



***Idaho Housing  
and Finance  
Association***

***[www.idahohousing.com](http://www.idahohousing.com)***

**Audit Report as of  
June 30, 2024**

# Idaho Housing and Finance Association

## Table of Contents

June 30, 2024

---

Independent Auditor's Report.....	1
Management's Discussion and Analysis .....	4
Financial Statements	
Statement of Net Position .....	10
Statement of Revenues, Expenses, and Changes in Net Position.....	11
Statement of Cash Flows .....	12
Consolidated Statement of Financial Position - The Housing Company.....	14
Consolidated Statement of Activities - The Housing Company .....	15
Notes to Financial Statements .....	16
Supplementary Information	
Combined Statement of Net Position – Association Accounts .....	45
Combined Statement of Revenues, Expenses, and Changes in Net Position – Association Accounts .....	46
Combined Statement of Net Position – Combined Bondholder Trusts.....	47
Combined Statement of Revenues, Expenses, and Changes in Net Position – Combined Bondholder Trusts ...	49



## **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 year ended June 30, 2024, 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 Associations as of June 30, 2024, 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* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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.

#### ***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.
- Conclude whether, in our judgment, 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 a reasonable period of time.

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.

### ***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 45 through 50 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 27, 2024

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 year ended June 30, 2024.

### **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, Oregon, and Washington, and multifamily affordable housing projects in Idaho. The Association administers sixteen (16) Housing and Urban Development (HUD) programs---Emergency Solutions Grants Program, HOME Investment Partnerships Program, Home – American Rescue Plan, 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, Emergency Housing Voucher Program, Mainstream 5 Year Program, Coronavirus State and Local Fiscal Recovery Funds (Workforce Housing and ISCP), 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 reported a positive operating income during fiscal year 2024, reflecting continued robust loan acquisition production, a growing servicing portfolio, higher servicing revenue, and on-going cost containment measures. The sharp increases to interest rates experienced during the fiscal year drove up both interest income and interest expense as compared to the prior year. The Association continued to pursue its strategy of selling mortgage-backed securities via the most favorable avenue offered by the market. In fiscal year 2023, many sales were shifted into bond indentures rather than being immediately sold on the open market. Similar market conditions continued into fiscal year 2024. As a result, gain on loan sales reported on the Statements of Revenues, Expenses, and Changes in Net Position remained relatively comparable to the prior year.

The issuance of new bonds in fiscal year 2024 caused large increases to both the assets and liabilities of the Association's balance sheet. This activity was offset by existing mortgage-backed securities continuing to pay down, decreasing the liabilities and the associated assets. Other Liabilities decreased due to federal program funds that were received late in fiscal year 2023 being paid out during the course of fiscal year 2024.

The financial highlights of the Association as of June 30, 2024 compared to June 30, 2023, are as follows:

- Operating income decreased from \$12.2 million to \$10.6 million which is a decrease of \$1.6 million.
- Total net position, after fair market value and federal pass-through adjustments, increased \$79.7 million mainly attributable to an increase in the value of loan servicing contracts.
- Total assets and deferred outflows of resources increased \$1,417.4 million or 41% mainly due to new bond issuances.
- Total liabilities and deferred inflows of resources increased \$1,337.7 million or 47% mainly due to new bond issuances.

The Financial Analysis section of this Management's Discussion and Analysis includes a table that summarizes the changes in assets and liabilities that occurred during the years ended June 30, 2024, and 2023, as well as the changes in net position.

Fiscal year 2024 was characterized by quickly rising levels of interest rates and a continued strength in real estate prices in the Idaho real estate market. The Association also experienced stable loan purchases of tax-exempt bond eligible loans mainly by first time home buyers.

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). The Association also began a master servicing relationship with Oregon Housing and Community Services (OHCS).

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, political, and mortgage-lending environments as the impacts of interest rate changes 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, 2024

## Financial Analysis

The following table summarizes the changes in assets and liabilities that occurred during the years ended June 30, 2024 and 2023, as well as the changes in net position.

As of June 30, 2024 (in thousands)	2024		2023	
	Balance	% Change from prior period	Balance	% Change from prior period
Cash and cash equivalents	\$ 72,942	54.9%	\$ 47,088	0.5%
Cash and cash equivalents held in trust or as agent	180,234	(21.8%)	230,354	1.1%
Cash held in escrow	284,932	34.9%	211,223	11.3%
Investments, fair value	39,233	75.3%	22,384	(65.9%)
Investments, fair value held in trust	2,396,727	78.0%	1,346,531	149.6%
Loans held for investment, net	285,542	9.5%	260,762	20.3%
Loans available for sale	86,452	(12.3%)	98,566	1.2%
Loan servicing contracts, fair value	299,781	26.0%	237,912	(32.5%)
Loans pending modification	1,765	(43.9%)	3,144	(97.6%)
Property and equipment	9,053	(29.2%)	12,779	26.4%
Right of use lease asset	607	(48.4%)	1,177	(30.6%)
Derivative assets	789	(72.4%)	2,855	
Other assets	104,388	(0.8%)	105,208	26.2%
Tax exempt mortgage securities asset	164,319	(10.7%)	183,999	(14.7%)
State of Idaho GARVEE Payable	914,872	39.8%	654,360	15.3%
Interest rate swap contracts, amortized value	760	(89.3%)	7,095	(30.9%)
Interest rate swap contracts, fair value	1,253	53.6%	816	(64.5%)
<b>Total assets and deferred outflow</b>	<b>\$ 4,843,649</b>	<b>41.4%</b>	<b>\$ 3,426,253</b>	<b>24.2%</b>
Short-term and other borrowing	\$ 277,814	(28.5%)	\$ 388,370	23.6%
Bonds	3,256,179	81.1%	1,798,204	66.8%
Tax exempt mortgage securities liability	164,319	(10.7%)	183,999	(14.7%)
Interest payable-swap contract	-	(100.0%)	2,917	(52.7%)
Investor remittances	107,810	(0.8%)	108,700	3136.1%
Escrow and project reserve deposits	268,798	31.9%	203,795	13.8%
Swap contract fair value liability	490	(81.9%)	2,709	(98.5%)
Derivative liabilities	2,126	(85.8%)	14,965	592.8%
Other liabilities	106,115	(25.4%)	142,327	98.3%
<b>Total liabilities and deferred inflow</b>	<b>\$ 4,183,651</b>	<b>47.0%</b>	<b>\$ 2,845,986</b>	<b>39.1%</b>
Net investment in capital assets	\$ 9,053	(29.2%)	\$ 12,779	26.4%
Bond funds	61,539	4.9%	58,651	4.8%
Federal Programs	2,434	109.5%	1,162	(7.4%)
The HOME Partnership Foundation, Inc fund	1,964	(28.5%)	2,747	(34.4%)
Idaho Community Investment Holdings, LLC	9,700	54.9%	6,261	
Unrestricted	575,308	15.4%	498,667	(21.5%)
<b>Total net position</b>	<b>\$ 659,998</b>	<b>13.7%</b>	<b>\$ 580,267</b>	<b>(18.4%)</b>

Idaho Housing and Finance Association  
Management's Discussion and Analysis  
June 30, 2024

For the years ended June 30,  
(in thousands)

	2024		2023	
	Balance	% Change from prior period	Balance	% Change from prior period
Gains on loan sales	\$ 13,076	2.7%	\$ 12,733	(65.2%)
Interest on loans and GARVEE pledged revenues	61,520	23.8%	49,690	(13.3%)
Interest on Investments	93,094	296.5%	23,479	380.5%
Loan servicing fees	77,289	23.1%	62,803	10.6%
Contract and grant administration fees	16,571	(7.4%)	17,901	7.7%
Other	3,862	(0.0%)	3,863	(23.1%)
Total revenues	265,412	55.7%	170,469	(3.8%)
Loan acquisition costs	37,090	52.8%	24,277	(53.4%)
Interest	151,700	112.9%	71,265	135.0%
Salaries and benefits	35,131	6.6%	32,956	(33.2%)
General operating	21,521	(5.2%)	22,704	12.8%
Bond financing costs	112	3.7%	108	(78.9%)
Grants to others	3,266	172.6%	1,198	(9.4%)
Losses on real estate-owned property	4,501	8.4%	4,154	81.4%
Other	1,458	(8.4%)	1,591	(36.7%)
Total expenses	254,779	61.0%	158,253	(0.2%)
Operating income/(loss)	10,633	(13.0%)	12,216	(34.4%)
Net increase (decrease) in fair value of investments	(4,357)	(73.2%)	(16,250)	32.0%
Net increase (decrease) in fair value of derivative instruments	12,305	(199.4%)	(12,376)	
Net increase (decrease) in fair value of servicing rights	61,869	(154.1%)	(114,371)	(189.4%)
Federal/State pass-through revenues	124,842	8.6%	114,918	29.8%
Federal/State pass-through expenses	(125,561)	9.5%	(114,633)	28.4%
Total non-operating revenues and expenses	69,098	(148.4%)	(142,712)	(243.5%)
Increase/(decrease) in net position	\$ 79,731	(161.1%)	\$ (130,496)	(210.5%)
Loans serviced as agent (not reported on statement of net position)	\$ 32,853,895	20.2%	\$ 27,334,627	11.3%

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

### Capital Asset and Debt Administration

Capital Assets: The Association's capital assets include land, buildings, office, and computer equipment. Capital assets are presented in the financial statements at \$9.053 million (net of accumulated depreciation).

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 Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and Government National Mortgage Association (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](http://www.idahohousing.com).

# Idaho Housing and Finance Association

## Statement of Net Position

June 30, 2024

(in thousands)

<b>Assets</b>	
Cash and cash equivalents	\$ 72,942
Cash and cash equivalents held in trust or as agent	180,234
Cash held in escrow	284,932
Investments, fair value	39,233
Investments held in trust, fair value	2,396,727
Loans held for investment, net	285,542
Loans available for sale	86,452
Loan servicing contracts, fair value	299,781
Loans pending modification	1,765
Capital assets	9,053
Right of use lease asset	607
Derivative assets	789
Other assets	104,388
Tax exempt mortgage securities asset	164,319
State of Idaho GARVEE and TECM assets	914,872
<b>Total assets</b>	<b>4,841,636</b>
<b>Deferred Outflow of Resources</b>	
Interest rate swap contracts, amortized value	760
Interest rate swap contracts, fair value	1,253
<b>Total deferred outflow of resources</b>	<b>2,013</b>
<b>Total assets and deferred outflow of resources</b>	<b>\$ 4,843,649</b>
<b>Liabilities</b>	
Short-term and other borrowing	\$ 277,814
Bonds and notes	3,256,179
Tax exempt mortgage securities liability	164,319
Investor remittance liability	107,810
Escrow and project reserve deposits	268,798
Swap contract fair value	490
Derivative liabilities	2,126
Other liabilities	106,115
<b>Total liabilities</b>	<b>4,183,651</b>
<b>Net Position</b>	
Net investment in capital assets	9,053
Restricted	
Bond funds	61,539
Federal Programs	2,434
The Home Partnership Foundation, Inc fund	1,964
Unrestricted	
Idaho Community Investment Holdings, LLC	9,700
General Unrestricted	575,308
<b>Total net position</b>	<b>659,998</b>
<b>Total liabilities, deferred inflow of resources, and net position</b>	<b>\$ 4,843,649</b>

Idaho Housing and Finance Association  
Statement of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2024  
(in thousands)

Operating Revenues	
Gain on loan sales	\$ 13,076
Interest on loans and GARVEE/TECM pledged revenues	61,520
Interest on investments	93,094
Loan servicing fees	77,289
Grant and contract administration fees	16,571
Other	3,862
	<hr/>
Total operating revenues	265,412
	<hr/>
Operating Expenses	
Loan acquisition costs	37,090
Interest	151,700
Salaries and benefits	35,131
General operating	21,521
Bond financing costs	112
Grant to others	3,266
Losses on real estate-owned property	4,501
Other	1,458
	<hr/>
Total operating expenses	254,779
	<hr/>
Operating Income	10,633
	<hr/>
Nonoperating Revenues and (Expenses)	
Net increase (decrease) in fair value of investments	(4,357)
Net increase (decrease) in fair value of derivatives	12,305
Net increase in fair value of servicing contracts	61,869
Federal/State pass-through revenues	124,842
Federal/State pass-through expenses	(125,561)
	<hr/>
Total nonoperating revenues and (expenses)	69,098
	<hr/>
Increase in Net Position	79,731
	<hr/>
Net Position, Beginning of Year	580,267
	<hr/>
Net Position, End of Year	\$ 659,998
	<hr/> <hr/>

# Idaho Housing and Finance Association

## Statement of Cash Flows

Year Ended June 30, 2024

(in thousands)

Operating Activities	
Receipts from customers, loan interest, and other	\$ 2,949,699
Loan principal payments	46,465
Principal and interest pass-through remittances as servicing agent	(2,711,105)
Escrow deposits	1,178,384
Escrow disbursements	(1,113,381)
Loan sales	6,938,867
Loan acquisition costs	(37,090)
Interest paid	(128,371)
Payments to suppliers	(485)
Payments for transportation program costs	28,737
Payments for loans available for sale	(7,200,582)
Payments to employees for services and benefits	(34,494)
Loan principal additions	(121,469)
Net Cash used for Operating Activities	(204,825)
Noncapital Financing Activities	
Bond financing	41,586
Bond and short-term borrowings payments	(993,966)
Bond and short-term borrowings issued	2,271,335
Federal pass-through revenues	124,842
Federal pass-through expenses	(125,561)
Net Cash from Noncapital Financing Activities	1,318,236
Capital and Related Financing Activities	
Acquisition and construction of capital assets	(265)
Net Cash used for Capital and Related Financing Activities	(265)
Investing Activities	
Proceeds from sale of assets	3,344
Investment purchases	(5,091,316)
Investment redemptions	3,931,175
Investment income	93,094
Net Cash used for Investing Activities	(1,063,703)
Net Change in Cash and Cash Equivalents	49,443
Cash and Cash Equivalents, Beginning of Year	488,665
Cash and Cash Equivalents, End of Year	\$ 538,108

# Idaho Housing and Finance Association

Statement of Cash Flows  
Year Ended June 30, 2024  
(in thousands)

---

Reconciliation of Operating Income to Net Cash	
from Operating Activities	
Operating income	\$ 10,633
Adjustments to reconcile operating income to net cash	
used for operating activities	
Loan principal received	46,465
Loans issued	(121,469)
Bond financing	41,586
Depreciation and other amortization	1,218
Changes in assets and liabilities	-
Interest receivable	66
Interest payable	28,465
Interest on investments	(93,094)
Pledged revenues	(289,249)
Other assets	267,218
Accounts payable and other liabilities	(96,664)
	<u>(215,458)</u>
Net Cash used for Operating Activities	<u>\$ (204,825)</u>

**The Housing Company**  
 A Component Unit of Idaho Housing and Finance Association  
 Consolidated Statement of Financial Position  
 December 31, 2023

---

Assets

Cash and cash equivalents	\$ 11,111,062
Investments in subsidiaries	5,746
Restricted cash	5,968,851
Receivables	1,499,976
Mortgage proceeds held in trust	1,033,535
Prepaid expenses	705,280
Land	13,290,033
Buildings and equipment (net of accumulated depreciation)	94,060,326
Tax credit fees and other (net of accumulated amortization)	512,805
	<u>\$ 128,187,614</u>

Liabilities and Net Assets

Liabilities

Accounts payable and accrued liabilities	\$ 1,763,962
Interest payable	295,492
Real estate taxes payable	431,655
Long-term debt (net of unamortized debt issuance costs)	71,762,177
Security deposits payable	508,991
	<u>74,762,277</u>

Net Assets Without Donor Restrictions

Controlling interests	11,200,892
Noncontrolling interests	42,224,445
	<u>\$ 128,187,614</u>



**The Housing Company**  
 A Component Unit of Idaho Housing and Finance Association  
 Consolidated Statement of Activities  
 Year Ended December 31, 2023

---

Revenues	
Tenant rents	\$ 12,261,365
Housing assistance payments	2,741,011
Grants and other contributions	434,130
Interest and dividends	370,983
Forgiveness of debt on tax credit exchange loan	310,605
Property management services	245,674
Other	503,823
	<u>16,867,591</u>
Total revenues	
Expenses	
Administrative	4,418,331
Utilities and maintenance	4,070,890
Real estate taxes and insurance	1,880,556
Depreciation and amortization	6,188,987
Interest	2,323,812
	<u>18,882,576</u>
Total expenses	
Net Operating Loss	(2,014,985)
Non-Operating Expenses	
Loss on disposal of assets	(179,020)
Gain or loss in subsidiaries	(831)
	<u>(180,851)</u>
Total net assets without donor restrictions before noncontrolling Interests	(2,194,836)
Noncontrolling Interests in Partnership Losses	2,921,190
	<u>2,921,190</u>
Change in Net Assets Without Donor Restrictions	<u><u>\$ 726,354</u></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.

Idaho Housing and Finance Association has two fiduciary funds. One fiduciary fund accounts for assets held by the Home Partnership Foundation in a custodial capacity on behalf of the City of Boise/Ada County's End Family Homelessness Campaign pursuant to a funding disbursement agreement executed on September 29, 2020. The other fiduciary fund accounts for assets held by the Association in a custodial capacity on behalf of the City of Boise's Affordable Housing Fund pursuant to an administration agreement executed on June 6, 2023.

### **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) and Transportation Expansion/Congestion Mitigation (TECM), established under a separate trust indenture, account for the proceeds from the sale of GARVEE/TECM Bonds and the debt service requirements of these bonds. The GARVEE/TECM 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 Zions Bank and KeyBank. Non-escrow cash and cash equivalents deposited at Zions Bank are collateralized with U.S. Treasury obligations and U.S. Agency obligations and are held by Zions 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 adequately protected from this risk at June 30, 2024. Restricted cash as of June 30, 2024, consists of \$56.275 million in Federal Programs, \$284.932 million in escrow deposits, and \$123.959 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. The Association has adopted a 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).

As of June 30, 2024, the Association has LSC fair valued on its statements of net position at \$299.781 million. During the year ended June 30, 2024, the Association had an unrealized LSC fair value increase of \$61.869 million. 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 was 11.04%. The range of prepayment speeds used were from 78 to 193 PSA with an average of 117 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**

Capital Assets 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 year ending June 30, 2024, was \$0.716 million. Capital Assets are presented in the Statement of Net Position, net of accumulated depreciation at \$9.053 million at June 30, 2024.

**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 \$8.064 million as of June 30, 2024. 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, 2024, the Association estimates this amount to be \$0.834 million. 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 \$9.405 million as of June 30, 2024.

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 Statement of Net Position.

**Investor Remittance Liability**

Investor Remittance Liability is composed of borrower principal 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 \$107.810 million at June 30, 2024.

**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. Additionally, the Association has two lines of bank revolving credit facilities, and a warehouse facility with Federal Home Loan Bank.

**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 position in the amount of \$61.539 million at June 30, 2024, is restricted by bond indentures and programmatic requirements; \$2.434 million is restricted, associated with Federal Programs; and \$1.964 million is restricted, associated with the Home Partnership Foundation. Unrestricted net position includes \$9.700 million associated with the IHFA Community Investment Holdings, LLC and \$575.308 million associated with general operating business at June 30, 2024.

**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. Non-operating revenues include activities that have the characteristics of non-exchange 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 non-operating 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 2024:

GASB Statement No. 99, *Omnibus 2023*, GASB Statement No. 100, *Accounting Changes and Error Corrections – An amendment of GASB Statement No. 62*. In the opinion of the management, these standards do not have a material impact on the Association's financial position given current operations and obligations.

GASB has issued the following standards effective for fiscal year 2025 or later:

GASB Statement No. 101, *Compensated Absences*, GASB Statement No. 102 *Certain Risk Disclosures*, GASB Statement No. 103 *Financial Reporting Model Improvements*. Management has not fully studied these 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 Zions Bank 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, 2024, the Association has overnight investments of \$41.374 million.

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

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



# Idaho Housing and Finance Association

## Notes to Financial Statements

June 30, 2024

As of June 30, 2024, the Association categorizes the combined fair value of \$2.436 billion of Investments and Investments held in trust within this hierarchy. Money market funds of \$249.439 million, U.S. Agency obligations of \$1.565 billion, U.S. Government mortgage-backed securities of \$39.718 million, U.S. Treasury bonds of \$223.883 million, Municipal bonds of \$1.800 million, guaranteed investment contracts of \$345.459 million, and accrued interest of \$10.744 million are valued using quoted market prices (Level 1). Interest rate swaps of \$(0.182) 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, 2024, the Association had the following investments and maturities (in thousands):

June 30, 2024		Investment Maturities (in Years)							
Investment Type	Fair Value	Less Than 1	1-5	6-10	11-15	16-20	21-25	26-30	More Than 30
Interest rate swaps	\$ (182)	\$ -	\$ (182)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Money market funds	249,439	249,439	-	-	-	-	-	-	-
U.S. Agency obligations	6,560	2,976	406	2,430	748	-	-	-	-
U.S. Agency/Pooled obligation	1,558,539	-	-	-	-	-	-	1,529,738	28,801
U.S. Government mortgage backed securities	39,718	39,718	-	-	-	-	-	-	-
U.S. Treasury Bonds	223,883	24	223,859	-	-	-	-	-	-
Municipal Bonds	1,800	-	-	-	-	-	800	1,000	-
Guaranteed Investment Contract	345,459	-	345,459	-	-	-	-	-	-
	<u>\$ 2,425,216</u>	<u>\$ 292,157</u>	<u>\$ 569,542</u>	<u>\$ 2,430</u>	<u>\$ 748</u>	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ 1,530,738</u>	<u>\$ 28,801</u>
Accrued interest	<u>10,744</u>								
All Investments	\$ 2,435,960								

At June 30, 2024, the Association had 843 U.S. agency mortgage-backed security pools, which pay monthly principal and interest.

At June 30, 2024, the Association had \$17.560 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 3.7% and 5.5% and receives variable rate payments based on SIFMA and LIBOR indices. The Association entered into the swap contracts in November 2008, which mature between 2024 and 2030. These contracts are not rated.

At June 30, 2024, the Association has \$250.000 million 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, Loan Guarantee Trusts, and Business Operations investments. As of June 30, 2024, the Association's investments were rated by Moody's Investor Service as follows (in thousands):

Investment Type	Rating	2024
U.S. Agency Obligations	Aaa	\$ 1,565,099
Money market funds	Aaa	249,439
U.S. Government mortgage backed securities	Aaa	39,718
U.S. Treasury Bonds	Aaa	223,883
Municipal Bonds (Maine)	Aa1	1,000
Municipal Bonds (New York)	Aa2	800
Guaranteed Investment Contract	A1	345,459

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, 2024, the Association had investments of five percent or more in Ginnie Mae obligations of \$1.300 billion, Natixis obligations of \$345.459 million, Fidelity obligations of \$248.891 million, U.S. Treasury Note obligations of \$223.705 million and Federal National Mortgage Association obligations of \$140.886 million.

During the year ended June 30, 2024, the Association realized net gains of \$7.714 million, 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, 2024, was a \$4.993 million decrease. 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 year ending June 30, 2024, was a decrease of \$2.481 million related to derivative interest rate swap contracts fair market value considered investments.

The unrealized loss on investments held at June 30, 2024, was \$19.950 million. 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 year ending June 30, 2024, 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, 2024, is as follows (in thousands):

	Non-Pool Insured	Pool Insured	Total
FHA Insurance	\$ 84,583	\$ -	\$ 84,583
VA Guaranteed	7,258	-	7,258
Commercially Insured	18,385	1,645	20,030
USDA Rural Development Insurance	9,902	-	9,902
Association Insured	13,280	-	13,280
Public Indian Housing	91	-	91
	<u>\$ 133,499</u>	<u>\$ 1,645</u>	<u>135,144</u>
Other			
Single Family IHFA Capital Pool			2,525
Multifamily IHFA Capital Pool			2,033
Social Service and Development IHFA Capital Pool			124,475
Construction			8,780
State Small Business Credit Initiative			18,628
SRP			2,187
Loan Loss Provision on Forgivable Loans			(9,405)
Loan Loss Provision			(834)
Interest Receivable on Loans			<u>2,009</u>
Total loans held for investment, net			<u>\$ 285,542</u>

As of June 30, 2024, the loans receivable includes \$2.735 million in notes receivable from The Housing Company (THC), which require repayment within 16 years. 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 10.13 percent during fiscal year 2024. Loan interest rates are fixed over the loan term at levels exceeding yields on corresponding debt issued to purchase the loans. Federal tax law limits such excess yields. Loan terms range from less than one year to 40 years.

Each mortgage loan for all single-family financing programs is serviced pursuant to a Mortgage Loan Servicing Agreement. 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.

The Association records loan servicing fee income, which is netted out of interest income. Fees are collected in the general operating account, and the principal and remaining interest are remitted 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 tax-exempt 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. IHFA services loans sold to FNMA or FHLMC or secured by GNMA. Gains or losses are recognized based on the difference between the selling price and the carrying value of the related mortgage loan sold. Net unrealized losses are charged to Operating Expenses in the Statement of Revenues, Expenses and Changes in Net Position.

Loans available for sale are determined as a function of the Association's liquidity preference, customer preference, contractual requirements, and regulatory requirements. For the fiscal year ending June 30, 2024, the Association realized \$13.076 million in gains on the sale of loans to FNMA, FHLMC, and GNMA. As of June 30, 2024, the Association had commitments to sell or secure \$50.779 million of single-family mortgages to FNMA and FHLMC or through GNMA. As of June 30, 2024, the Association had commitments to sell or secure

# Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2024

\$74.193 million of single-family mortgages on behalf of Connecticut Housing Finance Authority. As of June 30, 2024, the Association had commitments to sell or secure \$53.174 million of single-family mortgages on behalf of South Dakota Housing Development Authority. As of June 30, 2024, the Association had commitments to sell or secure \$30.917 million of single-family mortgages on behalf of Iowa Finance Authority. As of June 30, 2024, the Association had commitments to sell or secure \$51.967 million on behalf of New Mexico Mortgage Finance Authority. As of June 30, 2024, the Association had commitments to sell or secure \$54.445 million on behalf of Texas Department of Housing and Community Affairs. As of June 30, 2024, the Association had commitments to sell or secure \$117.717 million on behalf of Washington State Housing Finance Commission. As of June 30, 2024, the Association had commitments to sell or secure \$2.954 million on behalf of Oregon Housing and Community Services Department.

As of June 30, 2024, the Association estimates \$46.638 million of loans receivable as current. Estimates consider loan principal due during the next twelve months plus anticipated prepayments made on outstanding principal balances. The Association had commitments to purchase \$1,140.554 million of single-family mortgages, which had not yet been funded as of June 30, 2024.

As of June 30, 2024, the Association was an agent for the following loans (in thousands):

Federal Home Loan Mortgage Corporation	\$ 3,610,711
Federal National Mortgage Association	7,377,045
Government National Mortgage Association	20,565,882
Iowa Finance Authority	68,311
Connecticut Housing Finance Authority	227,743
South Dakota Housing Development Authority	96,810
New Mexico Mortgage Finance Authority	67,231
Texas Department of Housing and Community Affairs	391,571
Washington State Housing Finance Commission	276,018
Idaho Community Reinvestment Corporation	10,471
Neighborhood Housing Services	2,511
Boise Valley Habitat	684
Lewiston-Clarkston Habitat for Humanity	1,055
HOME Loan Balances	87,414
Neighborhood Stabilization Program	11,132
Housing Trust Fund	14,019
Workforce Housing	24,180
Tax Credit Assistance Program	10,051
TCEP Loan Program	5,349
Other	5,707
	<hr/>
Total loans serviced as agent	<u>\$ 32,853,895</u>

**Note 5 - Capital Assets**

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

(in thousands)	Balance at June 30, 2023	Additions	Reclass	Retirements	Balance at June 30, 2024
<b>Capital assets</b>					
Land	\$ 5,404	\$ -	\$ -	\$ (3,221)	\$ 2,183
Buildings and improvements	9,732	23	-	-	9,755
Furniture and equipment	5,522	156	-	(44)	5,634
Leasehold improvements	872	-	-	-	872
Computer software	359	32	-	-	391
<b>Total capital assets</b>	<b>21,889</b>	<b>211</b>	<b>-</b>	<b>(3,265)</b>	<b>18,835</b>
<b>Less accumulated depreciation for</b>					
Buildings and improvements	(3,827)	(248)	-	-	(4,075)
Furniture and equipment	(4,550)	(424)	-	44	(4,930)
Leasehold improvements	(380)	(35)	-	-	(415)
Computer software	(353)	(9)	-	-	(362)
<b>Total accumulated depreciation</b>	<b>(9,110)</b>	<b>(716)</b>	<b>-</b>	<b>44</b>	<b>(9,782)</b>
<b>Total capital assets, net</b>	<b>\$ 12,779</b>	<b>\$ (505)</b>	<b>\$ -</b>	<b>\$ (3,221)</b>	<b>\$ 9,053</b>

**Note 6 - Leases**

At June 30, 2024, the Association has recognized right-to-use assets of \$0.607 million and lease liabilities of \$0.678 million. During the fiscal year, the Association recorded \$0.570 million in amortization expense and \$0.025 in interest expense.

Remaining obligations associated with these leases are as follows:

June 30, 2024	Period	Interest
2025	\$ 503	\$ 10
2026	108	3
2027	57	1
2028	10	-
2029	-	-
Total	<u>\$ 678</u>	<u>\$ 14</u>

Right of Use Asset

	July 1, 2023	Additions	Deletions	June 30, 2024
Office space	\$ 3,479	\$ -	\$ -	\$ 3,479
Equipment	262	-	(262)	-
Amortization	<u>(2,564)</u>	<u>(570)</u>	<u>262</u>	<u>(2,872)</u>
Total Right-to-Use Asset	<u>\$ 1,177</u>	<u>\$ (570)</u>	<u>\$ -</u>	<u>\$ 607</u>

**Note 7 - Other Assets and Liabilities**

Other assets and other liabilities as of June 30, 2024, are composed of the accounts and balances as follows (in thousands):

Other Assets

Accounts receivable	\$ 52,481
Prepaid expenses	2,092
Insurance receivable	12,257
REO mortgages receivable	<u>37,558</u>
	<u>\$ 104,388</u>

Other Liabilities

Accounts payable	\$ 214
Accrued vacation and other payroll related liabilities	2,387
Arbitrage rebate	122
Federal programs advances and unapplied program income	62,425
Unapplied payments	18,888
Reserve on loans serviced	11,327
Other accrued liability	<u>10,752</u>
	<u>\$ 106,115</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, 2024, the Association had \$157.850 million of commercial paper outstanding maturing in 51 to 100 days, with weighted average interest rates of .05506%.

The borrowings at PNC Bank and Zions Bank are not backed by collateral. As of June 30, 2024, the Association had \$10.000 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, 2024, the Association had \$109.964 million of borrowings outstanding with Zions Bank maturing in June 2025, with a variable interest rate of the sum of the AMERIBOR 30-Day Index and sixty-five hundredths of a percent.



# Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2024

## Note 9 - Bonds

Description and Due Date	Average Bond Yield	2024
Single-Family Mortgage Bonds		
2000 Indenture		
Variable Rate Class 1	5.984%	\$ 3,932
2003 Indenture		
Class I Bonds	3.640%	13,655
Variable Rate Class I	3.542%	16,705
Variable Rate Class II	5.091%	2,235
	3.689%	32,595
2019 Indenture		
Class I Bonds	5.385%	1,367,830
Variable Rate Class I	2.661%	37,105
	5.313%	1,404,935
Total single-family mortgage bonds		1,441,462
Grant and Revenue Anticipation Bonds		
2010 Series A	6.348%	57,680
2014 Series A	4.922%	41,835
2015 Series A	5.000%	76,090
2017 Series A	5.000%	59,615
2019 Series A	5.000%	114,090
2021 Series A	4.539%	172,860
	4.990%	522,170
Transportation Expansion and Congestion Mitigation Bonds		
2022 Series A	5.000%	180,790
2023 Series A	4.986%	349,685
2024 Series A	4.828%	338,780
	4.927%	869,255
Multifamily Housing Revenue Bonds		
Sunset 2021 Series A		
Class I Bonds	2.022%	13,740
Total bonds		2,846,627
Interest Payable		58,734
Net Unamortized (Discount)/Premium		196,806
Notes Payable		154,012
Total bonds and notes		\$ 3,256,179

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 December 20, 2023, the Association issued the 2023E Single Family Mortgage Bonds in furtherance of the Single-Family Mortgage Program and to assist other state housing finance agencies in other states to finance the purchase or servicing of housing by low income persons. On March 19, 2024, the Association issued the 2024AB Single Family Mortgage Bonds in furtherance of the Single-Family Mortgage Program and to assist other state housing finance agencies in other states to finance the purchase or servicing of housing by low income persons. On March 27, 2024, the Association issued Transportation Expansion and Congestion Mitigation Fund, Series 2024A Sales Tax Revenue Bonds.

# Idaho Housing and Finance Association

## Notes to Financial Statements

June 30, 2024

The scheduled principal debt service, including July 1, 2024 special redemptions, for the periods subsequent to, and as of June 30, 2024, is as follows (in thousands):

	2025	2026	2027	2028	2029	2030 2034
<b>Single-Family Mortgage Bonds</b>						
2000 Indenture	\$ 1,669	\$ 413	\$ 383	\$ 414	\$ 424	\$ 629
2003 Indenture	5,515	1,725	1,055	1,175	1,240	13,955
2019 Indenture	44,270	41,510	45,445	44,520	43,290	204,440
<b>Total Single-Family</b>	<b>51,454</b>	<b>43,648</b>	<b>46,883</b>	<b>46,109</b>	<b>44,954</b>	<b>219,024</b>
<b>GARVEE Bonds</b>						
2010 Series A	2,875	3,060	3,260	3,465	45,020	-
2014 Series A	4,370	4,595	4,830	5,075	5,325	17,640
2015 Series A	22,405	22,620	31,065	-	-	-
2017 Series A	8,680	10,075	3,315	37,545	-	-
2019 Series A	-	-	-	-	-	43,300
2021 Series A	-	-	-	-	-	75,980
<b>Total GARVEE</b>	<b>38,330</b>	<b>40,350</b>	<b>42,470</b>	<b>46,085</b>	<b>50,345</b>	<b>136,920</b>
<b>TECM Bonds</b>						
2022 Series A	3,995	4,200	4,415	4,640	4,880	28,415
2022 Series A	6,930	7,285	7,660	8,050	8,465	49,285
2022 Series A	-	6,195	6,510	6,850	7,195	41,930
<b>Total TECM</b>	<b>10,925</b>	<b>17,680</b>	<b>18,585</b>	<b>19,540</b>	<b>20,540</b>	<b>119,630</b>
<b>Multifamily Housing Revenue Bonds</b>						
Sunset 2021 Series A	5,710	110	110	115	120	630
<b>Total principal</b>	<b>\$ 106,419</b>	<b>\$ 101,788</b>	<b>\$ 108,048</b>	<b>\$ 111,849</b>	<b>\$ 115,959</b>	<b>\$ 476,204</b>
<b>Variable rate principal</b>	<b>\$ 5,599</b>	<b>\$ 1,088</b>	<b>\$ 1,328</b>	<b>\$ 1,404</b>	<b>\$ 1,464</b>	<b>\$ 7,049</b>
<b>Interest</b>						
Fixed	\$ 140,371	\$ 135,558	\$ 130,343	\$ 124,814	\$ 118,816	\$ 517,272
Variable	\$ 2,804	\$ 2,651	\$ 2,602	\$ 2,545	\$ 2,485	\$ 11,541
<b>Total interest</b>	<b>\$ 143,175</b>	<b>\$ 138,209</b>	<b>\$ 132,945</b>	<b>\$ 127,359</b>	<b>\$ 121,301</b>	<b>\$ 528,813</b>

# Idaho Housing and Finance Association

## Notes to Financial Statements

June 30, 2024

	2035 2039	2040 2044	2045 2049	2050 2054	2055 2059	TOTAL
<b>Single-Family Mortgage Bonds</b>						
2000 Indenture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,932
2003 Indenture	7,930	-	-	-	-	32,595
2019 Indenture	187,965	230,515	272,855	280,895	9,230	1,404,935
<b>Total Single-Family</b>	<b>195,895</b>	<b>230,515</b>	<b>272,855</b>	<b>280,895</b>	<b>9,230</b>	<b>1,441,462</b>
<b>GARVEE Bonds</b>						
2010 Series A	-	-	-	-	-	57,680
2014 Series A	-	-	-	-	-	41,835
2015 Series A	-	-	-	-	-	76,090
2017 Series A	-	-	-	-	-	59,615
2019 Series A	70,790	-	-	-	-	114,090
2021 Series A	65,785	31,095	-	-	-	172,860
<b>Total GARVEE</b>	<b>136,575</b>	<b>31,095</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>522,170</b>
<b>TECM Bonds</b>						
2022 Series A	36,490	46,855	46,900	-	-	180,790
2022 Series A	63,285	81,270	117,455	-	-	349,685
2022 Series A	53,840	69,140	88,770	58,350	-	338,780
<b>Total TECM</b>	<b>153,615</b>	<b>197,265</b>	<b>253,125</b>	<b>58,350</b>	<b>-</b>	<b>869,255</b>
<b>Multifamily Housing Revenue Bonds</b>						
Sunset 2021 Series A	735	850	1,010	1,190	3,160	13,740
<b>Total principal</b>	<b>\$ 486,820</b>	<b>\$ 459,725</b>	<b>\$ 526,990</b>	<b>\$ 340,435</b>	<b>\$ 12,390</b>	<b>\$ 2,846,627</b>
<b>Variable rate principal</b>	<b>\$ 5,440</b>	<b>\$ -</b>	<b>\$ 15,785</b>	<b>\$ 20,820</b>	<b>\$ -</b>	<b>\$ 59,977</b>
<b>Interest</b>						
Fixed	\$ 401,875	\$ 284,205	\$ 150,433	\$ 57,632	\$ 334	\$ 2,061,653
Variable	\$ 9,996	\$ 9,740	\$ 8,274	\$ 3,433	\$ -	\$ 56,071
<b>Total interest</b>	<b>\$ 411,871</b>	<b>\$ 293,945</b>	<b>\$ 158,707</b>	<b>\$ 61,065</b>	<b>\$ 334</b>	<b>\$ 2,117,724</b>

# Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2024

Long-term bond liability and short-term borrowing activity for the year ended June 30, 2024, was as follows (in thousands):

June 30, 2024	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One year
Par Bonds Payable	\$ 1,612,715	\$ 1,319,215	\$ (85,303)	\$ 2,846,627	\$ 106,419
Note Payable	-	175,000	(20,988)	154,012	3,549
Interest Payable	30,269	106,294	(77,829)	58,734	143,175
Net Unamortized (Discount)/Premium	155,220	56,097	(14,511)	196,806	4,824
Total bonds payable at June 30, 2024	<u>\$ 1,798,204</u>	<u>\$ 1,656,606</u>	<u>\$ (198,631)</u>	<u>\$ 3,256,179</u>	<u>\$ 257,967</u>
Short-Term And Other Borrowings at June 30, 2024	\$ 388,370	\$ 776,620	\$ (887,176)	\$ 277,814	\$ 277,814

## Note 10 - Redemption of Bonds

Special redemptions were made in the following bond issues for the year ended June 30, 2024 (in thousands):

Bond Series Redeemed	Par Value of Bonds Redeemed	
	July 1, 2024	For the Year Ended June 30, 2024
Single-Family Mortgage Bonds		
2000 Indenture	\$ 1,100	\$ 2,235
2003 Indenture	2,595	4,855
2006 Indenture	-	17,135
2019 Indenture	21,310	9,325
Special redeem all bonds	<u>\$ 25,005</u>	<u>\$ 33,550</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.

# Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2024

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 U.S. Federal Housing Administration (FHA) or the U.S. Department of Agriculture (USDA). These loans are then contributed to a mortgage-backed security, which is guaranteed by Ginnie Mae.

Series	Maturity Date	Security Rate	2024
IHFA HOMES 2014 A	May 2044	3.50%	\$ 2,133
IHFA HOMES 2014 B	August 2044	3.50%	2,297
IHFA HOMES 2014 C	December 2044	3.50%	1,197
IHFA HOMES 2015 A	April 2045	3.00%	1,528
IHFA HOMES 2015 B	May 2045	3.00%	1,931
IHFA HOMES 2015 C	July 2045	3.00%	6,158
IHFA TEMS 2015A	October 2045	3.50%	4,726
IHFA TEMS 2015B	November 2045	3.00%	3,429
IHFA TEMS 2015C	December 2045	3.00%	4,446
IHFA TEMS 2016A	February 2046	3.00%	8,323
IHFA TEMS 2016B	March 2046	3.00%	2,116
IHFA TEMS 2016C	April 2046	3.00%	3,506
IHFA TEMS 2016D	May 2046	3.00%	4,699
IHFA TEMS 2016E	June 2046	3.00%	3,913
IHFA TEMS 2016F	July 2046	3.00%	3,580
IHFA TEMS 2016G	August 2046	3.00%	7,866
IHFA TEMS 2016H	September 2046	3.00%	3,099
IHFA TEMS 2016I	December 2046	3.00%	3,332
IHFA TEMS 2017A	January 2047	3.00%	5,147
IHFA TEMS 2017B	February 2047	3.00%	2,463
IHFA TEMS 2017C	April 2047	3.50%	3,901
IHFA TEMS 2017D	May 2047	3.50%	3,910
IHFA TEMS 2017E	July 2047	3.50%	3,175
IHFA TEMS 2017F	August 2048	3.00%	5,541
IHFA TEMS 2017G	September 2047	3.00%	4,182
IHFA TEMS 2017H	October 2047	3.00%	4,857
IHFA TEMS 2017I	November 2047	3.00%	4,879
IHFA TEMS 2017J	December 2047	3.00%	6,614
IHFA TEMS 2018A	January 2048	3.00%	2,840
IHFA TEMS 2018B	April 2048	3.50%	2,695
IHFA TEMS 2018C	July 2048	4.00%	2,727
IHFA TEMS 2018D	August 2048	4.00%	4,107
IHFA TEMS 2018E	October 2048	4.00%	6,297
IHFA TEMS 2018F	December 2048	4.00%	7,669
IHFA TEMS 2019A	January 2049	4.50%	4,439
IHFA TEMS 2019B	April 2049	4.00%	5,075
IHFA TEMS 2019C	June 2049	3.50%	5,619
IHFA TEMS 2019D	July 2019	4.00%	3,986
IHFA TEMS 2019E	August 2049	3.50%	5,917
Total Tax-Exempt Mortgage-back Securities (TEMS)			<u>\$ 164,319</u>

# Idaho Housing and Finance Association

Notes to Financial Statements

June 30, 2024

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

	Beginning Balance as of June 30, 2023	Additions	Reductions	Ending Balance as of June 30, 2024
Tax Exempt Mortgage Securities	\$ 183,999	\$ -	\$ (19,680)	\$ 164,319

The scheduled principal payments for the periods subsequent to, and as of, June 30, 2024, is as follows (in thousands):

Year	Principal Payments (in thousands)	Interest Payments (in thousands)
2025	\$ 4,796	\$ 6,061
2026	4,978	5,878
2027	5,167	5,689
2028	5,363	5,493
2029	5,566	5,289
2030-2034	31,163	23,103
2035-2039	37,537	16,711
2040-2044	45,215	9,012
2045-2047	24,534	1,140
Total	<u>\$ 164,319</u>	<u>\$ 78,376</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, 2024. 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, 2024) 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. The fair value is reported in the Statement of Net Position at \$(0.490) million.

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 Statement of Net Position of \$2.013 million as of June 30, 2024. The Association reported no deferred inflows of resources as of June 30, 2024. A portion of the interest rate swaps are considered non-effective for hedging purposes and are reported in the Statement of Net Position in Investments at June 30, 2024 of \$(0.182) million. This portion represents the notional amount of interest rate swaps that falls short of 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, 2024. The results of the calculation correlate materially with the fair values provided by the Association's counterparties.

Credit risk: As of June 30, 2024, the Association is exposed to a negligible amount of counterparty credit risk on certain outstanding swaps due to their positive fair values. The Association's counterparty has a current rating of A+ (Fitch), A1 (Moody's), and A (S&P).

Basis risk: All but twenty five 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, three have a basis of LIBOR plus 15 basis points, five have a basis of LIBOR plus 45 basis points, three have a basis of LIBOR plus 75 basis points, three have a basis of LIBOR plus 71 basis points and two have 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, 2024, SIFMA was 3.510% and one-month LIBOR was 5.583%.

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, 2024

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

### Interest Rate Swap Agreements (in thousands) 2024

Parity Indenture	Series	Outstanding Notional Amount		Fair Values		Change in Fair Values	
		Hedging	Investment	Hedging	Investment	Hedging	Investment
2015A	2003 Series B	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ -
2015A	2003 Series C	-	-	-	-	3	-
2014A	2003 Series D	1,025	-	(15)	-	(59)	-
2016A	2003 Series E	60	-	-	-	(1)	-
2016A	2004 Series A	-	325	(2)	-	(17)	-
2016A	2004 Series B	740	-	(10)	-	(42)	-
2016A	2003 Series E	-	740	(13)	6	(23)	(19)
2016A	2004 Series A	900	-	(6)	-	(50)	-
2016A	2004 Series B	-	1,390	(45)	21	(96)	21
2016A	2004 Series C	-	855	(15)	8	(26)	(22)
2016A	2004 Series D	2,330	-	(35)	-	(114)	-
2016A	2005 Series A	2,600	-	(52)	-	(124)	-
2009A	2005 Series B	-	2,450	-	(77)	(162)	31
2009A	2005 Series C	-	2,495	-	(65)	(154)	25
2016A	2005 Series D	2,590	-	(46)	-	(124)	-
2016A	2005 Series E	2,695	-	(55)	-	(129)	-
2009A	2005 Series F	-	2,895	-	(104)	(196)	41
2009A	2006 Series A	2,925	-	(108)	-	(157)	-
2009A	2006 Series B	625	-	(16)	-	(29)	-
2009A	2006 Series C	495	-	(12)	-	(21)	-
2009A	2006 Series D	575	-	(14)	-	(25)	-
2013A	2006 Series E	-	-	-	-	56	(29)
2013A	2006 Series F	-	-	-	-	50	(28)
2013A	2006 Series G	-	-	-	-	19	-
2013A	2007 Series A	-	1,660	(47)	29	(155)	29
2013A	2007 Series B	-	-	-	-	34	-
2013A	2007 Series C	-	-	-	-	112	(67)
2012A	2007 Series D	-	-	-	-	(7)	-
2012A	2007 Series G	-	-	-	-	370	-
2012A	2007 Series H	-	-	-	-	1,520	(1,190)
2012A	2007 Series J	-	-	-	-	349	-
2012A	2007 Series K	-	-	-	-	887	(474)
2013A	2008 Series A	-	-	-	-	903	(475)
2013A	2008 Series B	-	-	-	-	347	(237)
2013A	2008 Series C	-	-	-	-	92	(63)
2013A	2008 Series D	-	-	-	-	29	(24)
		<u>\$ 17,560</u>	<u>\$ 12,810</u>	<u>\$ (491)</u>	<u>\$ (182)</u>	<u>\$ 3,063</u>	<u>\$ (2,481)</u>

# Idaho Housing and Finance Association

## Notes to Financial Statements

June 30, 2024

### Interest Rate Swap Agreements (in thousands)

2024

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					
2015A	2003 Series B	4.036%	100% 1W SIFMA + 20 bp		Barclays Capital	A/A1	7/1/2024	11/6/2008
2015A	2003 Series C	3.780%	100% 1W SIFMA + 20 bp		Barclays Capital	A/A1	7/1/2025	11/6/2008
2014A	2003 Series D	4.840%	100% 1W SIFMA + 20 bp		Barclays Capital	A/A1	7/1/2025	11/6/2008
2016A	2003 Series E	4.530%	100% 1W SIFMA + 20 bp		Barclays Capital	A/A1	7/1/2025	7/6/2016
2016A	2004 Series A	4.029%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2026	7/6/2016
2016A	2004 Series B	4.370%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2027	7/6/2016
2016A	2003 Series E	4.530%	100% 1W SIFMA + 20 bp		Barclays Capital	A/A1	7/1/2025	7/6/2016
2016A	2004 Series A	4.029%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2026	7/6/2016
2016A	2004 Series B	4.370%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2027	7/6/2016
2016A	2004 Series C	4.330%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	7/1/2025	7/6/2016
2016A	2004 Series D	3.850%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2028	7/6/2016
2016A	2005 Series A	3.900%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	1/1/2029	7/6/2016
2009A	2005 Series B	3.985%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	7/1/2028	11/7/2008
2009A	2005 Series C	3.730%	68% 1M (or SIFMA 1M<3.5%) +20		Barclays Capital	A/A1	7/1/2028	11/7/2008
2016A	2005 Series D	3.865%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A/A1	7/1/2028	7/6/2016
2016A	2005 Series E	3.930%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A/A1	1/1/2029	7/6/2016
2009A	2005 Series F	4.095%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A/A1	1/1/2029	11/7/2008
2009A	2006 Series A	4.100%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A/A1	1/1/2029	11/7/2008
2009A	2006 Series B	4.350%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A/A1	7/1/2025	11/7/2008
2009A	2006 Series C	4.360%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A/A1	1/1/2025	11/7/2008
2009A	2006 Series D	4.450%	68% 1M (or SIFMA 1M<4.0%) +20		Barclays Capital	A/A1	1/1/2025	11/7/2008
2013A	2006 Series E	5.518%	100% 1M LIBOR + 75 bp		Barclays Capital	A/A1	1/1/2026	7/3/2017
2013A	2006 Series F	5.290%	100% 1M LIBOR + 75 bp		Barclays Capital	A/A1	1/1/2026	7/3/2017
2013A	2006 Series G	5.167%	100% 1M LIBOR + 75 bp		Barclays Capital	A/A1	1/1/2026	7/3/2017
2013A	2007 Series A	5.031%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2007 Series B	4.882%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	1/1/2027	7/3/2017
2013A	2007 Series C	4.972%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	1/1/2027	7/3/2017
2012A	2007 Series D	4.893%	100% 1M LIBOR + 71 bp		Barclays Capital	A/A1	1/1/2026	7/1/2016
2012A	2007 Series G	4.691%	100% 1M LIBOR + 5 bp		Barclays Capital	A/A1	7/1/2028	1/1/2013
2012A	2007 Series H	5.198%	100% 1M LIBOR + 76 bp		Barclays Capital	A/A1	7/1/2030	7/1/2016
2012A	2007 Series J	4.415%	100% 1M LIBOR + 5 bp		Barclays Capital	A/A1	7/1/2028	7/3/2017
2012A	2007 Series K	4.231%	100% 1M LIBOR + 5 bp		Barclays Capital	A/A1	7/1/2030	7/3/2017
2013A	2008 Series A	4.382%	100% 1M LIBOR + 5 bp		Barclays Capital	A/A1	7/1/2030	7/3/2017
2013A	2008 Series B	4.235%	100% 1M LIBOR + 5 bp		Barclays Capital	A/A1	7/1/2029	7/3/2017
2013A	2008 Series C	4.719%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017
2013A	2008 Series D	4.437%	100% 1M LIBOR + 45 bp		Barclays Capital	A/A1	7/1/2026	7/3/2017

At June 30, 2024, the Association had \$250.000 million in forward sales contracts ("To Be Announced" or "TBA" contracts) to issue GNMA securities in order to lock in the sales price for the securitization of single-family loans. These securities represent pools of qualified first mortgage loans originated by Association-approved lenders and brokers. Under this program, the Association periodically enters into forward contracts to sell GNMA Mortgage-Backed Securities to investors before the securities are ready for delivery. The Association enters into TBA mortgage-backed security contracts to hedge the interest rate risk for loan commitments made to originating mortgage lenders. These contracts are considered investment derivatives and are not rated.

TBA Forward Contracts (in thousands) 2024					
Contract	Coupon rate	Outstanding Notional Amount	Fair Values	Counterparty Credit Rating	
August 20, 2024	5.50%	\$ 10,000	\$ 63	BBB	
August 20, 2024	6.00%	15,000	59	BBB+	
August 20, 2024	6.50%	7,000	8	BBB+	
July 15, 2024	6.00%	20,000	22	AA+	
July 15, 2024	5.00%	1,000	(1)	AA+	
July 15, 2024	5.50%	16,000	(2)	AA+	
July 15, 2024	6.00%	28,000	(4)	AA+	
July 15, 2024	6.50%	14,000	(9)	A-	
July 22, 2024	6.50%	32,000	45	BBB	
July 22, 2024	4.50%	7,000	86	BBB	
July 22, 2024	4.50%	4,000	42	A+	
July 22, 2024	5.00%	5,000	47	BBB+	
July 22, 2024	5.00%	12,000	129	BBB+	
July 22, 2024	5.50%	2,000	14	BBB+	
July 22, 2024	6.00%	24,500	92	A-	
July 22, 2024	6.50%	15,500	34	BBB+	
July 22, 2024	6.50%	7,000	8	BBB+	
September 16, 2024	6.00%	10,000	59	AA+	
September 23, 2024	5.50%	20,000	85	BBB	
		<u>\$ 250,000</u>	<u>\$ 777</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 year ending June 30, 2024, was \$1.959 million. 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 \$23,000 for those under 50 and \$30,000 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 year ending June 30, 2024 was \$339,000. 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, 2024, there were seventy-eight 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 \$777.790 million.

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, 2024, is \$1.590 billion.

#### **Note 15 - Risk Management**

The Association maintains commercial insurance coverage for officer errors and omissions, tort claims, and property loss and other casualties. Alaska National 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, 2023, THC had acquired and was operating fifteen multifamily housing complexes; had constructed and was operating twenty-two 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 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 two multi-family complexes in Meridian, Idaho, and Twin Falls, Idaho and had purchased land in Nampa, Idaho, with the intent of constructing another multifamily 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, 2024, three Association Commissioners and the Association's President serve on THC's Board of Directors. As of June 30, 2024, THC paid the Association \$1.991 million for expenses associated with THC operations. THC owed \$0.162 million for the year ended June 30, 2024. As of June 30, 2024, ICIH had notes receivable of \$6.061 million with THC. IHFA is holding a bond for the construction of the Sunset Landing multi-family project in Caldwell, Idaho, of \$13.740 million as of June 30, 2024. 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 one IHFA owned REO rental property. 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, Canyon Terrace, Sunset Landing, and Alder multifamily projects. ICIH has a receivable from THC of \$6.061 million in relation to these projects as of June 30, 2024.



Supplementary Information  
June 30, 2024

# Idaho Housing and Finance Association

	Business Operations				Rating				Idaho																					
	General				Affordable	Compliance				Community			Inter-	All																
	Operating and	Federally	State		Housing	and Loan	Combined		All	The Home	Investment	HomeLoan	Component	Reporting	Fiduciary	Fiduciary	All													
	Custodial	Assisted	of Idaho		Investment	Guarantee	Bondholder	Interfund	Association	Partnership	Holdings,	Serv	Unit	Entity	City of	HPF City	Entity													
	Accounts	Program	Program	Combined	Trust	Trust	Trusts (1)	Eliminations	Accounts	Foundation	LLC	Inc.	Eliminations	Accounts	Boise	of Boise	Accounts													
Statement of Net Position																														
Assets and Deferred Outflow of Resources																														
Cash and cash equivalents	\$	72,691	\$	-	\$	-	\$	72,691	\$	-	\$	-	\$	72,691	\$	249	\$	-	\$	2	\$	-	\$	72,942	\$	-	\$	-	\$	72,942
Cash and cash equivalents held in trust or as agent	122,236	56,275	13	178,524	-	-	-	-	178,524	1,261	449	-	-	180,234	1,340	2,301	183,875													
Cash held in escrow	284,932	-	-	284,932	-	-	-	-	284,932	-	-	-	-	284,932	-	-	284,932													
Investments, fair value	37,241	-	-	37,241	1,992	-	-	-	39,233	-	-	-	-	39,233	-	-	39,233													
Investments held in trust, fair value	224,616	-	-	224,616	-	8,675	2,162,888	-	2,396,179	548	-	-	-	2,396,727	-	-	2,396,727													
Loans held for investment, net	81,963	10,981	-	92,944	94,499	4,545	84,223	-	276,211	28	9,303	-	-	285,542	-	-	285,542													
Loans available for sale	86,452	-	-	86,452	-	-	-	-	86,452	-	-	-	-	86,452	-	-	86,452													
Loan servicing contracts	299,781	-	-	299,781	-	-	-	-	299,781	-	-	-	-	299,781	-	-	299,781													
Loans pending modification	1,765	-	-	1,765	-	-	-	-	1,765	-	-	-	-	1,765	-	-	1,765													
Property and equipment	6,676	-	-	6,676	43	-	-	-	6,719	-	2,334	-	-	9,053	-	-	9,053													
Right of use lease asset	607	-	-	607	-	-	-	-	607	-	-	-	-	607	-	-	607													
Derivative Assets	789	-	-	789	-	-	-	-	789	-	-	-	-	789	-	-	789													
Other assets	135,648	(1,623)	-	134,025	32,830	110,934	905	(174,256)	104,438	1	(52)	1	-	104,388	-	-	104,388													
Tax exempt mortgage securities asset	164,319	-	-	164,319	-	-	-	-	164,319	-	-	-	-	164,319	-	-	164,319													
State of Idaho GARVEE and TECM Assets	-	-	-	-	-	-	914,872	-	914,872	-	-	-	-	914,872	-	-	914,872													
Deferred outflow---interest rate swap contracts, amortized value	-	-	-	-	-	-	760	-	760	-	-	-	-	760	-	-	760													
Deferred outflow---interest rate swap contracts, fair value	-	-	-	-	-	-	1,253	-	1,253	-	-	-	-	1,253	-	-	1,253													
Total assets and deferred outflow of resources	\$ 1,519,716	\$ 65,633	\$ 13	\$ 1,585,362	\$ 129,364	\$ 124,154	\$ 3,164,901	\$ (174,256)	\$ 4,829,525	\$ 2,087	\$ 12,034	\$ 3	\$ -	\$ 4,843,649	\$ 1,340	\$ 2,301	\$ 4,847,290													
Liabilities, Deferred Inflow of Resources, and Net Position																														
Short Term and Other Borrowing	\$ 277,814	\$ -	\$ -	\$ 277,814	\$ -	\$ -	\$ -	\$ -	\$ 277,814	\$ -	\$ -	\$ -	\$ -	\$ 277,814	\$ -	\$ -	\$ 277,814													
Bonds	154,010	-	-	154,010	-	-	3,102,169	-	3,256,179	-	-	-	-	3,256,179	-	-	3,256,179													
Tax exempt mortgage securities liability	164,319	-	-	164,319	-	-	-	-	164,319	-	-	-	-	164,319	-	-	164,319													
Interest payable-swap contract	-	-	-	-	-	-	490	-	490	-	-	-	-	490	-	-	490													
Investor remittance liability	107,810	-	-	107,810	-	-	-	-	107,810	-	-	-	-	107,810	-	-	107,810													
Escrow and project reserve deposits	268,500	298	-	268,798	-	-	-	-	268,798	-	-	-	-	268,798	-	-	268,798													
Derivative Liabilities	2,126	-</																												



Idaho Housing and Finance Association  
Combined Statement of Revenues, Expenses, and Changes in Net Position – Association Accounts  
Year Ended June 30, 2024  
(in thousands)

	Business Operations				Rating						Idaho								
	General				Affordable	Compliance					Community								
	Operating and	Federally	State		Housing	and Loan	Combined				Investment	Guarantee	Bondholder	Interfund	All	The Home	Investment	HomeLoan	Inter-
	Custodial	Assisted	of Idaho	Combined	Trust	Trust	Trusts (1)	Eliminations	Association	Partnership	Holdings,	Serv	Component	Reporting	Fiduciary	Fiduciary	All	Fiduciary	Fiduciary
	Accounts	Program	Program						Accounts	Foundation	LLC	Inc.	Unit	Entity	City of	HPF City	Entity	City of	HPF City
															Boise	of Boise	Accounts	Boise	of Boise
Statement of Revenues, Expenses and																			
Changes in Net Position																			
Operating Revenues																			
Gains on loan sales	\$ 13,076	\$ -	\$ -	\$ 13,076	\$ -	\$ -	\$ -	\$ -	\$ 13,076	\$ -	\$ -	\$ -	\$ -	\$ 13,076	\$ -	\$ -	\$ 13,076	\$ -	\$ -
Interest on loans and GARVEE pledged revenues	27,346	1,813	1	29,160	4,296	1,744	26,320	-	61,520	-	-	-	-	61,520	54	-	61,574	54	-
Interest on investments	13,394	285	-	13,679	175	317	78,858	-	93,029	51	14	-	-	93,094	-	-	93,094	-	-
Loan servicing fees	77,217	-	-	77,217	-	5	67	-	77,289	-	-	-	-	77,289	-	-	77,289	-	-
Contract and grant administration fees	15,768	-	-	15,768	-	-	-	-	15,768	800	-	3	-	16,571	65	-	16,636	65	-
Other operating revenues	3,067	177	-	3,244	-	-	4	-	3,248	385	229	-	-	3,862	6,414	260	10,536	6,414	260
Total operating revenues	149,868	2,275	1	152,144	4,471	2,066	105,249	-	263,930	1,236	243	3	-	265,412	6,533	260	272,205	6,533	260
Operating Expenses																			
Loan acquisition costs	37,090	-	-	37,090	-	-	-	-	37,090	-	-	-	-	37,090	-	-	37,090	-	-
Interest	48,034	1	-	48,035	-	-	103,665	-	151,700	-	-	-	-	151,700	-	-	151,700	-	-
Salaries and benefits	35,003	1	-	35,004	-	-	-	-	35,004	127	-	-	-	35,131	-	-	35,131	-	-
General operating	20,396	2	-	20,398	2	2	1,019	-	21,421	76	24	-	-	21,521	6,479	25	28,025	6,479	25
Bond financing costs	(1)	-	-	(1)	-	-	113	-	112	-	-	-	-	112	-	-	112	-	-
Grants to others	656	-	-	656	800	-	(4)	-	1,452	1,814	-	-	-	3,266	-	754	4,020	-	754
Loss on real estate owned properties	3,955	251	-	4,206	294	1	-	-	4,501	-	-	-	-	4,501	-	-	4,501	-	-
Other operating expenses	1,399	(1)	-	1,398	-	-	-	-	1,398	-	60	-	-	1,458	-	-	1,458	-	-
Total operating expenses	146,532	254	-	146,786	1,096	3	104,793	-	252,678	2,017	84	-	-	254,779	6,479	779	262,037	6,479	779
Operating Income (Loss)	3,336	2,021	1	5,358	3,375	2,063	456	-	11,252	(781)	159	3	-	10,633	54	(519)	10,168	54	(519)
Nonoperating Revenues and Expenses																			
Net increase (decrease) in fair value of investments	640	-	-	640	-	125	(5,122)	-	(4,357)	-	-	-	-	(4,357)	-	-	(4,357)	-	-
Net increase (decrease) in fair value of derivatives	16,859	-	-	16,859	-	-	(4,553)	-	12,306	(1)	-	-	-	12,305	-	-	12,305	-	-
Net increase (decrease) in fair value of servicing contracts	61,869	-	-	61,869	-	-	-	-	61,869	-	-	-	-	61,869	-	-	61,869	-	-
Federal pass-through revenues	-	117,342	7,500	124,842	-	-	-	-	124,842	-	-	-	-	124,842	-	-	124,842	-	-
Federal pass-through expenses	-	(118,073)	(7,488)	(125,561)	-	-	-	-	(125,561)	-	-	-	-	(125,561)	-	-	(125,561)	-	-
Total nonoperating revenues and expenses	79,368	(731)	12	78,649	-	125	(9,675)	-	69,099	(1)	-	-	-	69,098	-	-	69,098	-	-
Change in Net Position	82,704	1,290	13	84,007	3,375	2,188	(9,219)	-	80,351	(782)	159	3	-	79,731	54	(519)	79,266	54	(519)
Net Position, Beginning of Period	257,652	1,162	-	258,814	125,974	122,206	58,651	-	565,645	2,747	11,875	-	-	580,267	-	2,751	583,018	-	2,751
Adjust Foundation Beginning balance from F/S to match GL																			
Transfers	(11,839)	(18)	-	(11,857)	-	(240)	12,097	-	-	-	-	-	-	-	-	-	-	-	-
Net Position, End of Period	\$ 328,517	\$ 2,434	\$ 13	\$ 330,964	\$ 129,349	\$ 124,154	\$ 61,529	\$ -	\$ 645,996	\$ 1,965	\$ 12,034	\$ 3	\$ -	\$ 659,998	\$ 54	\$ 2,232	\$ 662,284	\$ 54	\$ 2,232

(1) The detail of the Combined Bondholder Trusts is presented on pages 47-50.

Idaho Housing and Finance Association  
Combined Statement of Net Position – Combined Bondholder Trusts  
June 30, 2024  
(in thousands)

	2000	2003	2006	2009	2019	Multi-Family	2010A Grant and Revenue Anticipation
	Indenture	Indenture	Indenture	Indenture	Indenture	Bond	Bond
<b>Statement of Net Position</b>							
<b>Assets and Deferred Outflow of Resources</b>							
Investments held in trust, fair value	\$ 2,273	\$ 24,303	\$ -	\$ -	\$ 1,454,775	\$ 6,041	\$ 1,289
Loans held for investment, net	8,721	21,652	-	-	45,753	8,097	-
Other assets	142	234	1	8	494	26	-
State of Idaho GARVEE and TECM Assets	-	-	-	-	-	-	58,208
Deferred outflow---interest rate swap contracts, amortized value	-	666	-	-	94	-	-
Deferred outflow---interest rate swap contracts, fair value	-	(270)	1,523	-	-	-	-
<b>Total assets and deferred outflow of resources</b>	<b>\$ 11,136</b>	<b>\$ 46,585</b>	<b>\$ 1,524</b>	<b>\$ 8</b>	<b>\$ 1,501,116</b>	<b>\$ 14,164</b>	<b>\$ 59,497</b>
<b>Liabilities, Deferred Inflow of Resources, and Net Position</b>							
Bonds	\$ 4,050	\$ 33,808	\$ -	\$ -	\$ 1,460,064	\$ 13,879	\$ 59,497
Interest payable-swap contract	-	396	-	-	94	-	-
Other liabilities	26	158	-	-	529	-	-
Bond Funds	7,060	12,223	1,524	8	40,429	285	-
<b>Total liabilities, deferred inflow of resources, and net position</b>	<b>\$ 11,136</b>	<b>\$ 46,585</b>	<b>\$ 1,524</b>	<b>\$ 8</b>	<b>\$ 1,501,116</b>	<b>\$ 14,164</b>	<b>\$ 59,497</b>

Idaho Housing and Finance Association  
Combined Statement of Net Position – Combined Bondholder Trusts  
June 30, 2024  
(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 2022A	Transportation Expansion and Congestion Mitigation Bond 2023A	Transportation Expansion and Congestion Mitigation Bond 2024A	Combined Bonds
Statement of Net Position									
Assets and Deferred Outflow of Resources									
Investments held in trust, fair value	\$ 462	\$ 1,932	\$ 811	\$ 595	\$ 1,456	\$ 62,925	\$ 254,717	\$ 351,309	\$ 2,162,888
Loans held for investment, net	-	-	-	-	-	-	-	-	84,223
Other assets	-	-	-	-	-	-	-	-	905
State of Idaho GARVEE and TECM Assets	44,678	77,987	64,126	133,863	213,240	149,926	148,160	24,684	914,872
Deferred outflow---interest rate swap contracts, amortized value	-	-	-	-	-	-	-	-	760
Deferred outflow---interest rate swap contracts, fair value	-	-	-	-	-	-	-	-	1,253
Total assets and deferred outflow of resources	<u>\$ 45,140</u>	<u>\$ 79,919</u>	<u>\$ 64,937</u>	<u>\$ 134,458</u>	<u>\$ 214,696</u>	<u>\$ 212,851</u>	<u>\$ 402,877</u>	<u>\$ 375,993</u>	<u>\$ 3,164,901</u>
Liabilities, Deferred Inflow of Resources, and Net Position									
Bonds	\$ 45,140	\$ 79,919	\$ 64,937	\$ 134,458	\$ 214,696	\$ 212,851	\$ 402,877	\$ 375,993	\$ 3,102,169
Interest payable-swap contract	-	-	-	-	-	-	-	-	490
Other liabilities	-	-	-	-	-	-	-	-	713
Bond Funds	-	-	-	-	-	-	-	-	61,529
Total liabilities, deferred inflow of resources, and net position	<u>\$ 45,140</u>	<u>\$ 79,919</u>	<u>\$ 64,937</u>	<u>\$ 134,458</u>	<u>\$ 214,696</u>	<u>\$ 212,851</u>	<u>\$ 402,877</u>	<u>\$ 375,993</u>	<u>\$ 3,164,901</u>

Idaho Housing and Finance Association  
Combined Statement of Revenues, Expenses, and Changes in Net Position – Combined Bondholder Trusts  
Year Ended June 30, 2024  
(in thousands)

	2000	2003	2006	2009	2019	Multi-Family	2010A Grant and Revenue Anticipation
	Indenture	Indenture	Indenture	Indenture	Indenture	Bond	Bond
Statement of Revenues, Expenses and Changes in Net Position							
Operating Revenues							
Interest on loans and GARVEE pledged revenues	\$ 538	\$ 1,257	\$ 51	\$ -	\$ 2,122	\$ 89	\$ 3,574
Interest on investments	90	860	2	-	52,768	243	72
Loan servicing fees	-	27	5	-	35	-	-
Other operating revenues	-	-	-	-	4	-	-
Total operating revenues	628	2,144	58	-	54,929	332	3,646
Operating Expenses							
Interest	278	1,281	816	-	54,119	276	3,629
General operating	2	11	1	-	743	-	17
Bond financing costs	-	-	(1)	1	113	-	-
Grants to others	-	-	-	-	-	-	-
Total operating expenses	280	1,292	816	1	54,975	276	3,646
Operating Income (Loss)	348	852	(758)	(1)	(46)	56	-
Nonoperating Revenues and Expenses							
Net increase (decrease) in fair value of investments	(6)	(293)	(19)	-	(4,804)	-	-
Net increase (decrease) in fair value of derivatives	(13)	(157)	(4,396)	-	13	-	-
Total nonoperating revenues and expenses	(19)	(450)	(4,415)	-	(4,791)	-	-
Change in Net Position	329	402	(5,173)	(1)	(4,837)	56	-
Net Position, Beginning of Period	6,731	11,923	16,077	9	23,682	229	-
Transfers	-	(102)	(9,380)	-	21,584	-	-
Net Position, End of Period	\$ 7,060	\$ 12,223	\$ 1,524	\$ 8	\$ 40,429	\$ 285	\$ -

Idaho Housing and Finance Association  
Combined Statement of Revenues, Expenses, and Changes in Net Position – Combined Bondholder Trusts  
Year Ended June 30, 2024  
(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 2022A	Transportation Expansion and Congestion Mitigation Bond 2023A	Transportation Expansion and Congestion Mitigation Bond 2024A	Combined Bonds
Statement of Revenues, Expenses and Changes in Net Position									
Operating Revenues	\$ 1,680	\$ 2,781	\$ 1,766	\$ 4,311	\$ 3,912	\$ 2,490	\$ 50	\$ 1,699	\$ 26,320
Interest on loans and GARVEE pledged revenues	26	103	46	35	1,431	5,376	15,534	2,272	78,858
Interest on investments	-	-	-	-	-	-	-	-	67
Loan servicing fees	-	-	-	-	-	-	-	-	4
Other operating revenues	1,706	2,884	1,812	4,346	5,343	7,866	15,584	3,971	105,249
Total operating revenues	1,693	2,867	1,797	4,322	5,303	7,824	15,494	3,966	103,665
Operating Expenses	14	18	15	26	40	42	90	-	1,019
Interest	-	-	-	-	-	-	-	-	113
General operating	(1)	(1)	-	(2)	-	-	-	-	(4)
Bond financing costs	1,706	2,884	1,812	4,346	5,343	7,866	15,584	3,966	104,793
Grants to others	-	-	-	-	-	-	-	5	456
Total operating expenses	-	-	-	-	-	-	-	-	-
Operating Income (Loss)	-	-	-	-	-	-	-	-	(5,122)
Nonoperating Revenues and Expenses	-	-	-	-	-	-	-	-	(4,553)
Net increase (decrease) in fair value of investments	-	-	-	-	-	-	-	-	(9,675)
Net increase (decrease) in fair value of derivatives	-	-	-	-	-	-	-	-	-
Total nonoperating revenues and expenses	-	-	-	-	-	-	-	5	(9,219)
Change in Net Position	-	-	-	-	-	-	-	-	58,651
Net Position, Beginning of Period	-	-	-	-	-	-	-	(5)	12,097
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,529
Net Position, End of Period									