

AUDITED FINANCIAL STATEMENTS and OTHER FINANCIAL INFORMATION

For the years ended June 30, 2026 and 2025

WEST VIRGINIA HOUSING DEVELOPMENT FUND

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

For the Years Ended June 30, 2026 and 2025

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Suttle & Stalnaker Certified Public Accountants
A Professional Limited Liability Company

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the business-type activities (enterprise fund) and fiduciary fund type activities of the West Virginia Housing Development Fund (the Fund), a component unit of the State of West Virginia, as of and for the years ended June 30, 2026 and 2025, 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, 2026 and 2025, 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 10, 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 45 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, 2026, 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, 2026

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, 2026, the Fund has provided assistance for more than 178,000 housing or housing-related units.

The permanent staff of the Fund consists of 112 persons as of June 30, 2026, 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 26 bond issues totaling $813,930 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, 2026, and 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Fund's basic financial statements consist of enterprise fund financial statements, fiduciary fund financial statements, and the accompanying notes to the financial statements. The enterprise fund financial statements include the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Fund Net Position, and the Statements of Cash Flows. The fiduciary fund financial statements include the Statements of Fiduciary net position and the Statements of Changes in Fiduciary Net Position. 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.

The Statements of Net Position present the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the reporting period.

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[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.

The Statements of Revenues, Expenses, and Changes in Fund Net Position present the results of the Fund's operations for the reporting period. The statements include 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 Statements of Cash Flows provide information about the Fund's cash receipts and cash payments during the reporting period. The statements present cash flows from operating, noncapital financing, and investing activities and provide information regarding the sources and uses of cash and the change in cash and cash equivalents during the reporting period.

The Fund also reports on one fiduciary fund, the Welfare Benefit Plan, which is an irrevocable trust established to provide postemployment healthcare benefits for the Fund's employees. The fiduciary fund is presented separately from the Fund's enterprise activities because its resources are restricted for the benefit of plan participants and are not available to support the Fund's housing programs or other enterprise activities. The Statements of Fiduciary Net Position present the assets, liabilities, and restricted net position of the Welfare Benefit Plan, while the Statements of Changes in Fiduciary Net Position present additions to and deductions from the Plan's net position during the reporting period. The fiduciary fund Plan is discussed in greater detail in *Note H – Other Postemployment Healthcare Benefits*.

The Notes to the Financial Statements provide information that is essential to fully understand the data provided in the financial statements and, as such, are an integral part of the Fund's basic financial statements.

FINANCIAL SUMMARY

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

	2026	2025	2024
ASSETS			
Cash and cash equivalents	$ 237,352	$ 220,486	$ 295,518
Accrued interest on investments and loans	5,709	5,248	5,125
Accounts receivable and other assets, net of allowance for losses	10,086	6,655	3,560
Mortgage loans & restricted mortgage loans, net of allowance for losses	1,214,863	1,195,275	1,020,647
Restricted federal program mortgage loans, net of allowance for losses	95,310	91,459	70,879
Investments & restricted investments	67,103	80,798	60,664
Capital assets, net of depreciation	6,903	7,121	7,168
Total assets	1,637,326	1,607,042	1,463,561
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension and OPEB	1,583	2,346	2,131
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	32,144	30,812	23,783
Accrued interest payable	5,692	5,833	4,048
Bonds payable	45,905	39,155	29,520
Noncurrent liabilities:			
Bonds & notes payable, net	772,901	775,786	654,168
Other liabilities	102,525	116,217	142,282
Total liabilities	959,167	967,803	853,801
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension and OPEB	2,310	1,536	632
NET POSITION			
Net investment in capital assets	6,903	7,121	7,168
Net position - restricted	510,947	488,309	476,559
Net position - unrestricted	159,582	144,619	127,532
TOTAL NET POSITION	$ 677,432	$ 640,049	$ 611,259

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

	2026	2025	2024
REVENUES			
Interest on loans	$ 60,798	$ 53,418	$ 41,298
Pass-through grant revenue	105,365	133,064	120,408
Fee revenue	10,377	11,279	9,734
Net investment earnings (non-operating)	12,409	12,754	10,829
Other	12,989	8,829	886
Total Revenues	201,938	219,344	183,155
EXPENSES			
Pass-through grant expense	105,365	133,064	120,408
Interest and debt expense (non-operating)	34,858	29,035	18,316
Loan fees expense	5,351	8,578	9,053
Program expense, net	5,764	7,445	8,654
Administrative expense, net	13,217	12,432	11,450
Total Expenses	164,555	190,554	167,881
CHANGE IN NET POSITION	37,383	28,790	15,274
NET POSITION AT BEGINNING OF YEAR	640,049	611,259	595,985
NET POSITION AT END OF YEAR	$ 677,432	$ 640,049	$ 611,259

Below is additional discussion of the significant financial statement item changes due to recent events and activities of the Fund, current economic factors, and other factors affecting financial and programmatic operations.

DETAILED ANALYSIS

Cash and cash equivalents

Cash and cash equivalents comprised 14.5% of the Fund's total assets. The Fund invests cash, as permitted by the Act, the bond resolution, and the Board approved Investment Policy. Federal Program funds, 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.

Total cash and cash equivalents as of June 30, 2026, were $237,352, an increase of $16,866 or 7.6%, compared to the amount held as of June 30, 2025. This increase was the result of $21,547 net cash provided by operating activities, $31,135 net cash used in noncapital financing activities, and $26,454 net cash provided by investing activities.

Total cash and cash equivalents as of June 30, 2025, were $220,486, a decrease of $75,032 or 25.4%, compared to the amount held as of June 30, 2024. This decrease was the result of $171,783 net cash used in operating activities, $104,007 net cash provided by noncapital financing activities, and $7,256 net cash used in investing activities.

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

Mortgage loans & restricted mortgage loans, net of allowance for losses comprised 74.2% of the Fund's total assets and represent the Fund's largest asset class.

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.

The Fund's single family mortgage Bond Programs are the core-housing programs and the primary source of income for the Fund. These loans consist of 30-year fixed rate loans and no sub-prime loans. 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 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.

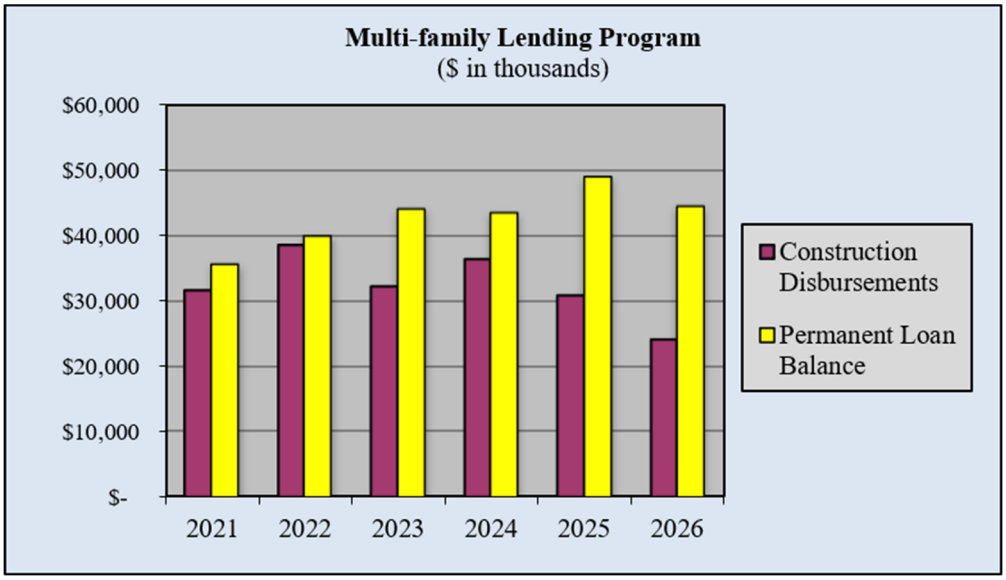
The Fund's Bond Program loan delinquency rates increased in 2026 when compared to 2025 in the One-, Two-, Three- and Three + month categories and decreased in most of those categories from 2024 to 2025 as shown in the chart below. The Fund will continue to monitor delinquencies and increase communication with borrowers to control delinquencies where possible and/or modify loans as borrowers continue to deal with unemployment and other economic impacts.

Delinquency Rates

	WV Housing Development Fund Bond Programs As of June 30,			WV*	USA*
				As of	
	2026	2025	2024	June 30, 2026	
Months Past Due					
One	3.91%	3.54%	4.82%	3.09%	2.24%
Two	1.74%	1.49%	1.61%	0.92%	0.70%
Three	1.00%	0.84%	0.79%	1.55%	1.39%
Three +	3.77%	3.17%	3.47%	2.10%	2.06%
In foreclosure	0.19%	0.33%	0.12%	0.55%	0.67%

*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 by Other Loan Programs, the United States Department of Housing and Urban Development's (HUD) HOME Investment Program (HOME), the National Housing Trust Fund (NHTF), the Low-Income Housing Tax Credit Program, and the United States Department of the Treasury's Emergency Rental Assistance (ERA) 2 program. Permanent loans financed from Other Loan Programs often carry United States Department of Agriculture (USDA) 538 loan guarantees. The Fund expects to continue its focus on financing rental housing into fiscal 2027 and future years.



Interest rates on new single family bond loans originated in fiscal year 2026 have averaged approximately 6.57%. Interest rates on new multifamily permanent loans originated in fiscal year 2026 have averaged approximately 5.28%. The average loan interest rate listed below shows the Bond Programs average for fiscal years 2024 through 2026.

Average Loan Interest Rate	
June 30, 2024	4.81%
June 30, 2025	5.04%
June 30, 2026	5.16%

As of June 30, 2026, the balance of *Mortgage loans & restricted mortgage loans, net of allowance for losses* was $1,214,863, which represents an increase of $19,588 or 1.6%, compared to the amount held as of June 30, 2025. This increase was primarily due to originations of $104,889 exceeding loan repayments of $80,360, foreclosures of $3,882 and increased allowance for loan losses of $1,059.

In 2025, *Mortgage Loans & Restricted mortgage loans, net of allowance for losses* increased $174,628, or 17.1% when compared to 2024. This increase was primarily due to originations of $282,200 exceeding loan repayments of $102,487, foreclosures of $2,900 and increased allowance for loan losses of $2,185.

Restricted Federal Program mortgage loans, net of allowance for losses

This line item consists of HOME, NHTF, and ERA2 mortgage loans. The fluctuations from year to year represent the net of HOME, NHTF, and ERA2 program loan originations and repayments during the years presented.

Investments & restricted investments

Investments & restricted investments comprised 4.1% of the Fund's total assets. The fluctuations in this balance from year to year are 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:

	2026	2025	2024
Balance at beginning of fiscal year	$ 80,798	$ 60,664	$ 63,345
Sales and maturities	(16,743)	(5,331)	(58,395)
Purchases	3,055	25,886	56,043
Decrease in fair value of investments and amortizations	(7)	(421)	(329)
Balance at end of fiscal year	$ 67,103	$ 80,798	$ 60,664

Accounts payable and other liabilities

Accounts payable and other liabilities include amounts held on behalf of others, amounts due to vendors, and rebatable investment earnings. Funds held for others include tax, insurance and other escrow accounts held on behalf of the Fund's various mortgagors.

In 2025, *Accounts payable and other liabilities* increased $7,029, or 29.6% when compared to 2024. This increase was primarily due to an increase of $5,595 in funds held on behalf of others and an increase of $1,356 in accrued expenses at year-end.

Other liabilities

Other liabilities include Federal Program funds for which the Fund acts as grantee or agent to originate mortgages under the HOME, NHTF and ERA2 programs and to disburse program funds under the ERA1, ERA2 and Homeowners Assistance Fund (HAF) programs. Fluctuations in *Other liabilities* are directly related to the amount of program funds held and disbursed related to these programs.

As of June 30, 2026, *Other liabilities* totaled $102,525, which represents a decrease of $13,692 or 11.8% compared to the balance as of June 30, 2025. The decrease was primarily due to a $15,438 decrease in the amount ERA2 program cash held, which was partially offset by a $2,600 increase due to Federal Program mortgage loan repayments and prepayments exceeding originations.

In 2025, *Other liabilities* decreased $26,065, or 18.3% when compared to 2024. This decrease was primarily due to a $22,545 decrease in the amount of ERA2 program cash held and a $5,702 decrease in the amount of HAF program cash held, partially offset by a $2,182 increase due to Federal Program mortgage loan repayments and prepayments exceeding originations.

Interest on loans

As of June 30, 2026, *Interest on loans* totaled $60,798, which represents an increase of $7,380 or 13.8% compared to the total as of June 30, 2025. In 2025, Interest on loans increased $12,120, or 29.3% when compared to 2024. The increase in both years was primarily due to an increase in the volume of loans and an increase in the average mortgage loan rate. See analysis of *Mortgage loans & restricted mortgage loans, net of allowance for losses* for more information about the Fund's loan programs and rates.

Pass-through grant revenue and Pass-through grant expense

The Fund receives Federal grants and other financial assistance 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 with an offsetting expense when funds are disbursed to the secondary recipient.

Other revenues

In 2025, *Other revenues* increased $7,943, or 896.5%, compared to 2024. This increase was primarily attributable to $8,000 received from the State for the Veteran's Home Loan Mortgage Program, which was established by the passage of Senate Bill 261 during the 2024 West Virginia Legislative session. The Fund administers the program and uses the designated funding to make or purchase mortgage loans for eligible veteran first-time homebuyers in accordance with the terms established by the legislation.

Interest and debt expense

As of June 30, 2026, *Interest and debt expense* totaled $34,858, which represents an increase of $5,823 or 20.1% compared to the total as of June 30, 2025. This increase was primarily due to debt issuances of $60,524 exceeding $52,264 in debt service and $4,395 in redemptions.

See the Significant Long-term Financing Activity section for a detailed overview of the annual bond financing activity, which results in fluctuations in interest and debt expense.

SIGNIFICANT LONG-TERM FINANCING ACTIVITY

Bonds and notes payable, current and noncurrent

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 2027 the Fund expects to continue to recycle mortgage loan repayments from its bond issues when it is economically prudent to do so.

As illustrated in the following schedule, the changes in *Bonds and notes payable, current and noncurrent*, were due to the early redemption or refunding of bonds, scheduled debt service payments, and new bonds and notes issued.

		2026	2025	2024
Balance at beginning of the fiscal year				
Bonds payable - current		$ 39,155	$ 29,520	$ 21,915
Bonds payable - noncurrent		775,786	654,168	368,057
Debt issued:	Housing Finance Bonds (*including premium/discount*)	60,524	173,859	325,000
	Other Loan Programs note payable	-	-	250
Debt paid:	Scheduled debt service	(52,264)	(29,651)	(22,009)
	Early redemptions and refundings	(4,395)	(12,955)	(9,525)
Other Loan Programs note payable allowance for losses [1]		-	-	-
Balance at end of the fiscal year		$ 818,806	$ 814,941	$ 683,688
Bonds payable - current		$ 45,905	$ 39,155	$ 29,520
Bonds & notes payable - noncurrent		772,901	775,786	654,168
Total bonds & notes payable		$ 818,806	$ 814,941	$ 683,688

[1] See *Note D - Bonds Payable*

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

Economic Outlook

The following are summarized highlights from the West Virginia University (WVU) Bureau of Business and Economic Research (BBER) West Virginia Economic Outlook report:

Population

West Virginia's population losses are expected to slow over the next five years. Overall, it is expected that WV will incur a 1.4 percent population loss through 2029. Although demographic trends indicate that the 65 and older age group will be the only population to experience growth, there are potential prospects to offset the natural population decline. Enhanced broadband capabilities could allow some localities to become increasingly attractive to remote workers, stimulating inbound migration.

Jobs

By the end of the third quarter of 2023, the state completed its employment recovery after losing over 80,000 jobs in early 2020. The state has continued to add jobs, and now has about 7,000, or 0.9 percent, more jobs than its January 2020 level.

Employment is expected to remain flat in West Virginia through 2029. Positive economic development announcements not included in the forecast include the addition of an estimated 800 jobs associated with Nucor in Mason County, and the addition of 750 jobs associated with FORM Energy in the state's Northern Panhandle.

Income

Personal income is expected to grow at an average annual rate of 2.0% through 2029. Growth in personal income from transfer payments (Social Security or unemployment insurance) is projected to grow more rapidly than total income or wage and salary income. However, small business income and investment income are expected to outperform the growth in transfer payments or wage and salary income over the forecast period.

Housing Market Conditions

The following are summarized housing market highlights from the Housing Needs Assessment for the State of West Virginia 2025, a collaborative study by the Virginia Center for Housing Research at Virginia Tech and the West Virginia University (WVU) Extension:

Homebuyers market

In West Virginia, 14% of homeowners pay more than 30% of income towards housing costs. Unmet housing needs span multiple income levels, tightening housing markets across the state. With supplies low, high earning households occupy homes that could potentially be affordable for lower income households.

Rental Market

Within the local rental sector, 38% of renters are paying more than 30% of income towards housing costs. Vacancy rates in the rental market vary across West Virginia, and some counties do not contain available rental units sufficient to accommodate housing needs for low-income households.

Subsequent Events

On July 30, 2026, the Fund issued the Housing Finance 2026 Series A and Series B bonds in the amount of $60,000. Bond Proceeds will be used to originate single family mortgage loans.

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, 2026	June 30, 2025
ASSETS		
Current assets:		
Cash and cash equivalents-- *(Notes A and C)*	$ 39,597	$ 18,571
Accrued interest on loans	394	426
Accounts receivable and other assets, net of allowance for losses-- *(Note A)*	2,219	2,497
Restricted cash and cash equivalents-- *(Notes A and C)*	91,069	132,202
Restricted accrued interest on loans	4,691	3,939
Restricted accrued interest on investments	624	883
Total current assets	138,594	158,518
Noncurrent assets:		
Mortgage loans, net of allowance for losses-- *(Note A)*	107,587	120,258
Capital assets, net of depreciation-- *(Note A)*	6,903	7,121
Restricted cash and cash equivalents-- *(Notes A and C)*	106,686	69,713
Restricted investments-- *(Notes A and C)*	67,103	80,798
Restricted mortgage loans, net of allowance for losses-- *(Note A)*	1,202,586	1,166,476
Restricted other assets, net of allowance for losses-- *(Notes A, F and H)*	7,867	4,158
Total noncurrent assets	1,498,732	1,448,524
Total assets	1,637,326	1,607,042
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pension and OPEB-- *(Notes A, F and H)*	1,583	2,346
LIABILITIES		
Current liabilities:		
Accounts payable and other liabilities-- *(Note A)*	32,144	30,812
Accrued interest payable	5,692	5,833
Bonds payable-- *(Note D)*	45,905	39,155
Total current liabilities	83,741	75,800
Noncurrent liabilities:		
Other liabilities-- *(Notes A, F, G and H)*	102,525	116,217
Bonds & notes payable-- *(Note D)*	772,901	775,786
Total noncurrent liabilities	875,426	892,003
Total liabilities	959,167	967,803
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pension and OPEB-- *(Notes A, F and H)*	2,310	1,536
NET POSITION		
Restricted for debt service	435,230	417,805
Restricted by state statute	71,218	69,060
Restricted for pension and OPEB	4,499	1,444
Net investment in capital assets	6,903	7,121
Unrestricted	159,582	144,619
Total net position	$ 677,432	$ 640,049

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,	
	2026	**2025**
OPERATING REVENUES		
Interest on loans	$ 60,798	$ 53,418
Pass-through grant revenue-- *(Note A)*	105,365	133,064
Fee revenue-- *(Note A)*	10,377	11,279
Other-- *(Note A)*	12,989	8,829
	189,529	206,590
OPERATING EXPENSES		
Pass-through grant expense-- *(Note A)*	105,365	133,064
Loan fees expense-- *(Note A)*	5,351	8,578
Program expense, net-- *(Note A)*	5,764	7,445
Administrative expense, net-- *(Note A)*	13,217	12,432
	129,697	161,519
OPERATING INCOME	59,832	45,071
OTHER NON-OPERATING REVENUES (EXPENSES)		
Investment earnings:		
Interest	12,251	13,296
Net increase (decrease) in the fair value of investments	158	(542)
Net investment earnings	12,409	12,754
Interest and debt expense	(34,858)	(29,035)
	(22,449)	(16,281)
CHANGE IN NET POSITION	37,383	28,790
NET POSITION AT BEGINNING OF YEAR	640,049	611,259
NET POSITION AT END OF YEAR	$ 677,432	$ 640,049

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,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from lending activities	$ 180,659	$ 162,225
Receipts from other operating activities	20,785	17,799
Receipts from escrows and advance activities [(1)]	38,969	41,290
Disbursements from escrows and advance activities [(1)]	(36,918)	(35,016)
Receipts for federal lending activities	8,935	6,346
Receipts for federal activities	86,031	79,574
Disbursements for federal activities	(91,809)	(94,455)
Purchase of mortgage loans	(153,995)	(345,718)
Purchase of mortgage loans held for sale	(1,436)	(3,969)
Sales of mortgage loans	4,776	29,855
Payments to employees for salaries and benefits	(11,774)	(10,274)
Payments to vendors	(22,676)	(19,440)
Net cash provided by (used in) operating activities	21,547	(171,783)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Net proceeds from bonds and notes	60,923	173,924
Retirement of bonds and notes	(56,910)	(42,606)
Interest paid	(35,148)	(27,311)
Net cash provided by (used in) noncapital financing activities	(31,135)	104,007
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of investments	16,743	5,333
Purchase of investments	(3,055)	(25,886)
Net investment earnings	12,766	13,297
Net cash provided by (used in) investing activities	26,454	(7,256)
Net increase (decrease) in cash and cash equivalents	16,866	(75,032)
Cash and cash equivalents at beginning of year	220,486	295,518
Cash and cash equivalents at end of year	$ 237,352	$ 220,486
Cash and cash equivalents consist of:		
Cash and cash equivalents	$ 39,597	$ 18,571
Restricted cash and cash equivalents - current	91,069	132,202
Restricted cash and cash equivalents - noncurrent	106,686	69,713
	$ 237,352	$ 220,486

[(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, 2026	2025
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income	$ 59,832	$ 45,071
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Change in assets and liabilities:		
Accrued interest on loans	32	473
Other assets	496	(731)
Allowance for (recovery of) losses on other assets	1	(63)
Restricted accrued interest on loans	(752)	(547)
Restricted other assets	(3,556)	(2,300)
Allowance for (recovery of) losses on restricted other assets	(74)	37
Mortgage loans	13,067	(2,511)
Allowance for (recovery of) losses on mortgage loans	(396)	(735)
Restricted mortgage loans	(41,107)	(205,886)
Allowance for losses on restricted mortgage loans	4,997	13,925
Accounts payable	1,082	6,860
Other liabilities, federal programs	(13,792)	(26,065)
Deferred outflows of resources - pension and OPEB	763	(215)
Deferred inflows of resources - pension and OPEB	774	904
Other liabilities, pension and OPEB	180	-
Net cash provided by (used in) operating activities	$ 21,547	$ (171,783)
Noncash investing and financing activities:		
Increase (decrease) in fair value of investments	$ 158	$ (542)
Net amortization of (discounts) premiums on investments	(96)	(52)

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, 2026	June 30, 2025
ASSETS		
Restricted cash and cash equivalents	$ 380	$ 860
Restricted accrued interest on investments	70	60
Restricted investments:		
U.S. Treasury securities	5,463	5,019
Certificates of deposit	2,740	2,001
Total restricted investments	8,203	7,020
Total restricted assets	8,653	7,940
LIABILITIES		
Current liabilities:		
Accounts payable and other liabilities	9	4
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS	$ 8,644	$ 7,936

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,	
	2026	**2025**
ADDITIONS		
Contributions - employer	$ 882	$ 491
Investment income (loss):		
Interest	330	312
Net (decrease) increase in the fair value of investments	(64)	71
Net investment income (loss)	266	383
Total additions	1,148	874
DEDUCTIONS		
Benefits	407	234
Administrative expenses	33	28
Total deductions	440	262
NET INCREASE IN FIDUCIARY NET POSITION	708	612
NET POSITION RESTRICTED FOR OTHER POSTEMPLOYMENT BENEFITS		
BEGINNING OF YEAR	7,936	7,324
END OF YEAR	$ 8,644	$ 7,936

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

NOTE A – AGENCY DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

Other Loan Programs include the Down Payment and Closing Cost Assistance Program, Secondary Market Program, Multifamily Lending Program, Low-Income Assisted Mortgage Program, Residential Septic Loan Program (the RSLP) (formerly known as the On-Site 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 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 appropriation from the State Legislature from which the Fund can make below-market interest rate loans to developers to acquire and improve land for residential housing and non-residential construction. The Land Development Program is included in the Fund's financial statements but is kept separate and apart from all other accounts of the Fund and the State.

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

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

Additionally, in response to the housing crisis related to the COVID-19 Pandemic, Congress enacted the Consolidated Appropriations Act, 2021 in December 2020 creating the Emergency Rental Assistance (ERA1) program to provide funding to assist households that are unable to pay rent or utilities. The Fund received the State's allocation of $200 million under this Act to administer the rental assistance program on behalf of the State. As of August 26, 2022, the Fund ceased accepting applications for rental and utility assistance and all activity under ERA1 ceased pursuant to the U.S. Treasury guidelines as of September 30, 2022. As of June 30, 2026, $87,238 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 to the State for the Emergency Rental Assistance (ERA2) Program and $50,000 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, 2026, $102,385 of the ERA2 funds have been disbursed for rental and utility assistance and $37,956 has been disbursed for the production of multifamily rental units. All activity under ERA2 ceased pursuant to U.S. Treasury guidelines as of September 30, 2025. In addition, $41,302 of the HAF funds have been disbursed as of June 30, 2026, for mortgage and utility assistance. On 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 WVBOTI.

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

	June 30, 2026			June 30, 2025		
	Balance	Allowance	Net	Balance	Allowance	Net
Accounts receivable and other assets:						
Accounts receivable	$ 2,204	$ (2)	$ 2,202	$ 2,442	$ (1)	$ 2,441
Foreclosed property	17	-	17	56	-	56
Total	$ 2,221	$ (2)	$ 2,219	$ 2,498	$ (1)	$ 2,497

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

Enterprise fund *Restricted cash and cash equivalents* represents monies the Fund holds on behalf of others, restricted by the Act or by the bond resolution. Included in this line item are tax and insurance escrows held on behalf of the Fund's various mortgagors and payments collected on mortgages for which the Fund acts as servicer only. The Fund is obligated to expend these monies on escrowed items or remit them to the appropriate investors in the case of mortgage loans serviced for the benefit of others. Also included in *Restricted cash and cash equivalents* are federal and other housing program funds, including COVID relief funds, for which the Fund acts as grantee or agent. The total funds held on behalf of others were $36,425 at June 30, 2026 and $51,932 at June 30, 2025. *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.

	June 30, 2026			June 30, 2025		
	Balance	Allowance	Net	Balance	Allowance	Net
Unrestricted Mortgage Loans:						
General Account	$ 6,988	$ (1,410)	$ 5,578	$ 7,915	$ (1,443)	$ 6,472
Other Loan Programs	110,564	(8,555)	102,009	122,704	(8,918)	113,786
Total	$ 117,552	$ (9,965)	$ 107,587	$ 130,619	$ (10,361)	$ 120,258

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 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 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.

	June 30, 2025	Additions	Deletions	June 30, 2026
Capital assets, not being depreciated:				
Land	$ 1,810	$ -	$ -	$ 1,810
Total capital assets, not being depreciated	1,810	-	-	1,810
Capital assets, being depreciated:				
Buildings	7,763	-	-	7,763
Equipment, furnishings and software	1,757	9	-	1,766
Total capital assets, being depreciated	9,520	9	-	9,529
Less accumulated depreciation for:				
Buildings	(2,718)	(198)	-	(2,916)
Equipment, furnishings and software	(1,491)	(29)	-	(1,520)
Total accumulated depreciation	(4,209)	(227)	-	(4,436)
Total capital assets being depreciated, net	5,311	(218)	-	5,093
Total capital assets, net	$ 7,121	$ (218)	$ -	$ 6,903

	June 30, 2024	Additions	Deletions	June 30, 2025
Capital assets, not being depreciated:				
Land	$ 1,810	$ -	$ -	$ 1,810
Total capital assets, not being depreciated	1,810	-	-	1,810
Capital assets, being depreciated:				
Buildings	7,738	25	-	7,763
Equipment, furnishings and software	1,566	191	-	1,757
Total capital assets, being depreciated	9,304	216	-	9,520
Less accumulated depreciation for:				
Buildings	(2,524)	(194)	-	(2,718)
Equipment, furnishings and software	(1,422)	(69)	-	(1,491)
Total accumulated depreciation	(3,946)	(263)	-	(4,209)
Total capital assets being depreciated, net	5,358	(47)	-	5,311
Total capital assets, net	$ 7,168	$ (47)	$ -	$ 7,121

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

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

Restricted mortgage loans, net of allowance for losses include loans originated that are restricted by the bond resolution, the Act, State statute, federal programs or other restricted purposes.

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

	June 30, 2026			June 30, 2025		
	Balance	Allowance	Net	Balance	Allowance	Net
Restricted Mortgage Loans:						
General Account	$ 172	$ (172)	$ -	$ 240	$ (240)	$ -
Other Loan Programs	12,083	(3,744)	8,339	11,559	(3,045)	8,514
Land Development	567	(215)	352	591	(221)	370
Bond Insurance Account	10,159	(229)	9,930	10,965	(239)	10,726
Bond Programs	1,104,238	(15,583)	1,088,655	1,069,781	(14,374)	1,055,407
Federal Programs	209,873	(114,563)	95,310	202,849	(111,390)	91,459
Total	$ 1,337,092	$ (134,506)	$1,202,586	$ 1,295,985	$ (129,509)	$ 1,166,476

Federal Programs include HOME, NHTF, and HOME ARP, which are designed to assist in the development of residential rental properties that target very low-income tenants and to provide capacity building funds for nonprofit housing organizations. Many of the loans provided to 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 ERA2, TCAP, and TCEP, which provide loan funding to assist in the development of Low-Income Housing Tax Credit Program properties. ERA2, HOME, NHTF, TCAP and TCEP project loans are recorded as restricted mortgage loans and the TCAP, TCEP and many of the 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, net of allowance for losses* 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.

	June 30, 2026			June 30, 2025		
	Balance	Allowance	Net	Balance	Allowance	Net
Restricted other assets:						
Accounts receivable	$ 364	$ -	$ 364	$ 349	$ -	$ 349
Land	548	(548)	-	548	(548)	-
Foreclosed property	3,125	(121)	3,004	2,560	(195)	2,365
Net Pension Asset	2,282	-	2,282	612	-	612
Net OPEB Asset	2,217	-	2,217	832	-	832
Total	$ 8,536	$ (669)	$ 7,867	$ 4,901	$ (743)	$ 4,158

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 ERA2, HOME and NHTF programs and to disburse program funds under the ERA1, ERA2 and HAF programs, the Fund's net pension liability (asset) as explained in *Note F – Retirement Plan* and the Fund's net OPEB liability (asset) as explained in *Note H – Other Postemployment Healthcare Benefits.*

Deferred inflows of resources related to pension and OPEB 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 $1,682,994 and $1,667,284 at June 30, 2026 and 2025, respectively. Of this total, the portfolio serviced by the Fund on behalf of others approximated $201,684 and $221,397 at June 30, 2026 and 2025, 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, employee health insurance premiums, health claims recoveries, 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 other costs associated with the Fund's program activities. *Program expenses* also include daily operating expenses of the office building owned by the Fund.

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

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

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

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

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

Reclassified information: Certain amounts in the 2025 financial statements have been reclassified with the 2026 presentation. Such reclassifications had no effect on the 2025 net position or changes in net position.

Newly adopted statements issued by the Governmental Accounting Standards Board: The Fund adopted Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes targeted enhancements to the governmental financial reporting model. As a standalone enterprise fund with no legally adopted public budget, government-wide statements, or noncapital subsidy transactions, the impact of this standard was limited to a review of proprietary operating and non-operating classifications and the adoption of required reporting enhancements. The Fund had no unusual or infrequent items to report, and the implementation did not result in any restatements of prior periods.

The Fund adopted Governmental Accounting Standards Board (GASB) Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement amends existing disclosure requirements to provide more detailed, transparent information regarding specific types of capital assets. The Fund does not hold any right-to-use lease assets, subscription information technology arrangements (SBITAs), capital assets held for sale, or public-private partnership (PPP) assets. The implementation of this standard had no impact on the Fund's capital asset note disclosures.

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, 2026, the Fund has committed $56,784 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 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 2027 administrative budget of $17,221 will be provided from the *Unrestricted net position* and from future revenues of the Fund.

NOTE C – CASH AND INVESTMENTS

The Fund's enterprise fund actively invests cash in conformity with the Act, the Bond Programs and the Board-approved Investment Policy. Permitted investments include a wide variety of securities and obligations such as certain corporate deposits, money market accounts, investment agreements or repurchase agreements with primary government dealers, direct obligations or obligations guaranteed by the State, United States government securities, or federal agency securities. Currently, the enterprise fund's investments consist primarily of United States government or agency securities, FDIC insured money markets and cash. The Investment Policy also permits the Fund to invest a maximum of $60,000, 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:

		June 30, 2026		June 30, 2025	
	Weighted Avg Maturity	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Reported at cost					
Demand Deposits, Money Market Funds	1 day	$ 167,351	$ 167,351	$ 137,449	$ 137,449
Mortgages held for investment purposes	18.76 years	10,614	10,614	11,519	11,519
WVBOTI deposits *(includes held for others)*	1 day	70,001	70,001	83,037	83,037
Total		247,966	247,966	232,005	232,005
Reported at estimated fair value					
Fannie Mae MBS pools	24.82 years	26,936	26,839	25,687	24,949
Federal agency securities	2.48 years	29,621	30,050	44,717	45,636
U.S. Treasury securities	12.64 years	10,486	10,214	10,423	10,213
Total		67,043	67,103	80,827	80,798
Total investments, including cash equivalents		$ 315,009	$ 315,069	$ 312,832	$ 312,803

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:

		June 30, 2026		June 30 2025	
	Weighted Avg Maturity	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Reported at cost					
Demand Deposits	1 day	$ 380	$ 380	$ 860	$ 860
Total		380	380	860	860
Reported at estimated fair value					
U.S. Treasury securities	2.34 years	5,491	5,463	4,994	5,019
Certificates of deposit	2.02 years	2,750	2,740	2,000	2,001
Total		8,241	8,203	6,994	7,020
Total investments, including cash equivalents		$ 8,621	$ 8,583	$ 7,854	$ 7,880

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

	Permitted Maturity Limit	Average Maturity as of June 30, 2026
Reserve Funds	30 years	12 years
Bond Insurance Funds	15 years	4 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, 2026
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, 2026, 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 AA+, Aa1, and AA+, respectively. Fannie Mae MBS pools are 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 AA+ and FDIC insured certificates of deposit.

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

As of June 30, 2026

	Maximum of Portfolio	Invested Funds	% of Total Investment
Direct Federal Obligations	100%	$ 10,486	4%
Federal Agency Obligations	90%	56,557	20%
Federally Guaranteed Obligations	100%	-	0%
Demand Deposits	30%	30,187	11%
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	99,602	36%
Mortgages Held for Investment Purposes	30%	10,614	4%
Money Market Funds	25%	11,421	4%
WVBOTI deposits	$60,000	59,717	21%
TOTAL		$ 278,584	100%
Funds Held for Others *	N/A	36,425	
TOTAL INVESTED FUNDS		$ 315,009	

* 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, 2026

	Maximum of Portfolio	Invested Funds	% of Total Investment
Demand Deposits	30%	$ 380	4%
Direct Federal Obligations	90%	5,491	64%
Federal Agency Obligations	90%	-	0%
Federally Guaranteed Obligations	90%	-	0%
FDIC Insured CDs	50%	2,750	32%
TOTAL INVESTED FUNDS		$ 8,621	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 $167,351 and $137,449 as of June 30, 2026 and 2025, respectively. Bank balances approximated $165,770 and $140,211 as of June 30, 2026 and 2025, respectively, of which approximately $131,473 and $116,065 was covered by federal depository insurance as of June 30, 2026 and 2025, respectively, and $22,876 and $13,580 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, 2026 and 2025, respectively. Also included in the bank balances above are trust account money market fund balances of $11,421 and $10,565 as of June 30, 2026 and 2025, respectively, which are not subject to custodial credit risk.

The fiduciary fund cash had a carrying value of $380 and $860 as of June 30, 2026 and 2025, respectively. Bank balances approximated $380 and $860 as of June 30, 2026 and 2025, respectively, which are trust account money-market funds and not subject to custodial credit risk.

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

Fair value hierarchy: The fair value hierarchy established under GAAP categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to quoted prices in active markets inputs (Level 1) and the lowest priority to unobservable inputs (Level 3).

The levels of the hierarchy are identified as follows:

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

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

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

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

	June 30, 2026	June 30, 2025
Level 1 inputs		
Federal agency securities	$ 30,050	$ 45,636
U.S. Treasury securities	10,214	10,213
Total	40,264	55,849
Level 2 inputs		
Fannie Mae MBS pools	26,839	24,949
Total	26,839	24,949
Total investments, reported at estimated fair value	$ 67,103	$ 80,798

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

	June 30, 2026	June 30, 2025
Level 1 inputs		
U.S. Treasury securities	$ 5,463	$ 5,019
Certificates of deposit	2,740	2,001
Total investments, reported at estimated fair value	$ 8,203	$ 7,020

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:

	June 30, 2026	June 30, 2025
Cash and cash equivalents	$ 39,597	$ 18,571
Current restricted cash and cash equivalents	91,069	132,202
Noncurrent restricted cash and cash equivalents	106,686	69,713
Restricted investments	67,103	80,798
Plus mortgages held for investment purposes	10,614	11,519
Total Investments and cash equivalents	$ 315,069	$ 312,803
Unrealized (loss)/gain	60	(29)
Total Invested Funds	$ 315,009	$ 312,832

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

	June 30, 2026	June 30, 2025
Restricted cash and cash equivalents	$ 380	$ 860
Restricted investments	8,203	7,020
Total Investments and cash equivalents	$ 8,583	$ 7,880
Unrealized (loss)/gain	(38)	26
Total Invested Funds	$ 8,621	$ 7,854

The enterprise fund has an unrealized gain/(loss) on investments of $60 and ($29) as of June 30, 2026 and 2025, respectively. This represents an increase in unrealized gain on investments of $89 as of June 30, 2026 and a decrease in unrealized gain on investments of $369 as of June 30, 2025. In connection with the unrealized gain, a liability for related investment earnings is recorded in the amount of $91 and $161 as of June 30, 2026 and June 30, 2025, 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, 2026 and 2025 and to properly reflect the rebate liability, a $158 increase and $542 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, 2026 and 2025, respectively.

The fiduciary fund has an unrealized gain/(loss) on investments of ($38) and $26 as of June 30, 2026 and June 30, 2025, respectively. This represents an increase in unrealized (loss)/gain on investments of ($64) and an increase of $71 from June 30, 2026 and 2025, respectively. To adjust the fair value of investments to reflect this unrealized loss at June 30, 2026 and 2025 a $135 and $39 decrease was recorded in *Net investment income* in the Statements Changes in Fiduciary Net Position for the year ended June 30, 2026 and 2025, 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 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 84.32% 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, 2026 and 2025 were $92,058 and $69,917, respectively. Total pledged revenues in 2026 and 2025 were $127,563 and $112,050, respectively.

The Residential Septic Loan Program 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 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, 2026, *Bonds & notes payable - noncurrent* includes a $689 note payable, net of a $135 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, 2026 and 2025, the Fund redeemed or refunded $4,395 and $12,955 of bonds, respectively, at redemption prices that approximated their carrying value.

The following tables summarize bond and note activity from 2025 to 2026 and 2024 to 2025, respectively.

	Bonds Payable Current	Bonds & Notes Payable Noncurrent	Bonds & Notes Payable Total
Outstanding Balance, June 30, 2025	$ 39,155	$ 775,786	$ 814,941
Debt Issued (*including premium/discount*)	-	60,524	60,524
Debt Paid	(39,425)	(12,839)	(52,264)
Early Redemptions/Refundings	-	(4,395)	(4,395)
Reclassification from noncurrent to current	46,175	(46,175)	-
Outstanding Balance, June 30, 2026	$ 45,905	$ 772,901	$ 818,806

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

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, 2026	Outstanding at June 30, 2025
HOUSING FINANCE BOND PROGRAM			
2013 Series A (3.20%) due 2027-2029	$ 21,000	$ 3,990	$ 5,495
2015 Series A,B (3.65% to 3.70%), due 2027-2033	50,660	9,420	11,590
2015 Series C,D (3.45% to 3.85%), due 2027-2033	70,060	18,695	21,895
2017 Series A,B (3.00% to 4.00%), due 2027-2034	39,505	12,120	13,890
2018 Series A (2.95% to 3.85%), due 2027-2039	25,000	11,120	12,200
2019 Series A (2.40% to 3.875%), due 2027-2042	35,000	18,680	21,180
2019 Series B (1.85% to 3.05%), due 2027-2042	30,000	16,630	18,535
2020 Series A (1.45% to 2.80%), due 2027-2046	30,000	19,665	21,755
2020 Series B,C (0.85% to 2.25%), due 2027-2041	44,960	24,580	28,015
2021 Series A (0.80% to 2.50%), due 2027-2049	30,000	21,980	24,210
2022 Series A (2.90% to 4.15%), due 2027-2051	30,000	24,400	26,490
2022 Series B (2.60% to 4.25%), due 2027-2049	40,000	31,925	34,665
2022 Series C (3.20% to 4.85%), due 2027-2050	45,000	37,200	41,420
2023 Series A (3.00% to 4.85%), due 2027-2051	50,000	42,405	46,570
2023 Series B (3.20% to 4.70%), due 2027-2052	50,000	44,275	47,025
2023 Series C (3.55% to 5.00%), due 2027-2052	60,000	52,580	56,585
2023 Series D (3.55% to 4.90%), due 2027-2052	60,000	53,180	56,935
2024 Series A (3.20% to 4.65%), due 2027-2054	75,000	69,240	73,200
2024 Series B,C (3.50% to 6.119%), due 2027-2055	80,000	76,235	79,065
2024 Series D,E (3.65% to 6.00%), due 2027-2055	80,000	77,410	80,000
2025 Series A,B (3.80% to 6.00%), due 2027-2055	90,000	88,470	90,000
2025 Series C,D (4.05% to 6.20%), due 2027-2056	60,000	59,730	-
Total bonds payable, excluding unamortized premium/discount		813,930	810,720
Unamortized bond premium/discount, net		4,322	3,798
OTHER LOAN PROGRAMS			
Notes Payable (0.00%), net of allowance for losses [(1)]	3,000	554	423
Total bonds & notes payable		$ 818,806	$ 814,941

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

Total bonds payable does not include $84,941 in special obligation bonds issued by the Fund as a conduit issuer. These special obligation bonds are secured by loan payments and deeds of trust on five projects. None of the Fund's assets or revenues are pledged to the payment of these special obligations. Furthermore, these special obligations are not secured by the Fund's general obligation debt pledge or its moral obligation and are not included in the Fund's financial statements. The Housing Development Fund is authorized under the Act to issue bonds or notes up to a limit of $1,250,000 outstanding at any one time, exclusive of refunded obligations, for the purpose of carrying out its various programs. This amount is inclusive of bonds issued under the General Resolution and the special obligation bonds.

The following is a summary of scheduled annual principal and interest for bonds in the Bond Programs for the five years commencing July 1, 2026, and thereafter to maturity.

Bonds Maturing During Year Ending June 30:	Principal	Interest	Total
2027	$ 45,905	$ 33,784	$ 79,689
2028	47,370	32,202	79,572
2029	44,315	30,538	74,853
2030	43,295	28,939	72,234
2031	43,095	27,301	70,396
2032-2036	182,725	113,099	295,824
2037-2041	148,195	79,893	228,088
2042-2046	120,260	49,952	170,212
2047-2051	100,810	23,125	123,935
2052-2056	37,960	4,012	41,972
	$ 813,930	$ 422,845	$1,236,775

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 $91 and $161 at June 30, 2026 and June 30, 2025, 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, payable monthly. On January 31, 2024, the Line of Credit was renewed with a maturity date of January 30, 2026. On January 31, 2026, the Line of Credit was extended with a maturity date of January 30, 2028, and the interest rate will be calculated based on the yield on the actively traded non-inflation-indexed United States 1-year treasury, plus 80 basis points. The purpose of the Line of Credit is to provide warehouse funding for loans under the Multifamily Loan Program. The Fund did not draw on the Line of Credit during fiscal year 2026 or 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, 2026, 54.5% of the Fund's single family Bond Program loans were VA, USDA Rural Development, or FHA guaranteed. Another 29.82% 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. The Board of Directors has allocated $1,000 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 per occurrence and excess liability coverage of $10,000 aggregate with General Star Insurance Company for officers' and directors' indemnity. The Fund pays an annual premium in exchange for such coverage. The Fund has $5,000 in cyber insurance through Great American Fidelity Insurance 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 2026, 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 $630, $624, and $619 for the fiscal years ended June 30, 2026, 2025, and 2024, 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 ($2,282) and ($612) as of June 30, 2026 and June 30, 2025, respectively, for its proportionate share of the net pension liability (asset). The net pension liability (asset) reported 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, 2025. At June 30, 2025 and June 30, 2024, the Fund's proportionate share was 0.35% and 0.37% respectively.

For the years ended June 30, 2026 and June 30, 2025, respectively, the Fund recognized pension expense (credit) of ($320) and $347. At June 30, 2026 and June 30, 2025, the Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2026	
	Deferred Outflows of Resouces	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 970
Difference between expected and actual experience	413	77
Changes in assumptions	-	29
Changes in proportion and differences between Fund contributions and proportionate share of contributions	36	-
Fund contributions made subsequent to the measurement date	630	-
	$ 1,079	**$ 1,076**

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

Deferred outflows of resources related to pensions of $630 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, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30:	Pension Expense
2027	600
2028	(508)
2029	(484)
2030	(235)

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

	2025	2024
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	4-year level smoothing	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% - 6.86%
Non-state	3.57% - 7.37%	3.57% - 7.37%
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-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
Withdrawal rates		
State	3.12% - 41.07%	3.12% - 41.07%
Non-state	3.25% - 35.88%	3.25% - 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	2018-2023

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighted Average Expected Real Rate of Return
Domestic Equity	22.5%	5.3%	1.19%
International Equity	22.5%	6.7%	1.51%
Fixed Income	15.0%	4.3%	0.65%
Real Estate	12.0%	7.2%	0.86%
Private Equity	12.0%	8.0%	0.96%
Private Credit	6.0%	8.2%	0.49%
Hedge Funds	10.0%	5.0%	0.50%
Total	100%		6.16%
Inflation (CPI)			2.50%
			8.66%

Discount Rate. The discount rates used to measure the total pension liabilities were 7.25% for the 2025 and 2024 actuarial valuations. At June 30, 2025 and 2024, 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, 2026 and June 30, 2025, 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:

Net Pension Liability (Asset) June 30,					
2026			2025		
	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%
$ 1,316	$ (2,282)	$ (5,322)	$ 3,113	$ (612)	$ (3,758)

NOTE G – COMPENSATED ABSENCES

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

	Accumulated Annual Leave		
	2026	2025	2024
Balance at beginning of fiscal year	$ 628	$ 583	$ 611
Annual leave earned	662	673	527
Annual leave (used)	(645)	(628)	(555)
Balance at end of fiscal year (net)	$ 645	$ 628	$ 583
Estimated to be paid in one year (net)	$ 645	$ 628	$ 583

NOTE H – OTHER POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

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

Benefits Provided

The Fund provides certain healthcare insurance benefits for retired employees and their eligible dependents. Benefits are fully self-insured by the Fund and are administered through a third-party administrator. The full cost of benefits is covered by the plan. Management of the Fund has the authority to establish and amend benefit provisions of the Plan. An employee may receive a cash payout for their annual leave but not for sick leave. In lieu of cash payment at retirement, an employee may elect to use accumulated annual and accumulated sick leave toward their postemployment health care insurance premium. A retiree may convert two unused leave days into one month's insurance premium for single coverage or three unused leave days into one month's premium for family coverage. The Fund will pay monthly health insurance premiums for these retirees based on unused sick leave and/or annual leave at the time of retirement until the unused leave is fully utilized or until the retiree reaches the eligible age for Medicare. Accordingly, the maximum period for which a retiree may be entitled to such benefits would be twelve years.

Employees covered by benefit terms. At June 30, 2026 and June 30, 2025, the following employees were covered by the benefit terms:

Covered Employees	June 30, 2026	2025
Inactive employees or beneficiaries currently receiving benefit payments	8	9
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active plan members	102	97
Total	110	106

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 $882, and $491 for the fiscal years ended June 30, 2026 and 2025, respectively.

Investments

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

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

Rate of Return. For the years ending June 30, 2026 and June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 2.91% and 5.27%, 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, 2026 and 2025, the components of the net OPEB (asset) liability of the Fund were as follows:

	June 30, 2026	June 30, 2025
Total OPEB Liability	$ 6,427	$ 7,185
Plan Fiduciary Net Position	8,644	7,936
Net OPEB (Asset) Liability	$ (2,217)	$ (751)
Plan Fiduciary Net Position as a percentage of the Total OPEB (Asset) Liability	134.50%	110.50%

Actuarial Assumptions and Methods

The total OPEB asset as of June 30, 2026 was determined by an actuarial valuation as of January 2026 rolled forward to June 30, 2026 and the total OPEB (asset) as of June 30, 2025 was determined by an actuarial valuation as of January 2024 and rolled forward to June 30, 2025. Updated actuarial methods and demographic assumptions were adopted effective June 30, 2026, to better reflect current plan experience and prevailing market conditions. The baseline actuarial assumptions and methods utilized in the comparative valuations are summarized below:

Valuation Date	January 1, 2026	January 1, 2024
Reporting Date	June 30, 2026	June 30, 2025
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	Level Percentage of Pay, Closed	Level Percentage of Pay, Closed
Remaining Amortization Period	11 years as of 1/1/2026	13 years as of 1/1/2024
Discount Rate	3.00%	3.00%
General Rate of Inflation	2.20%	2.20%
Investment Rate of Return	3.00%	3.00%
Salary Increases	3.00%	3.00%
Administrative Expenses	2.50%	2.50%
Ultimate Rate of Medical Inflation	3.00%	3.00%
Post-Retirement Mortality	105% Pub-2016 Below-Median General, Scale MP-2021	Pub-2010 General Below-Median, Headcount-weighted, Scale MP-2018
Pre-Retirement Mortality	125% Pub-2016 Below-Median General, Scale MP-2021	Pub-2010 General Below-Median Headcount-weighted, Scale MP-2018
Valuation Baseline	July 1, 2020-June 30, 2025 West Virginia Retiree Health Benefit Trust Fund Experience Study	PERS Pension Valuation (July 1, 2022) as published by the Consolidated Public Retirement Board

Additional demographic and plan assumptions used include the following:

Medical trend assumptions for the June 30, 2026 valuation were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model (Version 2026-1b). The model's long-term baseline projections incorporate an assumed inflation rate of 2.20% and an ultimate medical trend rate based on long-term nominal growth in per capita GDP.

Trend rates for 2026 through 2029 reflect the Plan's specific benefit design, covered population dynamics, and current renewal projections. Trend rates for 2030 through 2034 are graded to the model’s baseline projection. Deductibles, copayments, and out-of-pocket maximums are assumed to increase in accordance with these medical trend rates. The portion of the PEIA premium paid by the Fund on behalf of eligible retirees is assumed to remain level.

Percent of Future Retirees Electing Coverage:

It is assumed that 100% of future retirees will elect medical coverage for the maximum period for which they are eligible. In addition, all retirees who are eligible to participate in PEIA are assumed to enroll in PEIA coverage.

Coverage Election:

Future retirees are assumed to elect the same level of medical coverage they maintained immediately prior to retirement. If an active employee is not currently enrolled in medical coverage, single coverage is assumed at retirement.

Dependent Age:

For future retirees, male spouses are assumed to be three years older than their female spouses. For current retirees, actual dates of birth are used for covered spouses whenever available.

Accrual Rates:

Annual leave and sick leave accrual rates are assumed to vary based on the participant's age. These assumptions are used to estimate the duration of retiree medical coverage. The assumed accrual rates are:

Average Days Accrued per Year:
Age Under 35: 3.6
Age 35-39: 5.6
Age 50 and Older: 6.8

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and cash equivalents	10.0%	2.90%
U.S. Government Obligations	90.0%	3.30%
Total	100.0%	

The Actuarial Accrued Liability (AAL) is the portion of the present value associated with pay prior to the actuarial valuation date. To calculate the AAL for each current employee and retiree, the net present value of benefits at retirement is calculated from the date of hire. Utilizing the assumed payroll growth rate and interest earnings rate, an assumed contribution in the first year of employment is calculated such that over time, contributions and investment earnings will fund the benefits at retirement. Each subsequent year the assumed contribution is this initial contribution inflated by the payroll growth rate.

The Normal Cost is the portion of the present value associated with pay during the current plan year. It is equal to the next fiscal year amount to be set for benefits at retirement. The Actuarially Determined Contribution (ADC) equals the normal cost plus the amortization of the unfunded actuarial accrued liability. The actuarial valuation is based on a level-percentage-of-pay closed amortization period with 11 years remaining as of June 30, 2026.

As of June 30, 2026, an actuarial experience study was not completed. Actuarial assumptions were based on an experience study completed for the West Virginia Retiree Health Benefit Trust, covering the period July 1, 2020 through June 30, 2025, with a valuation date as of January 1, 2026 and rolled forward to June 30, 2026. As of June 30, 2025, an actuarial experience study was not completed. Actuarial assumptions for disability, termination, retirement, and dependent age were based on the PERS pension actuarial valuation as of July 1, 2022 for the January 2024 OPEB Plan valuation rolled forward to June 30, 2025.

Discount rate. The discount rate as of June 30, 2026 and June 30, 2025 is 3.00%, which is the assumed long-term expected rate of return on Plan investments. 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, 2026, the Plan's discount rate is based on the average capital market assumptions from the 2025 Horizon Survey of capital market assumptions applied to the actual asset allocation for the Plan's portfolio as reported by United Bank Wealth Management as of August 2025.

As of June 30, 2025, the Plan used the Bond Buyer GO 20-Bond Municipal Bond Index. As this index is issued weekly, the value closest to but not after the reporting date is used in determining the appropriate rate. Based on this practice, the municipal bond rate at June 27, 2024 was 3.93% and the municipal bond rate at June 26, 2025 was 5.20%. However, the depletion test as of the most recent actuarial valuation as of January 1, 2024, reflecting known contributions after that date as well as the current funding policy, showed that the projected assets are expected to cover future benefit payments for current participants and as such the single rate used as the discount rate is the long-term expected rate of return, 3.00%. The actuarial liability, normal cost, and expected benefit payments were projected for the remaining lifetimes of the closed group population as of January 1, 2024, using the assumptions detailed in the 2024 actuarial valuation report. An 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.

Changes in the Net OPEB Liability (Asset)

At June 30, 2026 and June 30, 2025, respectively, the Fund reported a Net OPEB liability (asset) of ($2,217) and ($751). Total OPEB Liability (TOL) at the end of the measurement year, June 30, 2026, is measured as of a valuation date of January 1, 2026, and is projected to June 30, 2026, and June 30, 2025, is measured as of a valuation date of January 1, 2024 and is projected to June 30, 2025. Valuations will be completed every other year.

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability (Asset) (a) - (b)**
Balances at 6/30/2025	$ 7,185	$ 7,936	$ (751)
Changes for the year:			
Service cost	379	-	379
Interest	205	-	205
Changes of benefits	-	-	-
Differences between expected and actual experience	(756)	-	(756)
Changes of assumptions	(179)	-	(179)
Contributions - employer	-	882	(882)
Net investment income	-	266	(266)
Benefit payments	(407)	(407)	-
Administrative expense	-	(33)	33
Net changes	(758)	708	(1,466)
Balances at 6/30/2026	$ 6,427	$ 8,644	$ (2,217)

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability (Asset) (a) - (b)**
Balances at 6/30/2024	$ 7,052	$ 7,324	$ (272)
Changes for the year:			
Service cost	304	-	304
Interest	217	-	217
Changes of benefits	(170)	-	(170)
Differences between expected and actual experience	16	-	16
Changes of assumptions	-	-	-
Contributions - employer	-	491	(491)
Net investment income	-	383	(383)
Benefit payments	(234)	(234)	-
Administrative expense	-	(28)	28
Net changes	133	612	(479)
Balances at 6/30/2025	$ 7,185	$ 7,936	$ (751)

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability (asset) of the Fund, as well as what the Fund's net OPEB liability 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:

	Net OPEB Liability (Asset) June 30,					
	2026			2025		
	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	$ 6,637	$ 6,427	$ 6,131	$ 7,607	$ 7,185	$ 6,796
Plan Fiduciary Net Position	8,644	8,644	8,644	7,936	7,936	7,936
Net OPEB Liability (Asset)	$ (2,007)	$ (2,217)	$ (2,513)	$ (329)	$ (751)	$ (1,140)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	130.20%	134.50%	141.00%	104.30%	110.50%	116.80%

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:

	Net OPEB Liability (Asset) June 30,					
	2026			2025		
	Trend Minus 1%	**Current Baseline Trends**	**Trend Plus 1%**	**Trend Minus 1%**	**Current Baseline Trends**	**Trend Plus 1%**
Total OPEB Liability	$ 5,794	$ 6,427	$ 7,177	$ 6,705	$ 7,185	$ 7,729
Plan Fiduciary Net Position	8,644	8,644	8,644	7,936	7,936	7,936
Net OPEB Liability (Asset)	$ (2,850)	$ (2,217)	$ (1,467)	$ (1,231)	$ (751)	$ (207)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	149.20%	134.50%	120.40%	118.40%	110.50%	102.70%

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

For the years ended June 30, 2026 and June 30, 2025, respectively, the Fund recognized OPEB expense of $330 and $421. At June 30, 2026 and June 30, 2025, the Fund reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30,			
	2026		2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8	$ 686	$ 12	$ 250
Changes in assumptions	51	134	384	-
Net difference between projected and actual earnings on OPEB plan investments	-	238	-	231
Total	$ 59	$ 1,058	$ 396	$ 481

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

Year Ended June 30:	OPEB Expense
2027	(407)
2028	(302)
2029	(278)
2030	(12)

West Virginia Retiree Health Benefit Trust (RHBT) OPEB Plan

In addition to the primary OPEB plan disclosed above, certain Fund retirees have the option to enroll in the West Virginia Other Postemployment Benefit Plan (the WV Plan) a cost sharing, multiple employer, defined benefit other postemployment benefit plan that covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code Section 5-16D-2. The financial activities of the WV Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State of West Virginia, and the WV Plan is administered by West Virginia Public Employees Insurance Agency (PEIA). PEIA provides medical and prescription drug benefits for active or retired employees and their eligible dependents.

Due to the immaterial size of the Fund's participation in the WV Plan, a full actuarial valuation and detailed GASB Statement No. 75 disclosures are not separately presented within these notes. To ensure transparency and reconciliation to the financial statements, the Fund's proportionate share of the WV Plan's financial elements have been recognized.

	OPEB (a)	OPEB-RHBT (b)	PERS (c)	June 30, 2026 Total (a+b+c)
Net position restricted for pension and OPEB	$ 2,217	$ -	$ 2,282	$ 4,499
Deferred outflows of resources related to pension and OPEB	59	445	1,079	1,583
Deferred inflows of resources related to pension and OPEB	(1,058)	(176)	(1,076)	(2,310)

	OPEB (a)	OPEB-RHBT (b)	PERS (c)	June 30, 2025 Total (a+b+c)
Net position restricted for pension and OPEB	$ 751	$ 81	$ 612	$ 1,444
Deferred outflows of resources related to pension and OPEB	396	458	1,492	2,346
Deferred inflows of resources related to pension and OPEB	(481)	(287)	(768)	(1,536)

NOTE I – SUBSEQUENT EVENTS

On July 30, 2026, the Fund issued the Housing Finance 2026 Series A and Series B bonds in the amount of $60,000. Bond proceeds will be used to originate single family mortgage loans.

NOTE J - NEW ACCOUNTING PRONOUNCEMENTS

GASB has issued Statement No. 105, *Subsequent Events,* which is effective for fiscal years beginning after June 15, 2026. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. The Fund has not yet determined the impact that the adoption of GASB Statement No. 105 may have on its financial statements.

WEST VIRGINIA HOUSING DEVELOPMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION (Dollars in Thousands)

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

	Years Ended June 30									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
The Fund's proportionate (percentage) of the net pension liability (asset)	0.354465%	0.371638%	0.402458%	0.445175%	0.403023%	0.370100%	0.385094%	0.386822%	0.381747%	0.383639%
The Fund's proportionate share of the net pension liability (asset)	$ (2,282)	$ (612)	$ (18)	$ 663	$ (3,538)	$ 1,957	$ 828	$ 999	$ 1,648	$ 3,526
The Fund's covered payroll	$ 6,933	$ 6,878	$ 7,211	$ 7,210	$ 6,420	$ 5,750	$ 5,650	$ 5,345	$ 5,183	$ 5,289
The Fund's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(32.92%)	(8.90%)	(0.25%)	9.20%	(55.11%)	34.03%	14.65%	18.70%	31.81%	66.70%
Plan fiduciary net position as a percentage of the total pension liability	107.11%	101.85%	100.05%	98.24%	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%

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

	Years Ended, June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	$ 630	$ 624	$ 619	$ 649	$ 721	$ 642	$ 575	$ 565	$ 588	$ 622
Contributions in relation to the statutorily required contribution	630	624	619	649	721	642	575	565	588	622
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fund's covered payroll	$ 7,000	$ 6,933	$ 6,878	$ 7,211	$ 7,210	$ 6,420	$ 5,750	$ 5,650	$ 5,345	$ 5,183
Contributions as a percentage of covered payroll	9.0%	9.0%	9.0%	9.0%	10.0%	10.0%	10.0%	10.0%	11.0%	12.0%

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

WEST VIRGINIA HOUSING DEVELOPMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED) (Dollars in Thousands)

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

	June 30,				
	2026	**2025**	**2024**	**2023**	**2022**
Total OPEB Liability					
Service cost	$ 379	$ 304	$ 283	$ 245	$ 223
Interest (includes interest on service cost)	205	217	225	215	177
Changes in benefit terms	-	(170)	(311)	-	(186)
Differences between expected and actual experience	(756)	16	(477)	-	(58)
Changes of assumptions	(179)	-	204	-	1,409
Benefit payments	(407)	(234)	(158)	(168)	(216)
Net change in total OPEB liability (asset)	**$ (758)**	**$ 133**	**$ (234)**	**$ 292**	**$ 1,349**
Total OPEB liability (asset) - beginning	**7,185**	**7,052**	**7,286**	**6,994**	**5,927**
Total OPEB liability (asset) - ending	**$ 6,427**	**$ 7,185**	**$ 7,052**	**$ 7,286**	**$ 7,276**
Plan fiduciary net position					
Contributions - employer	$ 882	$ 491	$ 402	$ 450	$ 789
Net investment income	266	383	348	367	(88)
Benefit payments, including refunds of member contributions	(407)	(234)	(158)	(168)	(216)
Administrative expense	(33)	(28)	(38)	(24)	(20)
Net change in plan fiduciary net position	**$ 708**	**$ 612**	**$ 554**	**$ 625**	**$ 465**
Plan fiduciary net position - beginning	**7,936**	**7,324**	**6,770**	**6,145**	**5,962**
Plan fiduciary net position - ending	**$ 8,644**	**$ 7,936**	**$ 7,324**	**$ 6,770**	**$ 6,427**
Net OPEB liability (asset) - ending	**$ (2,217)**	**$ (751)**	**$ (272)**	**$ 516**	**$ 849**
Plan fiduciary net position as a percentage of the total OPEB liability	134.50%	110.50%	103.90%	92.90%	88.30%

	June 30,				
	2021	**2020**	**2019**	**2018**	**2017**
Total OPEB Liability					
Service cost	$ 200	$ 172	$ 143	$ 147	$ 150
Interest (includes interest on service cost)	174	227	219	234	245
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(142)	-	(200)	-
Changes of assumptions	-	560	-	(660)	-
Benefit payments	(92)	(95)	(311)	(228)	(218)
Net change in total OPEB liability (asset)	**$ 282**	**$ 722**	**$ 51**	**$ (707)**	**$ 177**
Total OPEB liability (asset) - beginning	**5,645**	**4,923**	**4,872**	**5,579**	**5,402**
Total OPEB liability (asset) - ending	**$ 5,927**	**$ 5,645**	**$ 4,923**	**$ 4,872**	**$ 5,579**
Plan fiduciary net position					
Contributions - employer	$ 321	$ 95	$ 311	$ 228	$ 405
Net investment income	21	180	172	46	22
Benefit payments, including refunds of member contributions	(92)	(95)	(311)	(228)	(218)
Administrative expense	(33)	(20)	(31)	(35)	(16)
Net change in plan fiduciary net position	**$ 217**	**$ 160**	**$ 141**	**$ 11**	**$ 193**
Plan fiduciary net position - beginning	**5,745**	**5,585**	**5,444**	**5,433**	**5,240**
Plan fiduciary net position - ending	**$ 5,962**	**$ 5,745**	**$ 5,585**	**$ 5,444**	**$ 5,433**
Net OPEB liability (asset) - ending	**$ (35)**	**$ (100)**	**$ (662)**	**$ (572)**	**$ 146**
Plan fiduciary net position as a percentage of the total OPEB liability	100.60%	101.78%	113.46%	111.74%	97.40%

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

WEST VIRGINIA HOUSING DEVELOPMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED) (Dollars in Thousands)

SCHEDULES OF CONTRIBUTIONS TO THE WELFARE BENEFIT PLAN

	June 30,				
	2026	2025	2024	2023	2022
Actuarially determined contribution	$ 379	$ 354	$ 347	$ 391	$ 412
Contributions in relation to the actuarially determined contribution	882	491	401	450	789
Contribution (excess)	(503)	(137)	(54)	(59)	(377)
Covered employee payroll	$ 6,962	$ 7,052	$ 6,906	$ 6,317	$ 6,133
Contributions as a percentage of covered employee payroll	12.67%	6.97%	5.81%	7.12%	12.88%

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

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

	June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Money-weighted rate of return, net of investment expense	2.91%	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.

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, 2024, and rolled forward to June 30, 2025, using the actuarial assumptions and methods as follows:

	2025	2024
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	4-year level smoothing	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% - 6.86%
Non-state	3.57 - 7.37%	3.57 - 7.37%
Inflation rate	2.75%	2.75%
Discount rate	7.25%	7.25%
Mortality rates	Active - 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2021	Active - 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2021
	Retired healthy males - 111% of Pub-2010 General Retiree Male 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	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 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	Disabled females - 124% of Pub-2010 General/Teachers Disabled Female table, headcount weighted, projected generationally with scale MP-2021
Withdrawal rates:		
State	3.12% - 41.07%	3.12 - 41.07%
Non-state	3.25% - 35.88%	3.25 - 35.88%
Disability rates	.005% - 0.540%	.005 - 0.540%
Retirement rates	12% - 100%	12% - 100%
Date range in most recent experience study	2018-2023	2018-2023

	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
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% - 5.55%	2.75% - 5.55%
Non-state	3.60 - 6.75%	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-2018	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 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	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 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	Disabled females - 117% of Pub-2010 General/Teachers Disabled Female table, headcount weighted, projected generationally with scale MP-2018
Withdrawal rates:		
State	2.28 - 45.63%	2.275 - 45.63%
Non-state	2.50 - 35.88%	2.50 - 35.88%
Disability rates	.005 - 0.540%	.005 - 0.540%
Retirement rates	12% - 100%	12% - 100%
Date range in most recent experience study	2013-2018	2013-2018

	2020	2019	2016-2018
Actuarial cost method	Individual entry age normal cost with level percentage of payroll	Individual entry age normal cost with level percentage of payroll	Individual entry age normal cost with level percentage of payroll
Asset valuation method	Fair value	Fair value	Fair value
Amortization method	Level dollar, fixed period	Level dollar, fixed period	Level dollar, fixed period
Amortization period	Through Fiscal Year 2029	Through Fiscal Year 2035	Through Fiscal Year 2035
Actuarial assumptions:			
Investment rate of return	7.50%	7.50%	7.50%
Projected salary increases:			
State	3.1 - 5.3%	3.1 - 5.3%	3.0 - 4.6%
Non-state	3.35 - 6.5%	3.35 - 6.5%	3.35 - 6.0%
Inflation rate	3.00%	3.00%	3.0% (2015-1.90%)
Discount rate	7.50%	7.50%	7.50%
Mortality rates	Active - 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2018	Active - 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with with scale MP-2018	Active - 100% of RP-2000 Non-Annuitant, Scale AA fully generational
	Retired healthy males - 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected generationally with scale MP-2018	Retired healthy males - 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018	Retired healthy males - 110% of RP-2000 Healthy Annuitant, Scale AA fully generational
	Retired healthy females - 122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected generationally with scale MP-2018	Retired healthy females - 122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018	Retired healthy females - 101% of RP-2000 Healthy Annuitant, Scale AA fully generational
	Disabled males - 118% of Pub-2010 General/Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2018	Disabled males - 118% of Pub-2010 General/Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018	Disabled males - 96% of RP-2000 Disabled Annuitant, Scale AA fully generational
	Disabled females - 117% of Pub-2010 General/Teachers Disabled Female table, headcount weighted, projected generationally with scale MP-2018	Disabled females - 118% of Pub-2010 General/Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018	Disabled females - 107% of RP-2000 Disabled Annuitant, Scale AA fully generational
Withdrawal rates:			
State	2.275 - 45.63%	2.28 - 45.63%	1.75 - 35.10%
Non-state	2.50 - 35.88%	2.00 - 35.88%	2.00 - 35.88%
Disability rates	.005 - 0.540%	.005 - 0.540%	.007 - .675%
Retirement rates	12% - 100%	12% - 100%	12% - 100%
Date range in most recent experience study	2013-2018	2013-2018	2009-2014

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

Valuation date	1/1/2026 Rolled forward to 6/30/2026
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	11 years as of 1/1/2026
Actuarial Assumptions:	
Discount rate	3.00%
Salary Increases	3% total payroll growth
Healthcare cost trend rates	Pre-Medicare: 10.0% in calendar 2026 grading down to 3% over 20 years
	Medicare: No Medicare coverage; PEIA penalty payments are not expected to increase
	Administrative expenses: 2.5% per year

Valuation date	1/1/2024 Rolled forward to 6/30/2025
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation completed during even calendar years
Actuarial Cost Method	Entry Age
Asset Valuation Method	Fair Value of Assets
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	13 years as of 1/1/2024
Actuarial Assumptions:	
Discount rate	3.00%
Salary Increases	3% total payroll growth
Healthcare cost trend rates	Pre-Medicare: 10.0% in calendar 2024 grading down to 3% over 20 years Medicare: No Medicare coverage; PEIA penalty payments are not expected to increase Administrative expenses: 2.5% per year

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

Valuation date	1/1/2022 Rolled forward to 6/30/2023
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation completed during even calendar years
Actuarial Cost Method	Entry Age
Asset Valuation Method	Fair Value of Assets
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	15 years as of 1/1/2022
Actuarial Assumptions:	
Discount rate	3.00%
Salary Increases	3% total payroll growth
Healthcare cost trend rates	Pre-Medicare: 10.0% in calendar 2022 grading down to 2.72% over 19 years Medicare: 5.0% in calendar 2022 and 2023 5.0% grading down to 2.72% over 18 years Administrative expenses: 2.72% per year

Valuation date	1/1/2022 Rolled forward to 6/30/2022
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation completed during even calendar years
Actuarial Cost Method	Entry Age
Asset Valuation Method	Fair Value of Assets
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period	15 years as of 1/1/2022
Actuarial Assumptions:	
Discount rate	3.00%
Salary Increases	3% total payroll growth
Healthcare cost trend rates	Pre-Medicare: 10.0% in calendar 2022 grading down to 2.72% over 19 years Medicare: 5.0% in calendar 2022 and 2023 5.0% grading down to 2.72% over 18 years Administrative expenses: 2.72% per year

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

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

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

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

NOTE C – PERS PLAN AMENDMENTS

The PERS plan 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, 2026
(Dollars in Thousands)

	General Account	Bond Programs	Other Loan Programs
ASSETS			
Current assets:			
Cash and cash equivalents	$ 28,076	$ -	$ 11,521
Accrued interest on loans	17	-	377
Accounts receivable and other assets, net of allowance for losses	2,219	-	-
Restricted cash and cash equivalents	42,257	27,065	5,074
Restricted accrued interest on loans	-	4,624	26
Restricted accrued interest on investments	-	571	-
Total current assets	72,569	32,260	16,998
Noncurrent assets:			
Mortgage loans, net of allowance for losses	5,578	-	102,009
Capital assets, net of depreciation	6,903	-	-
Restricted cash and cash equivalents	-	64,187	-
Restricted investments	-	62,519	-
Restricted mortgage loans, net of allowance for losses	-	1,088,655	8,339
Restricted other assets, net of allowance for losses	4,499	2,965	-
Total noncurrent assets	16,980	1,218,326	110,348
Total assets	89,549	1,250,586	127,346
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension and OPEB	1,583	-	-
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	30,519	792	467
Interfund payable (receivable)	10,959	(9,380)	(1,412)
Accrued interest payable	-	5,692	-
Bonds payable	-	45,905	-
Total current liabilities	41,478	43,009	(945)
Noncurrent liabilities:			
Other liabilities	100	-	-
Bonds & notes payable	-	772,347	554
Total noncurrent liabilities	100	772,347	554
Total liabilities	41,578	815,356	(391)
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension and OPEB	2,310	-	-
NET POSITION			
Restricted for debt service	-	435,230	-
Restricted by state statute	-	-	3,997
Restricted for pension and OPEB	4,499	-	-
Net investment in capital assets	6,903	-	-
Unrestricted	35,842	-	123,740
Total net position	$ 47,244	$ 435,230	$ 127,737

See Independent Auditor's Report

WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION (CONTINUED)
June 30, 2026
(Dollars in Thousands)

	Land Development Program	Bond Insurance Account	Federal Programs	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	$ -	$ -	$ -	$ 39,597
Accrued interest on loans	-	-	-	394
Accounts receivable and other assets, net of allowance for losses	-	-	-	2,219
Restricted cash and cash equivalents	9,427	-	7,246	91,069
Restricted accrued interest on loans	4	37	-	4,691
Restricted accrued interest on investments	-	53	-	624
Total current assets	9,431	90	7,246	138,594
Noncurrent assets:				
Mortgage loans, net of allowance for losses	-	-	-	107,587
Capital assets, net of depreciation	-	-	-	6,903
Restricted cash and cash equivalents	-	42,499	-	106,686
Restricted investments	-	4,584	-	67,103
Restricted mortgage loans, net of allowance for losses	352	9,930	95,310	1,202,586
Restricted other assets, net of allowance for losses	-	-	403	7,867
Total noncurrent assets	352	57,013	95,713	1,498,732
Total assets	9,783	57,103	102,959	1,637,326
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pension and OPEB	-	-	-	1,583
LIABILITIES				
Current liabilities:				
Accounts payable and other liabilities	-	2	364	32,144
Interfund payable (receivable)	4	(341)	170	-
Accrued interest payable	-	-	-	5,692
Bonds payable	-	-	-	45,905
Total current liabilities	4	(339)	534	83,741
Noncurrent liabilities:				
Other liabilities	-	-	102,425	102,525
Bonds & notes payable	-	-	-	772,901
Total noncurrent liabilities	-	-	102,425	875,426
Total liabilities	4	(339)	102,959	959,167
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pension and OPEB	-	-	-	2,310
NET POSITION				
Restricted for debt service	-	-	-	435,230
Restricted by state statute	9,779	57,442	-	71,218
Restricted for pension and OPEB	-	-	-	4,499
Net investment in capital assets	-	-	-	6,903
Unrestricted	-	-	-	159,582
Total net position	$ 9,779	$ 57,442	$ -	$ 677,432

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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, 2026
(Dollars in Thousands)

	General Account	Bond Programs	Other Loan Programs
OPERATING REVENUES			
Interest on loans	$ 242	$ 55,008	$ 5,006
Pass-through grant revenue	-	-	-
Fee revenue	8,569	472	1,336
Other	12,901	12	76
	21,712	55,492	6,418
OPERATING EXPENSES			
Pass-through grant expense	-	-	-
Loan fees expense	526	4,752	53
Program expense, net	966	3,205	1,608
Administrative expense, net	7,590	3,667	1,929
	9,082	11,624	3,590
OPERATING INCOME (LOSS)	12,630	43,868	2,828
OTHER NON-OPERATING - REVENUES (EXPENSES)			
Investment earnings:			
Interest	1,722	8,278	433
Net increase (decrease) in the fair value of investments	-	137	-
Net investment earnings	1,722	8,415	433
Interest and debt expense	-	(34,858)	-
	1,722	(26,443)	433
CHANGE IN NET POSITION	14,352	17,425	3,261
Inter-program transfers, net	(1,000)	-	1,000
NET POSITION AT BEGINNING OF YEAR	33,892	417,805	123,476
NET POSITION AT END OF YEAR	$ 47,244	$ 435,230	$ 127,737

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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 (CONTINUED)
For the Year ended June 30, 2026
(Dollars in Thousands)

	Land Development Program	Bond Insurance Account	Federal Programs	Totals
OPERATING REVENUES				
Interest on loans	$ 6	$ 536	$ -	$ 60,798
Pass-through grant revenue	-	-	105,365	105,365
Fee revenue	-	-	-	10,377
Other	-	-	-	12,989
	6	536	105,365	189,529
OPERATING EXPENSES				
Pass-through grant expense	-	-	105,365	105,365
Loan fees expense	-	20	-	5,351
Program expense, net	(5)	(10)	-	5,764
Administrative expense, net	31	-	-	13,217
	26	10	105,365	129,697
OPERATING INCOME (LOSS)	(20)	526	-	59,832
OTHER NON-OPERATING - REVENUES (EXPENSES)				
Investment earnings:				
Interest	373	1,445	-	12,251
Net increase (decrease) in the fair value of investments	-	21	-	158
Net investment earnings	373	1,466	-	12,409
Interest and debt expense	-	-	-	(34,858)
	373	1,466	-	(22,449)
CHANGE IN NET POSITION	353	1,992	-	37,383
Inter-program transfers, net	-	-	-	-
NET POSITION AT BEGINNING OF YEAR	9,426	55,450	-	640,049
NET POSITION AT END OF YEAR	$ 9,779	$ 57,442	$ -	$ 677,432

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WEST VIRGINIA HOUSING DEVELOPMENT FUND
PROPRIETARY FUND TYPE - ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
For the Year ended June 30, 2026
(Dollars in Thousands)

	General Account	Bond Programs	Other Loan Programs
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from lending activities	$ 2,149	$ 127,091	$ 45,642
Receipts from other operating activities	18,901	472	1,412
Receipts from escrows and advance activities [1]	37,187	-	1,782
Disbursements from escrows and advance activities [1]	(34,959)	-	(1,959)
Receipts for federal lending activities	-	-	-
Receipts for federal activities	-	-	-
Disbursements for federal activities	-	-	-
Purchase of mortgage loans	-	(101,199)	(39,239)
Internal (purchase) sale of mortgages	-	(10,325)	10,325
Purchase of mortgage loans held for sale	-	-	(1,436)
Sale of mortgage loans	-	3,055	1,721
Payments to employees for salaries and benefits	(8,564)	(2,042)	(1,152)
Payments to vendors	(453)	(8,120)	(2,450)
Interfund transactions	(1,644)	243	(6,483)
Net cash provided by (used in) operating activities	12,617	9,175	8,163
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Proceeds from bonds and notes	-	60,673	250
Retirement of bonds and notes	-	(56,790)	(120)
Interfund transfers (out) in	(1,000)	-	1,000
Interest paid	-	(35,148)	-
Net cash (used in) provided by noncapital financing activities	(1,000)	(31,265)	1,130
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturities of investments	-	14,124	-
Purchase of investments	-	(3,055)	-
Net investment earnings	1,722	8,635	433
Net cash provided by (used in) investing activities	1,722	19,704	433
Net increase (decrease) in cash and cash equivalents	13,339	(2,386)	9,726
Cash and cash equivalents at beginning of year	56,994	93,638	6,869
Cash and cash equivalents at end of year	$ 70,333	$ 91,252	$ 16,595
Cash and cash equivalents consist of:			
Cash and cash equivalents	$ 28,076	$ -	$ 11,521
Restricted cash and cash equivalents - current	42,257	27,065	5,074
Restricted cash and cash equivalents - noncurrent	-	64,187	-
	$ 70,333	$ 91,252	$ 16,595

[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 CASH FLOWS (CONTINUED)
For the Year ended June 30, 2026
(Dollars in Thousands)

	Land Development Program	Bond Insurance Account	Federal Programs	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from lending activities	$ 29	$ 1,348	$ 4,400	$ 180,659
Receipts from other operating activities	-	-	-	20,785
Receipts from escrows and advance activities [1]	-	-	-	38,969
Disbursements from escrows and advance activities [1]	-	-	-	(36,918)
Receipts for federal lending activities	-	-	8,935	8,935
Receipts for federal activities	-	-	86,031	86,031
Disbursements for federal activities	-	-	(91,809)	(91,809)
Purchase of mortgage loans	-	-	(13,557)	(153,995)
Internal (purchase) sale of mortgages	-	-	-	-
Purchase of mortgage loans held for sale	-	-	-	(1,436)
Sale of mortgage loans	-	-	-	4,776
Payments to employees for salaries and benefits	(16)	-	-	(11,774)
Payments to vendors	(15)	(20)	(11,618)	(22,676)
Interfund transactions	7	7,952	(75)	-
Net cash provided by (used in) operating activities	5	9,280	(17,693)	21,547
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Proceeds from bonds and notes	-	-	-	60,923
Retirement of bonds and notes	-	-	-	(56,910)
Interfund transfers (out) in	-	-	-	-
Interest paid	-	-	-	(35,148)
Net cash (used in) provided by noncapital financing activities	-	-	-	(31,135)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from maturities of investments	-	2,619	-	16,743
Purchase of investments	-	-	-	(3,055)
Net investment earnings	373	1,603	-	12,766
Net cash provided by (used in) investing activities	373	4,222	-	26,454
Net increase (decrease) in cash and cash equivalents	378	13,502	(17,693)	16,866
Cash and cash equivalents at beginning of year	9,049	28,997	24,939	220,486
Cash and cash equivalents at end of year	$ 9,427	$ 42,499	$ 7,246	$ 237,352
Cash and cash equivalents consist of:				
Cash and cash equivalents	$ -	$ -	$ -	$ 39,597
Restricted cash and cash equivalents - current	9,427	-	7,246	91,069
Restricted cash and cash equivalents - noncurrent	-	42,499	-	106,686
	$ 9,427	$ 42,499	$ 7,246	$ 237,352

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

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