



Housing Finance Bond Program

Annual Financial Information

At June 30, 2025

As required by SEC Rule 15c2-12

Disclaimer

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**West Virginia Housing Development Fund
Annual Financial Information
At June 30, 2025**

Included in this information, as required by our Continuing Disclosure Agreement with Bondholders, are the Audited Financial Statements for year ended June 30, 2025 and Other Annual Financial Information.

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

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

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Other Annual Financial Information

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

Set forth in the following table is a summary of Revenues, Expenses and Changes in Fund Net Position for the Housing Development Fund's Bond Insurance Fund for the fiscal years ended June 30, 2021 through June 30, 2025:

	Years Ended June 30,				
	2025	2024	2023	2022	2021
BOND INSURANCE FUND					
SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION					
(Dollars in Thousands) (Unaudited)					
OPERATING REVENUES					
Interest on Loans	\$ 576	\$ 642	\$ 691	\$ 423	\$ 511
Fees	-	-	1	-	-
Other Revenues	-	-	-	-	-
	<u>576</u>	<u>642</u>	<u>692</u>	<u>423</u>	<u>511</u>
OPERATING EXPENSES					
Program and Administrative Expenses, Net	<u>8</u>	<u>(10)</u>	<u>11</u>	<u>(64)</u>	<u>(111)</u>
OPERATING INCOME	568	652	681	487	622
NON-OPERATING FINANCING AND INVESTING REVENUES (EXPENSES)					
Interest on Investments	1,761	1,459	1,056	653	555
Unrealized Gain (Loss) on Investments	<u>93</u>	<u>103</u>	<u>(520)</u>	<u>(1,849)</u>	<u>(586)</u>
	<u>1,854</u>	<u>1,562</u>	<u>536</u>	<u>(1,196)</u>	<u>(31)</u>
CHANGE IN NET POSITION	2,422	2,214	1,217	(709)	591
NET POSITION AT BEGINNING OF YEAR	53,028	61,114	63,397	64,106	63,515
Inter-program Transfers, Net	<u>-</u>	<u>(10,300)</u>	<u>(3,500)</u>	<u>-</u>	<u>-</u>
NET POSITION AT END OF YEAR	<u>\$ 55,450</u>	<u>\$ 53,028</u>	<u>\$ 61,114</u>	<u>\$ 63,397</u>	<u>\$ 64,106</u>

Management Discussion and Analysis - Bond Insurance Fund

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

The Act requires a special commitment fee in the amount of one percent of the principal amount and a special monthly premium at a rate of one-half of one percent per annum on privately insured or uninsured mortgage loans made or purchased with the proceeds of Mortgage Finance Bonds. Since 1986, the Housing Development Fund has paid such fees and premiums on behalf of the borrowers on privately insured or uninsured Mortgage Loans originated with proceeds of Bonds from funds withdrawn from the Bond Insurance Fund pursuant to Section 20b(c) of the Act. The Summary of Revenues, Expenses and Changes in Fund Net Position of the Bond Insurance Fund is not affected by these withdrawals.

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

Interest on Loans is mortgage loan interest income earned by the Bond Insurance Fund from both single family and multifamily mortgages held for investment purposes. The single family loans are primarily loans remaining from retired single family bond program resolutions. The multifamily loans include federally insured and federally guaranteed loans purchased as an investment from other programs operated by the Housing Development Fund. The decrease from 2024 to 2025 is primarily due to a decrease in mortgage asset balance.

Fees represent the amounts earned on loan servicing activities related to both single family and multifamily mortgages held by the Bond Insurance Fund for investment purposes.

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

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

Interest on Investments is income earned on the investment of funds in the Bond Insurance Fund. The increases in 2022, 2023 and 2024 are primarily related to increases in short-term investment rates. The increase in 2025 is primarily related to an increase in the amount of funds invested.

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

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

- In fiscal year 2023, the Housing Development Fund withdrew \$3,500,000 from the Bond Insurance Fund and transferred the funds to the Housing Finance Program to fund the capital reserve for the 2023 A bond issue.
- In fiscal year 2024, the Housing Development Fund withdrew \$10,300,000 from the Bond Insurance Fund and transferred the funds to the Housing Finance Program to fund the capital reserve for the 2023 B, 2023 C and 2023 D bond issues.

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

Set forth in the following table is a summary of Revenues, Expenses and Changes in Fund Net Position for the Housing Development Fund's General Fund for the fiscal years ended June 30, 2021 through June 30, 2025:

	GENERAL FUND				
	SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION (Dollars in Thousands) (Unaudited)				
	Years Ended June 30,				
	2025	2024	2023	2022	2021
OPERATING REVENUES					
Interest on Loans	\$ 269	\$ 307	\$ 313	\$ 320	\$ 96
Fees	8,663	7,731	6,943	6,830	6,721
Other Revenues	709	709	733	770	738
	<u>9,641</u>	<u>8,747</u>	<u>7,989</u>	<u>7,920</u>	<u>7,555</u>
OPERATING EXPENSES					
Program and Administrative Expenses, Net	<u>9,166</u>	<u>8,350</u>	<u>6,646</u>	<u>3,232</u>	<u>6,686</u>
OPERATING INCOME	475	397	1,343	4,688	869
NON-OPERATING FINANCING AND INVESTING REVENUES (EXPENSES)					
Interest on Investments	<u>1,711</u>	<u>1,426</u>	<u>708</u>	<u>34</u>	<u>33</u>
	<u>1,711</u>	<u>1,426</u>	<u>708</u>	<u>34</u>	<u>33</u>
CHANGE IN NET POSITION	2,186	1,823	2,051	4,722	902
NET POSITION AT BEGINNING OF YEAR	33,706	31,883	30,132	20,409	16,597
Inter-program Transfers, Net	<u>(2,000)</u>	<u>-</u>	<u>(300)</u>	<u>5,001</u>	<u>2,910</u>
NET POSITION AT END OF YEAR	<u>\$ 33,892</u>	<u>\$ 33,706</u>	<u>\$ 31,883</u>	<u>\$ 30,132</u>	<u>\$ 20,409</u>

Management Discussion and Analysis - General Fund

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

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

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

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

Fees represent earnings on the Housing Development Fund's loan servicing activities. Also included in this line item are fees earned in connection with the administration of the HAP Program and the Low-Income Housing Tax Credit Program. The increase in 2022 is primarily due to an increase in mortgage loan processing fees and HAP fees. The increase in 2023 is primarily due to an increase in Section 8 Fees and an increase in Low-Income Housing Tax Credit fees net of a decrease in mortgage loan processing fees. The increase in 2024 is primarily due to an increase in mortgage loan processing fees, Section 8 fees, and Low-Income Housing Tax Credit fees. The increase in 2025 is primarily due to an increase in mortgage loan processing fees. HUD has indicated that it intends to re-bid the administration of the HAP Program with an anticipated award in fiscal year 2026. Pending the re-bidding of the contract administration, the Housing Development Fund is currently operating the HAP Program under the Eleventh amendment of HUD's Performance-Based Annual Contributions Contract (ACC). The amendment extends the term of the ACC through January 31, 2026, with the option by HUD to further extend it for up to four additional and successive extension terms of six calendar months, subject to the availability of sufficient appropriations.

Other Revenues consist primarily of rental income from the Housing Development Fund's building. The increase in 2022 is primarily due to an increase in the gain on the disposition of foreclosed properties. The decreases in 2023 and 2024 are primarily due to decreases in gains on the disposition of foreclosed properties.

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

Program and Administrative Expenses, Net decreased in 2022 primarily due to an increase in various administrative reimbursements related to temporary COVID-19 related relief programs and a decrease in expenses related to postemployment healthcare insurance benefits. The increase in 2023 is primarily due to a decrease in various administrative reimbursements related to temporary COVID-19 related relief programs. The increase in 2024 is primarily due to a decrease in various administrative reimbursements related to temporary COVID-19 related relief programs and an increase in service release fees and professional services expenses net decreases in salary and benefit expenses and expenses related to pension and postemployment healthcare insurance benefits. The increase in 2025 is primarily due to a decrease in various administrative reimbursements related to temporary COVID-19 related relief programs and an increase in salary and benefit expenses net a decrease in general administrative expenses and service release fees.

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

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

- In fiscal year 2021, the Housing Development Fund transferred \$2,772,000 from the Housing Finance Program and \$138,000 from Other Loan Programs to the General Fund related to annual program funding allocations.
- In fiscal year 2022, the Housing Development Fund transferred \$5,001,000 to the General Fund from the Housing Finance Program related to annual program funding allocations.
- In fiscal year 2023, the Housing Development Fund transferred \$300,000 to Other Loan Programs related to annual program funding allocations.
- In fiscal year 2025, the Housing Development Fund transferred \$2,000,000 to Other Loan Programs related to annual program funding allocations.

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

Pension Benefits and Other Postemployment Benefits: For ease of accounting, the Housing Development Fund elected to report the entire net pension liability and deferred inflows and outflows of resources related to GASB 68 in the General Fund.

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

GASB Statement No. 45 requires the Housing Development Fund to perform an actuarial valuation of OPEB costs. The Housing Development Fund's most recent such valuation is as of January 1, 2024, rolled forward to June 30, 2025. Based on this valuation, the Housing Development Fund has a net OPEB asset of approximately \$751,000.

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THE HOUSING FINANCE PROGRAM

Financing Activities of the Housing Finance Program

The General Resolution authorizes the issuance of Bonds to provide funds for the Housing Finance Program, for making or purchasing Mortgage Loans for rental or owner-occupied dwellings, including uninsured, federally insured or guaranteed, and privately insured loans. **APPENDIX A-4** sets forth the original principal amounts and amounts of Bonds outstanding as of June 30, 2025.

Since 1976, the Housing Development Fund has issued 81 Series of taxable and tax-exempt Bonds to provide financing for both Project Loans and Program Loans. One issue, the 1991 Series A Bonds, was redeemed on May 1, 1992 from undisbursed proceeds. The Housing Development Fund has not had an unused original proceeds call on any bond issue since 1992.

As more fully described in **APPENDIX A-1**, there are twenty-two Project Loans with a principal balance of \$55,011,033 outstanding as of June 30, 2025. Of these Project Loans, five receive some level of Section 8 rental assistance payments, and eighteen are subject to some type of federal mortgage insurance or guarantee.

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

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

Since 2001, 21 Project Loans totaling \$4,953,421 have been foreclosed or forgiven due to lack of marketability. Foreclosed projects are operated by the Housing Development Fund until the project is sold or the Project Loan is assumed by a new owner. No such foreclosed projects are currently held by the Housing Development Fund. Losses on foreclosed Project Loans have been immaterial. Twelve of the previously foreclosed Project Loans were assumed by a single non-profit organization. In June 2010, this non-profit organization indicated problems operating these projects and asked the Housing Development Fund for assistance and in February 2011, the debt of these projects was consolidated into a single loan; hence, the drop in the number of Project Loans.

The HUD Mark-to-Market Program has been designed to restructure FHA-insured multifamily loans whose Section 8 rental assistance contracts have expired. The goal of this program is to reduce the federal government’s long-term cost of rental assistance by reducing current rents through a reduction in financing costs. As of June 30, 2025, no Project Loans are seeking refinancing under the Mark-to-Market Program.

APPENDIX A-2 and **APPENDIX A-3** provide information on Program Loans financed under the Housing Finance Program. As of June 30, 2025, there are approximately 9,921 single family loans outstanding with a current principal balance of approximately \$1,037,371,309, including single family loans outstanding with a current principal balance of approximately \$18,463,188 which underlie mortgage-backed securities. Of these loans, approximately 84% measured by principal balance are insured by the Federal Housing Administration (“FHA”), Veterans Administration (“VA”), United States Department of Agriculture (“USDA”) Rural Development Rural Housing Service (the “USDA RHS”) (formerly the Farmer’s Home Administration) or private mortgage insurance. All Program Loans are fixed interest rate, level debt service loans, with generally a 30-year term.

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

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

Set forth in the following table is a combined summary of Revenues, Expenses and Changes in Fund Net Position for the Housing Development Fund's Housing Finance Program for the fiscal years ended June 30, 2021 through June 30, 2025.

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

	Years Ended June 30,				
	2025	2024	2023	2022	2021
OPERATING REVENUES					
Interest on Loans	\$ 48,288	\$ 35,546	\$ 26,460	\$ 23,951	\$ 24,889
Fees	1,132	727	343	266	163
Other Revenues	32	10	58	142	244
	<u>49,452</u>	<u>36,283</u>	<u>26,861</u>	<u>24,359</u>	<u>25,296</u>
OPERATING EXPENSES					
Program and Administrative Expenses, Net	<u>15,434</u>	<u>17,989</u>	<u>10,814</u>	<u>7,833</u>	<u>7,685</u>
OPERATING INCOME	34,018	18,294	16,047	16,526	17,611
NON-OPERATING FINANCING AND INVESTING REVENUES (EXPENSES)					
Interest on Investments	8,648	7,823	4,095	1,311	1,613
Interest and Debt Expense	(29,035)	(18,130)	(9,923)	(7,357)	(8,629)
Unrealized Gain (Loss) on Investments	(635)	(856)	(1,205)	(2,899)	(1,716)
	<u>(21,022)</u>	<u>(11,163)</u>	<u>(7,033)</u>	<u>(8,945)</u>	<u>(8,732)</u>
CHANGE IN NET POSITION	12,996	7,131	9,014	7,581	8,879
NET POSITION AT BEGINNING OF YEAR	409,809	397,878	385,364	387,784	378,666
Inter-program Transfers, Net	<u>(5,000)</u>	<u>4,800</u>	<u>3,500</u>	<u>(10,001)</u>	<u>239</u>
NET POSITION AT END OF YEAR	<u>\$ 417,805</u>	<u>\$ 409,809</u>	<u>\$ 397,878</u>	<u>\$ 385,364</u>	<u>\$ 387,784</u>

Management Discussion and Analysis - Housing Finance Program

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

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

Interest on Loans represents interest income on mortgage loans made under the Housing Finance Program. The decrease in *Interest on Loans* in fiscal year 2022 is primarily due to a decrease in the average mortgage loan rate from the prior year. The increases in fiscal years 2023, 2024 and 2025 are primarily due to increases in mortgage loan originations exceeding prepayments and repayments.

Fees represent income related to the origination of Housing Finance loans. The increases in fiscal years 2022, 2023, 2024 and 2025 are primarily due to increases in the volume of single family loan originations.

Other Revenues consist primarily of gains on the disposition of foreclosed properties. The decreases in 2024, 2023 and 2022 are related to a decrease in the gains on the disposition of foreclosed properties. The increase in 2025 is related to an increase in the gains on the disposition of foreclosed properties.

Program and Administrative Expenses, Net represents administrative expenses for operating the Housing Finance Program, loan servicing fees paid to the General Fund, loan origination fees paid to lenders and costs of issuance paid on certain Bonds. The increase in fiscal year 2022 is primarily due to an increase in service fees, bad debt expense and administrative expenses, net of a decrease in cost of issuance expenses, losses on the sale of foreclosed properties, and holding costs related to foreclosed properties. The increase in 2023 is primarily due to an increase in loan origination fees and cost of issuance expenses. The increase in 2024 is primarily due to an increase in loan origination fees, bad debt expense, cost of issuance expenses, losses on sale of foreclosed properties, and loan service fees. The decrease in fiscal year 2025 is primarily due to a decrease in cost of issuance expenses, loan origination fees, losses on sale of foreclosed properties and bad debt expense, net of increases in loan service fees and holding costs related to foreclosed properties.

Interest on Investments represents interest income earned on the investment of short-term funds pending the purchase of loans or the payment of debt service and income earned on the capital reserve fund investments which are primarily long-term securities. The decrease in 2022 is primarily due to a decrease in short-term rates. The increases in 2023 and 2024 are primarily due to increases in short-term interest rates and in the amount of funds invested. The increase in 2025 is primarily due to an increase in the amount of funds invested.

Interest and Debt Expense is the interest paid or accrued on outstanding bonds. The decrease in fiscal year 2022 is due to the decrease in the balance of Bonds outstanding. The increases in 2023, 2024 and 2025 are due to the increase in the balance of Bonds outstanding.

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

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

- During fiscal year 2021, \$239,000 was transferred from the New Issue Bond Program to the Housing Finance Bond Program related to the refunding and cash defeasance of New Issue Bond Program Bonds into the Housing Finance Bond Program.
- During fiscal year 2022, \$5,001,000 was transferred to the General Fund and \$5,000,000 was transferred to Other Loan Programs related to annual program funding allocations.
- During fiscal year 2023, the Housing Development Fund withdrew \$3,500,000 from the Bond Insurance Fund and transferred the funds to the Housing Finance Program to fund the capital reserve for the 2023 A bond issue.

- During fiscal year 2024, \$5,500,000 was transferred to the Low Down Home Loan Program related to annual program funding allocations. Additionally, the Housing Development Fund withdrew \$10,300,000 from the Bond Insurance Fund and transferred the funds to the Housing Finance Program to fund the capital reserve for 2023 B, 2023 C, and 2023 D bond issues.
- During fiscal year 2025, \$4,000,000 was transferred to the Low Down Home Loan Program and \$1,000,000 was transferred to Other Loan Programs related to annual program funding allocations.

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OTHER PROGRAMS OF THE HOUSING DEVELOPMENT FUND

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

Other Bond Programs

The Housing Development Fund has issued under separate indentures and/or financing agreements four series of limited, special obligation bonds which financed the loan of bond proceeds from the Housing Development Fund to the respective borrowers for the acquisition and rehabilitation of four separate affordable housing project. Such bonds, separately issued, are currently outstanding in the aggregate principal amount of \$69,081,000. These limited, special obligation bonds are separately secured by, among other things, loan repayments on the bond proceeds. None of the Housing Development Fund's other assets or revenues, including the Bond Insurance Fund and amounts held in any Fund or Account established pursuant to the General Resolution, are pledged to the payment of these limited, special obligation bonds. Furthermore, these limited, special obligation bonds are not secured by the Housing Development Fund's general obligation debt pledge.

Land Development Program

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

The Housing Development Fund owns various land parcels and developments that were directly developed by the Housing Development Fund or acquired for emergency and permanent housing for victims of various floods or through foreclosure. All assets of the Land Development Program are restricted in accordance with the Act.

In 2015, the Legislature created the West Virginia Property Rescue Initiative ("PRI") program to provide loans to assist cities and counties throughout the State in the acquisition and/or demolition of blighted properties which constitute health and safety hazards. The PRI program required the Housing Development Fund to contribute \$1,000,000 annually for five years beginning July 1, 2015 to establish a revolving loan program, following which the Board of Directors is authorized to adjust the funding for the program as needed. The PRI program is funded by the Land Development Fund and is subject to legislative restrictions and restricted in accordance with the Act.

Other Housing Programs

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

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

The Multifamily Loan Program provides rehabilitation, construction and/or permanent financing for multifamily rental projects, which may receive part of their financing from equity raised through the syndication of Low-Income Housing Tax Credits and other lenders or programs. Many of these loans are guaranteed under the USDA Section 538 Program. On January 30, 2020, the Housing Development Fund entered into a revolving Commercial Loan Agreement (the "Line of Credit") with United Bank, in an amount not to exceed \$20,000,000, currently bearing interest

thereon at a rate of 4.97% per annum, payable monthly, and due to expire January 30, 2026, in order to provide a funding source for loans under the Multifamily Loan Program. As of June 30, 2025, Housing Development Fund multifamily loan notes in the aggregate principal amount of \$25,413,603 are pledged as collateral for the Line of Credit. Notwithstanding such, upon the occurrence of an Event of Default under the Line of Credit, United Bank may have the right to set-off amounts due thereunder against any amount owing by United Bank to the Housing Development Fund in any unrestricted funds, including any of the Housing Development Fund's unrestricted deposit accounts with United Bank. The Line of Credit is neither secured by nor payable from amounts under the General Resolution. As of June 30, 2025, the Housing Development Fund has no outstanding balance under the Line of Credit.

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

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

On-Site Systems Loan Program

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

Home4Good

Home4Good is a collaborative initiative between the FHLB Pittsburgh and the Housing Development Fund to provide grants and/or forgivable loans to address systemic gaps in support services and help make homelessness in West Virginia rare, brief and non-recurring. The funds are awarded to organizations that help individuals retain or find housing, provide supportive services to those facing homelessness or address other unmet needs within the existing homeless provider network. Since 2018, the FHLB Pittsburgh has contributed \$6.7 million to the Home4Good program and the Housing Development Fund has contributed \$1.5 million.

The HOME Investment Partnership Program

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

In April 2021, the Housing Development Fund received a \$19,106,500 HOME – American Rescue Plan Program ("HOME – ARP") allocation to provide assistance to individuals or households who are homeless or are at risk of homelessness and other vulnerable populations. HOME – ARP funds may be used for production or preservation of affordable housing, tenant-based rental assistance, supportive services, and purchase and development of non-congregate shelter. The HOME – ARP funds are administered through the HOME Program.

Housing Trust Fund

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

Low-Income Housing Tax Credit Program

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

Mortgage Credit Certificates

The Housing Development Fund is authorized to act as the State’s issuer of Mortgage Credit Certificates. This program permits qualified homebuyers to receive a federal tax credit for a portion of the interest paid on the homebuyer’s mortgage loan. Currently, the Housing Development Fund is not issuing any new Mortgage Credit Certificates but may resume doing so in the future.

Mortgage Loan Refinance Program

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

Affordable Housing Fund

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

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

Mountaineer Rental Assistance Program

The Consolidated Appropriations Act of 2021 contained federal spending provisions through the U.S. Department of the Treasury (the “U.S. Treasury”) for grants to states to fund emergency rental assistance, rental arrears, and utility costs for households with incomes no more than 80% of AMI and at risk of homelessness or housing instability due to COVID-19. The State was awarded \$200 million for this purpose under the Emergency Rental Assistance Program – ERA1 (“ERA1”). Ten percent of this amount was available to be used to offset administrative costs.

The American Rescue Plan Act of 2021 (the “American Rescue Plan”) provided funds through the U.S. Treasury to states to fund emergency rental assistance, rental arrears, and utility costs for households with incomes consistent with the definition of “low-income families,” as defined in Section 3(b) of the United States Housing Act of 1937, and at risk of homelessness or instability due to COVID-19. The State was awarded \$152 million for this purpose under the Emergency Rental Assistance Program – ERA2 (“ERA2”). Fifteen percent of this amount is available to be used to offset administrative costs.

The Housing Development Fund administers these programs on behalf of the State as the Mountaineer Rental Assistance Program (“MRAP”). As of August 26, 2022, the MRAP ceased accepting applications for rental and utility assistance. All activity under ERA1 ceased pursuant to the U.S. Treasury guidelines as of September 30, 2022. The Housing Development Fund will continue the ERA2 funding to provide eviction prevention activities and the production or rehabilitation of existing housing units as permitted under the regulations.

West Virginia Homeowners Rescue Program

The American Rescue Plan also provided funds through the U.S. Treasury to states to provide assistance designed to prevent homeowner mortgage delinquencies, mortgage defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners who experienced a financial hardship after January 21, 2020 due to the effects of COVID-19 and have incomes equal to or less than 150% of AMI or 100% of the median income of the United States, whichever is greater. The State was awarded \$50 million for this purpose. Fifteen percent of this amount is available to be used to offset administrative costs. The Housing Development Fund administers this program on behalf of the State as the West Virginia Homeowners Rescue Program. As of May 8, 2024, the Housing Development Fund ceased accepting applications for assistance under the West Virginia Homeowners Rescue Program.

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APPENDIX A-1
Project Loans Financed with Housing Finance Bonds
As of June 30, 2025 (unaudited)

Project Loan	Location	Mortgage Interest Rate	Original Mortgage Balance	Outstanding Mortgage Balance	Mortgage Note Maturity	Federal Subsidy Insurance or Guarantee	Section 8 Subsidy Expiration	Total # of Units	% of Section 8 Subsidized Units	Occupancy Rate	# Days Delinquent
Housing Finance Bonds 1998 Series F											
Clay Apts.	Clay	1.00%	\$321,806	\$40,660	09/01/33	None	04/11/35	8	100%	63%	None
			\$321,806	\$40,660				8			
Housing Finance Bonds 1998 Series E (held from various issues)											
(1) Rowan Apartments	Parkersburg	5.50%	\$864,000	\$788,573	05/01/41	None	N/A	36	0%	97%	None
(1) Thurston Landing	St. Albans	4.75%	\$1,032,000	\$1,009,062	12/01/62	USDA 538	N/A	36	0%	100%	None
(1) Baltimore Gardens	Keyser	5.00%	\$800,000	\$787,164	08/01/63	USDA 538	N/A	32	0%	100%	None
(1) Glade View Apartments	Cowen	4.75%	\$950,000	\$928,884	12/01/62	USDA 538	N/A	33	0%	100%	None
(1) Tygart Valley Apts.	Elkins	4.50%	\$419,000	\$412,187	08/01/63	USDA 538	N/A	32	0%	97%	30
(1) Joseph's Crossing	Summersville	4.25%	\$850,000	\$839,615	03/01/64	USDA 538	N/A	42	0%	86%	None
(1) Muirwood Greene	Keyser	4.50%	\$1,250,000	\$1,213,082	05/01/62	USDA 538	N/A	50	0%	98%	None
(1) Fort Springs Apts.	Lewisburg	4.75%	\$452,000	\$443,711	05/01/63	USDA 538	N/A	36	0%	100%	None
(1) Mill Creek Landing Apts.	Charleston	4.75%	\$1,053,000	\$1,033,691	05/01/63	USDA 538	N/A	48	0%	98%	None
(1) Thurston Landing II	St. Albans	4.50%	\$946,000	\$931,379	10/01/63	USDA 538	N/A	40	0%	100%	None
(1) Beckley Preservation Apts.	Beckley	4.70%	\$20,576,000	\$20,487,692	01/01/65	USDA 538	12/31/44	309	99%	80%	None
(2) Lindsey Terrace	Martinsburg	4.50%	\$1,740,000	\$1,710,305	08/01/63	USDA 538	N/A	40	0%	90%	None
(2) Post Glen	Oceana	4.50%	\$1,300,000	\$1,277,759	08/01/63	USDA 538	N/A	40	0%	100%	None
(2) Keyser Greene	Keyser	4.00%	\$1,050,000	\$1,006,948	09/01/61	USDA 538	N/A	38	0%	97%	None
(2) Newberry	Parkersburg	5.00%	\$925,000	\$883,000	05/01/60	USDA 538	N/A	32	0%	97%	None
Dylan Heights	Summersville	7.37%	\$1,475,000	\$1,192,504	03/01/45	USDA 538	N/A	48	0%	96%	None
Jenna Landing	Sissonville	6.25%	\$1,403,000	\$1,082,857	03/01/45	USDA 538	N/A	48	0%	94%	None
Plateau Oaks	Oak Hill	7.54%	\$786,028	\$633,283	10/01/44	USDA 538	N/A	32	0%	94%	None
(3) Parkland Place	Parkersburg	4.00%	\$7,700,000	\$7,362,728	12/01/50	None	11/30/40	133	100%	98%	None
(3) Potomac Heights	Keyser	4.00%	\$11,160,000	\$10,568,365	09/01/60	USDA 538	09/30/40	141	99%	91%	None
(4) Mountain Cap		2.00%	\$1,580,000	\$377,584	03/01/29	None					None
Orient Hills	Orient Hills					None	12/20/34	8	100%	100%	
Hunter Ridge I	Bradley					None	02/22/32	8	100%	88%	
Hunter Ridge II	Bradley					None	02/22/32	8	100%	100%	
Rupert Apartments	Rupert					None	03/25/32	8	100%	100%	
Spruce Villa	Phillipi					None	03/18/32	8	100%	100%	
Woodland Heights	Salem					None	08/26/32	8	100%	88%	
Cherry Falls	Webster Springs					None	09/30/32	6	100%	83%	
Hunter Ridge III	Bradley					None	12/22/32	8	100%	88%	
Quinwood Apts.	Quinwood					None	11/15/32	8	100%	100%	
Rainelle Apts.	Rainelle					None	11/15/32	8	100%	100%	
Rainelle Apts. II	Rainelle					None	03/07/33	8	100%	100%	
Rupert Apts. II	Rupert					None	03/07/33	8	100%	75%	
			\$58,311,028	\$54,970,373				1,340			
GRAND TOTAL:			\$58,632,834	\$55,011,033				1,348			

(1) These projects were added in October 2024 using Movin' Up Program Funds.

(2) These projects were added in May 2024 using Movin' Up Program Funds.

(3) Project Loan financed under the Movin' Up Program.

(4) Debt of the projects listed below were restructured and now has one loan for these combined projects. Their subsidy and occupancy information is listed by project.

APPENDIX A-1
Project Loans Financed with Housing Finance Bonds
As of June 30, 2025 (unaudited)

<u>IN FORECLOSURE</u>						
Project Name	Original Mortgage Balance	Mortgage Interest Rate	Foreclosed Balance	Original Maturity Date	Foreclosed Date	Housing Finance Bond Issue
TOTAL IN FORECLOSURE	0		<u>\$0</u>			

<u>PREPAYMENTS</u>		
Bond Issue	Number	Prepaid Amount
1976 A and 1977 A Bonds	1	\$1,798,000
1987 B Bonds	1	\$4,190,000
1992 E Bonds	9	\$3,446,000
1998 F Bonds	6	\$1,113,000
2000 D Bonds	20	\$2,629,000 (1)
2001 D Bonds	34	\$55,713,000
2002 BC Bonds	6	\$16,771,000
2003 C Bonds	<u>12</u>	<u>\$14,611,000</u>
TOTAL PREPAYMENTS	<u>89</u>	<u>\$100,271,000</u>

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

APPENDIX A-2
Certain Information Relating to the Housing Finance Bond Program Loans
As of June 30, 2025 (unaudited)
(\$ in thousands)

The following tables set forth various characteristics of the Program Loans, including Program Loans underlying mortgage-backed securities ("MBS Loans"). The information about the status of Program Loans is provided solely for the purpose of describing the experience of the Housing Development Fund under the General Resolution.

PROGRAM LOANS BY TYPE OF INSURANCE/GUARANTEE

Type of Insurance /Guarantee	Number of Loans	Percentage of Portfolio	Original Balance	Current Balance
FHA	3,857	46.14%	\$ 529,892	\$ 478,651
Privately Insured	2,501	30.70%	336,649	318,514
Uninsured	2,765	16.12%	237,920	167,169 (1)
VA	204	2.31%	29,271	23,985
USDA RHS	594	4.73%	70,675	49,052
Totals	<u>9,921</u>	<u>100.00%</u>	<u>\$ 1,204,407</u>	<u>\$ 1,037,371</u>

PROGRAM LOANS BY LOAN-TO-VALUE RATIO

(If sales price or appraised value was not available, the original loan balance was used to calculate the LTV ratio) (2)

Loan-to-Value Ratio	Number of Loans	Percentage of Portfolio	Original Balance	Current Balance
80% or less	5,139	29.78%	\$ 446,520	\$ 308,922
81 to 85%	1,031	10.65%	121,044	110,459
86 to 90%	1,293	16.52%	181,643	171,429
91 to 95%	1,669	27.36%	290,560	283,809
over 95%	789	15.69%	164,640	162,752
Totals	<u>9,921</u>	<u>100.00%</u>	<u>\$ 1,204,407</u>	<u>\$ 1,037,371</u>

PROGRAM LOANS PURCHASED BY ORIGINAL PRINCIPAL AMOUNT

Program Loan	Amount	Number of Program Loans				
		Uninsured	Privately Insured	VA	FHA	RHS
Less than \$30,000	\$ 1,289	118	1	2	17	4
30,000 to 39,999	5,466	157	18	5	64	17
40,000 to 49,999	12,489	280	41	14	116	34
50,000 to 59,999	24,271	351	88	10	197	44
60,000 to 69,999	36,055	372	132	21	239	59
70,000 to 79,999	42,284	281	182	20	250	48
80,000 to 89,999	50,919	235	212	16	276	46
90,000 to 99,999	47,010	182	175	11	214	39
100,000 and over	817,588	789	1,652	105	2,484	303
Totals	<u>\$ 1,037,371</u>	<u>2,765</u>	<u>2,501</u>	<u>204</u>	<u>3,857</u>	<u>594</u>

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

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

PRIVATE MORTGAGE INSURERS OF PROGRAM LOANS

Private Mortgage Insurance Company (1)	Number of Program Loans Insured	Current Principal Amount	Percentage of PMI Loans	Percentage of Portfolio
MGIC	1,127	\$ 133,043	41.77%	12.82%
GE Mortgage Insurance	610	78,777	24.73%	7.59%
PMI Insurance Company	4	482	0.15%	0.05%
United Guarantee	1	169	0.05%	0.02%
RMIC	5	399	0.13%	0.04%
Radian	268	44,814	14.07%	4.32%
Triad	2	165	0.05%	0.01%
CMG	183	24,974	7.84%	2.41%
National MI	214	25,213	7.92%	2.43%
Other PMI Companies	<u>87</u>	<u>10,478</u>	<u>3.29%</u>	<u>1.01%</u>
Totals	<u>2,501</u>	<u>\$ 318,514</u>	<u>100.00%</u>	<u>30.70%</u>

DELINQUENCY STATISTICS ON PROGRAM LOANS

The following table sets forth the percentage of Program Loans delinquent or in foreclosure as of the dates noted.

The West Virginia and the United States data are based on The National Delinquency Survey prepared by the Economic and Research Department of the Mortgage Bankers' Association of America at June 30, 2025

Delinquent loans include loans in forbearance. Loans in foreclosure include loans undergoing loan modification.

Months Past Due	Housing Finance Program					West Virginia	USA
	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2025	6/30/2025
One	3.06%	4.11%	4.00%	4.59%	3.23%	2.99%	2.12%
Two	0.83%	1.27%	1.72%	1.50%	1.32%	0.90%	0.70%
Three	0.43%	0.48%	0.54%	0.72%	0.75%	1.26%	1.09%
In foreclosure	0.08%	0.44%	0.21%	0.14%	0.33%	0.49%	0.48%

PROGRAM LOANS BY INCOME LEVELS

Borrower Income (At Date of Origination)

	Less than \$20,000	\$20,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	Above \$50,000	Totals
FHA	134	488	777	685	1,773	3,857
Privately Insured	31	200	450	511	1,309	2,501
Uninsured	218	662	787	507	591	2,765
VA	3	27	55	35	84	204
RHS	<u>21</u>	<u>143</u>	<u>155</u>	<u>96</u>	<u>179</u>	<u>594</u>
Totals	<u>407</u>	<u>1,520</u>	<u>2,224</u>	<u>1,834</u>	<u>3,936</u>	<u>9,921</u>
Original Principal Amount	\$ 21,165	\$ 104,774	\$ 201,121	\$ 208,123	\$ 669,224	\$ 1,204,407
Percentage of Portfolio	4.10%	15.32%	22.42%	18.49%	39.67%	100.00%

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

PROGRAM LOAN PREPAYMENTS, EARLY BOND REDEMPTIONS AND RECYCLED LOAN FUNDS

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

Fiscal Year	Program Loan Prepayments	Redemptions from Excess Revenue and Repayments	Recycled Funds
2025	\$33,391	\$12,955	\$33,615
2024	29,465	9,525	21,436
2023	31,729	12,370	30,884
2022	58,716	35,530	54,237
2021	67,975	20,660	23,957
	<u>\$ 221,276</u>	<u>\$ 91,040</u>	<u>\$ 164,129</u>

APPENDIX A-3
Summary of Housing Finance Program Single Family Loans Outstanding
As of June 30, 2025 (unaudited)
(Dollars in Thousands)

Issue	Weighted Average Interest Rate per Issue (1)	Number of Outstanding Mortgage Loans	Original Balance of Outstanding Mortgage Loans	Outstanding Balance of Mortgage Loans
1998 E (2) (4)	4.623%	2,277	\$ 175,244	\$ 94,039
Movin' Up (3) (4)	4.329%	1,392	177,999	156,644
2013 A (4)	5.007%	116	8,680	4,408
2015 AB (4)	4.013%	296	24,332	14,347
2015 CD (4)	4.263%	435	35,599	24,529
2017 AB (4)	4.426%	251	21,199	15,494
2018 A (4)	4.623%	158	15,360	13,227
2019 A (4)	4.395%	253	24,791	21,855
2019 B (4)	3.634%	196	21,814	19,337
2020 A (4)	3.350%	227	25,102	22,460
2020 BC (4)	3.159%	372	39,066	30,319
2021 A (4)	3.136%	221	26,643	24,430
2022 A (4)	4.892%	211	28,098	26,732
2022 B (4)	5.098%	266	36,379	34,842
2022 C (4)	5.569%	302	42,637	41,198
2023 A (4)	5.408%	312	47,688	46,131
2023 B (4)	5.451%	301	48,719	47,435
2023 C (4)	5.830%	357	58,271	56,905
2023 D (4)	5.652%	319	57,486	56,220
2024 A (4)	5.370%	367	69,027	68,009
2024 A MBS (5)	4.655%	28	5,449	5,361
2024 BC (4)(6)	6.263%	444	73,096	72,378
2024 BC MBS (5)	5.415%	49	6,700	6,621
2024 DE (4)(7)	5.600%	403	68,726	68,302
2024 DE MBS (5)	4.850%	28	6,529	6,481
2025 AB (4)(8)	6.173%	340	59,773	59,667
Totals		<u>9,921</u>	<u>1,204,407</u>	<u>1,037,371</u>

- (1) All loans are fixed-rate loans.
- (2) This outstanding loan balance consists of mortgage loans transferred from various Housing Finance Bond issues which have been refunded or redeemed.
- (3) The Movin' Up Program provides financing for borrowers seeking to sell their current residence and purchase a new residence from amounts under the General Resolution that are not subject to Code requirements applicable to first-time homebuyers. The income limits in the Movin' Up Program are generally higher than those set by the Code for first-time homebuyers. Although not required by the Code, the Movin' Up Program follows the purchase price limits set by the Code for first-time homebuyers.
- (4) This issue permits the purchase of additional Program Loans from certain recoveries of principal and surplus revenues. However, the Housing Development Fund may instead elect to redeem bonds from such recoveries of principal and surplus revenues where economically prudent.
- (5) MBS Loans in the issue.
- (6) This issue is a blend of tax-exempt and taxable proceeds that are allocated to each loan as 60% funded by tax-exempt funds and 40% funded by taxable funds.
- (7) This issue is a blend of tax-exempt and taxable proceeds that are allocated to each loan as 70% funded by tax-exempt funds and 30% funded by taxable funds.
- (8) This issue is a blend of tax-exempt and taxable proceeds that are allocated to each loan as 50% funded by tax-exempt funds and 50% funded by taxable funds.

APPENDIX A-4
Summary of Housing Finance Bonds Outstanding
As of June 30, 2025 (unaudited)(1)
(Dollars in Thousands)

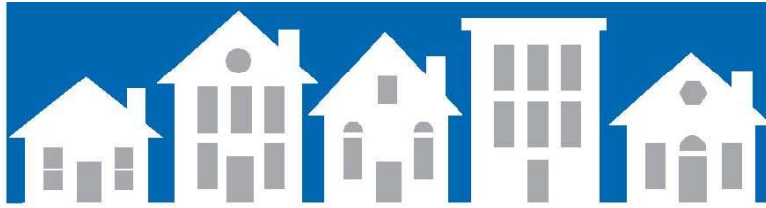
Issue (2)	Interest Rates of Outstanding Maturities	Original Issue Amount	Scheduled Maturities and Sinking Fund Payments	Early Redemptions from Prepayments, Excess Revenues, and Reserves	Amount Outstanding June 30, 2025
2013 A (3)	3.20%	21,000	15,505	-	5,495
2015 AB	3.10%-3.70%	50,660	26,315	12,755	11,590
2015 CD	3.30%-3.85%	70,060	29,905	18,260	21,895
2017 AB	2.75%-4.00%	39,505	13,985	11,630	13,890
2018 A	2.80%-3.85%	25,000	6,290	6,510	12,200
2019 A	2.25%-3.875%	35,000	8,080	5,740	21,180
2019 B	1.75%-3.05%	30,000	6,345	5,120	18,535
2020 A	1.20%-2.80%	30,000	5,975	2,270	21,755
2020 BC	0.65%-2.40%	44,960	10,640	6,305	28,015
2021 A	0.60%-2.50%	30,000	4,750	1,040	24,210
2022 A	2.70%-4.15%	30,000	2,665	845	26,490
2022 B	2.35%-4.25%	40,000	2,100	3,235	34,665
2022 C	3.05%-4.85%	45,000	2,670	910	41,420
2023 A	3.00%-4.85%	50,000	2,250	1,180	46,570
2023 B	3.20%-4.70%	50,000	1,395	1,580	47,025
2023 C	3.50%-5.00%	60,000	1,135	2,280	56,585
2023 D	3.45%-4.90%	60,000	800	2,265	56,935
2024 A	3.10%-4.65%	75,000	975	825	73,200
2024 B	3.45%-4.90%	48,000	560	-	47,440
2024 C (3)	4.935%-6.119%	32,000	375	-	31,625
2024 D	3.65%-5.00%	56,000	-	-	56,000
2024 E (3)	4.70%-6.00%	24,000	-	-	24,000
2025 A	3.80%-5.00%	45,000	-	-	45,000
2025 B (3)	5.099%-6.00%	\$ 45,000	\$ -	\$ -	\$ 45,000
Totals		<u>\$ 1,036,185</u>	<u>\$ 142,715</u>	<u>\$ 82,750</u>	<u>\$ 810,720</u>

(1) Following the May 1, 2025 debt service.

(2) All listed issues finance Program Loans (primarily single family).

(3) Taxable Issue.

APPENDIX B



West Virginia Housing Development Fund

AUDITED FINANCIAL STATEMENTS and OTHER FINANCIAL INFORMATION

For the years ended June 30, 2025 and 2024

WEST VIRGINIA HOUSING DEVELOPMENT FUND

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

For the Years Ended June 30, 2025 and 2024

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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.

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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 4 through 15, 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 47 through 53 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements. The other combining information as of and for the year ended June 30, 2025, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other combining information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Charleston, West Virginia
September 30, 2025

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

INTRODUCTION

The West Virginia Housing Development Fund (the Fund) is a public body corporate with statewide responsibility for housing and operates a wide variety of programs to provide safe and affordable housing for residents and families in the State of West Virginia (the State). The Fund is a self-supporting agency and does not receive State appropriations for its operations. Through June 30, 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	<u>1,607,042</u>	<u>1,463,561</u>	<u>1,171,133</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension and OPEB	<u>2,346</u>	<u>2,131</u>	<u>3,267</u>
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	<u>967,803</u>	<u>853,801</u>	<u>578,048</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension and OPEB	<u>1,536</u>	<u>632</u>	<u>367</u>
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	<u>\$ 640,049</u>	<u>\$ 611,259</u>	<u>\$ 595,985</u>

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 mortgageors, 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 mortgageors, 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)	<u>2025</u>	<u>2024</u>	<u>2023</u>
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	<u>\$ 814,941</u>	<u>\$ 683,688</u>	<u>\$ 389,972</u>
Bonds payable - current	\$ 39,155	\$ 29,520	\$ 21,915
Bonds & notes payable - noncurrent	775,786	654,168	368,057
Total bonds & notes payable	<u>\$ 814,941</u>	<u>\$ 683,688</u>	<u>\$ 389,972</u>

⁽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	<u>219,344</u>	<u>183,155</u>	<u>196,623</u>
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	<u>190,554</u>	<u>167,881</u>	<u>181,704</u>
CHANGE IN NET POSITION	28,790	15,274	14,919
NET POSITION AT BEGINNING OF YEAR	<u>611,259</u>	<u>595,985</u>	<u>581,066</u>
NET POSITION AT END OF YEAR	<u><u>\$ 640,049</u></u>	<u><u>\$ 611,259</u></u>	<u><u>\$ 595,985</u></u>

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	<u>\$ 13,296</u>	<u>\$ 11,582</u>	<u>\$ 6,317</u>
% 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)			
	2025	June 30, 2024	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	<u>\$ 1,055,407</u>	<u>\$ 889,332</u>	<u>\$ 663,959</u>
% 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.

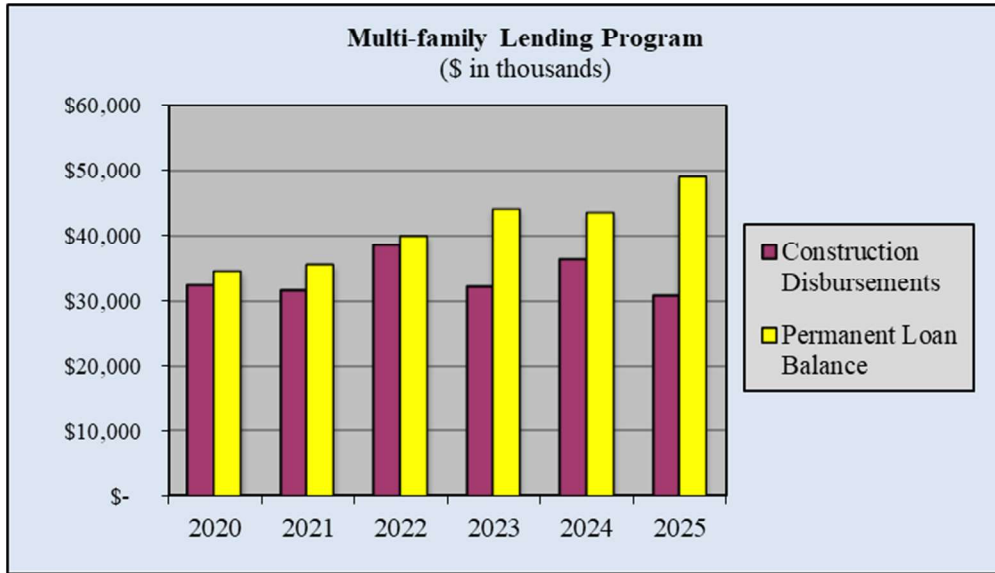
The Fund’s single family Bond Program loans consist of 30-year fixed rate loans and no sub-prime loans. The median income of Fund single family borrowers is \$58,000 as of June 30, 2025. This income level tends to be impacted quicker than an average borrower during economic declines.

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	2024	2023	WV*	USA*
<u>Months Past Due</u>				As of June 30, 2025	
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.

<u>Average Loan Interest Rate</u>	
June 30, 2023	4.41%
June 30, 2024	4.81%
June 30, 2025	5.04%

Investments

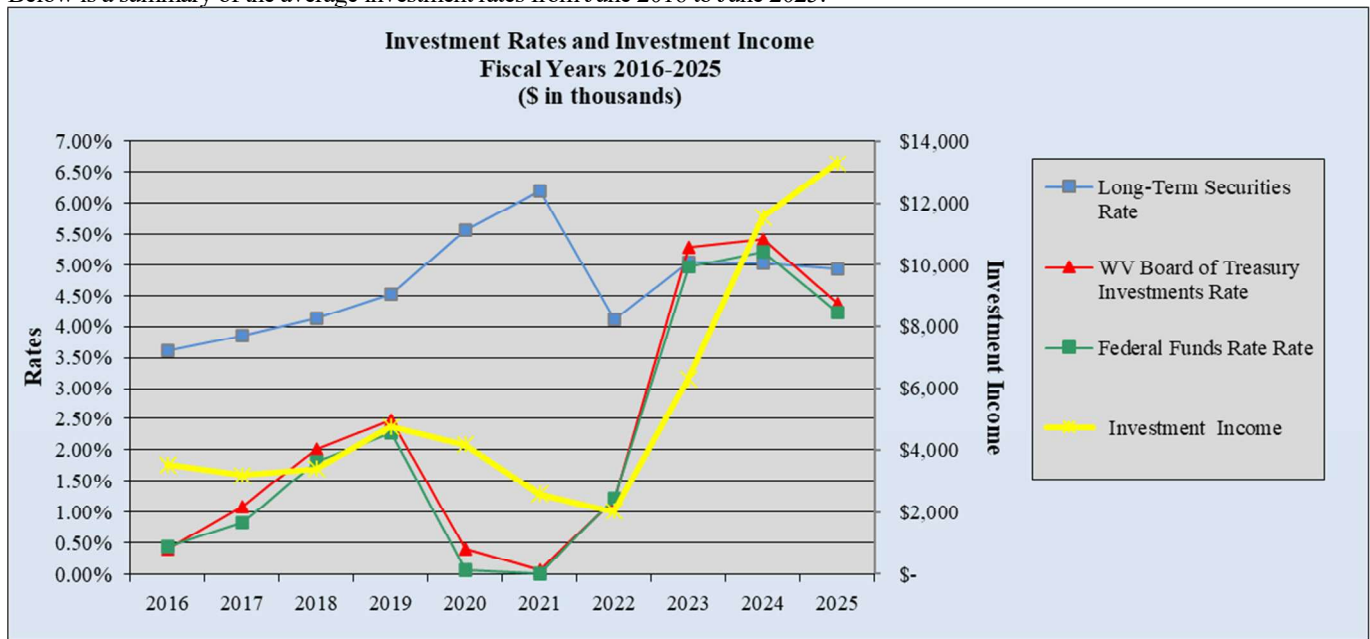
The Fund invests cash, as permitted by the Act, the bond resolution, and the Board approved Investment Policy. Funds related to the Bond Programs capital reserves and the Bond Insurance Account are primarily invested in long-term United States agency securities and FDIC insured money market accounts,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

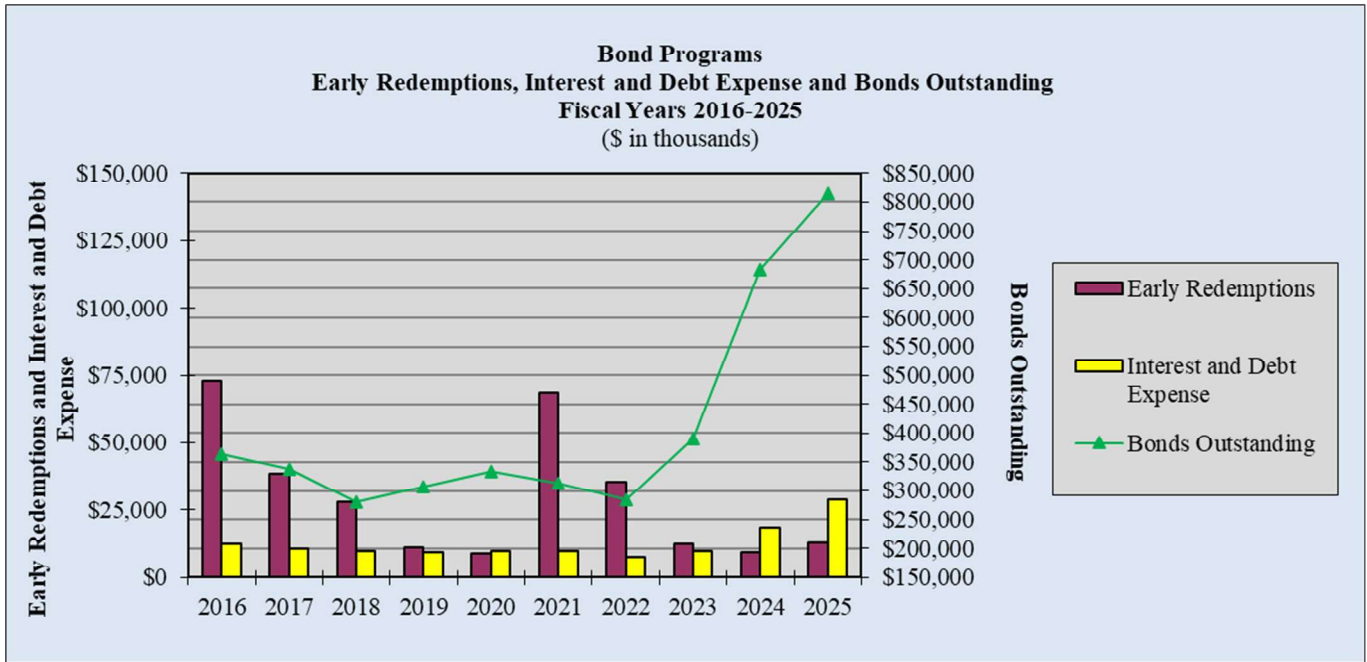
The Fund issues qualified mortgage revenue bonds to fund its single family Bond Programs. When bonds are issued, the initial proceeds are invested in short-term investments until the funds are used for the purchase of mortgage loans. Because short-term investment rates are typically lower than the long-term 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,	
	<u>2025</u>	<u>2024</u>
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	<u>158,518</u>	<u>190,211</u>
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	<u>1,448,524</u>	<u>1,273,350</u>
Total assets	<u>1,607,042</u>	<u>1,463,561</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pension and OPEB-- (Notes A, F and H)	<u>2,346</u>	<u>2,131</u>
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	<u>75,800</u>	<u>57,351</u>
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	<u>892,003</u>	<u>796,450</u>
Total liabilities	<u>967,803</u>	<u>853,801</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pension and OPEB-- (Notes A, F and H)	<u>1,536</u>	<u>632</u>
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	<u>\$ 640,049</u>	<u>\$ 611,259</u>

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,	
	<u>2025</u>	<u>2024</u>
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
	<u>206,590</u>	<u>172,326</u>
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
	<u>161,519</u>	<u>149,565</u>
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)
	<u>(16,281)</u>	<u>(7,487)</u>
CHANGE IN NET POSITION	<u>28,790</u>	<u>15,274</u>
NET POSITION AT BEGINNING OF YEAR	<u>611,259</u>	<u>595,985</u>
NET POSITION AT END OF YEAR	<u>\$ 640,049</u>	<u>\$ 611,259</u>

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,	
	<u>2025</u>	<u>2024</u>
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	<u>(171,783)</u>	<u>(232,309)</u>
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	<u>104,007</u>	<u>277,408</u>
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	<u>(7,256)</u>	<u>12,988</u>
Net increase (decrease) in cash and cash equivalents	(75,032)	58,087
Cash and cash equivalents at beginning of year	<u>295,518</u>	<u>237,431</u>
Cash and cash equivalents at end of year	<u>\$ 220,486</u>	<u>\$ 295,518</u>
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
	<u>\$ 220,486</u>	<u>\$ 295,518</u>

⁽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,	
	<u>2025</u>	<u>2024</u>
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	<u>\$ (171,783)</u>	<u>\$ (232,309)</u>
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,	
	<u>2025</u>	<u>2024</u>
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	<u>7,020</u>	<u>6,445</u>
Total restricted assets	<u>7,940</u>	<u>7,342</u>
LIABILITIES		
Current liabilities:		
Accounts payable and other liabilities	<u>4</u>	<u>18</u>
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS		
	<u>\$ 7,936</u>	<u>\$ 7,324</u>

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,	
	<u>2025</u>	<u>2024</u>
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)	<u>383</u>	<u>349</u>
Total additions	874	750
DEDUCTIONS		
Benefits	234	158
Administrative expenses	28	38
Total deductions	<u>262</u>	<u>196</u>
NET INCREASE IN FIDUCIARY NET POSITION	612	554
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS		
BEGINNING OF YEAR	<u>7,324</u>	<u>6,770</u>
END OF YEAR	<u>\$ 7,936</u>	<u>\$ 7,324</u>

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

WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS, AN INTEGRAL PART OF THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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	<u>\$ 2,498</u>	<u>\$ (1)</u>	<u>\$ 2,497</u>	<u>\$ 1,728</u>	<u>\$ (63)</u>	<u>\$ 1,665</u>

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

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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	<u>\$ 130,619</u>	<u>\$ (10,361)</u>	<u>\$ 120,258</u>	<u>\$ 128,107</u>	<u>\$ (11,096)</u>	<u>\$ 117,011</u>

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.

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

(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	<u>1,810</u>	<u>-</u>	<u>-</u>	<u>1,810</u>
Capital assets, being depreciated:				
Buildings	7,738	25	-	7,763
Equipment, furnishings and software	1,566	191	-	1,757
Total capital assets, being depreciated	<u>9,304</u>	<u>216</u>	<u>-</u>	<u>9,520</u>
Less accumulated depreciation for:				
Buildings	(2,524)	(194)	-	(2,718)
Equipment, furnishings and software	(1,422)	(69)	-	(1,491)
Total accumulated depreciation	<u>(3,946)</u>	<u>(263)</u>	<u>-</u>	<u>(4,209)</u>
Total capital assets being depreciated, net	5,358	(47)	-	5,311
Total capital assets, net	<u>\$ 7,168</u>	<u>\$ (47)</u>	<u>\$ -</u>	<u>\$ 7,121</u>

(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	<u>1,810</u>	<u>-</u>	<u>-</u>	<u>1,810</u>
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	<u>10,137</u>	<u>53</u>	<u>(886)</u>	<u>9,304</u>
Less accumulated depreciation for:				
Buildings	(2,349)	(175)	-	(2,524)
Equipment, furnishings and software	(2,248)	-	826	(1,422)
Total accumulated depreciation	<u>(4,597)</u>	<u>(175)</u>	<u>826</u>	<u>(3,946)</u>
Total capital assets being depreciated, net	5,540	(122)	(60)	5,358
Total capital assets, net	<u>\$ 7,350</u>	<u>\$ (122)</u>	<u>\$ (60)</u>	<u>\$ 7,168</u>

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.

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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	<u>\$ 1,295,985</u>	<u>\$ (129,509)</u>	<u>\$ 1,166,476</u>	<u>\$ 1,090,100</u>	<u>\$ (115,585)</u>	<u>\$ 974,515</u>

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	<u>\$ 4,901</u>	<u>\$ (743)</u>	<u>\$ 4,158</u>	<u>\$ 2,601</u>	<u>\$ (706)</u>	<u>\$ 1,895</u>

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.

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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.

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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,

WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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.

WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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		<u>\$ 312,832</u>	

* 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		<u>\$ 7,854</u>	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.

WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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	2024
<u>Level 1 inputs</u>		
Federal agency securities	\$ 45,636	\$ 99,120
U.S. Treasury securities	10,213	10,262
Total	55,849	109,382
<u>Level 2 inputs</u>		
Fannie Mae MBS pools	24,949	211
Total	24,949	211
Total investments, reported at estimated fair value	<u>\$ 80,798</u>	<u>\$ 109,593</u>

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

(Dollars in thousands)	June 30,	
	2025	2024
<u>Level 1 inputs</u>		
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	<u>\$ 7,020</u>	<u>\$ 6,445</u>

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:

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

(Dollars in thousands)	June 30,	
	2025	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	<u>\$ 312,803</u>	<u>\$ 368,874</u>
Unrealized (loss)/gain	<u>(29)</u>	<u>340</u>
Total Invested Funds	<u>\$ 312,832</u>	<u>\$ 368,534</u>

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

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

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.

WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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	Bonds & Notes	Bonds & Notes
	Current	Payable	Payable
	Current	Noncurrent	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	<u>\$ 39,155</u>	<u>\$ 775,786</u>	<u>\$ 814,941</u>

(Dollars in thousands)			
	Bonds Payable	Bonds & Notes	Bonds & Notes
	Current	Payable	Payable
	Current	Noncurrent	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	<u>\$ 29,520</u>	<u>\$ 654,168</u>	<u>\$ 683,688</u>

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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	2024
(Dollars in thousands)			
<u>HOUSING FINANCE BOND PROGRAM</u>			
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		<u>810,720</u>	<u>683,195</u>
Unamortized bond premium/discount, net		3,798	(65)
<u>OTHER LOAN PROGRAMS</u>			
Notes Payable (0.00%), net of allowance for losses ⁽¹⁾	3,000	423	558
Total bonds & notes payable		<u>\$ 814,941</u>	<u>\$ 683,688</u>
⁽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.

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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
	<u>\$ 810,720</u>	<u>\$ 425,479</u>	<u>\$ 1,236,199</u>

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

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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.

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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	-
	<u>\$ 1,492</u>	<u>\$ 768</u>

(Dollars in thousands)	June 30, 2024	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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	-
	<u>\$ 1,042</u>	<u>\$ 2</u>

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)	
<u>Year Ended June 30:</u>	<u>Pension Expense</u>
2026	(288)
2027	902
2028	(260)
2029	(254)

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

	<u>2024</u>	<u>2023</u>
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 Retired healthy males - 111% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected generationally with scale MP-2021 Retired healthy females - 118% of Pub-2010 General Retiree Female table, below median headcount weighted, projected generationally with scale MP-2021 Disabled males - 119% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2021 Disabled females - 124% of Pub-2010 General / Teachers Disabled Female table 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 - 108% of Pub-2010 General Retiree Male 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 - 118% of Pub-2010 General / Teachers Disabled Male 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%
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

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Weighted Average Expected Real Rate of Return</u>
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	<u>100%</u>		7.01%
Inflation (CPI)			<u>2.50%</u>
			<u>9.51%</u>

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		
Current			Current		
1% Decrease	Discount Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
6.25%	7.25%	8.25%	6.25%	7.25%	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

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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.

	Accumulated Annual Leave		
	2025	2024	2023
(Dollars in thousands)			
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)	<u>\$ 628</u>	<u>\$ 583</u>	<u>\$ 611</u>
Estimated to be paid in one year (net)	<u>\$ 628</u>	<u>\$ 583</u>	<u>\$ 611</u>

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.

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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	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	<u>106</u>	<u>111</u>

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 Portfolio
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	2024
Total OPEB Liability	\$ 7,185	\$ 7,052
Plan Fiduciary Net Position	7,936	7,324
Net OPEB (Asset) Liability	<u>\$ (751)</u>	<u>\$ (272)</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB (Asset) Liability	110.50%	103.90%

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

valuation report. An Actuarially 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 Actuarially 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.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(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)

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

(Dollars in thousands)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(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	<u>\$ 7,052</u>	<u>\$ 7,324</u>	<u>\$ (272)</u>

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			2024		
	1% Decrease 2.00%	Current Discount Rate 3.00%	1% Increase 4.00%	1% Decrease 2.00%	Current Discount Rate 3.00%	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)	<u>\$ (329)</u>	<u>\$ (751)</u>	<u>\$ (1,140)</u>	<u>\$ 179</u>	<u>\$ (272)</u>	<u>\$ (688)</u>
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			2024		
	Trend Minus 1%	Current Baseline Trends	Trend Plus 1%	Trend Minus 1%	Current Baseline Trends	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)	<u>\$ (1,231)</u>	<u>\$ (751)</u>	<u>\$ (207)</u>	<u>\$ (719)</u>	<u>\$ (272)</u>	<u>\$ 232</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	118.40%	110.50%	102.70%	110.90%	103.90%	96.90%

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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		2024	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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	<u>\$ 396</u>	<u>\$ 481</u>	<u>\$ 810</u>	<u>\$ 487</u>

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)	
<u>Year Ended June 30:</u>	<u>OPEB Expense</u>
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.

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**

**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

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**

	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 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

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**

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

WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

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

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**

NOTE C – PERS PLAN AMENDMENTS

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

- For employees hired prior to July 1, 2015, qualification for normal retirement is age 60 with five years of service or at least age 55 with age and service equal to 80 or greater. A member may retire with the pension reduced actuarially if the member is at least 55 and has at least 10 years of contributory service, or at any age with 30 years of contributory service. For employees hired after July 1, 2015, qualification for normal retirement is 62 with 10 years of service. A member hired after July 1, 2015 may retire with the pension reduced actuarially if the member is between the ages of 60 and 62 with at least ten years of contributory service, between ages 57 and 62 with at least twenty years of contributory service or between the ages 55 and 62 with at least thirty years of contributory service.
- The straight life annuity retirement benefit is equivalent to 2% of average salary multiplied by years of service. For employees hired prior to July 1, 2015, average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. For all employees hired on or after July 1, 2015 average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings.
- For employees hired prior to July 1, 2015, terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired on or after July 1, 2015, this age increases to 64 with at least ten years of contributory service, or age 63 with at least twenty years of contributory service.
- For all employees hired prior to July 1, 2015, employees are required to contribute 4.5% of annual earnings. All employees hired on or after July 1, 2015, are required to contribute 6% of annual earnings.

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
June 30, 2025
(Dollars in Thousands)**

	<u>General Account</u>	<u>Bond Programs</u>	<u>Other Loan Programs</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 16,302	\$ -	\$ 2,269
Accrued interest on loans	14	-	412
Accounts receivable and other assets, net of allowance for losses	2,490	-	7
Restricted cash and cash equivalents	40,692	52,922	4,600
Restricted accrued interest on loans	-	3,866	26
Restricted accrued interest on investments	-	813	-
Total current assets	<u>59,498</u>	<u>57,601</u>	<u>7,314</u>
Noncurrent assets:			
Mortgage loans, net of allowance for losses	6,472	-	113,786
Capital assets, net of depreciation	7,121	-	-
Restricted cash and cash equivalents	-	40,716	-
Restricted investments	-	73,475	-
Restricted mortgage loans, net of allowance for losses	-	1,055,407	8,514
Restricted other assets, net of allowance for losses	1,444	2,307	-
Total noncurrent assets	<u>15,037</u>	<u>1,171,905</u>	<u>122,300</u>
Total assets	<u>74,535</u>	<u>1,229,506</u>	<u>129,614</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension and OPEB	<u>2,346</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	28,850	973	644
Interfund payable (receivable)	12,603	(9,623)	5,071
Accrued interest payable	-	5,833	-
Bonds payable	-	39,155	-
Total current liabilities	<u>41,453</u>	<u>36,338</u>	<u>5,715</u>
Noncurrent liabilities:			
Other liabilities	-	-	-
Bonds & notes payable	-	775,363	423
Total noncurrent liabilities	<u>-</u>	<u>775,363</u>	<u>423</u>
Total liabilities	<u>41,453</u>	<u>811,701</u>	<u>6,138</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension and OPEB	<u>1,536</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted for debt service	-	417,805	-
Restricted by state statute	-	-	4,184
Restricted for pension and OPEB	1,444	-	-
Net investment in capital assets	7,121	-	-
Unrestricted	25,327	-	119,292
Total net position	<u>\$ 33,892</u>	<u>\$ 417,805</u>	<u>\$ 123,476</u>

See Independent Auditor's Report

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
June 30, 2025
(Dollars in Thousands)**

	<u>Land Development Program</u>	<u>Bond Insurance Account</u>	<u>Federal Programs</u>	<u>Totals</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 18,571
Accrued interest on loans	-	-	-	426
Accounts receivable and other assets, net of allowance for losses	-	-	-	2,497
Restricted cash and cash equivalents	9,049	-	24,939	132,202
Restricted accrued interest on loans	4	43	-	3,939
Restricted accrued interest on investments	-	70	-	883
Total current assets	9,053	113	24,939	158,518
Noncurrent assets:				
Mortgage loans, net of allowance for losses	-	-	-	120,258
Capital assets, net of depreciation	-	-	-	7,121
Restricted cash and cash equivalents	-	28,997	-	69,713
Restricted investments	-	7,323	-	80,798
Restricted mortgage loans, net of allowance for losses	370	10,726	91,459	1,166,476
Restricted other assets, net of allowance for losses	-	-	407	4,158
Total noncurrent assets	370	47,046	91,866	1,448,524
Total assets	9,423	47,159	116,805	1,607,042
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pension and OPEB	-	-	-	2,346
LIABILITIES				
Current liabilities:				
Accounts payable and other liabilities	-	2	343	30,812
Interfund payable (receivable)	(3)	(8,293)	245	-
Accrued interest payable	-	-	-	5,833
Bonds payable	-	-	-	39,155
Total current liabilities	(3)	(8,291)	588	75,800
Noncurrent liabilities:				
Other liabilities	-	-	116,217	116,217
Bonds & notes payable	-	-	-	775,786
Total noncurrent liabilities	-	-	116,217	892,003
Total liabilities	(3)	(8,291)	116,805	967,803
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pension and OPEB	-	-	-	1,536
NET POSITION				
Restricted for debt service	-	-	-	417,805
Restricted by state statute	9,426	55,450	-	69,060
Restricted for pension and OPEB	-	-	-	1,444
Net investment in capital assets	-	-	-	7,121
Unrestricted	-	-	-	144,619
Total net position	\$ 9,426	\$ 55,450	\$ -	\$ 640,049

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**WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION**

For the Year Ended June 30, 2025

(Dollars in Thousands)

	<u>General Account</u>	<u>Bond Programs</u>	<u>Other Loan Programs</u>
OPERATING REVENUES			
Interest on loans	\$ 269	\$ 48,288	\$ 4,263
Pass-through grant revenue	-	-	-
Fee revenue	8,663	1,132	1,484
Other	<u>709</u>	<u>32</u>	<u>8,088</u>
	9,641	49,452	13,835
OPERATING EXPENSES			
Pass-through grant expense	-	-	-
Loan fees expense	1,395	6,966	196
Program expense, net	714	4,979	1,785
Administrative expense, net	<u>7,057</u>	<u>3,489</u>	<u>1,865</u>
	<u>9,166</u>	<u>15,434</u>	<u>3,846</u>
OPERATING INCOME	475	34,018	9,989
NON-OPERATING - FINANCING AND INVESTING REVENUES (EXPENSES)			
Investment earnings:			
Interest	1,711	8,648	759
Net increase (decrease) in the fair value of investments	<u>-</u>	<u>(635)</u>	<u>-</u>
Net investment earnings	1,711	8,013	759
Interest and debt expense	<u>-</u>	<u>(29,035)</u>	<u>-</u>
	<u>1,711</u>	<u>(21,022)</u>	<u>759</u>
CHANGE IN NET POSITION	2,186	12,996	10,748
NET POSITION AT BEGINNING OF YEAR	33,706	409,809	105,728
Inter-program transfers, net	<u>(2,000)</u>	<u>(5,000)</u>	<u>7,000</u>
NET POSITION AT END OF YEAR	<u>\$ 33,892</u>	<u>\$ 417,805</u>	<u>\$ 123,476</u>

See Independent Auditor's Report

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION**

For the Year Ended June 30, 2025

(Dollars in Thousands)

	Land Development <u>Program</u>	Bond Insurance <u>Account</u>	Federal <u>Programs</u>	<u>Totals</u>
OPERATING REVENUES				
Interest on loans	\$ 22	\$ 576	\$ -	\$ 53,418
Pass-through grant revenue	-	-	133,064	133,064
Fee revenue	-	-	-	11,279
Other	-	-	-	8,829
	<u>22</u>	<u>576</u>	<u>133,064</u>	<u>206,590</u>
OPERATING EXPENSES				
Pass-through grant expense	-	-	133,064	133,064
Loan fees expense	-	21	-	8,578
Program expense, net	(19)	(14)	-	7,445
Administrative expense, net	<u>20</u>	<u>1</u>	<u>-</u>	<u>12,432</u>
	<u>1</u>	<u>8</u>	<u>133,064</u>	<u>161,519</u>
OPERATING INCOME	21	568	-	45,071
NON-OPERATING - FINANCING AND INVESTING REVENUES (EXPENSES)				
Investment earnings:				
Interest	417	1,761	-	13,296
Net increase (decrease) in the fair value of investments	-	<u>93</u>	-	<u>(542)</u>
Net investment earnings	417	1,854	-	12,754
Interest and debt expense	-	-	-	<u>(29,035)</u>
	<u>417</u>	<u>1,854</u>	<u>-</u>	<u>(16,281)</u>
CHANGE IN NET POSITION	438	2,422	-	28,790
NET POSITION AT BEGINNING OF YEAR	8,988	53,028	-	611,259
Inter-program transfers, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION AT END OF YEAR	<u>\$ 9,426</u>	<u>\$ 55,450</u>	<u>\$ -</u>	<u>\$ 640,049</u>

See Independent Auditor's Report

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2025
(Dollars in Thousands)**

	General Account	Bond Programs	Other Loan Programs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from lending activities	\$ 3,872	\$ 110,886	\$ 42,519
Receipts from other operating activities	7,063	1,164	9,572
Receipts from escrows and advance activities ⁽¹⁾	39,899	-	1,391
Disbursements from escrows and advance activities ⁽¹⁾	(33,467)	-	(1,549)
Receipts for federal lending activities	-	-	-
Receipts for federal activities	-	-	-
Disbursements for federal activities	-	-	-
Purchase of mortgage loans	-	(258,729)	(49,427)
Purchase of mortgage loans held for sale	-	-	(3,969)
Sale of mortgage loans	-	25,886	3,969
Payments to employees for salaries and benefits	(6,836)	(2,173)	(1,251)
Payments to vendors	(3,943)	(10,676)	(2,235)
Interfund transactions	4,640	(2,659)	(7,854)
Net cash provided by (used in) operating activities	11,228	(136,301)	(8,834)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds from bonds and notes	-	173,924	-
Retirement of bonds and notes	-	(42,475)	(131)
Interfund transfers (out) in	(2,000)	(5,000)	7,000
Interest paid	-	(27,311)	-
Net cash provided by (used in) noncapital financing activities	(2,000)	99,138	6,869
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturities of investments	-	1,418	-
Purchase of investments	-	(25,886)	-
Net investment earnings	1,711	8,486	759
Net cash provided by (used in) investing activities	1,711	(15,982)	759
Net increase (decrease) in cash and cash equivalents	10,939	(53,145)	(1,206)
Cash and cash equivalents at beginning of year	46,055	146,783	8,075
Cash and cash equivalents at end of year	<u>\$ 56,994</u>	<u>\$ 93,638</u>	<u>\$ 6,869</u>
Cash and cash equivalents consist of:			
Cash and cash equivalents	\$ 16,302	\$ -	\$ 2,269
Restricted cash and cash equivalents - current	40,692	52,922	4,600
Restricted cash and cash equivalents - noncurrent	-	40,716	-
	<u>\$ 56,994</u>	<u>\$ 93,638</u>	<u>\$ 6,869</u>

⁽¹⁾ See Note A, Restricted cash and cash equivalents

See Independent Auditor's Report

**WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2025
(Dollars in Thousands)**

	Land Development Program	Bond Insurance Account	Federal Programs	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from lending activities	\$ 1,260	\$ 1,692	\$ 1,996	\$ 162,225
Receipts from other operating activities	-	-	-	17,799
Receipts from escrows and advance activities ⁽¹⁾	-	-	-	41,290
Disbursements from escrows and advance activities ⁽¹⁾	-	-	-	(35,016)
Receipts for federal lending activities	-	-	6,346	6,346
Receipts for federal activities	-	-	79,574	79,574
Disbursements for federal activities	-	-	(94,455)	(94,455)
Purchase of mortgage loans	2	-	(37,564)	(345,718)
Purchase of mortgage loans held for sale	-	-	-	(3,969)
Sale of mortgage loans	-	-	-	29,855
Payments to employees for salaries and benefits	(13)	(1)	-	(10,274)
Payments to vendors	(8)	(23)	(2,555)	(19,440)
Interfund transactions	2	5,866	5	-
Net cash provided by (used in) operating activities	1,243	7,534	(46,653)	(171,783)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Proceeds from bonds and notes	-	-	-	173,924
Retirement of bonds and notes	-	-	-	(42,606)
Interfund transfers (out) in	-	-	-	-
Interest paid	-	-	-	(27,311)
Net cash provided by (used in) noncapital financing activities	-	-	-	104,007
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from maturities of investments	-	3,915	-	5,333
Purchase of investments	-	-	-	(25,886)
Net investment earnings	417	1,924	-	13,297
Net cash provided by (used in) investing activities	417	5,839	-	(7,256)
Net increase (decrease) in cash and cash equivalents	1,660	13,373	(46,653)	(75,032)
Cash and cash equivalents at beginning of year	7,389	15,624	71,592	295,518
Cash and cash equivalents at end of year	\$ 9,049	\$ 28,997	\$ 24,939	\$ 220,486
Cash and cash equivalents consist of:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 18,571
Restricted cash and cash equivalents - current	9,049	-	24,939	132,202
Restricted cash and cash equivalents - noncurrent	-	28,997	-	69,713
	\$ 9,049	\$ 28,997	\$ 24,939	\$ 220,486

⁽¹⁾ See Note A, *Restricted cash and cash equivalents*

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**WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
BOND PROGRAMS
June 30, 2025
(Dollars in Thousands)**

	<u>HF98E</u>	<u>HF13A</u>	<u>HF15AB</u>	<u>HF15CD</u>	<u>HF17AB</u>	<u>HF18A</u>	<u>HF19A</u>
ASSETS							
Current assets:							
Restricted cash and cash equivalents	\$ 40,264	\$ 77	\$ 225	\$ 594	\$ 183	\$ 135	\$ 527
Restricted accrued interest on loans	1,100	15	42	81	45	43	86
Restricted accrued interest on investments	353	-	-	23	-	-	-
Total current assets	<u>41,717</u>	<u>92</u>	<u>267</u>	<u>698</u>	<u>228</u>	<u>178</u>	<u>613</u>
Noncurrent assets:							
Restricted cash and cash equivalents	7,759	-	-	14	-	-	-
Restricted investments	27,627	-	-	1,339	-	-	-
Restricted mortgage loans, net of allowance for losses	291,815	4,408	14,301	24,529	15,459	13,227	21,840
Restricted other assets, net of allowances for losses	450	-	37	-	-	156	69
Total noncurrent assets	<u>327,651</u>	<u>4,408</u>	<u>14,338</u>	<u>25,882</u>	<u>15,459</u>	<u>13,383</u>	<u>21,909</u>
Total assets	<u>369,368</u>	<u>4,500</u>	<u>14,605</u>	<u>26,580</u>	<u>15,687</u>	<u>13,561</u>	<u>22,522</u>
LIABILITIES							
Current liabilities:							
Accounts payable and other liabilities	324	1	4	10	4	3	6
Interfund payable (receivable)	(2,906)	(148)	(169)	(203)	(109)	(82)	(335)
Accrued interest payable	-	30	70	134	81	69	116
Bonds payable	-	1,505	2,170	3,000	1,770	1,050	1,510
Total current liabilities	<u>(2,582)</u>	<u>1,388</u>	<u>2,075</u>	<u>2,941</u>	<u>1,746</u>	<u>1,040</u>	<u>1,297</u>
Noncurrent liabilities:							
Bonds payable	-	3,990	9,420	18,895	12,120	11,150	19,670
Total noncurrent liabilities	<u>-</u>	<u>3,990</u>	<u>9,420</u>	<u>18,895</u>	<u>12,120</u>	<u>11,150</u>	<u>19,670</u>
Total liabilities	<u>(2,582)</u>	<u>5,378</u>	<u>11,495</u>	<u>21,836</u>	<u>13,866</u>	<u>12,190</u>	<u>20,967</u>
NET POSITION							
Restricted for debt service	371,950	(878)	3,110	4,744	1,821	1,371	1,555
Total net position	<u>\$ 371,950</u>	<u>\$ (878)</u>	<u>\$ 3,110</u>	<u>\$ 4,744</u>	<u>\$ 1,821</u>	<u>\$ 1,371</u>	<u>\$ 1,555</u>

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**WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
BOND PROGRAMS**

June 30, 2025

(Dollars in Thousands)

	<u>HF19B</u>	<u>HF20A</u>	<u>HF20BC</u>	<u>HF21A</u>	<u>HF22A</u>	<u>HF22B</u>	<u>HF22C</u>	<u>HF23A</u>
ASSETS								
Current assets:								
Restricted cash and cash equivalents	\$ 280	\$ 324	\$ 491	\$ 546	\$ 200	\$ 738	\$ 1,226	\$ 1,224
Restricted accrued interest on loans	43	62	62	55	130	149	170	184
Restricted accrued interest on investments	-	-	29	-	-	-	51	63
Total current assets	<u>323</u>	<u>386</u>	<u>582</u>	<u>601</u>	<u>330</u>	<u>887</u>	<u>1,447</u>	<u>1,471</u>
Noncurrent assets:								
Restricted cash and cash equivalents	-	-	10	-	-	-	23	86
Restricted investments	-	-	1,524	-	-	-	2,735	3,496
Restricted mortgage loans, net of allowance for losses	19,337	22,326	30,033	24,394	26,726	34,793	41,106	46,130
Restricted other assets, net of allowances for losses	-	310	158	190	102	238	61	241
Total noncurrent assets	<u>19,337</u>	<u>22,636</u>	<u>31,725</u>	<u>24,584</u>	<u>26,828</u>	<u>35,031</u>	<u>43,925</u>	<u>49,953</u>
Total assets	<u>19,660</u>	<u>23,022</u>	<u>32,307</u>	<u>25,185</u>	<u>27,158</u>	<u>35,918</u>	<u>45,372</u>	<u>51,424</u>
LIABILITIES								
Current liabilities:								
Accounts payable and other liabilities	6	5	11	7	7	9	48	215
Interfund payable (receivable)	(192)	(109)	(351)	(113)	(358)	(191)	(558)	(575)
Accrued interest payable	76	80	81	75	164	213	292	313
Bonds payable	1,380	1,400	2,405	1,480	1,380	1,815	2,035	2,145
Total current liabilities	<u>1,270</u>	<u>1,376</u>	<u>2,146</u>	<u>1,449</u>	<u>1,193</u>	<u>1,846</u>	<u>1,817</u>	<u>2,098</u>
Noncurrent liabilities:								
Bonds payable	<u>17,155</u>	<u>20,355</u>	<u>25,610</u>	<u>22,713</u>	<u>25,110</u>	<u>32,808</u>	<u>39,385</u>	<u>44,425</u>
Total noncurrent liabilities	<u>17,155</u>	<u>20,355</u>	<u>25,610</u>	<u>22,713</u>	<u>25,110</u>	<u>32,808</u>	<u>39,385</u>	<u>44,425</u>
Total liabilities	<u>18,425</u>	<u>21,731</u>	<u>27,756</u>	<u>24,162</u>	<u>26,303</u>	<u>34,654</u>	<u>41,202</u>	<u>46,523</u>
NET POSITION								
Restricted for debt service	<u>1,235</u>	<u>1,291</u>	<u>4,551</u>	<u>1,023</u>	<u>855</u>	<u>1,264</u>	<u>4,170</u>	<u>4,901</u>
Total net position	<u>\$ 1,235</u>	<u>\$ 1,291</u>	<u>\$ 4,551</u>	<u>\$ 1,023</u>	<u>\$ 855</u>	<u>\$ 1,264</u>	<u>\$ 4,170</u>	<u>\$ 4,901</u>

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WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
BOND PROGRAMS
June 30, 2025
(Dollars in Thousands)

	<u>HF23B</u>	<u>HF23C</u>	<u>HF23D</u>	<u>HF24A</u>	<u>HF24BC</u>	<u>HF24DE</u>	<u>HF25AB</u>	<u>Bond Programs Total</u>
ASSETS								
Current assets:								
Restricted cash and cash equivalents	\$ 413	\$ 1,043	\$ 1,536	\$ 1,159	\$ 573	\$ 594	\$ 570	\$ 52,922
Restricted accrued interest on loans	197	258	207	274	275	211	177	3,866
Restricted accrued interest on investments	64	81	56	20	30	26	17	813
Total current assets	<u>674</u>	<u>1,382</u>	<u>1,799</u>	<u>1,453</u>	<u>878</u>	<u>831</u>	<u>764</u>	<u>57,601</u>
Noncurrent assets:								
Restricted cash and cash equivalents	121	231	304	335	99	4,622	27,112	40,716
Restricted investments	3,415	4,673	3,883	5,129	6,509	6,217	6,928	73,475
Restricted mortgage loans, net of allowance for losses	47,436	56,905	56,219	68,010	72,378	68,302	55,733	1,055,407
Restricted other assets, net of allowances for losses	112	-	183	-	-	-	-	2,307
Total noncurrent assets	<u>51,084</u>	<u>61,809</u>	<u>60,589</u>	<u>73,474</u>	<u>78,986</u>	<u>79,141</u>	<u>89,773</u>	<u>1,171,905</u>
Total assets	<u>51,758</u>	<u>63,191</u>	<u>62,388</u>	<u>74,927</u>	<u>79,864</u>	<u>79,972</u>	<u>90,537</u>	<u>1,229,506</u>
LIABILITIES								
Current liabilities:								
Accounts payable and other liabilities	165	47	33	18	19	19	12	973
Interfund payable (receivable)	(553)	(340)	(494)	(369)	(599)	(555)	(314)	(9,623)
Accrued interest payable	319	418	405	488	644	637	1,128	5,833
Bonds payable	1,930	2,115	2,095	2,570	2,500	1,905	995	39,155
Total current liabilities	<u>1,861</u>	<u>2,240</u>	<u>2,039</u>	<u>2,707</u>	<u>2,564</u>	<u>2,006</u>	<u>1,821</u>	<u>36,338</u>
Noncurrent liabilities:								
Bonds payable	45,095	54,470	54,840	70,630	76,565	80,079	90,878	775,363
Total noncurrent liabilities	<u>45,095</u>	<u>54,470</u>	<u>54,840</u>	<u>70,630</u>	<u>76,565</u>	<u>80,079</u>	<u>90,878</u>	<u>775,363</u>
Total liabilities	<u>46,956</u>	<u>56,710</u>	<u>56,879</u>	<u>73,337</u>	<u>79,129</u>	<u>82,085</u>	<u>92,699</u>	<u>811,701</u>
NET POSITION								
Restricted for debt service	4,802	6,481	5,509	1,590	735	(2,113)	(2,162)	417,805
Total net position	<u>\$ 4,802</u>	<u>\$ 6,481</u>	<u>\$ 5,509</u>	<u>\$ 1,590</u>	<u>\$ 735</u>	<u>\$ (2,113)</u>	<u>\$ (2,162)</u>	<u>\$ 417,805</u>

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**WEST VIRGINIA HOUSING DEVELOPMENT FUND
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION
 BOND PROGRAMS
 For the Year Ended June 30, 2025
 (Dollars in Thousands)**

	<u>HF98E</u>	<u>HF13A</u>	<u>HF15AB</u>	<u>HF15CD</u>	<u>HF17AB</u>	<u>HF18A</u>
OPERATING REVENUES						
Interest on loans	\$ 13,998	\$ 237	\$ 614	\$ 1,093	\$ 714	\$ 621
Fee revenue	1,132	-	-	-	-	-
Other	<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	15,150	237	614	1,093	714	621
OPERATING EXPENSES						
Loan fees expense	4,771	15	45	75	47	39
Program expense, net	4,619	2	34	8	28	8
Administrative expense, net	<u>3,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>12,879</u>	<u>17</u>	<u>79</u>	<u>83</u>	<u>75</u>	<u>47</u>
OPERATING INCOME	2,271	220	535	1,010	639	574
NON-OPERATING - FINANCING AND INVESTING REVENUES (EXPENSES)						
Investment earnings:						
Interest	3,304	8	31	86	28	20
Net (decrease) increase in the fair value of investments	<u>30</u>	<u>-</u>	<u>-</u>	<u>31</u>	<u>-</u>	<u>-</u>
Net investment earnings	3,334	8	31	117	28	20
Interest and debt expense	<u>-</u>	<u>(203)</u>	<u>(463)</u>	<u>(865)</u>	<u>(519)</u>	<u>(435)</u>
	<u>3,334</u>	<u>(195)</u>	<u>(432)</u>	<u>(748)</u>	<u>(491)</u>	<u>(415)</u>
CHANGE IN NET POSITION	5,605	25	103	262	148	159
NET POSITION AT BEGINNING OF YEAR	369,896	(1,846)	3,003	3,591	1,545	1,212
Inter-program transfers, net	<u>(3,551)</u>	<u>943</u>	<u>4</u>	<u>891</u>	<u>128</u>	<u>-</u>
NET POSITION AT END OF YEAR	<u>\$ 371,950</u>	<u>\$ (878)</u>	<u>\$ 3,110</u>	<u>\$ 4,744</u>	<u>\$ 1,821</u>	<u>\$ 1,371</u>

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**WEST VIRGINIA HOUSING DEVELOPMENT FUND
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION
 BOND PROGRAMS
 For the Year Ended June 30, 2025
 (Dollars in Thousands)**

	<u>HF19A</u>	<u>HF19B</u>	<u>HF20A</u>	<u>HF20BC</u>	<u>HF21A</u>	<u>HF22A</u>
OPERATING REVENUES						
Interest on loans	\$ 1,008	\$ 729	\$ 769	\$ 991	\$ 791	\$ 1,346
Fee revenue	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>1,008</u>	<u>729</u>	<u>769</u>	<u>991</u>	<u>791</u>	<u>1,346</u>
OPERATING EXPENSES						
Loan fees expense	69	64	69	101	80	87
Program expense, net	7	1	98	22	33	49
Administrative expense, net	-	-	-	-	-	-
	<u>76</u>	<u>65</u>	<u>167</u>	<u>123</u>	<u>113</u>	<u>136</u>
OPERATING INCOME	932	664	602	868	678	1,210
NON-OPERATING - FINANCING AND INVESTING REVENUES (EXPENSES)						
Investment earnings:						
Interest	33	38	22	118	41	28
Net (decrease) increase in the fair value of investments	-	-	-	27	-	-
Net investment earnings	33	38	22	145	41	28
Interest and debt expense	(724)	(479)	(493)	(507)	(467)	(1,017)
	<u>(691)</u>	<u>(441)</u>	<u>(471)</u>	<u>(362)</u>	<u>(426)</u>	<u>(989)</u>
CHANGE IN NET POSITION	241	223	131	506	252	221
NET POSITION AT BEGINNING OF YEAR	1,301	1,012	1,078	3,842	771	606
Inter-program transfers, net	13	-	82	203	-	28
NET POSITION AT END OF YEAR	<u>\$ 1,555</u>	<u>\$ 1,235</u>	<u>\$ 1,291</u>	<u>\$ 4,551</u>	<u>\$ 1,023</u>	<u>\$ 855</u>

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**WEST VIRGINIA HOUSING DEVELOPMENT FUND
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION
 BOND PROGRAMS
 For the Year Ended June 30, 2025
 (Dollars in Thousands)**

	<u>HF22B</u>	<u>HF22C</u>	<u>HF23A</u>	<u>HF23B</u>	<u>HF23C</u>	<u>HF23D</u>
OPERATING REVENUES						
Interest on loans	\$ 1,822	\$ 2,350	\$ 2,556	\$ 2,623	\$ 3,381	\$ 3,258
Fee revenue	-	-	-	-	-	-
Other	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	1,834	2,350	2,556	2,623	3,381	3,258
OPERATING EXPENSES						
Loan fees expense	114	138	159	156	193	189
Program expense, net	35	8	19	5	-	3
Administrative expense, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>149</u>	<u>146</u>	<u>178</u>	<u>161</u>	<u>193</u>	<u>192</u>
OPERATING INCOME	1,685	2,204	2,378	2,462	3,188	3,066
NON-OPERATING - FINANCING AND INVESTING REVENUES (EXPENSES)						
Investment earnings:						
Interest	54	164	231	248	318	304
Net (decrease) increase in the fair value of investments	<u>-</u>	<u>51</u>	<u>39</u>	<u>(5)</u>	<u>(23)</u>	<u>(43)</u>
Net investment earnings	54	215	270	243	295	261
Interest and debt expense	<u>(1,334)</u>	<u>(1,798)</u>	<u>(1,926)</u>	<u>(1,980)</u>	<u>(2,598)</u>	<u>(2,519)</u>
	<u>(1,280)</u>	<u>(1,583)</u>	<u>(1,656)</u>	<u>(1,737)</u>	<u>(2,303)</u>	<u>(2,258)</u>
CHANGE IN NET POSITION	405	621	722	725	885	808
NET POSITION AT BEGINNING OF YEAR	859	3,549	4,179	4,077	5,596	4,701
Inter-program transfers, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION AT END OF YEAR	<u>\$ 1,264</u>	<u>\$ 4,170</u>	<u>\$ 4,901</u>	<u>\$ 4,802</u>	<u>\$ 6,481</u>	<u>\$ 5,509</u>

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**WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
BOND PROGRAMS
For the Year Ended June 30, 2025
(Dollars in Thousands)**

	<u>HF24A</u>	<u>HF24BC</u>	<u>HF24DE</u>	<u>HF25AB</u>	Bond Programs Total
OPERATING REVENUES					
Interest on loans	\$ 3,567	\$ 3,680	\$ 1,636	\$ 504	\$ 48,288
Fee revenue	-	-	-	-	1,132
Other	-	-	-	-	32
	<u>3,567</u>	<u>3,680</u>	<u>1,636</u>	<u>504</u>	<u>49,452</u>
OPERATING EXPENSES					
Loan fees expense	223	197	105	30	6,966
Program expense, net	-	-	-	-	4,979
Administrative expense, net	-	-	-	-	3,489
	<u>223</u>	<u>197</u>	<u>105</u>	<u>30</u>	<u>15,434</u>
OPERATING INCOME	3,344	3,483	1,531	474	34,018
NON-OPERATING - FINANCING AND INVESTING REVENUES (EXPENSES)					
Investment earnings:					
Interest	551	1,216	1,317	488	8,648
Net (decrease) increase in the fair value of investments	<u>(235)</u>	<u>(115)</u>	<u>(269)</u>	<u>(123)</u>	<u>(635)</u>
Net investment earnings	316	1,101	1,048	365	8,013
Interest and debt expense	<u>(2,977)</u>	<u>(3,899)</u>	<u>(2,720)</u>	<u>(1,112)</u>	<u>(29,035)</u>
	<u>(2,661)</u>	<u>(2,798)</u>	<u>(1,672)</u>	<u>(747)</u>	<u>(21,022)</u>
CHANGE IN NET POSITION	683	685	(141)	(273)	12,996
NET POSITION AT BEGINNING OF YEAR	907	(70)	-	-	409,809
Inter-program transfers, net	-	120	(1,972)	(1,889)	(5,000)
NET POSITION AT END OF YEAR	\$ 1,590	\$ 735	\$ (2,113)	\$ (2,162)	\$ 417,805

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**WEST VIRGINIA HOUSING DEVELOPMENT FUND
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 COMBINING STATEMENT OF CASH FLOWS
 BOND PROGRAMS
 For the Year Ended June 30, 2025
 (Dollars in Thousands)**

	<u>HF98E</u>	<u>HF13A</u>	<u>HF15AB</u>	<u>HF15CD</u>	<u>HF17AB</u>	<u>HF18A</u>
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from lending activities	\$ 41,195	\$ 812	\$ 2,779	\$ 3,335	\$ 2,151	\$ 1,452
Receipts from other operating activities	1,152	-	-	-	-	-
Purchase of mortgage loans	(25,347)	-	-	-	-	-
Payments to employees for salaries and benefits	(2,173)	-	-	-	-	-
Sale of mortgage loans	-	-	-	-	-	-
Payments to vendors	(8,359)	(1)	(58)	(82)	(50)	(47)
Interfund transactions	(212)	(104)	(39)	(3)	214	53
Net cash provided by (used in) operating activities	<u>6,256</u>	<u>707</u>	<u>2,682</u>	<u>3,250</u>	<u>2,315</u>	<u>1,458</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Proceeds from sale of bonds	-	-	-	-	-	-
Retirement of bonds	-	(1,460)	(2,415)	(3,085)	(2,035)	(1,215)
Interfund transfers (out) in	(3,551)	943	4	891	128	-
Interest paid	-	(210)	(475)	(882)	(529)	(441)
Net cash provided by (used in) noncapital financing activities	<u>(3,551)</u>	<u>(727)</u>	<u>(2,886)</u>	<u>(3,076)</u>	<u>(2,436)</u>	<u>(1,656)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from maturities of investments	1,056	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-
Net investment earnings	3,303	8	31	84	28	20
Net cash provided by (used in) investing activities	<u>4,359</u>	<u>8</u>	<u>31</u>	<u>84</u>	<u>28</u>	<u>20</u>
Net (decrease) increase in cash and cash equivalents	7,064	(12)	(173)	258	(93)	(178)
Cash and cash equivalents at beginning of year	40,959	89	398	350	276	313
Cash and cash equivalents at end of year	<u>\$ 48,023</u>	<u>\$ 77</u>	<u>\$ 225</u>	<u>\$ 608</u>	<u>\$ 183</u>	<u>\$ 135</u>
Cash and cash equivalents consist of:						
Restricted cash and cash equivalents - current	\$ 40,264	\$ 77	\$ 225	\$ 594	\$ 183	\$ 135
Restricted cash and cash equivalents - noncurrent	7,759	-	-	14	-	-
	<u>\$ 48,023</u>	<u>\$ 77</u>	<u>\$ 225</u>	<u>\$ 608</u>	<u>\$ 183</u>	<u>\$ 135</u>

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**WEST VIRGINIA HOUSING DEVELOPMENT FUND
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 COMBINING STATEMENT OF CASH FLOWS
 BOND PROGRAMS
 For the Year Ended June 30, 2025
 (Dollars in Thousands)**

	<u>HF19A</u>	<u>HF19B</u>	<u>HF20A</u>	<u>HF20BC</u>	<u>HF21A</u>	<u>HF22A</u>
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from lending activities	\$ 2,880	\$ 2,207	\$ 2,220	\$ 3,477	\$ 2,864	\$ 3,085
Receipts from other operating activities	-	-	-	-	-	-
Purchase of mortgage loans	-	-	-	-	-	-
Payments to employees for salaries and benefits	-	-	-	-	-	-
Sale of mortgage loans	-	-	-	-	-	-
Payments to vendors	(75)	(64)	(113)	(121)	(112)	(96)
Interfund transactions	(220)	31	(16)	139	97	(224)
Net cash provided by (used in) operating activities	<u>2,585</u>	<u>2,174</u>	<u>2,091</u>	<u>3,495</u>	<u>2,849</u>	<u>2,765</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Proceeds from sale of bonds	-	-	-	-	-	-
Retirement of bonds	(1,900)	(2,060)	(1,685)	(3,410)	(2,405)	(1,775)
Interfund transfers (out) in	13	-	82	203	-	28
Interest paid	(732)	(486)	(497)	(513)	(470)	(1,026)
Net cash provided by (used in) noncapital financing activities	<u>(2,619)</u>	<u>(2,546)</u>	<u>(2,100)</u>	<u>(3,720)</u>	<u>(2,875)</u>	<u>(2,773)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from maturities of investments	-	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-
Net investment earnings	33	38	22	117	41	28
Net cash provided by (used in) investing activities	<u>33</u>	<u>38</u>	<u>22</u>	<u>117</u>	<u>41</u>	<u>28</u>
Net (decrease) increase in cash and cash equivalents	(1)	(334)	13	(108)	15	20
Cash and cash equivalents at beginning of year	<u>528</u>	<u>614</u>	<u>311</u>	<u>609</u>	<u>531</u>	<u>180</u>
Cash and cash equivalents at end of year	<u>\$ 527</u>	<u>\$ 280</u>	<u>\$ 324</u>	<u>\$ 501</u>	<u>\$ 546</u>	<u>\$ 200</u>
Cash and cash equivalents consist of:						
Restricted cash and cash equivalents - current	\$ 527	\$ 280	\$ 324	\$ 491	\$ 546	\$ 200
Restricted cash and cash equivalents - noncurrent	-	-	-	10	-	-
	<u>\$ 527</u>	<u>\$ 280</u>	<u>\$ 324</u>	<u>\$ 501</u>	<u>\$ 546</u>	<u>\$ 200</u>

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**WEST VIRGINIA HOUSING DEVELOPMENT FUND
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 COMBINING STATEMENT OF CASH FLOWS
 BOND PROGRAMS
 For the Year Ended June 30, 2025
 (Dollars in Thousands)**

	<u>HF22B</u>	<u>HF22C</u>	<u>HF23A</u>	<u>HF23B</u>	<u>HF23C</u>	<u>HF23D</u>
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from lending activities	\$ 3,926	\$ 5,054	\$ 4,814	\$ 4,202	\$ 5,683	\$ 6,548
Receipts from other operating activities	12	-	-	-	-	-
Purchase of mortgage loans	-	-	-	-	-	(2,618)
Payments to employees for salaries and benefits	-	-	-	-	-	-
Sale of mortgage loans	-	-	-	-	-	-
Payments to vendors	(149)	(145)	(176)	(158)	(189)	(188)
Interfund transactions	155	(347)	(339)	(186)	222	(221)
Net cash provided by (used in) operating activities	<u>3,944</u>	<u>4,562</u>	<u>4,299</u>	<u>3,858</u>	<u>5,716</u>	<u>3,521</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Proceeds from sale of bonds	-	-	-	-	-	-
Retirement of bonds	(2,595)	(2,080)	(2,440)	(2,810)	(3,305)	(3,065)
Interfund transfers (out) in	-	-	-	-	-	-
Interest paid	(1,344)	(1,810)	(1,940)	(1,999)	(2,622)	(2,541)
Net cash provided by (used in) noncapital financing activities	<u>(3,939)</u>	<u>(3,890)</u>	<u>(4,380)</u>	<u>(4,809)</u>	<u>(5,927)</u>	<u>(5,606)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from maturities of investments	-	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-
Net investment earnings	54	161	223	239	299	279
Net cash provided by (used in) investing activities	<u>54</u>	<u>161</u>	<u>223</u>	<u>239</u>	<u>299</u>	<u>279</u>
Net (decrease) increase in cash and cash equivalents	59	833	142	(712)	88	(1,806)
Cash and cash equivalents at beginning of year	679	416	1,168	1,246	1,186	3,646
Cash and cash equivalents at end of year	<u>\$ 738</u>	<u>\$ 1,249</u>	<u>\$ 1,310</u>	<u>\$ 534</u>	<u>\$ 1,274</u>	<u>\$ 1,840</u>
Cash and cash equivalents consist of:						
Restricted cash and cash equivalents - current	\$ 738	\$ 1,226	\$ 1,224	\$ 413	\$ 1,043	\$ 1,536
Restricted cash and cash equivalents - noncurrent	-	23	86	121	231	304
	<u>\$ 738</u>	<u>\$ 1,249</u>	<u>\$ 1,310</u>	<u>\$ 534</u>	<u>\$ 1,274</u>	<u>\$ 1,840</u>

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**WEST VIRGINIA HOUSING DEVELOPMENT FUND
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
 COMBINING STATEMENT OF CASH FLOWS
 BOND PROGRAMS
 For the Year Ended June 30, 2025
 (Dollars in Thousands)**

	<u>HF24A</u>	<u>HF24BC</u>	<u>HF24DE</u>	<u>HF25AB</u>	<u>Bond Programs Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from lending activities	\$ 5,439	\$ 4,317	\$ 2,014	\$ 432	\$ 110,886
Receipts from other operating activities	-	-	-	-	1,164
Purchase of mortgage loans	(15,359)	(77,108)	(75,409)	(62,888)	(258,729)
Payments to employees for salaries and benefits	-	-	-	-	(2,173)
Sale of mortgage loans	5,630	6,688	6,518	7,050	25,886
Payments to vendors	(211)	(178)	(86)	(18)	(10,676)
Interfund transactions	<u>(191)</u>	<u>(599)</u>	<u>(555)</u>	<u>(314)</u>	<u>(2,659)</u>
Net cash provided by (used in) operating activities	(4,692)	(66,880)	(67,518)	(55,738)	(136,301)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Proceeds from sale of bonds	-	-	82,035	91,889	173,924
Retirement of bonds	(1,800)	(935)	-	-	(42,475)
Interfund transfers (out) in	-	120	(1,972)	(1,889)	(5,000)
Interest paid	<u>(3,264)</u>	<u>(3,396)</u>	<u>(2,134)</u>	<u>-</u>	<u>(27,311)</u>
Net cash provided by (used in) noncapital financing activities	(5,064)	(4,211)	77,929	90,000	99,138
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from maturities of investments	266	64	32	-	1,418
Purchase of investments	(5,630)	(6,688)	(6,518)	(7,050)	(25,886)
Net investment earnings	<u>531</u>	<u>1,186</u>	<u>1,291</u>	<u>470</u>	<u>8,486</u>
Net cash provided by (used in) investing activities	(4,833)	(5,438)	(5,195)	(6,580)	(15,982)
Net (decrease) increase in cash and cash equivalents	(14,589)	(76,529)	5,216	27,682	(53,145)
Cash and cash equivalents at beginning of year	<u>16,083</u>	<u>77,201</u>	<u>-</u>	<u>-</u>	<u>146,783</u>
Cash and cash equivalents at end of year	<u>\$ 1,494</u>	<u>\$ 672</u>	<u>\$ 5,216</u>	<u>\$ 27,682</u>	<u>\$ 93,638</u>
Cash and cash equivalents consist of:					
Restricted cash and cash equivalents - current	\$ 1,159	\$ 573	\$ 594	\$ 570	\$ 52,922
Restricted cash and cash equivalents - noncurrent	<u>335</u>	<u>99</u>	<u>4,622</u>	<u>27,112</u>	<u>40,716</u>
	<u>\$ 1,494</u>	<u>\$ 672</u>	<u>\$ 5,216</u>	<u>\$ 27,682</u>	<u>\$ 93,638</u>

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