Values	Counterparty Credit Rating
July, 2021	2.50%	\$ 85,000	\$ 312	AAA/Aaa
August, 2021	2.50%	49,000	15	AAA/Aaa
August, 2021	2.50%	40,000	12	AAA/Aaa
August, 2021	2.50%	30,000	(5)	AAA/Aaa
July, 2021	2.50%	22,000	58	AAA/Aaa
July, 2021	2.00%	21,000	31	AAA/Aaa
August, 2021	2.50%	20,000	(9)	AAA/Aaa
August, 2021	2.00%	20,000	(34)	AAA/Aaa
July, 2021	3.00%	20,000	31	AAA/Aaa
July, 2021	2.50%	20,000	-	AAA/Aaa
August, 2021	2.50%	15,000	(19)	AAA/Aaa
July, 2021	2.50%	15,000	(49)	AAA/Aaa
August, 2021	2.50%	15,000	(9)	AAA/Aaa
July, 2021	2.00%	15,000	-	AAA/Aaa
July, 2021	2.00%	15,000	-	AAA/Aaa
July, 2021	2.00%	14,000	(61)	AAA/Aaa
July, 2021	3.00%	13,000	55	AAA/Aaa
August, 2021	3.00%	12,000	(9)	AAA/Aaa
September, 2021	2.00%	12,000	(38)	AAA/Aaa
July, 2021	2.50%	12,000	(2)	AAA/Aaa
July, 2021	2.50%	12,000	4	AAA/Aaa
July, 2021	2.00%	12,000	(81)	AAA/Aaa
August, 2021	2.00%	11,000	(16)	AAA/Aaa
August, 2021	2.00%	10,000	(17)	AAA/Aaa
August, 2021	2.50%	10,000	(17)	AAA/Aaa
August, 2021	2.50%	10,000	19	AAA/Aaa
August, 2021	2.50%	10,000	(9)	AAA/Aaa
July, 2021	2.50%	10,000	(8)	AAA/Aaa
July, 2021	2.00%	10,000	(50)	AAA/Aaa
July, 2021	2.50%	10,000	19	AAA/Aaa
July, 2021	2.00%	10,000	(25)	AAA/Aaa
July, 2021	2.50%	10,000	39	AAA/Aaa
September, 2021	2.00%	10,000	(22)	AAA/Aaa
		<u>\$ 600,000</u>	<u>\$ 115</u>	

Note 13 - 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 Principle Insurance. Employees are eligible to participate in the retirement plan after completion of 1,040 hours (6 months) 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, 2022 and 2021, were \$1.658 million and \$1.362 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 99 percent per year (or a maximum of \$20,500 for those under 50 and \$27,000 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, 2022 and 2021 was \$293,000 and \$257,000, respectively. Investment choices for all contributions are employee-directed. The assets for these retirement plans are not included in the Association's financial statements as they are substantially the property of employees and are held in segregated trust accounts.

Note 14 - Conduit Debt Obligations

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, 2022 and 2021, there were fifty-seven and fifty-two, 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 \$564.518 million and \$438.006 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. The total outstanding indebtedness and accrued interest as of June 30, 2022 and 2021 is \$925.191 million and \$811.120 million, respectively.

Note 15 - Risk Management

The Association maintains commercial insurance coverage for officer errors and omissions, tort claims, and property loss and other casualties. WCF National Insurance Company writes the Association's worker's compensation coverage. The Association's premiums and loss experience modifications are based on the loss experience of the Association.

Note 16 - Component Units

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, 2021, THC had acquired and was operating fifteen multifamily housing complexes; had constructed and was operating seventeen multifamily housing complexes; had constructed two additional phases of housing to existing developments; had completed renovations of two hotels and turned them 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; had constructed and sold three homes in Nez Perce County with HOME funds; had completed construction on three duplexes in Kuna with HOME and Housing Trust Fund moneys; had started construction on five multi-family complexes in Hailey, Idaho, Idaho Falls, Idaho, Nampa, Idaho, and Caldwell, Idaho and had purchased land in Boise, Idaho and Twin Falls, Idaho with the intent of construction two other multi-family complex. 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, 2021, 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, 2022 and 2021, THC paid the Association \$1.458 million and \$1.486 million, respectively. THC owed \$0.156 million and \$0.125 million for the years ended June 30, 2022 and 2021, 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.

ICIH was formed to own and hold the real property associated with projects created to support IHFA's mission. ICIH is an Idaho limited liability company with IHFA being the sole member. ICIH has an agreement with THC related to the Teton Mesa 4 and Canyon Terrace multifamily projects. ICIH has a receivable from THC of \$4.350 million in relation to these projects as of June 30, 2022.

Note 17 - Restatement

As of July 1, 2021, the Association adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Beginning net position was restated to retroactively adopt the provisions of GASB Statement No. 87 as noted in the table below.

The Association also identified a reclassification related to accounting for derivative instruments that had a cumulative impact of increasing net position \$20.363 million on the 2021 Statements of Revenues, Expenses, and Changes in Net Position, due to the recording of non-operating revenue related to the net increases and decreases in the fair value of derivatives and investments when the Association began using a new third party for hedging services. The Association determined it was necessary and appropriate to continue to book the mark to market entries related to pipeline hedge positions, and book, going forward, the entries related to interest rate locks, allocated loans, allocated pair offs, and closed loans. Beginning net position was restated to retroactively account for the amounts as noted in the table below.

The third restatement is related to the Association's restricted versus unrestricted net position classifications. Idaho Community Investment Holdings, LLC was a new entity listed on the Association's financial statements starting in fiscal year 2021. The net position of \$1.144 million was incorrectly listed as restricted and has been reclassified as unrestricted in the current year's financial statements. The Association's Rating Compliance and Loan Guarantee Trust net position of \$124.077 million was also incorrectly listed as restricted and has been reclassified as unrestricted. Beginning net position was restated to retroactively as noted in the table below.

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

As a result of the three items listed above, the financial statements of June 30, 2021, have been restated to correct these errors. The effect of the restatements on the financial position as of June 30, 2021, were as follows:

As of June 30,	<u>2021</u>	<u>Derivative Restatement</u>	<u>GASB 87 Implementation</u>	<u>Unrestricted Net Position</u>	<u>Restated 2021</u>
Assets					
Investments, fair value	\$ 41,479	\$ (2,336)	\$ -	\$ -	\$ 39,143
Investments held in trust, fair value	595,605	2,221	-	-	597,826
Loans available for sale	155,967	7,150	-	-	163,117
Right of use lease asset, net	-	-	1,995	-	1,995
Derivative assets	-	8,049	-	-	8,049
Total assets	<u>2,741,410</u>	<u>15,084</u>	<u>1,995</u>	<u>-</u>	<u>2,758,489</u>
Total assets and deferred outflow of resources	<u>2,764,674</u>	<u>15,084</u>	<u>1,995</u>	<u>-</u>	<u>2,781,753</u>
Liabilities					
Other liabilities	<u>52,726</u>	<u>2,089</u>	<u>-</u>	<u>-</u>	<u>54,815</u>
Total liabilities	<u>2,184,838</u>	<u>2,089</u>	<u>-</u>	<u>-</u>	<u>2,186,927</u>
Net Position					
Restricted					
Bond funds	185,750	-	-	(124,077)	61,673
Idaho Community Investment Holdings, LLC	1,144	-	-	(1,144)	-
Unrestricted					
Idaho Community Investment Holdings, LLC	-	-	-	1,144	1,144
General Unrestricted	<u>378,226</u>	<u>12,995</u>	<u>1,995</u>	<u>124,077</u>	<u>517,293</u>
Total net position	<u>579,836</u>	<u>12,995</u>	<u>1,995</u>	<u>-</u>	<u>594,826</u>
Total liabilities, deferred inflow of resources, and net position	<u>\$ 2,764,674</u>	<u>\$ 15,084</u>	<u>\$ 1,995</u>	<u>\$ -</u>	<u>\$ 2,781,753</u>

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

As of June 30,	2021	Derivative Restatement	GASB 87 Implementation	Unrestricted Net Position	Restated
Statement of Revenues, Expenses, and Changes in Net Position					
Operating Expenses					
Interest	\$ 56,720	\$ -	\$ 41	\$ -	\$ 56,761
General operating	15,978	-	572	-	16,550
Other	1,340	-	(603)	-	737
Total operating expenses	159,928	-	10	-	159,938
Operating Income	47,762	-	(10)	-	47,752
Nonoperating Revenues and (Expenses)					
Net increase (decrease) in fair value of investments	3,017	2,221	-	-	5,238
Net increase (decrease) in fair value of derivatives	(630)	(7,500)	-	-	(8,130)
Total nonoperating revenues and (expenses)	72,105	(5,279)	-	-	66,826
Increase in Net Position	119,867	(5,279)	(10)	-	114,578
Net Position, Beginning of Year	459,969	-	-	-	459,969
Restatement	-	20,363	(84)	-	20,279
Net Position, Beginning of Year, as Restated	459,969	20,363	(84)	-	480,248
Net Position, End of Year	\$ 579,836	\$ 15,084	\$ (94)	\$ -	\$ 594,826

Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2022 and 2021

As of June 30,	<u>2021</u>	<u>Derivative Restatement</u>	<u>GASB 87 Implementation</u>	<u>Unrestricted Net Position</u>	<u>Restated</u>
Operating Activities					
Receipts from customers, loan interest, and other	\$ 6,123,358	\$ (135)	\$ -	\$ -	\$ 6,123,223
Net Cash from Operating Activities	190,395	(135)	-	-	190,260
Investing Activities					
Investment purchases	(4,759,201)	135	-	-	(4,759,066)
Reconciliation of Net Operating Revenues (Expenses) to					
Net Cash from Operating Activities					
Operating income	47,762	-	(10)	-	47,752
Adjustments to reconcile operating income to net cash from operating activities					
Depreciation and other amortization	5,933	-	571	-	6,504
Changes in assets and liabilities					-
Other assets	(54,310)	(135)	-	-	(54,445)
Accounts payable and other liabilities	188,288	-	(561)	-	187,727
	<u>142,633</u>	(135)	10	-	<u>142,508</u>
Net Cash from Operating Activities	<u>190,395</u>	(135)	-	-	<u>190,260</u>



Supplementary Information
June 30, 2022

Idaho Housing and Finance Association

Idaho Housing and Finance Association
Combined Statement of Net Position – Association Accounts
June 30, 2022
(in thousands)

	Business Operations												
	General			Affordable	Rating								
	Operating and	Federally		Housing	and Loan	Combined	Interfund	All	The Home	Idaho	Inter-	All	
	Custodial	Assisted	Combined	Investment	Guarantee	Bondholder	Eliminations	Association	Partnership	Community	Component	Reporting	
	Accounts	Program		Trust	Trust	Trusts (1)		Accounts	Foundation	Investment	Unit	Entity	Accounts
Statement of Net Position													
Assets and Deferred Outflow of Resources													
Cash and cash equivalents	\$ 45,971	\$ 682	\$ 46,653	\$ -	\$ -	\$ -	\$ -	\$ 46,653	\$ 193	\$ -	\$ -	\$ 46,846	
Cash and cash equivalents held in trust or as agent	191,448	32,808	224,256	-	-	-	-	224,256	3,612	32	-	227,900	
Cash held in escrow	189,801	-	189,801	-	-	-	-	189,801	-	-	-	189,801	
Investments, fair value	59,474	-	59,474	5,950	-	-	-	65,424	-	160	-	65,584	
Investments held in trust, fair value	51,764	-	51,764	-	27,847	459,350	-	538,961	504	-	-	539,465	
Loans held for investment, net	47,309	199	47,508	60,300	4,398	98,650	-	210,856	14	5,825	-	216,695	
Loans available for sale	97,409	-	97,409	-	-	-	-	97,409	-	-	-	97,409	
Loan servicing contracts	352,283	-	352,283	-	-	-	-	352,283	-	-	-	352,283	
Loans pending modification	132,668	-	132,668	-	-	-	-	132,668	-	-	-	132,668	
Property and equipment	9,314	-	9,314	43	-	-	-	9,357	-	2,452	-	11,809	
Derivative Assets	-	-	-	-	-	-	-	-	-	-	-	-	
Other assets	145,129	(400)	144,729	68,083	71,012	6,035	(206,465)	83,394	-	(34)	-	83,360	
Tax exempt mortgage securities asset	215,714	-	215,714	-	-	-	-	215,714	-	-	-	215,714	
State of Idaho GARVEE and TECM Assets	-	-	-	-	-	567,474	-	567,474	-	-	-	567,474	
Deferred outflow---interest rate swap contracts	-	-	-	-	-	12,569	-	12,569	-	-	-	12,569	
Total assets and deferred outflow of resources	<u>\$ 1,538,284</u>	<u>\$ 33,289</u>	<u>\$ 1,571,573</u>	<u>\$ 134,376</u>	<u>\$ 103,257</u>	<u>\$ 1,144,078</u>	<u>\$ (206,465)</u>	<u>\$ 2,746,819</u>	<u>\$ 4,323</u>	<u>\$ 8,435</u>	<u>\$ -</u>	<u>\$ 2,759,577</u>	
Liabilities, Deferred Inflow of Resources, and Net Position													
Short Term and Other Borrowing	\$ 314,163	\$ -	\$ 314,163	\$ -	\$ -	\$ -	\$ -	\$ 314,163	\$ -	\$ -	\$ -	\$ 314,163	
Bonds	-	-	-	-	-	1,077,773	-	1,077,773	-	-	-	1,077,773	
Tax exempt mortgage securities liability	215,714	-	215,714	-	-	-	-	215,714	-	-	-	215,714	
Interest payable-swap contract	-	-	-	-	-	3,359	-	3,359	-	-	-	3,359	
Investor remittance liability	176,474	-	176,474	-	-	-	-	176,474	-	-	-	176,474	
Escrow and project reserve deposits	178,742	365	179,107	-	-	-	-	179,107	-	-	-	179,107	
Swap contract fair value liability	-	-	-	-	-	6,162	-	6,162	-	-	-	6,162	
Derivative Liabilities	2,160	-	2,160	-	-	-	-	2,160	-	-	-	2,160	
Other liabilities	245,622	31,669	277,291	9	-	810	(206,465)	71,645	136	-	-	71,781	
Net Inv in capital assets	7,617	-	7,617	43	-	-	-	7,660	-	2,452	-	10,112	
Net position	<u>397,792</u>	<u>1,255</u>	<u>399,047</u>	<u>134,324</u>	<u>103,257</u>	<u>55,974</u>	<u>-</u>	<u>692,602</u>	<u>4,187</u>	<u>5,983</u>	<u>-</u>	<u>702,772</u>	
Total liabilities, deferred inflow of resources, and net position	<u>\$ 1,538,284</u>	<u>\$ 33,289</u>	<u>\$ 1,571,573</u>	<u>\$ 134,376</u>	<u>\$ 103,257</u>	<u>\$ 1,144,078</u>	<u>\$ (206,465)</u>	<u>\$ 2,746,819</u>	<u>\$ 4,323</u>	<u>\$ 8,435</u>	<u>\$ -</u>	<u>\$ 2,759,577</u>	

Idaho Housing and Finance Association
Combined Statement of Revenues, Expenses, and Changes in Net Position – Association Accounts
Year Ended June 30, 2022
(in thousands)

	Business Operations			Affordable	Rating	Combined	Interfund	All	The Home	Idaho	Inter-	All
	General	Federally		Housing	Compliance	Bondholder	Eliminations	Association	Partnership	Community	Component	Reporting
	Operating and	Assisted	Combined	Investment	and Loan	Trusts (1)		Accounts	Foundation	Investment	Unit	Entity
	Custodial	Program		Trust	Guarantee					Holdings, LLC	Eliminations	Accounts
	Accounts				Trust							
Statement of Revenues, Expenses and Changes in Net Position												
Operating Revenues												
Gains on loan sales	\$ 36,566	\$ -	\$ 36,566	\$ -	\$ -	\$ -	\$ -	\$ 36,566	\$ -	\$ -	\$ -	\$ 36,566
Interest on loans and GARVEE pledged revenues	25,221	-	25,221	2,090	240	29,767	-	57,318	-	-	-	57,318
Interest on investments	189	-	189	5	45	4,647	-	4,886	-	-	-	4,886
Loan servicing fees	56,642	-	56,642	2	6	127	-	56,777	-	-	-	56,777
Contract and grant administration fees	16,616	-	16,616	-	-	-	-	16,616	760	-	(760)	16,616
Other operating revenues	1,689	-	1,689	9	2	4	-	1,704	3,304	18	-	5,026
Total operating revenues	136,923	-	136,923	2,106	293	34,545	-	173,867	4,064	18	(760)	177,189
Operating Expenses												
Loan acquisition costs	49,327	-	49,327	-	-	-	-	49,327	-	-	-	49,327
Interest	17,172	-	17,172	-	-	34,963	-	52,135	-	-	-	52,135
Salaries and benefits	30,205	-	30,205	-	-	-	-	30,205	126	-	-	30,331
General operating	19,061	-	19,061	7	8	774	-	19,850	185	98	-	20,133
Bond financing costs	-	-	-	-	-	513	-	513	-	-	-	513
Grants to others	-	-	-	760	-	-	-	760	1,322	-	(760)	1,322
Loss on real estate owned properties	2,290	-	2,290	-	-	-	-	2,290	-	-	-	2,290
Other operating expenses	2,467	-	2,467	-	-	-	-	2,467	-	46	-	2,513
Total operating expenses	120,522	-	120,522	767	8	36,250	-	157,547	1,633	144	(760)	158,564
Operating Income (Loss)	16,401	-	16,401	1,339	285	(1,705)	-	16,320	2,431	(126)	-	18,625
Nonoperating Revenues and Expenses												
Net increase (decrease) in fair value of investments	(3,969)	-	(3,969)	-	(199)	(8,144)	-	(12,312)	-	-	-	(12,312)
Net increase (decrease) in fair value of derivatives	(18,609)	-	(18,609)	-	-	3,182	-	(15,427)	-	-	-	(15,427)
Net increase (decrease) in fair value of servicing contracts	127,907	-	127,907	-	-	-	-	127,907	-	-	-	127,907
Federal pass-through revenues	-	88,518	88,518	-	-	-	-	88,518	-	-	-	88,518
Federal pass-through expenses	-	(89,253)	(89,253)	-	-	-	-	(89,253)	-	-	-	(89,253)
Total nonoperating revenues and expenses	105,329	(735)	104,594	-	(199)	(4,962)	-	99,433	-	-	-	99,433
Change in Net Position	121,730	(735)	120,995	1,339	86	(6,667)	-	115,753	2,431	(126)	-	118,058
Net Position, Beginning of Period	331,099	1,990	333,089	67,846	124,077	61,723	-	586,735	1,756	6,335	-	594,826
Transfers	(47,420)	-	(47,420)	65,182	(20,906)	918	-	(2,226)	-	2,226	-	-
Net Position, End of Period	\$ 405,409	\$ 1,255	\$ 406,664	\$ 134,367	\$ 103,257	\$ 55,974	\$ -	\$ 700,262	\$ 4,187	\$ 8,435	\$ -	\$ 712,884

(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, 2022
(in thousands)

	2000 Indenture	2003 Indenture	2006 Indenture	2009 Indenture	2019 Indenture	Multi-Family Bond	2010A Grant and Revenue Anticipation Bond	2011 Grant and Revenue Anticipation Bond	2012A Grant and Revenue Anticipation Bond
Statement of Net Position									
Assets and Deferred Outflow of Resources									
Cash and cash equivalents held in trust	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments, fair value held in trust	4,851	27,716	18,648	-	41,604	8,814	1,780	-	18,672
Loans held for investment, net	13,045	31,082	38,234	-	16,289	-	-	-	-
Other assets	127	302	458	9	34	5,105	-	-	-
State of Idaho GARVEE payable	-	-	-	-	-	-	63,184	-	3,779
Deferred outflow--interest rate swap contracts	35	1,962	10,287	-	285	-	-	-	-
Total assets and deferred outflow of resources	<u>\$ 18,058</u>	<u>\$ 61,062</u>	<u>\$ 67,627</u>	<u>\$ 9</u>	<u>\$ 58,212</u>	<u>\$ 13,919</u>	<u>\$ 64,964</u>	<u>\$ -</u>	<u>\$ 22,451</u>
Liabilities, Deferred Inflow of Resources and net position									
Bonds	\$ 11,590	\$ 53,193	\$ 28,956	\$ -	\$ 45,542	\$ 13,879	\$ 64,964	\$ -	\$ 22,451
Interest payable-swap contract	44	950	2,214	-	151	-	-	-	-
Swap contract fair value liability	(9)	1,010	5,027	-	134	-	-	-	-
Other liabilities	-	124	52	-	56	-	-	-	-
Deferred inflow--interest rate swap contracts	-	-	-	-	-	-	-	-	-
Net position	<u>6,433</u>	<u>5,785</u>	<u>31,378</u>	<u>9</u>	<u>12,329</u>	<u>40</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities ,deferred inflow of resources and net position	<u>\$ 18,058</u>	<u>\$ 61,062</u>	<u>\$ 67,627</u>	<u>\$ 9</u>	<u>\$ 58,212</u>	<u>\$ 13,919</u>	<u>\$ 64,964</u>	<u>\$ -</u>	<u>\$ 22,451</u>

Idaho Housing and Finance Association
Combined Statement of Net Position – Combined Bondholder Trusts
June 30, 2022
(in thousands)

	2014A Grant and Revenue Anticipation Bond	2015A Grant and Revenue Anticipation Bond	2017A Grant and Revenue Anticipation Bond	2019A Grant and Revenue Anticipation Bond	2021A Grant and Revenue Anticipation Bond	Transportation Expansion and Congestion Mitigation Bond	Combined Bonds
Statement of Net Position							
Assets and Deferred Outflow of Resources							
Cash and cash equivalents held in trust	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments, fair value held in trust	405	1,628	743	1,109	121,699	211,681	459,350
Loans held for investment, net	-	-	-	-	-	-	98,650
Other assets	-	-	-	-	-	-	6,035
State of Idaho GARVEE payable	53,781	121,625	84,258	136,685	98,078	6,084	567,474
Deferred outflow--interest rate swap contracts	-	-	-	-	-	-	12,569
Total assets and deferred outflow of resources	<u>\$ 54,186</u>	<u>\$123,253</u>	<u>\$ 85,001</u>	<u>\$137,794</u>	<u>\$ 219,777</u>	<u>\$ 217,765</u>	<u>\$ 1,144,078</u>
Liabilities, Deferred Inflow of Resources and net position							
Bonds	\$ 54,186	\$123,253	\$ 85,001	\$137,216	\$ 219,777	\$ 217,765	\$ 1,077,773
Interest payable-swap contract	-	-	-	-	-	-	3,359
Swap contract fair value liability	-	-	-	-	-	-	6,162
Other liabilities	-	-	-	578	-	-	810
Deferred inflow--interest rate swap contracts	-	-	-	-	-	-	-
Net position	-	-	-	-	-	-	55,974
Total liabilities ,deferred inflow of resources and net position	<u>\$ 54,186</u>	<u>\$123,253</u>	<u>\$ 85,001</u>	<u>\$137,794</u>	<u>\$ 219,777</u>	<u>\$ 217,765</u>	<u>\$ 1,144,078</u>

Idaho Housing and Finance Association
Combined Statements of Revenues, Expenses, and Changes in Net Position – Combined Bondholder Trusts
Year Ended June 30, 2022
(in thousands)

	2000 Indenture	2003 Indenture	2006 Indenture	2009 Indenture	2019 Indenture	Multi-Family Bond	2010A Grant and Revenue Anticipation Bond	2011 Grant and Revenue Anticipation Bond	2012A Grant and Revenue Anticipation Bond
Statement of Revenues, Expenses and Changes in Net Position									
Operating Revenues									
Interest on loans and GARVEE pledged revenues	\$ 836	\$ 1,856	\$ 2,244	\$ -	\$ 575	\$ -	\$ 3,960	\$ 1	\$ 637
Interest on investments	84	670	302	-	1,154	240	1	1	14
Loan servicing fees	-	37	77	-	13	-	-	-	-
Other operating revenues	-	-	4	-	-	-	-	-	-
Total operating revenues	<u>920</u>	<u>2,563</u>	<u>2,627</u>	<u>-</u>	<u>1,742</u>	<u>240</u>	<u>3,961</u>	<u>2</u>	<u>651</u>
Operating Expenses									
Interest	233	2,787	5,111	-	1,029	200	3,941	-	642
General operating	23	334	99	-	156	-	20	3	9
Bond financing costs	-	-	-	-	513	-	-	-	-
Losses on real estate-owned property	-	-	-	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-	-	-	-
Total operating expenses	<u>256</u>	<u>3,121</u>	<u>5,210</u>	<u>-</u>	<u>1,698</u>	<u>200</u>	<u>3,961</u>	<u>3</u>	<u>651</u>
Operating Income (Loss)	<u>664</u>	<u>(558)</u>	<u>(2,583)</u>	<u>-</u>	<u>44</u>	<u>40</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
Nonoperating Revenues and (Expenses)									
Net increase (decrease) in fair value of investments	(229)	(2,772)	(1,453)	-	(3,002)	-	-	1	-
Net increase (decrease) in fair of derivatives	(100)	866	2,456	-	(40)	-	-	-	-
Total nonoperating revenues and (expenses)	<u>(329)</u>	<u>(1,906)</u>	<u>1,003</u>	<u>-</u>	<u>(3,042)</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Change in Net Position	335	(2,464)	(1,580)	-	(2,998)	40	-	-	-
Net Position, Beginning of Period	6,085	8,253	32,049	9	15,327	-	-	-	-
Transfers	13	(4)	909	-	-	-	-	-	-
Net Position, End of Period	<u>\$ 6,433</u>	<u>\$ 5,785</u>	<u>\$ 31,378</u>	<u>\$ 9</u>	<u>\$ 12,329</u>	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(2) The combined totals for Bondholder Trusts are presented on page 62.

Idaho Housing and Finance Association
Combined Statements of Revenues, Expenses, and Changes in Net Position – Combined Bondholder Trusts
Year Ended June 30, 2022
(in thousands)

	2014A Grant and Revenue Anticipation Bond	2015A Grant and Revenue Anticipation Bond	2017A Grant and Revenue Anticipation Bond	2019A Grant and Revenue Anticipation Bond	2021A Grant and Revenue Anticipation Bond	Transportation Expansion and Congestion Mitigation Bond	Combined Bonds
Statement of Revenues, Expenses and Changes in Net Position							
Operating Revenues							
Interest on loans and GARVEE pledged revenues	\$ 2,113	\$ 4,912	\$ 2,678	\$ 4,140	\$ 5,456	\$ 359	\$ 29,767
Interest on investments	-	1	-	214	265	1,701	4,647
Loan servicing fees	-	-	-	-	-	-	127
Other operating revenues	-	-	-	-	-	-	4
Total operating revenues	<u>2,113</u>	<u>4,913</u>	<u>2,678</u>	<u>4,354</u>	<u>5,721</u>	<u>2,060</u>	<u>34,545</u>
Operating Expenses							
Interest	2,097	4,885	2,658	4,327	5,299	1,754	34,963
General operating	16	28	20	27	39	-	774
Bond financing costs	-	-	-	-	-	-	513
Losses on real estate-owned property	-	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-	-
Total operating expenses	<u>2,113</u>	<u>4,913</u>	<u>2,678</u>	<u>4,354</u>	<u>5,338</u>	<u>1,754</u>	<u>36,250</u>
Operating Income (Loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>383</u>	<u>306</u>	<u>(1,705)</u>
Nonoperating Revenues and (Expenses)							
Net increase (decrease) in fair value of investments	-	-	-	-	(383)	(306)	(8,144)
Net increase (decrease) in fair of derivatives	-	-	-	-	-	-	3,182
Total nonoperating revenues and (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(383)</u>	<u>(306)</u>	<u>(4,962)</u>
Change in Net Position	-	-	-	-	-	-	(6,667)
Net Position, Beginning of Period	-	-	-	-	-	-	61,723
Transfers	-	-	-	-	-	-	918
Net Position, End of Period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,974</u>

(2) The combined totals for Bondholder Trusts are presented on page 62.