

HOME FEDERAL BANCORP INC
Form 11-K
June 28, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2004

Or

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

Commission file number 000-50901

A. Full title of the plan and the address of the plan, if different
from that of the issuer named below:

Home Federal Savings and Loan Association of Nampa
401(k) Savings Plan

B: Name of issuer of the securities held pursuant to the plan and the
address of its principal executive office:

Home Federal Bancorp, Inc.
500 12th Avenue South
Nampa, Idaho 83651

Financial Statements and Exhibits

(a) Financial Statements

The Home Federal Savings and Loan Association of Nampa 401(k) Savings
Plan became effective as of October 1, 2004. Filed as a part of this
report on Form 11-K are the audited financial statements of the Plan as
of and for the years ended, December 31, 2004 and 2003.

(b) Exhibit 23

Consent of Independent Registered Public Accounting Firm

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Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

HOME FEDERAL SAVINGS AND LOAN
ASSOCIATION OF NAMPA 401(k) SAVINGS PLAN

Date: June 27, 2005

By: /s/ Daniel L. Stevens

Daniel L. Stevens
Administrator

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HOME FEDERAL SAVINGS AND LOAN
ASSOCIATION OF NAMPA
401(K) SAVINGS PLAN
INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003

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REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

To the Board of Trustees
Home Federal Savings and Loan Association
of Nampa 401(K) Savings Plan
Boise, Idaho

We have audited the accompanying statements of net assets available for Plan

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benefits of Home Federal Savings and Loan Association of Nampa 401(K) Savings Plan as of December 31, 2004 and 2003, and the related statements of changes in net assets available for Plan benefits for the years ended December 31, 2004 and 2003. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for Plan benefits of the Home Federal Savings and Loan Association of Nampa 401(K) Savings Plan as of December 31, 2004 and 2003, and the changes in net assets available for Plan benefits for the years ended December 31, 2004 and 2003, in conformity with accounting principles generally accepted in the United States of America. Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes at year end is presented for purposes of additional analysis, and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/Moss Adams LLP

Spokane, Washington
June 2, 2005

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HOME FEDERAL SAVINGS AND LOAN ASSOCIATION OF NAMPA
401(K) SAVINGS PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

| | December 31, | |
|--------------------------|--------------|-------------|
| | 2004 | 2003 |
| INVESTMENTS | | |
| Pooled separate accounts | \$2,231,516 | \$2,707,473 |
| Common stock | 1,663,766 | - |
| Total investments | 3,895,282 | 2,707,473 |

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| | | |
|--|-------------|-------------|
| Contributions receivable | 21,516 | 7,506 |
| Participation loans | 26,796 | 23,577 |
| Cash | 20,442 | - |
| NET ASSETS AVAILABLE FOR PLAN BENEFITS | \$3,964,036 | \$2,738,556 |

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HOME FEDERAL SAVINGS AND LOAN ASSOCIATION OF NAMPA
401(K) SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

| | Year Ended December 31, | |
|---|-------------------------|----------|
| | 2004 | 2003 |
| ADDITIONS TO NET ASSETS ATTRIBUTED TO: | | |
| Investment income: | | |
| Interest and dividends | \$ 4,807 | \$ 7,431 |
| Net appreciation of fair value of investments | 544,552 | 432,617 |
| | 549,359 | 440,048 |
| Contributions: | | |
| Participants | 381,099 | 362,797 |
| Employer matching | 154,009 | 135,950 |
| Rollovers | 314,809 | 6,589 |
| | 849,917 | 505,336 |
| Total additions | 1,399,276 | 945,384 |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO: | | |
| Benefits paid to participants | 173,109 | 140,518 |
| Administrative expenses | 687 | 1,015 |
| Total deductions | 173,796 | 141,533 |
| NET INCREASE | 1,225,480 | 803,851 |

NET ASSETS AVAILABLE FOR PLAN BENEFITS

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| | | |
|-------------------|-------------|-------------|
| Beginning of year | 2,738,556 | 1,934,705 |
| | ----- | ----- |
| End of year | \$3,964,036 | \$2,738,556 |
| | ===== | ===== |

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HOME FEDERAL SAVINGS AND LOAN ASSOCIATION OF NAMPA
401(K) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Accounting Policies

Basis of accounting:

The accompanying financial statements have been prepared under the accrual method of accounting.

Valuation of investments:

Investments are stated at fair value. Quoted market prices are used to value shares of common stock. Units of pooled separate accounts are valued at accumulation unit values (consisting of the account's performance at year end plus applicable dividend income less administrative expenses). Participant loans are valued at their outstanding balances, which approximate fair value.

Net appreciation or depreciation in the fair value of investments presented in the statement of changes in net assets available for Plan benefits consists of both realized and unrealized gains and losses on those investments.

Payment of benefits:

Benefits are recorded when paid.

Income tax status:

The Plan obtained its latest determination letter on November 27, 2001, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and operating in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from net assets available for Plan benefits during the reporting period. Actual results could differ from those estimates.

Note 2 - Plan Description

General:

The following description of the 401(k) Retirement Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

HOME FEDERAL SAVINGS AND LOAN ASSOCIATION OF NAMPA
401(K) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

General (continued):

The Plan is a defined contribution plan qualifying as a salary reduction plan as defined in Section 401(k) of the Internal Revenue Code. The Plan covers substantially all employees of the Bancorp. The Plan is subject to federal laws, such as the Employee Retirement Income Security Act (ERISA), the Internal Revenue Code, and other applicable federal and state laws. The provisions of the Plan are subject to revisions due to changes in laws or due to pronouncements by the Internal Revenue Service (IRS) or Department of Labor (DOL).

Amendments:

Beginning in 2004, an eligible participant will automatically defer 3% of included compensation for each payroll period, unless the eligible participant makes a contrary salary reduction agreement election on or after plan entry date. This automatic deferral election only applies to those employees who become eligible participants on or after July 1, 2004.

Eligibility:

Eligible employees may participate in the Plan once the service requirements described below are met.

The service requirement for matching contributions is one year of service. A year of service will have been completed if, at the end of twelve consecutive months of employment, at least 1000 hours of service have been performed. If 1000 hours of service have not been completed by the end of twelve consecutive months of employment, a year of service will have been completed at the end of any following plan year during which 1000 hours of service are performed.

For purpose of salary deferrals, there is no service requirement for eligibility to participate. Thus, for all employees other than excluded employees, participation with respect to those contributions can begin upon hire.

Contributions:

Participants in this Plan may elect to reduce their compensation by a specific percentage or dollar amount and have that amount contributed to the Plan on a pre-tax basis as a salary deferral, subject to IRS limitations. Participants may also elect to contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. The Plan currently offers a variety of pooled separate accounts and Home Federal Bancorp common stock.

Matching or discretionary contributions are made at the discretion of the Bancorp's Board of Directors. Matching contributions equal to a discretionary percentage of salary deferrals will be determined each year. The Administrator will determine the amount of the matching contribution made to the Plan on the participant's behalf. The Bancorp elected to make matching contributions of \$146,737 and \$135,950 during the years ended December 31, 2004 and 2003, respectively.

HOME FEDERAL SAVINGS AND LOAN ASSOCIATION OF NAMPA
401(K) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

Note 2 - Plan Description (Continued)

Vesting:

Participants are immediately vested in their voluntary contributions, any rollover contributions, as well as any income or loss thereon.

The vested percentage in a participant's account attributable to the matching contributions is determined under the following schedule and is based on vesting years of service. A participant will always be 100% vested if employed on or after normal retirement age, death, or disability.

Vesting Schedule
Profit Sharing Contributions

| Years of Service | Percentage |
|-------------------|------------|
| ----- | ----- |
| Less than 2 years | 0% |
| 2 | 20% |
| 3 | 40% |
| 4 | 60% |
| 5 | 80% |
| 6 | 100% |

Participant's accounts:

Each participant's account is credited with the participant's contribution and the allocation of the Bancorp's contributions and net plan earnings, and charged with a \$5.00 annual fee for Morningstar investment services. Earnings allocations are based on participant investment balances. The benefit, to which a participant is entitled, is the benefit that can be provided from the participant's vested balance.

Forfeitures:

If a participant is not vested or is partially vested in their account balance when they leave, the non-vested portion of their account balance will be forfeited on the earlier of:

- a) the distribution of their entire vested account balance, or
- b) five consecutive one-year breaks in service

Forfeitures of matching contributions are reallocated as discretionary matching contributions. If a participant is employed on or after their normal retirement age, death, or disability, they will be 100% vested.

Forfeited balances of terminated participants' accounts are considered a reduction of discretionary employer contributions. Forfeitures available for the reduction of discretionary employer contributions were \$6,950 and \$1,071 for the years ended December 31, 2004 and 2003, respectively.

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HOME FEDERAL SAVINGS AND LOAN ASSOCIATION OF NAMPA
 401(K) SAVINGS PLAN
 NOTES TO FINANCIAL STATEMENTS

 Note 2 - Plan Description (Continued)

Payment of benefits:

On termination of employment due to retirement, death, or disability, a participant or his/her heirs may elect to receive an amount equal to the value of the participant's vested interest in his or her account in lump-sum amounts, installments, or annuity payments. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. At December 31, 2004, there were \$124,741 of distributions requested but not yet remitted. There were no distributions requested but not yet remitted to the participants at December 31, 2003.

Plan termination:

Although it has not expressed any intent to do so, the Bancorp has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their accounts and any unallocated forfeitures would be remitted to the Bancorp.

Administrative expenses:

Certain administrative expenses of the Plan are paid directly by the Bancorp.

Note 3 - Investments

The following tables present the fair values of investments at December 31, 2004 and 2003. Investments that represent 5% or more of the Plan's net assets are separately identified.

| | 2004 |
|--------------------------------|--------------|
| | ----- |
| Pooled Separate Accounts: | |
| ING VP Money Market | \$ 274,560 |
| American Balanced | 542,134 |
| Fidelity VIP II Contrafund | 205,498 |
| Other pooled separate accounts | 1,209,324 |
| | ----- |
| Total pooled separate accounts | 2,231,516 |
| | ----- |
| Common Stock: | |
| Home Federal Bancorp | 1,663,766 |
| | ----- |
| Total | \$ 3,895,282 |
| | ===== |

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HOME FEDERAL SAVINGS AND LOAN ASSOCIATION OF NAMPA
401(K) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

Note 3 - Investments (Continued)

| | 2003 |
|--------------------------------|-------------|
| | ----- |
| Pooled Separate Accounts: | |
| ING VP Money Market | \$ 162,328 |
| ING BP Strategic Alloc Bal | 558,072 |
| ING VP Index Plus Large Cap | 199,567 |
| Pioneer Fund | 158,292 |
| Fidelity VIP II Contrafund | 268,961 |
| Fidelity Advisor Mid Cap | 268,110 |
| ING VP Index Plus Small-Cap | 184,408 |
| Other pooled separate accounts | 907,735 |
| | ----- |
| Total | \$2,707,473 |
| | ===== |

During 2004 and 2003, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

| | 2004 | 2003 |
|---|------------|------------|
| | ----- | ----- |
| Pooled separate accounts | \$ 206,395 | \$ 432,617 |
| Common stock | 338,157 | - |
| | ----- | ----- |
| NET APPRECIATION OF FAIR VALUE OF INVESTMENTS | \$ 544,552 | \$ 432,617 |
| | ===== | ===== |

Note 4 - Parties in Interest

Certain Plan investments are shares in the Bancorp common stock. These transactions represent investments in the Bancorp and, therefore, qualify as parties in interest.

Certain Plan investments are shares of pooled separate accounts managed by ING. ING is the Trustee as defined by the Plan and, therefore, these transactions qualify as party in interest transactions.

Note 5 - Reconciliation of the Financial Statements to Form 5500

Net assets available for benefits per the Form 5500 at December 31, 2004 and 2003, reconciles to the financial statements.

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HOME FEDERAL SAVINGS AND LOAN ASSOCIATION OF NAMPA
401(K) SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS

Note 6 - Subsequent Event

On February 23, 2005, the Board of Trustees approved the name change of the Home Federal Savings and Loan Association of Nampa 401(K) Savings Plan to Home Federal Bank 401(k) Savings Plan.

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HOME FEDERAL SAVINGS AND LOAN ASSOCIATION OF NAMPA
401(K) SAVINGS PLAN
SCHEDULE H, LINE 4a - SCHEDULE OF DELINQUENT PARTICIPANT
CONTRIBUTIONS

Plan's Sponsor EIN: 82-0127850
Plan Number: 002

| Participant Contributions Transferred Late to Plan | Total that Constitute Nonexempt Prohibited Transactions |
|---|--|
| \$686 | \$686 |

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HOME FEDERAL SAVINGS AND LOAN ASSOCIATION
401(K) SAVINGS PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF PERIOD)

Plan's Sponsor EIN: 82-0127850

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Plan Number: 002

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description, Including Maturity Date Rate of Interest, Par, Maturity Value, Number of Shares | December 31, 2004 | |
|-----|---|---|-------------------|----------------------|
| | | | (d) Cost | (e) Current Value |
| * | ING Fixed | Pooled separate accounts | ** | \$ 65,002 |
| * | ING VP Money Market | Pooled separate accounts | ** | 274,560 |
| * | ING Government | Pooled separate accounts | ** | 43,817 |
| * | ING VP Bond | Pooled separate accounts | ** | 52,154 |
| | Templeton Global Bond | Pooled separate accounts | ** | 46,264 |
| | American Balanced | Pooled separate accounts | ** | 542,134 |
| * | ING VP Index Plus Large Cap | Pooled separate accounts | ** | 180,572 |
| | Oppenheimer Main Street | Pooled separate accounts | ** | 58,706 |
| | Pioneer Fund | Pooled separate accounts | ** | 102,305 |
| | Washington Mutual Investors | Pooled separate accounts | ** | 29,336 |
| | Fidelity VIP II Contrafund | Pooled separate accounts | ** | 205,498 |
| | MFS Capital Opportunities | Pooled separate accounts | ** | 56,627 |
| | Fidelity Advisor Mid Cap | Pooled separate accounts | ** | 167,509 |
| | Franklin Small-Mid Cap Growth | Pooled separate accounts | ** | 55,232 |
| * | ING Am Cent Sm Cap | Pooled separate accounts | ** | 8,821 |
| * | ING Baron Small Cap | Pooled separate accounts | ** | 29,496 |
| * | ING VP Index Plus Mid-Cap | Pooled separate accounts | ** | 4,993 |
| * | ING VP Index Plus Small-Cap | Pooled separate accounts | ** | 81,331 |
| | Lord Abbett Mid-Cap | Pooled separate accounts | ** | 129,854 |
| * | ING Oppenheimer Glob Port | Pooled separate accounts | ** | 56,927 |
| * | ING VP Int'l Value | Pooled separate accounts | ** | 40,378 |
| | | | | ----- |
| | | | | 2,231,516 |
| | | | | ----- |
| | Common stock: | | | |
| * | Home Federal Bancorp | 132,571 shares, | | 1,663,766 |
| | | | | ----- |
| * | Participant loans | 6.75% | | 26,796 |
| | | | | ----- |
| | | | | \$ 3,922,078 |
| | | | | ===== |

* - A party in interest, as defined by ERISA.

** - The cost of participant-directed investments is not required to be disclosed.

Exhibit 23

Consent of Independent Registered Public Accounting Firm

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (registration statement number 333-121085, filed December 8, 2004) of Home Federal Savings and Loan Association of Nampa 401(k) Savings Plan of our report dated June 2, 2005, relating to the financial statements of Home Federal Savings and Loan Association of Nampa 401(k) Savings Plan, which appear in Home Federal Savings and Loan Association of Nampa 401(k) Savings Plan's Annual Report (Form 11-K) as of and for the year ended December 31, 2004.

/s/ Moss Adams LLP

Spokane, Washington
June 27, 2005