West Virginia Housing Development Fund

(A discretely presented Component Unit of the State of West Virginia)

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Years Ended June 30, 2025 and June 30, 2024

Prepared By:
Chad M. Leport
Chief Financial Officer
West Virginia Housing Development Fund
And
April A. Spangler
Controller
West Virginia Housing Development Fund
And
Trisha Hess
Senior Manager – Accounting
West Virginia Housing Development Fund

WEST VIRGINIA HOUSING DEVELOPMENT FUND
(A Component Unit of the State of West Virginia)

Annual Comprehensive Financial Report

For the years ended June 30, 2025 and June 30, 2024

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INTRODUCTORY SECTION

WEST VIRGINIA HOUSING DEVELOPMENT FUND
AS OF JUNE 30, 2025

Board of Directors

Elected Members

Patrick Morrisey, Governor, State of West Virginia
Larry Pack, Treasurer, State of West Virginia
JB McCuskey, Attorney General, State of West Virginia
Kent Leonhardt, Commissioner of Agriculture, State of West Virginia

Appointed Members

Patrick Martin, Commercial Real Estate Agent with KLM Properties, Inc., Retired Market President with BB & T Bank (currently Truist Bank)
Robert Nistendirk, Member/Partner at Woomer, Nistendirk & Associates, PLLC, Certified Public Accountants
Kristina Raynes, Assistant Prosecuting Attorney, Putnam County Office of the Prosecuting Attorney
Allen Retton, Executive Vice President/Director of Commercial Banking, Wesbanco
Lynne Gianola, Member/Partner at Gianola, Harmon & Associates, PLLC
Troy Giatras, Member/Partner at The Giatras Law Firm, PLLC
Kellie Wooten-Willis, Retired Nationwide Insurance Agent/Owner, Certified Public Accountant

Internal Audit

Kelley Ridling, Senior Manager, Internal Audit

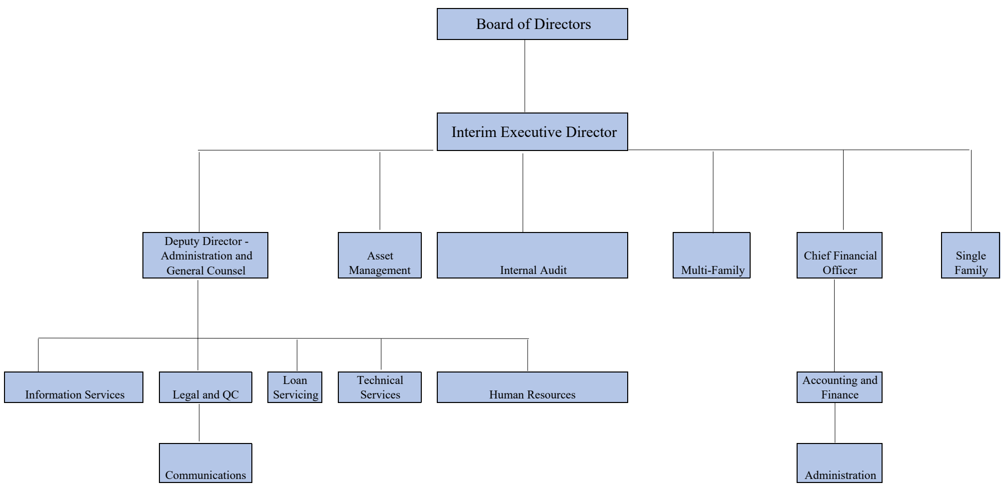
Principal Officers and Staff

Nathan E. Testman, Interim Executive Director
Kristin A. Shaffer, Deputy Director - Administration & General Counsel
Chad M. Leport, Chief Financial Officer
Jon M. Rogers, Senior Division Manager, Loan Origination
Tammy Bonham, Senior Division Manager, Loan Servicing
Michelle L. Wilshere, Senior Division Manager, Multifamily
Alicia Deligne Massie, Senior Legal Counsel
April A. Spangler, Controller
Trisha Hess, Senior Manager, Accounting
Scott Smith, Senior Manager, Multi Family Lending
Dustin Shapero, Senior Manager – Information Services

Professional Consultants

United Bank, Inc., Trustee
Jackson Kelly PLLC, General Counsel
Hawkins, Delafield & Wood LLP, Bond Counsel
Suttle & Stalnaker, PLLC, CPAs, Independent Auditor

West Virginia Housing Development Fund
Organizational Chart



West Virginia Housing Development Fund

October 8, 2025

To the Board of Directors and the Citizens of West Virginia
West Virginia Housing Development Fund

The Annual Comprehensive Financial Report of the West Virginia Housing Development Fund (the Fund) for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Fund. We believe the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the Statements of Net Position, Statements of Revenues, Expenses and Changes in Fund Net Position, and Statements of Cash Flows of the Fund, which is a proprietary type enterprise fund. All material disclosures necessary to enable the reader to gain an understanding of the Fund's financial activities have been included.

For financial reporting purposes, the Fund is included as a discretely presented component unit of the primary government in the State of West Virginia's Annual Comprehensive Financial Report. Based on accounting principles generally accepted in the United States, the Fund has one component unit, the Welfare Benefit Plan, an irrevocable trust for postemployment benefits provided to the Fund's employees. The Fund's financial statement presentation includes the Welfare Benefit Plan as a fiduciary fund.

The Fund's management is responsible for establishing and maintaining internal controls. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements and assets are safeguarded against loss from unauthorized use or disposition, transactions are executed in accordance with management's authorization and transactions are recorded properly to permit the preparation of financial statements in conformity with United States generally accepted accounting principles (US GAAP). Internal control is also designed to reduce, to an acceptable level, the risk that errors or irregularities in amounts that would be material in relation to the financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Management believes the Fund's internal accounting and operational controls adequately meet the above criteria.

The Fund is not subject to an appropriated budget by the State nor is it required to adopt a legally authorized, non-appropriated budget. However, for sound financial management and oversight purposes, an annual administrative budget is presented to and approved by the Board of Directors (the Board). Monthly, the Board reviews a comparison of actual and budgeted expenses to monitor the Fund's compliance with its administrative budget.

The Fund's financial statements have been audited by Suttle & Stalnaker, PLLC, CPAs. The independent auditor concluded, based upon the audit, the Fund's financial statements as of and for the fiscal year ended June 30, 2025, are fairly presented in conformity with US GAAP. The independent auditor's report expresses an unmodified opinion and is presented as the first component of the financial section of this report.

This letter of transmittal is designed to complement management's discussion and analysis and should be read in conjunction with it. The Fund's management's discussion and analysis can be found immediately following the independent auditor's report.

5710 MacCorkle Avenue, SE, Charleston, WV 25304
304-391-8600 • 1-800-933-9843
www.wvhdf.com

PROFILE OF 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 primary corporate purpose is to increase the supply of residential housing in the State for persons and families of low and moderate income. Additionally, the Fund is empowered by the Act to provide construction and permanent mortgage financing to public and private sponsors of such housing. The Fund is self-supporting and receives no appropriations from the State.

Since the creation of the Fund, the State Legislature has made several significant changes to the Act to enable the Fund to meet the State's changing housing needs and to participate in economic development. In 1985, it authorized the Fund to provide housing for persons of higher income, and provide temporary housing for homeless people, disaster victims, battered persons, families with hospitalized persons, students and handicapped persons. The Act was again amended in 1989 to grant the Fund significant new powers, including the making of loans for "nonresidential projects," which are broadly defined to include any project determined by the Fund as likely to foster and enhance economic growth and development in the State.

The Fund is governed by an 11-member Board of Directors consisting of the Governor, Attorney General, Commissioner of Agriculture and Treasurer, all of whom serve ex-officio as public directors, and seven members chosen as private directors from the general public residing in the State. All public directors may designate representatives to serve in their stead. The offices of Governor, Attorney General, Commissioner of Agriculture and Treasurer are elective, and the current terms of such offices expire in January 2029. The Governor, with the advice and consent of the State Senate, appoints private directors for staggered terms of four years. No more than four of the private directors may be from the same political party. 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.

FINANCIAL CONDITION

Economic Impact

The Fund's core housing program and its primary source of revenue is its single family bond program. Mortgage loan balances and continued loan originations are key elements to future earnings. The U.S. economy, particularly the housing market and interest rate fluctuations, have had a significant impact on the Fund's operations during the past several years and staff expects this to continue into the coming year as well.

The Fund issues tax-exempt revenue bonds and through its network of banks, credit unions and independent mortgage companies lends the proceeds of these bonds to homebuyers throughout the State. The tax-exempt bond market typically provides for lower debt rates to the Fund. These lower rates are passed on to homebuyers in the form of lower rate mortgage loans. Thus, the Fund can offer a low-rate mortgage product that facilitates affordable housing by producing interest rates below typical bank rates.

In the summer of 2011, following the end of the 2007-2010 housing crisis, the country's mortgage rates dropped below 5% and continued to remain below that threshold for more than a decade, reaching an all-time low of 2.65% for the average 30-year mortgage in late 2020. Rates held steady until early 2022 when they began to increase, as a result of Federal Reserve action to fight inflation. Thirty-year mortgage rates increased from approximately 4% in April 2022 to more than 7% by the end of fiscal year 2025. With market rates rising out of historic lows, the tax-exempt status of the Fund's AAA-rated bonds began to produce rates below market rate to Fund borrowers resulting in significant increases in lending volume.

Mortgage loan balances in the Bond Programs increased $225,373,000 in fiscal year 2024 and again by $166,075,000 in fiscal year 2025. Interest on loans in the Bond Programs increased $9,086,000 in fiscal year 2024 and increased again by $12,742,000 in fiscal year 2025. When prudent to do so, the Fund redeems or refunds bonds to lower its debt expense to help offset any loss in mortgage loan revenues. In 2024 and 2025, the Fund redeemed $9,525,000 and $12,955,000, respectively. In fiscal year 2024 and 2025, due to multiple bond issuances to meet the demand for new mortgage loans, debt expense increased by $8,207,000 and $10,905,000, respectively. Due to an uptick in rates during fiscal year 2024, investment earnings increased by $5,265,000 and increased again in 2025 by $1,714,000.

The Fund is proactively monitoring cash positions to ensure sufficient liquidity is maintained to meet the increased demand for single family mortgage loan originations during the current environment.

The Fund has long been very conservative in its business operations and as a result has achieved significant net positions across all of its various programs. This strong financial position helps the Fund through economic cycle fluctuations.

Financial Planning and Initiatives

The Fund continues to include its Movin' Up program as part of a long-term financial plan to increase single-family and multifamily project mortgage loan balances. The program is a self-funding lending program as an alternative to dependency on the bond market. The program is designed to attract a different 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. Its target market is for moderate income buyers who may have outgrown their current homes and want to move up to a larger home or borrowers who want to downsize and provide the borrower with down payment and closing cost assistance. The Fund has experienced success in increasing single-family loan volume in this program, with single-family Movin' Up loans outstanding of $156,644,000 as of June 30, 2025.

Through the Movin' Up program and other multifamily lending programs, the Fund is working to expand its multifamily lending portfolio to meet the growing demand for rental units in the State as well as add additional mortgage loans to the Fund's assets. The Fund added an additional $6,598,000, $4,126,000, and $30,237,000 in new multifamily loan balances to the Fund's assets in fiscal years 2023, 2024 and 2025, respectively.

Investment interest rates decreased during fiscal year 2025 and are expected to decrease during fiscal year 2026. Due to the nature of the Fund's operations and investment practices, it is greatly affected by prevailing interest rates. The Fund actively manages its cash to maximize investment earnings with minimal or no risk to principal until cash is expended for program purposes and actively promotes our programs to increase loan balances to continue to combat the challenges of the economy.

With the flexibility provided by the Fund's variety of programs and its substantial net position, the Fund is not solely dependent upon federal programs to carry out its purpose of providing housing. This flexibility allows the Fund to readily adapt itself to the ever-changing environment of federal programs and the needs of the people it serves.

As the Fund moves into fiscal 2026 and on into the future, the Fund will continue to search for new methods to expand its programs to provide adequate housing to the State's residents.

AWARDS AND DESIGNATIONS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Fund for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the thirty-first consecutive year that the Fund has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Standard & Poor's Rating Services and Moody's Investors Service, Inc. rate the Fund's unsecured, long-term general obligation debt pledge "AAA" and Aaa" respectively. These ratings are not assigned to any particular issue of debt; but rather, represent an overall credit assessment by the respective rating agencies of the Fund's general obligation debt pledge.

ACKNOWLEDGMENTS

The preparation of the Fund's Annual Comprehensive Financial Report is dependent on the support of the Accounting staff, the Internal Audit Department and the Fund's Board of Directors. We would like to express our appreciation to the Board and the staff on their contributions to this report and for their hard work and dedication throughout the year.

Respectfully, we hereby submit the West Virginia Housing Development Fund's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025.

Very truly yours,

WEST VIRGINIA HOUSING DEVELOPMENT FUND

Chad M. Leport

Chad M. Leport, CPA
Chief Financial Officer

April A. Spangler

April A. Spangler, CPA
Controller

Trisha Hess
Senior Manager –Accounting

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

West Virginia Housing Development Fund

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

Suttle & Stalnaker
Certified Public Accountants
A Professional Limited Liability Company

INDEPENDENT AUDITOR'S REPORT

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

Opinions

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, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities (enterprise fund) and the fiduciary fund type activities of the Fund, as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

The Virginia Center
1411 Virginia Street, East
Suite 100
Charleston, WV 25301
MAIN (304) 343-4126
FAX (304) 343-8008

The Rivers Office Park
200 Star Avenue
Suite 220
Parkersburg, WV 26101
MAIN (304) 485-6584
FAX (304) 485-0971

Suncrest Towne Centre
453 Suncrest Towne Centre Drive
Suite 201
Morgantown, WV 26505
MAIN (304) 554-3371
FAX (304) 554-3410

The Somerville Building
501 5th Avenue
Suite 1
Huntington, WV 25701
MAIN (304) 525-0301
FAX (304) 522-1569

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 22, the schedules of the proportionate share of the net pension liability (asset) PERS, the schedules of contributions to the PERS, the schedules of changes in net OPEB liability (asset) and related ratios - Welfare Benefit plan, the schedules of contributions to the Welfare Benefit plan, the schedules of annual rate of return on investments - Welfare Benefit plan, and the accompanying notes to required supplementary information on pages 54 through 60 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Suttle & Stalnaker, PLLC

Charleston, West Virginia
September 30, 2025

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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, 2025, the Fund has provided assistance for more than 176,000 housing or housing-related units.

The permanent staff of the Fund consists of 115 persons as of June 30, 2025, 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 21 bond issues totaling $810,720,000 par amount outstanding under its Housing Finance bond resolution. 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, 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 resolution, or at management's discretion. The restricted net position of the Fund includes the net position of the Bond Programs, the Affordable Housing Fund included in the Other Loan Programs, Land Development Program, Bond Insurance Account, and Federal Programs, which are restricted by the bond resolution, 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, 2025, 2024, and 2023.

[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

Fiscal year 2025 was an impressive production year for the Fund. Lower interest rates offered to our borrowers gave us a competitive advantage over banks and lenders. To meet this demand, $170,000,000 in single family bonds were issued to fund homeownership loans in addition to the $325,000,000 issued during fiscal year 2024. Multi-family construction production also had an increase during the fiscal year. This increase in bond issuances and mortgage lending had a significant impact throughout our Statement of Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position. Expenses and income related to the increase in production include the bond cost of issuance expenses, loan origination fees, service fees, interest and fee income. Assets and liabilities also fluctuated due to increased mortgage loan balances and debt outstanding.

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

(Dollars in thousands)	2025	2024	2023
ASSETS			
Current assets	**$ 158,518**	**$ 190,211**	$ 166,703
Noncurrent assets:			
Mortgage loans & Restricted mortgage loans, net of allowance for losses	**1,195,275**	**1,020,647**	790,556
Restricted Federal Program mortgage loans, net of allowance for losses	**91,459**	**70,879**	64,220
Restricted cash and cash equivalents	**69,713**	**112,097**	76,104
Investments & Restricted investments	**80,798**	**60,664**	63,345
Capital assets, net of depreciation	**7,121**	**7,168**	7,350
Other assets & Restricted other assets, net of allowance for losses	**4,158**	**1,895**	2,855
Total assets	**1,607,042**	**1,463,561**	1,171,133
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension and OPEB	**2,346**	**2,131**	3,267
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	**30,812**	**23,783**	19,015
Accrued interest payable	**5,833**	**4,048**	2,040
Bonds payable	**39,155**	**29,520**	21,915
Noncurrent liabilities:			
Bonds & notes payable, net	**775,786**	**654,168**	368,057
Other liabilities	**116,217**	**142,282**	167,021
Total liabilities	**967,803**	**853,801**	578,048
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension and OPEB	**1,536**	**632**	367
NET POSITION			
Net investment in capital assets	**7,121**	**7,168**	7,350
Net position - Restricted	**488,309**	**476,559**	470,784
Net position - Unrestricted	**144,619**	**127,532**	117,851
TOTAL NET POSITION	**$ 640,049**	**$ 611,259**	$ 595,985

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 decrease of $31,693,000 (16.7%) in *Current assets* from 2024 to 2025 was primarily due to a decrease of $46,658,000 in federal funds, which includes COVID relief funds, a decrease of $70,000 in cash held for the Federal Home Loan Bank of Pittsburgh's HOME 4 Good program, a decrease of $45,000 in foreclosed property, an increase of $7,532,000 in cash for program disbursements and debt service, an increase of $6,548,000 in funds held for others which includes insurance and tax accounts held on behalf of the Fund's various mortgagors, an increase of $877,000 in accounts receivable, and an increase of $123,000 in accrued interest.

The increase of $23,508,000 (14.1%) in *Current assets* from 2023 to 2024 was primarily due to an increase of $36,739,000 in cash for program disbursements and debt service, an increase of $11,740,000 in cash due to a long-term investment reinvested as short-term, an increase of $3,928,000 in funds held for others which includes insurance and tax accounts held on behalf of the Fund's various mortgagors, an increase of $1,527,000 in accrued interest, an increase of $80,000 in foreclosed property, an increase of $33,000 in accounts receivable, a decrease of $30,025,000 in federal funds, which includes COVID relief funds, a decrease of $287,000 in cash held for the Federal Home Loan Bank of Pittsburgh's HOME 4 Good program, and a decrease of $218,000 in the balance of Mortgage Loans Held for Sale.

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

The increase of $174,628,000 (17.1%) in *Mortgage loans & Restricted mortgage loans, net of allowance for losses* from 2024 to 2025 was primarily due to originations of $282,200,000 exceeding loan repayments of $102,487,000, foreclosures of $2,900,000 and an increase in allowance for loan losses of $2,185,000.

The increase of $230,091,000 (29.1%) in *Mortgage loans & Restricted mortgage loans, net of allowance for losses* from 2023 to 2024 was primarily due to originations of $318,121,000 exceeding loan repayments of $84,352,000, foreclosures of $2,008,000, and an increase in allowance for loan losses of $1,670,000.

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), National Housing Trust Fund (NHTF) and the United States Department of the Treasury's Emergency Rental Assistance mortgage loans. The fluctuations from year to year represent the net of HOME, NHTF, and Emergency Rental Assistance program loan originations and repayments during the years presented.

Restricted cash and cash equivalents

The decrease of $42,384,000 (37.8%) in *Restricted cash and cash equivalents* from 2024 to 2025 was primarily due to a $45,040,000 net decrease in the balance of funds available to purchase single family mortgage loans related to the timing of bond issuances and a $2,656,000 net increase of long-term funds on hand in 2024 invested short-term in 2025.

The increase of $35,993,000 (47.3%) in *Restricted cash and cash equivalents* from 2023 to 2024 was primarily due to a $28,494,000 net increase in the balance of funds available to purchase single family mortgage loans related to the timing of bond issuances and an increase of $7,499,000 in short-term funds related to funding capital reserve accounts as a part of bond issuances.

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 are 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)	**2025**	**2024**	2023
Balance at beginning of fiscal year	**$ 60,664**	**$ 63,345**	$ 49,587
Sales and maturities	**(5,331)**	**(58,395)**	(37,313)
Purchases	**25,886**	**56,043**	52,231
Decrease in fair value of investments and amortizations	**(421)**	**(329)**	(1,160)
Balance at end of fiscal year	**$ 80,798**	**$ 60,664**	$ 63,345

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

The decrease of $47,000 (0.7%) from 2024 to 2025 was due to depreciation of the Fund's office building, equipment, and software.

The decrease of $182,000 (2.5%) from 2023 to 2024 was due to depreciation of the Fund's office building, equipment, and software.

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

The increase of $2,263,000 (119.4%) in *Other assets and Restricted other assets, net of allowance for losses* from 2024 to 2025 was primarily due to an increase in the net pension and OPEB (Other Postemployment Benefits) assets of $1,029,000, an increase of $1,041,000 in foreclosed properties, an increase of $213,000 due from Federal program reimbursements, and a decrease of $20,000 in prepaid expenses.

The decrease of $960,000 (33.6%) in *Other assets and Restricted other assets, net of allowance for losses* from 2023 to 2024 was primarily due to a $1,317,000 decrease in foreclosed properties, a decrease of $71,000 due from Federal program reimbursements, and an increase in the net pension and OPEB (Other Postemployment Benefits) assets of $414,000, and an increase of $14,000 in prepaid expenses.

Accounts payable and other liabilities

The increase of $7,029,000 (29.6%) in *Accounts payable and other liabilities* from 2024 to 2025 was primarily due to an increase of $5,595,000 in funds held for others, which includes tax and insurance accounts held on behalf of the Fund's various mortgagors, an increase of $1,356,000 in accrued expenses at year-end, an increase in the bond rebate liability of $149,000, and a decrease of $71,000 in cash held on behalf of the Federal Home Loan Bank of Pittsburgh (FHLB) for program disbursements to be used for its Home4Good program.

The increase of $4,768,000 (25.1%) in *Accounts payable and other liabilities* from 2023 to 2024 was primarily due to an increase of $4,615,000 in funds held for others, which includes tax and insurance accounts held on behalf of the Fund's various mortgagors, an increase of $433,000 in accrued expenses at year-end, an increase in the bond rebate liability of $8,000, and a decrease of $288,000 in cash held on behalf of the Federal Home Loan Bank of Pittsburgh (FHLB) for program disbursements to be used for its Home4Good program.

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 2025 and 2024. See *Note D – Bonds payable*.

(Dollars in thousands)		**2025**	**2024**	2023
Balance at beginning of the fiscal year				
Bonds payable - current		**$ 29,520**	**$ 21,915**	$ 18,885
Bonds payable - noncurrent		**654,168**	**368,057**	267,521
Debt issued:	Housing Finance Bonds (*including premium/discount*)	**173,859**	**325,000**	134,953
	Other Loan Programs note payable	**-**	**250**	-
Debt paid:	Scheduled debt service	**(29,651)**	**(22,009)**	(19,000)
	Early redemptions and refundings	**(12,955)**	**(9,525)**	(12,370)
Other Loan Programs note payable allowance for losses [1]		**-**	**-**	(17)
Balance at end of the fiscal year		**$ 814,941**	**$ 683,688**	$ 389,972
Bonds payable - current		**$ 39,155**	**$ 29,520**	$ 21,915
Bonds & notes payable - noncurrent		**775,786**	**654,168**	368,057
Total bonds & notes payable		**$ 814,941**	**$ 683,688**	$ 389,972

[1] See *Note D - Bonds Payable*

Other liabilities

The decrease of $26,065,000 (18.3%) in *Other liabilities* from 2024 to 2025 was due to the expenditure of $28,247,000 in federal COVID relief funds for rental and homeowner assistance programs the Fund administers on behalf of the State, and an increase of $2,182,000 due to Federal Program mortgage loan repayments and prepayments exceeding originations.

The decrease of $24,739,000 (14.8%) in *Other liabilities* from 2023 to 2024 was due to the expenditure of $27,105,000 in federal COVID relief funds for rental and homeowner assistance programs the Fund administers on behalf of the State, a decrease of $587,000 in the net OPEB liability, a decrease of $663,000 in the net pension liability, and an increase of $3,616,000 due to Federal Program mortgage loan repayments and prepayments exceeding originations.

Total Net Position improved by $15,274,000 (2.6%) from June 30, 2023 to June 30, 2024. From June 30, 2024 to June 30, 2025, *Total Net Position* improved by $28,790,000 (4.7%) as the enterprise fund net position improved to $640,049,000 at June 30, 2025.

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)	2025	2024	2023
REVENUES			
Interest on loans	**$ 53,418**	**$ 41,298**	$ 31,864
Pass-through grant revenue	**133,064**	**120,408**	150,693
Fee revenue	**11,279**	**9,734**	8,599
Net investment earnings (non-operating)	**12,754**	**10,829**	4,592
Other	**8,829**	**886**	875
Total Revenues	**219,344**	**183,155**	196,623
EXPENSES			
Pass-through grant expense	**133,064**	**120,408**	150,693
Interest and debt expense (non-operating)	**29,035**	**18,316**	9,923
Loan fees expense	**8,578**	**9,053**	5,185
Program expense, net	**7,445**	**8,654**	5,757
Administrative expense, net	**12,432**	**11,450**	10,146
Total Expenses	**190,554**	**167,881**	181,704
CHANGE IN NET POSITION	**28,790**	**15,274**	14,919
NET POSITION AT BEGINNING OF YEAR	**611,259**	**595,985**	581,066
NET POSITION AT END OF YEAR	**$ 640,049**	**$ 611,259**	$ 595,985

Interest on loans

The increase in *Interest on loans* of $12,120,000 (29.3%) from 2024 to 2025 was due to an increase in the volume of loans and an increase in the average mortgage loan rate.

The increase in *Interest on loans* of $9,434,000 (29.6%) from 2023 to 2024 was due to an increase in the volume of loans and an increase in the average mortgage loan rate.

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 $12,656,000 (10.5%) from 2024 to 2025 was primarily due to an increase of $35,508,000 in program disbursements for federal COVID relief rental assistance programs the Fund is administering on behalf of the State, an increase of $4,802,000 in Section 8 Housing Assistance Payments Program disbursements, a decrease of $12,266,000 in program disbursements for the federal COVID relief homeowner assistance program the Fund is administering on behalf of the State, a decrease of $7,604,000 in Community Development Block Grants (CDBG) disbursements, a decrease of $4,664,000 in HOME disbursements, and a decrease of $3,120,000 in National Housing Trust Fund disbursements.

The decrease of $30,285,000 (20.1%) from 2023 to 2024 was primarily due to a decrease of $40,355,000 in program disbursements for federal COVID relief rental assistance programs the Fund is administering on behalf of the State, a decrease of $374,000 in National Housing Trust Fund disbursements, an increase of $5,337,000 in HOME disbursements, an increase of $2,860,000 in Section 8 Housing Assistance Payments Program disbursements, an increase of $2,196,000 in Community Development Block Grants (CDBG) disbursements, and an increase of $51,000 in program disbursements for the federal COVID relief homeowner assistance program the Fund is administering on behalf of the State.

Fee revenue

The increase of $1,545,000 (15.9%) in *Fee revenue* from 2024 to 2025 was primarily due to an increase of $1,559,000 in mortgage loan processing fees, and a decrease of $14,000 in Affordable Housing Fund fees.

The increase of $1,135,000 (13.2%) in *Fee revenue* from 2023 to 2024 was primarily due to an increase of $907,000 in mortgage loan processing fees, an increase of $217,000 Section 8 fees, an increase of $77,000 in Low-Income Housing Tax credit fees, a decrease of $63,000 in Affordable Housing Fund fees, and a decrease of $3,000 in foreclosure fees.

Net investment earnings

Net investment earnings increased $1,925,000 (17.8%) from 2024 to 2025 and increased 6,237,000 (135.8%) from 2023 to 2024 in the comparison of revenues and expenses above. However, *Net investment earnings* include unrealized gains and losses in the fair value of investments for each of the fiscal years presented as required by United States Generally Accepted Accounting Principles (US GAAP). As shown in the schedule below, investment earnings, adjusted for the unrealized gains or losses, increased 14.8% from 2024 to 2025 and increased 83.3% from 2023 to 2024.

(Dollars in thousands)		June 30,	
	2025	**2024**	2023
Net investment earnings per operating statement	**$ 12,754**	**$ 10,829**	$ 4,592
Adjustments for unrealized loss on fair value of securities	**542**	**753**	1,725
Interest earned on investments	**$ 13,296**	**$ 11,582**	$ 6,317
% Increase (Decrease) from prior year	**14.8%**	**83.3%**	

Other revenues

The increase of $7,943,000 (896.5%) in *Other revenues* from 2024 to 2025 was primarily due to receipt of $8,000,000 from the State to administer the Veteran's Home Loan Mortgage Program, which was created by the passage of Senate Bill 261 during the 2024 West Virginia Legislative session. Additionally, there was an increase in gains on sale of foreclosed properties of $23,000, and a decrease in gains on sale of mortgage loans of $80,000.

The increase of $11,000 (1.3%) in *Other revenues* from 2023 to 2024 was primarily due to an increase in gains on sale of mortgage loans of $121,000, a decrease in gains on sale of foreclosed properties of $110,000.

Interest and debt expense

The $10,719,000 (58.5%) increase in *Interest and debt expense* from 2024 to 2025 was primarily due to debt issuances of $173,859,000 exceeding $29,651,000 in debt service and $12,955,000 in redemptions.

The $8,393,000 (84.6%) increase in *Interest and debt expense* from 2023 to 2024 was primarily due to debt issuances of $325,250,000 exceeding $22,009,000 in debt service and $9,525,000 in redemptions.

Loan fees expense

The $475,000 (5.2%) decrease in *Loan fees expense* from 2024 to 2025 was primarily due to a decrease in loan origination fees of $1,076,000, a decrease in service release fees of $167,000 and an increase in service fees on loans of $768,000.

The $3,868,000 (74.6%) increase in *Loan fees expense* from 2023 to 2024 was primarily due to an increase in loan origination fees of $2,666,000, an increase in service release fees of $795,000 and an increase in service fees on loans of $407,000.

Program expenses, net

The $1,209,000 (14%) decrease in *Program expenses, net* from 2024 to 2025 was primarily due to a decrease of $1,497,000 in cost of issuance expenses as a result of fewer bond issuances, a decrease of $395,000 in losses on sale of foreclosed properties, decrease of $123,000 in Special Needs disbursements, a decrease of $60,000 in Affordable Housing Fund disbursements, an increase of $509,000 in bad debt expense, an increase of $224,000 in general program disbursements, an increase of $100,000 in expenses related to repairs and holding costs for foreclosed properties, and an increase of $33,000 in building expenses.

The $2,897,000 (50.3%) increase in *Program expenses, net* from 2023 to 2024 was primarily due to an increase of $1,523,000 in cost of issuance expenses, an increase of $1,447,000 in bad debt expense, an increase of $571,000 in losses on sale of foreclosed properties, an increase of $118,000 in Special Needs disbursements, an increase of $101,000 in general program disbursements, a decrease of $554,000 in Affordable Housing Fund disbursements and a decrease of $309,000 in expenses related to repairs and holding costs for foreclosed properties.

Administrative expenses, net

The $982,000 (8.6%) increase in *Administrative expenses, net* from 2024 to 2025 was primarily due to an increase of $655,000 in salary and benefit expenses, an increase of $65,000 in compensated absences, a decrease in various administrative reimbursements of $588,000 related to the administration of COVID relief funds, a decrease of $173,000 in general expenses, a decrease of $98,000 in professional services and temporary employees, a decrease in computer related expenses of $32,000, a decrease of $32,000 in travel expenses, and an increase in pension and OPEB related expenses of $18,000.

The $1,304,000 (12.9%) increase in *Administrative expenses, net* from 2023 to 2024 was primarily due to an increase of $249,000 in professional services and temporary employees, an increase of $112,000 in salary and benefit expenses, an increase in computer related expenses of $90,000, a decrease in various administrative reimbursements of $1,118,000 related to the administration of COVID relief funds, a decrease in pension and OPEB related expenses of $204,000, a decrease of $46,000 in general expenses, and a decrease of $15,000 in travel expenses.

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 creating the Emergency Rental Assistance (ERA1) program to provide funding to assist households that were 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 on behalf of the State. As of June 30, 2025, $87,238,000 of these funds have 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. As of August 26, 2022, the Fund ceased accepting applications for rental and utility assistance and all activity under ERA1 ceased pursuant to the U.S. Treasury guidelines as of September 30, 2022.

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 for the Emergency Rental Assistance (ERA2) Program and $50,000,000 in homeowner assistance for the Homeowners Assistance Fund (HAF), both of which the Fund administers on behalf of the State. Collectively, ERA1 and ERA2 are locally known as the Mountaineer Rental Assistance Program (MRAP). As of June 30, 2025, $96,438,000 of the ERA2 funds has been disbursed for rental and utility assistance and $35,384,000 for the development of multifamily rental units. In addition, $41,202,000 of the HAF funds has been disbursed for mortgage and utility assistance. These funds are included in pass through grant revenue and pass through grant expense and in restricted cash and cash equivalents. As of May 8, 2024, the Housing Development Fund ceased accepting applications for assistance under the HAF Program.

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.

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 the Fund's 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 moderate income buyers who may have outgrown their current homes and want to move up to a larger home and may provide the borrower with down payment and closing cost assistance.

In fiscal years 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. The Fund's Bond Program mortgage loan balances decreased $22,494,000 (3.8%) in fiscal year 2021 compared to 2020 due to borrowers refinancing loans due to a drop in interest rates. In fiscal year 2022, mortgage rates increased, and the Fund regained its competitive edge of mortgage rates and loan originations increased. The Fund's Bond Program mortgage loan balances increased $13,505,000 (2.4%) in fiscal year 2022 as compared to fiscal year 2021 and increased $82,211,000 (14.1%) in fiscal year 2023 as compared to fiscal year 2022. The Fund's Bond Program mortgage loan balances increased an additional $225,373,000 (33.9%) in fiscal year 2024 as compared to fiscal year 2023 and an additional $166,075,000 (18.7%) in 2025 as compared to fiscal year 2024. 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 2023 through fiscal year 2025 are as follows:

(Dollars in thousands)

	June 30, 2025	June 30, 2024	June 30, 2023
Beginning Balance	**$ 889,332**	**$ 663,959**	$ 581,748
Repayments/Prepayments	**(87,581)**	**(52,649)**	(53,072)
Foreclosures	**(5,073)**	**(4,353)**	(2,898)
Originations	**258,729**	**277,443**	138,181
Interfund transfer	**-**	**4,932**	-
Ending Balance	**$ 1,055,407**	**$ 889,332**	$ 663,959
% Increase from prior year	**18.7%**	**33.9%**	

The Fund continues to proactively monitor cash positions to ensure sufficient liquidity is maintained and to meet the increased demand for single family mortgage loan originations.

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 $58,000 as of June 30, 2025. This income level tends to be impacted quicker than an average borrower during economic declines.

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.

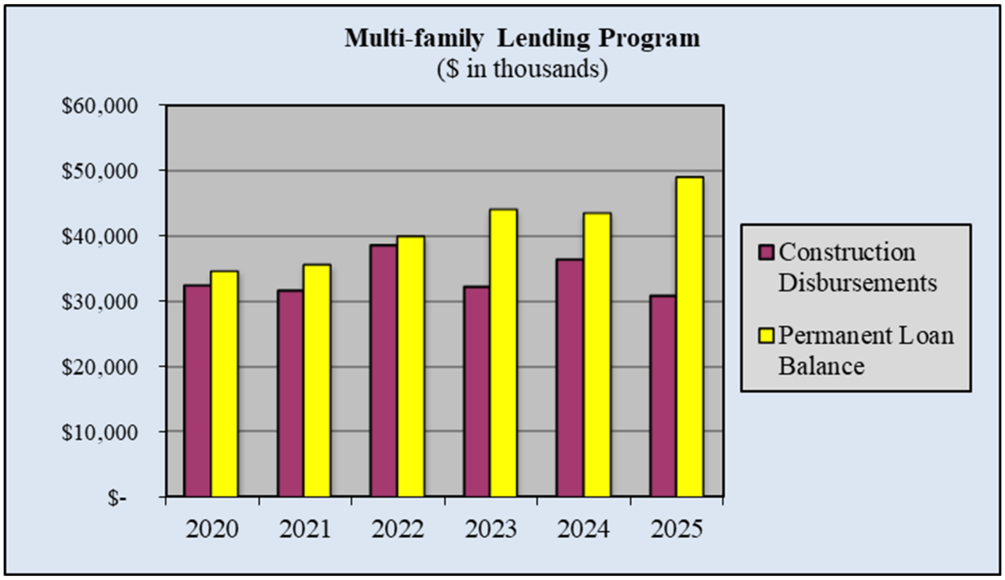
The Fund's Bond Program loan delinquency rates increased from 2023 to 2024 in the One-, Two- and Three-month categories and decreased from 2024 to 2025 as shown in the chart below. The Three + month category decreased in 2023 due to the expiration of the foreclosure moratorium and borrowers receiving assistance from the federal COVID relief HAF program. 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 and other economic impacts.

Delinquency Rates

	WV Housing Development Fund Bond Programs As of June 30, 2025	WV Housing Development Fund Bond Programs As of June 30, 2024	WV Housing Development Fund Bond Programs As of June 30, 2023	WV* As of June 30, 2025	USA* As of June 30, 2025
Months Past Due					
One	3.54%	4.82%	3.70%	2.99%	2.12%
Two	1.49%	1.61%	1.45%	0.90%	0.70%
Three	0.84%	0.79%	0.43%	1.26%	1.09%
Three +	3.17%	3.47%	2.64%	1.75%	1.57%
In foreclosure	0.33%	0.12%	0.18%	0.49%	0.48%

*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, the Low-Income Housing Tax Credit Program and ERA2. 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 2026 and future years.



Interest rates on new single family bond loans originated in fiscal year 2025 have averaged approximately 5.97%. Interest rates on new multifamily permanent loans originated in fiscal year 2025 have averaged approximately 4.69%. The average loan interest rate listed below shows the Bond Programs average for fiscal years 2023 through 2025.

Average Loan Interest Rate	
June 30, 2023	4.41%
June 30, 2024	4.81%
June 30, 2025	5.04%

Investments

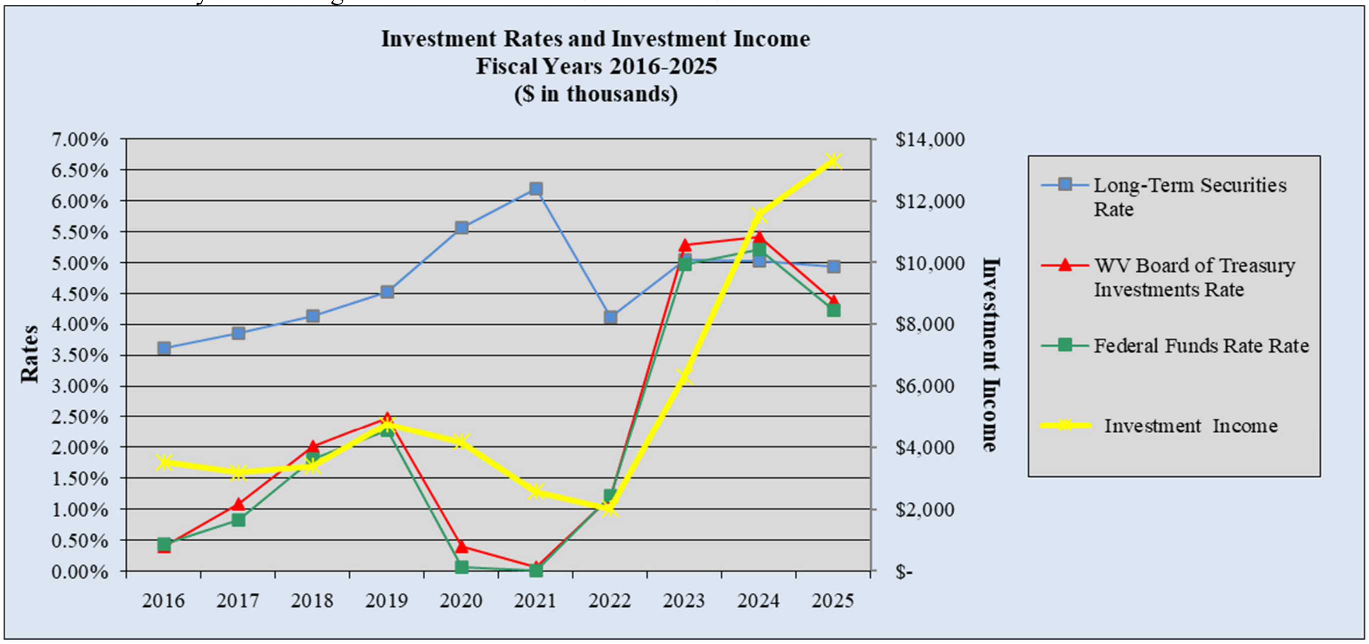
The Fund invests cash, as permitted by the Act, the bond resolution, and the Board approved Investment Policy. Funds related to the Bond Programs capital reserves and the Bond Insurance Account are primarily invested in long-term United States agency securities and FDIC insured money market accounts, 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 money market accounts and short-term United States agency securities. 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 have fluctuated accordingly.

Due to fluctuations in interest rates, investment earnings increased 14.8% from 2024 to 2025 and 83.3% from 2023 to 2024, net of unrealized gains or losses.

Below is a summary of the average investment rates from June 2016 to June 2025:



Debt Management (See *Note D – Bonds Payable*)

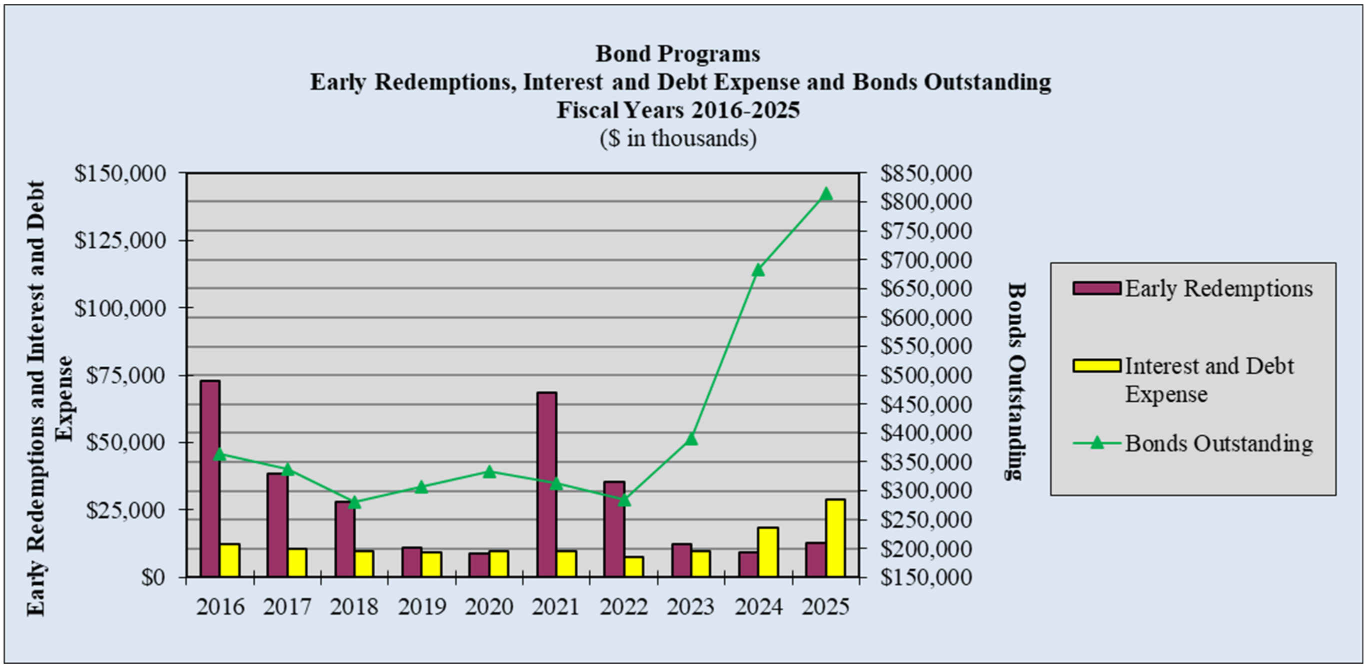
The Fund issues qualified mortgage revenue bonds to fund its single family Bond Programs. When bonds are issued, the initial proceeds are invested in short-term investments until the funds are used for the purchase of mortgage loans. Because short-term investment rates are typically lower than the long-term 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 2026 the Fund expects to continue to recycle mortgage loan repayments from its bond issues when it is economically prudent to do so.

During fiscal years 2023, 2024 and 2025, the Fund redeemed $12,730,000, $9,525,000 and $12,955,000 in bonds, respectively. By actively redeeming bonds, the Fund offsets the impact of reduced mortgage loan balances and rates.

Interest and debt expense were $9,923,000, $18,316,000 and $29,035,000 in fiscal years 2023, 2024 and 2025, respectively. Interest and debt expense increased in 2023 as compared to 2022 due to bond issuances of $134,953,000 exceeding debt service of $19,000,000 and $12,370,000 in redemptions. Interest and debt expense increased in 2024 as compared to 2023 due to bond issuances of $325,250,000 exceeding debt service of $22,009,000 and $9,525,000 in redemptions. Interest and debt expense increased in 2025 as compared to 2024 due to bond issuances of $173,859,000 exceeding debt service of $29,651,000 and $12,955,000 in redemptions.

The following chart illustrates early bond redemptions, interest and 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, the Federal Home Loan Bank of Pittsburgh and various non-profit organizations. The Fund is the largest loan servicer located in the State with serviced loans of $1.6 billion. Servicing fee income in the amount of $3,802,000 represents 4.41% of the Fund's total revenues, net of pass through grant revenue, for the fiscal year ended June 30, 2025.

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 $554,000 (8.2%) from June 30, 2023 to June 30, 2024. From June 30, 2024 to June 30, 2025, *Net position restricted for other postemployment benefits* improved by $612,000 (8.4%) to $7,936,000 at June 30, 2025.

The fiduciary fund financial statements Plan is discussed in greater detail in *Note H – Postemployment Healthcare Benefits*.

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.

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

	June 30, 2025	June 30, 2024
ASSETS		
Current assets:		
Cash and cash equivalents-- *(Notes A and C)*	$ 18,571	$ 19,141
Accrued interest on loans	426	899
Accounts receivable and other assets, net of allowance for losses-- *(Note A)*	2,497	1,665
Restricted cash and cash equivalents-- *(Notes A and C)*	132,202	164,280
Restricted accrued interest on loans	3,939	3,392
Restricted accrued interest on investments	883	834
Total current assets	158,518	190,211
Noncurrent assets:		
Mortgage loans, net of allowance for losses-- *(Note A)*	120,258	117,011
Capital assets, net of depreciation-- *(Note A)*	7,121	7,168
Restricted cash and cash equivalents-- *(Notes A and C)*	69,713	112,097
Restricted investments-- *(Notes A and C)*	80,798	60,664
Restricted mortgage loans, net of allowance for losses-- *(Note A)*	1,166,476	974,515
Restricted other assets, net of allowance for losses-- *(Notes A, F and H)*	4,158	1,895
Total noncurrent assets	1,448,524	1,273,350
Total assets	1,607,042	1,463,561
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pension and OPEB-- *(Notes A, F and H)*	2,346	2,131
LIABILITIES		
Current liabilities:		
Accounts payable and other liabilities-- *(Note A)*	30,812	23,783
Accrued interest payable	5,833	4,048
Bonds payable-- *(Note D)*	39,155	29,520
Total current liabilities	75,800	57,351
Noncurrent liabilities:		
Other liabilities-- *(Notes A, F and H)*	116,217	142,282
Bonds & notes payable-- *(Note D)*	775,786	654,168
Total noncurrent liabilities	892,003	796,450
Total liabilities	967,803	853,801
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pension and OPEB-- *(Notes A, F and H)*	1,536	632
NET POSITION		
Restricted for debt service	417,805	409,809
Restricted by state statute	69,060	66,336
Restricted for pension and OPEB	1,444	414
Net investment in capital assets	7,121	7,168
Unrestricted	144,619	127,532
Total net position	$ 640,049	$ 611,259

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)

	For the fiscal years ended June 30, 2025	2024
OPERATING REVENUES		
Interest on loans	$ 53,418	$ 41,298
Pass-through grant revenue-- *(Note A)*	133,064	120,408
Fee revenue-- *(Note A)*	11,279	9,734
Other-- *(Note A)*	8,829	886
	206,590	172,326
OPERATING EXPENSES		
Pass-through grant expense-- *(Note A)*	133,064	120,408
Loan fees expense-- *(Note A)*	8,578	9,053
Program expense, net-- *(Note A)*	7,445	8,654
Administrative expense, net-- *(Note A)*	12,432	11,450
	161,519	149,565
OPERATING INCOME	45,071	22,761
NON-OPERATING - FINANCING AND INVESTING (EXPENSES) REVENUES		
Investment earnings:		
Interest	13,296	11,582
Net decrease in the fair value of investments	(542)	(753)
Net investment earnings	12,754	10,829
Interest and debt expense	(29,035)	(18,316)
	(16,281)	(7,487)
CHANGE IN NET POSITION	28,790	15,274
NET POSITION AT BEGINNING OF YEAR	611,259	595,985
NET POSITION AT END OF YEAR	$ 640,049	$ 611,259

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)

	For the fiscal years ended June 30, 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from lending activities	$ 162,225	$ 133,472
Receipts from other operating activities	17,799	7,670
Receipts from escrows and advance activities [(1)]	41,290	40,717
Disbursements from escrows and advance activities [(1)]	(35,016)	(37,086)
Receipts for federal lending activities	6,346	10,764
Receipts for federal activities	79,574	78,076
Disbursements for federal activities	(94,455)	(99,489)
Purchase of mortgage loans	(345,718)	(334,945)
Purchase of mortgage loans held for sale	(3,969)	(7,102)
Sales of mortgage loans	29,855	7,320
Payments to employees for salaries and benefits	(10,274)	(8,759)
Payments to vendors	(19,440)	(22,947)
Net cash provided by (used in) operating activities	(171,783)	(232,309)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Net proceeds from bonds and notes	173,924	343,250
Retirement of bonds and notes	(42,606)	(49,534)
Interest paid	(27,311)	(16,308)
Net cash provided by (used in) noncapital financing activities	104,007	277,408
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of investments	5,333	58,395
Purchase of investments	(25,886)	(56,043)
Net investment earnings	13,297	10,636
Net cash provided by (used in) investing activities	(7,256)	12,988
Net increase (decrease) in cash and cash equivalents	(75,032)	58,087
Cash and cash equivalents at beginning of year	295,518	237,431
Cash and cash equivalents at end of year	$ 220,486	$ 295,518
Cash and cash equivalents consist of:		
Cash and cash equivalents	$ 18,571	$ 19,141
Restricted cash and cash equivalents - current	132,202	164,280
Restricted cash and cash equivalents - noncurrent	69,713	112,097
	$ 220,486	$ 295,518

[(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)

	For the fiscal years ended June 30, 2025	2024
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income	$ 45,071	$ 22,761
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Change in assets and liabilities:		
Accrued interest on loans	473	317
Mortgage loans held for sale	-	218
Other assets	(731)	85
Allowance for losses on other assets	(63)	4
Restricted accrued interest on loans	(547)	(1,333)
Restricted other assets	(2,300)	1,312
Allowance for (recovery of) losses on restricted other assets	37	(352)
Mortgage loans	(2,511)	(6,275)
Allowance for losses on mortgage loans	(735)	(1,210)
Restricted mortgage loans	(205,886)	(232,471)
Allowance for losses on restricted mortgage loans	13,925	3,205
Accounts payable	6,860	4,768
Other liabilities, federal programs	(26,065)	(23,488)
Deferred outflows of resources - pension and OPEB	(215)	1,136
Deferred inflows of resources - pension and OPEB	904	265
Other liabilities, pension and OPEB	-	(1,251)
Net cash provided by (used in) operating activities	$ (171,783)	$ (232,309)
Noncash investing and financing activities:		
Decrease in fair value of investments	$ (542)	$ (746)
Net amortization of (discounts) premiums on investments	(52)	416

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 FIDUCIARY NET POSITION
(Dollars in Thousands)

	June 30, 2025	June 30, 2024
ASSETS		
Restricted cash and cash equivalents	$ 860	$ 841
Restricted accrued interest on investments	60	56
Restricted investments:		
U.S. Treasury securities	5,019	4,475
Federal agency securities	-	730
Certificates of deposit	2,001	1,240
Total restricted investments	7,020	6,445
Total restricted assets	7,940	7,342
LIABILITIES		
Current liabilities:		
Accounts payable and other liabilities	4	18
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS	$ 7,936	$ 7,324

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 FIDUCIARY NET POSITION
(Dollars in Thousands)

	For the fiscal years ended June 30, 2025	2024
ADDITIONS		
Contributions - employer	$ 491	$ 401
Investment income (loss):		
Interest	312	239
Net increase (decrease) in the fair value of investments	71	110
Net investment income (loss)	383	349
Total additions	874	750
DEDUCTIONS		
Benefits	234	158
Administrative expenses	28	38
Total deductions	262	196
NET INCREASE IN FIDUCIARY NET POSITION	612	554
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS		
BEGINNING OF YEAR	7,324	6,770
END OF YEAR	$ 7,936	$ 7,324

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 designates the Governor or his or her designee as the Chair of the Board of Directors and 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 Annual Comprehensive 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, 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 resolution, 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 resolution, and are available for other purposes only to the extent they are not required to meet specified reserve and funding provisions of the resolution.

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. Other Loan Programs also include the Affordable Housing Fund Program, which was created by the State Legislature in 2018 through the transfer of operations of the West Virginia Affordable Housing Trust Fund to the Fund effective June 8, 2018. The Veteran's Home Loan Mortgage Program is also part of the Other Loan Programs. The Fund received $8,000,000 from the State during fiscal year 2025 to administer the Veteran's Home Loan Mortgage Program, which was created by the passage of Senate Bill 261 during the 2024 West Virginia Legislative session.

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 is included in the Fund's financial statements but is kept separate and apart from all other accounts of the Fund and the State.

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. The only Mortgage Finance Bonds currently outstanding are in the Housing Finance Bond Program.

Federal Programs include the United States Department of Housing and Urban Development's (HUD) HOME Investment Program (HOME), National Housing Trust Fund (NHTF), HOME American Rescue Plan (ARP), 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 creating the Emergency Rental Assistance (ERA1) program 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 on behalf of the State. As of August 26, 2022, the Fund ceased accepting applications for rental and utility assistance and all activity under ERA1 ceased pursuant to the U.S. Treasury guidelines as of September 30, 2022. As of June 30, 2025, $87,238,000 of these funds had 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 the Emergency Rental Assistance (ERA2) Program and $50,000,000 in homeowner's assistance for the Homeowners Assistance Fund (HAF), both of which the Fund administers on behalf of the State. Collectively, ERA1 and ERA2 are locally known as the Mountaineer Rental Assistance Program (MRAP). As of June 30, 2025, $96,438,000 of the ERA2 funds have been disbursed for rental and utility assistance and $35,384,000 has been disbursed for the production of multifamily rental units. In addition, $41,202,000 of the HAF funds has been disbursed for mortgage and utility assistance. As of May 8, 2024, the Housing Development Fund ceased accepting applications for assistance under the HAF Program.

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 resolution, 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 receivable, land for housing purposes and foreclosed properties, net of an allowance for estimated probable declines in net realizable value.

(Dollars in thousands)	June 30, 2025			June 30, 2024		
	Balance	Allowance	Net	Balance	Allowance	Net
Accounts receivable and other assets:						
Accounts receivable	$ 2,442	$ (1)	$ 2,441	$ 1,509	$ (5)	$ 1,504
Land	-	-	-	117	(58)	59
Foreclosed property	56	-	56	102	-	102
Total	$ 2,498	$ (1)	$ 2,497	$ 1,728	$ (63)	$ 1,665

Mortgage loans held for sale: In its Secondary Market Program, the Fund purchases and sells fixed-rate mortgage loans, primarily to Fannie Mae and Federal Home Loan Bank of Pittsburgh, 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 resolution. 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 $51,932,000 at June 30, 2025 and $92,112,000 at June 30, 2024. *Restricted cash and cash equivalents* to be used for the acquisition of noncurrent assets, such as mortgage loans or investments, are classified as *Noncurrent assets*.

Fiduciary fund *Restricted cash and cash equivalents* represent 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, 2025			June 30, 2024		
	Balance	**Allowance**	**Net**	**Balance**	**Allowance**	**Net**
Unrestricted Mortgage Loans:						
General Account	$ 7,915	$ (1,443)	$ 6,472	$ 8,796	$ (1,953)	$ 6,843
Other Loan Programs	122,704	(8,918)	113,786	119,311	(9,143)	110,168
Total	$ 130,619	$ (10,361)	$ 120,258	$ 128,107	$ (11,096)	$ 117,011

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 for land, buildings, equipment, and furnishings with a useful life greater than one year are capitalized at cost and reported net of accumulated depreciation. Capital asset expenditures of $850,000 or more for computer software with a subscription term or useful life greater than one 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, 2024	Additions	Deletions	June 30, 2025
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	7,738	25	-	7,763
Equipment, furnishings and software	1,566	191	-	1,757
Total capital assets, being depreciated	9,304	216	-	9,520
Less accumulated depreciation for:				
Buildings	(2,524)	(194)	-	(2,718)
Equipment, furnishings and software	(1,422)	(69)	-	(1,491)
Total accumulated depreciation	(3,946)	(263)	-	(4,209)
Total capital assets being depreciated, net	5,358	(47)	-	5,311
Total capital assets, net	$ 7,168	$ (47)	$ -	$ 7,121

(Dollars in thousands)	June 30, 2023	Additions	Deletions	June 30, 2024
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	-	(72)	7,738
Equipment, furnishings and software	2,327	53	(814)	1,566
Total capital assets, being depreciated	10,137	53	(886)	9,304
Less accumulated depreciation for:				
Buildings	(2,349)	(175)	-	(2,524)
Equipment, furnishings and software	(2,248)	-	826	(1,422)
Total accumulated depreciation	(4,597)	(175)	826	(3,946)
Total capital assets being depreciated, net	5,540	(122)	(60)	5,358
Total capital assets, net	$ 7,350	$ (122)	$ (60)	$ 7,168

Restricted investments: The Fund established guidelines for the investment of its funds to meet the requirements of the bond resolution and the Act. Currently, investments consist primarily of United States government and agency obligations 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 include loans originated that are restricted by the bond resolution, the Act, State statute, federal programs or other restricted purposes.

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

(Dollars in thousands)	June 30, 2025			June 30, 2024		
	Balance	Allowance	Net	Balance	Allowance	Net
Restricted Mortgage Loans:						
General Account	$ 240	$ (240)	$ -	$ 250	$ (250)	$ -
Other Loan Programs	11,559	(3,045)	8,514	3,787	(2,858)	929
Land Development	591	(221)	370	1,911	(360)	1,551
Bond Insurance Account	10,965	(239)	10,726	12,079	(255)	11,824
Bond Programs	1,069,781	(14,374)	1,055,407	901,253	(11,921)	889,332
Federal Programs	202,849	(111,390)	91,459	170,820	(99,941)	70,879
Total	$ 1,295,985	$ (129,509)	$1,166,476	$ 1,090,100	$ (115,585)	$ 974,515

Federal Programs include HOME, NHTF, and HOME ARP, 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 are required to be repaid only 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 and USDA.

Enterprise fund *Restricted other assets* include certain foreclosed properties, properties developed for flood activities, other land for restricted housing purposes, the Fund's net pension asset as explained in *Note F – Retirement Plan,* the Fund's net OPEB asset as explained in *Note H – Other Postemployment Healthcare Benefits*, 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 resolution, the Act, or federal regulations.

(Dollars in thousands)	June 30, 2025			June 30, 2024		
	Balance	Allowance	Net	Balance	Allowance	Net
Restricted other assets:						
Accounts receivable	$ 349	$ -	$ 349	$ 157	$ -	$ 157
Land	548	(548)	-	548	(548)	-
Foreclosed property	2,560	(195)	2,365	1,482	(158)	1,324
Net Pension Asset	612	-	612	18	-	18
Net OPEB Asset	832	-	832	396	-	396
Total	$ 4,901	$ (743)	$ 4,158	$ 2,601	$ (706)	$ 1,895

Deferred outflows of resources related to pension and OPEB represent a consumption of net assets that applies to future periods 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 include 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 ERA1, ERA2 and HAF programs.

Deferred inflows of resources related to pension and OPEB represent an acquisition of net assets that applies to future periods 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 resolution. Net positions of the Affordable Housing Fund included in the Other Loan Programs, 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. Net position restricted for pension and OPEB is restricted for the payment of pension and OPEB benefits. 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 retirees.

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 activities such 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, HOME ARP, CDBG-DR, ERA1, 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 secondary 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, low-income housing 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 $1,667,284,000 and $1,437,037,000 at June 30, 2025 and 2024, respectively. Of this total, the portfolio serviced by the Fund on behalf of others approximated $221,397,000 and $218,730,000 at June 30, 2025 and 2024, respectively.

Other revenues consist primarily of rental income, gains on sale of mortgages in the Secondary Market Program, 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.

Reclassified information: Certain amounts in the 2024 financial statements have been reclassified with the 2025 presentation. Such reclassifications had no effect on the 2024 net position or changes in net position.

Newly adopted statements issued by the Governmental Accounting Standards Board: The Fund implemented Statement No. 101, *Compensated Absences*, which is effective for fiscal years beginning after December 15, 2023. This statement modifies the criteria requiring a liability for compensated absences to be recognized. Under this statement a liability must be recognized for leave that has not been used, or leave that has been used but not yet paid in cash or settled through noncash means. Furthermore, the liability for leave that has not been used is recognized if the leave is attributed to services already rendered, that accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. If the leave is considered more likely than not to be settled through conversion to a defined benefit post-employment benefit it should not be included in the liability for compensated absences. This statement also specifies certain types of benefits where the liability is not recognized until leave commences or where the liability is not recognized until the leave is used. The statement also provides guidance for measuring the liability and modifies the disclosure requirements allowing for disclosure of only the net change in the liability, and no longer requiring disclosure of which governmental funds have been used to liquidate the liabilities. The adoption of Statement No. 101 did not have a significant impact on the financial statements.

The Fund has also implemented Statement No. 102, *Certain Risk Disclosures*, which is effective for fiscal years beginning after June 15, 2024. The objective of this statement is to provide financial statement users with information about risks due to concentrations or constraints common in a governmental environment. The standard requires an assessment of whether any concentrations or constraints increase the government's vulnerability to significant impacts, and whether events associated with concentrations and/or constraints have occurred or are more likely than not to occur within one year of issuance of the financial statements. Further, additional detailed disclosures may be required in certain situations. The adoption of Statement No. 102 did not have a significant impact on the financial statements.

NOTE B – ASSETS FOR RESERVED AND OTHER PURPOSES

Assets and revenues of the Bond Programs are subject to the provisions of the bond resolution and are available for other purposes only to the extent they are not required to meet specified reserve and funding provisions of the resolution. The Fund, to the extent such monies become available under the terms of the resolution, 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 resolution, 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.

The General Account and Other Loan Programs contain both restricted and unrestricted assets. Unrestricted assets may be transferred to other programs subject to the approval of the Board of Directors. As of June 30, 2025, the Fund has committed $45,827,000 from Other Loan Programs for various loans or projects. 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 2026 administrative budget of $16,075,000 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 and cash. The Investment Policy also permits the Fund to invest a maximum of $60,000,000, excluding funds held for others, with the WVBOTI. 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, 2025		June 30, 2024	
	Weighted Avg Maturity	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Reported at cost					
Demand Deposits, Money Market Funds	1 day	$ 137,449	$ 137,449	$ 140,865	$ 140,865
Mortgages held for investment purposes	20.6 years	11,519	11,519	12,692	12,692
WVBOTI deposits *(includes held for others)*	1 day	83,037	83,037	105,724	105,724
Total		232,005	232,005	259,281	259,281
Reported at estimated fair value					
Fannie Mae MBS pools	29.3 years	25,687	24,949	208	211
Federal agency securities	4.52 years	44,717	45,636	98,685	99,120
U.S. Treasury securities	13.64 years	10,423	10,213	10,360	10,262
Total		80,827	80,798	109,253	109,593
Total investments, including cash equivalents		$ 312,832	$ 312,803	$ 368,534	$ 368,874

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, 2025		June 30 2024	
	Weighted Avg Maturity	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Reported at cost					
Demand Deposits	1 day	$ 860	$ 860	$ 841	$ 841
Total		860	860	841	841
Reported at estimated fair value					
U.S. Treasury securities	1.14 years	4,994	5,019	4,490	4,475
Federal agency securities		-	-	750	730
Certificates of deposit	3.08 years	2,000	2,001	1,250	1,240
Total		6,994	7,020	6,490	6,445
Total investments, including cash equivalents		$ 7,854	$ 7,880	$ 7,331	$ 7,286

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. 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. 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, 2025
Reserve Funds	30 years	14 years
Bond Insurance Funds	15 years	5 years
Other Funds	4 years	1 month
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, 2025
Fiduciary Funds	4 years	2 years

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, 2025, 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. 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, 2025 (Dollars in thousands)	**Maximum of Portfolio**	**Invested Funds**	**% of Total Investment**
Direct Federal Obligations	100%	$ 10,423	4%
Federal Agency Obligations	90%	70,404	27%
Federally Guaranteed Obligations	100%	-	0%
Demand Deposits	30%	15,300	6%
Collateralized CDs	$75,000	-	0%
CDARS FDIC Insured CDs	$65,000	-	0%
West Virginia Obligations	15%	-	0%
ICS FDIC Insured Demand Deposits	$75,000	-	0%
ICS FDIC Insured Savings Deposits	$100,000	88,152	34%
Mortgages Held for Investment Purposes	30%	11,519	4%
Money Market Funds	25%	10,563	4%
WVBOTI deposits	$60,000	54,539	21%
TOTAL		$ 260,900	100%
Funds Held for Others *	N/A	51,932	
TOTAL INVESTED FUNDS		$ 312,832	

* 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, 2025 (Dollars in thousands)	**Maximum of Portfolio**	**Invested Funds**	**% of Total Investment**
Demand Deposits	30%	$ 860	11%
Direct Federal Obligations	90%	4,994	64%
Federal Agency Obligations	90%	-	0%
Federally Guaranteed Obligations	90%	-	0%
FDIC Insured CDs	50%	2,000	25%
TOTAL INVESTED FUNDS		$ 7,854	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 $137,449,000 and $140,865,000 as of June 30, 2025 and 2024, respectively. Bank balances approximated $140,211,000 and $143,155,000 as of June 30, 2025 and 2024, respectively, of which approximately $116,065,000 and $112,755,000 was covered by federal depository insurance as of June 30, 2025 and 2024, respectively, and $13,580,000 and $15,012,000 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, 2025 and 2024, respectively. Also included in the bank balances above are trust account money market fund balances of $10,565,000 and $15,388,000 as of June 30, 2025 and 2024, respectively, which are not subject to custodial credit risk.

The fiduciary fund cash had a carrying value of $860,000 and $841,000 as of June 30, 2025 and 2024, respectively. Bank balances approximated $860,000 and $844,000 as of June 30, 2025 and 2024, 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.

Fair value hierarchy: 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, 2025	June 30, 2024
Level 1 inputs		
Federal agency securities	$ 45,636	$ 99,120
U.S. Treasury securities	10,213	10,262
Total	55,849	109,382
Level 2 inputs		
Fannie Mae MBS pools	24,949	211
Total	24,949	211
Total investments, reported at estimated fair value	$ 80,798	$ 109,593

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

(Dollars in thousands)	June 30, 2025	June 30, 2024
Level 1 inputs		
U.S. Treasury securities	$ 5,019	$ 4,475
Federal agency securities	-	730
Certificates of deposit	2,001	1,240
Total investments, reported at estimated fair value	$ 7,020	$ 6,445

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, 2025	June 30, 2024
Cash and cash equivalents	$ 18,571	$ 19,141
Current restricted cash and cash equivalents	132,202	164,280
Noncurrent restricted cash and cash equivalents	69,713	112,097
Restricted investments	80,798	60,664
Plus mortgages held for investment purposes	11,519	12,692
Total Investments and cash equivalents	$ 312,803	$ 368,874
Unrealized (loss)/gain	(29)	340
Total Invested Funds	$ 312,832	$ 368,534

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

(Dollars in thousands)	June 30, 2025	June 30, 2024
Restricted cash and cash equivalents	$ 860	$ 841
Restricted investments	7,020	6,445
Total Investments and cash equivalents	$ 7,880	$ 7,286
Unrealized (loss)/gain	26	(45)
Total Invested Funds	$ 7,854	$ 7,331

The enterprise fund has an unrealized loss of $29,000 and had an unrealized gain of $340,000 as of June 30, 2025 and 2024, respectively. This represents a decrease in unrealized gain on investments of $369,000 and $746,000 as of June 30, 2025 and 2024, respectively. In connection with the unrealized gain, a liability for related investment earnings is recorded in the amount of $161,000 and $12,000 as of June 30, 2025 and June 30, 2024, 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, 2025 and 2024 and to properly reflect the rebate liability, a $542,000 and $753,000 decrease was recorded in *Net investment earnings* in the Statements of Revenues, Expenses, and Changes in Fund Net Position for the year ended June 30, 2025 and 2024, respectively.

The fiduciary fund has an unrealized loss of $26,000 and had an unrealized gain of $45,000 as of June 30, 2025 and June 30, 2024, respectively. This represents an increase in unrealized (loss)/gain on investments of $71,000 and ($110,000) from June 30, 2025 and 2024, respectively. To adjust the fair value of investments to reflect this unrealized (loss)/gain at June 30, 2025 and 2024 a $39,000 decrease and a $165,000 increase was recorded in *Net investment income* in the Statements of Changes in Fiduciary Net Position for the year ended June 30, 2025 and 2024, 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 resolution. The mortgage loans are secured by deeds of trust and approximately 84.02% 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 resolution, 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 resolution, 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, 2025 and 2024 were $69,917,000 and $65,842,000, respectively. Total pledged revenues in 2025 and 2024 were $112,050,000 and $89,774,000, 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. Since the inception of the program, the Board has authorized the Fund to borrow $3,000,000 from DEP for this 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, 2025, *Bonds & notes payable - noncurrent* includes a $559,000 note payable, net of a $136,000 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, 2025 and 2024, the Fund redeemed or refunded $12,955,000 and $9,525,000 of bonds, respectively, at redemption prices that approximated their carrying value.

The following tables summarize bond and note activity from 2024 to 2025 and 2023 to 2024, respectively.

(Dollars in thousands)	Bonds Payable Current	Bonds & Notes Payable Noncurrent	Bonds & Notes Payable Total
Outstanding Balance, June 30, 2024	$ 29,520	$ 654,168	$ 683,688
Debt Issued (*including premium/discount*)	-	173,859	173,859
Debt Paid	(29,520)	(131)	(29,651)
Early Redemptions/Refundings	-	(12,955)	(12,955)
Note Payable allowance for losses	-	-	-
Reclassification from noncurrent to current	39,155	(39,155)	-
Outstanding Balance, June 30, 2025	$ 39,155	$ 775,786	$ 814,941

(Dollars in thousands)	Bonds Payable Current	Bonds & Notes Payable Noncurrent	Bonds & Notes Payable Total
Outstanding Balance, June 30, 2023	$ 21,915	$ 368,057	$ 389,972
Debt Issued (*including discount*)	-	325,250	325,250
Debt Paid	(21,915)	(94)	(22,009)
Early Redemptions/Refundings	-	(9,525)	(9,525)
Note Payable allowance for losses	-	-	-
Reclassification from noncurrent to current	29,520	(29,520)	-
Outstanding Balance, June 30, 2024	$ 29,520	$ 654,168	$ 683,688

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

	Original Amount Authorized	Outstanding at June 30, 2025	Outstanding at June 30, 2024
	(Dollars in thousands)		
HOUSING FINANCE BOND PROGRAM			
2013 Series A (3.20%) due 2026-2029	$ 21,000	$ 5,495	$ 6,955
2015 Series A,B (3.10% to 3.70%), due 2026-2033	50,660	11,590	14,005
2015 Series C,D (3.30% to 3.85%), due 2026-2033	70,060	21,895	24,980
2017 Series A,B (2.75% to 4.00%), due 2026-2034	39,505	13,890	15,925
2018 Series A (2.80% to 3.85%), due 2026-2039	25,000	12,200	13,415
2019 Series A (2.25% to 3.875%), due 2026-2043	35,000	21,180	23,080
2019 Series B (1.75% to 3.05%), due 2026-2043	30,000	18,535	20,595
2020 Series A (1.20% to 2.80%), due 2026-2047	30,000	21,755	23,440
2020 Series B,C (0.65% to 2.40%), due 2026-2041	44,960	28,015	31,425
2021 Series A (0.60% to 2.50%), due 2026-2050	30,000	24,210	26,615
2022 Series A (2.70% to 4.15%), due 2026-2052	30,000	26,490	28,265
2022 Series B (2.35% to 4.25%), due 2026-2050	40,000	34,665	37,260
2022 Series C (3.05% to 4.85%), due 2026-2052	45,000	41,420	43,500
2023 Series A (3.00% to 4.85%), due 2026-2053	50,000	46,570	49,010
2023 Series B (3.20% to 4.70%), due 2026-2053	50,000	47,025	49,835
2023 Series C (3.50% to 5.00%), due 2026-2053	60,000	56,585	59,890
2023 Series D (3.45% to 4.90%), due 2026-2053	60,000	56,935	60,000
2024 Series A (3.10% to 4.65%), due 2026-2054	75,000	73,200	75,000
2024 Series B,C (3.45% to 6.119%), due 2026-2055	80,000	79,065	80,000
2024 Series D,E (3.65% to 6.00%), due 2026-2055	80,000	80,000	-
2025 Series A,B (3.80% to 6.00%), due 2026-2056	90,000	90,000	-
Total bonds payable, excluding unamortized premium/discount		810,720	683,195
Unamortized bond premium/discount, net		3,798	(65)
OTHER LOAN PROGRAMS			
Notes Payable (0.00%), net of allowance for losses (1)	3,000	423	558
Total bonds & notes payable		$ 814,941	$ 683,688

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

Total bonds payable does not include $69,081,000 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 four 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 Housing Development Fund is authorized under the Act to issue bonds or notes up to a limit of $1,250,000 outstanding at any one time, exclusive of refunded obligations, for the purpose of carrying out its various programs. This amount is inclusive of bonds issued under the General Resolution and the special obligation bonds.

The following is a summary of scheduled annual principal and interest for bonds in the Bond Programs for the five years commencing July 1, 2025, and thereafter to maturity.

Bonds Maturing During Year Ending June 30:	Principal	Interest	Total
	(Dollars in thousands)		
2026	$ 39,155	$ 32,941	$ 72,096
2027	44,355	31,325	75,680
2028	45,155	29,823	74,978
2029	41,750	28,269	70,019
2030	40,790	26,789	67,579
2031-2035	181,855	111,586	293,441
2036-2040	143,210	80,027	223,237
2041-2045	117,145	51,885	169,030
2046-2050	99,565	26,857	126,422
2051-2055	57,340	5,966	63,306
2056	400	11	411
	$ 810,720	$ 425,479	$1,236,199

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 of $161,000 and $12,000 at June 30, 2025 and June 30, 2024, 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. On January 31, 2024, the Line of Credit was renewed with a maturity date of January 30, 2026, currently bearing an interest rate of 4.97% per annum. The purpose of the Line of Credit is to provide warehouse funding for loans under the Multifamily Loan Program. During fiscal year 2024, the Fund had drawn a total of $18,000,000, all of which was repaid during the fiscal year. The Fund did not draw on the Line of Credit during fiscal year 2025.

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 the risk of loss on program mortgages, the Fund has various types of mortgage insurance. At June 30, 2025, 54.13% of the Fund's single family Bond Program loans were VA, USDA Rural Development, or FHA guaranteed. Another 29.89% 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. The Fund has $5,000,000 in cyber insurance through Houston Casualty Company. 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 9.0% for 2025, 2024 and 2023 and 10.0% for each of the years ended June 30, 2022 and 2021. 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 $624,000, $619,000, and $640,000 for the fiscal years ended June 30, 2025, 2024, and 2023, respectively.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. The Fund reported a liability (asset) of ($612,000) and ($18,000) as of June 30, 2025 and June 30, 2024, respectively, for its proportionate share of the net pension liability (asset). The net pension liability (asset) reported at June 30, 2025 was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of July 1, 2023, rolled forward to the measurement date of June 30, 2024. The Fund's proportion of the net pension liability (asset) 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, 2024. At June 30, 2024 and June 30, 2023, the Fund's proportionate share was .37% and .40%, respectively.

For the years ended June 30, 2025 and June 30, 2024, respectively, the Fund recognized pension expense of $347,000 and $663,000. At June 30, 2025 and June 30, 2024, the Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(Dollars in thousands)	June 30, 2025	
	Deferred Outflows of Resouces	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 712
Difference between expected and actual experience	831	-
Changes in assumptions	-	56
Changes in proportion and differences between Fund contributions and proportionate share of contributions	37	-
Fund contributions made subsequent to the measurement date	624	-
	$ 1,492	**$ 768**

(Dollars in thousands)	June 30, 2024	
	Deferred Outflows of Resouces	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 110	$ -
Difference between expected and actual experience	153	-
Changes in assumptions	117	-
Changes in proportion and differences between Fund contributions and proportionate share of contributions	43	2
Fund contributions made subsequent to the measurement date	619	-
	$ 1,042	**$ 2**

Deferred outflows of resources related to pensions of $624,000 resulting from Fund contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (or increase in the net pension asset) in the year ended June 30, 2026. 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
2026	(288)
2027	902
2028	(260)
2029	(254)

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

	2024	**2023**
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	7.25%	7.25%
Projected salary increases:		
State	2.75% - 6.86%	2.75% - 5.55%
Non-state	3.57% - 7.37%	3.60% - 6.75%
Inflation rate	2.75%	2.75%
Discount rate	7.25%	7.25%
Mortality rates	Active - 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2021	Active - 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2018
	Retired healthy males - 111% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected generationally with scale MP-2021	Retired healthy males - 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected generationally with scale MP-2018
	Retired healthy females - 118% of Pub-2010 General Retiree Female table, below median headcount weighted, projected generationally with scale MP-2021	Retired healthy females - 122% of Pub-2010 General Retiree Female table, below median headcount weighted, projected generationally with scale MP-2018
	Disabled males - 119% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2021	Disabled males - 118% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2018
	Disabled females - 124% of Pub-2010 General / Teachers Disabled Female table headcount weighted, projected generationally with scale MP-2021	Disabled females - 117% of Pub-2010 General / Teachers Disabled Female table headcount weighted, projected generationally with scale MP-2018
Withdrawal rates		
State	3.12% - 41.07%	2.28% - 45.63%
Non-state	3.25% - 35.88%	2.50% - 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	2018-2023	2013-2018

The long-term rates of return on pension plan investments were 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	22.5%	6.5%	1.46%
International Equity	22.5%	9.1%	2.05%
Fixed Income	15.0%	4.3%	0.65%
Real Estate	12.0%	5.8%	0.70%
Private Equity	12.0%	9.2%	1.10%
Private Credit	6.0%	9.8%	0.59%
Hedge Funds	10.0%	4.6%	0.46%
Total	100%		7.01%
Inflation (CPI)			2.50%
			9.51%

Discount Rate. The discount rates used to measure the total pension liabilities were 7.25% for the 2024 and 2023 actuarial valuations. At June 30, 2024 and 2023, 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.

Sensitivity of the Fund's proportionate share of the net pension liability (asset) to changes in the discount rate. The following table presents the Fund's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25% and 7.25% for the years ended June 30, 2025 and June 30, 2024, respectively, as well as what the Fund's proportionate share of the net pension liability (asset) 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) June 30, 2025			2024		
1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
$ 3,113	$ (612)	$ (3,758)	$ 3,739	$ (18)	$ (3,188)

NOTE G – COMPENSATED ABSENCES

Full-time employees accumulate annual leave balances to a year-to-year rolling maximum of 210 hours. Most employees receive a 100% termination payment upon separation based upon their final rate of pay. Full-time employees also accumulate sick leave and there is no limit on the amount of sick time that can be accumulated; however, sick time is not paid upon separation from employment. The liability for compensated absences is valued using the guidance of GASB Statement No. 101, *Compensated Absences*, and a liability is recognized when leave is attributable to services already rendered, leave accumulates, and the leave is more likely than not to be settled in one of the following ways: used for time off, a cash payment, or through noncash means like conversion for a defined benefit pension or OPEB plan. 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 and/or sick leave toward additional service in the computation of retirement benefits or toward their postemployment health care insurance premium as further explained in *Note H – Other Postemployment Healthcare Benefits*. If an employee became a member on or after July 1, 2015, they may not use accumulated annual or sick leave to acquire additional credited service, but they may still elect to use accumulated annual leave toward their postemployment healthcare insurance premium explained in *Note H – Other Postemployment Healthcare Benefits*. The liability for annual leave is shown below.

(Dollars in thousands)

	Accumulated Annual Leave		
	2025	2024	2023
Balance at beginning of fiscal year	$ 583	$ 611	$ 631
Annual leave earned	673	527	571
Annual leave (used)	(628)	(555)	(591)
Balance at end of fiscal year (net)	$ 628	$ 583	$ 611
Estimated to be paid in one year (net)	$ 628	$ 583	$ 611

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 stand-alone 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. An employee may receive a cash payout for their annual leave but not for sick leave. 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 for 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, 2025 and June 30, 2024, the following employees were covered by the benefit terms:

Covered Employees	June 30, 2025	June 30, 2024
Inactive employees or beneficiaries currently receiving benefit payments	9	12
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active plan members	97	99
Total	106	111

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 $491,000, and $401,000 for the fiscal years ended June 30, 2025 and 2024, 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 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, 2025 and June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 5.27% and 5.25%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability (Asset)

At June 30, 2025 and 2024, the components of the net OPEB (asset) liability of the Fund were as follows:

(Dollars in thousands)	June 30, 2025	June 30, 2024
Total OPEB Liability	$ 7,185	$ 7,052
Plan Fiduciary Net Position	7,936	7,324
Net OPEB (Asset) Liability	$ (751)	$ (272)
Plan Fiduciary Net Position as a percentage of the Total OPEB (Asset) Liability	110.50%	103.90%

Actuarial Assumptions and Methods

The total OPEB liability as of June 30, 2025 was determined by an actuarial valuation as of January 2024 rolled forward to June 30, 2025 and the total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of January 2024 and rolled forward to June 30, 2024. The following actuarial assumptions and methods were used:

Valuation Date	1/1/2024 Rolled forward to 6/30/2025	1/1/2024 Rolled forward to 6/30/2024
Actuarial Method	Entry Age	Entry Age
Amortization Method	Level Percentage of Pay, Closed	Level Percentage of Pay, Closed
Remaining Amortization Period	13 years as of 1/1/2024	13 years as of 1/1/2024
Asset Valuation Method	Fair Value of Assets	Fair Value of Assets
Actuarial Assumptions:		
Investment Rate of Return	3.00%	3.00%
Salary Increases	3.00%	3.00%
Ultimate Rate of Medical Inflation	3.00%	3.00%
General Rate of Inflation	2.20%	2.20%

Mortality rates for the January 1, 2024 valuation rolled forward to June 30, 2025 and January 1, 2024 valuation rolled forward to June 30, 2024 were based on Pub-2010 General Employees table, below-median, headcount-weighted, projected generationally with scale MP-2018.

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, 2022 for the January 2024 Plan valuation rolled forward to June 30, 2025. Actuarial assumptions for disability, termination, retirement, and dependent age were based on the PERS actuarial valuation as of July 1, 2022 for the January 2024 Plan valuation rolled forward to June 30, 2024.

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%	3.00%
U.S. Government Obligations	90.0%	3.50%
Total	100.0%	

Discount rate. The discount rate as of June 30, 2025 and June 30, 2024 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, 2024 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, 2025, the Plan uses the Bond Buyer GO 20-Bond Municipal Bond Index. As this index is issued weekly, the value closest to but not after the reporting date is used in determining the appropriate rate. Based on this practice, the municipal bond rate at June 27, 2024 was 3.93% and the municipal bond rate at June 26, 2025 was 5.20%. However, the depletion test as of the most recent actuarial valuation as of January 1, 2024, 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, 2024, using the assumptions detailed in the 2024 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, 2025, 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, 2024, 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 29, 2023 was 3.65% and the municipal bond rate at June 27, 2024 was 3.93%. However, the depletion test as of the most recent actuarial valuation as of January 1, 2024, 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, 2024, using the assumptions detailed in the 2024 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, 2024, 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.

Changes in the Net OPEB Liability (Asset)

At June 30, 2025 and June 30, 2024, respectively, the Fund reported a net OPEB liability (asset) of ($751,037) and ($272,434). Total OPEB Liability (TOL) at the end of the measurement year, June 30, 2025, is measured as of a valuation date of January 1, 2024, and is projected to June 30, 2025, and June 30, 2024, is measured as of a valuation date of January 1, 2024 and is projected to June 30, 2024. 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 6/30/2024	$ 7,052	$ 7,324	(272)
Changes for the year:			
Service cost	304	-	304
Interest	217	-	217
Changes of benefits	(170)	-	(170)
Differences between expected and actual experience	16	-	16
Changes of assumptions	-	-	-
Contributions - employer	-	491	(491)
Net investment income	-	383	(383)
Benefit payments	(234)	(234)	-
Administrative expense	-	(28)	28
Net changes	133	612	(479)
Balances at 6/30/2025	$ 7,185	$ 7,936	$ (751)

(Dollars in thousands)

	Increase (Decrease) Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at 6/30/2023	$ 7,286	$ 6,770	516
Changes for the year:			
Service cost	283	-	283
Interest	225	-	225
Changes of benefits	(311)	-	(311)
Differences between expected and actual experience	(477)	-	(477)
Changes of assumptions	204	-	204
Contributions - employer	-	402	(402)
Net investment income	-	348	(348)
Benefit payments	(158)	(158)	-
Administrative expense	-	(38)	38
Net changes	(234)	554	(788)
Balances at 6/30/2024	$ 7,052	$ 7,324	$ (272)

Sensitivity of the net OPEB liability (asset) 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 (2.0%) or one-percentage-point higher (4.0%) than the current discount rate:

(Dollars in thousands)

Net OPEB Liability (Asset)
June 30,

	2025 1% Decrease 2.00%	2025 Current Discount Rate 3.00%	2025 1% Increase 4.00%	2024 1% Decrease 2.00%	2024 Current Discount Rate 3.00%	2024 1% Increase 4.00%
Total OPEB Liability	$ 7,607	$ 7,185	$ 6,796	$ 7,503	$ 7,052	$ 6,636
Plan Fiduciary Net Position	7,936	7,936	7,936	7,324	7,324	7,324
Net OPEB Liability (Asset)	$ (329)	$ (751)	$ (1,140)	$ 179	$ (272)	$ (688)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	104.30%	110.50%	116.80%	97.60%	103.90%	110.40%

Sensitivity of the net OPEB liability (asset) 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)

Net OPEB Liability (Asset)
June 30,

	2025 Trend Minus 1%	2025 Current Baseline Trends	2025 Trend Plus 1%	2024 Trend Minus 1%	2024 Current Baseline Trends	2024 Trend Plus 1%
Total OPEB Liability	$ 6,705	$ 7,185	$ 7,729	$ 6,605	$ 7,052	$ 7,556
Plan Fiduciary Net Position	7,936	7,936	7,936	7,324	7,324	7,324
Net OPEB Liability (Asset)	$ (1,231)	$ (751)	$ (207)	$ (719)	$ (272)	$ 232
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	118.40%	110.50%	102.70%	110.90%	103.90%	96.90%

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

For the years ended June 30, 2025 and June 30, 2024, respectively, the Fund recognized OPEB expense of $420,952 and $335,188. At June 30, 2025 and June 30, 2024, the Fund reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

(Dollars in thousands)	June 30, 2025		June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 12	$ 250	$ -	$ 405
Changes in assumptions	384	-	810	-
Net difference between projected and actual earnings on OPEB plan investments	-	231	-	82
Total	$ 396	$ 481	$ 810	$ 487

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
2026	164
2027	(161)
2028	(56)
2029	(32)

NOTE I – SUBSEQUENT EVENTS

On July 29, 2025, the Fund issued the Housing Finance 2025 Series C and Series D bonds in the amount of $60,000,000. Bond proceeds will be used to originate single family mortgage loans.

NOTE J - NEW ACCOUNTING PRONOUNCEMENTS

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, which is effective for fiscal years beginning after June 15, 2025. The focus of the improvements are to the presentation of (1) management's discussion and analysis, (2) unusual or infrequent items, (3) proprietary fund statement of revenues, expenses, and changes in net position, (4) major component unit information, and (5) budgetary comparison information. The Fund has not yet determined the effect that the adoption of GASB Statement No. 103 may have on its financial statements.

GASB has also issued Statement No. 104, *Disclosure of Certain Capital Assets*, which is effective for fiscal years beginning after June 15, 2025. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets, subscription-based information technology arrangement assets, and right-to-use assets should be disclosed separately by major class of underlying asset in the capital assets note disclosures. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale including if (1) the government has decided to pursue the sale of the capital asset, and (2) it is probable that the sale will be finalized within one year of the financial statement date. Governments should evaluate these assets each reporting period and disclose the ending balance of capital assets held for sale, with separate disclosures for historical cost and accumulated depreciation by major class of asset, and the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The Fund has not yet determined the effect that the adoption of GASB Statement No. 104 may have on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) PERS

(Dollars in thousands)	Years Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
The Fund's proportionate (percentage) of the net pension liability (asset)	0.371638%	0.402458%	0.445175%	0.403023%	0.370100%	0.385094%	0.386822%	0.381747%	0.383639%	0.413624%
The Fund's proportionate share of the net pension liability (asset)	$ (612)	$ (18)	$ 663	$ (3,538)	$ 1,957	$ 828	$ 999	$ 1,648	$ 3,526	$ 2,310
The Fund's covered payroll	$ 6,878	$ 7,211	$ 7,210	$ 6,420	$ 5,750	$ 5,650	$ 5,345	$ 5,183	$ 5,289	$ 5,607
The Fund's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(8.90%)	(0.25%)	9.20%	(55.11%)	34.03%	14.65%	18.70%	31.81%	66.70%	41.18%
Plan fiduciary net position as a percentage of the total pension liability	101.85%	100.05%	98.24%	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%

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,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 624	$ 619	$ 649	$ 721	$ 642	$ 575	$ 565	$ 588	$ 622	$ 714
Contributions in relation to the statutorily required contribution	624	619	649	721	642	575	565	588	622	714
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fund's covered payroll	$ 6,933	$ 6,878	$ 7,211	$ 7,210	$ 6,420	$ 5,750	$ 5,650	$ 5,345	$ 5,183	$ 5,289
Contributions as a percentage of covered payroll	9.0%	9.0%	9.0%	10.0%	10.0%	10.0%	10.0%	11.0%	12.0%	13.5%

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

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

(Dollars in thousands)					June 30,				
	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	$ 304	$ 283	$ 245	$ 223	$ 200	$ 172	$ 143	$ 147	$ 150
Interest (includes interest on service cost)	217	225	215	177	174	227	219	234	245
Changes in benefit terms	(170)	(311)	-	(186)	-	-	-	-	-
Differences between expected and actual experience	16	(477)	-	(58)	-	(142)	-	(200)	-
Changes of assumptions	-	204	-	1,409	-	560	-	(660)	-
Benefit payments	(234)	(158)	(168)	(216)	(92)	(95)	(311)	(228)	(218)
Net change in total OPEB liability (asset)	**$ 133**	**$ (234)**	**$ 292**	**$ 1,349**	**$ 282**	**$ 722**	**$ 51**	**$ (707)**	**$ 177**
Total OPEB liability (asset) - beginning	**7,052**	**7,286**	**6,994**	**5,927**	**5,645**	**4,923**	**4,872**	**5,579**	**5,402**
Total OPEB liability (asset) - ending	**$ 7,185**	**$ 7,052**	**$ 7,286**	**$ 7,276**	**$ 5,927**	**$ 5,645**	**$ 4,923**	**$ 4,872**	**$ 5,579**
Plan fiduciary net position									
Contributions - employer	$ 491	$ 402	$ 450	$ 789	$ 321	$ 95	$ 311	$ 228	$ 405
Net investment income	383	348	367	(88)	21	180	172	46	22
Benefit payments, including refunds of member contributions	(234)	(158)	(168)	(216)	(92)	(95)	(311)	(228)	(218)
Administrative expense	(28)	(38)	(24)	(20)	(33)	(20)	(31)	(35)	(16)
Net change in plan fiduciary net position	**$ 612**	**$ 554**	**$ 625**	**$ 465**	**$ 217**	**$ 160**	**$ 141**	**$ 11**	**$ 193**
Plan fiduciary net position - beginning	**7,324**	**6,770**	**6,145**	**5,962**	**5,745**	**5,585**	**5,444**	**5,433**	**5,240**
Plan fiduciary net position - ending	**$ 7,936**	**$ 7,324**	**$ 6,770**	**$ 6,427**	**$ 5,962**	**$ 5,745**	**$ 5,585**	**$ 5,444**	**$ 5,433**
Net OPEB liability (asset) - ending	**$ (751)**	**$ (272)**	**$ 516**	**$ 849**	**$ (35)**	**$ (100)**	**$ (662)**	**$ (572)**	**$ 146**
Plan fiduciary net position as a percentage of the total OPEB liability	110.50%	103.90%	92.90%	88.30%	100.60%	101.78%	113.46%	111.74%	97.40%

SCHEDULES OF CONTRIBUTIONS TO THE WELFARE BENEFIT PLAN

(Dollars in thousands)						June 30,			
	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 354	$ 347	$ 391	$ 412	$ 221	$ 189	$ 108	$ 101	$ 162
Contributions in relation to the actuarially determined contribution	491	401	450	789	321	95	311	228	405
Contribution (excess)	(137)	(54)	(59)	(377)	(100)	94	(203)	(127)	(243)
Covered employee payroll	$ 7,052	$ 6,906	$ 6,317	$ 6,133	$ 5,946	$ 5,773	$ 5,582	$ 5,396	$ 5,268
Contributions as a percentage of covered employee payroll	6.97%	5.81%	7.12%	12.88%	5.41%	1.65%	5.57%	4.23%	7.69%

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

					June 30,				
	2025	2024	2023	2022	2021	2020	2019	2018	2017
Money-weighted rate of return, net of investment expense	5.27%	5.25%	1.27%	(1.42%)	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 (assets) 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, 2023 using the actuarial assumptions and methods as follows:

	2024	2022-2023	2021
Actuarial cost method	Individual entry age normal cost with level percentage of payroll	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	Fair value
Amortization method	Level dollar, fixed period	Level dollar, fixed period	Level dollar, fixed period
Amortization period	Through Fiscal Year 2035	Through Fiscal Year 2035	Through Fiscal Year 2035
Actuarial assumptions:			
Investment rate of return	7.25%	7.25%	7.25%
Projected salary increases:			
State	2.75% - 6.86%	2.75% - 5.55%	2.75% - 5.55%
Non-state	3.57 - 7.37%	3.60 - 6.75%	3.60 - 6.75%
Inflation rate	2.75%	2.75%	2.75%
Discount rate	7.25%	7.25%	7.25%
Mortality rates	Active - 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2021	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 generationally with scale MP-2018
	Retired healthy males - 111% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected generationally with scale MP-2021	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 generationally with scale MP-2018
	Retired healthy females - 118% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected generationally with scale MP-2021	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 General Retiree Female table, below-median, headcount weighted, projected generationally with scale MP-2018
	Disabled males - 119% of Pub-2010 General/Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2021	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, headcount weighted, projected generationally with scale MP-2018
	Disabled females - 124% of Pub-2010 General/Teachers Disabled Female table, headcount weighted, projected generationally with scale MP-2021	Disabled females - 117% of Pub-2010 General/Teachers Disabled Female table, headcount weighted, projected generationally with scale MP-2018	Disabled females - 117% of Pub-2010 General/Teachers Disabled Female table, headcount weighted, projected generationally with scale MP-2018
Withdrawal rates:			
State	3.12 - 41.07%	2.28 - 45.63%	2.275 - 45.63%
Non-state	3.25 - 35.88%	2.50 - 35.88%	2.50 - 35.88%
Disability rates	.005 - 0.540%	.005 - 0.540%	.005 - 0.540%
Retirement rates	12% - 100%	12% - 100%	12% - 100%
Date range in most recent experience study	2018-2023	2013-2018	2013-2018

	2020	2019	2016-2018
Actuarial cost method	Individual entry age normal cost with level percentage of payroll	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	Fair value
Amortization method	Level dollar, fixed period	Level dollar, fixed period	Level dollar, fixed period
Amortization period	Through Fiscal Year 2029	Through Fiscal Year 2035	Through Fiscal Year 2035
Actuarial assumptions:			
Investment rate of return	7.50%	7.50%	7.50%
Projected salary increases:			
State	3.1 - 5.3%	3.1 - 5.3%	3.0 - 4.6%
Non-state	3.35 - 6.5%	3.35 - 6.5%	3.35 - 6.0%
Inflation rate	3.00%	3.00%	3.0% (2015-1.90%)
Discount rate	7.50%	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 with scale MP-2018	Active - 100% of RP-2000 Non-Annuitant, Scale AA fully generational
	Retired healthy males - 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected 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 males - 110% of RP-2000 Healthy Annuitant, Scale AA fully generational
	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	Retired healthy females - 101% of RP-2000 Healthy Annuitant, Scale AA fully generational
	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 males - 96% of RP-2000 Disabled Annuitant, Scale AA fully generational
	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	Disabled females - 107% of RP-2000 Disabled Annuitant, Scale AA fully generational
Withdrawal rates:			
State	2.275 - 45.63%	2.28 - 45.63%	1.75 - 35.10%
Non-state	2.50 - 35.88%	2.00 - 35.88%	2.00 - 35.88%
Disability rates	.005 - 0.540%	.005 - 0.540%	.007 - .675%
Retirement rates	12% - 100%	12% - 100%	12% - 100%
Date range in most recent experience study	2013-2018	2013-2018	2009-2014

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	1/1/2024 Rolled forward to 6/30/2025
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	Fair Value of Assets
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	13 years as of 1/1/2024
Actuarial Assumptions:	
Discount rate	3.00%
Salary Increases	3% total payroll growth
Healthcare cost trend rates	Pre-Medicare: 10.0% in calendar 2024 grading down to 3% over 20 years
	Medicare: No Medicare coverage; PEIA penalty payments are not expected to increase
	Administrative expenses: 2.5% per year

Valuation date	1/1/2024 Rolled forward to 6/30/2024
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	Fair Value of Assets
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	13 years as of 1/1/2024
Actuarial Assumptions:	
Discount rate	3.00%
Salary Increases	3% total payroll growth
Healthcare cost trend rates	Pre-Medicare: 10.0% in calendar 2024 grading down to 3% over 20 years
	Medicare: No Medicare coverage; PEIA penalty payments are not expected to increase
	Administrative expenses: 2.5% per year

Valuation date	1/1/2022 Rolled forward to 6/30/2023
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	Fair Value of Assets
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	15 years as of 1/1/2022
Actuarial Assumptions:	
Discount rate	3.00%
Salary Increases	3% total payroll growth
Healthcare cost trend rates	Pre-Medicare: 10.0% in calendar 2022 grading down to 2.72% over 19 years
	Medicare: 5.0% in calendar 2022 and 2023 5.0% grading down to 2.72% over 18 years
	Administrative expenses: 2.72% per year

Valuation date	1/1/2022 Rolled forward to 6/30/2022
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	Fair Value of Assets
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	15 years as of 1/1/2022
Actuarial Assumptions:	
Discount rate	3.00%
Salary Increases	3% total payroll growth
Healthcare cost trend rates	Pre-Medicare: 10.0% in calendar 2022 grading down to 2.72% over 19 years
	Medicare: 5.0% in calendar 2022 and 2023 5.0% grading down to 2.72% over 18 years
	Administrative expenses: 2.72% per year

Valuation date	1/1/2020 Rolled forward to 6/30/2021
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	Fair 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	Fair 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	Fair 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	Fair Value of Assets
Amortization Method	Level Percentage of Pay Closed
Remaining Amortization Period	21 years as of 1/1/2016
Actuarial Assumptions:	
Discount rate	4.50%
Salary Increases	3% total payroll growth
Healthcare cost trend rates	Pre-Medicare: 10.0% in calendar 2016 grading down to 4.0% over 15 years
	Medicare: 6.0% in calendar 2016 grading down to 4.0% over 15 years
	Administrative expenses: 4.0% per year

NOTE C – PERS PLAN AMENDMENTS

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

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

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

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

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

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STATISTICAL SECTION

This part of the West Virginia Housing Development Fund's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Fund's overall financial health.

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Financial Trends **61**

These schedules contain trend information to help the reader understand how the Fund's financial performance and well-being have changed over time.

Revenue Capacity Information **64**

This schedule contains trend information to help the reader understand the Fund's capacity to earn revenues and the primary sources of those revenues.

Debt Capacity Information **66**

These schedules contain trend information to help the reader understand the Fund's outstanding debt, the capacity to repay that debt, and the ability to issue additional debt in the future.

Demographic and Economic Information **67**

These schedules offer indicators to help the reader understand the environment within which the Fund's financial activities take place and to help make comparisons over time and with other governments

Miscellaneous Statistics **69**

This information may provide the reader with more insight into the Fund's financial and demographic status.

WEST VIRGINIA HOUSING DEVELOPMENT FUND
CONDENSED SCHEDULES OF NET POSITION
AS OF JUNE 30
(Dollars in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
ASSETS										
Cash and investments	$ 301,284	$ 356,182	$ 300,776	$ 302,586	$ 470,805	$ 205,548	$ 177,286	$ 162,289	$ 191,200	$ 188,679
Mortgage loans receivable	1,286,734	1,091,526	854,776	764,972	735,328	749,259	734,106	705,415	713,679	727,939
Other	19,024	15,853	15,581	18,882	16,638	21,366	19,915	17,969	19,389	20,803
TOTAL ASSETS	**$ 1,607,042**	**$ 1,463,561**	**$ 1,171,133**	**$ 1,086,440**	**$ 1,222,771**	**$ 976,173**	**$ 931,307**	**$ 885,673**	**$ 924,268**	**$ 937,421**
DEFERRED OUTFLOWS OF RESOURCES										
Deferred outflows of resources related to pension and OPEB	**$ 2,346**	**$ 2,131**	**$ 3,267**	**$ 3,795**	**$ 2,355**	**$ 1,395**	**$ 979**	**$ 1,101**	**$ 2,070**	**$ 1,974**
LIABILITIES										
Bonds and notes payable, net of discounts	$ 814,941	$ 683,688	$ 389,972	$ 286,406	$ 312,921	$ 333,547	$ 307,118	$ 281,604	$ 337,771	$ 363,880
Other liabilities	152,862	170,113	188,076	217,480	344,155	89,643	88,491	87,683	88,825	85,489
TOTAL LIABILITIES	**$ 967,803**	**$ 853,801**	**$ 578,048**	**$ 503,886**	**$ 657,076**	**$ 423,190**	**$ 395,609**	**$ 369,287**	**$ 426,596**	**$ 449,369**
DEFERRED INFLOWS OF RESOURCES										
Deferred inflows of resources related to pension and OPEB	**$ 1,536**	**$ 632**	**$ 367**	**$ 5,283**	**$ 1,100**	**$ 1,405**	**$ 1,489**	**$ 1,486**	**$ 316**	**$ 1,489**
NET POSITION										
Restricted for debt service	$ 417,805	$ 409,809	$ 397,878	$ 385,364	$ 387,784	$ 381,723	$ 369,969	$ 357,312	$ 346,325	$ 341,213
Restricted by state statute for bond insurance, land development and Affordable Housing Fund	69,060	66,336	72,906	75,675	76,547	76,176	73,547	72,410	67,020	71,329
Restricted for pension and OPEB	1,444	414	-	3,538	35	100	662	572	-	-
Net investment in capital assets	7,121	7,168	7,350	7,619	7,888	8,173	8,409	8,538	8,663	9,032
Unrestricted	144,619	127,532	117,851	108,870	94,696	86,801	82,601	77,169	77,418	66,963
TOTAL NET POSITION	**$ 640,049**	**$ 611,259**	**$ 595,985**	**$ 581,066**	**$ 566,950**	**$ 552,973**	**$ 535,188**	**$ 516,001**	**$ 499,426**	**$ 488,537**

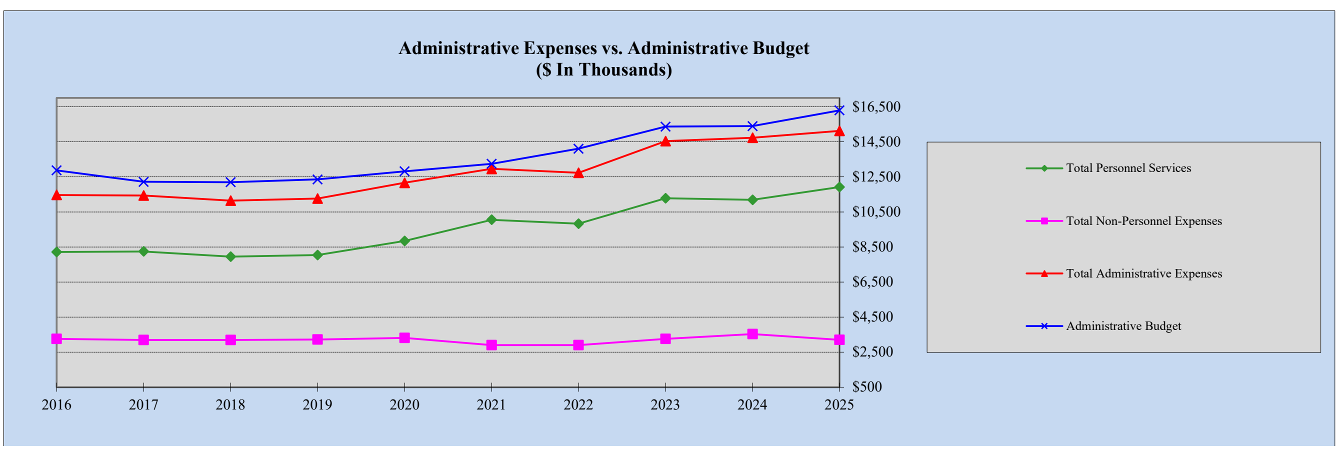
WEST VIRGINIA HOUSING DEVELOPMENT FUND
CONDENSED SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED JUNE 30
(Dollars in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
OPERATING REVENUES										
Interest on loans	$ 53,418	$ 41,298	$ 31,864	$ 28,927	$ 29,845	$ 30,965	$ 30,212	$ 29,676	$ 31,106	$ 32,296
Pass-through grant revenue	133,064	120,408	150,693	191,700	84,161	74,479	70,445	69,164	72,124	75,910
Other	20,108	10,620	9,474	9,844	11,847	9,927	9,462	8,213	8,321	7,851
	206,590	172,326	192,031	230,471	125,853	115,371	110,119	107,053	111,551	116,057
OPERATING EXPENSES										
Pass-through grant expense	133,064	120,408	150,693	191,700	84,161	74,479	70,445	69,164	72,124	75,910
Program and administrative expenses	28,455	29,157	21,088	14,575	18,401	19,341	17,301	15,979	17,770	18,346
	161,519	149,565	171,781	206,275	102,562	93,820	87,746	85,143	89,894	94,256
OPERATING INCOME	45,071	22,761	20,250	24,196	23,291	21,551	22,373	21,910	21,657	21,801
NON-OPERATING - FINANCING AND INVESTING REVENUES (EXPENSES)										
Net investment income	12,754	10,829	4,592	(2,723)	262	6,071	6,241	877	(82)	5,116
Interest and debt expense	(29,035)	(18,316)	(9,923)	(7,357)	(9,576)	(9,837)	(9,427)	(9,573)	(10,686)	(12,183)
	(16,281)	(7,487)	(5,331)	(10,080)	(9,314)	(3,766)	(3,186)	(8,696)	(10,768)	(7,067)
INCOME BEFORE SPECIAL ITEM	28,790	15,274	14,919	14,116	13,977	17,785	19,187	13,214	10,889	14,734
SPECIAL ITEM										
Transfer of operations***	-	-	-	-	-	-	-	4,469	-	-
CHANGE IN NET POSITION	28,790	15,274	14,919	14,116	13,977	17,785	19,187	17,683	10,889	14,734
NET POSITION AT BEGINNING OF YEAR	611,259	595,985	581,066	566,950	552,973	535,188	516,001	498,318**	488,537	473,803
NET POSITION AT END OF YEAR	**$ 640,049**	**$ 611,259**	**$ 595,985**	**$ 581,066**	**$ 566,950**	**$ 552,973**	**$ 535,188**	**$ 516,001**	**$ 499,426**	**$ 488,537**

** Restated for implementation of GASB 75
***Transfer of WVAHTF operations to WVHDF

WEST VIRGINIA HOUSING DEVELOPMENT FUND
ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30
(Dollars in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Salaries	$ 7,052	$ 6,906	$ 7,193	$ 7,339	$ 6,580	$ 6,000	$ 5,766	$ 5,395	$ 5,268	$ 5,346
Benefits	4,868	4,287	4,092	2,490	3,476	2,847	2,274	2,553	2,979	2,869
Total Personnel Services	$ 11,920	$ 11,193	$ 11,285	$ 9,829	$ 10,056	$ 8,847	$ 8,040	$ 7,948	$ 8,247	$ 8,215
Total Non-Personnel Expenses	3,201	3,534	3,255	2,900	2,897	3,313	3,223	3,194	3,190	3,254
Total Administrative Expenses	$ 15,121	$ 14,727	$ 14,540	$ 12,729	$ 12,953	$ 12,160	$ 11,263	$ 11,142	$ 11,437	$ 11,469
Administrative Budget	$ 16,289	$ 15,393	$ 15,365	$ 14,103	$ 13,241	$ 12,811	$ 12,352	$ 12,193	$ 12,216	$ 12,865
(Under) Over Budget	(7.17%)	(4.33%)	(5.37%)	(9.74%)	(2.18%)	(5.08%)	(8.82%)	(8.62%)	(6.38%)	(10.85%)
Total Administrative Expenses	$ 15,121	$ 14,727	$ 14,540	$ 12,729	$ 12,953	$ 12,160	$ 11,263	$ 11,142	$ 11,437	$ 11,469
Less Administrative Reimbursements	(2,689)	(3,277)	(4,394)	(6,695)	(3,155)	(1,425)	(1,594)	(1,196)	(752)	(617)
Total per the Financial Statements	$ 12,432	$ 11,450	$ 10,146	$ 6,034	$ 9,798	$ 10,735	$ 9,669	$ 9,946	$ 10,685	$ 10,852
Number of employees by department / function:										
Legal and Quality Control	10	8	7	7	7	7	7	7	7	6
Executive and Human Resources	4	6	8	7	7	7	7	7	5	6
Finance, Accounting & Administrative Services	18	15	14	13	13	11	13	13	15	16
Internal Audit	1	2	2	2	2	1	2	1	1	1
Loan Servicing	32	30	25	27	31	26	27	27	25	26
Single Family Loan Originations	16	16	16	17	18	17	18	17	17	16
Multifamily Development, Asset Management & Technical Services	34	37	38	43	40	35	31	30	29	31
Total number of employees	115	114	110	116	118	104	105	102	99	102



West Virginia Housing Development Fund
Revenue Base, Revenue Rate and Principal Payers
(Dollars in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenue Base:										
Average Balance of										
Mortgage Loans Outstanding, Net (1)	$ 1,108,299	$ 905,939	$ 745,547	$ 685,490	$ 677,682	$ 677,874	$ 655,670	$ 644,418	$ 656,732	$ 669,862
Interest on loans	53,418	41,298	31,864	28,927	29,845	30,965	30,212	29,676	31,106	32,296
Revenue Rate: (2)	4.82%	4.56%	4.27%	4.22%	4.40%	4.57%	4.61%	4.61%	4.74%	4.82%

Principal Payers by Loan Type:

	2025		2016	
Single Family Loans	$ 967,206	87.27%	$ 601,367	89.77%
Multifamily Loans	85,894	7.75%	45,272	6.76%
All Other Loans	55,199	4.98%	23,222	3.47%
	$ 1,108,299	100.00%	$ 669,862	100.00%

(1) Federal Program Loans have been excluded from this average. They do not have financial earnings associated with them.
(2) The Revenue Rate was calculated by dividing the Interest on Loans Revenue by the Average Outstanding Mortgage Loan Balance for the year.

Note: Current economic conditions have a direct impact on the Fund's revenue rates. Interest rates on mortgages must remain competitive in the market and must also meet IRS regulations. Although the market has the largest impact on the interest rates on loans, loan volume can also impact revenue earnings significantly.

WEST VIRGINIA HOUSING DEVELOPMENT FUND
REVENUE BOND COVERAGE
FOR THE YEARS ENDED JUNE 30
(Dollars in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Available for Debt Service										
Bond Program Gross Revenues	$ 57,465	$ 43,250	$ 29,751	$ 22,771	$ 26,371	$ 30,914	$ 30,435	$ 26,647	$ 27,820	$ 32,783
Bond Program Direct Operating Expenses	15,434	17,989	10,814	7,833	7,962	9,323	8,351	6,441	7,022	6,980
Net Bond Revenue Available for Debt Service	42,031	25,261	18,937	14,938	18,409	21,591	22,084	20,206	20,798	25,803
Mortgage Loan Principal Repayments	61,695	52,649	53,072	82,523	93,583	64,293	53,884	59,425	65,361	64,561
Total Available for Debt Service	$ 103,726	$ 77,910	$ 72,009	$ 97,461	$ 111,992	$ 85,884	$ 75,968	$ 79,631	$ 86,159	$ 90,364
Debt Service Requirement										
Scheduled Principal Payments*	$ 29,520	$ 21,915	$ 18,885	$ 21,135	$ 26,785	$ 24,575	$ 23,385	$ 28,095	$ 27,075	$ 24,240
Interest Payments	27,311	16,122	9,142	7,456	9,862	10,013	9,101	9,904	10,967	12,690
Total Debt Service Requirement	$ 56,831	$ 38,037	$ 28,027	$ 28,591	$ 36,647	$ 34,588	$ 32,486	$ 37,999	$ 38,042	$ 36,930
Coverage Percentages	182.52%	204.83%	256.93%	340.88%	305.60%	248.31%	233.85%	209.56%	226.48%	244.69%
Total Debt Outstanding on Revenue Bonds	$ 814,941	$ 683,688	$ 389,972	$ 286,406	$ 312,921	$ 333,547	$ 307,118	$ 281,604	$ 337,771	$ 363,880

Qualified mortgage revenue bonds are structured in such a way that both mortgage loan repayments and gross revenues are used for bond repayment. Accordingly, to achieve adequate debt service coverage, mortgage loan repayments must be considered. Due to the nature of qualified mortgage revenue bonds, the Fund's bond resolutions and indentures do not have required revenue bond coverage percentages. The above information is provided for general information purposes only.

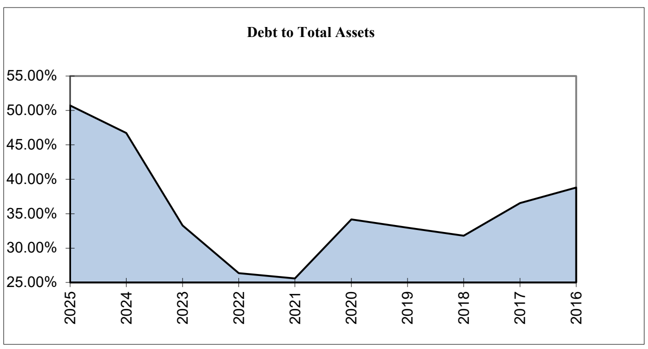
Debt Limitations:

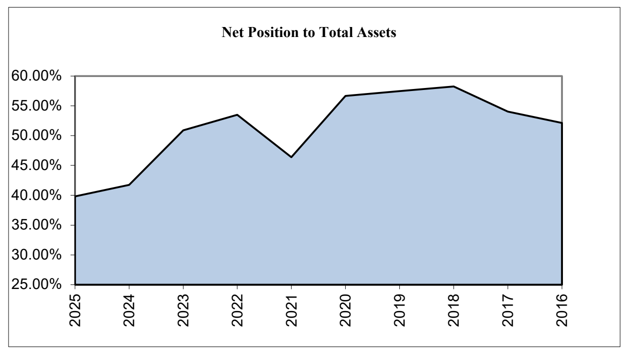
The Act authorizes the Fund to issue bonds and notes for its various programs in an aggregate principal amount not to exceed $1,250,000,000 outstanding at any one time, exclusive of refunded obligations.

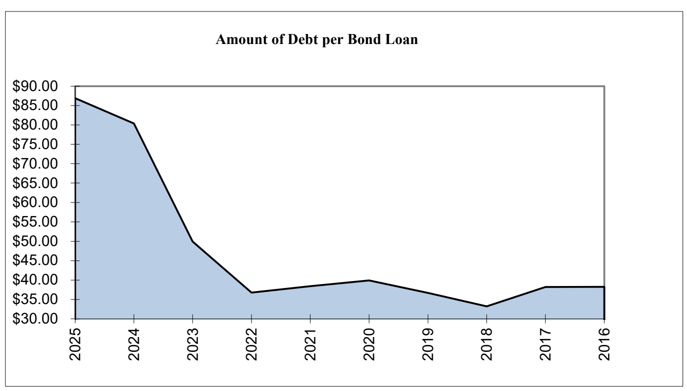
* Scheduled principal payments do not include bonds retired through bond refundings.

WEST VIRGINIA HOUSING DEVELOPMENT FUND
FINANCIAL RATIOS
AS OF JUNE 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt to Total Assets	50.71%	46.71%	33.30%	26.36%	25.59%	34.17%	32.98%	31.80%	36.54%	38.82%
Net Position to Total Assets	39.83%	41.77%	50.89%	53.48%	46.37%	56.65%	57.47%	58.26%	54.03%	52.12%
Amount of debt per bond loan (in thousands)	$ 86.02	$ 79.48	$ 49.11	$ 35.99	$ 37.70	$ 38.99	$ 35.78	$ 32.33	$ 37.31	$ 37.33







West Virginia Housing Development Fund
Housing and Population Demographics
Based on Calendar Years

	2024*	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Median Home Value - WV	$170,800	$145,800	$128,800	$123,200	$119,600	$115,000	$111,600	$107,400	$103,800	$100,200
Median Home Value - US	$360,600	$281,900	$244,900	$229,800	$217,500	$204,900	$193,500	$184,700	$178,600	$175,700
Housing inventory - owner occupied - WV	75.51%	74.20%	73.90%	73.70%	73.20%	72.90%	72.70%	72.50%	72.50%	73.00%
Housing inventory - owner occupied - US	65.27%	64.80%	64.60%	64.40%	64.00%	63.80%	63.80%	63.60%	63.90%	64.40%
Housing inventory - renter - WV	24.49%	25.80%	26.10%	26.30%	26.80%	27.10%	27.30%	27.50%	27.50%	27.00%
Housing inventory - renter - US	34.73%	35.20%	35.40%	35.60%	36.00%	36.20%	36.20%	36.40%	36.10%	35.60%
Homeowner vacancy rate - WV	0.90%	0.90%	0.90%	1.00%	0.70%	0.80%	1.80%	1.80%	1.60%	1.80%
Homeowner vacancy rate - US	1.10%	0.90%	0.70%	0.80%	0.90%	0.90%	1.30%	1.60%	1.70%	1.80%
Rental vacancy rate - WV	7.00%	9.90%	5.40%	7.30%	6.00%	6.40%	5.00%	8.70%	8.70%	8.30%
Rental vacancy rate - US	7.00%	6.60%	6.30%	5.60%	6.20%	5.70%	6.80%	7.20%	6.90%	7.10%
Total WV Housing Units	866,433	863,745	861,633	858,481	894,956	894,956	893,778	892,226	886,640	885,475
Total WV Households	740,840	716,040	711,352	734,235	732,585	734,676	737,671	739,397	740,890	742,359
Population - WV	1,793,716	1,770,071	1,775,156	1,782,959	1,793,716	1,852,994	1,852,994	1,852,994	1,852,994	1,852,994
Personal income - WV ($ in thousands)	$ 93,504,898	$ 88,744,908	$ 86,451,772	$ 85,256,100	$ 80,510,200	$ 75,952,800	$ 73,334,400	$ 68,954,367	$ 68,548,511	$ 68,272,316
Per capita personal income - WV	$ 52,826	$ 49,993	$ 48,488	$ 47,817	$ 45,109	$ 42,336	$ 40,578	$ 37,924	$ 37,386	$ 37,047
Unemployment Rate - WV	3.70%	4.10%	3.30%	3.60%	5.80%	10.50%	4.70%	5.30%	4.60%	6.00%

Population - WV		
White	1,610,749	89.80%
Black	65,813	3.67%
Native American	3,706	0.21%
Asian & Pacific Islanders	15,585	0.87%
Two or more Races	97,863	5.45%
Total Population	1,793,716	100.00%

Source: US Decennial Census, Bureau of Economic Analysis, WorkForce WV, US Census Bureau
*Most current data available

West Virginia Housing Development Fund
State of West Virginia - Principal Employers
June 30, 2024 and June 30, 2015

Estimated as of June 30, 2024*

Major West Virginia Employers	Number of Employees	Percentage of Total Employed
Local Government	70,000 - 74,999	9.60%
State Government	40,000 - 44,999	5.44%
Federal Government	25,000 - 29,999	3.38%
WVU Medicine (formerly West Virginia United Health Systems)	> 10,000	2.19%
Charleston Area Medical Center, Inc.	> 10,000	1.66%
Wal-Mart Associates, Inc.	> 10,000	1.46%
Marshall Health	5,000 - 9,999	0.99%
Kroger	2,500 - 4,999	0.46%
Alpha Metallurgical Services, LLC	2,500 - 4,999	0.46%
Communicare	2,500 - 4,999	0.46%
Lowe's Home Centers, Inc.	2,500 - 4,999	0.46%
Toyota Motor Manufacturing	2,500 - 4,999	0.46%
American Consolidated Natural Resources, Inc.	2,500 - 4,999	0.46%

Estimated as of June 30, 2015

Major West Virginia Employers	Number of Employees	Percentage of Total Employed
Local Government	74,000 - 79,999	10.28%
State of West Virginia	40,000 - 44,999	5.72%
Federal Government	20,000 - 24,999	3.15%
Wal-Mart Associates, Inc.	10,000 - 12,999	1.57%
West Virginia United Health Systems	7,000 - 9,999	1.16%
Charleston Area Medical Center, Inc.	5,000 - 6,999	0.82%
Kroger	3,000 - 4,999	0.55%
Mylan Pharmaceuticals, Inc.	3,000 - 4,999	0.55%
Murray American Energy, Inc.	1,000 - 2,999	0.27%
St Mary's Hospital	1,000 - 2,999	0.27%
Lowe's Home Centers, Inc.	1,000 - 2,999	0.27%
Mentor Management, Inc.	1,000 - 2,999	0.27%
Res-Care, Inc.	1,000 - 2,999	0.27%

*Most current data available

Source: WorkForce WV

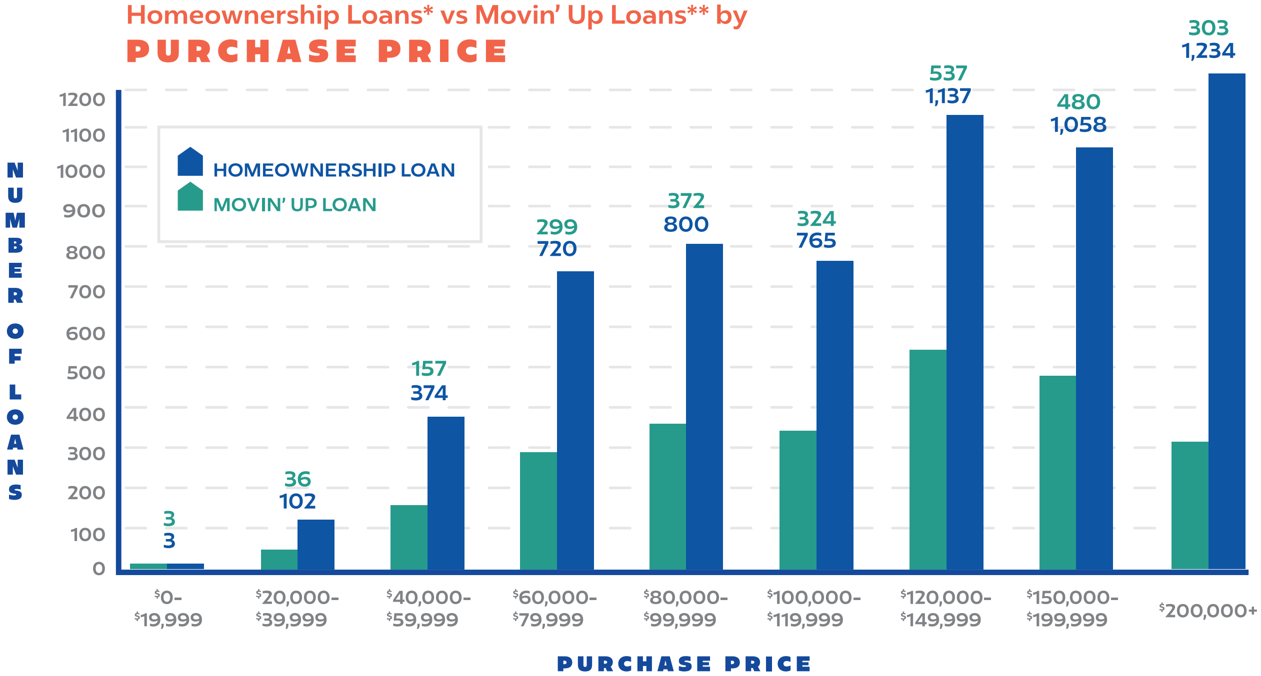
WEST VIRGINIA HOUSING DEVELOPMENT FUND
SUMMARY OF FIRST-TIME HOMEBUYER DATA
MORTGAGE REVENUE BOND (MRB) PROGRAMS

		State Housing Agencies MRB Programs (2023 Data)*	WVHDF MRB Programs (Calendar Year 2024 Data)
Borrower's Age			
	Average	**34**	**33**
	<25		**24%**
	25-34		**42%**
	35-44		**17%**
	45-54		**9%**
	55-64		**6%**
	65+		**2%**
Average Household Size (persons)		**2.00**	**1.99**
Annual Income			
	Median	**$68,220**	**$62,599**
	Average	**$72,442**	**$63,686**
New or Existing Home			
	Existing	**95.0%**	**88.0%**
	New	**5.0%**	**12.0%**
Sales Price	Median	**Not Available**	**$165,000**
	Average	**$223,445**	**$185,485**
Average Mortgage Amount		**$212,470**	**$175,438**
Percent Receiving Agency Downpayment Assistance		**85.0%**	**86.7%**
Location	Non-Targeted County	**82.0%**	**83.8%**
	Targeted County	**18.0%**	**16.2%**
Mortgage Insurance/Guarantee			
	Federal Housing Administration	**53.0%**	**54.24%**
	Veterans Administration	**3.0%**	**2.35%**
	Rural Development	**3.0%**	**3.13%**
	Private Mortgage Insurance	**29.0%**	**40.21%**
	Uninsured & Other	**12.0%**	**0.07%**

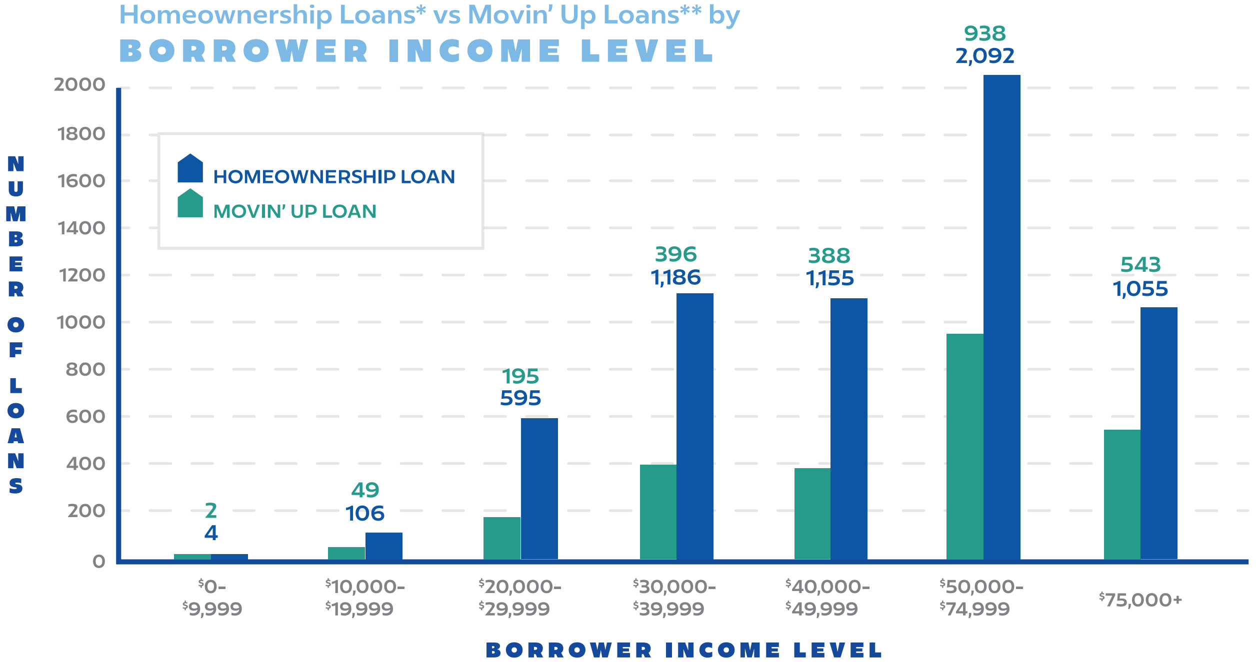
**Source: State Housing Finance Association (HFA) Factbook: 2023 NCSHA Annual Survey Results (most current available)*

Homeownership Loans vs Movin' Up Loans

Homeownership Loans* vs Movin' Up Loans** by PURCHASE PRICE



Homeownership Loans* vs Movin' Up Loans** by BORROWER INCOME LEVEL



HOMEOWNERSHIP AVERAGES

$147,082	$138,494	$51,929
Avg. Purchase Price	Avg. Loan Amount	Avg. Borrower Income

MOVIN' UP AVERAGES

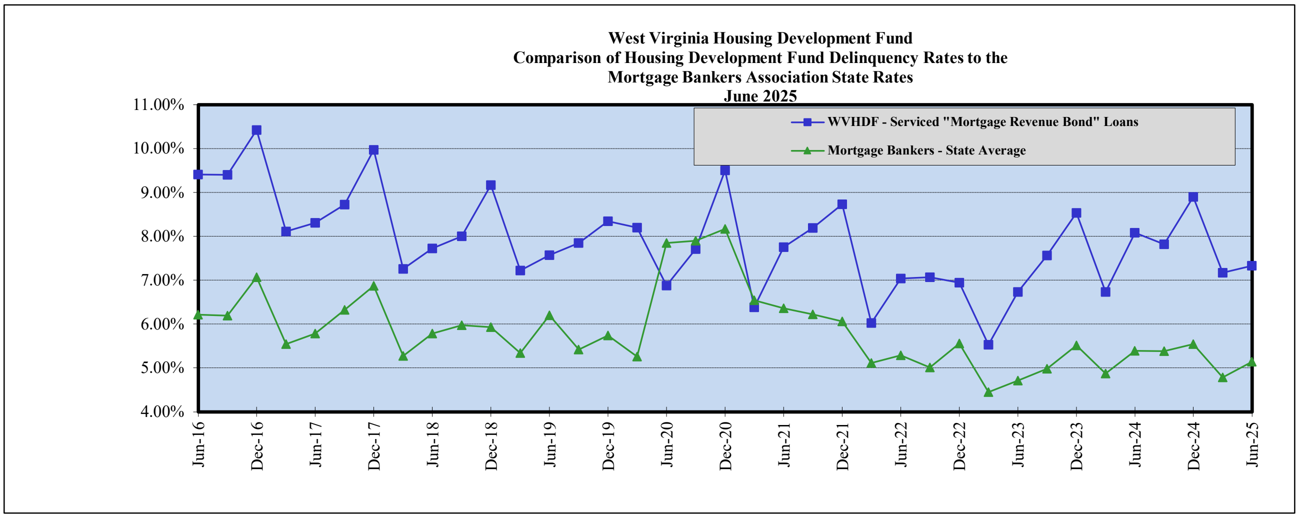
$136,870	$129,657	$56,399
Avg. Purchase Price	Avg. Loan Amount	Avg. Borrower Income

West Virginia Housing Development Fund

wvhdf.com

EQUAL HOUSING OPPORTUNITY
NMLS #198038

*Homeownership 7/1/2015 - 6/30/2025
**Movin' Up 7/1/2015 - 6/30/2025


West Virginia Housing Development Fund
Comparison of Housing Development Fund Delinquency Rates to the
Mortgage Bankers Association State Rates
June 2025
WVHDF - Serviced "Mortgage Revenue Bond" Loans
Mortgage Bankers - State Average
11.00%
10.00%
9.00%
8.00%
7.00%
6.00%
5.00%
4.00%
Jun-16
Dec-16
Jun-17
Dec-17
Jun-18
Dec-18
Jun-19
Dec-19
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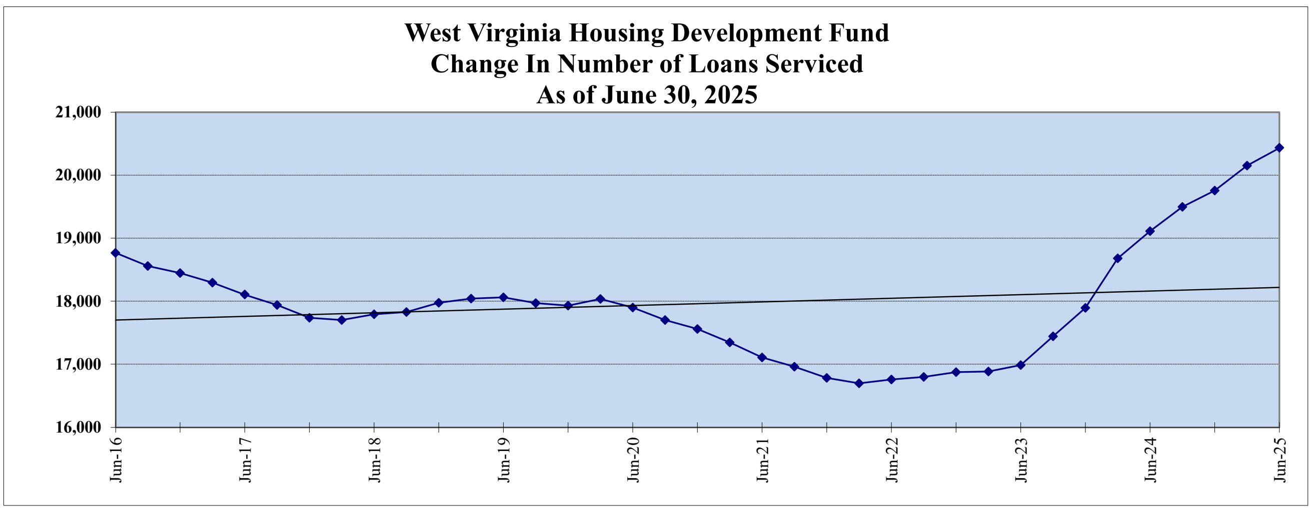
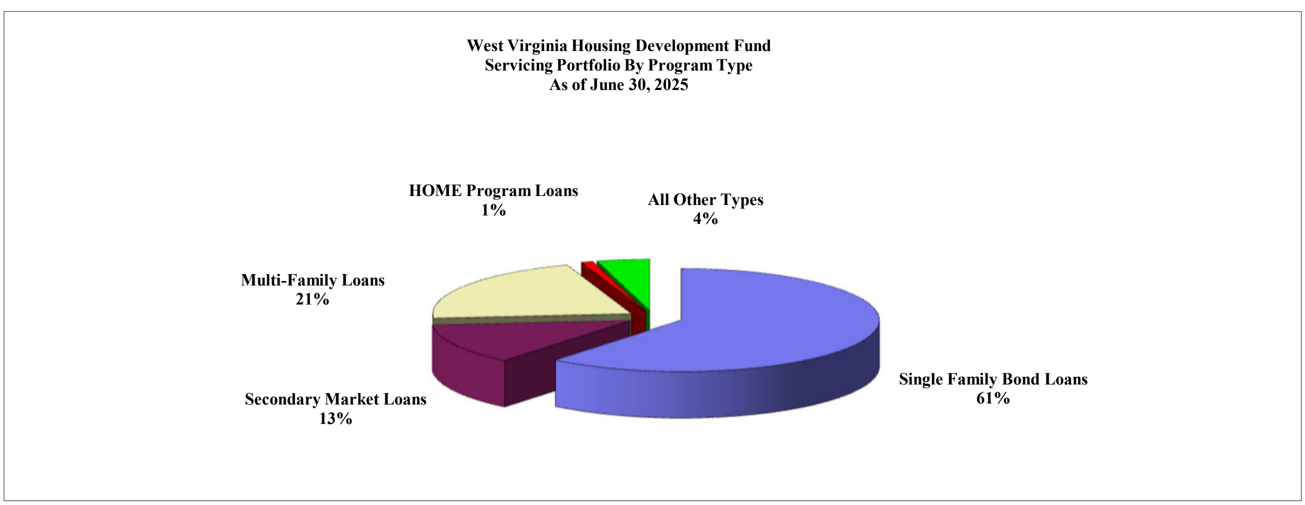
Jun-24
Dec-24
Jun-25


West Virginia Housing Development Fund
Change In Number of Loans Serviced
As of June 30, 2025
21,000
20,000
19,000
18,000
17,000
16,000
Jun-16
Jun-17
Jun-18
Jun-19
Jun-20
Jun-21
Jun-22
Jun-23
Jun-24
Jun-25


West Virginia Housing Development Fund
Servicing Portfolio By Program Type
As of June 30, 2025
HOME Program Loans
1%
All Other Types
4%
Multi-Family Loans
21%
Single Family Bond Loans
61%
Secondary Market Loans
13%

West Virginia Housing Development Fund
Housing Unit Production Report
As of Fiscal Year Ending June 30, 2025

	Net Units*	
Program	**FY2025**	**Total**
Homeownership Programs		
MRB	1,348	50,544
Movin' Up Program	-	2,202
Secondary Market	21	14,630
FHLB	-	13
Inactive	n/a	11,245
Multifamily / Commercial		
Development Financing Programs	514	4,664
Low-Income Housing Tax Credit	30	13,079
Inactive	n/a	14,206
Special Programs		
Current Programs	50	2,902
Inactive	n/a	10,261
Federal Programs		
HOME - Rental	43	666
HOME - CHDO	6	871
HOME - Leveraged	-	154
National Housing Trust Fund	-	110
Emergency Rental Assistance	2,252	35,770
Homeowner Assistance	262	7,194
Emergency Rental Assistance - MF	93	93
Inactive	n/a	1,727
Land Development		
Current Programs	-	163
Inactive	n/a	5,919
Total Units	**4,619**	**176,413**

* Net units are units that are counted only once, even if they have more than one source of program financing.

WEST VIRGINIA HOUSING DEVELOPMENT FUND
TEN-YEAR MILESTONE ACHIEVEMENTS

2016 – The Fund offered first-time lower-income homebuyers the lowest mortgage rate in the history of the Fund. First-time homebuyers were offered a 30-year fixed rate loan at 2.75%. This low interest rate was possible through a $15 million bond issue coupled with a special bond refunding.

2017 – The Fund partnered with the Federation of Appalachian Housing Enterprises (FAHE) and the United States Department of Agriculture (USDA) to offer the USDA's Section 502 Direct Loan Program. This program helps low- and very-low-income applicants obtain decent, safe and sanitary housing in eligible rural areas by providing payment assistance to increase an applicant's repayment ability.

2018 – On June 8, 2018, the State Legislature created the Affordable Housing Fund through the transfer of operations of the West Virginia Housing Trust Fund (WVAHTF) to the Fund. 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 for non-profits and government entities to encourage stronger partnerships, collaboration and greater involvement of local communities in meeting housing needs in the State. The Fund also worked in coordination with Federal Home Loan Bank Pittsburgh to create a newly developed program called Home4Good. Home4Good is to address unmet and critical needs in the existing Continuums of Care across the state. The initiative will provide a flexible source of funding for organizations working to address homelessness in West Virginia with the primary objective of ensuring that if an individual is faced with homelessness it is rare, brief and non-recurring.

2019 – The Fund issued $60,000,000 in single family bonds during the fiscal year. It was also the highest production year since 2014. In June 2019, Standard and Poor's Rating Service affirmed the Fund's AAA credit rating. The Fund is the only State housing finance agency to receive an "AAA" rating.

2020 – The Fund issued $60,000,000 in single family bonds during the fiscal year of which $30,000,000 produced the 2nd lowest rate in Fund history at 3.32%. During fiscal year 2020, the COVID-19 pandemic not only affected the Fund's investment rates and earnings but it also affected borrowers' ability to make payments on mortgage loans. Related to the pandemic, the Fund has provided a temporary forbearance to 261 borrowers during the fiscal year.

2021 – Through congressional appropriations related to the COVID-19 pandemic, the Fund began administering programs related to emergency rental and homeowner assistance on behalf of the State. The Fund received the State's allocation of $200,000,000 to administer the rental assistance program (MRAP). An additional $152,000,000 was allocated to the State for rental assistance and $50,000,000 in homeowner assistance funds.

2022 – The Fund produced more than $110,000,000 in single family loans. In addition, the Fund provided over $112,000,000 in rental assistance to 30,338 households and over $2,270,000 in homeowner assistance to 1,275 households under the COVID-19 pandemic-related emergency rental and homeowner assistance programs the Fund administers on behalf of the state.

2023 – The Fund issued $134,953,000 in single family bonds during the fiscal year and produced $144,000,000 in single family loans. The Fund continued to administer COVID-19 Pandemic-related rental assistance of $46,000,000 and homeowner assistance of $16,000,000. The multifamily program produced $30,000,000 in permanent and constructions loans creating over 20,000 units.

2024 – The Fund produced $287,735,000 in single family loans. To assist with single family production, the Fund issued $325,000,000 in Housing Finance Bonds. The Fund also provided COVID-19 pandemic-related homeowner assistance of $16,697,000 and rental assistance of $2,744,000.

2025 – The Fund issued $170,000,000 in single family bonds and produced $242,520,000 in single family loans during the fiscal year. The Fund also provided COVID-19 pandemic-related homeowner assistance of $4,459,000 and rental assistance of $9,267,000. In July 2024, the Fund received $8,000,000 in funds from the State to administer the Veteran's Home Loan Mortgage Program, which was created by the passage of Senate Bill 261 during the 2024 West Virginia Legislative session.