West Virginia Housing Development Fund

Housing Finance Bond Program

Annual Financial Information

At June 30, 2020

As required by SEC Rule 15c2-12

This is not an Offering Document

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West Virginia Housing Development Fund
Annual Financial Information
At June 30, 2020

Included in this information, as required by our Continuing Disclosure Agreement with Bondholders, are the Audited Financial Statements for year ended June 30, 2020 and Other Annual Financial Information.

Annual Financial Information means, collectively, (i) updated versions of the financial information and operating data with respect to the Housing Development Fund, for each fiscal year of the Housing Development Fund, of the types included in the Official Statement under the subcaptions "Summary of Revenues, Expenses and Changes in Fund Net Position – Bond Insurance Fund" and "Management Discussion and Analysis – Bond Insurance Fund" under the caption "Nature of Bonds and Sources of Payment"; the subcaptions "Summary of Revenues, Expenses and Changes in Fund Net Position – General Fund" and "Management Discussion and Analysis – General Fund" under the caption "The Housing Development Fund", the caption "The Housing Finance Program"; the caption "Other Programs of the Housing Development Fund" and in Appendices A-1, A-2, and A-3 and (ii) the information regarding amendments to this Agreement required pursuant to Sections 3.2(c) and (d) of this Agreement. Annual Financial Information shall include Audited Financial Statements, if available, or Unaudited Financial Statements.

To date, there have been no amendments to this Agreement.

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Other Annual Financial Information

Summary of Revenues, Expenses and Changes in Fund Net Position - Bond Insurance Fund

Set forth in the following table is a summary of Revenues, Expenses and Changes in Fund Net Position for the Housing Development Fund's Bond Insurance Fund for the fiscal years ended June 30, 2016 through 2020:

BOND INSURANCE FUND
SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
(Dollars in Thousands) (Unaudited)

	Years Ended June 30,				
	2020	2019	2018	2017	2016
OPERATING REVENUES					
Interest on Loans	$ 745	$ 828	$ 854	$ 888	$ 947
Fees	2	-	2	9	10
Other Revenues	-	-	4	-	-
	747	828	860	897	957
OPERATING EXPENSES					
Program and Administrative Expenses, Net	(78)	5	(7)	(36)	(33)
OPERATING INCOME	825	823	867	933	990
NON-OPERATING FINANCING AND INVESTING REVENUES (EXPENSES)					
Interest on Investments	1,042	1,130	931	818	922
Unrealized Gain (Loss) on Investments	647	622	(679)	(964)	797
	1,689	1,752	252	(146)	1,719
CHANGE IN NET POSITION	2,514	2,575	1,119	787	2,709
NET POSITION AT BEGINNING OF YEAR	61,001	60,426	59,306	63,519	67,110
Inter-program Transfers, Net	-	(2,000)	1	(5,000)	(6,300)
NET POSITION AT END OF YEAR	$ 63,515	$ 61,001	$ 60,426	$ 59,306	$ 63,519

Management Discussion and Analysis - Bond Insurance Fund

Based on the current levels of the Capital Reserve Fund and net assets of the Mortgage Finance Bonds to which the Bond Insurance Fund is pledged, the Housing Development Fund currently expects transfers from the Bond Insurance Fund will not be required to meet the Capital Reserve Fund Requirements of any currently outstanding Mortgage Finance Bonds. The Housing Development Fund has withdrawn funds from the Bond Insurance Fund to fund various programs as explained below under *Inter-program Transfers, Net*. The Housing Development Fund may make additional withdrawals from the Bond Insurance Fund for other purposes.

The following provides a brief explanation of the individual line items in the above table under the heading "Summary of Revenues, Expenses and Changes in Fund Net Position – Bond Insurance Fund."

Interest on Loans is mortgage loan interest income earned by the Bond Insurance Fund from both single family and multifamily mortgages held for investment purposes. The single family loans are primarily loans remaining from retired single family bond program resolutions. The multifamily loans include federally insured and federally guaranteed loans purchased as an investment from other programs operated by the Housing Development Fund.

Fees represent the amounts required by the Act to be charged on privately insured or uninsured mortgage loans made or purchased with the proceeds of Mortgage Finance Bonds. The Act requires a special commitment fee in the amount of one percent of the principal amount and a special monthly premium at a rate of one-half of one percent per annum on those mortgage loans. Since 1986, the Housing Development Fund has paid such fees and premiums on behalf of the borrowers from available funds. As the principal amount of mortgage loans whose special monthly premium is not paid by the Housing Development Fund continues to decrease, the amount of fees earned by the Bond Insurance Fund continues to decrease. This is reflected by the decline in *Fees* from fiscal year 2016 through 2019. The increase in fiscal 2020 is due to the receipt of loan forbearance fees on three multifamily loans related to the Covid-19 pandemic.

Other Revenues consist of the gain on the disposition of a foreclosed property.

Since 1986, the Housing Development Fund has withdrawn funds from the Bond Insurance Fund pursuant to Section 20b(c) of the Act. Such withdrawals were in amounts sufficient to subsidize the special bond insurance commitment fees and the special monthly premiums due on privately insured or uninsured Mortgage Loans originated with proceeds of previous Bonds. The Summary of Revenues, Expenses and Changes in Fund Net Position of the Bond Insurance Fund is not affected by these withdrawals.

Program and Administrative Expenses, Net represents staff and other costs related to the administration of the Bond Insurance Fund, loan servicing fees paid to the General Fund as well as foreclosed property expenses and mortgage loan loss provisions. The fluctuations from year to year are primarily related to fluctuations in loss provision expenses.

Interest on Investments is income earned on the investment of funds in the Bond Insurance Fund. The decrease in fiscal 2017 is due to the maturity of long-term investments reinvested at lower rates. The increases in 2018 and 2019 are primarily related to increases in short-term investment rates. The decrease in 2020 is primarily related to the maturity of long-term investments reinvested at lower rates and a decrease in short-term investment rates.

Unrealized Gain (Loss) on Investments: The Governmental Accounting Standards Board ("GASB") Statement #31 requires certain investments be recorded at fair value and the unrealized gains or losses be reported in the Summary of Revenues, Expenses and Changes in Fund Net Position.

Inter-program Transfers, Net represents permanent funds transfers to or from other Housing Development Fund programs.

- In fiscal 2016, the Housing Development Fund withdrew $6,300,000 from the Bond Insurance Fund and transferred the funds to its Housing Finance Program. $5,000,000 was used to finance single family mortgage loans and $1,300,000 was deposited to the Capital Reserve Fund in the Housing Finance Program.

- In fiscal 2017, the Housing Development Fund withdrew $5,000,000 from the Bond Insurance Fund and transferred the funds to Other Loan Programs to originate multifamily mortgage loans.

- For ease of accounting, the Housing Development Fund elected to report the entire net pension liability and deferred inflows and outflows of resources related to GASB 68 in the General Fund. Accordingly, in fiscal 2018, the net pension liability and deferred inflows and outflows of resources related to GASB 68 in an amount equal to $1,000 were transferred from the Bond Insurance Fund to the General Fund.

- In fiscal 2019, the Housing Development Fund withdrew $2,000,000 from the Bond Insurance Fund and transferred the funds to Other Loan Programs to originate multifamily mortgage loans.

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Summary of Revenues, Expenses and Changes in Fund Net Position - General Fund

Set forth in the following table is a summary of Revenues, Expenses and Changes in Fund Net Position for the Housing Development Fund's General Fund for the fiscal years ended June 30, 2016 through 2020:

GENERAL FUND
SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
(Dollars in Thousands) (Unaudited)

	Years Ended June 30,				
	2020	2019	2018	2017	2016
OPERATING REVENUES					
Interest on Loans	$ 51	$ 54	$ 44	$ 44	$ 43
Fees	6,565	6,548	6,376	6,585	6,228
Other Revenues	711	724	715	726	700
	7,327	7,326	7,135	7,355	6,971
OPERATING EXPENSES					
Program and Administrative Expenses, Net	7,134	6,004	6,893	7,668	8,201
OPERATING INCOME (LOSS)	193	1,322	242	(313)	(1,230)
NON-OPERATING FINANCING AND INVESTING REVENUES (EXPENSES)					
Interest on Investments	220	293	90	67	61
	220	293	90	67	61
INCOME BEFORE SPECIAL ITEM	413	1,615	332	(246)	(1,169)
SPECIAL ITEM					
Transfer of operations	-	-	(19)	-	-
CHANGE IN NET POSITION	413	1,615	313	(246)	(1,169)
NET POSITION AT BEGINNING OF YEAR	14,237	12,622	14,116	14,362	15,531
CUMULATIVE EFFECT OF ADOPTION OF ACCOUNTING PRINCIPLE†	-	-	(1,108)	-	-
NET POSITION AT BEGINNING OF YEAR, AS RESTATED	-	-	13,008	-	-
Inter-program Transfers, Net	1,947	-	(699)	-	-
NET POSITION AT END OF YEAR	$ 16,597	$ 14,237	$ 12,622	$ 14,116	$ 14,362

†Restated for implementation of GASB 75

Management Discussion and Analysis - General Fund

The General Fund includes certain programs funded from excess reserves of the Housing Development Fund, single family and multifamily mortgage loans purchased for investment purposes, results of the Housing Development Fund's loan servicing operations, fees for the contract administration of the Department of Housing and Urban Development's ("HUD") Section 8 Housing Assistance Payments ("HAP") Program, the Low-Income Housing Tax Credit Program, the administrative expenses of its operations and the operating revenues and expenses of the Housing Development Fund's office building.

Pursuant to the Act and its agreements with the holders of its notes and bonds, substantial portions of the Housing Development Fund's current and long-term assets are pledged to secure specific obligations, or are otherwise restricted. Assets of restricted funds and programs may be transferred to the General Fund for general purposes, subject to the provisions of the respective bond and note resolutions. There can be no assurance that circumstances will not occur that will require expenditure of amounts in the General Fund or that losses in the General Fund will not occur.

The following provides a brief explanation of the individual line items in the above table under the heading "Summary of Revenues, Expenses and Changes in Fund Net Position – General Fund."

Interest on Loans represents the loan interest income earned on single family and multifamily loans purchased for investment purposes. As these loan balances fluctuate, so does Interest on Loan revenues.

Fees represent earnings on the Housing Development Fund's loan servicing activities. Also included in this line item are fees earned in connection with the administration of the HAP Program and the Low-Income Housing Tax Credit Program. The increase in 2017 is primarily due to an increase in HAP fees and Low-Income Tax Credit fees. The decrease in 2018 is primarily due to a decrease in HAP fees and Low-Income Tax Credit fees. The increase in 2019 is primarily due to an increase in mortgage loan processing fees, HAP fees and Low-Income Tax Credit fees. HUD has indicated that it anticipates re-bidding the administration of the HAP Program with an anticipated award in fiscal 2021. Pending the re-bidding of the contract administration, the Housing Development Fund is currently operating the HAP Program under a sixteen-month contract extension.

Other Revenues consist primarily of rental income from the Housing Development Fund's building.

Program and Administrative Expenses, Net primarily includes wages, operating expenses of the loan servicing department, operations of the Housing Development Fund's building, provision for loan losses, servicing release fees paid for single family bond loans and loans purchased for sale in the Secondary Market Program, and loan origination fees paid on behalf of borrowers in the HOME Program.

Program and Administrative Expenses decreased in 2017 primarily due to an increase in various administrative reimbursements, a decrease in capital asset depreciation and a decrease in service release fees. The decrease in 2018 is primarily due to a decrease in expenses related to postemployment healthcare insurance benefits and a decrease in expenses related to the Housing Development Fund's net pension liability. The decrease in 2019 is primarily due to an increase in various administrative reimbursements, a decrease in loan servicing expenses, a decrease in expenses related to postemployment healthcare insurance benefits and a decrease in expenses related to the Housing Development Fund's net pension liability. The increase in 2020 is primarily due to an increase related to postemployment healthcare insurance benefits, an increase in expenses related to the Housing Development Fund's net pension liability, an increase in administrative expenses and a decrease in various administrative reimbursements.

Interest on Investments is interest earned on the investment of funds in the General Fund. Since the Housing Development Fund maintains a high level of liquidity in the General Fund it is particularly impacted by fluctuations in short term interest rates.

Special Item – Transfer of Operations: On March 8, 2018, the 2018 State Legislature passed Senate Bill 261 transferring administration of the West Virginia Affordable Housing Trust Fund ("WVAHTF") to the Housing Development Fund effective June 8, 2018. On June 8, 2018, the WVAHTF transferred the assets, deferred outflows of resources, liabilities and deferred inflows of resources comprising its operations to the Housing Development Fund. As a result of the transaction, the Housing Development Fund recognized assets, deferred outflows of resources, liabilities, deferred inflows of resources and increase in net position at the time of the special item transfer of operations.

Inter-program Transfers, Net, represents permanent funds transfers to or from other Housing Development Fund programs. During fiscal year 2020, the Fund transferred $1,947,000 to the General Fund from Other Loan Programs related to annual program funding allocations.

Assets and net assets of the General Fund are principally unrestricted. However, the Board of Directors has designated $1,000,000 of the General Fund's net assets to provide indemnification for its Directors and Officers.

Pension Benefits and Other Postemployment Benefits: For ease of accounting, the Housing Development Fund elected to report the entire net pension liability and deferred inflows and outflows of resources related to GASB 68 in the General Fund. Accordingly, in fiscal 2018, the net pension liability and deferred inflows and outflows of resources related to GASB 68 in a net amount equal to $699,000 were transferred from the Bond Insurance Fund, the Housing Finance Program, and all other programs to the General Fund.

Pursuant to GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (OPEB), the Housing Development Fund has established a fund in respect of retiree health benefits, all amounts in which are held irrevocably in trust therefor, and the Housing Development Fund makes Annual Required Contributions to such fund (as defined by GASB Statement No. 45).

GASB Statement No. 45 requires the Housing Development Fund to perform an actuarial valuation of OPEB costs. The Housing Development Fund's most recent such valuation is as of January 1, 2020 rolled forward to June 30, 2020. Based on this valuation, the assets set aside by the Housing Development Fund's management at June 30, 2020 are such that the Housing Development Fund does not have an unfunded OPEB liability.

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THE HOUSING FINANCE PROGRAM

Financing Activities of the Housing Finance Program

The General Resolution authorizes the issuance of Bonds to provide funds for the Housing Finance Program, for making or purchasing Mortgage Loans for rental or owner-occupied dwellings, including uninsured, federally insured or guaranteed, and privately insured loans. **APPENDIX A-4** sets forth the original principal amounts and amounts of Bonds outstanding as of July 1, 2020.

Since 1976, the Housing Development Fund has issued 64 series of taxable and tax-exempt Bonds to provide financing for both Project Loans and Program Loans. One issue, the 1991 Series A Bonds, was redeemed on May 1, 1992 from undisbursed proceeds. The Housing Development Fund has not had an unused original proceeds call on any bond issue since 1992.

As more fully described in **APPENDIX A-1**, there are 6 Project Loans with a principal balance of $5,278,942 outstanding as of June 30, 2020. Of these Project Loans, 2 receive some level of Section 8 rental assistance payments, and 4 are subject to some type of federal mortgage insurance or guarantee. In May 2007, the Housing Development Fund used $4,961,000 of prepayments from the 2003 Series C Bonds (federally taxable) to purchase four additional Project Loans originally funded from general reserves under the Housing Development Fund's Multifamily Loan Program. These Project Loans have a 90% guarantee from the United States Department of Agriculture ("USDA") Section 538 Guaranteed Rural Rental Housing Program.

For some Project Loans that receive HUD Section 8 rental assistance payments, the Housing Development Fund deducts its monthly mortgage and escrow payment from the rental assistance payment due on the Project Loan and remits the balance to the project to ensure that the Housing Development Fund gets timely receipt of its monthly mortgage payments.

The 2000 Series D Bonds were issued to purchase certain existing Mortgage Loans (the "2000 D Loans") from the West Virginia Investment Management Board (the "WVIMB"), consisting of Project Loans and Program Loans originated and serviced by the Housing Development Fund on behalf of the predecessor to the WVIMB. Due to the nature of these loans and the lack of federal mortgage insurance on the Project Loans, the 2000 D Loans were purchased at a significant discount from their outstanding principal balance. The 2000 Series D Bonds have been retired and the 2000 D Loans remain under the General Resolution.

Since 2001, 21 Project Loans totaling $4,953,421 have been foreclosed or forgiven due to lack of marketability. Foreclosed projects are operated by the Housing Development Fund until the project is sold or the Project Loan is assumed by a new owner. No such foreclosed projects are currently held by the Housing Development Fund. Losses on foreclosed Project Loans have been immaterial. Twelve of the previously foreclosed Project Loans were assumed by a single non-profit organization. In June 2010, this non-profit organization indicated problems operating these projects and asked the Housing Development Fund for assistance and in February 2011, the debt of these projects was consolidated into one loan; hence, the drop in the number of Project Loans. In August 2011, the Housing Development Fund was contacted by the Internal Revenue Service regarding tax liens against one project with a loan balance of approximately $85,000. On September 5, 2013, the Housing Development Fund took possession of the project and transferred it to new ownership. All Internal Revenue Service liens related to such project have been released.

The HUD Mark-to-Market Program has been designed to restructure FHA-insured multifamily loans whose Section 8 rental assistance contracts have expired. The goal of this program is to reduce the federal government's long-term cost of rental assistance by reducing current rents through a reduction in financing costs. As of June 30, 2020, no Project Loans are seeking refinancing under the Mark-to-Market Program.

APPENDIX A-2 and APPENDIX A-3 provide information on Program Loans financed under the Housing Finance Program. As of June 30, 2020, there are approximately 7,729 single family loans outstanding with a current principal balance of approximately $545,025,000. Of these loans, approximately 73% measured by principal balance are insured by the Federal Housing Administration ("FHA"), Veterans Administration ("VA"), USDA Rural Development Rural Housing Service (the "USDA RHS") or private mortgage insurance. All Program Loans are fixed interest rate, level debt service loans, with generally a 30-year term.

The Housing Development Fund accepts Program Loan applications on a continuous basis. Lendable proceeds needed to cover these applications are provided from Bond proceeds, recycling of existing loan repayments and prepayments or excess revenues. The Housing Development Fund may also warehouse loans from general reserves and unrestricted amounts within the General Resolution in anticipation of upcoming Bond issues.

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Combined Summary of Revenues, Expenses and Changes in Fund Net Position - Housing Finance Program

Set forth in the following table is a combined summary of Revenues, Expenses and Changes in Fund Net Position for the Housing Development Fund's Housing Finance Program for the fiscal years ended June 30, 2016 through 2020.

HOUSING FINANCE PROGRAM
SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
(Dollars in Thousands) (Unaudited)

	Years Ended June 30,				
	2020	2019	2018	2017	2016
OPERATING REVENUES					
Interest on Loans	$ 24,989	$ 24,298	$ 23,740	$ 24,978	$ 25,935
Fees	153	201	155	116	106
Other Revenues	36	30	28	40	295
	25,178	24,529	23,923	25,134	26,336
OPERATING EXPENSES					
Program and Administrative Expenses, Net	8,966	8,191	6,258	6,740	6,741
OPERATING INCOME	16,212	16,338	17,665	18,394	19,595
NON-OPERATING FINANCING AND INVESTING REVENUES (EXPENSES)					
Interest on Investments	2,337	2,571	2,201	1,934	2,273
Interest and Debt Expense	(8,259)	(7,667)	(7,576)	(8,416)	(9,678)
Unrealized Gain (Loss) on Investments	1,258	828	(1,796)	(2,305)	797
	(4,664)	(4,268)	(7,171)	(8,787)	(6,608)
CHANGE IN NET POSITION	11,548	12,070	10,494	9,607	12,987
NET POSITION AT BEGINNING OF YEAR	367,118	355,048	344,203	339,596	318,309
Inter-program Transfers, Net	-	-	351	(5,000)	8,300
NET POSITION AT END OF YEAR	$ 378,666	$ 367,118	$ 355,048	$ 344,203	$ 339,596

Management Discussion and Analysis - Housing Finance Program

Surplus funds have been withdrawn from the Housing Finance Program to fund various programs. The Housing Development Fund may make additional withdrawals in the future. The Housing Development Fund has provided assurances to S&P and Moody's not to withdraw surplus funds of the Housing Finance Program in such a manner as would adversely affect the ratings on the Bonds.

The Housing Development Fund uses prepayments from mortgage loans either to redeem Bonds or to originate new mortgage loans. Unless otherwise required by the Code, Bonds to be called have been selected based upon the relative cost of financing such loans as compared to savings achieved through the redemption of bonds. The Housing Development Fund has established a program called the Movin' Up Program to provide financing from unrestricted earnings within the General Resolution. Earnings from this program will recycle to create a self-sustaining program. The Movin' Up Program is more fully described under "OTHER PROGRAMS OF THE HOUSING DEVELOPMENT FUND -- Other Housing Programs."

The following provides a brief explanation of the individual line items in the above table under the heading "Summary of Revenues, Expenses and Changes in Fund Net Position – Housing Finance Program."

Interest on Loans represents interest income on mortgage loans made under the Housing Finance Program. The decreases in *Interest on Loans* from fiscal year 2016 through 2018 are due to prepayments and repayments exceeding mortgage loan originations. The increases in fiscal years 2019 and 2020 are primarily due to an increase in mortgage loan originations exceeding prepayments and repayments.

Fees represent income related to the origination of Housing Finance loans. The increases from fiscal year 2016 through 2019 are primarily due to increases in the volume of single family loan originations. The decrease in fiscal year 2020 is due to a decrease in the volume of single family loan originations.

Other Revenues consist primarily of gains on the disposition of foreclosed properties and rental income from foreclosed multifamily properties that the Housing Development Fund manages until sold. The fluctuations in 2017 and 2018 are related to the rental income on foreclosed multifamily properties and fluctuations in the gains on the disposition of foreclosed properties.

Program and Administrative Expenses, Net represents administrative expenses for operating the Housing Finance Program, loan servicing fees paid to the General Fund, loan origination fees paid to lenders and costs of issuance paid on certain Bonds. The decrease in 2018 is due to a decrease in cost of issuance expenses, a decrease in losses on the sale of foreclosed properties, and a decrease in loan origination and service fees. The increase in 2019 is primarily due to an increase in loan origination and service fees, an increase in cost of issuance expenses, an increase in bad debt expense, and an increase in salary expenses. The increase in fiscal year 2020 is primarily due to an increase in expenses related to foreclosed properties, an increase in bad debt expense and an increase in administrative expenses.

Interest on Investments represents interest income earned on the investment of short term funds pending the purchase of loans or the payment of debt service and income earned on the capital reserve fund investments which are primarily long-term securities. The decrease in 2017 is related to a decrease in funds invested. The increases in 2018 and 2019 are related to increases in short-term interest rates and in funds invested. The decrease in 2020 is primarily due to a decrease in short-term rates.

Interest and Debt Expense is the interest paid or accrued on outstanding bonds. The decreases in fiscal 2017 and 2018 are due to the decrease in the balance of Bonds outstanding. The increases in 2019 and 2020 are due to the increase in the balance of Bonds outstanding.

Unrealized Gain (Loss) on Investments: GASB Statement #31 requires certain investments be recorded at fair value and the unrealized gains or losses be reported in the Summary of Revenues, Expenses and Changes in Fund Net Position.

Inter-program Transfers, Net, reflect net contributions to or from other funds of the Housing Development Fund.

- During fiscal 2016, $8,300,000 was transferred to the Housing Finance Program. $5,000,000 and $2,000,000 were transferred from the Bond Insurance Fund and Other Loan Programs, respectively, to fund single family mortgages in the Housing Finance Program. An Additional $1,300,000 was transferred from the Bond Insurance Fund to the Housing Finance Program and deposited to the Capital Reserve Fund in the Housing Finance Program.

- During fiscal 2017, the Housing Development Fund withdrew $5,000,000 from the General Resolution and transferred the funds to Other Loan Programs to originate multifamily mortgage loans.

- For ease of accounting, the Housing Development Fund elected to report the entire net pension liability and deferred inflows and outflows of resources related to GASB 68 in the General Fund. Accordingly, in fiscal 2018, the net pension liability and deferred inflows and outflows of resources related to GASB 68 in an amount equal to $351,000 were transferred from the Housing Finance Program to the General Fund.

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OTHER PROGRAMS OF THE HOUSING DEVELOPMENT FUND

As a public body with statewide responsibility for a range of housing needs, the Housing Development Fund has implemented a number of other programs to provide technical, consultative and financial assistance for the provision of sanitary, decent and safe residential housing for persons of low and moderate income. These activities are described below. Except as specified below, these activities are financed out of the general reserves of the Housing Development Fund. Such activities are not expected to have a material impact on such reserves or the amounts available to pay debt service on the Bonds under the General Resolution.

Other Bond Programs

In 2009, in connection with the U.S. Treasury's New Issue Bond Program ("NIBP"), the Housing Development Fund established the NIBP Resolution. In December 2009, October 2011 and March 2012, the Housing Development Fund issued bonds under the NIBP Resolution; such bonds are outstanding in the aggregate principal amount of $50,990,000 as of July 1, 2020. A portion of the proceeds of such bonds were applied to redeem the Housing Finance Bonds, 2001 Series D and the Housing Finance Bonds, 1997 Series C and the balance was used to finance new single family mortgages. Although no additional bonds may be purchased under the U.S. Treasury's NIBP, the Housing Development Fund may issue additional bonds under the NIBP Resolution; however, the Housing Development Fund does not currently expect to issue any additional bonds under the NIBP Resolution. Bonds issued under the NIBP Resolution are secured by the Housing Development Fund's general obligation debt pledge and the Bond Insurance Fund.

In addition, the Housing Development Fund has issued under separate indentures and/or financing agreements two series of limited, special obligation bonds which financed the loan of bond proceeds from the Housing Development Fund to the respective borrowers for the acquisition and rehabilitation of two separate affordable housing projects. Such bonds, separately issued, are currently outstanding in the aggregate principal amount of $9,750,000. These limited, special obligation bonds are separately secured by, among other things, loan repayments on the bond proceeds. None of the Housing Development Fund's other assets or revenues, including the Bond Insurance Fund and amounts held in any Fund or Account established pursuant to the General Resolution, are pledged to the payment of these limited, special obligation bonds. Furthermore, these limited, special obligation bonds are not secured by the Housing Development Fund's general obligation debt pledge.

Land Development Program

With an initial appropriation by the State Legislature of $2,000,000 in 1973, the Housing Development Fund established the Land Development Fund from which below-market interest rate loans are made to qualified builders and developers for the purpose of acquiring and making improvements to land for residential housing and nonresidential construction. The Housing Development Fund has transferred an additional $4,930,000 to the Land Development Fund from the General Fund, Bond Insurance Fund and Housing Finance Program.

The Housing Development Fund owns various land parcels and developments that have been directly developed by the Housing Development Fund or foreclosed on due to market conditions. This includes land developed for emergency and permanent housing for victims of various floods. The Housing Development Fund markets these properties to individuals or builders at current market prices. All assets of the Land Development Program are restricted in accordance with the Act.

The West Virginia Property Rescue Initiative ("PRI") provides loans to assist cities and counties throughout the State in the acquisition and/or demolition of blighted properties which constitute health and safety hazards. The PRI program was enacted by the Legislature in 2015 and requires the Housing Development Fund to contribute $1,000,000 annually for five years beginning July 1, 2015 to establish a revolving loan program. The PRI program is funded by the Land Development Fund and is subject to legislative restrictions and restricted in accordance with the Act.

Other Housing Programs

Other housing programs consist of a variety of single and multifamily programs funded by the Housing Development Fund's general reserves and earnings. These programs are designed to provide a full range of housing assistance to the citizens of the State and to meet the Housing Development Fund's mission of providing safe, decent and affordable housing. In certain instances, repayment from borrowers is not required. In these instances, the Housing Development Fund has established loss provisions. The net assets of these programs are generally unrestricted and are available, as needed, to satisfy the general obligations of the Housing Development Fund, including the Bonds.

In 1991, the Housing Development Fund established the Secondary Market Program designed to provide liquidity to small lenders by providing a market for loans which would otherwise be held in their portfolios. Mortgage loans purchased in the Secondary Market Program are currently sold to Fannie Mae. This program is intended to encourage the making of loans on more favorable terms than are available from small State lenders.

The Movin' Up Program, which was approved by the Board of Directors on December 6, 2012, provides financing from funds within the General Resolution that are not proceeds of tax-exempt qualified mortgage bonds and therefore do not have to meet the requirements of the Code, such as no home ownership in the prior three years and certain income and purchase price limits. See "THE HOUSING FINANCE PROGRAM – Single Family Procedures and Policies – Requirements of the Code." The income limits in the Movin' Up Program are set by the Housing Development Fund's Board of Directors and are generally higher than those set forth in the Code. The Housing Development Fund does, however, use the same purchase price limits for the Movin' Up Program as those set forth in the Code. Earnings from this program will recycle to create a self-sustaining program that will provide financing for borrowers who cannot take advantage of the standard tax-exempt qualified mortgage bond program because they have previously owned homes.

The Multifamily Loan Program provides rehabilitation, construction and/or permanent financing for multifamily rental projects, which may receive part of their financing from equity raised through the syndication of Low-Income Housing Tax Credits and other lenders or programs. Many of these loans are guaranteed under the USDA Section 538 Guaranteed Rural Rental Housing Program. On January 30, 2020, the Housing Development Fund entered into a revolving Commercial Loan Agreement (the "Line of Credit") with United Bank, in an amount not to exceed $20,000,000, bearing interest thereon at an annual rate of 2.1%, payable monthly, and due to expire January 30, 2022. The purpose of the Line of Credit is to provide warehouse funding for loans under the Multifamily Loan Program. As of August 31, 2020, Housing Development Fund multifamily loan notes in the aggregate principal amount of $29,349,739 are pledged as collateral for the Line of Credit. Notwithstanding such, upon the occurrence of an Event of Default under the Line of Credit, United Bank may have the right to set-off amounts due thereunder against any amount owing by United Bank to the Housing Development Fund in any unrestricted funds, including any of the Housing Development Fund's unrestricted deposit accounts with United Bank. The Line of Credit is neither secured by nor payable from amounts under the General Resolution. To date, there have been no draws under the Line of Credit.

The Down Payment and Closing Cost Assistance Program assists borrowers in the Housing Development Fund's single family bond program with down payment and closing costs associated with the purchase of a home. Such loans may not exceed the amount authorized by the Board (currently up to $15,000).

The Low Income Assisted Mortgage Program ("LAMP") was established to help non-profit housing groups increase their production of owner-occupied housing for very low-income families. LAMP provides a secondary market where non-profit groups can sell their existing single family loans to the Housing Development Fund. The proceeds of those loan sales can then be used to construct additional housing units. In 1993, LAMP was one of ten recipients of a $100,000 grant from the Ford Foundation as a winner of its Innovations in State and Local Government awards administered by the John F. Kennedy School of Government at Harvard University.

New Construction Financing Program

The New Construction Financing Program encourages West Virginia-licensed home builders and modular home dealerships to build single family homes for sale to the public at a price (of the home including all improvements) not to exceed the purchase price limits set by the Housing Development Fund. Under this program, the Housing Development Fund sets the purchase price limits at those set by the Code in connection with tax-exempt qualified mortgage bonds. The program may provide financing for both land acquisition and construction. This program is currently not active.

Flood Assistance Programs

From time to time, the Housing Development Fund is called upon to provide housing assistance to flood victims. Assistance is provided from various sources including federal programs, the Housing Finance Bond Programs, the General Fund, Other Loan Programs and the Land Development Program to provide permanent and emergency housing in flood areas. The Housing Development Fund maintains a Flood Program account funded from general reserves and will likely be involved in any future flood recovery efforts.

On-Site Systems Loan Program

The On-Site Systems Loan Program ("OSLP") was created in September 2007 in partnership with the West Virginia Department of Environmental Protection (the "DEP"). Under this program the Housing Development Fund is authorized to borrow up to $2,000,000 from the DEP Clean Water Revolving Loan Fund. These funds are loaned to State residents to upgrade, replace or repair inadequate septic systems. The Housing Development Fund is obligated to repay the amount borrowed from the DEP only to the extent the Housing Development Fund receives payments from loan recipients.

Home4Good

Home4Good is a collaborative initiative between the FHLB Pittsburgh and the Housing Development Fund to provide grants and/or forgivable loans to address systemic gaps in support services and help make homelessness in West Virginia rare, brief and non-recurring. The funds are awarded to organizations that help individuals retain or find housing, provide supportive services to those facing homelessness or address other unmet needs within the existing homeless provider network. In 2018, 2019 and 2020, the FHLB Pittsburgh provided $3.3 million in aggregate towards the effort and the Fund provided $500,000, for a total contribution of $3.8 million.

The HOME Investment Partnership Program

In March 1991, the Housing Development Fund began operating HUD's HOME Investment Partnership Program (the "HOME Program") for the development and financing of housing for persons at or below 80% of the State's median income. A minimum of fifteen percent of HOME Program funds are spent for projects developed by approved Community Housing Development Organizations and ten percent is used to offset the administrative costs incurred by the Housing Development Fund. The ten percent used to offset administrative costs generally does not cover the Housing Development Fund's costs of administering the HOME Program. Therefore, uncovered costs of the HOME Program are paid by the General Fund. This program is restricted by federal regulations.

Housing Trust Fund

The Housing Trust Fund ("HTF") is an affordable housing production program funded by HUD that will complement existing federal, state and local efforts to increase and preserve the supply of safe, decent and sanitary affordable housing for extremely low and very low-income households (30% or less of the area median income). HTF funds may be used for the production or preservation of affordable housing through the acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing with suitable amenities. This program is restricted by federal regulations.

Low-Income Housing Tax Credit Program

The Low-Income Housing Tax Credit Program facilitates the development of quality rental housing in the State by offering a conduit through which owners, builders and organizations may qualify for a federal income tax credit. The Housing Development Fund, as the State's authorized issuer of Low-Income Housing Tax Credits, can allocate up to the State's applicable annual housing credit ceiling in housing credit dollars.

Mortgage Credit Certificates

The Housing Development Fund is authorized to act as the State's issuer of Mortgage Credit Certificates. This program permits qualified homebuyers to receive a federal tax credit for a portion of the interest paid on the homebuyer's mortgage loan. This program is currently not active.

Mortgage Loan Refinance Program

Whenever loans repay, the Housing Development Fund loses the corresponding mortgage loan servicing revenue. In order to reduce the effect of prepayments on this revenue, the Housing Development Fund has developed a refinancing program for those customers who want to reduce their borrowing costs. This allows the Housing Development Fund to continue to earn servicing income on the loan. Generally, these loans are funded from general reserves and are then sold in the secondary market.

Affordable Housing Fund

In 2001, the Legislature created the West Virginia Affordable Housing Trust Fund to provide funding for both technical assistance and housing assistance to non-profit organizations and government entities and to encourage stronger partnerships, collaboration and greater involvement of local communities in meeting affordable housing needs in West Virginia.

The Legislature passed legislation in 2018, effective June 8, 2018, discontinuing the existence of the Affordable Housing Trust Fund, creating under the Act an Affordable Housing Fund to be administered by the Housing Development Fund, and transferring certain former powers, procedures and assets of the Affordable Housing Trust Fund to the Housing Development Fund in connection therewith. The Affordable Housing Fund receives a per-transaction transfer fee from residential real estate transfers and sales of manufactured homes in the State. This fee must be used solely for the purposes of the Affordable Housing Fund as provided by the Act. The Housing Development Fund receives no allocation from the transfer fee to compensate it for any costs of administering the Affordable Housing Fund.

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APPENDIX A-1
Project Loans Financed with Housing Finance Bonds
As of June 30, 2020 (unaudited)

Project Loan	Location	Mortgage Interest Rate	Original Mortgage Balance	Outstanding Mortgage Balance	Mortgage Note Maturity	Federal Subsidy Insurance or Guarantee	Section 8 Subsidy Expiration	Total # of Units	% of Section 8 Subsidized Units	Occupancy Rate	# Days Delinquent
Housing Finance Bonds 1998 Series F											
(1) Clay Apts.	Clay	1.00%	$321,806	$64,180	09/01/33	None	04/11/35	8	100%	100%	30
			$321,806	**$64,180**				**8**			
Housing Finance Bonds 1998 Series E (held from various issues)											
Dylan Heights	Summersville	7.37%	$1,475,000	$1,309,296	03/01/45	USDA 538	N/A	48	0%	92%	None
Jenna Landing	Sissonville	6.25%	$1,403,000	$1,207,480	03/01/45	USDA 538	N/A	48	0%	92%	None
Plateau Oaks	Oak Hill	7.54%	$786,028	$693,947	10/01/44	USDA 538	N/A	32	0%	100%	None
Woda Cantebury	Elkins	6.25%	$1,350,000	$1,165,070	08/01/45	USDA 538	N/A	50	0%	100%	None
(2) Mountain Cap		2.00%	$1,580,000	$838,969	03/01/29	None					None
Orient Hills	Orient Hills					None	12/20/34	8	100%	88%	
Hunter Ridge I	Bradley					None	02/22/32	8	100%	88%	
Hunter Ridge II	Bradley					None	02/22/32	8	100%	75%	
Rupert Apartments	Rupert					None	03/25/32	8	100%	75%	
Spruce Villa	Phillipi					None	03/18/32	8	100%	50%	
Woodland Heights	Salem					None	08/26/32	8	100%	63%	
Cherry Falls	Webster Springs					None	09/30/32	6	100%	100%	
Hunter Ridge III	Bradley					None	12/22/32	8	100%	75%	
Quinwood Apts.	Quinwood					None	11/15/32	8	100%	63%	
Rainelle Apts.	Rainelle					None	11/15/32	8	100%	88%	
Rainelle Apts. II	Rainelle					None	03/07/33	8	100%	100%	
Rupert Apts. II	Rupert					None	03/07/33	8	100%	75%	
			$6,594,028	**$5,214,762**				**272**			
GRAND TOTAL:			**$6,915,834**	**$5,278,942**				**280**			

(1) This Project Loan was assumed by a new owner on September 5, 2013.
(2) The debt of the projects listed below were restructured and consolidated into one Project Loan. Their subsidy and occupancy information is listed by project.

APPENDIX A-1
Project Loans Financed with Housing Finance Bonds
As of June 30, 2020 (unaudited)

IN FORECLOSURE

Project Name	Original Mortgage Balance	Mortgage Interest Rate	Foreclosed Balance	Original Maturity Date	Foreclosed Date	Housing Finance Bond Issue
TOTAL IN FORECLOSURE	0		$0			

PREPAYMENTS

Bond Issue	Number	Prepaid Amount	
1976 A and 1977 A Bonds	1	$1,798,000	
1987 B Bonds	1	$4,190,000	
1992 E Bonds	9	$3,446,000	
1998 F Bonds	6	$1,113,000	
2000 D Bonds	20	$2,629,000	(1)
2001 D Bonds	34	$55,713,000	
2002 BC Bonds	6	$16,771,000	
2003 C Bonds	11	$13,472,000	
TOTAL PREPAYMENTS	88	$99,132,000	

(1) Includes a payment of $150,000 in lieu of foreclosure.

APPENDIX A-2
Certain Information Relating to the Housing Finance Bond Program Loans
As of June 30, 2020 (unaudited)
($ in thousands)

The following tables set forth various characteristics of the single family mortgage loans financed with Housing Finance Bonds ("Program Loans"). The information about the status of Program Loans is provided solely for the purpose of describing the experience of the Housing Development Fund under the General Resolution. This information does not include 281 loans in the aggregate amount of $3,489,077 made under a special program for the 2001 flood victims and a special program for down payment assistance. The flood loans, made from revenues, are primarily structured with no payments due before maturity and the down payment assistance loans are deferred with principal payments only after deferral.

PROGRAM LOANS BY TYPE OF INSURANCE/GUARANTEE

Type of Insurance /Guarantee	Number of Loans	Percentage of Portfolio	Original Balance	Current Balance	
FHA	2,216	30.17%	$ 202,740	$ 164,448	
Privately Insured	1,754	32.14%	187,290	175,166	
Uninsured	2,833	26.85%	205,163	146,288	**(1)**
VA	238	2.17%	19,131	11,850	
USDA RHS	688	8.67%	68,712	47,273	
Totals	7,729	100.00%	$ 683,036	$ 545,025	

PROGRAM LOANS BY LOAN-TO-VALUE RATIO
(If sales price or appraised value was not available, the original loan balance was used to calculate the LTV ratio) **(2)**

Loan-to-Value Ratio	Number of Loans	Percentage of Portfolio	Original Balance	Current Balance
80% or less	5,421	53.13%	$ 414,506	$ 289,544
81 to 85%	631	11.05%	65,880	60,235
86 to 90%	736	14.22%	82,078	77,495
91 to 95%	740	16.35%	91,601	89,127
over 95%	201	5.25%	28,971	28,624
Totals	7,729	100.00%	$ 683,036	$ 545,025

PROGRAM LOANS PURCHASED BY ORIGINAL PRINCIPAL AMOUNT

		Number of Program Loans				
Program Loan	Amount	Uninsured	Privately Insured	VA	FHA	RHS
Less than $30,000	$ 4,130	142	1	2	28	6
30,000 to 39,999	14,556	237	25	16	109	24
40,000 to 49,999	32,011	369	55	38	199	48
50,000 to 59,999	50,778	446	112	25	274	62
60,000 to 69,999	63,783	437	169	36	253	86
70,000 to 79,999	65,630	320	197	30	266	64
80,000 to 89,999	61,306	233	191	30	213	59
90,000 to 99,999	47,081	149	152	14	136	47
100,000 and over	343,761	500	852	47	738	292
Totals	$ 683,036	2,833	1,754	238	2,216	688

(1) The amount of uninsured loans includes both Program Loans that were uninsured from inception due to high down payments and Program Loans which were privately insured at the time of closing but have since met the requirements of The Homeowner's Protection Act of 1998 for termination of private mortgage insurance.

(2) The Housing Development Fund makes no representation regarding the current value being equivalent to the original loan balance.

APPENDIX A-2
Certain Information Relating to the Housing Finance Bond Program Loans
As of June 30, 2020 (unaudited)
($ in thousands)

PRIVATE MORTGAGE INSURERS OF PROGRAM LOANS

Private Mortgage Insurance Company **(1)**	Number of Program Loans Insured	Current Principal Amount	Percentage of PMI Loans	Percentage of Portfolio
MGIC	990	$ 100,506	57.38%	18.44%
GE Mortgage Insurance	511	49,289	28.14%	9.04%
PMI Insurance Company	14	884	0.50%	0.16%
United Guarantee	9	626	0.36%	0.12%
RMIC	1	58	0.03%	0.01%
Radian	29	2,736	1.56%	0.50%
Other PMI Companies	200	21,067	12.03%	3.87%
Totals	1,754	$ 175,166	100.00%	32.14%

DELINQUENCY STATISTICS ON PROGRAM LOANS

The following table sets forth the percentage of Program Loans delinquent or in foreclosure as of the dates noted. The West Virginia and the United States data is based on The National Delinquency Survey prepared by the Economic and Research Department of the Mortgage Bankers' Association of America at June 30. 2020. Delinquent loans include loans in forbearance. Loans in foreclosuer include loans undergoing loan modification.

Months Past Due	Housing Finance Program Percentage Delinquent 6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	West Virginia 6/30/2020	USA 6/30/2020
One	4.40%	3.61%	3.68%	3.50%	2.80%	3.00%	2.34%
Two	1.47%	1.46%	1.15%	1.05%	1.50%	1.72%	2.05%
Three	0.67%	0.53%	0.43%	0.37%	0.83%	3.13%	3.58%
In foreclosure	2.23%	1.77%	1.42%	1.46%	0.32%	0.71%	0.68%

PROGRAM LOANS BY INCOME LEVELS

Borrower Income (At Date of Origination)

	Less than $20,000	$20,000 to $29,999	$30,000 to $39,999	$40,000 to $49,000	Above $50,000	Totals
FHA	198	563	632	361	462	2,216
Privately Insured	45	226	429	388	666	1,754
Uninsured	343	832	839	481	338	2,833
VA	14	65	90	39	30	238
RHS	41	190	224	131	102	688
Totals	641	1,876	2,214	1,400	1,598	7,729
Original Principal Amount	$ 30,078	$ 120,293	$ 181,703	$ 140,614	$ 210,348	$ 683,036
Percentage of Portfolio	8.29%	24.27%	28.65%	18.11%	20.68%	100.00%

(1) The Housing Development Fund makes no representation regarding the financial condition of any of the private mortgage insurance companies or their ability to make full and timely payment of claims on Program Loans on which losses are incurred. Recent rating agency reviews of private mortgage insurers may be indicative of some future inability of private mortgage insurers generally to fulfill in full their obligations, if and when required upon a mortgage default, to make timely payments on policies.

APPENDIX A-2
Certain Information Relating to the Housing Finance Bond Program Loans
As of June 30, 2020 (unaudited)
($ in thousands)

PROGRAM LOAN PREPAYMENTS, EARLY BOND REDEMPTIONS AND RECYCLED LOAN FUNDS

These amounts do not include Bonds refunded by new Bond issues.

Fiscal Year	Program Loan Prepayments	Redemptions from Excess Revenue and Repayments	Recycled Funds
2020	$38,163	$6,430	$34,687
2019	25,324	6,995	35,869
2018	30,951	21,955	29,755
2017	36,716	18,100	25,120
2016	33,740	26,365	26,545
	$ 164,894	$ 79,845	$ 151,976

APPENDIX A-3
Summary of Housing Finance Program Single Family Loans Outstanding
As of June 30, 2020 (unaudited)
(Dollars in Thousands)

Issue	Weighted Average Interest Rate per Issue (1)	Number of Outstanding Mortgage Loans	Original Balance of Outstanding Mortgage Loans	Outstanding Balance of Mortgage Loans
1998 E (2) (4)	5.448%	2,559	$ 183,791	$ 110,768
Movin' Up (3) (4)	4.348%	1,470	170,343	159,439
2011 A (4)	5.582%	303	23,414	15,774
2013 A (4)	5.269%	178	13,493	9,181
2013 BC (4)	4.592%	363	31,495	25,244
2014 AB (4)	4.320%	426	35,653	27,204
2015 AB (4)	4.320%	501	41,504	30,741
2015 CD (4)	4.484%	671	57,238	47,417
2017 AB (4)	4.594%	419	37,442	32,071
2018 A (4)	4.638%	245	24,380	23,676
2019 A (4)	4.421%	342	34,615	34,005
2019 B (4)	3.660%	239	28,035	27,873
2020 A (4)	3.593%	13	1,633	1,632
Totals		7,729	$ 683,036	$ 545,025

(1) All loans are fixed-rate loans.

(2) This outstanding loan balance consists of mortgage loans transferred from various Housing Finance Bond issues which have been refunded or redeemed.

(3) The Movin' Up Program provides financing for borrowers seeking to sell their current residence and purchase a new residence from amounts under the General Resolution that are not subject to Code requirements applicable to first-time homebuyers. The income limits in the Movin' Up Program are generally higher than those set by the Code for first-time homebuyers. Although not required by the Code, the Movin' Up Program follows the purchase price limits set by the Code for first-time homebuyers.

(4) This issue permits the purchase of additional Program Loans from certain recoveries of principal and surplus revenues. However, the Housing Development Fund may instead elect to redeem bonds from such recoveries of prinicpal and surplus revenues where economically prudent.

APPENDIX A-4
Summary of Housing Finance Bonds Outstanding
As of July 1, 2020 (unaudited) (1)
(Dollars in Thousands)

Issue (2)	Interest Rates of Outstanding Maturities	Original Issue Amount	Scheduled Maturities and Sinking Fund Payments	Early Redemptions from Prepayments, Excess Revenues, and Reserves	Amount Outstanding 7/1/2020 (1)
2011 A (3)	3.422%-3.622%	$ 50,000	$ 41,600	$ -	$ 8,400
2013 A (3)	2.050%-3.20%	21,000	8,610	-	12,390
2013 BC	3.15%-4.35%	47,500	13,895	26,350	7,255
2014 AB	2.45%-3.95%	48,865	13,555	8,205	27,105
2015 AB	2.10%-3.80%	50,660	14,135	7,180	29,345
2015 CD	2.20%-4.10%	70,060	13,470	9,090	47,500
2017 AB	1.90%-4.05%	39,505	4,210	3,185	32,110
2018 A	1.875%-3.90%	25,000	740	660	23,600
2019 A	1.70%-3.95%	35,000	360	295	34,345
2019 B	1.30%-3.10%	30,000	-	-	30,000
2020 A	.35%-2.80%	30,000	-	-	30,000
Totals		$ 447,590	$ 110,575	$ 54,965	$ 282,050

(1) Following Debt Service on May 1, 2020.
(2) All listed issues finance Program Loans (primarily single family).
(3) Taxable Issues.

APPENDIX B

AUDITED FINANCIAL STATEMENTS
and other financial information

For the years ended June 30, 2020 and 2019

Audited Financial Statements and
Other Financial Information

WEST VIRGINIA HOUSING DEVELOPMENT FUND

For the Years Ended June 30, 2020 and 2019

Audited Financial Statements

Required Supplementary Information

Other Combining Information for the Year Ended June 30, 2020:

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BROWNEDWARDS
certified public accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
West Virginia Housing Development Fund
Charleston, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities (enterprise fund) and fiduciary fund type activities of the West Virginia Housing Development Fund (the Fund), a component unit of the State of West Virginia, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities (enterprise fund) and the fiduciary fund type activities of the West Virginia Housing Development Fund as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13, and the schedules of the proportionate share of the net pension liability PERS, the schedules of contributions to the PERS, the schedules of changes in net OPEB liability and related ratios - Welfare Benefit plan, the schedules of contributions to the Welfare Benefit plan, the schedules of annual rate of return on investments - Welfare Benefit plan, and the accompanying notes to required supplementary information on pages 44 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements. The other combining information as of and for the year ended June 30, 2020, as listed in the table of contents on pages 49 through 60, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other combining 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. Such 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 other combining information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Charleston, West Virginia
August 28, 2020

WEST VIRGINIA HOUSING DEVELOPMENT FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

INTRODUCTION

The West Virginia Housing Development Fund (the Fund) is a public body corporate with statewide responsibility for housing and operates a wide variety of programs to provide safe and affordable housing for residents and families in the State of West Virginia (the State). The Fund is a self-supporting agency and does not receive State appropriations for its operations. Through June 30, 2020, the Fund has provided assistance for more than 124,000 housing or housing-related units.

The permanent staff of the Fund consists of 104 persons as of June 30, 2020, including professional staff members qualified in the fields of accounting, finance, law, mortgage underwriting, mortgage loan servicing, secondary mortgage markets, planning, cost estimation, construction, inspection, and housing management. The Fund provides services in these fields for its programs as required and utilizes professional consulting services from time to time to supplement its own staff.

The Fund has 13 bond issues totaling $333,040,000 par amount outstanding under its bond resolutions. The bonds are rated "AAA" by Standard & Poor's Public Ratings Services (S&P) and "Aaa" by Moody's Investors Service, Inc. (Moody's).

The Fund's unsecured long-term general obligation debt pledge is rated "Aaa" by Moody's and "AAA" by S&P. The Fund is the first and only housing finance agency ever to receive such ratings on its long-term general obligation debt pledge. These ratings are not assigned to any particular issue of debt, but rather represent an overall credit assessment of the Fund's long-term general obligation pledge.[1]

The financial transactions of the Fund related to its various programs are reported in the enterprise fund financial statements, which are more fully explained in the Notes to the Financial Statements. These programs consist of the General Account, Bond Programs, Other Loan Programs, Affordable Housing Fund, Land Development Program, Bond Insurance Account, and Federal Programs. These were established in accordance with the West Virginia Housing Development Fund Act (the Act), the bond resolutions or at management's discretion. The restricted net position of the Fund includes the net position of the Bond Programs, Affordable Housing Fund, Land Development Program, Bond Insurance Account, and Federal Programs, which are restricted by the bond resolutions, the Act, or federal regulations. The Fund reports one fiduciary type fund, the Welfare Benefit Plan, an irrevocable trust for postemployment healthcare insurance benefits (OPEB) for the Fund's employees. The fiduciary fund's activities benefit the employees of the Fund and the fiduciary fund's resources are not available to support the various programs of the enterprise fund.

As management of the Fund, we offer readers of the Fund's enterprise fund financial statements the following narrative overview and analysis of the Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Fund Net Position as of and for the years ended June 30, 2020, 2019 and 2018.

[1] An explanation of the Moody's ratings may be obtained by writing to Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; an explanation of the S&P ratings may be obtained by writing to Standard & Poor's Public Ratings Services, 55 Water Street, New York, New York 10041. There is no assurance that such ratings will be maintained for any period of time or that such ratings will not be withdrawn or revised downward by Moody's or S&P if, in their judgment, circumstances so warrant. Such actions, if taken, could have an adverse effect on the market price of bonds issued by the Fund.

USING THIS REPORT

This report consists of a series of enterprise fund financial statements: the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Fund Net Position, and the Statements of Cash Flows. These statements provide information about the activities for each period presented.

The Fund prepares financial statements in conformity with accounting principles generally accepted in the United States of America for state housing finance enterprise funds. The enterprise fund Statements of Net Position represent the difference between the assets and liabilities and include all assets and liabilities using the basis of accounting described above. Over time, increases or decreases in the net position are one indicator of whether financial status is improving, stable, or deteriorating. There are also other factors that should be considered when reviewing the operational results, such as changes in the interest rate environment, bond market, changes to state and federal laws governing the Fund's programs, changes to the tax code, and the real estate market in the State. The Statements of Revenues, Expenses, and Changes in Fund Net Position reflect revenues, such as interest on loans, loan-servicing fees, interest on investments, fees for the administration of federal financial awards programs, expenses, such as loan fees, program expenses, administrative expenses, and interest on outstanding debt. The Notes to the Financial Statements provide information that is essential to fully understand the data provided in the financial statements.

FINANCIAL HIGHLIGHTS

Following is a comparison of the enterprise fund condensed Statements of Net Position at June 30:

(Dollars in thousands)	**2020**	**2019**	2018
ASSETS			
Current assets	**$ 75,723**	**$ 62,705**	$ 68,416
Noncurrent assets:			
Mortgage loans & Restricted mortgage loans, net of allowance for losses	**684,921**	**670,827**	640,514
Restricted Federal Program mortgage loans, net of allowance for losses	**64,338**	**63,279**	64,901
Restricted cash and cash equivalents	**85,655**	**51,157**	22,430
Investments & Restricted investments	**51,603**	**69,477**	75,667
Capital assets, net of depreciation	**8,173**	**8,409**	8,538
Other assets & Restricted other assets, net of allowance for losses	**5,760**	**5,453**	5,207
Total assets	**976,173**	**931,307**	885,673
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension and OPEB	**1,395**	**979**	1,101
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	**19,820**	**17,968**	16,244
Accrued interest payable	**1,615**	**1,790**	1,464
Bonds payable	**26,745**	**26,940**	27,280
Noncurrent liabilities:			
Bonds & notes payable, net	**306,802**	**280,178**	254,324
Other liabilities	**68,208**	**68,733**	69,975
Total liabilities	**423,190**	**395,609**	369,287
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension and OPEB	**1,405**	**1,489**	1,486
NET POSITION			
Net investment in capital assets	**8,173**	**8,409**	8,538
Net position - Restricted	**457,899**	**443,516**	429,722
Net position - Unrestricted	**86,901**	**83,263**	77,741
TOTAL NET POSITION	**$ 552,973**	**$ 535,188**	$ 516,001

Below is additional discussion of the significant financial statement items and the changes in those items over the prior two years due to recent events and activities of the Fund, current economic factors, and other factors affecting financial and programmatic operations.

Current assets

The increase of $13,018,000 (20.8%) in *Current assets* from 2019 to 2020 was primarily due to an increase in multifamily construction funds of $4,950,000, a $4,436,000 increase in cash for debt service, an increase in cash of $1,962,000 for program disbursements, an increase of $1,583,000 in the balance of Mortgage Loans Held for Sale, an increase of $1,587,000 in funds held for others, which includes insurance and tax accounts held on behalf of the Fund's various mortgagors, an increase of $478,000 in cash held for the Federal Home Loan Bank of Pittsburgh's Home4Good program and a decrease in funds available for HOME program disbursements of $1,775,000.

The decrease of $5,711,000 (8.3%) in *Current assets* from 2018 to 2019 was primarily due to a decrease in cash of $9,705,000 for program disbursements, an increase of $1,466,000 in funds available for HOME program disbursements, an increase of $920,000 in cash held for the Federal Home Loan Bank of Pittsburgh's Home4Good program, an increase of $817,000 in the balance of Mortgage Loans Held for Sale, and an increase in Accounts Receivable of $472,000 due from Federal program reimbursements.

Mortgage loans & Restricted mortgage loans, net of allowance for losses

The increase of $14,094,000 (2.1%) in *Mortgage loans & Restricted mortgage loans, net of allowance for losses* from 2019 to 2020 was primarily due to originations of $105,856,000 exceeding repayments and loan prepayments of $89,516,000 and foreclosures of $2,236,000.

The increase of $30,313,000 (4.7%) in *Mortgage loans & Restricted mortgage loans, net of allowance for losses* from 2018 to 2019 was primarily due to originations of $102,218,000 exceeding repayments and loan prepayments of $67,914,000 and foreclosures of $3,853,000.

Restricted Federal Program mortgage loans, net of allowance for losses

This line item consists of the United States Department of Housing and Urban Development's (HUD) HOME Investment Program (HOME) and National Housing Trust Fund (NHTF) mortgage loans. The fluctuations from year to year represent the net of HOME and NHTF program loan originations and repayments during the years presented.

Restricted cash and cash equivalents

The increase of $34,498,000 (67.4%) in *Restricted cash and cash equivalents* from 2019 to 2020 was primarily due to an $15,216,000 increase in the balance of funds available to purchase single family mortgage loans related to the timing of bond issuances and a $19,282,000 increase due to the proceeds of long-term maturities reinvested short term.

The increase of $28,727,000 (128.1%) in *Restricted cash and cash equivalents* from 2018 to 2019 was primarily due to an $18,577,000 increase in the balance of funds available to purchase single family mortgage loans related to the timing of bond issuances and a $9,856,000 increase due to the proceeds of long-term maturities reinvested short term.

Investments & Restricted investments

The fluctuations in *Investments and Restricted investments* from year to year is the net effect of investment purchases, redemptions, maturities and amortization and the change in fair value of investments as required by governmental accounting standards. Certain investments are required to be recorded at fair value and the unrealized gains or losses to be reported in the enterprise fund Statements of Revenues, Expenses and Changes in Fund Net Position.

The following summary illustrates the changes in *Investments & Restricted investments* as of June 30:

(Dollars in thousands)	**2020**	**2019**	2018
Balance at beginning of fiscal year	**$ 69,477**	**$ 75,667**	$ 81,632
Sales and maturities	**(27,685)**	**(7,881)**	(33,730)
Purchases	**7,700**	**-**	30,438
Increase (Decrease) in fair value of investments and amortizations	**2,111**	**1,691**	(2,673)
Balance at end of fiscal year	**$ 51,603**	**$ 69,477**	$ 75,667

Capital assets, net of depreciation See *Note A – Capital assets, net of depreciation*

The decrease of $236,000 (2.8%) from 2019 to 2020 was due to depreciation of the Fund's office building, equipment, and software in the amount of $339,000, net of purchases of $103,000.

The decrease of $129,000 (1.5%) from 2018 to 2019 was due to depreciation of the Fund's office building, equipment, and software in the amount of $483,000, net of purchases of $354,000.

Other assets and Restricted other assets, net of allowance for losses

The increase of $307,000 (5.6%) in *Other assets and Restricted other assets, net of allowance for losses* from 2019 to 2020 was primarily due to a $448,000 increase in foreclosed properties, a $94,000 increase in prepaid expenses and a decrease of $236,000 due from Federal program reimbursements.

The increase of $246,000 (4.7%) in *Other assets and Restricted other assets, net of allowance for losses* from 2018 to 2019 was primarily due to a $510,000 increase in foreclosed properties, an increase of $443,000 due from Federal program reimbursements and a $687,000 decrease in land owned.

Deferred outflows of resources related to pension and OPEB and Deferred inflows of resources related to pension and OPEB
See *Note A – Accounting methods*

Deferred outflows and inflows of resources are directly related to the activity described in *Note F – Retirement Plan* to the financial statements in accounting for the changes in the Fund's proportionate share of the West Virginia Public Employees Retirement System's net pension liability and in *Note H – Other Postemployment Benefits* to the financial statements in accounting for the changes in the Fund's net OPEB liability.

Accounts payable and other liabilities

The increase of $1,852,000 (10.3%) in *Accounts payable and other liabilities* from 2019 to 2020 was primarily due to an increase of $1,170,000 in funds held for others, which includes tax and insurance accounts held on behalf of the Fund's various mortgagors, an increase of $479,000 in cash held on behalf of the Federal Home Loan Bank of Pittsburgh to be used for its Home4Good program, an increase in the rebate liability of $128,000 and an increase of $75,000 in accrued expenses at year-end.

The increase of $1,724,000 (10.6%) in *Accounts payable and other liabilities* from 2018 to 2019 was primarily due to an increase of $920,000 in cash held on behalf of the Federal Home Loan Bank of Pittsburgh to be used for its Home4Good program, an increase of $510,000 in tax and insurance accounts held on behalf of the Fund's various mortgagors, and an increase of $138,000 in accrued expenses at year-end.

Bonds and notes payable, current and noncurrent

As illustrated in the following schedule, the changes in *Bonds and notes payable* were due to the early redemption or refunding of bonds, scheduled debt service payments, and new bonds and notes issued. The changes in the balance of bonds and notes payable and interest rates generally account for the fluctuations in *Accrued interest payable* in 2020 and 2019. See *Note D – Bonds & Notes payable, current and noncurrent.*

(Dollars in thousands)		**2020**	**2019**	2018
Balance at beginning of the fiscal year				
Bonds payable - current		**$ 26,940**	**$ 27,280**	$ 35,715
Bonds payable - noncurrent		**280,178**	**254,324**	302,056
Debt issued:	Housing Finance Bonds	**60,000**	**60,000**	-
	Other Loan Programs note payable	**-**	**-**	250
Debt paid:	Scheduled debt service	**(24,793)**	**(23,553)**	(28,241)
	Early redemptions and refundings	**(8,815)**	**(10,915)**	(28,195)
Other Loan Programs note payable allowance for losses (1)		**37**	**(18)**	19
Balance at end of the fiscal year		**$ 333,547**	**$ 307,118**	$ 281,604
Bonds payable - current		**$ 26,745**	**$ 26,940**	$ 27,280
Bonds & notes payable - noncurrent		**306,802**	**280,178**	254,324
Total bonds & notes payable		**$ 333,547**	**$ 307,118**	$ 281,604

(1) See *Note D - Bonds Payable*

Other liabilities

The decrease of $525,000 (0.8%) in *Other liabilities* from 2019 to 2020 was due to a decrease of $740,000 due to Federal Program mortgage repayments and prepayments exceeding mortgage loan originations, a decrease in the net pension liability of $171,000, and an increase in the net OPEB liability of $386,000.

The decrease of $1,242,000 (1.8%) in *Other liabilities* from 2018 to 2019 was due to a decrease in the net pension liability of $649,000, a decrease in the net OPEB liability of $251,000, and a decrease of $342,000 due to Federal Program mortgage repayments and prepayments exceeding mortgage loan originations.

Total Net Position improved by $19,187,000 (3.7%) from June 30, 2018 to June 30, 2019. From June 30, 2019 to June 30, 2020, *Total Net Position* improved by $17,785,000 (3.3%) as the enterprise fund net position improved to $552,973,000 at June 30, 2020.

Following is a comparison of condensed enterprise fund Statements of Revenues, Expenses, and Changes in Fund Net Position for the fiscal years ended June 30:

(Dollars in thousands)	2020	2019	2018
REVENUES			
Interest on loans	**$ 30,965**	**$ 30,212**	$ 29,676
Pass-through grant revenue	**74,479**	**70,445**	69,164
Fee revenue	**7,968**	**8,143**	6,774
Net investment earnings (non-operating)	**6,071**	**6,241**	877
Other	**1,959**	**1,319**	1,439
Total Revenues	**121,442**	**116,360**	107,930
EXPENSES			
Pass-through grant expense	**74,479**	**70,445**	69,164
Interest and debt expense (non-operating)	**9,837**	**9,427**	9,573
Loan fees expense	**3,907**	**4,014**	3,676
Program expenses, net	**4,699**	**3,618**	2,357
Administrative expenses, net	**10,735**	**9,669**	9,946
Total Expenses	**103,657**	**97,173**	94,716
INCOME BEFORE SPECIAL ITEM	**17,785**	**19,187**	13,214
SPECIAL ITEM - Transfer of operations [1]	**-**	**-**	4,469
CHANGE IN NET POSITION	**17,785**	**19,187**	17,683
NET POSITION AT BEGINNING OF YEAR	**535,188**	**516,001**	499,426
CUMULATIVE EFFECT OF ADOPTION OF ACCOUNTING PRINCIPLE [2]	**-**	**-**	(1,108)
NET POSITION AT BEGINNING OF YEAR, AS RESTATED	**535,188**	**516,001**	498,318
NET POSITION AT END OF YEAR	**$ 552,973**	**$ 535,188**	$ 516,001

[1] See *Note A - Agency Description and Significant Accounting Policies*

[2] Restated for implementation of GASB 75

Interest on loans

The increase in *Interest on loans* of $753,000 (2.5%) from 2019 to 2020 was primarily due to an increase in mortgage loan balances from the prior year.

The increase in *Interest on loans* of $536,000 (1.8%) from 2018 to 2019 was primarily due to an increase in mortgage loan balances from the prior year.

Pass through grant revenue and Pass through grant expense

This line item represents federal funds received and disbursed to sub-recipients under Federal Programs.

The increase of $4,034,000 (5.7%) from 2019 to 2020 was primarily due to an increase of $2,659,000 in HOME disbursements, an increase of $778,000 in Section 8 Housing Assistance Payments Program disbursements, and an increase of $597,000 in National Housing Trust Fund disbursements.

The increase of $1,281,000 (1.9%) from 2018 to 2019 was primarily due to an increase of $2,004,000 in Section 8 Housing Assistance Payments Program disbursements, an increase of $782,000 in National Housing Trust Fund disbursements and a decrease of $1,506,000 in HOME disbursements.

Fee revenue

The decrease of $175,000 (2.1%) in Fee revenue from 2019 to 2020 was primarily due to a decrease of $61,000 in Affordable Housing Fund fees, a decrease of $51,000 in mortgage loan processing fees, a decrease of $35,000 in Low-Income Housing Tax credit fees and a decrease of $30,000 in Section 8 fees.

The increase of $1,369,000 (20.2%) in Fee revenue from 2018 to 2019 was primarily due to an increase of $974,000 in Affordable Housing Fund fees earned related to the transfer of the WVAHTF to the Fund at the end of fiscal year 2018, a net increase of $303,000 in mortgage loan processing fees, and an increase of $68,000 in Low-Income Housing Tax credit fees earned.

Net investment earnings

Net investment earnings increased $5,364,000 (611.6%) from 2018 to 2019 and decreased $170,000 (2.7%) from 2019 to 2020 in the comparison of revenues and expenses above. However, Net investment earnings include unrealized gains and losses in the fair market value of investments for each of the fiscal years presented as required by United States Generally Accepted Accounting Principles (US GAAP). As shown in the schedule below, investment earnings, adjusted for the unrealized gains or losses, increased 39.9% from 2018 to 2019 due to higher cash and investment balances and decreased 12.3% from 2019 to 2020 due to a decrease in interest rates throughout the year.

(Dollars in thousands)	June 30, 2020	2019	2018
Net investment income per operating statement	**$ 6,071**	**$ 6,241**	$ 877
Adjustments for unrealized (gain) loss on fair value of securities	**(1,906)**	**(1,493)**	2,518
Interest earned on investments	**$ 4,165**	**$ 4,748**	$ 3,395
% (Decrease) Increase from prior year	**(12.3%)**	**39.9%**	

Other revenues

The increase of $640,000 (48.5%) in Other revenues from 2019 to 2020 was primarily due to flood program reimbursements of $354,000, an increase in gains on sale of mortgage loans of $281,000 and an increase in gains on sale of foreclosed properties of $17,000.

The decrease of $120,000 (8.3%) in Other revenues from 2018 to 2019 was primarily due to a decrease in gains on sale of mortgage loans of $125,000.

Interest and debt expense

The $410,000 (4.3%) increase in Interest and debt expense from 2019 to 2020 was primarily due to $60,000,000 in bond issuances exceeding bond redemptions and debt service of $33,608,000 during 2020.

The $146,000 (1.5%) decrease in Interest and debt expense from 2018 to 2019 was primarily due to the timing of $60,000,000 in bond issuances during 2019, $34,468,000 in bond redemptions and debt service and a decrease in the average interest rate of bonds outstanding.

Loan fees expense

The $107,000 (2.7%) decrease in Loan fees expense from 2019 to 2020 was primarily due to a decrease in loan origination fees of $257,000, an increase in service fees on loans of $89,000 and an increase in service release fees of $60,000.

The $338,000 (9.2%) increase in *Loan fees expense* from 2018 to 2019 was primarily due to an increase in loan originations, which resulted in an increase in loan origination fees of $297,000 and an increase in service fees on loans of $35,000.

Program expenses, net

The $1,081,000 (29.9%) increase in *Program expenses, net* from 2019 to 2020 was primarily due to an increase of $1,190,000 in expenses related to repairs and holding costs for foreclosed properties, an increase of $489,000 in Affordable Housing Fund disbursements, an increase of $47,000 in bad debt expense, net of a decrease in losses on sale of foreclosed properties of $523,000 and a decrease of $115,000 in Special Needs disbursements.

The $1,261,000 (53.5%) increase in *Program expenses, net* from 2018 to 2019 was primarily due to an increase of $704,000 in cost of issuance expenses, a $360,000 increase in bad debt expense, an increase of $279,000 in Affordable Housing Fund disbursements, a $273,000 increase in Special Needs disbursements, a $216,000 decrease in losses on sale of foreclosed properties, and a decrease of $194,000 in servicing expenses.

Administrative expenses, net

The $1,066,000 (11.0%) increase in *Administrative expenses, net* from 2019 to 2020 was primarily due to an increase in OPEB related expenses of $371,000, an increase of $234,000 in salary expenses due to vacant positions from fiscal year 2019 hired in fiscal year 2020, an increase in expenses related to the Fund's proportionate share of the net pension liability of $220,000, an increase of $155,000 in benefits primarily due to an increase in healthcare costs, an increase in legal expenses of $138,000, net of an increase in various administrative reimbursements of $45,000.

The $277,000 (2.8%) decrease in *Administrative expenses, net* from 2018 to 2019 was primarily due to an increase of $401,000 in various administrative reimbursements, an increase of $371,000 in salary expenses, an increase in computer-related expenses of $60,000, a decrease in OPEB related expenses of $58,000 and a net decrease in the expense related to the Fund's proportionate share of the net pension liability of $246,000.

OVERVIEW OF THE ENTERPRISE FUND FINANCIAL STATEMENTS

Mortgage Lending

The Fund's Bond Programs are the core-housing programs and the primary source of income for the Fund. Various economic and regulatory factors such as prevailing economic conditions, mortgage interest rates, investment rates, the demand for housing, the cost of housing and of operating housing programs, the volume of mortgage lending activity in the State and other factors affecting the supply of housing in the State can create significant challenges for the Fund in both the Bond Programs and its overall operations.

As interest rates increased during fiscal year 2019, the Fund's tax-exempt bond mortgage rate became more competitive as compared to the conventional loan market and the number of borrowers refinancing their mortgages decreased. As mortgage refinancing began to decrease and loan originations increased from fiscal year 2018 to fiscal year 2019, the Fund's Bond Program mortgage loan balances increased $20,292,000 (3.6%) in fiscal year 2019 as compared to fiscal year 2018. In fiscal year 2020, a decrease in interest rates contributed to an increase in the number of borrowers refinancing their mortgages. To a lesser extent, the decrease also reduced the Fund's competitive edge of mortgage rates and loan originations decreased, however the Fund's Bond Program mortgage loan balances increased $4,414,000 (0.8%) in fiscal year 2020 as compared to fiscal year 2019. Mortgage loan balances and continued loan originations are key elements to future earnings potential.

The Bond Programs mortgage loan balances increased from fiscal year 2018 through fiscal year 2020 as follows:

(Dollars in thousands)	June 30, 2020	2019	2018
Beginning Balance	**$ 586,323**	**$ 566,031**	$ 575,325
Repayments/Prepayments	**(64,293)**	**(53,884)**	(59,425)
Foreclosures	**(2,803)**	**(3,746)**	(3,735)
Originations	**71,510**	**77,922**	53,866
Ending Balance	**$ 590,737**	**$ 586,323**	$ 566,031
% Increase from prior year	**0.8%**	**3.6%**	

The Fund's single family Bond Program loans consist of 30-year fixed rate loans and no sub-prime loans. The median income of Fund single family borrowers is $35,992 as of June 30, 2020. This income level tends to be impacted quicker than an average borrower during economic declines. Despite the economic downturn in the State, the Fund's single family foreclosure and delinquency rates remained stable through 2019 as the Fund had not seen a significant increase in foreclosures and delinquencies.

The recent global outbreak of COVID-19, a respiratory disease declared to be a pandemic (the "Pandemic") by the World Health Organization, which is affecting the national capital markets and which may negatively impact the State's housing market and its overall economy, has negatively impacted the Fund's delinquency rates.

On March 13, 2020, the President of the United States declared a national emergency with respect to the Pandemic. In addition, the United States Congress enacted several COVID-19-related bills, including the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), signed into law on March 27, 2020, which provides, among other things, that (a) lenders are prohibited from foreclosing all mortgage loans which are FHA insured, VA, HUD or Rural Housing guaranteed, or purchased or securitized by Fannie Mae or Freddie Mac (collectively, "Federal Single Family Loans") for a period of 60 days commencing March 18, 2020, and (b) during the COVID-19 emergency, Federal Single Family Loan borrowers directly or indirectly facing economic difficulties as a result of the coronavirus can seek up to 360 days of payment forbearance. In addition to the foreclosure and eviction relief provided by the CARES Act, HUD/FHA and the Federal Housing Finance Agency ("FHFA") also ordered the servicers of Federal Single Family Loans to suspend foreclosures and evictions related to Federal Single Family Loans; HUD/FHA and FHFA have extended their foreclosure and eviction moratoriums for Federal Single Family Loans until at least December 31, 2020.

As of June 30, 2020, mortgagors of approximately 3.53% of the principal amount of the Fund's loan portfolio have requested forbearance and foreclosure actions have been paused for approximately 0.07% of the principal amount of the Fund's loan portfolio. The Fund expects to receive and approve additional forbearance requests during the Pandemic.

The Pandemic is an ongoing situation. At this time, the Fund cannot determine the overall impact that the Pandemic, including the federal and State responses thereto, will have on its programs and operations, including its ability to finance the purchase of Mortgage Loans and to collect payments on such Mortgage Loans. The continuation of the Pandemic and the resulting containment and mitigation efforts could have a material adverse effect on the Fund, its programs, its operations and its finances.

The Fund is proactively monitoring cash positions to ensure sufficient liquidity is maintained to meet loan servicing responsibilities impacted by the COVID-19 Pandemic and to meet the increased demand for single family mortgage loan originations during the current low-interest rate environment.

The ability of the Fund to pay debt service on bonds outstanding is heavily dependent on the receipt of mortgage payments from borrowers. However, the Fund maintains a Capital Reserve Fund in an amount no less than the highest aggregate debt service of any year on all outstanding Mortgage Finance Bonds. In addition, the Fund maintains the Bond Insurance Account, as required by the Act, to provide for the payment of debt service on Mortgage Finance Bonds, if necessary.

Primarily due to forbearances and the foreclosure moratorium, the Fund's Bond Program loan delinquency rates increased in the Two, Three and Three+ month categories as shown in the chart below. The Fund will continue to monitor delinquencies and increase communication with borrowers to control delinquencies where possible and/or modify loans as borrowers deal with unemployment.

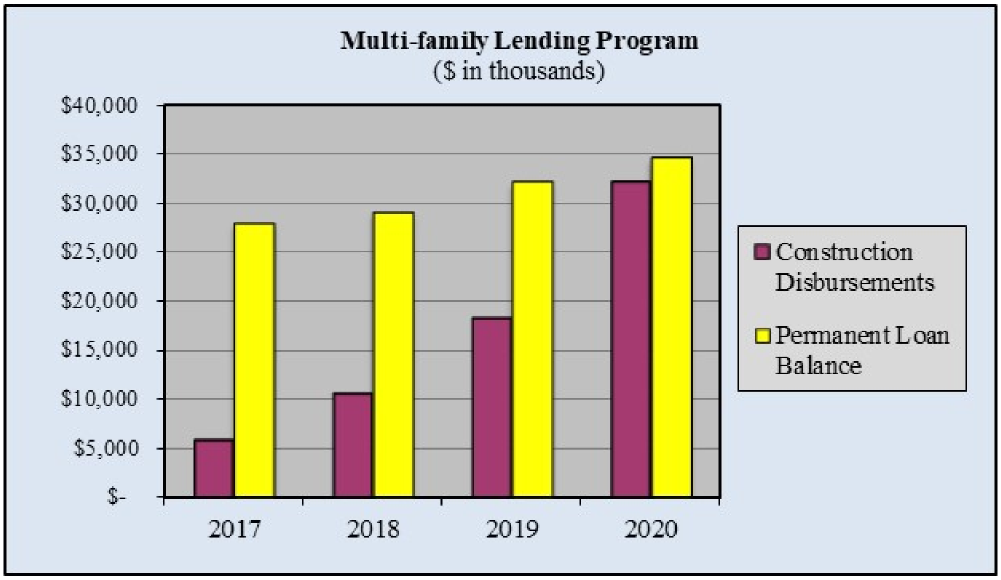
Delinquency Rates

	WV Housing Development Fund Bond Programs As of June 30,			WV*	USA*
	2020	2019	2018	As of March 31, 2020	
Months Past Due					
One	2.77%	3.57%	3.58%	3.17%	2.37%
Two	1.50%	1.05%	1.16%	0.92%	0.70%
Three	0.85%	0.35%	0.44%	1.17%	0.94%
Three +	5.08%	1.40%	1.44%	1.92%	1.67%
In foreclosure	0.29%	0.32%	0.29%	0.75%	0.73%

*Most current data available.

In response to the increased demand for affordable rental housing, the Fund is increasing its financing of both construction and permanent financing of multifamily rental housing. Resources for this initiative are provided from Other Loan Programs, HOME, the

National Housing Trust Fund and the Low-Income Housing Tax Credit Program. Permanent loans financed from Other Loan Programs often carry United States Department of Agriculture (USDA) 538 loan guarantees. The Fund expects to continue its focus on financing rental housing into fiscal 2021 and future years.



Interest rates on new single family bond loans originated in fiscal year 2020 have averaged approximately 4.03%. Interest rates on new multifamily permanent loans originated in fiscal year 2020 have averaged approximately 5.07%. Due to lower interest rates on new single family loan originations and the prepayment of higher interest single family and multifamily loans, the average interest rate on loans outstanding has declined. The average loan interest rate listed below shows the Bond Programs average for fiscal years 2018 through 2020.

Average Loan Interest Rate	
June 30, 2018	4.64%
June 30, 2019	4.54%
June 30, 2020	4.46%

Investments

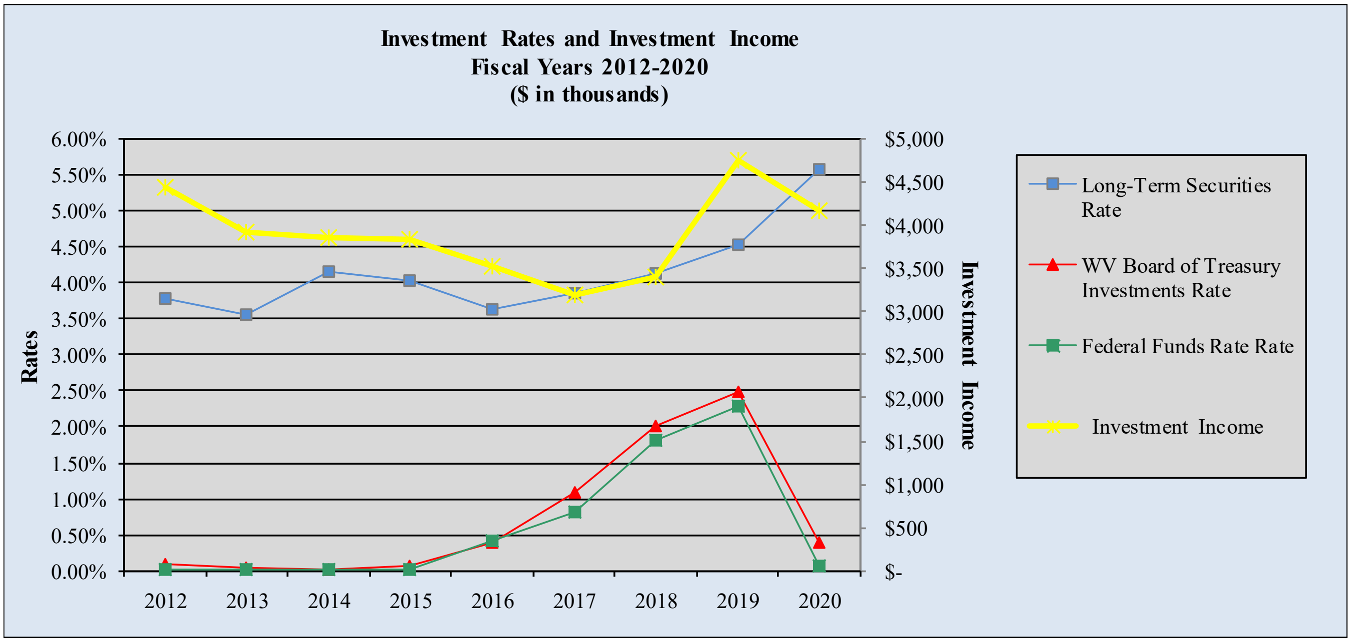
The Fund invests cash, as permitted by the Act, the bond resolutions, and the Board approved Investment Policy. Funds related to the Bond Programs capital reserves and the Bond Insurance Account are primarily invested in long-term United States agency securities and FDIC insured certificates of deposit or collateralized certificates of deposit, which are expected to be held to maturity. Certain funds in the Bond Insurance Account and general operating funds are invested in mortgage loans held solely for investment. The interest earnings on these investment types are less affected by the fluctuation in short-term interest rates.

Loan proceeds and revenues of the Bond Programs, Other Loan Program, and operating funds are primarily on deposit with a bank, invested in FDIC insured certificates of deposit or collateralized certificates of deposit. All bank deposits are either FDIC insured or collateralized by permitted investments. The remaining funds are on deposit with the West Virginia Board of Treasury Investments (WVBOTI). Such funds are extremely sensitive to short-term interest rate fluctuations.

As shown in the following chart, the average investment rates for short-term investments and the WVBOTI have been consistent with the Federal Funds rate and remained at a historical low of 0.00% to 0.25% from 2012 through 2015. During fiscal year 2016, the Federal Reserve increased the federal funds rate ranging from 0.25% to 0.50% and continued to increase the rate eight additional times during fiscal years 2017 through 2019 ranging from 1.00% to 2.50%. During fiscal year 2020, the Federal Reserve decreased the rate five times to the current rate ranging from 0.00% to 0.25%. Due to market conditions, the Fund invests in demand deposit accounts, FDIC insured certificates of deposit and in collateralized certificates of deposit to maximize investment yields and preserve principal.

Investment earnings increased 39.9% from 2018 to 2019, net of unrealized gains or losses. The decreases in interest rates throughout 2020 directly impacted the Fund's investment earnings as they decreased 12.3% from 2019 to 2020, net of unrealized gains or losses.

Below is a summary of the average investment rates from June 2012 to June 2020:



Debt Management

The Fund issues qualified mortgage revenue bonds to fund its single family Bond Programs. When bonds are issued, the initial proceeds are invested in short-term investments until the funds are used for the purchase of mortgage loans. Because short-term investment rates are typically lower than the long-term bond rates, this creates negative arbitrage. To reduce this negative arbitrage, the Fund delays the issuance of new bonds until absolutely necessary. The Fund sometimes uses general operating funds or other available funds as a warehouse line to purchase new loans in anticipation of bond sales.

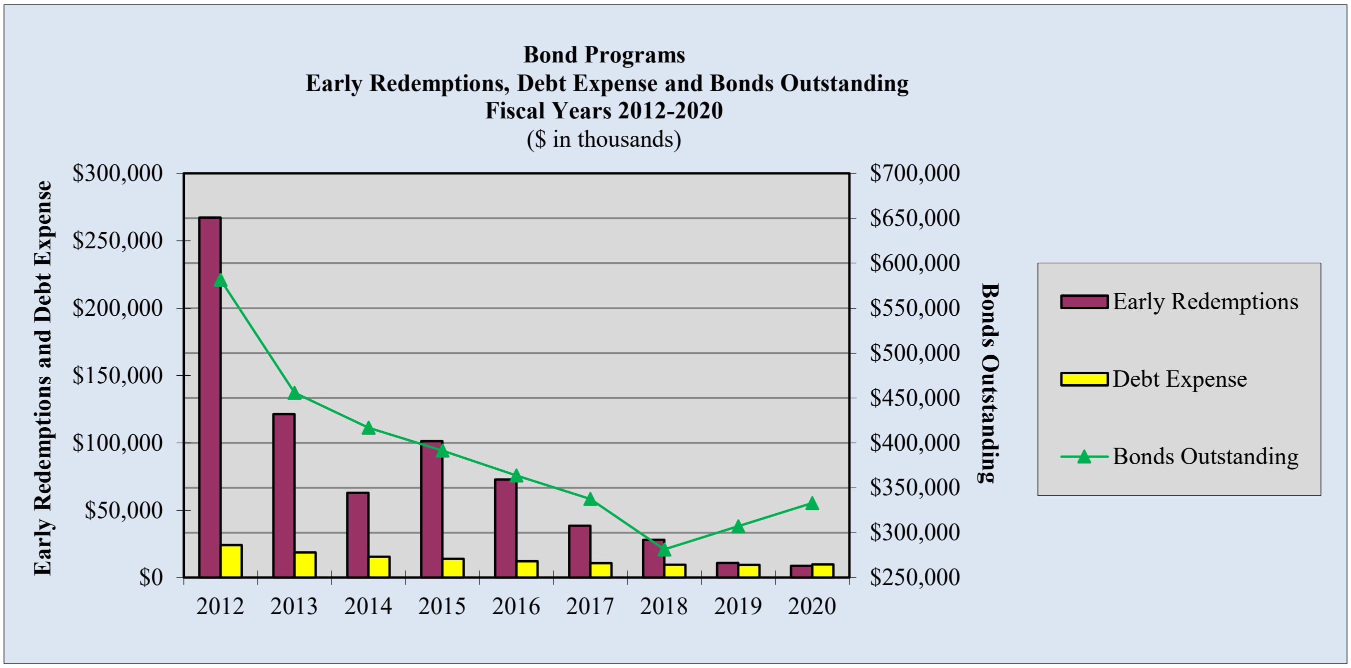
When bonds are issued from the bond volume allocation, known as "new money" bonds, certain repayments and prepayments of mortgage loans made from these proceeds may be "recycled" into additional mortgage loans for ten years. The Fund uses recycling to supplement its bond issues by using prepayments for additional mortgage loans instead of issuing debt. If the market interest rates on mortgages are lower than the corresponding bond rates, the Fund may redeem bonds in lieu of recycling. However, if mortgage rates are higher than the corresponding bond rates the Fund may redirect prepayments into additional mortgage loans in lieu of redeeming bonds. Moving forward into fiscal year 2021 the Fund expects to continue to recycle mortgage loan repayments from its bond issues when it is economically prudent to do so.

The Fund's Movin' Up program is a long-term strategy intended to be a self-funding lending program as an alternative to dependency on the bond market and a method of assisting moderate income borrowers. The program is designed to attract a market to our single family loan program and provide a long-term increase in our mortgage loan balances. Unlike other single family bond programs the Fund offers, the Movin' Up Program does not have a first time homebuyer restriction and has significantly higher income limits than other single family programs offered. Its target market is for moderate income buyers who may have outgrown their current homes and want to move up to a larger home and provides the borrower with down payment and closing cost assistance.

During fiscal years 2018, 2019 and 2020, the Fund redeemed $28,195,000, $10,915,000 and $8,815,000 in bonds, respectively. By actively redeeming bonds, the Fund has offset the impact of reduced mortgage loan balances and rates.

Debt expense was $9,573,000, $9,427,000 and $9,837,000 in fiscal years 2018, 2019 and 2020, respectively. Debt expense decreased in 2019 as compared to 2018 due to $34,468,000 in bond redemptions and debt service, a decrease in the average interest rate of bonds outstanding and the timing of $60,000,000 in bond issuances during 2019. Debt expense increased in 2020 as compared to 2019 due to $60,000,000 in bond issuances during 2020 exceeding redemptions and debt service of $33,608,000.

By actively redeeming bonds, the Fund continues to offset the impact of reduced mortgage loan balances and rates. The following chart illustrates early bond redemptions, debt expense and bonds outstanding in the Bond Programs.



Other

The Fund services all of its outstanding mortgage loans and services loans on behalf of Fannie Mae, Freddie Mac, the West Virginia Jobs Investment Trust and various non-profit organizations. The Fund is the largest loan servicer in the State with serviced loans of $1.2 billion. Servicing fee income in the amount of $2,955,000 represents 6.29% of the Fund's total revenues, net of pass through grant revenue, for the fiscal year ended June 30, 2020.

OVERVIEW OF THE FIDUCIARY FUND FINANCIAL STATEMENTS

The Fund has one fiduciary fund, the Welfare Benefit Plan, which is an irrevocable trust for postemployment healthcare benefits for employees. These funds are not available to support the Fund's enterprise activities. The accounting used for fiduciary funds is much like that used for enterprise funds.

Net position restricted for other postemployment benefits improved by $141,000 (2.6%) from June 30, 2018 to June 30, 2019. From June 30, 2019 to June 30, 2020, *Net position restricted for other postemployment benefits* improved by $160,000 (2.9%) to $5,745,000 at June 30, 2020.

The fiduciary fund financial statements can be found on pages 18 and 19 of this report and the Welfare Benefit Plan is discussed in greater detail in *Note H – Postemployment Healthcare Plan.*

CONTACTING THE FUND'S FINANCIAL MANAGEMENT

The above financial highlights are designed to provide a general overview of the Fund's operations and insight into the following financial statements. Additional information may be requested by contacting the Executive Director, West Virginia Housing Development Fund, at 5710 MacCorkle Ave. SE, Charleston, WV 25304, or may be found on our website at www.wvhdf.com.

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WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
STATEMENTS OF NET POSITION
(Dollars in Thousands)

	June 30, 2020	June 30, 2019
ASSETS		
Current assets:		
Cash and cash equivalents-- *(Notes A and C)*	$ 6,822	$ 13,239
Accrued interest on loans	377	413
Accounts receivable and other assets, net of allowance for losses-- *(Note A)*	1,886	1,761
Mortgage loans held for sale-- *(Note A)*	2,399	817
Restricted cash and cash equivalents-- *(Notes A and C)*	61,468	43,413
Restricted accrued interest on loans	2,361	2,342
Restricted accrued interest on investments	410	720
Total current assets	75,723	62,705
Noncurrent assets:		
Mortgage loans, net of allowance for losses-- *(Note A)*	80,796	68,601
Capital assets, net of depreciation-- *(Note A)*	8,173	8,409
Restricted cash and cash equivalents-- *(Notes A and C)*	85,655	51,157
Restricted investments-- *(Notes A and C)*	51,603	69,477
Restricted mortgage loans, net of allowance for losses-- *(Note A)*	668,463	665,505
Restricted other assets, net of allowance for losses-- *(Note A)*	5,760	5,453
Total noncurrent assets	900,450	868,602
Total assets	976,173	931,307
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pension and OPEB-- *(Notes A, F and H)*	1,395	979
LIABILITIES		
Current liabilities:		
Accounts payable and other liabilities-- *(Note A)*	19,820	17,968
Accrued interest payable	1,615	1,790
Bonds payable-- *(Note D)*	26,745	26,940
Total current liabilities	48,180	46,698
Noncurrent liabilities:		
Other liabilities-- *(Notes A, F and H)*	68,208	68,733
Bonds & notes payable-- *(Note D)*	306,802	280,178
Total noncurrent liabilities	375,010	348,911
Total liabilities	423,190	395,609
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pension and OPEB-- (Notes A, F and H)	1,405	1,489
NET POSITION		
Restricted for debt service	381,723	369,969
Restricted by state statute	76,176	73,547
Net investment in capital assets	8,173	8,409
Unrestricted	86,901	83,263
Total net position	$ 552,973	$ 535,188

The accompanying notes to financial statements are an integral part of these statements.

WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
(Dollars in Thousands)

	Year Ended June 30, 2020	2019
OPERATING REVENUES		
Interest on loans	$ 30,965	$ 30,212
Pass-through grant revenue-- *(Note A)*	74,479	70,445
Fee revenue-- *(Note A)*	7,968	8,143
Other-- *(Note A)*	1,959	1,319
	115,371	110,119
OPERATING EXPENSES		
Pass-through grant expense-- *(Note A)*	74,479	70,445
Loan fees expense-- *(Note A)*	3,907	4,014
Program expenses, net-- *(Note A)*	4,699	3,618
Administrative expenses, net-- *(Note A)*	10,735	9,669
	93,820	87,746
OPERATING INCOME	21,551	22,373
NON-OPERATING - FINANCING AND INVESTING (EXPENSES) REVENUES		
Investment earnings:		
Interest	4,165	4,748
Net increase in the fair value of investments	1,906	1,493
Net investment earnings	6,071	6,241
Interest and debt expense	(9,837)	(9,427)
	(3,766)	(3,186)
CHANGE IN NET POSITION	17,785	19,187
NET POSITION AT BEGINNING OF YEAR	535,188	516,001
NET POSITION AT END OF YEAR	$ 552,973	$ 535,188

The accompanying notes to financial statements are an integral part of these statements.

WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
(Dollars in Thousands)

	Year Ended June 30, 2020	Year Ended June 30, 2019
CASH FLOWS USED IN OPERATING ACTIVITIES		
Receipts from lending activities	$ 124,186	$ 103,495
Receipts from other operating activities	9,927	9,405
Receipts from escrows and advance activities [1]	87,433	72,596
Disbursements from escrows and advance activities [1]	(86,335)	(71,209)
Receipts for federal lending activities	2,699	2,664
Receipts for federal activities	66,216	65,438
Disbursements for federal activities	(66,216)	(65,438)
Purchase of mortgage loans	(111,584)	(105,815)
Purchase of mortgage loans held for sale	(38,440)	(29,716)
Sales of mortgage loans	36,629	28,899
Payments to employees for salaries and benefits	(7,053)	(6,681)
Payments to vendors	(11,986)	(11,047)
Net cash provided by (used in) operating activities	5,476	(7,409)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Net proceeds from bonds and notes	60,000	60,000
Retirement of bonds and notes	(33,608)	(34,468)
Interest paid	(10,013)	(9,101)
Net cash provided by noncapital financing activities	16,379	16,431
CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of equipment and furnishings	(103)	(323)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of investments	27,685	7,881
Purchase of investments	(7,700)	-
Net investment earnings	4,399	4,607
Net cash provided by investing activities	24,384	12,488
Net increase in cash and cash equivalents	46,136	21,187
Cash and cash equivalents at beginning of year	107,809	86,622
Cash and cash equivalents at end of year	$ 153,945	$ 107,809
Cash and cash equivalents consist of:		
Cash and cash equivalents	$ 6,822	$ 13,239
Restricted cash and cash equivalents - current	61,468	43,413
Restricted cash and cash equivalents - noncurrent	85,655	51,157
	$ 153,945	$ 107,809

[1] See Note A, *Restricted cash and cash equivalents*

The accompanying notes to financial statements are an integral part of these statements.

WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
STATEMENTS OF CASH FLOWS (CONTINUED)
(Dollars in Thousands)

	Year Ended June 30, 2020	Year Ended June 30, 2019
Reconciliation of operating income to net cash (used in) provided by operating activities:		
Operating income	$ 21,551	$ 22,373
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets and liabilities:		
Accrued interest on loans	37	(101)
Mortgage loans held for sale	(1,582)	(817)
Other assets	213	(57)
Allowance for (recovery of) losses on other assets	1	(312)
Restricted accrued interest on loans	(19)	(53)
Restricted other assets	(332)	1,829
Allowance for (recovery of) losses on restricted other assets	25	(2,075)
Mortgage loans	(11,242)	(10,395)
Allowance for losses on mortgage loans	(954)	(100)
Restricted mortgage loans	(5,771)	(20,762)
Allowance for losses on restricted mortgage loans	2,813	2,566
Accounts payable	1,761	1,613
Other liabilities, Federal Programs	(740)	(342)
Deferred outflows of resources - pension and OPEB	(416)	122
Deferred inflows of resources - pension and OPEB	(84)	3
Other liabilities, pension and OPEB	215	(901)
Net cash provided by (used in) operating activities	$ 5,476	$ (7,409)
Noncash investing and financing activities:		
Increase in fair value of investments	$ 2,044	$ 1,608
Net amortization of premiums/discounts on investments	54	85

WEST VIRGINIA HOUSING DEVELOPMENT FUND
FIDUCIARY FUND TYPE - WELFARE BENEFIT PLAN
STATEMENTS OF FIDUCIARY NET POSITION
(Dollars in Thousands)

	June 30, 2020	June 30, 2019
ASSETS		
Restricted cash and cash equivalents	$ 155	$ 316
Restricted accrued interest on investments	29	28
Restricted investments:		
U.S. Treasury securities	3,049	3,014
Federal agency securities	499	-
Certificates of deposit	2,028	2,242
Total restricted investments	5,576	5,256
Total restricted assets	5,760	5,600
LIABILITIES		
Current liabilities:		
Accounts payable and other liabilities	15	15
Total liabilities	15	15
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS	$ 5,745	$ 5,585

The accompanying notes to financial statements are an integral part of these statements.

WEST VIRGINIA HOUSING DEVELOPMENT FUND
FIDUCIARY FUND TYPE - WELFARE BENEFIT PLAN
STATEMENTS OF CHANGES IN FUDICIARY NET POSITION
(Dollars in Thousands)

	Year Ended June 30, 2020	Year Ended June 30, 2019
ADDITIONS		
Contributions - employer	$ 95	$ 311
Investment income:		
Interest	117	118
Net increase in fair value of investments	63	54
Net investment income	180	172
Total additions	275	483
DEDUCTIONS		
Benefits	95	311
Administrative expenses	20	31
Total deductions	115	342
NET INCREASE IN FIDUCIARY NET POSITION	160	141
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS		
BEGINNING OF YEAR	5,585	5,444
END OF YEAR	$ 5,745	$ 5,585

The accompanying notes to financial statements are an integral part of these statements.

NOTE A – AGENCY DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES

The West Virginia Housing Development Fund (the Fund) is a governmental instrumentality of the State of West Virginia (the State) and a public body corporate, created under the provisions of Article 18, Chapter 31 of the Code of West Virginia, 1931, as amended, and known as the West Virginia Housing Development Fund Act (the Act). Under the Act, the Fund's corporate purposes primarily relate to providing various housing programs. The Fund can also finance non-residential projects as defined in the Act.

The Fund is governed by a Board of Directors consisting of the Governor, Attorney General, Commissioner of Agriculture, and Treasurer of the State, all of whom serve ex-officio as public directors, and seven members, chosen by the Governor with the advice and consent of the State Senate, as private directors from the general public residing in the State. The Act, as amended in January 2005, designates the Governor or his or her designee as the Chair of the Board of Directors. Furthermore, this amendment provides that the Governor shall appoint the Executive Director, with the advice and consent of the State Senate, and that the Executive Director will serve at the Governor's will and pleasure.

The Fund receives no appropriations from the State; however it is included as a discretely presented component unit of the primary government in the State's Comprehensive Annual Financial Report. The reporting entity for the Fund includes its Enterprise Fund and Welfare Benefit Plan. In defining the Fund for financial reporting purposes, management considered all potential component units. Based on the criteria of accounting principles generally accepted in the United States, the Fund has one component unit, the Welfare Benefit Plan, an irrevocable trust for postemployment healthcare insurance benefits provided to the Fund's employees. The Fund's financial statement presentation includes the Welfare Benefit Plan as a fiduciary fund.

The various programs of the Fund consist of the General Account, the Bond Programs, Other Loan Programs, Affordable Housing Fund, Land Development Program, Bond Insurance Account, and Federal Programs.

The General Account includes the results of the Fund's loan servicing operations, administrative expenses of the Fund's operations, operations of the Fund's building and fee income related to the administration of the Section 8 Housing Assistance Payments Programs (HAPs Program) and the Low-Income Housing Tax Credit Program.

The Bond Programs include the activities of the single-family bond programs under the Housing Finance Bond Program and the General New Issue Bond Program resolutions, the purpose of which is to provide affordable housing throughout the State. Assets and revenues of the Bond Programs are restricted, subject to the provisions of the bond resolutions, and are available for other purposes only to the extent they are not required to meet specified reserve and funding provisions of the resolutions.

Other Loan Programs include the Down Payment and Closing Cost Assistance Program, Secondary Market Program, Multifamily Lending Program, Flood Program, Low-Income Assisted Mortgage Program, On-Site Septic Systems Loan Program and the Special Assistance Lending Program, all of which have been financed from the general reserves of the Fund.

The Affordable Housing Fund was created by the State Legislature in 2018 through the transfer of operations of the West Virginia Affordable Housing Trust Fund (WVAHTF) to the Fund effective June 8, 2018. The Legislation maintains those funds for its original purpose in support of much-needed affordable housing. The Affordable Housing Fund's purpose is to provide funding for both technical assistance and housing assistance to non-profits and government entities to encourage stronger partnerships, collaboration and greater involvement of local communities in meeting housing needs in the State. The Affordable Housing Fund receives a fee of twenty dollars on the transfer of real property and on the sale of factory-built homes by licensed dealers and is restricted by State statute. The transfer fees are required to be set aside in a special purpose account for the sole purpose of continuing the activities of the WVAHTF for the sole benefit of governments, 501(c)(3) non-profits and public housing authorities.

The Land Development Program was established by the Act in 1973 with a $2,000,000 appropriation from the State Legislature from which the Fund can make below-market interest rate loans to developers to acquire and improve land for residential housing and non-residential construction. The Land Development Program includes the West Virginia Property Rescue Initiative Program and is restricted by State statute.

The Bond Insurance Account was created by the Act as a special trust fund within the State Treasury designated as the "Mortgage Finance Bond Insurance Fund", and was established to provide for the payment of principal and interest in the event of default by the Fund on "Mortgage Finance Bonds," as defined in the Act. The Bond Insurance Account is restricted by State statute and is under the supervision of the West Virginia Municipal Bond Commission (the "Bond Commission"). The Bond Insurance Account is included in the Fund's financial statements but is kept separate and apart from all other accounts of the Fund, the Bond Commission, and the State. Both the Housing Finance Bond Program and the General New Issue Bond Program are considered Mortgage Finance Bonds.

Federal Programs include the United States Department of Housing and Urban Development's (HUD) HOME Investment Program (HOME), National Housing Trust Fund (NHTF), Tax Credit Assistance Program (TCAP), HAPs Program, and the U.S. Treasury's Tax Credit Exchange Program (TCEP) for which the Fund acts as program administrator. These programs are funded solely through federal monies and are restricted by Federal regulations.

COVID-19 Pandemic: The recent global outbreak of COVID-19, a respiratory disease declared to be a pandemic (the "Pandemic") by the World Health Organization, is affecting the national capital markets and which may negatively impact the State's housing market and its overall economy.

On March 13, 2020, the President of the United States declared a national emergency with respect to the Pandemic. In addition, the United States Congress enacted several COVID-19-related bills, including the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), signed into law on March 27, 2020, which provides over $2 trillion of direct financial aid to American families, payroll and operating expense support for small businesses, and loan assistance for distressed industries, as well as providing funds to and directing the Federal Reserve System to support the capital markets.

Among other things, the CARES Act provides that (a) lenders are prohibited from foreclosing all mortgage loans which are FHA insured, VA, HUD or Rural Housing guaranteed, or purchased or securitized by Fannie Mae or Freddie Mac (collectively, "Federal Single Family Loans") for a period of 60 days commencing March 18, 2020, and (b) during the COVID-19 emergency, Federal Single Family Loan borrowers directly or indirectly facing economic difficulties as a result of the coronavirus can seek up to 360 days of payment forbearance. In addition to the foreclosure and eviction relief provided by the CARES Act, HUD/FHA and the Federal Housing Finance Agency ("FHFA") also ordered the servicers of Federal Single Family Loans to suspend foreclosures and evictions related to Federal Single Family Loans; HUD/FHA and FHFA have extended their foreclosure and eviction moratoriums for Federal Single Family Loans until at least December 31, 2020. As of June 30, 2020, mortgagors of approximately 3.53% of the principal amount of the Fund's loan portfolio have requested forbearance, and foreclosure actions have been paused for approximately 0.07% of the principal amount of the Fund's loan portfolio. The Fund expects to receive and approve additional forbearance requests during the Pandemic.

The Pandemic is an ongoing situation. At this time, the Fund cannot determine the overall impact that the Pandemic, including the federal and State responses thereto, will have on its programs and operations, including its ability to finance the purchase of Mortgage Loans or to collect payments on such Mortgage Loans. The continuation of the Pandemic and the resulting containment and mitigation efforts could have a material adverse effect on the Fund, its programs, its operations and its finances.

Accounting methods: The accounting policies of the Fund conform to accounting principles generally accepted in the United States and to accounting principles for state housing finance agency enterprise funds. The various programs were established in accordance with the Act, the bond resolutions, or at management's discretion. The financial statements of the enterprise fund and the fiduciary fund are prepared using the flow of economic resources measurement focus and the accrual basis of accounting, which requires recognition of revenue when earned and expenses when incurred.

Estimates: Certain estimates and assumptions are required by management in the preparation of the financial statements in accordance with accounting principles generally accepted in the United States (US GAAP). The significant estimates and assumptions are those required in the determination of the allowance for losses for the following items: accounts receivable and other assets, mortgage loans, restricted mortgage loans, and restricted other assets. Actual results in the near-term could differ significantly from those estimates.

Cash and cash equivalents: The Fund considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. This includes cash, certificates of deposit, short-term agency notes, and deposits with the West Virginia Board of Treasury Investments (WVBOTI).

Accounts receivable and other assets, net of allowance for losses include accounts receivables, land for housing purposes and foreclosed properties, net of an allowance for estimated probable declines in net realizable value.

(Dollars in thousands)	June 30, 2020			June 30, 2019		
	Balance	**Allowance**	**Net**	**Balance**	**Allowance**	**Net**
Accounts receivable and other Assets:						
Accounts receivable	$ 1,668	$ (7)	$ 1,661	$ 1,370	$ (6)	$ 1,364
Land	117	(58)	59	117	(58)	59
Foreclosed property	166	-	166	338	-	338
Total	$ 1,951	$ (65)	$ 1,886	$ 1,825	$ (64)	$ 1,761

Mortgage loans held for sale: In its Secondary Market Program, the Fund purchases and sells fixed-rate mortgage loans, primarily to Fannie Mae, on a servicing retained basis. The sale price is determined at the date of commitment and the commitment period generally ranges from 30 to 90 days. *Mortgage loans held for sale* are carried at the lower of aggregate cost or estimated fair value.

Enterprise fund *Restricted cash and cash equivalents* represents monies the Fund holds on behalf of others, restricted by the Act or by the bond resolutions. Included in this line item are tax and insurance escrows held on behalf of the Fund's various mortgagors and payments collected on mortgages for which the Fund acts as servicer only. The Fund is obligated to expend these monies on escrowed items or remit them to the appropriate investors in the case of mortgage loans serviced for the benefit of others. Also included in *Restricted cash and cash equivalents* are federal and other housing program funds for which the Fund acts as grantee or agent. The total funds held on behalf of others were $18,571,000 at June 30, 2020 and $18,279,000 at June 30, 2019. *Restricted cash and cash equivalents* to be used for the acquisition of noncurrent assets, such as mortgage loans or investments, are classified as *Noncurrent assets*.

Fiduciary fund *Restricted cash and cash equivalents* represents monies held in an irrevocable trust for postemployment healthcare insurance benefits for Fund employees. These funds are not available to support the various programs of the enterprise fund.

Mortgage loans, net of allowances for losses: These loans consist primarily of unrestricted mortgage loans made under the General Account and Other Loan Programs. The Fund provides for possible losses on loans based on management's review of potential problem loans. The allowance for loan losses is shown below.

(Dollars in thousands)	June 30, 2020			June 30, 2019		
	Balance	**Allowance**	**Net**	**Balance**	**Allowance**	**Net**
Unrestricted Mortgage Loans:						
General Account	$ 4,981	$ (3,206)	$ 1,775	$ 3,362	$ (1,945)	$ 1,417
Other Loan Programs	90,437	(11,416)	79,021	80,815	(13,631)	67,184
Total	$ 95,418	$ (14,622)	$ 80,796	$ 84,177	$ (15,576)	$ 68,601

Capital assets, net of depreciation include land, buildings, equipment, furnishings and computer software that are stated at their original cost less accumulated depreciation. Capital asset expenditures of $20,000 or more with a useful life greater than 1 year are capitalized at cost and reported net of accumulated depreciation. Depreciation is computed using the straight-line method over the useful lives of the assets, which is 40 years for the building and from 3 to 10 years for furniture, equipment and software.

(Dollars in thousands)	June 30, 2019	Additions	Deletions	June 30, 2020
Capital assets, not being depreciated:				
Land	$ 1,810	$ -	$ -	$ 1,810
Total capital assets, not being depreciated	1,810	-	-	1,810
Capital assets, being depreciated:				
Buildings	7,810	-	-	7,810
Equipment and furnishings	1,487	103	(27)	1,563
Computer software	814	-	-	814
Total capital assets, being depreciated	10,111	103	(27)	10,187
Less accumulated depreciation for:				
Buildings	(1,535)	(203)	-	(1,738)
Equipment and furnishings	(1,324)	(65)	27	(1,362)
Computer software	(653)	(71)	-	(724)
Total accumulated depreciation	(3,512)	(339)	27	(3,824)
Total capital assets being depreciated, net	6,599	(236)	-	6,363
Total capital assets, net	$ 8,409	$ (236)	$ -	$ 8,173

(Dollars in thousands)	June 30, 2018	Additions	Deletions	June 30, 2019
Capital assets, not being depreciated:				
Land	$ 1,810	$ -	$ -	$ 1,810
Total capital assets, not being depreciated	1,810	-	-	1,810
Capital assets, being depreciated:				
Buildings	7,729	81	-	7,810
Equipment and furnishings	1,308	197	(18)	1,487
Computer software	738	76	-	814
Total capital assets, being depreciated	9,775	354	(18)	10,111
Less accumulated depreciation for:				
Buildings	(1,340)	(195)	-	(1,535)
Equipment and furnishings	(1,230)	(112)	18	(1,324)
Computer software	(477)	(176)	-	(653)
Total accumulated depreciation	(3,047)	(483)	18	(3,512)
Total capital assets being depreciated, net	6,728	(129)	-	6,599
Total capital assets, net	$ 8,538	$ (129)	$ -	$ 8,409

Restricted investments: The Fund established guidelines for the investment of its funds to meet the requirements of the bond resolutions and the Act. Currently, investments consist primarily of United States government and agency obligations and certificates of deposit with maturities greater than 90 days.

Investment securities are recorded at fair value, or at amortized cost as permissible, and a portion of the unrealized gains or losses is reported in the Statements of Revenues, Expenses, and Changes in Fund Net Position as part of *Net investment earnings* as more fully explained in *Note C – Cash and Investments*.

Restricted mortgage loans, net of allowance for losses includes loans originated that are restricted by the bond resolutions, the Act, State statute or other restricted purposes.

The allowance for loan losses in these programs is shown below.

(Dollars in thousands)	June 30, 2020			June 30, 2019		
	Balance	Allowance	Net	Balance	Allowance	Net
Restricted Mortgage Loans:						
General Account	$ 455	$ (455)	$ -	$ 472	$ (471)	$ 1
Other Loan Programs	597	(227)	370	695	(264)	431
Land Development	2,915	(1,554)	1,361	3,418	(1,654)	1,764
Affordable Housing Fund	2,119	(1,748)	371	1,869	(1,518)	351
Bond Insurance Account	11,788	(502)	11,286	13,950	(594)	13,356
Bond Programs	600,967	(10,230)	590,737	596,117	(9,794)	586,323
Federal Programs	153,910	(89,572)	64,338	150,459	(87,180)	63,279
Total	$ 772,751	$ (104,288)	$ 668,463	$ 766,980	$ (101,475)	$ 665,505

Federal Programs include HOME and NHTF, which are designed to assist very low-income borrowers and to provide capacity building funds for nonprofit housing organizations. The funds provided to the nonprofits will only be repaid if the nonprofit fails to provide the services required as a condition of receiving HOME and NHTF funds. Federal Programs also include TCAP and TCEP, which were designed to assist in the development of Low-Income Housing Tax Credit Program properties. These funds will only be repaid if the recipient fails to comply with certain covenants of their agreement. Therefore, HOME, NHTF, TCAP and TCEP projects are recorded as restricted mortgage loans and the TCAP, TCEP and nonprofit HOME and NHTF projects have a corresponding 100% loss allowance in the Statements of Net Position.

Most loans in the Bond Programs are protected against loss by various federal and private insurance programs. Repayment of certain multifamily rental project loans is dependent, in part, upon rental and interest subsidy programs of HUD.

Enterprise fund _Restricted other assets_ include certain foreclosed properties, properties developed for flood activities, other land for restricted housing purposes, and miscellaneous receivables, net of an allowance for estimated probable declines in the net realizable value. These assets are restricted subject to the provisions of the bond resolutions, the Act, or federal regulations.

(Dollars in thousands)	June 30, 2020			June 30, 2019		
	Balance	Allowance	Net	Balance	Allowance	Net
Restricted other assets:						
Accounts receivable	$ 411	$ -	$ 411	$ 553	$ -	$ 553
Land	2,248	(2,048)	200	2,249	(2,049)	200
Foreclosed property	5,480	(331)	5,149	5,005	(305)	4,700
Total	$ 8,139	$ (2,379)	$ 5,760	$ 7,807	$ (2,354)	$ 5,453

Deferred outflows of resources related to pension and OPEB represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that time as explained in *Note F – Retirement Plan* and *Note H – Other Postemployment Healthcare Benefits*.

Accounts payable and other liabilities includes amounts held on behalf of others as explained in *Note A - Restricted cash and cash equivalents,* amounts due to vendors, and rebateable investment earnings.

Other liabilities include federal housing program funds for which the Fund acts as grantee or agent to originate mortgages under the HOME and NHTF programs, the Fund's net pension liability as explained in *Note F – Retirement Plan* and the Fund's net OPEB liability (asset) as explained in *Note H – Other Postemployment Healthcare Benefits.*

Deferred inflows of resources related to pension and OPEB represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time as explained in *Note F – Retirement Plan and Note H – Other Postemployment Healthcare Benefits.*

Enterprise fund *Restricted net position:* Net position of the Bond Programs is restricted to meet specified reserve and funding provisions in accordance with the bond resolutions. Net positions of the Affordable Housing Fund, Land Development Program and Bond Insurance Account are restricted in accordance with the Act. Federal Programs are restricted due to requirements of HUD or other grantor agencies. When both restricted and unrestricted resources are available for use, it is generally the Fund's policy to use restricted resources first, and then unrestricted resources as they are needed.

Fiduciary fund *Restricted net position:* Net position of the fiduciary fund is restricted to postemployment healthcare insurance benefits for the Fund's employees.

Operating revenues and expenses: The Fund classifies operating revenues and expenses in the enterprise fund based on the services provided by the Fund and its ongoing operations. This includes such activities as mortgage lending, administration of federal financial awards programs, property management and development, and other related program activities. *Net investment earnings* and interest on debt are reported as *non-operating revenues and expenses*.

Pass-through grant revenue and pass-through grant expense: The Fund receives grants and other financial assistance from HOME, NHTF and the HAPs Programs to transfer or spend on behalf of various secondary recipients. These amounts are considered pass-through grants and are reported in the financial statements as revenue and expense when funds are disbursed to the sub recipient.

Fee revenue consists primarily of loan servicing fees on mortgage loans serviced by the Fund, administration fees earned from the HAPs Program, financing fees, tax credit fees, secondary market fees, Affordable Housing Fund transfer fees and deferred document penalty fees.

The Fund services all loans in its portfolio as well as loans on behalf of others totaling approximately $1,191,086,000 and $1,188,500,000 at June 30, 2020 and 2019, respectively. Of this total, the portfolio serviced by the Fund on behalf of others approximated $320,100,000 and $335,763,000 at June 30, 2020 and 2019, respectively.

Other revenues consist primarily of gains on sale of mortgages in the Secondary Market Program, rental income, gains on sales of foreclosed properties acquired through the Fund's mortgage lending activities, and other miscellaneous revenue items.

Loan fees expense includes fees paid to lenders and vendors related to the origination of mortgage loans. In addition, loan fees expense includes the cost of acquiring the servicing rights to mortgage loans owned by the Fund and loans owned by others, primarily Fannie Mae.

Program expenses primarily consist of disbursements made under the Fund's various programs, provisions for mortgage loan losses, losses on sales of foreclosed properties acquired through the Fund's mortgage lending activities, repair and maintenance costs for foreclosed properties and costs of bond issuance. *Program expenses* also include daily operating expenses of the office building owned by the Fund.

Administrative expenses, net include salary, benefits, and other operating expenses related to the daily operations of the Fund. When an expense is incurred, the expense is charged to the program or account for which it is directly applicable, whether restricted or unrestricted. Indirect expenses are allocated to programs and accounts based on a percentage of the program's or account's direct salary cost.

Contributions – Employer includes contributions from the enterprise fund to the fiduciary fund for healthcare insurance benefits for retired employees and their eligible dependents.

Net investment income represents interest earnings on postemployment healthcare cash and investments and the increase or decrease in the fair value of investments for the fiduciary fund.

Benefits include benefit payments from the fiduciary fund for postemployment healthcare costs for retired employees and their eligible dependents.

Administrative Expenses in the fiduciary fund include trustee fees associated with investment management of the Welfare Benefit Plan and fees for actuarial valuations.

NOTE B – ASSETS FOR RESERVED AND OTHER PURPOSES

Assets and revenues of the Bond Programs are subject to the provisions of the bond resolutions and are available for other purposes only to the extent they are not required to meet specified reserve and funding provisions of the resolutions. The Fund, to the extent such monies become available under the terms of the resolutions, has pledged to maintain the net position of its Bond Programs at a level to preserve the Fund's bond ratings. In the event that the Fund fails to comply with the terms of the bond resolutions the holders of such obligations would have recourse to the unrestricted assets of the Fund. The Affordable Housing Fund, Land Development Program and the Bond Insurance Account are restricted by State statute.

Assets of the General Account and Other Loan Programs are principally unrestricted and may be transferred to other programs subject to the approval of the Fund's management or Board of Directors. As of June 30, 2020, the Fund has committed $60,596,000 from Other Loan Programs and the General Account for various loans or projects and $8,877,000 from Other Loan Programs for the purchase of secondary market loans. In addition, the Fund has committed to sell loans to Fannie Mae of $7,136,000 from Other Loan Programs. These amounts are included in *Unrestricted net position*. The Fund is actively accepting applications from prospective recipients to originate loans from amounts allocated by the Board of Directors from Other Loan Programs.

The Board of Directors has also allocated $1,000,000 of the *Unrestricted net position* for the "Directors' and Officers' Insurance Account" for the purpose of providing indemnification for the directors and officers of the Fund. The fiscal year 2021 administrative budget of $12,866,000 will be provided from the *Unrestricted net position* and from future revenues of the Fund.

NOTE C – CASH AND INVESTMENTS

The Fund's enterprise fund actively invests cash in conformity with the Act, the Bond Programs and the Board-approved Investment Policy. Permitted investments include a wide variety of securities and obligations such as certain corporate deposits, money market accounts, investment agreements or repurchase agreements with primary government dealers, direct obligations or obligations guaranteed by the State, United States government securities, or federal agency securities. Currently, the enterprise fund's investments consist primarily of United States government or agency securities, FDIC insured money markets, cash or FDIC insured certificates of deposits. The Investment Policy also permits the Fund to invest a maximum of $40,000,000 with the WVBOTI of which a maximum of $20,000,000 can be invested in the WVBOTI West Virginia Money Market Pool. The WVBOTI operates in accordance with applicable State laws and regulations.

The following is a detail of the Fund's enterprise fund investments, including cash equivalents, by type:

(Dollars in thousands)		June 30, 2020		June 30, 2019	
	Weighted Avg Maturity	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Reported at cost					
Demand Deposits, Money Market Funds	1 day	$ 72,993	$ 72,993	$ 84,636	$ 84,636
Mortgages held for investment purposes	20.35 years	13,183	13,183	15,418	15,418
FDIC Insured CDs	15 days	38,575	38,575	7,300	7,300
WVBOTI deposits	1 day	42,377	42,377	23,173	23,173
Total		167,128	167,128	130,527	130,527
Reported at estimated fair value					
Fannie Mae MBS pools	10.94 years	558	635	792	856
Federal agency securities	8.52 years	34,152	44,098	42,537	50,370
U.S. Treasury securities	2.19 years	6,038	6,870	10,037	10,951
Total		40,748	51,603	53,366	62,177
Total investments, including cash equivalents		$ 207,876	$ 218,731	$ 183,893	$ 192,704

The Fund's fiduciary fund actively invests cash in conformity with the Act and the Board-approved Investment Policy. Permitted investments include a variety of securities and obligations such as money market accounts, certificates of deposit, direct obligations or obligations guaranteed by the State, United States government securities, or federal agency securities. Currently, the fiduciary fund's investments consist primarily of United States government or agency securities, FDIC insured money markets and negotiable certificates of deposit.

The following is a detail of the Fund's fiduciary fund investments, including cash equivalents, by type:

(Dollars in thousands)		June 30, 2020		June 30, 2019	
	Weighted Avg Maturity	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Reported at cost					
Demand Deposits	1 day	$ 155	$ 155	$ 316	$ 316
Total		155	155	316	316
Reported at estimated fair value					
U.S. Treasury securities	1.16 years	2,999	3,049	2,993	3,014
Federal agency securities	3.50 years	500	499	-	-
Certificates of deposit	1.19 years	2,000	2,028	2,248	2,242
Total		5,499	5,576	5,241	5,256
Total investments, including cash equivalents		$ 5,654	$ 5,731	$ 5,557	$ 5,572

Interest Rate Risk - Enterprise fund. The Investment Policy limits the weighted average maturity of various fund types as shown in the following table. The Act does not provide for investment maturity limits. Reserve funds are the capital reserve investments required for the Bond Programs which are currently invested in long-term U.S. Government and government agency obligations and long-term certificates of deposit. The Bond Insurance Account, which provides additional reserves for the payment of the Housing Finance Bonds and the General New Issue Program Bonds, is currently invested in U.S. Government and government agency obligations as well as mortgage loans for investment purposes and certificates of deposit. Other funds consist of bond revenues to be used for debt service on the outstanding bonds, bond proceeds for the purchase of mortgage revenue bond loans, Other Loan Program funds and general operating funds. Other funds are primarily invested short-term to meet program funding needs and to provide for daily operational costs of the Fund. Funds held for others consist of single family and multifamily escrow funds as well as amounts to be remitted to others. The Fund has both the intent and the ability to hold long-term securities until final maturity and is therefore limited in its exposure to interest rate risk on these long-term obligations.

	Permitted Maturity Limit	Average Maturity as of June 30, 2020
Reserve Funds	30 years	6 years
Bond Insurance Funds	15 years	5 years
Other Funds	4 years	3 months
Funds held for others*		1 day

*Funds held for others not applicable to limit calculations

Interest Rate Risk – Fiduciary fund. The Investment Policy limits the weighted average maturity of all funds as shown in the following table. The Act does not provide for investment maturity limits. Fiduciary fund investments are managed at an appropriate average duration based on current interest rate environments.

	Permitted Maturity Limit	Average Maturity as of June 30, 2020
Fiduciary Funds	4 years	1 year

Credit Risk – Enterprise fund. Although permitted by the Act, the Fund's Investment Policy prohibits investment in State and Local obligations other than West Virginia and prohibits investment in corporate debt instruments. The Fund's Investment Policy additionally requires repurchase agreements to be invested with banks or primary dealers which are rated or provide the necessary collateral to maintain the Fund's bond, note and issuer ratings. Furthermore, the Investment Policy limits collateral for repurchase agreements to direct federal and federally guaranteed obligations, and federal agency obligations.

As of June 30, 2020, the Fund's investments in the WVBOTI are rated AAAm. Federal agency securities consist of Fannie Mae, Federal Farm Credit Bank, Federal Home Loan Bank and Freddie Mac all of which are rated AA+. Fannie Mae MBS pools are also rated AA+. Insured Cash Sweep (ICS) Funds and the Demand Deposit Marketplace Funds are FDIC insured. Certificates of deposit are either FDIC insured through the Certificate of Deposit Account Registry Service (CDARS) or collateralized with an irrevocable standby letter of credit issued by the Federal Home Loan Bank of Atlanta, which is rated AA+. Money Market Funds are invested in the Federated Government Obligations Fund and are rated AAAm. Mortgages held for investment purposes are not rated.

Credit Risk – Fiduciary fund. The fiduciary fund's Investment Policy limits investments to U.S. Treasury Securities that are backed by the full faith and credit of the United States, Federal agency securities, which are rated AA+ and FDIC insured certificates of deposit.

Concentration of Credit Risk – Enterprise fund. The Investment Policy limits the percentage or amount of the investment portfolio that may be invested in various types of issuers as indicated in the table below. The Act does not limit the percentage of investments in any permitted investment type.

As of June 30, 2020 (Dollars in thousands)	Maximum of Portfolio	Invested Funds	% of Total Investment
Direct Federal Obligations	100%	$ 6,038	3%
Federal Agency Obligations	90%	34,710	18%
Federally Guaranteed Obligations	100%	-	0%
Demand Deposits	30%	14,749	8%
Collateralized CDs	$75,000	-	0%
CDARS FDIC Insured CDs	$65,000	38,575	20%
West Virginia Obligations	15%	-	0%
ICS FDIC Insured Demand Deposit	$40,000	-	0%
ICS FDIC Insured Savings Deposits	$100,000	42,047	22%
Mortgages Held for Investment Purposes	30%	13,183	7%
Money Market Funds	25%	1,262	1%
WVBOTI deposits	$40,000	38,741	21%
TOTAL		$ 189,305	100%
Funds Held for Others *	N/A	18,571	
TOTAL INVESTED FUNDS		$ 207,876	

* Funds held for others not applicable to limit calculations.

Concentration of Credit Risk – Fiduciary fund. The Investment Policy limits the percentage or amount of the investment portfolio that may be invested in various types of issuers as indicated in the table below. The Act does not limit the percentage of investments in any permitted investment type.

As of June 30, 2020 (Dollars in thousands)	Maximum of Portfolio	Invested Funds	% of Total Investment
Demand Deposits	30%	$ 155	3%
Direct Federal Obligations	90%	2,999	53%
Federal Agency Obligations	90%	500	9%
Federally Guaranteed Obligations	90%	-	0%
FDIC Insured CDs	50%	2,000	35%
TOTAL INVESTED FUNDS		$ 5,654	100%

Custodial Credit Risk – Deposits - The Act requires all deposits to be FDIC insured or fully collateralized by permitted investments for both enterprise funds and fiduciary funds. The enterprise fund Investment Policy further limits the securities permitted as collateral for amounts in excess of FDIC insurance to direct federal or federally guaranteed obligations, federal agency, or State of West Virginia obligations. The fiduciary fund Investment Policy further limits the securities permitted as collateral for amounts in excess of FDIC insurance to direct federal or federally guaranteed obligations or federal agency obligations.

The enterprise fund cash, including escrow funds, had a carrying value of $72,993,000 and $84,636,000 as of June 30, 2020 and 2019, respectively. Bank balances approximated $77,922,000 and $86,219,000 as of June 30, 2020 and 2019, respectively, of which approximately $63,726,000 and $73,581,000 was covered by federal depository insurance as of June 30, 2020 and 2019, respectively, and $12,934,000 and $11,687,000 was either collateralized with securities pledged to the Fund and held by the trust department of the pledging financial institution or held and pledged to the Fund by the pledging financial institution's agent as of June 30, 2020 and 2019, respectively. Also included in the bank balances above are trust account money market fund balances of $1,262,000 and $951,000 as of June 30, 2020 and 2019, respectively, which are not subject to custodial credit risk.

The fiduciary fund cash had a carrying value of $155,000 and $316,000 as of June 30, 2020 and 2019, respectively. Bank balances approximated $156,000 and $316,000 as of June 30, 2020 and 2019, respectively, which are trust account money market funds and not subject to custodial credit risk.

Custodial Credit Risk – Investments – The Investment Policy requires purchased securities to be physically delivered to the Fund's custodian or trustee or, in the case of book-entry securities; registration books shall designate the custodian or trustee. The Investment Policy also requires collateral for repurchase agreements be delivered to a third party custodian or in the case of book-entry securities, be registered to the Fund. All U.S. government and agency obligations owned by the Fund are registered in the Fund's name or the Fund's designated trustee. The Act does not address custodial credit risk for investments.

<u>Fair value hierarchy</u>: The fair value hierarchy established under GASB Statement No. 72 categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to quoted prices in active markets inputs (Level 1) and the lowest priority to unobservable inputs (Level 3).

The levels of the hierarchy are identified as follows:

Level 1 – Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in an active market.

Level 2 – Valuation is based upon inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 – Valuation is based upon unobservable inputs for an asset or liability.

Enterprise fund investments measured at fair value using the fair value hierarchy categories are as follows:

(Dollars in thousands)	June 30, 2020	June 30, 2019
Level 1 inputs		
Federal agency securities	$ 44,098	$ 50,370
U.S. Treasury securities	6,870	10,951
Total	50,968	61,321
Level 2 inputs		
Fannie Mae MBS pools	635	856
Total	635	856
Total investments, reported at estimated fair value	$ 51,603	$ 62,177

Fiduciary fund investments measured at fair value using the fair value hierarchy categories are as follows:

(Dollars in thousands)	June 30, 2020	June 30, 2019
Level 1 inputs		
U.S. Treasury securities	$ 3,049	$ 3,014
Federal agency securities	499	-
Certificates of deposit	2,028	2,242
Total investments, reported at estimated fair value	$ 5,576	$ 5,256

Fair value measurements for investments classified as Level 2, Fannie Mae MBS pools, are valued using matrix pricing sources that provide a pricing indication from market transactions for similar or identical assets.

Mortgages held for investment are included in *Mortgage loans, net of allowances* and *Restricted mortgage loans, net of allowances* on the Statements of Net Position. Investments are included in the accompanying enterprise fund financial statements as follows:

(Dollars in thousands)	June 30, 2020	June 30, 2019
Cash and cash equivalents	$ 6,822	$ 13,239
Current restricted cash and cash equivalents	61,468	43,413
Noncurrent restricted cash and cash equivalents	85,655	51,157
Restricted investments	51,603	69,477
Plus mortgages held for investment purposes	13,183	15,418
Total Investments and cash equivalents	$ 218,731	$ 192,704
Less unrealized gains	10,855	8,811
Total Invested Funds	$ 207,876	$ 183,893

Investments are included in the accompanying fiduciary fund financial statements as follows:

(Dollars in thousands)	June 30, 2020	June 30, 2019
Restricted cash and cash equivalents	$ 155	$ 316
Restricted investments	5,576	5,256
Total Investments and cash equivalents	$ 5,731	$ 5,572
Less unrealized gains	77	15
Total Invested Funds	$ 5,654	$ 5,557

The enterprise fund has an unrealized gain on investments of $10,855,000 and $8,811,000 as of June 30, 2020 and 2019, respectively. This represents an increase in unrealized gain on investments of $2,044,000 and an increase in unrealized gain on investment of $1,608,000 from June 30, 2019 and 2018, respectively. In connection with the unrealized gain, $998,000 and $859,000 is recorded as a liability for related investment earnings as of June 30, 2020 and 2019, respectively. This portion is recorded as a liability because, if this gain were realized, it would increase excess rebateable investment earnings pursuant to Section 103A of the Internal Revenue Code, as amended (the Code). To adjust the fair value of investments to reflect this unrealized gain at June 30, 2020 and 2019 and to properly reflect the rebate liability, a $1,906,000 increase and $1,494,000 increase was recorded in *Net investment earnings* in the Statements of Revenues, Expenses, and Changes in Fund Net Position for year ended June 30, 2020 and 2019, respectively.

The fiduciary fund has an unrealized gain on investments of $77,000 and an unrealized gain on investments of $15,000 as of June 30, 2020 and June 30, 2019, respectively. This represents an increase in unrealized gain on investments of $62,000 and an increase of $54,000 from the June 30, 2019 and 2018, respectively. To adjust the fair value of investments to reflect this unrealized gain at June 30, 2020 and 2019 a $62,000 increase and a $54,000 increase was recorded in *Net investment income* in the Statements Changes in Fiduciary Net Position for year ended June 30, 2020 and 2019, respectively.

NOTE D – BONDS PAYABLE

The Act authorizes the Fund to issue bonds and notes for its various programs in an aggregate principal amount not to exceed $1,250,000,000 outstanding at any one time, exclusive of refunded obligations. Bonds and notes issued by the Fund are considered obligations of the Fund and are not deemed to constitute a debt or liability of the State.

The proceeds from the Fund’s Bond Programs are used to finance mortgage loans to eligible State borrowers and to establish certain reserves as required by the resolutions. The mortgage loans are secured by deeds of trust and approximately 71.52% of all Bond Program loans are subject to coverage under federal or private mortgage insurance or guarantee programs. All bonds are secured by a pledge of all mortgage loan repayments, all proceeds of federal or private mortgage insurance, interest received on any monies or securities held pursuant to the resolutions, and the rights and interest of the Fund in and to the mortgage loans. In the event that the Fund fails to comply with the terms of the bond resolutions, the holders of such obligations would have recourse to the unrestricted assets of the Fund. Principal and interest paid on bonds and notes payable for the years ended June 30, 2020 and 2019 was $43,620,000 and $43,569,000, respectively. Total pledged revenues in 2020 and 2019 were $95,113,000 and $85,783,000, respectively.

The On-Site Systems Loan Program (the OSLP) was created in September 2007 in partnership with the West Virginia Department of Environmental Protection (the DEP). Under this program the Fund may borrow funds from the DEP Clean Water Revolving Loan Fund. These funds are then loaned to State residents to upgrade, replace or repair inadequate septic systems. Initially, the Board authorized $1,000,000 for the OSLP and in March 2013 the Board authorized an additional $1,000,000 for the program. The Fund is obligated to repay the amount borrowed from the DEP only to the extent the Fund receives payments from loan recipients. An allowance for loan losses has been established based on management’s review of potential problem loans. At June 30, 2020, *Bonds & notes payable - noncurrent* includes a $694,000 note payable, net of a $187,000 loss allowance, due to DEP related to this program under Other Loan Programs.

Most bonds issued by the Fund are subject to redemption at the option of the Fund prior to maturity at dates and premiums as set forth in the bond documents. To reduce its debt expense, the Fund redeems bonds prior to their stated maturity dates primarily due to excess program revenues, the prepayments of mortgage loans pledged for the repayment of the bonds, excess amounts in the capital reserve funds, and/or from proceeds of refunding bonds. During the fiscal years ended June 30, 2020 and 2019, the Fund redeemed or refunded $8,815,000 and $10,915,000 of bonds, respectively, at redemption prices that approximated their carrying value.

The following tables summarize bond and note activity from 2019 to 2020 and 2018 to 2019, respectively.

(Dollars in thousands)	Bonds Payable Current	Bonds & Notes Payable Noncurrent	Bonds & Notes Payable Total
Outstanding Balance, June 30, 2019	$ 26,940	$ 280,178	$ 307,118
Debt Issued	-	60,000	60,000
Debt Paid	(24,575)	(218)	(24,793)
Early Redemptions/Refundings	(2,365)	(6,450)	(8,815)
Note Payable allowance for losses	-	37	37
Reclassification from noncurrent to current	26,745	(26,745)	-
Outstanding Balance, June 30, 2020	$ 26,745	$ 306,802	$ 333,547

(Dollars in thousands)	Bonds Payable Current	Bonds & Notes Payable Noncurrent	Bonds & Notes Payable Total
Outstanding Balance, June 30, 2018	$ 27,280	$ 254,324	$ 281,604
Debt Issued	-	60,000	60,000
Debt Paid	(23,385)	(168)	(23,553)
Early Redemptions/Refundings	(3,895)	(7,020)	(10,915)
Note Payable allowance for losses	-	(18)	(18)
Reclassification from noncurrent to current	26,940	(26,940)	-
Outstanding Balance, June 30, 2019	$ 26,940	$ 280,178	$ 307,118

The following is a summary of the bonds outstanding in the Housing Finance Bond Program and the General New Issue Bond Program and notes outstanding in Other Loan Programs:

	Original Amount Authorized	Outstanding at June 30, 2020	Outstanding at June 30, 2019
	(Dollars in thousands)		
HOUSING FINANCE BOND PROGRAM			
2011 Series A (3.422% to 3.622%), due 2020-2021	$ 50,000	$ 8,400	$ 13,775
2013 Series A (2.05% to 3.20%) due 2020-2028	21,000	12,390	13,670
2013 Series B (3.15% to 4.35%) due 2020-2024	47,500	7,255	11,455
2014 Series A,B (2.45% to 3.95%), due 2020-2033	48,865	27,105	30,680
2015 Series A,B (2.10% to 3.80%), due 2020-2034	50,660	29,345	32,605
2015 Series C,D (2.20% to 4.10%), due 2020-2037	70,060	47,500	51,930
2017 Series A,B (1.90% to 4.05%), due 2020-2042	39,505	32,110	35,690
2018 Series A (1.875% to 3.90%), due 2020-2047	25,000	23,600	24,545
2019 Series A (1.70% to 3.95%), due 2020-2049	35,000	34,345	35,000
2019 Series B (1.30% to 3.10%), due 2020-2049	30,000	30,000	-
2020 Series A (0.35% to 2.80%), due 2021-2050	30,000	30,000	-
GENERAL NEW ISSUE BOND PROGRAM			
2011 A (2.32% to 3.80%), due 2020-2041	51,850	21,755	24,150
2012 A (2.75% to 3.35%), due 2020-2041	66,770	29,235	32,930
Total bonds payable		333,040	306,430
OTHER LOAN PROGRAMS			
Notes Payable (0.00%), net of allowance for losses [(1)]	2,000	507	688
Total bonds & notes payable		$ 333,547	$ 307,118

(1) Payments are due to the DEP as the Fund receives payments from OSLP loan recipients.

Total bonds payable does not include $9,750,000 in special obligation bonds issued by the Fund as a conduit issuer. These special obligation bonds are secured by loan payments and deeds of trust on two projects. None of the Fund's assets or revenues are pledged to the payment of these special obligations. Furthermore, these special obligations are not secured by the Fund's general obligation debt pledge or its moral obligation and are not included in the Fund's financial statements.

The following is a summary of scheduled annual principal and interest for bonds in the Bond Programs for the five years commencing July 1, 2020 and thereafter to maturity.

Bonds Maturing During Year Ending June 30:	Principal	Interest	Total
		(Dollars in thousands)	
2021	$ 26,745	$ 9,866	$ 36,611
2022	25,565	9,221	34,786
2023	22,275	8,590	30,865
2024	20,295	8,016	28,311
2025	16,830	7,488	24,318
2026-2030	81,080	30,208	111,288
2031-2035	67,805	17,862	85,667
2036-2040	39,700	8,701	48,401
2041-2045	20,905	3,654	24,559
2046-2050	11,580	928	12,508
2051	260	4	264
	$ 333,040	$ 104,538	$ 437,578

In accordance with Section 103A of the Code, the Fund has established allowances for excess rebateable investment earnings. The excess rebateable investment earnings arise due to actual investment yields earned by the Fund being greater than yields permitted to be retained by the Fund under the Code. The Code requires such excess investment earnings to be remitted to the Internal Revenue Service. The Housing Finance Bond Program established liabilities for excess rebateable investment earnings in the amount of $322,000 and $333,000 as of June 30, 2020 and June 30, 2019, respectively. These amounts are included in *Accounts payable and other liabilities* and represent actual earnings in excess of those permitted by the Code. These amounts are in addition to the $998,000 and $859,000 established as a liability at June 30, 2020 and 2019, respectively, for the excess of the fair value of investments over amortized costs as explained in *Note C* - Cash and Investments. Future excess investment earnings may require the establishment of liabilities for these and other bond issues.

On January 30, 2020, the Fund entered into a revolving Commercial Loan Agreement (the "Line of Credit") with United Bank, in an amount not to exceed $20,000,000, payable monthly, and due to expire January 30, 2022. The purpose of the Line of Credit is to provide warehouse funding for loans under the Multifamily Loan Program. To date, there have been no draws under the Line of Credit.

NOTE E - CONTINGENT LIABILITIES AND RISK MANAGEMENT

Under the terms of certain federal programs, periodic audits are required and certain costs and expenditures may be questioned under the terms of the program. Such audits could lead to reimbursements to the grantor agencies. Historically, questioned costs have been immaterial. Management of the Fund believes future disallowances relating to current federal program expenditures, if any, will continue to be immaterial.

The Fund is a defendant in various legal proceedings arising in the normal course of business. In the opinion of management, based upon the advice of legal counsel, the ultimate resolution of these proceedings will not have a material adverse effect on the Fund's financial position.

Through its business operations, the Fund is exposed to various risks of loss related to potential loan losses on program mortgages, fire, liability, and employee wrongdoing. To reduce risk of loss on program mortgages, the Fund has various types of mortgage insurance. At June 30, 2020, 41.73% of the Fund's single family Bond Program loans were VA, USDA Rural Development, or FHA guaranteed. Another 29.79% of these loans carry private mortgage insurance. Substantially all permanent multifamily mortgages are federally insured or guaranteed and/or are subject to HUD Section 8 rental assistance subsidies.

The Fund is insured against fire for owned assets, liability, and employee negligence through private insurance. Furthermore, key staff members of the Fund are bonded against theft in the aggregate amount of $4,000,000. The Board of Directors has allocated $1,000,000 of the Fund's unrestricted net position to provide indemnification for the directors and officers of the Fund. Additionally, the Fund has general liability insurance with the State Board of Risk and Insurance Management in the amount of $1,000,000 per occurrence and excess liability coverage of $10,000,000 aggregate with General Star Insurance Company for officers' and directors' indemnity. The Fund pays an annual premium in exchange for such coverage. There have been no significant settlements in excess of insurance coverage during the past three calendar years.

NOTE F - RETIREMENT PLAN

Plan Description. All full-time Fund employees participate in the State's Public Employees' Retirement System (PERS), a multiple-employer defined benefit cost-sharing public employee retirement system administered by the West Virginia Consolidated Public Retirement Board (CPRB). Benefits under PERS include deferred retirement, early retirement, death, and disability benefits and have been established and may be amended by action of the State Legislature. The CPRB issues a publicly available financial report that includes financial statements for PERS that may be obtained at www.wvretirement.com.

Benefits Provided. Employees hired before July 1, 2015 are eligible for normal retirement at age 60 with five or more years of credited service, or at least age 55 with age and service equal to 80 or greater. Employees hired on or after July 1, 2015 may retire at age 62 with ten years of service. The straight-life annuity retirement benefit, established by State statute, is equivalent to two percent of the employee's final average salary multiplied by years of service. Final average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. For all employees hired on or after July 1, 2015, average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired on or after July 1, 2015, this age increases to 64 with ten years of service.

Contributions. Contributions as a percentage of payroll for members are established by statutes, subject to legislative limitations and are not actuarially determined. Contributions as a percentage of payroll for employees are established by the CPRB. Current funding policy requires employer contributions of 10.0%, 10.0% and 11.0% for the years ended June 30, 2020, 2019 and 2018, respectively. As permitted by legislation, the Fund has elected to pay 100% of all costs relating to the Plan, including the employee's 4.5% contribution of annual earnings for employees hired on or before February 6, 2012. Beginning February 7, 2012, new hires are required to pay the employee's contribution of 4.5%. For all employees hired on or after July 1, 2015 the employee contribution is 6.0%. The Fund's contribution to the Plan, excluding the employee's contribution paid by the Fund, approximated $575,000, $565,000, and $588,000 for the fiscal years ended June 30, 2020, 2019, and 2018, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020 and June 30, 2019 respectively, the Fund reported a liability of $828,000 and $999,000 for its proportionate share of the net pension liability. The net pension liability reported at June 30, 2020 was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, rolled forward to the measurement date of June 30, 2019. The Fund's proportion of the net pension liability was based on the Fund's share of contributions to the pension plan relative to the contributions of all employers participating in PERS for the year ended June 30, 2019. At June 30, 2019 and June 30, 2018, the Fund's proportionate share was 0.39%.

For the years ended June 30, 2020 and June 30, 2019, respectively, the Fund recognized pension expense of $301,000 and $71,000. At June 30, 2020 and June 30, 2019, the Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(Dollars in thousands)	**June 30, 2020**	
	Deferred Outflows of Resouces	**Deferred Inflows of Resources**
Net difference between projected and actual earnings on pension plan investments	$ -	$ 299
Difference between expected and actual experience	32	72
Changes in assumptions	-	152
Changes in proportion and differences between Fund contributions and proportionate share of contributions	24	30
Fund contributions made subsequent to the measurement date	575	-
	$ 631	**$ 553**

(Dollars in thousands)	**June 30, 2019**	
	Deferred Outflows of Resouces	**Deferred Inflows of Resources**
Net difference between projected and actual earnings on pension plan investments	$ -	$ 588
Difference between expected and actual experience	50	2
Changes in proportion and differences between Fund contributions and proportionate share of contributions	37	87
Fund contributions made subsequent to the measurement date	565	-
	$ 652	**$ 677**

Deferred outflows of resources related to pensions of $575,000 resulting from Fund contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

(Dollars in thousands)

Year Ended June 30:	Pension Expense
2021	$ (101)
2022	(431)
2023	(53)
2024	88

Actuarial Assumptions and Methods. The following assumptions and methods were used in the actuarial valuation:

	2019	2018
Actuarial cost method	Individual entry age normal cost with level percentage of payroll	Individual entry age normal cost with level percentage of payroll
Asset valuation method	Fair value	Fair value
Amortization method	Level dollar, fixed period	Level dollar, fixed period
Amortization period	Through Fiscal Year 2035	Through Fiscal Year 2035
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Projected salary increases:		
State	3.1 - 5.3%	3.0 - 4.6%
Non-state	3.35 - 6.5%	3.35 - 6.0%
Inflation rate	3.00%	3.00%
Discount rate	7.50%	7.50%
Mortality rates	Active - 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018	Active - 100% of RP-2000 Non-Annuitant, Scale AA fully generational
	Retired healthy males - 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018	Retired healthy males - 110% of RP-2000 Healthy Annuitant, Scale AA fully generational
	Retired healthy females - 122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018	Retired healthy females - 101% of RP-2000 Healthy Annuitant, Scale AA fully generational
	Disabled males - 118% of Pub-2010 General / Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018	Disabled males - 96% of RP-2000 Disabled Annuitant, Scale AA fully generational
	Disabled females - 118% of Pub-2010 General / Teachers Disabled Famale table, below-median, headcount weighted, projected with scale MP-2018	Disabled females - 107% of RP-2000 Disabled Annuitant, Scale AA fully generational
Withdrawal rates		
State	2.28 - 45.63%	1.75 - 35.10%
Non-state	2.00 - 35.88%	2.00 - 35.88%
Disability rates	0.005 - 0.540%	0.007 - .675%
Retirement rates	12% - 100%	12% - 100%
Date range in most recent experience study	2013-2018	2009-2014

The long-term rates of return on pension plan investments was determined using the building-block method in which estimates of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of long-term geometric rates of return are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighted Average Expected Real Rate of Return
Domestic Equity	27.5%	5.8%	1.60%
International Equity	27.5%	7.7%	2.12%
Fixed Income	15.0%	3.3%	0.50%
Real estate	10.0%	6.1%	0.61%
Private equity	10.0%	8.8%	0.88%
Hedge funds	10.0%	4.4%	0.44%
Total	100%		6.15%
Inflation (CPI)			2.00%
			8.15%

Discount Rate. The discount rate used to measure the total pension liability was 7.5%. At June 30, 2019 and 2018, the projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. Although discount rates are subject to change between measurement dates, there were no changes in the discount rate in the current period.

Sensitivity of the Fund's proportionate share of the net pension liability to changes in the discount rate. The following table presents the Fund's proportionate share of the net pension liability calculated using the discount rate of 7.5% as well as what the Fund's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

(Dollars in thousands)

Net Pension Liability (Asset)		
1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
$ 3,857	$ 828	$ (1,734)

NOTE G – COMPENSATED ABSENCES

Employees accumulate annual leave balances to a maximum of 210 hours. Most employees receive a 100% termination payment upon separation based upon their final rate of pay. The liability for annual leave is valued at 100% of the balance plus the Fund's share of Social Security and Medicare contributions. The Fund has recorded a liability for accrued leave for all employees in accordance with US GAAP. The liability for annual leave is shown below. In lieu of cash payment at retirement, an employee who became a member of PERS before July 1, 2015 may elect to use accumulated annual leave toward additional service in the computation of retirement benefits or toward their postemployment health care insurance premium as further explained in *Note H – Postemployment Healthcare Plan.* If an employee became a member on or after July 1, 2015, they may not use accumulated annual leave to acquire additional credited service but they may still elect to use accumulated annual leave toward their postemployment health care insurance premium explained in *Note H – Postemployment Healthcare Plan*.

(Dollars in thousands)

	Accumulated Annual Leave		
	2020	2019	2018
Balance at beginning of fiscal year	$ 473	$ 435	$ 414
Annual leave earned	704	549	477
Annual leave (used)	(627)	(511)	(456)
Balance at end of fiscal year	$ 550	$ 473	$ 435

NOTE H – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

Plan administration. The Welfare Benefit Plan (the Plan), an irrevocable trust, is a single-employer defined other postemployment benefit plan administered by the Fund and the Fund's Board of Directors that is used to provide postemployment benefits other than pensions (OPEB) for employees of the Fund. Substantially all employees may become eligible for these benefits if they reach normal retirement age while working for the Fund. The assets of the Plan are deposited with an external trustee and are presented in the fiduciary fund financial statements.

Benefits Provided

The Fund provides certain healthcare insurance benefits for retired employees and their eligible dependents. Benefits are fully self-insured by the Fund and are administered through a third-party administrator. The full cost of benefits is covered by the plan. Management of the Fund has the authority to establish and amend benefit provisions to the Plan.

Employees covered by benefit terms. At June 30, 2020 and June 30, 2019, the following employees were covered by the benefit terms:

	June 30,	
Covered Employees	2020	2019
Inactive employees or beneficiaries currently receiving benefit payments	10	12
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active plan members	102	100
Total	112	112

Contributions

The contribution requirements of plan members and the Fund are established and may be amended by the Fund's management. Management establishes contribution rates based on an actuarially determined rate. Plan members are not required to contribute to the plan. In lieu of cash payment at retirement, an employee may elect to use accumulated annual and accumulated sick leave toward their postemployment health care insurance premium. A retiree may convert two unused leave days into one month's insurance premium for single coverage or three unused leave days into one month's premium for family coverage. The Fund will pay monthly health insurance premiums of these retirees based on unused sick leave and/or annual leave at the time of retirement until the unused leave is fully utilized or until the retiree reaches the eligible age for Medicare. Accordingly, the maximum period for which a retiree may be entitled to such benefits would be twelve years. The Fund's contribution to the Plan approximated $95,000, and $311,000 for the fiscal years ended June 30, 2020 and 2019, respectively.

Investments

Investment policy. The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Fund's Board of Directors. Investments are to be diversified as to minimize the risk of large losses as follows:

Permitted Investments	Maximum % of Porfolio
Cash:	
Demand Deposits	30%
Fixed Income:	
Direct Federal Obligations	90%
Federal Agency Obligations	90%
Federally Guaranteed Obligations	90%
FDIC Insured CDs	50%

Rate of Return. For the years ended June 30, 2020 and June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 3.23% and 3.37%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

At June 30, 2020 and 2019, the components of the net OPEB liability (asset) of the Fund were as follows:

(Dollars in thousands)	June 30, 2020	June 30, 2019
Total OPEB Liability	$ 5,645	$ 4,923
Plan Fiduciary Net Position	5,745	5,585
Net OPEB Liability (Asset)	$ (100)	$ (662)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability (Asset)	101.80%	113.45%

Actuarial Assumptions and Methods

The total OPEB liability (asset) as of June 30, 2020 was determined by an actuarial valuation as of January 2020 rolled forward to June 30, 2020 and the total OPEB liability (asset) as of June 30, 2019 was determined by an actuarial valuation as of January 2018 and rolled forward to June 30, 2019. The following actuarial assumptions and methods were used:

Valuation Date	1/1/2020 Rolled forward to 6/30/2020	1/1/2018 Rolled forward to 6/30/2019
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percentage of Pay Closed	Level Percentage of Pay Closed
Remaining Amortization Period	17 years as of 1/1/2020	19 years as of 1/1/2018
Asset Valuation Method	Market Value of Assets	Market Value of Assets
Actuarial Assumptions:		
Investment Rate of Return	3.00%	4.50%
Salary Increases	3.00%	3.00%
Ultimate Rate of Medical Inflation	2.72%	4.00%
General Rate of Inflation	2.00%	2.00%

Mortality rates for the January 2020 valuation rolled forward to June 30, 2020 were based on RP-2014 Mortality Table, adjusted to 2006 with Scale MP-2014, and projected fully generationally with Scale MP-2019. Mortality rates for the January 2018 valuation rolled forward to June 30, 2019 were based on RP-2014 Mortality Table, adjusted to 2006 with Scale MP-2014, and projected fully generationally with Scale MP-2017.

An actuarial experience study was not completed. Actuarial assumptions for disability, termination, retirement, and dependent age were based on the PERS actuarial valuation as of July 1, 2018 and July 1, 2016 for the January 2020 valuation rolled forward to June 30, 2020 and January 1, 2018 valuation rolled forward to June 30, 2019, respectively.

The long-term expected rate of return on the Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	10.0%	1.00%
U.S. Government Obligations	90.0%	1.80%
Total	100.0%	

Discount rate. The discount rate as of June 30, 2020 is 3.00%, which is the assumed long-term expected rate of return on Plan investments. This is the same discount rate that was used in the January 1, 2020 liability calculations. Projections of the Plan's fiduciary net position have indicated that it is expected to be sufficient to make projected benefit payments for current plan members. As such, the single rate of return is equal to the long-term expected rate of return on the Plan assets, which is 3.00%.

The discount rate as of June 30, 2019 was 4.50%, which was the assumed long-term expected rate of return on Plan investments. This was the same discount rate that was used in the January 1, 2018 liability calculations. Projections of the Plan's fiduciary net position indicated that it was expected to be sufficient to make projected benefit payments for then current plan members. As such, the single rate of return was equal to the long-term expected rate of return on the Plan assets, which was 4.50%.

Development of discount rate.

As of June 30, 2020, the Plan uses the Bond Buyer GO 20-Bond Municipal Bond Index. As this index is issued weekly, the value closest to but not after the reporting date is used in determining the appropriate rate. Based on this practice, the municipal bond rate at June 27, 2019 was 3.50% and the municipal bond rate at June 26, 2020 was 2.21%. However, the depletion test as of the most recent actuarial valuation as of January 1, 2020, reflecting known contributions after that date as well as the current funding policy, showed that the projected assets are expected to cover future benefit payments for current participants and as such the single rate used as the discount rate is the long-term expected rate of return, 3.00%. The actuarial liability, normal cost, and expected benefit payments were projected for the remaining lifetimes of the closed group population as of January 1, 2020 using the assumptions detailed in the 2020 actuarial valuation report. An Actuarily Determined Contribution (ADC) was calculated each year based on the current closed amortization period. The assets were then projected forward reflecting known contributions through June 30, 2020, and then assuming that the ADC is contributed in the future. Since the assets are projected to always be greater than the expected benefit payments in any year, the long-term expected rate of return of 3.00% is used to calculate the liabilities.

As of June 30, 2019, the Plan used the Bond Buyer GO 20-Bond Municipal Bond Index. As this index is issued weekly, the value closest to but not after the reporting date is used in determining the appropriate rate. Based on this practice, the municipal bond rate at June 28, 2018 was 3.87% and the municipal bond rate at June 27, 2019 was 3.50%. However, the depletion test as of the most recent actuarial valuation as of January 1, 2018, reflecting known contributions after that date as well as the current funding policy, showed that the projected assets were expected to cover future benefit payments for then current participants and as such the single rate used as the discount rate was the long-term expected rate of return, 4.50%. The actuarial liability, normal cost, and expected benefit payments were projected for the remaining lifetimes of the closed group population as of January 1, 2018 using the assumptions detailed in the 2018 actuarial valuation report. An Actuarily Determined Contribution (ADC) was calculated each year based on the current closed amortization period. The assets were then projected forward reflecting known contributions through June 30, 2018, and then assuming that two times the ADC is contributed for the next five years. Since the assets are projected to always be greater than the expected benefit payments in any year, the long-term expected rate of return of 4.50% was used to calculate the liabilities.

Changes in the Net OPEB Liability

At June 30, 2020 and June 30, 2019, respectively, the Fund reported a Net OPEB Liability (Asset) of ($100,579) and ($662,670). The Total OPEB Liability (TOL) at the beginning of each measurement year is measured as of a valuation date of January 1, 2020 and January 1, 2018 and is rolled forward to June 30, 2020 and June 30, 2019, respectively. The TOL at the end of the measurement year, June 30, 2020 and June 30, 2019, is measured as of a valuation date of January 1, 2020 and January 1, 2018 and is projected to June 30, 2020 and June 30, 2019, respectively. Valuations will be completed every other year.

(Dollars in thousands)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at 6/30/2019	$ 4,923	$ 5,585	$ (662)
Changes for the year:			
Service cost	172	-	172
Interest	227	-	227
Differences between expected and actual experience	(142)	-	(142)
Changes of assumptions	560	-	560
Contributions - employer	-	95	(95)
Net investment income	-	180	(180)
Benefit payments	(95)	(95)	-
Administrative expense	-	(20)	20
Net changes	722	160	562
Balances at 6/30/2020	$ 5,645	$ 5,745	$ (100)

(Dollars in thousands)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at 6/30/2018	$ 4,872	$ 5,444	$ (572)
Changes for the year:			
Service cost	143	-	143
Interest	219	-	219
Contributions - employer	-	311	(311)
Net investment income	-	172	(172)
Benefit payments	(311)	(311)	-
Administrative expense	-	(31)	31
Net changes	51	141	(90)
Balances at 6/30/2019	$ 4,923	$ 5,585	$ (662)

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability (asset) of the Fund, as well as what the Fund's net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (3.5 percent) or one-percentage-point higher (5.5 percent) than the current discount rate:

(Dollars in thousands)	1% Decrease 2.00%	Discount Rate 3.00%	1% Increase 4.00%
Total OPEB Liability	$ 6,109	$ 5,645	$ 5,234
Plan Fiduciary Net Position	5,745	5,745	5,745
Net OPEB Liability (Asset)	$ 364	$ (100)	$ (511)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	94.00%	101.80%	109.80%

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability (asset) of the Fund, as well as what the Fund's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

(Dollars in thousands)	Trend Minus 1%	Baseline Trends	Trend Plus 1%
Total OPEB Liability	$ 5,135	$ 5,645	$ 6,233
Plan Fiduciary Net Position	5,745	5,745	5,745
Net OPEB Liability (Asset)	$ (610)	$ (100)	$ 488
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	111.90%	101.80%	92.20%

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended June 30, 2020 and June 30, 2019, respectively, the Fund recognized OPEB expense of $206,328 and $102,454. At June 30, 2020 and June 30, 2019, the Fund reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30,			
(Dollars in thousands)	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 219	$ -	$ 133
Changes in assumptions	467	330	-	440
Net difference between projected and actual earnings on OPEB plan investments	223	-	263	-
Total	$ 690	$ 549	$ 263	$ 573

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

(Dollars in thousands)

Year Ended June 30:	**OPEB Expense**
2021	$ 38
2022	(5)
2023	(45)
2024	84
2025	69

NOTE I - NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 84, *Fiduciary Activities*, Statement No. 87, *Leases*, Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* Statement No. 90*, Majority Equity Interests*, Statement No. 91*, Conduit Debt Obligations*, Statement No. 93, *Replacement of Interbank Offered Rates*, Statement No. 96, *Subscription-Based Information Technology Arrangements*, and Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* The provisions of Statements No. 84 and 90 are effective for periods beginning after December 15, 2019. The provisions of Statements No. 87 and 97 are effective for periods beginning after June 15, 2021. The provisions of Statement No. 89 are effective for periods beginning after December 15, 2020. The provisions of Statement 91 are effective for periods beginning after December 15, 2021. The provisions of Statement No. 93 are effective for periods beginning after June 15, 2020. The provisions of Statement No. 96 are effective for periods beginning after June 15, 2022. The Fund has not yet determined the effect, if any, these statements will have on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILTIY PERS

(Dollars in thousands)	Years Ended June 30					
	2020	**2019**	**2018**	**2017**	**2016**	**2015**
The Fund's proportionate (percentage) of the net pension liability	0.385094%	0.386822%	0.381747%	0.383639%	0.413624%	0.413581%
The Fund's proportionate share of the net pension liability	$ 828	$ 999	$ 1,648	$ 3,526	$ 2,310	$ 1,526
The Fund's covered payroll	$ 5,650	$ 5,345	$ 5,183	$ 5,289	$ 5,607	$ 5,538
The Fund's proportionate share of the net pension liability as a percentage of its covered payroll	14.65%	18.70%	31.81%	66.70%	41.18%	27.56%
Plan fiduciary net position as a percentage of the total pension liability	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%

Note: All amounts presented are as of the measurement date, which is one year prior to the fiscal year end date

SCHEDULES OF CONTRIBUTIONS TO THE PERS

(Dollars in thousands)	Years Ended, June 30,							
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Statutorily required contribution	$ 575	$ 565	$ 588	$ 622	$ 714	$ 785	$ 803	$ 743
Contributions in relation to the statutorily required contribution	575	565	588	622	714	785	803	743
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fund's covered payroll	$ 5,750	$ 5,650	$ 5,345	$ 5,183	$ 5,289	$ 5,607	$ 5,538	$ 5,307
Contributions as a percentage of covered payroll	10.0%	10.0%	11.0%	12.0%	13.5%	14.0%	14.5%	14.0%

See Independent Auditor's Report and Notes to the Required Supplementary Information.

SCHEDULES OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS – WELFARE BENEFIT PLAN

(Dollars in thousands)	June 30, 2020	2019	2018	2017
Total OPEB Liability				
Service cost	$ 172	$ 143	$ 147	$ 150
Interest (includes interest on service cost)	227	219	234	245
Differences between expected and actual experience	(142)	-	(200)	-
Changes of assumptions	560	-	(660)	-
Benefit payments	(95)	(311)	(228)	(218)
Net change in total OPEB liability	**$ 722**	**$ 51**	**$ (707)**	**$ 177**
Total OPEB liability - beginning	**4,923**	**4,872**	**5,579**	**5,402**
Total OPEB liability - ending	**$ 5,645**	**$ 4,923**	**$ 4,872**	**$ 5,579**
Plan fiduciary net position				
Contributions - employer	$ 95	$ 311	$ 228	$ 405
Net investment income	180	172	46	22
Benefit payments, including refunds of member contributions	(95)	(311)	(228)	(218)
Administrative expense	(20)	(31)	(35)	(16)
Net change in plan fiduciary net position	**$ 160**	**$ 141**	**$ 11**	**$ 193**
Plan fiduciary net position - beginning	**5,585**	**5,444**	**5,433**	**5,240**
Plan fiduciary net position - ending	**$ 5,745**	**$ 5,585**	**$ 5,444**	**$ 5,433**
Net OPEB (asset) - ending	**$ (100)**	**$ (662)**	**$ (572)**	**$ 146**
Plan fiduciary net position as a percentage of the total OPEB liability	101.78%	113.46%	111.74%	97.40%

SCHEDULES OF CONTRIBUTIONS TO THE WELFARE BENEFIT PLAN

(Dollars in thousands)	June 30, 2020	2019	2018	2017
Actuarially determined contribution	$ 189	$ 108	$ 101	$ 162
Contributions in relation to the actuarially determined contribution	95	311	228	405
Contribution (excess)	94	(203)	(127)	(243)
Covered employee payroll	$ 5,773	$ 5,582	$ 5,396	$ 5,268
Contributions as a percentage of covered employee payroll	1.65%	5.57%	4.23%	7.69%

SCHEDULES OF ANNUAL RATE OF RETURN ON INVESTMENTS – WELFARE BENEFIT PLAN

	June 30, 2020	2019	2018	2017
Money-weighted rate of return, net of investment expense	3.23%	3.37%	0.78%	0.66%

See Independent Auditor's Report and Notes to the Required Supplementary Information.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE A – RETIREMENT PLAN TREND INFORMATION PRESENTED

The accompanying schedules of the Fund's proportionate share of the net pension liabilities and contributions to the PERS and the Welfare Benefit Plan and the schedules of annual rate of return on investments of the Welfare Benefit Plan are required supplementary information to be presented for 10 years. However, until a full 10-year trend is compiled, information is presented in the schedules for those years for which information is available.

NOTE B – RETIREMENT PLAN ACTUARIAL ASSUMPTIONS AND METHODS

The information presented in the Schedules of Contributions to PERS was based on the actuarial valuation as of July 1, 2018 using the actuarial assumptions and methods as follows:

	2019
Actuarial cost method	Individual entry age normal cost with level percentage of payroll
Asset valuation method	Fair value
Amortization method	Level dollar, fixed period
Amortization period	Through Fiscal Year 2035
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases:	
State	3.1 - 5.3%
Non-state	3.35 - 6.5%
Inflation rate	3.00%
Discount rate	7.50%
Mortality rates	Active - 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018
	Retired healthy males - 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018
	Retired healthy females - 122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018
	Disabled males - 118% of Pub-2010 General/Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018
	Disabled females - 118% of Pub-2010 General/Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018
Withdrawal rates: State	2.28 - 45.63%
Non-state	2.00 - 35.88%
Disability rates	.005 - 0.540%
Retirement rates	12% - 100%
Date range in most recent experience study	2013-2018

	2015-2018	2014
Actuarial cost method	Individual entry age normal cost with level percentage of payroll	Individual entry age normal cost with level percentage of payroll
Asset valuation method	Fair value	Fair value
Amortization method	Level dollar, fixed period	Level dollar, fixed period
Amortization period	Through Fiscal Year 2035	Through Fiscal Year 2035
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
State	3.0 - 4.6%	4.25 - 6.0%
Non-state	3.35 - 6.0%	
Inflation rate	3.0% (2015-1.90%)	2.20%
Discount rate	7.50%	7.50%
Mortality rates	Active - 100% of RP-2000 Non-Annuitant, Scale AA fully generational	Healthy males - 1983 GAM
	Retired healthy males - 110% of RP-2000 Healthy Annuitant, Scale AA fully generational	Healthy females - 1971 GAM
	Retired healthy females - 101% of RP-2000 Healthy Annuitant, Scale AA fully generational	Disables males - 1971 GAM
	Disabled males - 96% of RP-2000 Disabled Annuitant, Scale AA fully generational	Disabled females - Revenue ruling 96-7
	Disabled females - 107% of RP-2000 Disabled Annuitant, Scale AA fully generational	
Withdrawal rates: State	1.75 - 35.10%	1 - 26%
Non-state	2.00 - 35.88%	2 - 31.2%
Disability rates	.007 - .675%	0 - 8%
Retirement rates	12% - 100%	15% - 100%
Date range in most recent experience study	2009-2014	2004-2009

The information presented in the Schedules of Contributions to the Welfare Benefit Plan was based on the actuarial assumptions and methods as follows:

Valuation date	1/1/2020 Rolled forward to 6/30/2020
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation completed during even calendar years
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Amortization Method	Level Percentage of Pay Closed
Remaining Amortization Period	17 years as of 1/1/2020
Actuarial Assumptions:	
Discount rate	3.00%
Salary Increases	3% total payroll growth
Healthcare cost trend rates	Pre-Medicare: 10.0% in calendar 2020 grading down to 2.72% over 19 years
	Medicare: 0.0% in calendar 2020 and 2021 5.0% grading down to 2.72% over 18 years
	Administrative expenses: 2.72% per year

Valuation date	1/1/2018 Rolled forward to 6/30/2019
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation completed during even calendar years
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Amortization Method	Level Percentage of Pay Closed
Remaining Amortization Period	19 years as of 1/1/2018
Actuarial Assumptions:	
Discount rate	4.50%
Salary Increases	3% total payroll growth
Healthcare cost trend rates	Pre-Medicare: 8.40% in calendar 2018 grading down to 4.0% over 15 years
	Medicare: 0.0% in calendar 2018 and 2019 5.0% grading down to 4.0% over 13 years
	Administrative expenses: 4.0% per year

Valuation date	1/1/2016 Rolled forward to 6/30/2017
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation completed during even calendar years
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Amortization Method	Level Percentage of Pay Closed
Remaining Amortization Period	21 years as of 1/1/2016
Actuarial Assumptions:	
Discount rate	4.50%
Salary Increases	3% total payroll growth
Healthcare cost trend rates	Pre-Medicare: 10.0% in calendar 2016 grading down to 4.0% over 15 years
	Medicare: 6.0% in calendar 2016 grading down to 4.0% over 15 years
	Administrative expenses: 4.0% per year

NOTE C – PERS PLAN AMENDMENTS

The PERS was amended to make changes which apply to new employees hired on or after July 1, 2015 as follows:

- For employees hired prior to July 1, 2015, qualification for normal retirement is age 60 with five years of service or at least age 55 with age and service equal to 80 or greater. A member may retire with the pension reduced actuarially if the member is at least 55 and has at least 10 years of contributory service, or at any age with 30 years of contributory service. For employees hired after July 1, 2015, qualification for normal retirement is 62 with 10 years of service. A member hired after July 1, 2015 may retire with the pension reduced actuarially if the member is between the ages of 60 and 62 with at least ten years of contributory service, between ages 57 and 62 with at least twenty years of contributory service or between the ages 55 and 62 with at least thirty years of contributory service.

- The straight life annuity retirement benefit is equivalent to 2% of average salary multiplied by years of service. For employees hired prior to July 1, 2015, average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. For all employees hired on or after July 1, 2015 average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings.

- For employees hired prior to July 1, 2015, terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired on or after July 1, 2015, this age increases to 64 with at least ten years of contributory service, or age 63 with at least twenty years of contributory service.

- For all employees hired prior to July 1, 2015, employees are required to contribute 4.5% of annual earnings. All employees hired on or after July 1, 2015, are required to contribute 6% of annual earnings.

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WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
June 30, 2020
(Dollars in Thousands)

	General Account	Bond Programs	Other Loan Programs
ASSETS			
Current assets:			
Cash and cash equivalents	$ 4,327	$ -	$ 2,495
Accrued interest on loans	17	-	360
Accounts receivable and other assets, net of allowance for losses	1,746	-	140
Mortgage loans held for sale	-	-	2,399
Restricted cash and cash equivalents	25,787	20,449	2,111
Restricted accrued interest on loans	-	2,251	3
Restricted accrued interest on investments	-	343	-
Total current assets	31,877	23,043	7,508
Noncurrent assets:			
Mortgage loans, net of allowance for losses	1,775	-	79,021
Capital assets, net of depreciation	8,173	-	-
Restricted cash and cash equivalents	-	49,954	-
Restricted investments	-	40,393	-
Restricted mortgage loans, net of allowance for losses	-	590,737	370
Restricted other assets, net of allowance for losses	-	5,177	-
Total noncurrent assets	9,948	686,261	79,391
Total assets	41,825	709,304	86,899
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension and OPEB	1,395	-	-
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	15,966	1,516	2,031
Interfund payables (receivables)	8,010	(8,590)	5,884
Accrued interest payable	-	1,615	-
Bonds payable	-	26,745	-
Total current liabilities	23,976	21,286	7,915
Noncurrent liabilities:			
Other liabilities	1,242	-	-
Bonds & notes payable, net	-	306,295	507
Total noncurrent liabilities	1,242	306,295	507
Total liabilities	25,218	327,581	8,422
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension and OPEB	1,405	-	-
NET POSITION			
Restricted for debt service	-	381,723	-
Restricted by state statute	-	-	-
Net investment in capital assets	8,173	-	-
Unrestricted	8,424	-	78,477
Total net position	$ 16,597	$ 381,723	$ 78,477

See Independent Auditor's Report

Affordable Housing Fund	Land Development Program	Bond Insurance Account	Federal Programs	Totals
$ -	$ -	$ -	$ -	$ 6,822
-	-	-	-	377
-	-	-	-	1,886
-	-	-	-	2,399
4,887	5,683	-	2,551	61,468
-	8	99	-	2,361
-	-	67	-	410
4,887	5,691	166	2,551	75,723
-	-	-	-	80,796
-	-	-	-	8,173
-	-	35,701	-	85,655
-	-	11,210	-	51,603
371	1,361	11,286	64,338	668,463
-	200	-	383	5,760
371	1,561	58,197	64,721	900,450
5,258	7,252	58,363	67,272	976,173
-	-	-	-	1,395
-	-	1	306	19,820
(1)	(150)	(5,153)	-	-
-	-	-	-	1,615
-	-	-	-	26,745
(1)	(150)	(5,152)	306	48,180
-	-	-	66,966	68,208
-	-	-	-	306,802
-	-	-	66,966	375,010
(1)	(150)	(5,152)	67,272	423,190
-	-	-	-	1,405
-	-	-	-	381,723
5,259	7,402	63,515	-	76,176
-	-	-	-	8,173
-	-	-	-	86,901
$ 5,259	$ 7,402	$ 63,515	$ -	$ 552,973

WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the Year Ended June 30, 2020
(Dollars in Thousands)

	General Account	Bond Programs	Other Loan Programs
OPERATING REVENUES			
Interest on loans	$ 51	$ 26,839	$ 3,309
Pass-through grant revenue	-	-	-
Fee revenue	6,565	153	332
Other	711	37	1,210
	7,327	27,029	4,851
OPERATING EXPENSES			
Pass-through grant expense	-	-	-
Loan fees expense	717	3,034	148
Program expenses, net	774	3,100	(26)
Administrative expenses, net	5,643	3,189	1,833
	7,134	9,323	1,955
OPERATING INCOME (LOSS)	193	17,706	2,896
NON-OPERATING - FINANCING AND INVESTING REVENUES (EXPENSES)			
Investment earnings:			
Interest	220	2,626	93
Net increase in the fair value of investments	-	1,259	-
Net investment earnings	220	3,885	93
Interest and debt expense	-	(9,837)	-
	220	(5,952)	93
CHANGE IN NET POSITION	413	11,754	2,989
NET POSITION AT BEGINNING OF YEAR	14,237	369,969	77,435
Inter-program transfers, net	1,947	-	(1,947)
NET POSITION AT END OF YEAR	$ 16,597	$ 381,723	$ 78,477

See Independent Auditor's Report

Affordable Housing Fund	Land Development Program	Bond Insurance Account	Federal Programs	Totals
$ 4	$ 17	$ 745	$ -	$ 30,965
-	-	-	74,479	74,479
913	3	2	-	7,968
-	1	-	-	1,959
917	21	747	74,479	115,371
-	-	-	74,479	74,479
-	-	8	-	3,907
845	95	(89)	-	4,699
-	67	3	-	10,735
845	162	(78)	74,479	93,820
72	(141)	825	-	21,551
86	98	1,042	-	4,165
-	-	647	-	1,906
86	98	1,689	-	6,071
-	-	-	-	(9,837)
86	98	1,689	-	(3,766)
158	(43)	2,514	-	17,785
5,101	7,445	61,001	-	535,188
-	-	-	-	-
$ 5,259	$ 7,402	$ 63,515	$ -	$ 552,973

WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2020
(Dollars in Thousands)

	General Account	Bond Programs	Other Loan Programs
CASH FLOWS USED IN OPERATING ACTIVITIES			
Receipts from lending activities	$ 333	$ 92,292	$ 25,940
Receipts from other operating activities	7,323	153	1,532
Receipts from escrows and advance activities [1]	84,987	-	2,446
Disbursements from escrows and advance activities [1]	(84,010)	-	(2,325)
Receipts for federal lending activities	-	-	-
Receipts for federal activities	-	-	-
Disbursements for federal activities	-	-	-
Purchase of mortgage loans	-	(71,281)	(34,301)
Interfund (purchase) sale of mortgage loans	-	(229)	229
Purchase of mortgage loans held for sale	-	-	(38,440)
Sale of mortgage loans	-	-	36,629
Payments to employees for salaries and benefits	(3,578)	(2,013)	(1,413)
Payments to vendors	(3,159)	(6,211)	(867)
Interfund transactions	1,421	(2,725)	6,299
Net cash provided by (used in) operating activities	3,317	9,986	(4,271)
CASH FLOWS USED IN NONCAPITAL FINANCING ACTIVITIES			
Proceeds from bonds and notes	-	60,000	-
Retirement of bonds and notes	-	(33,390)	(218)
Interfund transfers in (out)	1,365	-	(1,365)
Interest paid	-	(10,013)	-
Net cash provided by (used in) noncapital financing activities	1,365	16,597	(1,583)
CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(103)	-	-
Net cash used in capital and related financing activities	(103)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturities of investments	-	8,885	-
Purchase of investments	-	(7,700)	-
Net investment earnings	220	2,661	93
Net cash provided by investing activities	220	3,846	93
Net increase (decrease) in cash and cash equivalents	4,799	30,429	(5,761)
Cash and cash equivalents at beginning of year	25,315	39,974	10,367
Cash and cash equivalents at end of year	$ 30,114	$ 70,403	$ 4,606
Cash and cash equivalents consist of:			
Cash and cash equivalents	$ 4,327	$ -	$ 2,495
Restricted cash and cash equivalents - current	25,787	20,449	2,111
Restricted cash and cash equivalents - noncurrent	-	49,954	-
	$ 30,114	$ 70,403	$ 4,606

[1] See Note A, _Restricted cash and cash equivalents_

See Independent Auditor's Report

Affordable Housing Fund	Land Development Program	Bond Insurance Account	Federal Programs	Totals
$ 18	$ 526	$ 2,859	$ 2,218	$ 124,186
913	4	2	-	9,927
-	-	-	-	87,433
-	-	-	-	(86,335)
-	-	-	2,699	2,699
-	-	-	66,216	66,216
-	-	-	(66,216)	(66,216)
(35)	(8)	-	(5,959)	(111,584)
-	-	-	-	-
-	-	-	-	(38,440)
-	-	-	-	36,629
-	(47)	(2)	-	(7,053)
(844)	(160)	(12)	(733)	(11,986)
1	(121)	(4,875)	-	-
53	194	(2,028)	(1,775)	5,476
-	-	-	-	60,000
-	-	-	-	(33,608)
-	-	-	-	-
-	-	-	-	(10,013)
-	-	-	-	16,379
-	-	-	-	(103)
-	-	-	-	(103)
-	-	18,800	-	27,685
-	-	-	-	(7,700)
86	98	1,241	-	4,399
86	98	20,041	-	24,384
139	292	18,013	(1,775)	46,136
4,748	5,391	17,688	4,326	107,809
$ 4,887	$ 5,683	$ 35,701	$ 2,551	$ 153,945
$ -	$ -	$ -	$ -	$ 6,822
4,887	5,683	-	2,551	61,468
-	-	35,701	-	85,655
$ 4,887	$ 5,683	$ 35,701	$ 2,551	$ 153,945

WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
BOND PROGRAMS
June 30, 2020
(Dollars in Thousands)

	HF98E	HF11A	HF13A	HF13BC	HF14AB	HF15AB	HF15CD
ASSETS							
Current assets:							
Restricted cash and cash equivalents	$ 13,999	$ 198	$ 158	$ 1,326	$ 864	$ 427	$ 552
Restricted accrued interest on loans	1,156	74	36	102	102	138	184
Restricted accrued interest on investments	298	17	-	-	-	-	9
Total current assets	15,453	289	194	1,428	966	565	745
Noncurrent assets:							
Restricted cash and cash equivalents	17,408	1	-	-	-	-	8
Restricted investments	34,075	1,393	-	-	-	-	1,311
Restricted mortgage loans, net of allowance for losses	268,998	15,774	9,181	25,244	27,204	30,741	47,416
Restricted other assets, net of allowances for losses	2,506	6	39	575	206	238	607
Total noncurrent assets	322,987	17,174	9,220	25,819	27,410	30,979	49,342
Total assets	338,440	17,463	9,414	27,247	28,376	31,544	50,087
LIABILITIES							
Current liabilities:							
Accounts payable and other liabilities	118	4	2	6	7	7	11
Interfund (receivables) payables	(5,285)	(339)	(121)	(283)	(296)	(312)	(637)
Accrued interest payable	-	49	60	43	156	158	272
Bonds payable	-	5,545	1,310	2,090	2,400	2,645	3,510
Total current liabilities	(5,167)	5,259	1,251	1,856	2,267	2,498	3,156
Noncurrent liabilities:							
Bonds payable	-	2,855	11,080	5,165	24,705	26,700	43,990
Total noncurrent liabilities	-	2,855	11,080	5,165	24,705	26,700	43,990
Total liabilities	(5,167)	8,114	12,331	7,021	26,972	29,198	47,146
NET POSITION							
Restricted for debt service	343,607	9,349	(2,917)	20,226	1,404	2,346	2,941
Total net position	$ 343,607	$ 9,349	$ (2,917)	$ 20,226	$ 1,404	$ 2,346	$ 2,941

See Independent Auditor's Report

HF17AB	HF18A	HF19A	HF19B	HF20A	Housing Finance Total	GNIB 11A	GNIB 12A	General New Issue Bond Total	Bond Program Totals
$ 448	$ 292	$ 434	$ 88	$ -	$ 18,786	$ 689	$ 974	$ 1,663	$ 20,449
93	77	93	50	3	2,108	62	81	143	2,251
-	-	-	-	1	325	1	17	18	343
541	369	527	138	4	21,219	752	1,072	1,824	23,043
-	-	-	1,899	27,084	46,400	2,294	1,260	3,554	49,954
-	-	-	-	-	36,779	-	3,614	3,614	40,393
32,071	23,676	34,005	27,939	2,916	545,165	21,211	24,361	45,572	590,737
306	-	-	-	-	4,483	417	277	694	5,177
32,377	23,676	34,005	29,838	30,000	632,827	23,922	29,512	53,434	686,261
32,918	24,045	34,532	29,976	30,004	654,046	24,674	30,584	55,258	709,304
8	6	8	7	-	184	6	1,326	1,332	1,516
(341)	(171)	(306)	(132)	2	(8,221)	(210)	(159)	(369)	(8,590)
177	128	177	118	29	1,367	92	156	248	1,615
2,095	1,005	1,255	700	380	22,935	1,625	2,185	3,810	26,745
1,939	968	1,134	693	411	16,265	1,513	3,508	5,021	21,286
30,015	22,595	33,090	29,300	29,620	259,115	20,130	27,050	47,180	306,295
30,015	22,595	33,090	29,300	29,620	259,115	20,130	27,050	47,180	306,295
31,954	23,563	34,224	29,993	30,031	275,380	21,643	30,558	52,201	327,581
964	482	308	(17)	(27)	378,666	3,031	26	3,057	381,723
$ 964	$ 482	$ 308	$ (17)	$ (27)	$ 378,666	$ 3,031	$ 26	$ 3,057	$ 381,723

WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BOND PROGRAMS
For the Year Ended June 30, 2020
(Dollars in Thousands)

	HF98E	HF11A	HF13A	HF13BC	HF14AB	HF15AB	HF15CD
OPERATING REVENUES							
Interest on loans	$ 13,333	$ 902	$ 495	$ 1,212	$ 1,231	$ 1,334	$ 2,135
Fee revenue	153	-	-	-	-	-	-
Other	30	2	-	-	4	-	-
	13,516	904	495	1,212	1,235	1,334	2,135
OPERATING EXPENSES							
Loan fees expense	2,113	50	31	79	83	89	141
Program expenses, net	2,246	16	-	134	182	156	182
Administrative expenses, net	3,172	-	-	-	-	-	-
	7,531	66	31	213	265	245	323
OPERATING INCOME	5,985	838	464	999	970	1,089	1,812
NON-OPERATING - FINANCING AND INVESTING REVENUES (EXPENSES)							
Investment earnings:							
Interest	1,858	71	5	18	16	12	49
Net increase in the fair value of investments	1,159	88	-	-	-	-	11
Net investment earnings	3,017	159	5	18	16	12	60
Interest and debt expense	-	(400)	(374)	(329)	(986)	(986)	(1,680)
	3,017	(241)	(369)	(311)	(970)	(974)	(1,620)
CHANGE IN NET POSITION	9,002	597	95	688	-	115	192
NET POSITION AT BEGINNING OF YEAR	337,775	5,811	(3,056)	19,538	1,404	2,096	2,749
Inter-program transfers, net	(3,170)	2,941	44	-	-	135	-
NET POSITION AT END OF YEAR	$ 343,607	$ 9,349	$ (2,917)	$ 20,226	$ 1,404	$ 2,346	$ 2,941

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HF17AB	HF18A	HF19A	HF19B	HF20A	Housing Finance Total	GNIB 11A	GNIB 12A	General New Issue Bond Total	Bond Program Totals
$ 1,507	$ 1,114	$ 1,408	$ 318	$ -	$ 24,989	$ 797	$ 1,053	$ 1,850	$ 26,839
-	-	-	-	-	153	-	-	-	153
-	-	-	-	-	36	1	-	1	37
1,507	1,114	1,408	318	-	25,178	798	1,053	1,851	27,029
95	67	106	30	-	2,884	70	80	150	3,034
(6)	-	-	-	-	2,910	128	62	190	3,100
-	-	-	-	-	3,172	-	17	17	3,189
89	67	106	30	-	8,966	198	159	357	9,323
1,418	1,047	1,302	288	-	16,212	600	894	1,494	17,706
16	6	107	178	1	2,337	52	237	289	2,626
-	-	-	-	-	1,258	-	1	1	1,259
16	6	107	178	1	3,595	52	238	290	3,885
(1,111)	(779)	(1,073)	(513)	(28)	(8,259)	(591)	(987)	(1,578)	(9,837)
(1,095)	(773)	(966)	(335)	(27)	(4,664)	(539)	(749)	(1,288)	(5,952)
323	274	336	(47)	(27)	11,548	61	145	206	11,754
641	188	(28)	-	-	367,118	2,970	(119)	2,851	369,969
-	20	-	30	-	-	-	-	-	-
$ 964	$ 482	$ 308	$ (17)	$ (27)	$ 378,666	$ 3,031	$ 26	$ 3,057	$ 381,723

WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
BOND PROGRAMS
For the Year Ended June 30, 2020
(Dollars in Thousands)

	HF98E	HF11A	HF13A	HF13BC	HF14AB	HF15AB	HF15CD
CASH FLOWS USED IN OPERATING ACTIVITIES							
Receipts from lending activities	$ 49,960	$ 2,987	$ 1,681	$ 5,199	$ 5,012	$ 4,284	$ 6,111
Receipts from other operating activities	153	-	-	-	-	-	-
Purchase of mortgage loans	(26,806)	-	-	-	-	-	-
Interfund sale (purchase) of mortgage loans	2,908	-	-	-	-	-	-
Payments to employees for salaries and benefits	(2,003)	-	-	-	-	-	-
Payments to vendors	(4,693)	(66)	(44)	(185)	(190)	(191)	(275)
Interfund transactions	(2,506)	(154)	(43)	(3)	154	38	(94)
Net cash provided by (used in) by operating activities	17,013	2,767	1,594	5,011	4,976	4,131	5,742
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Proceeds from sale of bonds	-	-	-	-	-	-	-
Retirement of bonds	-	(5,375)	(1,280)	(4,200)	(3,575)	(3,260)	(4,430)
Interfund transfers (out) in	(3,170)	2,941	44	-	-	135	-
Interest paid	-	(430)	(378)	(355)	(1,003)	(998)	(1,697)
Net cash (used in) provided by noncapital financing activities	(3,170)	(2,864)	(1,614)	(4,555)	(4,578)	(4,123)	(6,127)
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from maturities of investments	6,235	-	-	-	-	-	650
Purchase of investments	(6,400)	-	-	-	-	-	(1,300)
Net investment earnings	1,891	70	5	18	16	12	46
Net cash provided by (used in) investing activities	1,726	70	5	18	16	12	(604)
Net increase (decrease) in cash and cash equivalents	15,569	(27)	(15)	474	414	20	(989)
Cash and cash equivalents at beginning of year	15,838	226	173	852	450	407	1,549
Cash and cash equivalents at end of year	$ 31,407	$ 199	$ 158	$ 1,326	$ 864	$ 427	$ 560
Cash and cash equivalents consist of:							
Restricted cash and cash equivalents - current	$ 13,999	$ 198	$ 158	$ 1,326	$ 864	$ 427	$ 552
Restricted cash and cash equivalents - noncurrent	17,408	1	-	-	-	-	8
	$ 31,407	$ 199	$ 158	$ 1,326	$ 864	$ 427	$ 560

See Independent Auditor's Report

HF17AB	HF18A	HF19A	HF19B	HF20A	Housing Finance Total	GNIB 11A	GNIB 12A	General New Issue Bond Total	Bond Program Totals
$ 4,660	$ 1,790	$ 2,283	$ 430	$ (3)	$ 84,394	$ 3,415	$ 4,483	$ 7,898	$ 92,292
-	-	-	-	-	153	-	-	-	153
-	-	(16,674)	(24,885)	(2,916)	(71,281)	-	-	-	(71,281)
-	-	79	(3,216)	-	(229)	-	-	-	(229)
-	-	-	-	-	(2,003)	-	(10)	(10)	(2,013)
(132)	(66)	(101)	(23)	-	(5,966)	(127)	(118)	(245)	(6,211)
185	(60)	(237)	(132)	2	(2,850)	(27)	152	125	(2,725)
4,713	1,664	(14,650)	(27,826)	(2,917)	2,218	3,261	4,507	7,768	9,986
-	-	-	30,000	30,000	60,000	-	-	-	60,000
(3,580)	(945)	(655)	-	-	(27,300)	(2,395)	(3,695)	(6,090)	(33,390)
-	20	-	30	-	-	-	-	-	-
(1,128)	(783)	(1,238)	(395)	-	(8,405)	(603)	(1,005)	(1,608)	(10,013)
(4,708)	(1,708)	(1,893)	29,635	30,000	24,295	(2,998)	(4,700)	(7,698)	16,597
-	-	-	-	-	6,885	1,650	350	2,000	8,885
-	-	-	-	-	(7,700)	-	-	-	(7,700)
16	6	107	178	1	2,366	67	228	295	2,661
16	6	107	178	1	1,551	1,717	578	2,295	3,846
21	(38)	(16,436)	1,987	27,084	28,064	1,980	385	2,365	30,429
427	330	16,870	-	-	37,122	1,003	1,849	2,852	39,974
$ 448	$ 292	$ 434	$ 1,987	$ 27,084	$ 65,186	$ 2,983	$ 2,234	$ 5,217	$ 70,403
$ 448	$ 292	$ 434	$ 88	$ -	$ 18,786	$ 689	$ 974	$ 1,663	$ 20,449
-	-	-	1,899	27,084	46,400	2,294	1,260	3,554	49,954
$ 448	$ 292	$ 434	$ 1,987	$ 27,084	$ 65,186	$ 2,983	$ 2,234	$ 5,217	$ 70,403