West Virginia Housing Development Fund

AUDITED FINANCIAL STATEMENTS
and other financial information

For the years ended June 30, 2021 and 2020

Audited Financial Statements and
Other Financial Information

WEST VIRGINIA HOUSING DEVELOPMENT FUND

For the Years Ended June 30, 2021 and 2020

Audited Financial Statements

Required Supplementary Information

Other Combining Information for the Year Ended June 30, 2021:

(This page intentionally left blank.)

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, 2021 and 2020, 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 Fund as of June 30, 2021 and 2020, 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, 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 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, 2021, as listed in the table of contents 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
September 14, 2021

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, 2021, the Fund has provided assistance for more than 127,500 housing or housing-related units.

The permanent staff of the Fund consists of 118 persons as of June 30, 2021, 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 12 bond issues totaling $312,555,000 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, 2021, 2020 and 2019.

[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 extracted from the audited 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 deferred outflows of resources and liabilities and deferred inflows of resources and include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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, and 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)	2021	2020	2019
ASSETS			
Current assets	**$ 348,598**	**$ 75,723**	$ 62,705
Noncurrent assets:			
Mortgage loans & Restricted mortgage loans, net of allowance for losses	**670,443**	**684,921**	670,827
Restricted Federal Program mortgage loans, net of allowance for losses	**64,885**	**64,338**	63,279
Restricted cash and cash equivalents	**91,212**	**85,655**	51,157
Investments & Restricted investments	**38,746**	**51,603**	69,477
Capital assets, net of depreciation	**7,888**	**8,173**	8,409
Other assets & Restricted other assets, net of allowance for losses	**2,132**	**5,760**	5,453
Total assets	**1,223,904**	**976,173**	931,307
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension and OPEB	**2,355**	**1,395**	979
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	**17,967**	**19,820**	17,968
Accrued interest payable	**1,350**	**1,615**	1,790
Bonds payable	**22,285**	**26,745**	26,940
Noncurrent liabilities:			
Bonds & notes payable, net	**290,636**	**306,802**	280,178
Other liabilities	**325,971**	**68,208**	68,733
Total liabilities	**658,209**	**423,190**	395,609
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension and OPEB	**1,100**	**1,405**	1,489
NET POSITION			
Net investment in capital assets	**7,888**	**8,173**	8,409
Net position - Restricted	**464,331**	**457,899**	443,516
Net position - Unrestricted	**94,731**	**86,901**	83,263
TOTAL NET POSITION	**$ 566,950**	**$ 552,973**	$ 535,188

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 $272,875,000 (360.4%) in *Current assets* from 2020 to 2021 was primarily due to an increase in cash from federal COVID relief funds of $256,354,000, an increase in cash of $12,754,000 for debt service, an increase in multifamily construction funds of $2,291,000, an increase of $1,478,000 in accounts receivable, an increase in cash of $1,371,000 for program disbursements, an increase of $590,000 in funds held for others which includes insurance and tax accounts held on behalf of the Fund's various mortgagors, an increase of $371,000 in accrued interest, a decrease of $1,551,000 in the balance of Mortgage Loans Held for Sale and a decrease of $801,000 in cash held for the Federal Home Loan Bank of Pittsburgh's HOME 4 Good program.

The increase of $13,018,000 (20.8%) in *Current assets* from 2019 to 2020 was primarily due to 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.

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

The decrease of $14,478,000 (2.1%) in *Mortgage loans & Restricted mortgage loans, net of allowance for losses* from 2020 to 2021 was primarily due to loan repayments of $123,081,000 and foreclosures of $1,308,000 exceeding originations of $110,010,000.

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.

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 $5,557,000 (6.5%) in *Restricted cash and cash equivalents* from 2020 to 2021 was primarily due to a $2,962,000 increase in the proceeds of long-term maturities reinvested short term and a $2,596,000 increase in the balance of funds available to purchase single family mortgage loans related to the timing of bond issuances.

The increase of $34,498,000 (67.4%) in *Restricted cash and cash equivalents* from 2019 to 2020 was primarily due to a $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.

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)	**2021**	**2020**	2019
Balance at beginning of fiscal year	**$ 51,603**	**$ 69,477**	$ 75,667
Sales and maturities	**(12,960)**	**(27,685)**	(7,881)
Purchases	**3,425**	**7,700**	-
(Decrease) Increase in fair value of investments and amortizations	**(3,322)**	**2,111**	1,691
Balance at end of fiscal year	**$ 38,746**	**$ 51,603**	$ 69,477

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

The decrease of $285,000 (3.5%) from 2020 to 2021 was due to depreciation of the Fund's office building, equipment, and software in the amount of $314,000, net of purchases of $29,000.

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.

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

The decrease of $3,628,000 (63.0%) in *Other assets and Restricted other assets, net of allowance for losses* from 2020 to 2021 was primarily due to a $3,098,000 decrease in foreclosed properties, a decrease of $236,000 due from Federal program reimbursements, a $200,000 decrease in allowance for loan loss and a $94,000 decrease in prepaid expenses.

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.

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 decrease of $1,853,000 (9.3%) in *Accounts payable and other liabilities* from 2020 to 2021 was primarily due to a decrease in the bond rebate liability of $1,320,000, a decrease of $801,000 in cash held on behalf of the Federal Home Loan Bank of Pittsburgh (FHLB) for program disbursements to be used for its Home4Good program, a decrease of $370,000 in accrued expenses at year-end and an increase of $639,000 in funds held for others, which includes tax and insurance accounts held on behalf of the Fund's various mortgagors.

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 FHLB to be used for its Home4Good program, an increase in the bond rebate liability of $128,000 and an increase of $75,000 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 2021 and 2020. See *Note D – Bonds & Notes payable, current and noncurrent.*

(Dollars in thousands)	**2021**	**2020**	2019
Balance at beginning of the fiscal year			
Bonds payable - current	**$ 26,745**	**$ 26,940**	$ 27,280
Bonds payable - noncurrent	**306,802**	**280,178**	254,324
Debt issued: Housing Finance Bonds (*including discount*)	**74,940**	**60,000**	60,000
Debt paid: Scheduled debt service	**(26,936)**	**(24,793)**	(23,553)
Early redemptions and refundings	**(68,660)**	**(8,815)**	(10,915)
Other Loan Programs note payable allowance for losses [(1)]	**30**	**37**	(18)
Balance at end of the fiscal year	**$ 312,921**	**$ 333,547**	$ 307,118
Bonds payable - current	**$ 22,285**	**$ 26,745**	$ 26,940
Bonds & notes payable - noncurrent	**290,636**	**306,802**	280,178
Total bonds & notes payable	**$ 312,921**	**$ 333,547**	$ 307,118

[(1)] See *Note D - Bonds Payable*

Other liabilities

The increase of $257,763,000 (377.9%) in *Other liabilities* from 2020 to 2021 was due to an increase of $255,745,000 due to federal COVID relief funds received for rental and homeowner assistance programs the Fund will administer on behalf of the State, an increase of $1,176,000 due to Federal Program mortgage loan originations exceeding repayments and prepayments, an increase in the net pension liability of $1,129,000 and a decrease in the net OPEB liability of $286,000.

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.

Total Net Position improved by $17,785,000 (3.3%) from June 30, 2019 to June 30, 2020. From June 30, 2020 to June 30, 2021, *Total Net Position* improved by $13,977,000 (2.5%) as the enterprise fund net position improved to $566,950,000 at June 30, 2021.

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)	2021	2020	2019
REVENUES			
Interest on loans	**$ 29,845**	**$ 30,965**	$ 30,212
Pass-through grant revenue	**84,161**	**74,479**	70,445
Fee revenue	**8,863**	**7,968**	8,143
Net investment earnings (non-operating)	**262**	**6,071**	6,241
Other	**2,984**	**1,959**	1,319
Total Revenues	**126,115**	**121,442**	116,360
EXPENSES			
Pass-through grant expense	**84,161**	**74,479**	70,445
Interest and debt expense (non-operating)	**9,576**	**9,837**	9,427
Loan fees expense	**3,662**	**3,907**	4,014
Program expenses, net	**4,941**	**4,699**	3,618
Administrative expenses, net	**9,798**	**10,735**	9,669
Total Expenses	**112,138**	**103,657**	97,173
CHANGE IN NET POSITION	**13,977**	**17,785**	19,187
NET POSITION AT BEGINNING OF YEAR	**552,973**	**535,188**	516,001
NET POSITION AT END OF YEAR	**$ 566,950**	**$ 552,973**	$ 535,188

Interest on loans

The decrease in *Interest on loans* of $1,120,000 (3.6%) from 2020 to 2021 was primarily due to a decrease in mortgage loan balances from the prior year.

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.

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 $9,682,000 (13.0%) from 2020 to 2021 was primarily due to an increase of $8,228,000 in program disbursements for a federal COVID relief rental assistance program the Fund is administering on behalf of the State, referred to as the Mountaineer Rental Assistance Program, an increase of $2,072,000 in Section 8 Housing Assistance Payments Program disbursements, an increase of $284,000 in HOME disbursements and a decrease of $902,000 in National Housing Trust Fund disbursements.

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.

Fee revenue

The increase of $895,000 (11.2%) in *Fee revenue* from 2020 to 2021 was primarily due to an increase of $429,000 in mortgage loan processing fees, an increase of $252,000 in Low-Income Housing Tax credit fees and an increase of $205,000 in Affordable Housing Fund fees.

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.

Net investment earnings

Net investment earnings decreased $170,000 (2.7%) from 2019 to 2020 and decreased $5,809,000 (95.7%) from 2020 to 2021 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, decreased 12.3% from 2019 to 2020 and decreased 38.4% from 2020 to 2021.

(Dollars in thousands)		**June 30,**	
	2021	**2020**	2019
Net investment income per operating statement	**$ 262**	**$ 6,071**	$ 6,241
Adjustments for unrealized loss (gain) on fair value of securities	**2,303**	**(1,906)**	(1,493)
Interest earned on investments	**$ 2,565**	**$ 4,165**	$ 4,748
% (Decrease) from prior year	**(38.4%)**	**(12.3%)**	

Other revenues

The increase of $1,025,000 (52.3%) in *Other revenues* from 2020 to 2021 was primarily due to an increase in gains on sale of mortgage loans of $1,125,000, an increase in gains on sale of foreclosed properties of $253,000 and a decrease in flood program reimbursements of $354,000.

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.

Interest and debt expense

The $261,000 (2.7%) decrease in *Interest and debt expense* from 2020 to 2021 was primarily due to $68,660,000 in redemptions and $26,936,000 in debt service exceeding bond issuances of $74,940,000.

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.

Loan fees expense

The $245,000 (6.3%) decrease in *Loan fees expense* from 2020 to 2021 was primarily due to a decrease in service fees on loans of $107,000, a decrease in loan origination fees of $97,000, and a decrease in service release fees of $43,000.

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.

Program expenses, net

The $242,000 (5.2%) increase in *Program expenses, net* from 2020 to 2021 was primarily due to an increase of $508,000 in losses on sale of foreclosed properties, an increase of $167,000 in Affordable Housing Fund disbursements, an increase of $136,000 in bad debt expense, an increase of $127,000 in cost of issuance expenses, an increase of $27,000 in building expenses, a decrease of $492,000 in expenses related to repairs and holding costs for foreclosed properties, a decrease of $150,000 in general program disbursements and a decrease of $82,000 in Special Needs disbursements.

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.

Administrative expenses, net

The $937,000 (8.7%) decrease in *Administrative expenses, net* from 2020 to 2021 was primarily due to an increase in various administrative reimbursements of $1,730,000, a decrease in legal expenses of $283,000, a decrease of $204,000 in OPEB related expenses, a decrease in computer related expenses of $140,000, an increase of $638,000 in benefits primarily due to an increase in healthcare costs, an increase of $580,000 in salary expenses, an increase in pension related expenses of $158,000 and an increase in compensated absences of $45,000.

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.

OVERVIEW OF THE ENTERPRISE FUND FINANCIAL STATEMENTS

COVID Relief Programs

In response to the housing crisis related to a global outbreak of COVID-19, a respiratory disease declared to be a pandemic ("the Pandemic") by the World Health Organization, Congress enacted the Consolidated Appropriations Act, 2021 in December 2020 to provide funding to assist households that are unable to pay rent or utilities. The Fund received the State's allocation of $200 million under this Act to administer the rental assistance program, known as the Mountaineer Rental Assistance Program (MRAP), on behalf of the State. As of June 30, 2021, $8,228,000 of these funds has been disbursed for rental and utility assistance. These funds are included in pass through grant revenue and pass through grant expense and in restricted cash and cash equivalents.

In addition, in March 2021 Congress enacted the American Rescue Plan Act of 2021, which allocated $152,000,000 to the State for rental assistance and $50,000,000 in homeowner assistance, both of which the Fund will administer on behalf of the State. To date, the Fund has received $60,800,000 of the rental assistance funds for the Rental Assistance Program (ERA2) and $5,000,000 in homeowner's assistance for the Homeowners Assistance Fund (HAF). These programs are currently in the development stage and disbursements will begin in fiscal year 2022. These funds are included in pass through grant revenue and pass through grant expense and in restricted cash and cash equivalents.

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.

In fiscal year 2020 and 2021, 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 but decreased $22,494,000 (3.8%) in fiscal year 2021 compared to 2020 due to borrowers refinancing loans due to drop in interest rates. Mortgage loan balances and continued loan originations are key elements to future earnings potential.

The changes in Bond Programs mortgage loan balances from fiscal year 2019 through fiscal year 2021 are as follows:

(Dollars in thousands)			
		June 30,	
	2021	**2020**	2019
Beginning Balance	**$ 590,737**	**$ 586,323**	$ 566,031
Repayments/Prepayments	**(93,583)**	**(64,293)**	(53,884)
Foreclosures	**(1,307)**	**(2,803)**	(3,746)
Originations	**75,175**	**71,510**	77,922
Interfund transfer	**(2,779)**	**-**	-
Ending Balance	**$ 568,243**	**$ 590,737**	$ 586,323
% (Decrease) Increase from prior year	**(3.8%)**	**0.8%**	

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 $36,000 as of June 30, 2021. This income level tends to be impacted quicker than an average borrower during economic declines.

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 extended their foreclosure moratorium for Federal Single Family Loans through July 31, 2021 and their foreclose-related eviction moratorium through September 30, 2021. Further, the U.S. Centers for Disease and Control (CDC) issued a new order on August 3, 2021 temporarily halting evictions in high-risk areas through October 31, 2021. The moratoriums led to a decrease in foreclosures in 2021 as compared to 2020.

Despite the economic downturn in the State, the Fund's single family foreclosure and delinquency rates remained stable through 2021 as the Fund had not seen a significant increase in foreclosures and delinquencies. As of June 30, 2021, and June 30, 2020, mortgagors in forbearance were 2.58% and 3.53%, respectively, of the principal amount of the Fund's loan portfolio.

The Fund continues to proactively monitor cash positions to ensure sufficient liquidity is maintained to meet loan servicing responsibilities impacted by the 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.

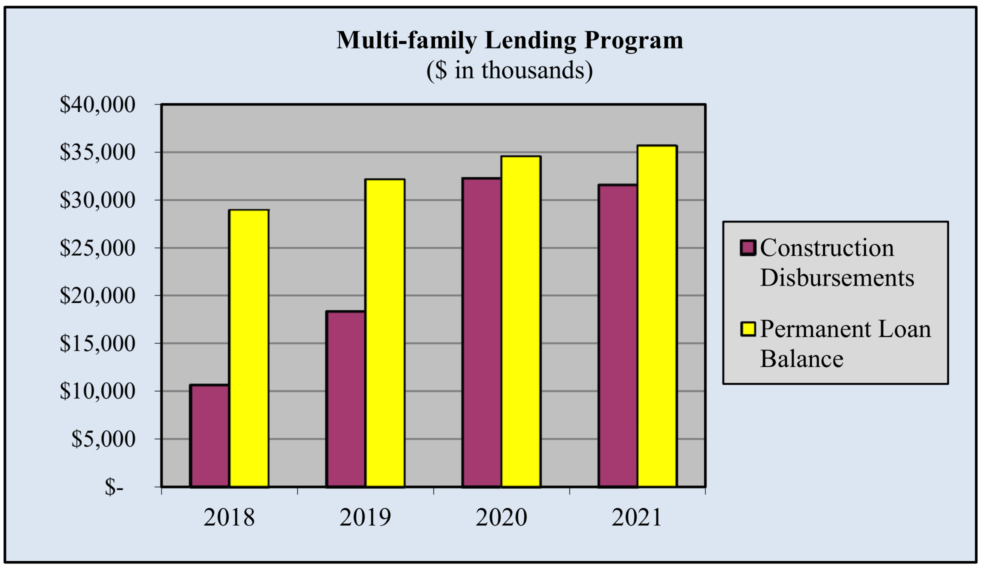
The Fund's Bond Program loan delinquency rates decreased from 2020 in the One-, Two- and Three-month categories as shown in the chart below. The Three + month category increased from 2020 to 2021 due to COVID-related forbearances. The Fund will continue to monitor delinquencies and increase communication with borrowers to control delinquencies where possible and/or modify loans as borrowers continue to deal with unemployment.

Delinquency Rates

	WV Housing Development Fund Bond Programs As of June 30,			WV*	USA*
	2021	2020	2019	As of March 31, 2021	
Months Past Due					
One	2.57%	2.77%	3.57%	1.71%	1.34%
Two	0.77%	1.50%	1.05%	0.65%	0.62%
Three	0.39%	0.85%	0.35%	4.17%	4.16%
Three +	6.76%	5.08%	1.40%	4.69%	4.70%
In foreclosure	0.04%	0.29%	0.32%	0.52%	0.54%

*Most current data available.

In response to a continual increase in the demand for affordable rental housing, the Fund provides financing for 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 2022 and future years.



Interest rates on new single family bond loans originated in fiscal year 2021 have averaged approximately 3.26%. Interest rates on new multifamily permanent loans originated in fiscal year 2021 have averaged approximately 4.20%. 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 2019 through 2021.

Average Loan Interest Rate	
June 30, 2019	4.54%
June 30, 2020	4.46%
June 30, 2021	4.28%

Investments

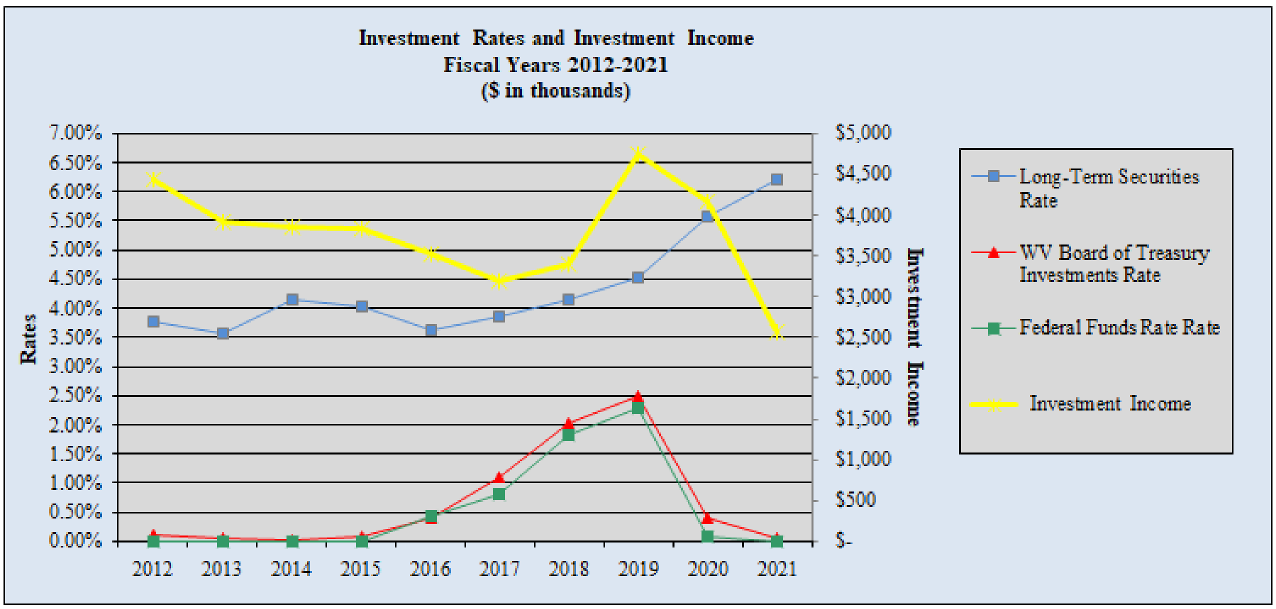
The Fund invests cash, as permitted by the Act, the bond resolutions, and the Board approved Investment Policy. Funds related to the Bond Programs capital reserves and the Bond Insurance Account are primarily invested in long-term United States agency securities and FDIC insured certificates of deposit 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% where they remained for fiscal year 2021. 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.

Due to the lower interest rates, investment earnings decreased 12.3% from 2019 to 2020, net of unrealized gains or losses and decreased an additional 38.4% from 2020 to 2021, net of unrealized gains or losses.

Below is a summary of the average investment rates from June 2012 to June 2021:



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.

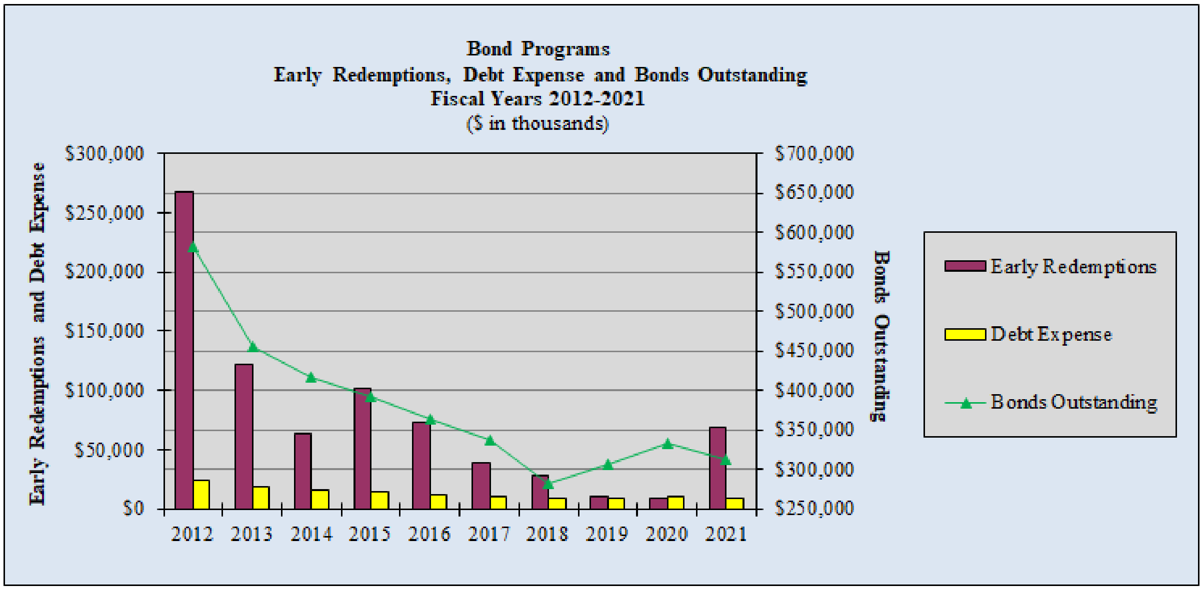
When bonds are issued from the bond volume allocation, known as "new money" bonds, certain repayments and prepayments of mortgage loans made from these proceeds may be "recycled" into additional mortgage loans for ten years. The Fund uses recycling to supplement its bond issues by using prepayments for 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 2022 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 2019, 2020 and 2021, the Fund redeemed $10,915,000. $8,815,000 and $68,660,000 in bonds, respectively. By actively redeeming bonds, the Fund has offset the impact of reduced mortgage loan balances and rates.

Debt expense was $9,427,000, $9,837,000 and $9,576,000 in fiscal years 2019, 2020 and 2021, respectively. 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. Debt expense decreased in 2021 as compared to 2020 due to $68,660,000 in redemptions and debt service of $26,936,000 exceeding bond issuances of $74,940,000.

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 $2,813,000 represents 6.70% of the Fund's total revenues, net of pass through grant revenue, for the fiscal year ended June 30, 2021.

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 $160,000 (2.9%) from June 30, 2019 to June 30, 2020. From June 30, 2020 to June 30, 2021, *Net position restricted for other postemployment benefits* improved by $217,000 (3.8%) to $5,962,000 at June 30, 2021.

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.

(This page intentionally left blank.)

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

	June 30, 2021	June 30, 2020
ASSETS		
Current assets:		
Cash and cash equivalents-- *(Notes A and C)*	$ 10,510	$ 6,822
Accrued interest on loans	596	377
Accounts receivable and other assets, net of allowance for losses-- *(Note A)*	3,383	1,886
Mortgage loans held for sale-- *(Note A)*	848	2,399
Restricted cash and cash equivalents-- *(Notes A and C)*	330,337	61,468
Restricted accrued interest on loans	2,601	2,361
Restricted accrued interest on investments	323	410
Total current assets	348,598	75,723
Noncurrent assets:		
Mortgage loans, net of allowance for losses-- *(Note A)*	89,805	80,796
Capital assets, net of depreciation-- *(Note A)*	7,888	8,173
Restricted cash and cash equivalents-- *(Notes A and C)*	91,212	85,655
Restricted investments-- *(Notes A and C)*	38,746	51,603
Restricted mortgage loans, net of allowance for losses-- *(Note A)*	645,523	668,463
Restricted other assets, net of allowance for losses-- *(Note A)*	2,132	5,760
Total noncurrent assets	875,306	900,450
Total assets	1,223,904	976,173
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pension and OPEB-- *(Notes A, F and H)*	2,355	1,395
LIABILITIES		
Current liabilities:		
Accounts payable and other liabilities-- *(Note A)*	17,967	19,820
Accrued interest payable	1,350	1,615
Bonds payable-- *(Note D)*	22,285	26,745
Total current liabilities	41,602	48,180
Noncurrent liabilities:		
Other liabilities-- *(Notes A, F and H)*	325,971	68,208
Bonds & notes payable-- *(Note D)*	290,636	306,802
Total noncurrent liabilities	616,607	375,010
Total liabilities	658,209	423,190
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pension and OPEB-- (Notes A, F and H)	1,100	1,405
NET POSITION		
Restricted for debt service	387,784	381,723
Restricted by state statute	76,547	76,176
Net investment in capital assets	7,888	8,173
Unrestricted	94,731	86,901
Total net position	$ 566,950	$ 552,973

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, 2021	2020
OPERATING REVENUES		
Interest on loans	$ 29,845	$ 30,965
Pass-through grant revenue-- *(Note A)*	84,161	74,479
Fee revenue-- *(Note A)*	8,863	7,968
Other-- *(Note A)*	2,984	1,959
	125,853	115,371
OPERATING EXPENSES		
Pass-through grant expense-- *(Note A)*	84,161	74,479
Loan fees expense-- *(Note A)*	3,662	3,907
Program expenses, net-- *(Note A)*	4,941	4,699
Administrative expenses, net-- *(Note A)*	9,798	10,735
	102,562	93,820
OPERATING INCOME	23,291	21,551
NON-OPERATING - FINANCING AND INVESTING (EXPENSES) REVENUES		
Investment earnings:		
Interest	2,565	4,165
Net (decrease) increase in the fair value of investments	(2,303)	1,906
Net investment earnings	262	6,071
Interest and debt expense	(9,576)	(9,837)
	(9,314)	(3,766)
CHANGE IN NET POSITION	13,977	17,785
NET POSITION AT BEGINNING OF YEAR	552,973	535,188
NET POSITION AT END OF YEAR	$ 566,950	$ 552,973

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, 2021	Year Ended June 30, 2020
CASH FLOWS USED IN OPERATING ACTIVITIES		
Receipts from lending activities	$ 163,217	$ 124,186
Receipts from other operating activities	8,800	9,927
Receipts from escrows and advance activities [(1)]	113,800	87,433
Disbursements from escrows and advance activities [(1)]	(114,009)	(86,335)
Receipts for federal lending activities	6,900	2,699
Receipts for federal activities	334,087	66,216
Disbursements for federal activities	(76,527)	(66,216)
Purchase of mortgage loans	(117,657)	(111,584)
Purchase of mortgage loans held for sale	(58,282)	(38,440)
Sales of mortgage loans	59,833	36,629
Payments to employees for salaries and benefits	(7,242)	(7,053)
Payments to vendors	(16,489)	(11,986)
Net cash provided by operating activities	296,431	5,476
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Net proceeds from bonds and notes	74,960	60,000
Retirement of bonds and notes	(95,596)	(33,608)
Interest paid	(9,862)	(10,013)
Net cash (used in) provided by noncapital financing activities	(30,498)	16,379
CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of equipment and furnishings	(29)	(103)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of investments	12,960	27,685
Purchase of investments	(3,425)	(7,700)
Net investment earnings	2,675	4,399
Net cash provided by investing activities	12,210	24,384
Net increase in cash and cash equivalents	278,114	46,136
Cash and cash equivalents at beginning of year	153,945	107,809
Cash and cash equivalents at end of year	$ 432,059	$ 153,945
Cash and cash equivalents consist of:		
Cash and cash equivalents	$ 10,510	$ 6,822
Restricted cash and cash equivalents - current	330,337	61,468
Restricted cash and cash equivalents - noncurrent	91,212	85,655
	$ 432,059	$ 153,945

(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, 2021	Year Ended June 30, 2020
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 23,291	$ 21,551
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets and liabilities:		
Accrued interest on loans	(219)	37
Mortgage loans held for sale	1,551	(1,582)
Other assets	(1,185)	213
Allowance for losses on other assets	2	1
Restricted accrued interest on loans	(240)	(19)
Restricted other assets	5,068	(332)
Allowance for (recovery of) losses on restricted other assets	(1,440)	25
Mortgage loans	(8,824)	(11,242)
Allowance for losses on mortgage loans	(185)	(954)
Restricted mortgage loans	22,074	(5,771)
Allowance for losses on restricted mortgage loans	866	2,813
Accounts payable	(826)	1,761
Other liabilities, federal programs	256,920	(740)
Deferred outflows of resources - pension and OPEB	(960)	(416)
Deferred inflows of resources - pension and OPEB	(305)	(84)
Other liabilities, pension and OPEB	843	215
Net cash provided by operating activities	$ 296,431	$ 5,476
Noncash investing and financing activities:		
(Decrease)/Increase in fair value of investments	$ (3,301)	$ 2,044
Net amortization of (discounts)/premiums on investments	(22)	54

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

	June 30, 2021	June 30, 2020
ASSETS		
Restricted cash and cash equivalents	$ 925	$ 155
Restricted accrued interest on investments	14	29
Restricted other assets	8	-
Restricted investments:		
U.S. Treasury securities	2,522	3,049
Federal agency securities	747	499
Certificates of deposit	1,761	2,028
Total restricted investments	5,030	5,576
Total restricted assets	5,977	5,760
LIABILITIES		
Current liabilities:		
Accounts payable and other liabilities	15	15
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS	$ 5,962	$ 5,745

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, 2021	Year Ended June 30, 2020
ADDITIONS		
Contributions - employer	$ 321	$ 95
Investment income:		
Interest	79	117
Net (decrease) increase in fair value of investments	(58)	63
Net investment income	21	180
Total additions	342	275
DEDUCTIONS		
Benefits	92	95
Administrative expenses	33	20
Total deductions	125	115
NET INCREASE IN FIDUCIARY NET POSITION	217	160
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS		
BEGINNING OF YEAR	5,745	5,585
END OF YEAR	$ 5,962	$ 5,745

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, fee income related to the administration of the Section 8 Housing Assistance Payments Programs (HAPs Program) and the Low-Income Housing Tax Credit Program, and Single Family mortgage loans remaining after the retirement of the corresponding bonds.

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, 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.

Additionally, in response to the housing crisis related to the COVID-19 Pandemic, Congress enacted the Consolidated Appropriations Act, 2021 in December 2020 to provide funding to assist households that are unable to pay rent or utilities. The Fund received the State's allocation of $200 million under this Act to administer the rental assistance program, known as the Mountaineer Rental Assistance Program (MRAP), on behalf of the State. As of June 30, 2021, $8,228,000 of these funds has been disbursed for rental and utility assistance.

In addition, in March 2021 Congress enacted the American Rescue Plan Act of 2021, which allocated an additional $152,000,000 to the State for rental assistance and $50,000,000 in homeowner assistance funds, both of which the Fund will administer on behalf of the State. To date, the Fund has received $60,800,000 of the rental assistance funds for the Rental Assistance Program (ERA2) and $5,000,000 in homeowner's assistance for the Homeowners Assistance Fund (HAF). These programs are currently in the development stage and disbursements will begin in fiscal year 2022.

COVID-19 Pandemic: In fiscal year 2020, the President of the United States declared a national emergency with respect to a global outbreak of COVID-19, a respiratory disease declared to be a pandemic (the "Pandemic") by the World Health Organization. Additionally, the United States Congress signed the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), into law 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 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 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 through September 30, 2021. Further, the U.S. Centers for Disease and Control (CDC) issued a new order on August 3, 2021 temporarily halting evictions in high-risk areas through October 31, 2021. As of June 30, 2021, mortgagors of approximately 2.58% of the principal amount of the Fund's loan portfolio are in forbearance.

The Pandemic is an ongoing situation. The Fund cannot determine the overall impact that the Pandemic, including the federal and State responses thereto, will have on its programs and operations in the future, 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, 2021			June 30, 2020		
	Balance	**Allowance**	**Net**	**Balance**	**Allowance**	**Net**
Accounts receivable and other Assets:						
Accounts receivable	$ 3,149	$ (10)	$ 3,139	$ 1,668	$ (7)	$ 1,661
Land	117	(58)	59	117	(58)	59
Foreclosed property	185	-	185	166	-	166
Total	$ 3,451	$ (68)	$ 3,383	$ 1,951	$ (65)	$ 1,886

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, including COVID relief funds, for which the Fund acts as grantee or agent. The total funds held on behalf of others were $274,714,000 at June 30, 2021 and $18,571,000 at June 30, 2020. *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*. GASB Statement No. 84 has been analyzed but resulted in no effect on the financial statements.

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, 2021			June 30, 2020		
	Balance	**Allowance**	**Net**	**Balance**	**Allowance**	**Net**
Unrestricted Mortgage Loans:						
General Account	$ 7,357	$ (3,629)	$ 3,728	$ 4,981	$ (3,206)	$ 1,775
Other Loan Programs	96,885	(10,808)	86,077	90,437	(11,416)	79,021
Total	$ 104,242	$ (14,437)	$ 89,805	$ 95,418	$ (14,622)	$ 80,796

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, 2020	Additions	Deletions	June 30, 2021
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	1,563	29	-	1,592
Computer software	814	-	-	814
Total capital assets, being depreciated	10,187	29	-	10,216
Less accumulated depreciation for:				
Buildings	(1,738)	(204)	-	(1,942)
Equipment and furnishings	(1,362)	(57)	-	(1,419)
Computer software	(724)	(53)	-	(777)
Total accumulated depreciation	(3,824)	(314)	-	(4,138)
Total capital assets being depreciated, net	6,363	(285)	-	6,078
Total capital assets, net	$ 8,173	$ (285)	$ -	$ 7,888

(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

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, 2021			June 30, 2020		
	Balance	Allowance	Net	Balance	Allowance	Net
Restricted Mortgage Loans:						
General Account	$ 443	$ (443)	$ -	$ 455	$ (455)	$ -
Other Loan Programs	518	(197)	321	597	(227)	370
Land Development	5,453	(1,708)	3,745	2,915	(1,554)	1,361
Affordable Housing Fund	2,331	(1,806)	525	2,119	(1,748)	371
Bond Insurance Account	8,184	(380)	7,804	11,788	(502)	11,286
Bond Programs	578,364	(10,121)	568,243	600,967	(10,230)	590,737
Federal Programs	155,382	(90,497)	64,885	153,910	(89,572)	64,338
Total	$ 750,675	$ (105,152)	$ 645,523	$ 772,751	$ (104,288)	$ 668,463

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, 2021			June 30, 2020		
	Balance	Allowance	Net	Balance	Allowance	Net
Restricted other assets:						
Accounts receivable	$ 82	$ -	$ 82	$ 411	$ -	$ 411
Land	548	(548)	-	2,248	(2,048)	200
Foreclosed property	2,441	(391)	2,050	5,480	(331)	5,149
Total	$ 3,071	$ (939)	$ 2,132	$ 8,139	$ (2,379)	$ 5,760

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 and to disburse program funds under the MRAP, ERA2 and HAF 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, MRAP, ERA2, HAF 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 $1,155,786,000 and $1,191,086,000 at June 30, 2021 and 2020, respectively. Of this total, the portfolio serviced by the Fund on behalf of others approximated $299,331,000 and $320,100,000 at June 30, 2021 and 2020, 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, 2021, the Fund has committed $58,897,000 from Other Loan Programs and the General Account for various loans or projects and $1,873,000 from Other Loan Programs for the purchase of secondary market loans. In addition, the Fund has committed to sell loans to Fannie Mae of $1,356,000 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 2022 administrative budget of $14,103,000 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, excluding funds held for others, 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, 2021		June 30, 2020	
	Weighted Avg Maturity	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Reported at cost					
Demand Deposits, Money Market Funds	1 day	$ 122,742	$ 122,742	$ 72,993	$ 72,993
Mortgages held for investment purposes	19.42 years	9,084	9,084	13,183	13,183
FDIC Insured CDs	11 days	41,655	41,655	38,575	38,575
WVBOTI deposits	1 day	267,662	267,662	42,377	42,377
Total		441,143	441,143	167,128	167,128
Reported at estimated fair value					
Fannie Mae MBS pools	10.11 years	429	492	558	635
Federal agency securities	6.43 years	27,239	34,292	34,152	44,098
U.S. Treasury securities	2.13 years	3,524	3,962	6,038	6,870
Total		31,192	38,746	40,748	51,603
Total investments, including cash equivalents		$ 472,335	$ 479,889	$ 207,876	$ 218,731

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, 2021		June 30, 2020	
	Weighted Avg Maturity	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Reported at cost					
Demand Deposits	1 day	$ 925	$ 925	$ 155	$ 155
Total		925	925	155	155
Reported at estimated fair value					
U.S. Treasury securities	0.92 years	2,511	2,522	2,999	3,049
Federal agency securities	2.87 years	750	747	500	499
Certificates of deposit	1.62 years	1,750	1,761	2,000	2,028
Total		5,011	5,030	5,499	5,576
Total investments, including cash equivalents		$ 5,936	$ 5,955	$ 5,654	$ 5,731

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 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, 2021
Reserve Funds	30 years	3 years
Bond Insurance Funds	15 years	5 years
Other Funds	4 years	2 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, 2021
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, 2021, the Fund's investments in the WVBOTI are rated AAAm. Federal agency securities consist of Fannie Mae, Federal Farm Credit Bank and Federal Home Loan Bank all of which are rated AAA. Fannie Mae MBS pools are also rated AAA. 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 Fidelity Investments Money Market Government Portfolio and are rated AAA. 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 AAA 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, 2021 (Dollars in thousands)	**Maximum of Portfolio**	**Invested Funds**	**% of Total Investment**
Direct Federal Obligations	100%	$ 3,524	2%
Federal Agency Obligations	90%	27,668	14%
Federally Guaranteed Obligations	100%	-	0%
Demand Deposits	30%	21,877	11%
Collateralized CDs	$75,000	-	0%
CDARS FDIC Insured CDs	$65,000	41,655	21%
West Virginia Obligations	15%	-	0%
ICS FDIC Insured Demand Deposit	$40,000	-	0%
ICS FDIC Insured Savings Deposits	$100,000	82,665	42%
Mortgages Held for Investment Purposes	30%	9,084	5%
Money Market Funds	25%	2,001	1%
WVBOTI deposits	$40,000	9,147	4%
TOTAL		$ 197,621	100%
Funds Held for Others *	N/A	274,714	
TOTAL INVESTED FUNDS		$ 472,335	

* 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, 2021 (Dollars in thousands)	**Maximum of Portfolio**	**Invested Funds**	**% of Total Investment**
Demand Deposits	30%	$ 925	16%
Direct Federal Obligations	90%	2,511	42%
Federal Agency Obligations	90%	750	13%
Federally Guaranteed Obligations	90%	-	0%
FDIC Insured CDs	50%	1,750	29%
TOTAL INVESTED FUNDS		$ 5,936	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 $122,742,000 and $72,993,000 as of June 30, 2021 and 2020, respectively. Bank balances approximated $127,876,000 and $77,922,000 as of June 30, 2021 and 2020, respectively, of which approximately $105,486,000 and $63,726,000 was covered by federal depository insurance as of June 30, 2021 and 2020, respectively, and $20,389,000 and $12,934,000 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, 2021 and 2020, respectively. Also included in the bank balances above are trust account money market fund balances of $2,001,000 and $1,262,000 as of June 30, 2021 and 2020, respectively, which are not subject to custodial credit risk.

The fiduciary fund cash had a carrying value of $925,000 and $155,000 as of June 30, 2021 and 2020, respectively. Bank balances approximated $925,000 and $156,000 as of June 30, 2021 and 2020, 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 GAAP 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, 2021	June 30, 2020
Level 1 inputs		
Federal agency securities	$ 34,292	$ 44,098
U.S. Treasury securities	3,962	6,870
Total	38,254	50,968
Level 2 inputs		
Fannie Mae MBS pools	492	635
Total	492	635
Total investments, reported at estimated fair value	$ 38,746	$ 51,603

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

(Dollars in thousands)	June 30, 2021	June 30, 2020
Level 1 inputs		
U.S. Treasury securities	$ 2,522	$ 3,049
Federal agency securities	747	499
Certificates of deposit	1,761	2,028
Total investments, reported at estimated fair value	$ 5,030	$ 5,576

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, 2021	June 30, 2020
Cash and cash equivalents	$ 10,510	$ 6,822
Current restricted cash and cash equivalents	330,337	61,468
Noncurrent restricted cash and cash equivalents	91,212	85,655
Restricted investments	38,746	51,603
Plus mortgages held for investment purposes	9,084	13,183
Total Investments and cash equivalents	$ 479,889	$ 218,731
Less unrealized gains	7,554	10,855
Total Invested Funds	$ 472,335	$ 207,876

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

(Dollars in thousands)	June 30, 2021	June 30, 2020
Restricted cash and cash equivalents	$ 925	$ 155
Restricted investments	5,030	5,576
Total Investments and cash equivalents	$ 5,955	$ 5,731
Less unrealized gains	19	77
Total Invested Funds	$ 5,936	$ 5,654

The enterprise fund has an unrealized gain on investments of $7,554,000 and $10,855,000 as of June 30, 2021 and 2020, respectively. This represents an increase in unrealized loss on investments of $3,301,000 and an increase in unrealized gain on investment of $2,044,000 from June 30, 2020 and 2019, respectively. In connection with the unrealized gain a liability for related investment earnings is recorded in the amount of $0 and $998,000 as of June 30, 2021 and June 30, 2020, 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, 2021 and 2020 and to properly reflect the rebate liability, a $2,303,000 decrease and $1,906,000 increase was recorded in *Net investment earnings* in the Statements of Revenues, Expenses, and Changes in Fund Net Position for year ended June 30, 2021 and 2020, respectively.

The fiduciary fund has an unrealized gain on investments of $19,000 and an unrealized gain on investments of $77,000 as of June 30, 2021 and June 30, 2020, respectively. This represents an decrease in unrealized gain on investments of $58,000 and an increase of $62,000 from the June 30, 2020 and 2019, respectively. To adjust the fair value of investments to reflect this unrealized gain at June 30, 2021 and 2020 a $58,000 decrease and a $62,000 increase was recorded in *Net investment income* in the Statements Changes in Fiduciary Net Position for year ended June 30, 2021 and 2020, 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 72.57% 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, 2021 and 2020 was $105,458,000 and $43,620,000, respectively. Total pledged revenues in 2021 and 2020 were $123,175,000 and $95,113,000, 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, 2021, *Bonds & notes payable - noncurrent* includes a $543,000 note payable, net of a $157,000 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, 2021 and 2020, the Fund redeemed or refunded $68,660,000 and $8,815,000 of bonds, respectively, at redemption prices that approximated their carrying value.

The following tables summarize bond and note activity from 2020 to 2021 and 2019 to 2020, respectively.

(Dollars in thousands)	**Bonds Payable Current**	**Bonds & Notes Payable Noncurrent**	**Bonds & Notes Payable Total**
Outstanding Balance, June 30, 2020	$ 26,745	$ 306,802	$ 333,547
Debt Issued (*including discount*)	-	74,940	74,940
Debt Paid	(26,785)	(151)	(26,936)
Early Redemptions/Refundings	-	(68,660)	(68,660)
Note Payable allowance for losses	-	30	30
Reclassification from noncurrent to current	22,325	(22,325)	-
Outstanding Balance, June 30, 2021	$ 22,285	$ 290,636	$ 312,921

(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

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, 2021	2020
		(Dollars in thousands)	
HOUSING FINANCE BOND PROGRAM			
2011 Series A (3.622%), due 2022	$ 50,000	$ 2,855	$ 8,400
2013 Series A (2.30% to 3.20%) due 2022-2029	21,000	11,080	12,390
2013 Series B	47,500	-	7,255
2014 Series A,B (2.75% to 3.95%), due 2022-2033	48,865	23,000	27,105
2015 Series A,B (2.40% to 3.80%), due 2022-2033	50,660	24,790	29,345
2015 Series C,D (2.50% to 3.85%), due 2022-2036	70,060	40,790	47,500
2017 Series A,B (2.15% to 4.00%), due 2022-2038	39,505	26,435	32,110
2018 Series A (2.05% to 3.85%), due 2022-2044	25,000	19,750	23,600
2019 Series A (1.80% to 3.95%), due 2022-2047	35,000	31,235	34,345
2019 Series B (1.375% to 3.10%), due 2022-2049	30,000	28,940	30,000
2020 Series A (0.40% to 2.80%), due 2022-2051	30,000	29,620	30,000
2020 Series B,C (0.20% to 2.50%), due 2022-2051	44,960	44,060	-
2021 Series A (0.15% to 2.50%), due 2022-2052	30,000	30,000	-
GENERAL NEW ISSUE BOND PROGRAM			
2011 A	51,850	-	21,755
2012 A	66,770	-	29,235
Total bonds payable, excluding unamortized discount		312,555	333,040
Unamortized bond discount, net		(20)	-
OTHER LOAN PROGRAMS			
Notes Payable (0.00%), net of allowance for losses [1]	2,000	386	507
Total bonds & notes payable		$ 312,921	$ 333,547

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

Total bonds payable does not include $32,205,000 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 five 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, 2021 and thereafter to maturity.

Bonds Maturing During Year Ending June 30:	Principal	Interest	Total
		(Dollars in thousands)	
2022	$ 22,285	$ 8,211	$ 30,496
2023	20,760	7,823	28,583
2024	20,845	7,403	28,248
2025	20,350	6,952	27,302
2026	19,740	6,480	26,220
2027-2031	86,885	24,938	111,823
2032-2036	57,995	13,731	71,726
2037-2041	30,800	7,123	37,923
2042-2046	21,320	3,235	24,555
2047-2051	11,355	716	12,071
2052	220	3	223
	$ 312,555	$ 86,615	$ 399,170

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 $0 and $322,000 as of June 30, 2021 and June 30, 2020, 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 $0 and $998,000 established as a liability at June 30, 2021 and June 30,2020, 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, 2021, 42.80% of the Fund's single family Bond Program loans were VA, USDA Rural Development, or FHA guaranteed. Another 29.77% 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% for each of the years ended June 30, 2021, 2020 and 2019. 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 $642,000, $575,000, and $565,000 for the fiscal years ended June 30, 2021, 2020, and 2019, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2021 and June 30, 2020 respectively, the Fund reported a liability of $1,957,000 and $828,000 for its proportionate share of the net pension liability. The net pension liability reported at June 30, 2021 was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, rolled forward to the measurement date of June 30, 2020. 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, 2020. At June 30, 2020 and June 30, 2019, the Fund's proportionate share was 0.37% and 0.39%, respectively.

For the years ended June 30, 2021 and June 30, 2020, respectively, the Fund recognized pension expense of $457,000 and $301,000. At June 30, 2021 and June 30, 2020, the Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(Dollars in thousands)	June 30, 2021	
	Deferred Outflows of Resouces	**Deferred Inflows of Resources**
Net difference between projected and actual earnings on pension plan investments	$ 620	$ -
Difference between expected and actual experience	288	40
Changes in assumptions	-	86
Changes in proportion and differences between Fund contributions and proportionate share of contributions	11	45
Fund contributions made subsequent to the measurement date	642	-
	$ 1,561	**$ 171**

(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**

Deferred outflows of resources related to pensions of $642,000 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, 2022. 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
2022	$ (93)
2023	269
2024	349
2025	223

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

	2020	2019
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%	3.1 - 5.3%
Non-state	3.35 - 6.5%	3.35 - 6.5%
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 generationally with scale MP-2018	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 generationally 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 General Retiree Female table, below median headcount weighted, projected generationally 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, headcount weighted, projected generationally 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 - 117% of Pub-2010 General / Teachers Disabled Female table headcount weighted, projected generationally 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%	2.28 - 45.63%
Non-state	2.50 - 35.88%	2.00 - 35.88%
Disability rates	0.005 - 0.540%	0.005 - 0.540%
Retirement rates	12% - 100%	12% - 100%
Date range in most recent experience study	2013-2018	2013-2018

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%	5.5%	1.51%
International Equity	27.5%	7.0%	1.93%
Fixed Income	15.0%	2.2%	0.33%
Real estate	10.0%	6.6%	0.66%
Private equity	10.0%	8.5%	0.85%
Hedge funds	10.0%	4.0%	0.40%
Total	100%		5.68%
Inflation (CPI)			1.90%
			7.58%

Discount Rate. The discount rate used to measure the total pension liability was 7.5%. At June 30, 2020 and 2019, 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%
$ 4,985	$ 1,957	$ (604)

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		
	2021	2020	2019
Balance at beginning of fiscal year	$ 550	$ 473	$ 435
Annual leave earned	877	704	549
Annual leave (used)	(768)	(627)	(511)
Balance at end of fiscal year	$ 659	$ 550	$ 473
Estimated to be paid in one year	$ 659	$ 550	$ 473

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 of 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.

Employees covered by benefit terms. At June 30, 2021 and June 30, 2020, the following employees were covered by the benefit terms:

	June 30,	
Covered Employees	**2021**	**2020**
Inactive employees or beneficiaries currently receiving benefit payments	6	10
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active plan members	93	102
Total	99	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. The Fund's contribution to the Plan approximated $321,000, and $95,000 for the fiscal years ended June 30, 2021 and 2020, 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, 2021 and June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was .17% and 3.23%, 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, 2021 and 2020, the components of the net OPEB liability (asset) of the Fund were as follows:

(Dollars in thousands)	June 30, 2021	June 30, 2020
Total OPEB Liability	$ 5,927	$ 5,645
Plan Fiduciary Net Position	5,962	5,745
Net OPEB (Asset)	$ (35)	$ (100)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability (Asset)	100.60%	101.80%

Actuarial Assumptions and Methods

The total OPEB liability (asset) as of June 30, 2021 was determined by an actuarial valuation as of January 2020 rolled forward to June 30, 2021 and the total OPEB liability (asset) as of June 30, 2020 was determined by an actuarial valuation as of January 2020 and rolled forward to June 30, 2020. The following actuarial assumptions and methods were used:

Valuation Date	1/1/2020 Rolled forward to 6/30/2021	1/1/2020 Rolled forward to 6/30/2020
Actuarial Method	Entry Age	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	17 years as of 1/1/2020
Asset Valuation Method	Market Value of Assets	Market Value of Assets
Actuarial Assumptions:		
Investment Rate of Return	3.00%	3.00%
Salary Increases	3.00%	3.00%
Ultimate Rate of Medical Inflation	2.72%	2.72%
General Rate of Inflation	2.00%	2.00%

Mortality rates for the January 2020 valuation rolled forward to June 30, 2021 and June 30, 2020, respectively were based on RP-2014 Mortality Table, adjusted to 2006 with Scale MP-2014, and projected fully generationally with Scale MP-2019.

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 for the January 2020 Plan valuation rolled forward to June 30, 2021 and rolled forward to June 30, 2020.

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, 2021 and 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%.

Development of discount rate.

As of June 30, 2021, 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 26, 2020 was 2.21% and the municipal bond rate at June 24, 2021 was 2.16%. 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, 2021, 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, 2020, 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 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 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, 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 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 3.00% was used to calculate the liabilities.

Changes in the Net OPEB Liability

At June 30, 2021 and June 30, 2020, respectively, the Fund reported a Net OPEB Liability (Asset) of ($35,098) and ($100,579). Total OPEB Liability (TOL) at the end of the measurement year, June 30, 2021 and June 30, 2020, is measured as of a valuation date of January 1, 2020 and is projected to June 30, 2021 and June 30, 2020, 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 6/30/2020	$ 5,645	$ 5,745	$ (100)
Changes for the year:			
Service cost	200	-	200
Interest	174	-	174
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	321	(321)
Net investment income	-	21	(21)
Benefit payments	(92)	(92)	-
Administrative expense	-	(33)	33
Net changes	282	217	65
Balances at 6/30/2021	$ 5,927	$ 5,962	$ (35)

(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)

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%) or one-percentage-point higher (5.5%) than the current discount rate:

(Dollars in thousands)	1% Decrease 2.00%	Discount Rate 3.00%	1% Increase 4.00%
Total OPEB Liability	$ 6,374	$ 5,927	$ 5,531
Plan Fiduciary Net Position	5,962	5,962	5,962
Net OPEB Liability (Asset)	$ 412	$ (35)	$ (431)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	93.50%	100.60%	107.80%

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	$ 5,378	$ 5,927	$ 6,563
Plan Fiduciary Net Position	5,962	5,962	5,962
Net OPEB Liability (Asset)	$ (584)	$ (35)	$ 601
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	110.90%	100.60%	90.90%

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

For the years ended June 30, 2021 and June 30, 2020, respectively, the Fund recognized OPEB expense of $301,630 and $206,328. At June 30, 2021 and June 30, 2020, the Fund reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

(Dollars in thousands)	June 30, 2021		June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 161	$ -	$ 219
Changes in assumptions	373	220	467	330
Net difference between projected and actual earnings on OPEB plan investments	235	-	223	-
Total	$ 608	$ 381	$ 690	$ 549

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
2022	25
2023	(14)
2024	115
2025	101

NOTE I – SUBSEQUENT EVENTS

On August 1, 2021, the Fund redeemed various Housing Finance Bonds in advance of the scheduled maturities at a par amount of $19,470,000.

NOTE J - NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 87, *Leases*, 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. 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 paragraphs 13 and 14 are effective for years beginning after June 15, 2021; all other requirements were effective for periods beginning after June 15, 2020, which had no material impact on the June 30, 2021 financial statements. 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						
	2021	2020	2019	2018	2017	2016	2015
The Fund's proportionate (percentage) of the net pension liability	0.370100%	0.385094%	0.386822%	0.381747%	0.383639%	0.413624%	0.413581%
The Fund’s proportionate share of the net pension liability	$ 1,957	$ 828	$ 999	$ 1,648	$ 3,526	$ 2,310	$ 1,526
The Fund’s covered payroll	$ 5,750	$ 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	34.03%	14.65%	18.70%	31.81%	66.70%	41.18%	27.56%
Plan fiduciary net position as a percentage of the total pension liability	92.89%	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,								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	$ 642	$ 575	$ 565	$ 588	$ 622	$ 714	$ 785	$ 803	$ 743
Contributions in relation to the statutorily required contribution	642	575	565	588	622	714	785	803	743
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fund's covered payroll	$ 6,420	$ 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%	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, 2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	$ 200	$ 172	$ 143	$ 147	$ 150
Interest (includes interest on service cost)	174	227	219	234	245
Differences between expected and actual experience	-	(142)	-	(200)	-
Changes of assumptions	-	560	-	(660)	-
Benefit payments	(92)	(95)	(311)	(228)	(218)
Net change in total OPEB liability	**$ 282**	**$ 722**	**$ 51**	**$ (707)**	**$ 177**
Total OPEB liability - beginning	**5,645**	**4,923**	**4,872**	**5,579**	**5,402**
Total OPEB liability - ending	**$ 5,927**	**$ 5,645**	**$ 4,923**	**$ 4,872**	**$ 5,579**
Plan fiduciary net position					
Contributions - employer	$ 321	$ 95	$ 311	$ 228	$ 405
Net investment income	21	180	172	46	22
Benefit payments, including refunds of member contributions	(92)	(95)	(311)	(228)	(218)
Administrative expense	(33)	(20)	(31)	(35)	(16)
Net change in plan fiduciary net position	**$ 217**	**$ 160**	**$ 141**	**$ 11**	**$ 193**
Plan fiduciary net position - beginning	**5,745**	**5,585**	**5,444**	**5,433**	**5,240**
Plan fiduciary net position - ending	**$ 5,962**	**$ 5,745**	**$ 5,585**	**$ 5,444**	**$ 5,433**
Net OPEB (asset) - ending	**$ (35)**	**$ (100)**	**$ (662)**	**$ (572)**	**$ 146**
Plan fiduciary net position as a percentage of the total OPEB liability	100.60%	101.78%	113.46%	111.74%	97.40%

SCHEDULES OF CONTRIBUTIONS TO THE WELFARE BENEFIT PLAN

(Dollars in thousands)	June 30, 2021	2020	2019	2018	2017
Actuarially determined contribution	$ 221	$ 189	$ 108	$ 101	$ 162
Contributions in relation to the actuarially determined contribution	321	95	311	228	405
Contribution (excess)	(100)	94	(203)	(127)	(243)
Covered employee payroll	$ 5,946	$ 5,773	$ 5,582	$ 5,396	$ 5,268
Contributions as a percentage of covered employee payroll	5.41%	1.65%	5.57%	4.23%	7.69%

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

	June 30, 2021	2020	2019	2018	2017
Money-weighted rate of return, net of investment expense	0.17%	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, 2020 using the actuarial assumptions and methods as follows:

	2020	2019
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 2029	Through Fiscal Year 2035
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Projected salary increases:		
State	3.1 - 5.3%	3.1 - 5.3%
Non-state	3.35 - 6.5%	3.35 - 6.5%
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 generationally with scale MP-2018	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 generationally 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 General Retiree Female table, below-median, headcount weighted, projected generationally 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, headcount weighted, projected generationally 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 - 117% of Pub-2010 General/Teachers Disabled Female table, headcount weighted, projected generationally 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	2.275 - 45.63%	2.28 - 45.63%
Non-state	2.50 - 35.88%	2.00 - 35.88%
Disability rates	.005 - 0.540%	.005 - 0.540%
Retirement rates	12% - 100%	12% - 100%
Date range in most recent experience study	2013-2018	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 6/30/2021
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation completed during even calendar years
Actuarial Cost Method	Entry Age
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	1/1/2020 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.

WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
June 30, 2021
(Dollars in Thousands)

	General Account	Bond Programs	Other Loan Programs
ASSETS			
Current assets:			
Cash and cash equivalents	$ 6,580	$ -	$ 3,930
Accrued interest on loans	47	-	549
Accounts receivable and other assets, net of allowance for losses	3,228	-	155
Mortgage loans held for sale	-	-	848
Restricted cash and cash equivalents	27,003	35,077	1,236
Restricted accrued interest on loans	-	2,540	3
Restricted accrued interest on investments	-	239	-
Total current assets	36,858	37,856	6,721
Noncurrent assets:			
Mortgage loans, net of allowance for losses	3,728	-	86,077
Capital assets, net of depreciation	7,888	-	-
Restricted cash and cash equivalents	-	59,356	-
Restricted investments	-	24,737	-
Restricted mortgage loans, net of allowance for losses	-	568,243	321
Restricted other assets, net of allowance for losses	-	1,965	-
Total noncurrent assets	11,616	654,301	86,398
Total assets	48,474	692,157	93,119
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension and OPEB	2,355	-	-
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	16,526	147	1,222
Interfund payables (receivables)	10,710	(9,659)	9,301
Accrued interest payable	-	1,350	-
Bonds payable	-	22,285	-
Total current liabilities	27,236	14,123	10,523
Noncurrent liabilities:			
Other liabilities	2,084	-	-
Bonds & notes payable, net	-	290,250	386
Total noncurrent liabilities	2,084	290,250	386
Total liabilities	29,320	304,373	10,909
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension and OPEB	1,100	-	-
NET POSITION			
Restricted for debt service	-	387,784	-
Restricted by state statute	-	-	-
Net investment in capital assets	7,888	-	-
Unrestricted	12,521	-	82,210
Total net position	$ 20,409	$ 387,784	$ 82,210

See Independent Auditor's Report

Affordable Housing Fund	Land Development Program	Bond Insurance Account	Federal Programs	Totals
$ -	$ -	$ -	$ -	$ 10,510
-	-	-	-	596
-	-	-	-	3,383
-	-	-	-	848
4,846	3,270	-	258,905	330,337
1	27	30	-	2,601
-	-	84	-	323
4,847	3,297	114	258,905	348,598
-	-	-	-	89,805
-	-	-	-	7,888
-	-	31,856	-	91,212
-	-	14,009	-	38,746
525	3,745	7,804	64,885	645,523
-	-	-	167	2,132
525	3,745	53,669	65,052	875,306
5,372	7,042	53,783	323,957	1,223,904
-	-	-	-	2,355
-	2	-	70	17,967
(1)	(28)	(10,323)	-	-
-	-	-	-	1,350
-	-	-	-	22,285
(1)	(26)	(10,323)	70	41,602
-	-	-	323,887	325,971
-	-	-	-	290,636
-	-	-	323,887	616,607
(1)	(26)	(10,323)	323,957	658,209
-	-	-	-	1,100
-	-	-	-	387,784
5,373	7,068	64,106	-	76,547
-	-	-	-	7,888
-	-	-	-	94,731
$ 5,373	$ 7,068	$ 64,106	$ -	$ 566,950

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, 2021
(Dollars in Thousands)

	General Account	Bond Programs	Other Loan Programs
OPERATING REVENUES			
Interest on loans	$ 96	$ 25,700	$ 3,460
Pass-through grant revenue	-	-	-
Fee revenue	6,721	163	861
Other	738	275	1,971
	7,555	26,138	6,292
OPERATING EXPENSES			
Pass-through grant expense	-	-	-
Loan fees expense	675	2,836	144
Program expenses, net	879	2,766	50
Administrative expenses, net	5,132	2,360	2,235
	6,686	7,962	2,429
OPERATING INCOME (LOSS)	869	18,176	3,863
NON-OPERATING - FINANCING AND INVESTING REVENUES (EXPENSES)			
Investment earnings:			
Interest	33	1,950	8
Net decrease in the fair value of investments	-	(1,717)	-
Net investment earnings	33	233	8
Interest and debt expense	-	(9,576)	-
	33	(9,343)	8
CHANGE IN NET POSITION	902	8,833	3,871
NET POSITION AT BEGINNING OF YEAR	16,597	381,723	78,477
Inter-program transfers, net	2,910	(2,772)	(138)
NET POSITION AT END OF YEAR	$ 20,409	$ 387,784	$ 82,210

See Independent Auditor's Report

Affordable Housing Fund	Land Development Program	Bond Insurance Account	Federal Programs	Totals
$ 5	$ 73	$ 511	$ -	$ 29,845
-	-	-	84,161	84,161
1,118	-	-	-	8,863
-	-	-	-	2,984
1,123	73	511	84,161	125,853
-	-	-	84,161	84,161
-	-	7	-	3,662
1,018	349	(121)	-	4,941
-	68	3	-	9,798
1,018	417	(111)	84,161	102,562
105	(344)	622	-	23,291
9	10	555	-	2,565
-	-	(586)	-	(2,303)
9	10	(31)	-	262
-	-	-	-	(9,576)
9	10	(31)	-	(9,314)
114	(334)	591	-	13,977
5,259	7,402	63,515	-	552,973
-	-	-	-	-
$ 5,373	$ 7,068	$ 64,106	$ -	$ 566,950

WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021
(Dollars in Thousands)

	General Account	Bond Programs	Other Loan Programs
CASH FLOWS USED IN OPERATING ACTIVITIES			
Receipts from lending activities	$ 5,071	$ 123,012	$ 28,337
Receipts from other operating activities	4,687	163	2,832
Receipts from escrows and advance activities [1]	113,798	-	2
Disbursements from escrows and advance activities [1]	(113,206)	-	(803)
Receipts for federal lending activities	-	-	-
Receipts for federal activities	-	-	-
Disbursements for federal activities	-	-	-
Purchase of mortgage loans	-	(75,175)	(31,924)
Purchase of mortgage loans held for sale	-	-	(58,282)
Sale of mortgage loans	-	-	59,833
Payments to employees for salaries and benefits	(3,872)	(1,524)	(1,808)
Payments to vendors	(5,779)	(6,099)	(763)
Interfund transactions	2,700	(1,069)	3,417
Net cash provided by (used in) operating activities	3,399	39,308	841
CASH FLOWS USED IN NONCAPITAL FINANCING ACTIVITIES			
Proceeds from bonds and notes	-	74,960	-
Retirement of bonds and notes	-	(95,445)	(151)
Interfund transfers in (out)	66	72	(138)
Interest paid	-	(9,862)	-
Net cash provided by (used in) noncapital financing activities	66	(30,275)	(289)
CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(29)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturities of investments	-	12,960	-
Purchase of investments	-	-	-
Net investment earnings	33	2,037	8
Net cash provided by (used in) investing activities	33	14,997	8
Net increase (decrease) in cash and cash equivalents	3,469	24,030	560
Cash and cash equivalents at beginning of year	30,114	70,403	4,606
Cash and cash equivalents at end of year	$ 33,583	$ 94,433	$ 5,166
Cash and cash equivalents consist of:			
Cash and cash equivalents	$ 6,580	$ -	$ 3,930
Restricted cash and cash equivalents - current	27,003	35,077	1,236
Restricted cash and cash equivalents - noncurrent	-	59,356	-
	$ 33,583	$ 94,433	$ 5,166

[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	$ 301	$ 4,183	$ 2,295	$ 163,217
1,118	-	-	-	8,800
-	-	-	-	113,800
-	-	-	-	(114,009)
-	-	-	6,900	6,900
-	-	-	334,087	334,087
-	-	-	(76,527)	(76,527)
(174)	(2,738)	-	(7,646)	(117,657)
-	-	-	-	(58,282)
-	-	-	-	59,833
-	(35)	(3)	-	(7,242)
(1,012)	(73)	(8)	(2,755)	(16,489)
-	122	(5,170)	-	-
(50)	(2,423)	(998)	256,354	296,431
-	-	-	-	74,960
-	-	-	-	(95,596)
-	-	-	-	-
-	-	-	-	(9,862)
-	-	-	-	(30,498)
-	-	-	-	(29)
-	-	-	-	12,960
-	-	(3,425)	-	(3,425)
9	10	578	-	2,675
9	10	(2,847)	-	12,210
(41)	(2,413)	(3,845)	256,354	278,114
4,887	5,683	35,701	2,551	153,945
$ 4,846	$ 3,270	$ 31,856	$ 258,905	$ 432,059
$ -	$ -	$ -	$ -	$ 10,510
4,846	3,270	-	258,905	330,337
-	-	31,856	-	91,212
$ 4,846	$ 3,270	$ 31,856	$ 258,905	$ 432,059

WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
BOND PROGRAMS
June 30, 2021
(Dollars in Thousands)

	HF98E	HF11A	HF13A	HF13BC	HF14AB	HF15AB	HF15CD	HF17AB
ASSETS								
Current assets:								
Restricted cash and cash equivalents	$ 27,770	$ 161	$ 430	$ -	$ 838	$ 648	$ 1,440	$ 745
Restricted accrued interest on loans	1,449	82	40	-	103	135	149	103
Restricted accrued interest on investments	221	17	-	-	-	-	-	-
Total current assets	29,440	260	470	-	941	783	1,589	848
Noncurrent assets:								
Restricted cash and cash equivalents	25,879	-	-	-	-	-	1,314	-
Restricted investments	23,421	1,316	-	-	-	-	-	-
Restricted mortgage loans, net of allowance for losses	280,716	13,334	7,621	-	23,293	26,067	40,356	26,006
Restricted other assets, net of allowances for losses	1,310	42	-	-	166	-	94	175
Total noncurrent assets	331,326	14,692	7,621	-	23,459	26,067	41,764	26,181
Total assets	360,766	14,952	8,091	-	24,400	26,850	43,353	27,029
LIABILITIES								
Current liabilities:								
Accounts payable and other liabilities	74	3	2	-	6	6	10	7
Interfund (receivables) payables	(5,716)	(136)	(277)	-	(228)	(538)	(646)	(637)
Accrued interest payable	-	17	55	-	135	136	236	146
Bonds payable	-	2,855	1,340		2,320	2,520	3,390	2,020
Total current liabilities	(5,642)	2,739	1,120	-	2,233	2,124	2,990	1,536
Noncurrent liabilities:								
Bonds payable	-	-	9,740	-	20,680	22,270	37,400	24,415
Total noncurrent liabilities	-	-	9,740	-	20,680	22,270	37,400	24,415
Total liabilities	(5,642)	2,739	10,860	-	22,913	24,394	40,390	25,951
NET POSITION								
Restricted for debt service	366,408	12,213	(2,769)	-	1,487	2,456	2,963	1,078
Total net position	$ 366,408	$ 12,213	$ (2,769)	$ -	$ 1,487	$ 2,456	$ 2,963	$ 1,078

HF18A	HF19A	HF19B	HF20A	HF20BC	HF21A	Housing Finance Total	GNIB 11A	GNIB 12A	General New Issue Bond Total	Bond Program Totals
$ 977	$ 724	$ 196	$ 182	$ 966	$ -	$ 35,077	$ -	$ -	$ -	$ 35,077
91	153	85	56	93	1	2,540	-	-	-	2,540
-	-	-	-	-	1	239	-	-	-	239
1,068	877	281	238	1,059	2	37,856	-	-	-	37,856
-	-	-	-	3,978	28,185	59,356	-	-	-	59,356
-	-	-	-	-	-	24,737	-	-	-	24,737
19,058	30,939	28,854	29,507	40,697	1,795	568,243	-	-	-	568,243
-	-	-	-	178	-	1,965	-	-	-	1,965
19,058	30,939	28,854	29,507	44,853	29,980	654,301	-	-	-	654,301
20,126	31,816	29,135	29,745	45,912	29,982	692,157	-	-	-	692,157
4	8	8	8	11	-	147	-	-	-	147
(410)	(241)	(252)	(135)	(445)	2	(9,659)	-	-	-	(9,659)
107	161	115	97	113	32	1,350	-	-	-	1,350
1,185	1,585	1,240	1,165	2,190	475	22,285	-	-	-	22,285
886	1,513	1,111	1,135	1,869	509	14,123	-	-	-	14,123
18,565	29,650	27,700	28,455	41,870	29,505	290,250	-	-	-	290,250
18,565	29,650	27,700	28,455	41,870	29,505	290,250	-	-	-	290,250
19,451	31,163	28,811	29,590	43,739	30,014	304,373	-	-	-	304,373
675	653	324	155	2,173	(32)	387,784	-	-	-	387,784
$ 675	$ 653	$ 324	$ 155	$ 2,173	$ (32)	$ 387,784	$ -	$ -	$ -	$ 387,784

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, 2021
(Dollars in Thousands)

	HF98E	HF11A	HF13A	HF13BC	HF14AB	HF15AB	HF15CD	HF17AB
OPERATING REVENUES								
Interest on loans	$ 12,562	$ 762	$ 423	$ 869	$ 1,051	$ 1,161	$ 1,864	$ 1,268
Fee revenue	163	-	-	-	-	-	-	-
Other	106	2	-	12	46	69	-	-
	12,831	764	423	881	1,097	1,230	1,864	1,268
OPERATING EXPENSES								
Loan fees expense	1,942	41	26	57	70	77	123	77
Program expenses, net	1,929	8	17	126	55	142	185	77
Administrative expenses, net	2,336	-	-	-	-	-	-	-
	6,207	49	43	183	125	219	308	154
OPERATING INCOME	6,624	715	380	698	972	1,011	1,556	1,114
NON-OPERATING - FINANCING AND INVESTING REVENUES (EXPENSES)								
Investment earnings:								
Interest	1,470	64	1	3	2	2	29	3
Net decrease in the fair value of investments	(1,627)	(78)	-	-	-	-	(11)	-
Net investment earnings	(157)	(14)	1	3	2	2	18	3
Interest and debt expense	-	(217)	(349)	(180)	(891)	(903)	(1,552)	(1,003)
	(157)	(231)	(348)	(177)	(889)	(901)	(1,534)	(1,000)
CHANGE IN NET POSITION	6,467	484	32	521	83	110	22	114
NET POSITION AT BEGINNING OF YEAR	343,607	9,349	(2,917)	20,226	1,404	2,346	2,941	964
Inter-program transfers, net	16,334	2,380	116	(20,747)	-	-	-	-
NET POSITION AT END OF YEAR	$ 366,408	$ 12,213	$ (2,769)	$ -	$ 1,487	$ 2,456	$ 2,963	$ 1,078

See Independent Auditor's Report

HF18A	HF19A	HF19B	HF20A	HF20BC	HF21A	Housing Finance Total	GNIB 11A	GNIB 12A	General New Issue Bond Total	Bond Program Totals
$ 989	$ 1,432	$ 1,063	$ 760	$ 686	$ (1)	$ 24,889	$ 184	$ 627	$ 811	$ 25,700
-	-	-	-	-	-	163	-	-	-	163
5	-	-	-	4	-	244	-	31	31	275
994	1,432	1,063	760	690	(1)	25,296	184	658	842	26,138
57	78	87	70	63	-	2,768	20	48	68	2,836
11	-	-	-	31	-	2,581	23	162	185	2,766
-	-	-	-	-	-	2,336	-	24	24	2,360
68	78	87	70	94	-	7,685	43	234	277	7,962
926	1,354	976	690	596	(1)	17,611	141	424	565	18,176
2	2	1	17	16	1	1,613	4	333	337	1,950
-	-	-	-	-	-	(1,716)	-	(1)	(1)	(1,717)
2	2	1	17	16	1	(103)	4	332	336	233
(735)	(1,031)	(701)	(579)	(456)	(32)	(8,629)	(186)	(761)	(947)	(9,576)
(733)	(1,029)	(700)	(562)	(440)	(31)	(8,732)	(182)	(429)	(611)	(9,343)
193	325	276	128	156	(32)	8,879	(41)	(5)	(46)	8,833
482	308	(17)	(27)	-	-	378,666	3,031	26	3,057	381,723
-	20	65	54	2,017	-	239	(2,990)	(21)	(3,011)	(2,772)
$ 675	$ 653	$ 324	$ 155	$ 2,173	$ (32)	$ 387,784	$ -	$ -	$ -	$ 387,784

WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
BOND PROGRAMS
For the Year Ended June 30, 2021
(Dollars in Thousands)

	HF98E	HF11A	HF13A	HF13BC	HF14AB	HF15AB	HF15CD	HF17AB
CASH FLOWS USED IN OPERATING ACTIVITIES								
Receipts from lending activities	$ 63,376	$ 3,160	$ 2,006	$ 5,313	$ 5,050	$ 6,074	$ 9,321	$ 7,409
Receipts from other operating activities	163	-	-	-	-	-	-	-
Purchase of mortgage loans	(21,713)	-	-	-	-	-	-	-
Payments to employees for salaries and benefits	(1,507)	-	-	-	-	-	-	-
Payments to vendors	(4,448)	(50)	(31)	(119)	(129)	(149)	(158)	(110)
Interfund transactions	(431)	203	(156)	283	68	(226)	(9)	(296)
Net cash provided by (used in) by operating activities	35,440	3,313	1,819	5,477	4,989	5,699	9,154	7,003
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Proceeds from sale of bonds	-	-	-	-	-	-	-	-
Retirement of bonds	-	(5,545)	(1,310)	(7,255)	(4,105)	(4,555)	(6,710)	(5,675)
Interfund transfers (out) in	(23,772)	2,380	116	672	-	-	-	-
Interest paid	-	(249)	(354)	(223)	(912)	(925)	(1,588)	(1,034)
Net cash (used in) provided by noncapital financing activities	(23,772)	(3,414)	(1,548)	(6,806)	(5,017)	(5,480)	(8,298)	(6,709)
CASH FLOWS FROM INVESTING ACTIVITIES								
Proceeds from maturities of investments	9,044	-	-	-	-	-	1,300	-
Net investment earnings	1,530	63	1	3	2	2	38	3
Net cash provided by investing activitie	10,574	63	1	3	2	2	1,338	3
Net increase (decrease) in cash and cash equivalents	22,242	(38)	272	(1,326)	(26)	221	2,194	297
Cash and cash equivalents at beginning of year	31,407	199	158	1,326	864	427	560	448
Cash and cash equivalents at end of year	$ 53,649	$ 161	$ 430	$ -	$ 838	$ 648	$ 2,754	$ 745
Cash and cash equivalents consist of:								
Restricted cash and cash equivalents - current	$ 27,770	$ 161	$ 430	$ -	$ 838	$ 648	$ 1,440	$ 745
Restricted cash and cash equivalents - noncurrer	25,879	-	-	-	-	-	1,314	-
	$ 53,649	$ 161	$ 430	$ -	$ 838	$ 648	$ 2,754	$ 745

See Independent Auditor's Report

HF18A	HF19A	HF19B	HF20A	HF20BC	HF21A	Housing Finance Total	GNIB 11A	GNIB 12A	General New Issue Bond Total	Bond Program Totals
$ 5,598	$ 4,438	$ 1,986	$ 1,177	$ 2,731	$ (2)	$ 117,637	$ 1,603	$ 3,772	$ 5,375	$ 123,012
-	-	-	-	-	-	163	-	-	-	163
-	-	(1,873)	(27,061)	(22,733)	(1,795)	(75,175)	-	-	-	(75,175)
-	-	-	-	-	-	(1,507)	-	(17)	(17)	(1,524)
(70)	(78)	(86)	(62)	(94)	-	(5,584)	(43)	(472)	(515)	(6,099)
(239)	65	(120)	(137)	(445)	2	(1,438)	210	159	369	(1,069)
5,289	4,425	(93)	(26,083)	(20,541)	(1,795)	34,096	1,770	3,442	5,212	39,308
-	-	-	-	44,960	30,000	74,960	-	-	-	74,960
(3,850)	(3,110)	(1,060)	(380)	(900)	-	(44,455)	(21,755)	(29,235)	(50,990)	(95,445)
-	20	65	54	(18,248)	-	(38,713)	17,275	21,510	38,785	72
(756)	(1,047)	(704)	(511)	(343)	(21)	(8,667)	(278)	(917)	(1,195)	(9,862)
(4,606)	(4,137)	(1,699)	(837)	25,469	29,979	(16,875)	(4,758)	(8,642)	(13,400)	(30,275)
-	-	-	-	-	-	10,344	-	2,616	2,616	12,960
2	2	1	18	16	1	1,682	5	350	355	2,037
2	2	1	18	16	1	12,026	5	2,966	2,971	14,997
685	290	(1,791)	(26,902)	4,944	28,185	29,247	(2,983)	(2,234)	(5,217)	24,030
292	434	1,987	27,084	-	-	65,186	2,983	2,234	5,217	70,403
$ 977	$ 724	$ 196	$ 182	$ 4,944	$ 28,185	$ 94,433	$ -	$ -	$ -	$ 94,433
$ 977	$ 724	$ 196	$ 182	$ 966	$ -	$ 35,077	$ -	$ -	$ -	$ 35,077
-	-	-	-	3,978	28,185	59,356	-	-	-	59,356
$ 977	$ 724	$ 196	$ 182	$ 4,944	$ 28,185	$ 94,433	$ -	$ -	$ -	$ 94,433