

Home Federal Bancorp, Inc.
Form 11-K
June 27, 2011
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, 2010

or

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

For the transition period from _____ to _____

Commission File Number: 001-33795

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

Home Federal Bank's 401(k) 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

REQUIRED INFORMATION

The following financial statements and supplemental schedule for Home Federal Bank's 401(k) Plan are being filed herewith: Page

Report of Independent Registered Accounting Firm 1

Financial Statements:

Statements of Net Assets Available for Benefits
at December 31, 2010 and 2009 2

Statement of Changes in Net Assets Available for Benefits
for the Year Ended December 31, 2010 3

Notes to the Financial Statements 4-12

Supplemental Schedules:

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) 13

Exhibits:

Exhibit 23 - Consent of Independent Registered Public Accounting Firm

SIGNATURES

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

Home Federal Bank's 401(k) Plan

/s/Eric S. Nadeau
Eric S. Nadeau
Trustee

Date: June 27, 2011

HOME FEDERAL BANK'S 401(K) PLAN

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AND
FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

TABLE OF CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1
FINANCIAL STATEMENTS	
Statement of net assets available for benefits	2
Statement of changes in net assets available for benefits	3
Notes to financial statements	4-12
SUPPLEMENTAL INFORMATION	
Schedule H, line 4i - Schedule of assets (held at end of year)	13

(i)

[MOSS ADAMS LLP LETTERHEAD]

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Audit Committee
Home Federal Bank 401(K) Plan
Nampa, Idaho

We have audited the accompanying statements of net assets available for benefits of Home Federal Bank 401(K) Plan as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended. 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 benefits of the Home Federal Bank 401(K) Plan as of December 31, 2010 and 2009, and the changes in net assets available for benefits for the years then ended, 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 audits 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 27, 2011

HOME FEDERAL BANK 401(K) PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2010	2009
INVESTMENTS, AT FAIR VALUE		
Pooled separate accounts	\$4,758,044	\$3,608,927
Mutual funds	2,004,969	741,021
Common stock	2,730,369	2,981,898
Total investments	9,493,382	7,331,846
Notes receivable from participants	210,021	125,202
Contributions receivable	149,156	122,742
NET ASSETS AVAILABLE FOR BENEFITS	\$9,852,559	\$7,579,790

See accompanying notes.

HOME FEDERAL BANK 401(K) PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31,	
	2010	2009
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Interest and dividends	\$ 105,883	\$ 79,057
Net appreciation of fair value of investments	188,498	1,209,786
Total Investment Income	294,381	1,288,843
Interest income on notes receivable from participants	8,105	5,291
Contributions:		
Participants	768,126	674,598
Employer matching	278,902	321,207
Rollovers	2,036,612	722,489
Total Contributions	3,083,640	1,718,294
Transfers to the plan	61,328	-
Total additions	3,447,454	3,012,428
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	1,156,409	894,410
Administrative expenses	18,276	13,908
Total deductions	1,174,685	908,318
NET INCREASE	2,272,769	2,104,110
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	7,579,790	5,475,680
End of year	\$9,852,559	\$7,579,790

See accompanying notes.

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. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the exit price) in an orderly transaction between market participants at the measurement date.

The Plan classified its investments as of December 31, 2010 and 2009, based upon an established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value (see Note 5). The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly;

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010 and 2009:

Shares of mutual funds are valued using the net asset value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and is classified within level 1 of the valuation hierarchy.

Units held in pooled separate accounts are valued using the NAV of the fund. The NAV is based on the fair value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of units outstanding. The NAV of a pooled separate account is calculated based on a compilation of primarily observable market information. The number of units of the fund that are outstanding on the calculation date is derived from observable purchase and redemption activity in the fund. Accordingly, the unit value for a pooled separate account is classified within Level 2 of the valuation hierarchy. The Plan invests in the following pooled separate accounts that represent 5% or more of the Plan's net assets at December 31, 2010:

HOME FEDERAL BANK 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Accounting Policies (Continued)

Valuation of investments (continued):

Name of Fund	Strategy	Redemption Restrictions
Principal Global Investors Money Market	As high a level of current income as is considered consistent with preservation of principal and maintenance of liquidity.	None
Principal Global Lifetime 2020	Long-term growth of capital and current income.	One transfer in a 30 day period
Principal Global Lifetime 2030	Long-term growth of capital and current income.	One transfer in a 30 day period
Principal Management Lifetime 2035	Long-term growth of capital and current income.	One transfer in a 30 day period