

# West Virginia



**Annual Comprehensive Financial Report**  
*Fiscal Year Ended June 30, 2024*



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# *West Virginia*

*Annual Comprehensive*

*Financial Report*

*For the Fiscal Year*

*Ended June 30, 2024*

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**Jim Justice**

Governor

**Mark Scott**

Cabinet Secretary

Department of Administration

**Sarah H. Long, CPA**

Chief Financial Officer and

Assistant Cabinet Secretary

Department of Administration

Prepared by the Financial  
Accounting and Reporting Section

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***Governor Jim Justice***

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*Jim Justice*  
*Governor of West Virginia*

To the Honorable Members of the West Virginia Legislature and the  
Citizens of West Virginia:

I am pleased to provide you with the State of West Virginia's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2024. An independent certified public accounting firm has audited the basic financial statements contained in this report.

The ACFR demonstrates West Virginia's commitment to financial accountability and national standards. This document provides the Legislature and citizens of West Virginia with the state's financial data. It can be accessed on the Internet at [www.finance.wv.gov](http://www.finance.wv.gov).

This report was compiled with the help of individuals throughout state government. Each state agency provided clear, concise information to ensure the highest level of financial accountability.

Sincerely,

A handwritten signature in blue ink, reading "Jim Justice".

Jim Justice  
Governor

# ***ACKNOWLEDGMENTS***

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Sarah Long, CPA

Special appreciation is given to all personnel throughout the State whose extra effort to contribute accurate, timely financial data for their agencies made this report possible. The technical support of West Virginia Our Advanced Solution with Integrated Systems (wvOASIS) has been invaluable. Also, photo credit goes to Perry Bennett, Chief Legislative Photographer.

We invite you to visit our website: <http://www.finance.wv.gov>.

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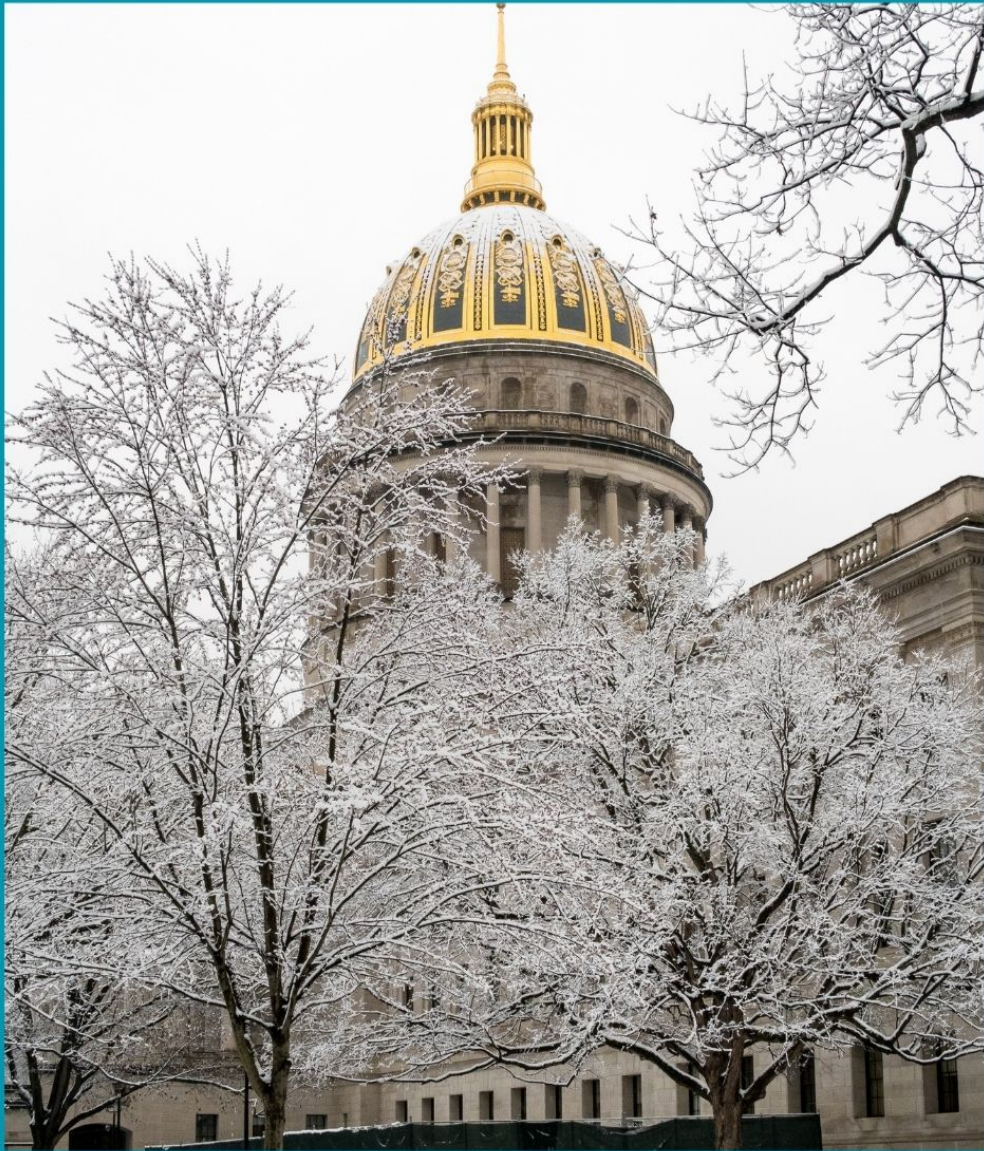
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# *Introductory Section*



Transmittal Letter

Certificate of Achievement  
for Excellence in Financial  
Reporting

Organization Chart

Principal Officials



STATE OF WEST VIRGINIA  
DEPARTMENT OF ADMINISTRATION

December 13, 2024

The Honorable Jim Justice, Governor  
The Honorable Members of the West Virginia Legislature  
Citizens of the State of West Virginia

Dear Governor, Senators, Delegates, and Citizens:

I am pleased to present the 2024 Annual Comprehensive Financial Report (2024 ACFR) of the State of West Virginia for the fiscal year ended June 30, 2024. This report was prepared by the Financial Accounting and Reporting Section (FARS) within the Finance Division of the Department of Administration (Management).

The 2024 ACFR was prepared in conformity with the reporting model outlined by the Governmental Accounting Standards Board (GASB) Statements No. 34 and No. 35, and other related statements. This reporting model's objective is to provide a clear picture of the government as a single, unified entity as well as to provide traditional fund-based financial statements. The State of West Virginia's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with generally accepted accounting principles in the United States (GAAP).

This independent audit of the financial statements of the State of West Virginia is part of a broader, federally mandated "Single Audit" designed to meet the requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the basic financial statements, but also on West Virginia's internal controls and compliance with requirements applicable to major programs.

GAAP requires that Management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The State's MD&A can be found immediately following the Report of the Independent Auditors.

The Honorable Jim Justice, Governor  
The Honorable Members of the West Virginia Legislature  
Citizens of the State of West Virginia

The 2024 ACFR consists of Management's representations concerning the financial information of the State of West Virginia. Consequently, Management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, Management of the State has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficiently reliable information for the preparation of the State's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the State's comprehensive framework of internal controls is designed to provide reasonable, rather than absolute, assurance that these financial statements are free from material misstatements. As Management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The State of West Virginia's financial statements were audited by Ernst & Young, LLP. The independent auditors concluded, based upon their audit and the reports of other auditors, that there was a reasonable basis for rendering an unmodified opinion.

## **Profile of the Government**

The State of West Virginia provides a full range of services including education, social and health services, transportation, public safety, conservation of natural resources, and economic development. In addition to general government activities, this report includes financial information regarding various discretely presented component units which are financially accountable to the State, or for which the nature and significance of their relationship with the State are such that their exclusion would cause this report to be misleading or incomplete. The criteria used to determine financial accountability of a particular entity are the appointment by a state official of a voting majority of the entity's governing body and (1) the ability of the State to impose its will on that entity or (2) the potential for the entity to provide specific financial benefits to or impose specific financial burdens on the State. See Note 1 (Summary of Significant Accounting Policies) for a comprehensive discussion of the criteria used in determining the State's financial reporting entity.

Budgetary control is maintained through legislative appropriations and the Executive Branch quarterly allotment process. Agencies submit budgetary requests to the State Budget Office. The State Budget Office compiles the Executive Budget on behalf of the Governor, who submits it to the Legislature for final approval. After the approval of the budget, the State Budget Office maintains control over the spending units of the State at the activity level and by use of the quarterly allotments of General Revenue appropriations. Total allotments cannot exceed total budget bill appropriations. The State Auditor exercises control over spending at the annual line item appropriation level. All appropriations, except funds which are re-appropriated, expire 31 days after the fiscal year-end. All governmental funds, including special revenue funds, are controlled by this process and annually appropriated and allotted, accordingly. The State Budget Office is responsible during the year for evaluating all proposed payroll changes, encumbering all planned expenditures, and preventing expenditures from exceeding appropriations for each agency. Meanwhile, the State Auditor and State Treasurer are prohibited by law from issuing a state check that exceeds the amount appropriated.



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The Honorable Members of the West Virginia Legislature  
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All appropriation requests that are above the current fiscal year level amounts are submitted as a separate “improvement package” stating the amount, purpose, benefits, and needs of the additional funding. Appropriation requests are reviewed by the Secretary of Revenue, the State Budget Office, and the Governor’s Office but only after budget meetings held with the spending units to discuss their requests. A discussion of the State’s annual budget process is included as Required Supplementary Information immediately following the Notes to the Financial Statements.

## Economic Review

West Virginia stands at the forefront of energy research and boasts a multifaceted energy portfolio encompassing coal, natural gas, wind, hydroelectric, geothermal, biomass and solar resources. West Virginia plays a pivotal role as a net contributor of electricity to the regional grid and consistently ranks within the top five states for interstate electricity sales. West Virginia continues to uphold its reputation for providing cost-effective energy solutions. West Virginia is a net electricity supplier to the regional grid and is among the top 5 states in the nation in net interstate electricity sales.

West Virginia has the 2nd lowest workers compensation rates, according to Oregon Consumer Business Services, 2022. West Virginia was also ranked 3rd in best cost of doing business by CNBC’s America’s Top States for business, 2024. Additionally, Bureau of Economic Analysis 2023 ranks West Virginia 9th in best gross domestic product growth and Tax Foundation Index, 2024, ranked West Virginia 22nd in the state business climate tax ranking.

West Virginia is committed to expanding its economic diversity, embracing a range of industries encompassing technology, chemicals and polymers, automotive, manufacturing, natural gas, aerospace, metals, fulfillment distribution and building products.

Prominent global enterprises and institutions have chosen West Virginia as their destination for expansion, drawn by the favorable business environment and the highly productive workforce. The following instances highlight the State’s economic growth throughout fiscal year 2024:

Company Name	Number of Jobs Created	County
VA Laundry Project	220	Berkeley
TeMa 2023	40	Jefferson
DALB Expansion	200	Jefferson
Human Biosciences	100	Berkeley
SMR	125	Nicholas
LG Nova	275	Monongalia, Cabell, Mercer
Peacock Manufacturing	35	Hardy



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REV Capon Bridge Solar Project	2	Hampshire
Northstar Technologies	45	Harrison
RecycleBalls WV Expansion	5	Barbour
Pillar Innovations	15	Monongalia
Worley	50	Kanawha
KCI Aviation	45	Taylor
Guntry	66	Ohio
Dura-Trac	4	Jefferson
Gestamp	520	Kanawha
Chico Enterprises	40	Monongalia
Fidelis Infrastructure	350	Mason
Alcon	500	Cabell
Clean Seas	40	Kanawha
Treplar	500	Berkeley
AquaBanq	15	Hampshire
TCL Specialties	50	Marshall
Aurora Flight Sciences-A Boeing Company	150	Harrison
Shur Solution	7	Jefferson
Paper Mettler KG	84	Hardy
First Tool	10	Berkeley

Looking forward, other significant developments for the latter part of 2024 and 2025 include:

- Babcock & Wilcox (B&W), a global leader in energy and environmental technologies, is making a \$125 million investment in Mason County. Babcock & Wilcox's investment will focus on the deployment of their BrightLoop™ low-carbon hydrogen technology, a pioneering approach to hydrogen production. This cutting-edge technology leverages a novel chemical looping process to produce low-carbon hydrogen, steam, or syngas while isolating carbon dioxide (CO<sub>2</sub>) for capture and storage. This development will initially create 28 high-paying jobs, with potential for future expansion as the company continues its innovative efforts in the energy sector.
- HandCraft Services, a leading provider of medical linen and apparel products, will be investing \$59 million to open a new facility in Berkeley County, creating 220 new jobs. The family-owned and operated business plans to invest \$59 million in the construction of two new plants. Plant 1 is expected to open in 2025 and Plant 2 is slated to open in 2026.
- Prime 6, a leading innovator in sustainable wood products, will establish a new manufacturing facility in Buckhannon. This significant \$35 million investment is expected to create 75 jobs in the region. Prime 6's new facility is set to begin operations

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The Honorable Members of the West Virginia Legislature  
Citizens of the State of West Virginia

in the coming months, with job openings to be announced soon. The company's presence in Buckhannon is expected to have a positive ripple effect throughout the local economy, benefiting suppliers, businesses and residents.

These investments reflect the increasingly diversified nature of the economy that West Virginia is building. West Virginia is well positioned as the ideal location for new and expanding companies that want to create good jobs in the State. West Virginia provides access to:

- Skilled and flexible workforce that has earned a reputation for dedication, loyalty and low turnover rate
- Business taxes that are among the lowest in the country
- West Virginia is approximately 5.1% below the national average for industrial electricity and approximately 17% below the national average for residential electricity rates;
- A strategic location within an eight-hour drive to half the U.S. population and a third of the Canadian market
- A community and technical college system that is highly responsive to business and workforce needs
- High quality of life, low cost of living and unparalleled outdoor recreational activities.

## **Major Initiatives**

### Pro-Growth Tax Reforms

West Virginia enacted significant business tax reductions between 2006 and 2011 to help boost future investment in the State's economy. The Corporation Net Income Tax rate was reduced from 9 percent to 6.5 percent. In addition, West Virginia eliminated the Business Franchise Tax, the Corporate Charter Tax, the Telecommunications Tax, and a Business Registration Fee renewal requirement. The latest estimates project a net reduction of more than 70 percent in Corporation Net Income Tax for businesses over a 10-year period.

Beginning in 2022, the general multi-state business apportionment formula for income tax purposes changes from a three-factor formula involving the share of payroll, property, and sales in West Virginia to a single sales factor formula. As a result of this change, multi-state businesses with property and/or payroll in West Virginia face no direct marginal increase in tax liability associated with a decision to expand their physical presence in the State. An increase in either property investment or payroll in West Virginia has no direct impact on future multi-state business net income tax liability in the State.

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Citizens of the State of West Virginia

West Virginia enacted a significant personal income tax reduction beginning in 2023. Income tax rates were reduced by 21.25 percent with the top marginal rate falling from 6.5 percent to 5.12 percent. Small business corporations, partnerships, limited liability companies and sole proprietors all benefit from these lower tax rates along with employees earning a paycheck. Beginning in 2024, the State offered refundable income tax credits equal to 100 percent of local West Virginia property taxes paid on qualified motor vehicles and 50 percent of local West Virginia property taxes paid on qualified tangible personal property for small businesses with total appraised tangible personal property valued at \$1 million or less.

Additional income tax rate cuts beginning in 2025 depend on a trigger mechanism that potentially activates once a year based on a comparison between total general revenue fund collections less severance tax collections for the prior year with inflation adjusted non-severance tax revenues from the fiscal year 2019 base year. Measured annual collections above inflation adjusted base year collections become the amount available for additional income tax rate cuts beginning in the following tax year.

Fiscal year 2024 General Revenue Fund collections less severance tax collections totaled more than \$5.341 billion in comparison with inflation adjusted base year revenues of more than \$5.248 billion. The excess amount above inflation of nearly \$93.3 million equaled more than 4% of total fiscal year 2024 personal income tax collections. Therefore, income tax rates in 2025 will fall by 4% with the top marginal tax rate declining to 4.92%.

In addition to lower taxes, West Virginia offers a variety of tax credits, exemptions, and special valuations for new and existing companies. Credits for manufacturers and certain other types of businesses that create new jobs can offset up to 100 percent of the State's business taxes. There are special valuations on aircraft, high technology, pollution abatement equipment and property tied to specified customer supplier relations, which can dramatically reduce property taxes; and exemptions for manufacturers can eliminate sales tax for goods used in manufacturing. There are new tax credit programs that are now available for customer fulfillment and distribution centers as well as ethane cracker facilities.

### Roads and Highways

During fiscal year 2024, the West Virginia Division of Highways (WVDOH) continued work on several of its major initiatives around the state including Corridor H, the Nitro and Barboursville bridge projects on I-64, the Welch to WV 16 portion of the Coalfields Expressway, and the I-79 Bridge Bundles projects, to name a few. It is also worth noting that one major initiative from fiscal year 2023, finishing the Scott Miller Hill Bypass, has now been completed. During 2024, the WVDOH authorized a total of 1,429 highway and bridge construction projects statewide. Rugged mountainous terrain and numerous streams and rivers characterize the topography of the state and consequently, West Virginia's road system includes 7,279 vehicular bridges, of which the WVDOH is responsible for 7,168. The WVDOH's bridge program for this year, enhanced by an ongoing infusion of general obligation and turnpike bond sales proceeds, in conjunction with the traditional state-funded and federal-aid programs, allowed for 175

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construction starts on bridge initiatives ranging from full replacement to deck overlays. The WVDOH's resurfacing program consisted of 1,230 projects, which addressed approximately 2,787 miles of roadway.

### State Park Enhancements

The West Virginia State Park system is a recognized leader in park systems in the United States and features a multitude of full-service restaurants, developed campgrounds, vacation lodges, spas, golf courses, cabins ranging from pioneer to contemporary styles, conference centers, a tourist railroad, aerial tramways, zip line, rail trails, an island and a major ski resort.

The system is composed of 36 state parks, 9 state forests and 3 rail trails: the Greenbrier River Trail, the Elk River Rail Trail, and the North Bend Rail Trail. Facility inventory includes 798 lodge rooms, 358 cabins, 1,546 campsites, 152 picnic shelters and 559 playground units. More than 700 miles of hiking trails are available across 46 areas.

Along with marketing efforts, revenues of our state park system have continued to increase since the pandemic of 2020. Fiscal year 2024 saw an increase of \$2.3 million over last fiscal year, with total revenues generated of slightly over \$39 million. This is a significant jump from pandemic level revenues of \$21 million in fiscal year 2020.

In 2023, DNR recommissioned a study to renew the understanding of the economic impact of West Virginia State Parks and Forests on the state and its citizens. A key finding of this study was that the total economic impact of the system annually was \$482.98 million dollars.

### Workers' Compensation Reforms

The Workers' Compensation program was privatized in 2006 from a monopolistic system to an open, competitive market. The transition has been hugely successful with 354 carriers filing to offer workers' compensation insurance to West Virginia policyholders. Since privatization, the workers' compensation market has experienced approximately \$481 million in premium savings after 20 consecutive loss cost decreases. The most recent decrease of 9.1% results in a cumulative 82.6% loss cost reduction from pre-reform workers' compensation levels. In addition to the voluntary market loss cost decreases, the assigned risk market is one of the lowest in the nation by policy count and has also had rate decreases over the last several years. This is a tremendous accomplishment for the State and is a testament to the hard work, cooperation, and partnerships of the Offices of the Insurance Commissioner, the National Council on Compensation Insurance, Inc. (NCCI), private carriers, and the employers of the State of West Virginia.

Prior to privatization, the unfunded liability for the former Workers' Compensation Fund exceeded \$3 billion. As of June 30, 2024, the Workers' Compensation Old Fund has a positive net balance of \$33 million. The significant reduction in the unfunded liability demonstrates West Virginia's focus on fiscal responsibility.

The Honorable Jim Justice, Governor  
The Honorable Members of the West Virginia Legislature  
Citizens of the State of West Virginia

### Environmental Protection Initiatives

In fiscal year 2024, the West Virginia Department of Environmental Protection's (WVDEP) Rehabilitation Environmental Action Plan (REAP) awarded 22 recycling assistance grants totaling \$1,999,341 to local governments, universities, private and nonprofit organizations. The purpose of these grants is planning, initiating, expanding, and upgrading recycling programs, providing related public education programs, and assisting in recycling market procurement efforts. Additional grants awarded by REAP include 12 covered electronic devices recycling grants totaling \$85,950 to conduct electronic collections events and programs; and 25 litter control grants totaling \$52,550 to initiate, continue or expand local litter control programs.

The Office of Abandoned Mine Lands and Reclamation (AMLR) completed 6 reclamation projects totaling \$2.26 million and 17 emergency projects totaling \$3.2 million. AMLR solicited bids for 4 waterline construction projects at a cost of \$10.8 million and 8 Abandoned Mine Land Economic Revitalization (AMLER) projects at a total cost of \$15.5 million. The waterline projects brought drinking water to citizens whose drinking water was affected by mining activity that occurred before enactment of the Federal Mining Act in 1977, which requires companies to reclaim the land when mining ceases. The AMLER program is intended to help fund projects in AMLR impacted areas that will promote economic revitalization of those areas.

Through the Drinking Water Treatment Revolving Fund, WVDEP disbursed more than \$20.9 million to communities for municipal sewer projects under construction. They also closed 13 new loans and amendments to drinking water projects that were worth \$38.2 million. There are currently 34 binding commitment letters and/or loan agreements that have been issued for additional projects, worth \$177.6 million.

Through the Clean Water State Revolving Fund, WVDEP disbursed more than \$45.9 million to communities for municipal sewer projects under construction. They also disbursed \$350,000 to the onsite system loan program and closed 17 new loans and amendments to municipal construction projects that were worth \$71.6 million. There are currently 42 binding commitment letters and/or loan agreements that have been issued for additional projects worth \$178 million.

### **Long Term Financial Planning and Relevant Financial Policies**

To continue disciplined financial management, the State adheres to certain financial policies and prepares a long-term financial plan.

#### Long-Term Financial Planning

The State's Six Year Financial Plan includes information on anticipated General and Lottery Funds revenues and expenditures over a six-year horizon with the goal of providing

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policymakers and citizens a clear understanding of not only the current budget, but also the larger, long-term implications of budget decisions on the State's future fiscal outlook.

### Financial Policies

Under current law, the State is required to deposit the first 50% of all surplus funds from the General Fund accrued during the fiscal year just ended into the Revenue Shortfall Reserve Fund A (Rainy Day Fund) until the aggregate amount of balance in the combined Revenue Shortfall Reserve Funds A and B equal at least 20% of the prior three-year average of total General Fund appropriations as stated in Title II, Section 1 of the approved budget bills for such years. For the fiscal year ending June 30, 2024, the 20% funding requirement was \$933,687,075, a smaller amount than the actual Rainy Day Fund balance total of \$1,256,164,594. Therefore, no additional funding contribution was required.

### Strong Financial Performance

In 2024, falling energy prices and the implementation of a historically large personal income tax rate cut resulted in a General Revenue Fund decline of nearly \$773 million or 11.9% from record setting collections in the prior year. However, final collections were still nearly \$590 million ahead of official estimates.

Fiscal year 2024 surplus General Revenue appropriations included: a fiscal year 2024 General Revenue Surplus Section total of over \$1.1 billion, 2023 1<sup>st</sup> Extraordinary Session surplus General Revenue supplemental appropriations of \$522.8, \$217.6 million in surplus General Revenue supplemental appropriations passed during the 2024 Regular Session and \$82.3 million in surplus General Revenue in the 2024 1<sup>st</sup> Extraordinary Session to the Higher Education Policy Commission.

After the Governor's veto, the Legislature's FY 2025 final approved budget included \$69 million in fiscal year 2025 General Revenue Surplus Section appropriations (based on FY 2024 Surplus General Revenue.) The fiscal year 2024 2<sup>nd</sup> Extraordinary Session appropriated an additional \$498.3 million in General Revenue surplus supplemental funding for FY 2025. Major surplus appropriations included an additional \$135 million for Economic Development projects, \$100 million for water and infrastructure projects and federal fund grant match, and \$87 million for PEIA to maintain the statutory reserve balance.

### **Conclusion**

West Virginia continues to aggressively address the fiscal challenges associated with a changing economy. During Fiscal Year 2024, the State was able to manage its budgetary demands in a challenging economic environment. Governor Jim Justice and the members of the State Legislature worked collaboratively to ensure that financial and strategic decisions were made for the betterment of the State's citizens so that programs and services continue to operate efficiently. Meanwhile, our state's leadership also maintains a competitive atmosphere for current and future businesses to ignite job growth.



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### **Certificate of Achievement**

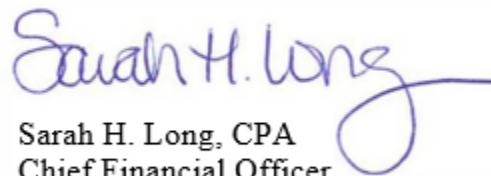
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of West Virginia for its ACFR for the fiscal years ended June 30, 1995 through 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements. We are again submitting it to the GFOA for consideration.

### **Acknowledgments**

The annual budget document, prepared by the State Budget Office, provides additional information related to budget priorities and goals, including acknowledgement of significant accomplishments of various agency programs. The budget document has received the GFOA's Award for Distinguished Budget Presentation Program for the fiscal years 1997 through 2024 budgets.

The 2024 ACFR is an example of Governor Justice's unwavering belief in, and commitment to, the State's fiscal responsibility and accountability. Acknowledgment is given to the State Legislature and its leadership for their shared commitment to sound budgeting and to meeting the financial obligations of the State. This report would not be possible without the support of all West Virginia State agencies. The State's continued success directly depends on their cooperation and support.

Sincerely,



Sarah H. Long, CPA  
Chief Financial Officer  
State of West Virginia



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**State of West Virginia**

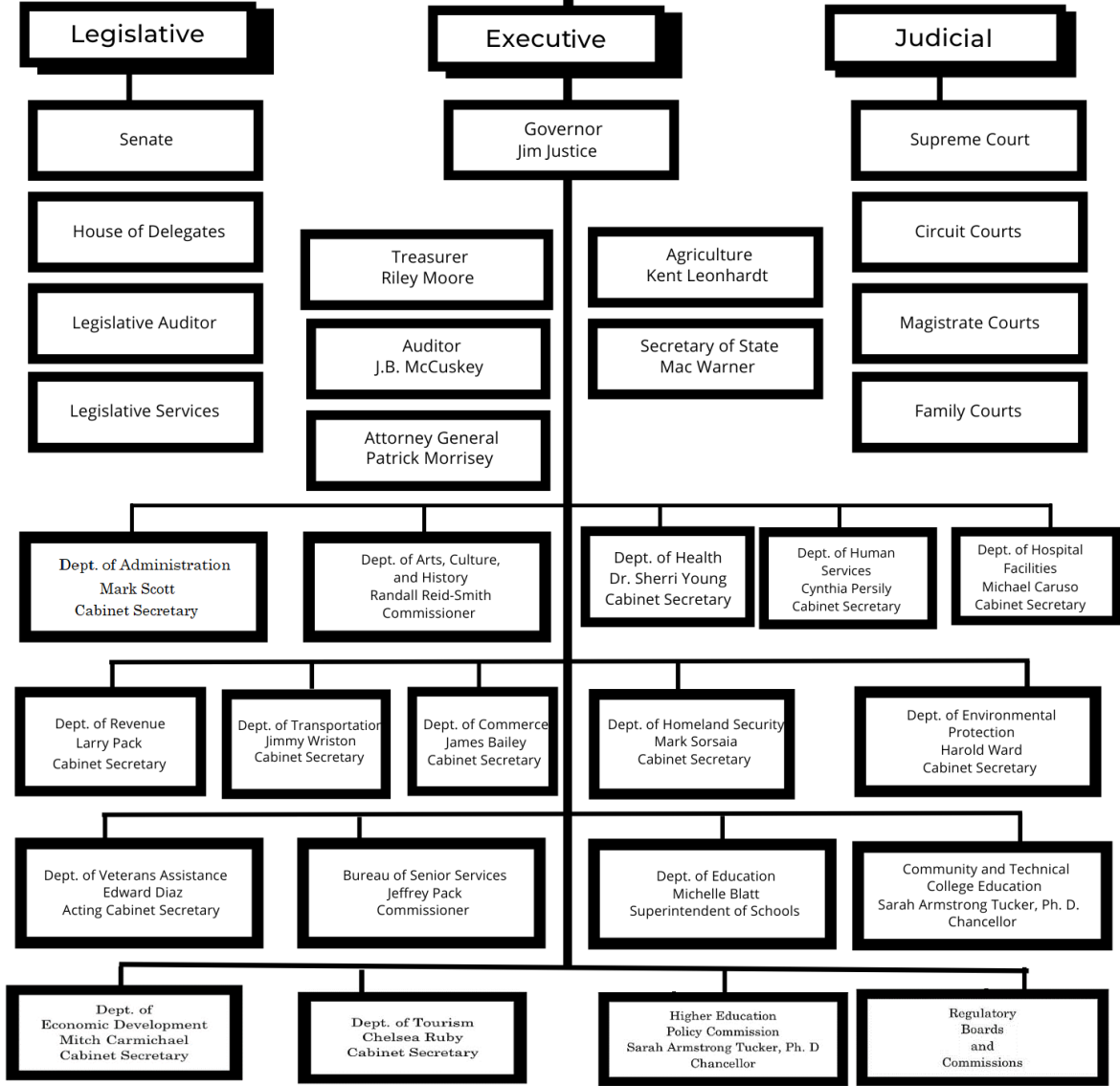
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

# ORGANIZATION CHART



As of June 30, 2024

# State of WEST VIRGINIA Principal Officials

<b>Executive Branch</b>	<b>Legislative Branch</b>	<b>Judicial Branch</b>
Governor Jim Justice	Senate President Craig Blair	Supreme Court Chief Justice John A. Hutchison
Agriculture Commissioner Kent Leonhardt	Speaker of the House Roger Hanshaw	Supreme Court Justice Tim Armstead
Attorney General Patrick Morrisey	Chairman Senate Finance Eric Tarr	Supreme Court Justice Haley Bunn
State Auditor J.B. McCuskey	Chairman House Finance Vernon Criss	Supreme Court Justice Elizabeth D. Walker
Secretary of State Mac Warner		Supreme Court Justice William R. Wooten
State Treasurer Riley Moore		

# *Financial Section*



Report of Independent  
Auditors

Management's Discussion  
and Analysis



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## Report of Independent Auditors

The Honorable Jim Justice, Governor  
of the State of West Virginia

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of West Virginia (the State), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the State’s basic financial statements as listed in the table of contents (collectively referred to as the “basic financial statements”).

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State at June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of certain entities or funds within the governmental activities, the business-type activities, the aggregate discretely presented component units, certain major funds, and certain entities or funds within the aggregate remaining fund information, which represent 56% of total assets, 63% of net position, and 15% of total revenues for the governmental activities; 94% of total assets, 97% of net position, and 44% of total revenues for the business-type activities; 100% of total assets, net position, and revenues for the aggregate discretely presented component units; 98% of total assets, 98% of fund balance, and 99% of revenues of the major Transportation Fund; 100% of total assets, fund balance/net position, and revenues of each of the following major funds—Tobacco Settlement Finance Authority, State Road Fund, Water Pollution Control Revolving Fund, Workers’ Compensation, Unemployment Compensation, West Virginia Infrastructure and Jobs Development Council, and Board of Risk and Insurance Management; and 92% of total assets, 93% of net position, and 51% of the total revenues for the aggregate remaining fund information, respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for certain entities or funds within the governmental activities, the business-type activities, the aggregate discretely presented component units, certain major funds, and certain entities or funds within the aggregate remaining fund information, are based solely on the reports of the other auditors.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 State, 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 of material misstatement, whether due to fraud or error.

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 State's ability to continue as a going concern for 12 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 GAAS 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 GAAS, 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 State'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 State’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, budgetary comparison information for the general fund and each major special revenue fund, Schedule of the State’s Proportionate Share of the Net Pension Liability (Asset) Multiple-Employer Cost Sharing Plans, Schedule of State’s Contributions - PERS, Schedule of State’s Contributions - PERS, Schedule of State’s Contributions - TRS, Schedule of State’s Contributions - Single Employer Plans, Schedule of Changes in the State’s Net Pension Liability (Asset) and Related Ratios, Schedule of the State’s Proportionate share of the Net OPEB Liability (Asset) Multiple-Employer Cost Sharing Plan, Schedule of State Contributions for the OPEB Plan and the Schedule of State Contributions – OPEB Special Funding Situation 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 GAAS, 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 State’s basic financial statements. The combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are 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. 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 GAAS. In our opinion and the report of other auditors, the combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



## Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Ernst & Young LLP*

December 13, 2024

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the State of West Virginia's (the State) Annual Comprehensive Financial Report presents management's discussion and analysis of the State's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the transmittal letter in the Introductory Section of this report and the State's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

#### **Government-wide**

The assets and deferred outflows of resources of the primary government exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$16.6 billion, reported as net position. Governmental activities reported \$13.8 billion in net position, a \$439 million increase, up 3% from last year, while the business-type activities reported net position of \$2.7 billion, an \$89 million increase.

#### **Fund Level**

At year-end, the governmental funds reported combined fund balances of \$6.9 billion, a decrease of \$525 million, or 7% lower than the prior year. The unrestricted fund balance, including the committed, assigned, and unassigned balances, was \$4.9 billion. The nonspendable balance was \$146 million, and \$1.8 billion was restricted to capital projects, debt service, general government operations, development, tourism and recreation, education, health and social services, public protection, and transportation.

#### **Long-Term Obligations**

There was a net decrease in the State's long-term obligations of \$430 million. The Governmental Activities decreased by \$348 billion and the Business-type Activities decreased by \$83 million. The net decrease of \$430 million primarily consisted of a decrease in net pension liability in the amount of \$373 million, a decrease in other net postemployment benefit liability of \$72 million, an increase of \$282 million in accrued and other liabilities, and an increase in payments on bonds, other financing debt, and notes payable in the amount of \$202 million. The increase in accrued and other liabilities is related to an increase in Medicaid of \$9 million, an increase of \$181 million in tax refunds, and a increase of \$66 million in claims and judgments.

The insurance and compensation benefits liability decreased \$73 million. The decrease consisted of an \$75 million decrease at the Board of Risk and Insurance Management (BRIM) due to the reduction to the overall outstanding claims liability due to proper claims management. There was an \$40 million decrease at the Offices of the Insurance Commissioner due to an increase in claims paid. There was a \$35 million increase at the Public Employees Insurance Agency in claims payable due to more in claims incurred but not reported and higher current claims costs. See Note 15 for a more detailed explanation about risk management.

See Notes 10, 11 and 12 for more information relating to bonds, other financing debt, notes payable, right-to-use leases, and subscription based arrangements.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the State of West Virginia's basic financial statements. The basic financial statements include the government-wide financial statements, fund financial statements, and notes to the financial statements.

The basic financial statements include two kinds of statements that present different views of the State. The statement of net position and the related statement of activities are *government-wide financial statements* that provide both long-term and short-term information about the State's overall financial status. The remaining statements are *fund financial statements* that focus on individual parts of the State's government, reporting the State's operations in more detail than the government-wide statements. The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that presents budgetary comparisons, pension plans, and Other Postemployment Benefits (OPEB) plan information as required by the Governmental Accounting Standards Board (GASB). In addition to these required elements, we have included a *combining financial statements and schedules* section that provides more details about our nonmajor governmental funds, nonmajor proprietary funds, fiduciary funds, and nonmajor discretely presented component units.

### **Government-wide Statements (Reporting the State as a Whole)**

The statement of net position and the statement of activities together comprise the government-wide statements, which report information about the State as a whole using the full accrual basis of accounting, similar to those used by private-sector companies. This means all revenues and expenses are recognized regardless of whether cash has been received or paid, and all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term debt, are reported at the entity level.

The government-wide statements report the State's net position, the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources, and how they have changed from the prior year. In evaluating the State's overall condition, additional nonfinancial factors should be considered, such as the State's economic outlook, changes in its demographics, and the condition of its capital assets, including infrastructure.

The activities on the government-wide financial statements are divided into three categories:

- *Governmental activities* – Most of the State's basic services are included under these activities, such as education, health, health facilities, and human services, military affairs and public safety, judicial, and administration. Personal income taxes and consumer sales taxes finance most of these activities.

- *Business-type activities* – The State charges fees to customers to help it cover all or a significant portion of the costs of certain services it provides. The West Virginia Public Employees Insurance Agency and BRIM, among other funds, are examples of these activities.
- *Component units* – The State includes several other entities in its report for which it is financially accountable, such as the West Virginia Housing Development Authority, Lottery, Parkways Authority, and Higher Education. Separately issued financial statements are also available for these component units.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the State's *major funds*, not the State as a whole. Funds are accounting devices that the State uses to track specific sources of funding and spending for particular purposes. Certain funds are required by the West Virginia Constitution, and others are required by bond covenants. The State Legislature establishes other funds to control and manage money for particular purposes or to show that certain taxes and grants are used properly.

The State has three kinds of funds:

- *Governmental funds* – Most of the State's basic services are included in governmental funds, which focus on (1) *cash and other financial assets* that may readily be converted to cash flow in and out and (2) the balances left at year-end available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view to help determine whether there are more or fewer financial resources that may be spent in the near future to finance the State's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the pages immediately following each statement, explaining the relationship (or differences) between them and the government-wide statements.
- *Proprietary funds* – Proprietary funds include enterprise funds and internal service funds. They account for state activities that are operated in a manner similar to private-sector businesses. Like the government-wide statements, proprietary fund statements are presented using the accrual basis of accounting and provide both long- and short-term financial information. Services for which the State charges external customers a fee are generally reported in enterprise funds. Activities where customers are mostly other state agencies are accounted for in internal service funds. The internal service funds are consolidated with the governmental activities on the government-wide statements because they predominantly benefit the governmental rather than business-type activities.
- *Fiduciary funds* – Fiduciary funds account for assets held for the benefit of parties outside of state government. The State is the trustee, or *fiduciary*, for its employees' pension plans and other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. Fiduciary funds are comprised of



pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The State is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the State's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position, where applicable. These funds are excluded from the State's government-wide financial statements because the State cannot use these assets to finance its operations.

### **Reconciliation Between Government-wide and Fund Statements**

The financial statements contain schedules that reconcile the differences between the government-wide financial statements (long-term focus, accrual accounting) and the fund financial statements (short-term focus, modified accrual accounting). The following summarizes the primary differences between modified accrual to accrual accounting:

- Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements.
- Capital outlay spending results in expenditures on the governmental fund statements; however, on the statement of activities, the cost of capital assets is allocated over their useful lives as depreciation expense. The excess of capital outlay over depreciation expense is included on the government-wide statement of activities.
- Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces the long-term liabilities on the government-wide statement of net position.
- Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflow of resources, liabilities, deferred inflows of resources, and net revenue of the internal service funds are reported with governmental activities on the government-wide statements.
- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statements but are deferred inflows of resources on the governmental fund statements.
- Some revenues and expenses reported in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported as revenues and expenditures in the funds.
- Net pension and OPEB liabilities or assets, along with related deferrals, are reported on the government-wide statements but not reported in the funds.

## Notes to the Financial Statements

The notes provide additional schedules and information that are essential to a complete understanding of the financial statements. The notes apply to both the government-wide financial statements and the fund financial statements.

### Required Supplementary Information

Following the basic financial statements is the required supplementary information related to budgetary comparison schedules for the governmental funds, with legally adopted annual budgets, pension plans, and OPEB plan information, along with notes with explanatory information.

### Combining Financial Statements and Schedules

The combining financial statements and schedules include combining statements for the State's nonmajor governmental funds, nonmajor proprietary funds, fiduciary funds, and nonmajor discretely presented component units.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The chart below represents financial information derived from the government-wide statement of activities and reflects the State's net position as of June 30, 2024 and 2023 (expressed in thousands):

**Net Position as of June 30**  
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 10,137,434	\$ 10,291,743	\$ 4,391,607	\$ 4,367,871	\$ 14,529,041	14,659,614
Capital Assets	11,570,275	11,000,686	2,363	2,527	11,572,638	11,003,213
Total Assets	21,707,709	21,292,429	4,393,970	4,370,398	26,101,679	25,662,827
Deferred Outflows of Resources	1,043,528	1,367,998	1,945	2,901	1,045,473	1,370,899
Current and Other Liabilities	2,801,934	2,547,860	438,384	493,223	3,240,318	3,041,083
Long-term Liabilities	5,836,608	6,289,100	1,236,422	1,247,619	7,073,030	7,536,719
Total Liabilities	8,638,542	8,836,960	1,674,806	1,740,842	10,313,348	10,577,802
Deferred Inflows of Resources	264,932	414,596	473	987	265,405	415,583
Net Position						
Net Investment in Capital Assets	10,027,422	10,966,906	2,363	2,527	10,029,785	10,969,433
Restricted	1,416,217	1,344,616	2,559,401	2,403,762	3,975,618	3,748,378
Unrestricted	2,404,124	1,097,349	158,872	225,181	2,562,996	1,322,530
Total Net Position	\$ 13,847,763	\$ 13,408,871	\$ 2,720,636	\$ 2,631,470	\$ 16,568,399	\$ 16,040,341

Comparing June 30, 2024 to June 30, 2023, government-wide balances, current and other assets decreased \$131 million due to a \$219 million decrease in Due from Other Governments and Component Units primarily from a decrease in American Recovery Plan Act (ARPA) funds. Also, changes in assumptions and return on investments for both the pension and OPEB funds, resulted in an asset being recorded in FY 24 for \$125 million. Current and other liabilities increased \$199 million due to an increase in Due to Component Units of \$124 million for State appropriations to Higher Education. Also, accrued and other liabilities increased \$91 million due to increases in Medicaid liability and Claims and Judgement liability related to landfill closures.

Long-term liabilities decreased \$464 million due to the change from a liability to an asset in FY 24 for both pension and OPEB and a decrease in bond payments of \$202 million. Significant changes in capital assets and long-term liabilities are discussed later in this Management's Discussion and Analysis.

Deferred Inflows decreased by \$150 million primarily due to changes in actuarial assumptions and methodology for pension and OPEB.

The State's combined net position, governmental and business-type, increased \$528 million over the course of this fiscal year's operations. The net position of the governmental activities increased \$439 million, and the net position of the business-type activities increased \$89 million. The increase in net position is due to the changes in net position described on the following pages.

### **Net Position**

The largest component of the State's net position is the amount invested in capital assets (e.g., land, buildings, equipment, infrastructure, and others), less any related debt outstanding needed to acquire or construct the assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. Capital assets are used to provide services to citizens; therefore, they are not available for future spending or to pay off their related liabilities.

Restricted net position composes 24% of total net position and is subject to constitutional, legal, or external constraints on how it can be used. Net position that is restricted include funds for construction projects, debt service, lending activities, insurance activities, transportation, public protection, and economic development and tourism programs of the State.

## Changes in Net Position

The chart below represents financial information derived from the government-wide statement of activities and reflects the State's total revenues, expenses, and changes in net position for the years ended June 30, 2024 and 2023 (expressed in thousands):

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 466,759	\$ 532,108	\$ 1,276,652	\$ 1,045,859	\$ 1,743,411	\$ 1,577,967
Operating Grants and Contributions	6,983,947	8,824,224	—	—	6,983,947	8,824,224
Capital Grants and Contributions	871,168	720,646	—	—	871,168	720,646
<b>General Revenues:</b>						
Personal Income Tax	2,073,393	2,629,514	—	—	2,073,393	2,629,514
Consumer Sales Tax	1,999,206	1,920,175	—	—	1,999,206	1,920,175
Business Taxes	887,718	1,454,652	—	—	887,718	1,454,652
Transportation Taxes	752,246	762,227	—	—	752,246	762,227
Other Taxes	749,483	709,891	—	—	749,483	709,891
Lottery Revenue	393,693	377,630	46,000	46,000	439,693	423,630
Other Revenue	1,100,345	757,770	191,126	107,498	1,291,471	865,268
<b>Total Revenue</b>	<b>16,277,958</b>	<b>18,688,837</b>	<b>1,513,778</b>	<b>1,199,357</b>	<b>17,791,736</b>	<b>19,888,194</b>
<b>Program Expenses:</b>						
Legislative	33,935	22,083	—	—	33,935	22,083
Judicial	132,090	107,734	—	—	132,090	107,734
Executive	350,372	350,893	—	—	350,372	350,893
Administration	363,022	318,337	—	—	363,022	318,337
Commerce	286,572	163,917	—	—	286,572	163,917
Environmental Protection	223,179	119,899	—	—	223,179	119,899
Employment Programs	51,726	63,160	—	—	51,726	63,160
Education	3,707,832	3,140,045	—	—	3,707,832	3,140,045
Health, Health Facilities, and Human Services	7,418,179	8,147,013	—	—	7,418,179	8,147,013
Homeland Security	614,736	520,974	—	—	614,736	520,974
Revenue	212,968	118,889	—	—	212,968	118,889
Transportation	1,791,421	1,426,056	—	—	1,791,421	1,426,056
Veterans Assistance	26,590	20,692	—	—	26,590	20,692
Senior Services	53,381	56,410	—	—	53,381	56,410
Regulatory Boards and Commissions	213,597	1,504,324	—	—	213,597	1,504,324
Tourism	27,826	28,578	—	—	27,826	28,578
Economic Development	114,926	104,964	—	—	114,926	104,964
Arts, Culture and History	36,494	34,276	—	—	36,494	34,276
Interest on Long-Term Debt	144,255	152,565	—	—	144,255	152,565
Interest on Lease Liability	3,760	3,757	—	—	3,760	3,757
Water Pollution Control Revolving Fund	—	—	13,230	11,410	13,230	11,410
Workers' Compensation Fund	—	—	72,545	31,265	72,545	31,265
Unemployment Compensation	—	—	169,192	127,567	169,192	127,567
West Virginia Infrastructure and Jobs Development Council	—	—	54,789	43,835	54,789	43,835
Public Employees' Insurance Agency	—	—	913,399	675,684	913,399	675,684
Board of Risk and Insurance Management	—	—	110,305	177,118	110,305	177,118
Other Activity	—	—	123,357	119,032	123,357	119,032
<b>Total Expenses</b>	<b>15,806,861</b>	<b>16,404,566</b>	<b>1,456,817</b>	<b>1,185,911</b>	<b>17,263,678</b>	<b>17,590,477</b>
Increase (Decrease) in Net Position Before Transfers	471,097	2,284,271	56,961	13,446	528,058	2,297,717
Transfers	(32,205)	(88,142)	32,205	88,142	—	—
<b>Increase (Decrease) in Net Position</b>	<b>438,892</b>	<b>2,196,129</b>	<b>89,166</b>	<b>101,588</b>	<b>528,058</b>	<b>2,297,717</b>
Net Position, Beginning of Year	13,408,871	11,212,742	2,631,470	2,529,882	16,040,341	13,742,624
<b>Net Position, End of Year</b>	<b>\$ 13,847,763</b>	<b>\$ 13,408,871</b>	<b>\$ 2,720,636</b>	<b>\$ 2,631,470</b>	<b>\$ 16,568,399</b>	<b>\$ 16,040,341</b>

## **Governmental Activities**

For the year ended June 30, 2024, the State's change in net position before transfers decreased by \$1.8 billion for governmental activities. Revenues decreased by \$2.4 billion, and expenses were also lower by \$598 million comparing the years ended June 30, 2024 and 2023.

The revenue decrease is primarily due to the decrease in operating grants and contributions of \$1.8 billion related to no additional American Recovery Plan Act (ARPA) funds being received in FY 24. Also, decreases in tax revenue related to personal income and business taxes.

Overall, tax revenue across all tax types decreased \$1 billion. Personal income tax revenue decreased by \$556 million due to legislation that was passed in March 2023 which decreased the personal income tax by 21.25%. This tax rate change went into effect for Tax year 2023. Business tax revenues decreased by \$567 million in 2024 due to significantly lower energy prices with natural gas prices falling by roughly 70% and average coal prices dropping more than 20%. The lower energy prices reduced the net yield of the severance tax.

Other revenue increased \$343 million. This was attributed primarily to a increase in investment earnings of \$199 million. Also, intergovernmental revenue for the Department of Transportation increased by \$200 million while collections for Unclaimed Property decreased by \$21 million due to a change in Unclaimed Property holder reporting.

Program expenses decreased approximately \$598 million in total.

- Department of Health, Health Facilities and Human Services expenses decreased by \$729 million due to decreases in American Rescue Plan Act (ARPA) expenditures.
- Education expenses were up \$568 million primarily due to increases in health insurance costs, statutory distributions to County school boards and federal sub-awards related to Higher Education Emergency Relief funds (HEERF).
- Regulatory Boards and Commissions expenses also decreased by \$1.3 billion due to decreases in ARPA expenditures.
- Transportation expenses increased by \$365 million due to maintenance expenses related to paving projects across the State and increases in General and Administrative expenses of \$111 million for across the board pay raises for State employees, increases in health care and general increases from inflation impacting equipment and inventory costs.
- The Department of Commerce had increased costs for case services and rehabilitation services and contractor payments for capital assets of \$123 million.
- Several other agencies had across the board increased costs related to personnel services and health insurance. In FY 24, the Governor gave all State employees an across the board salary increase of 5%.

The charts on the next pages depict revenues and expenses, respectively, of the governmental activities for the fiscal year. Approximately 39% of the total revenues came from personal income, consumer sales, business taxes, transportation, and other taxes, while 48% was in the form of grants and contributions (see Chart A). The State's governmental activities expenses include 47% for health and human resources and 24% for education (see Chart B).

### Chart A

#### 2024 Source of Revenue - Governmental Activities

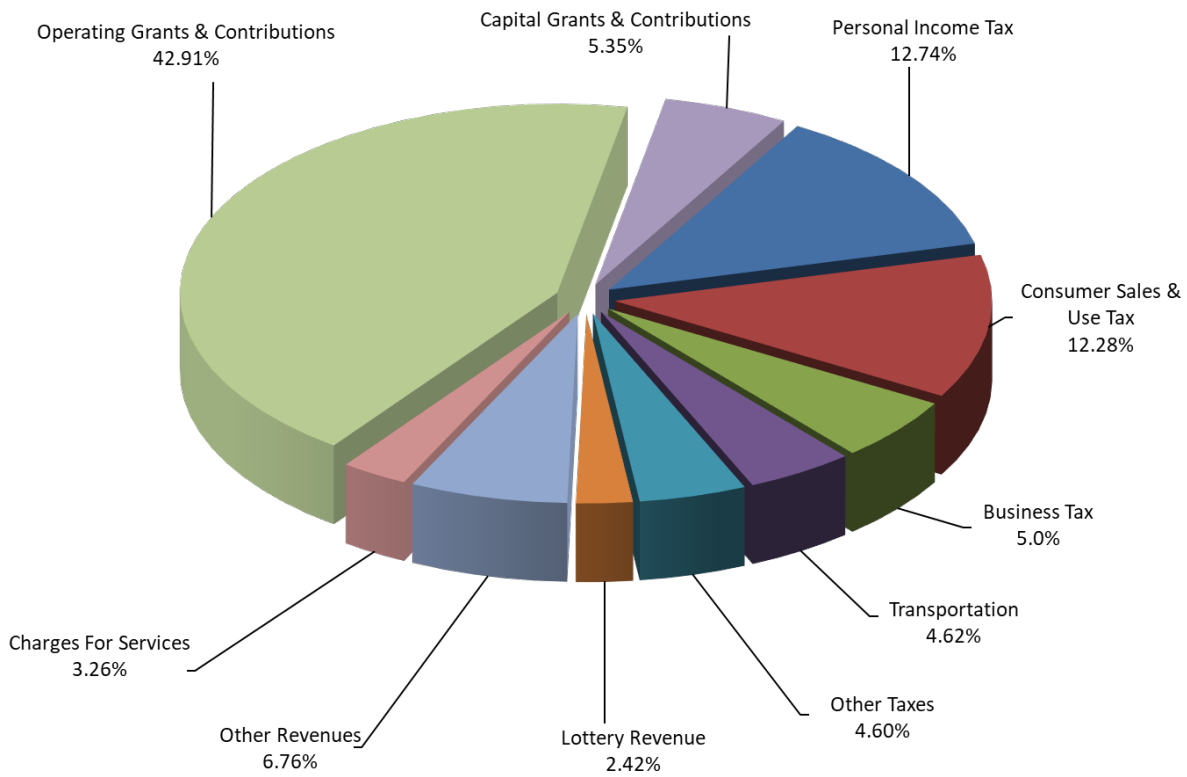
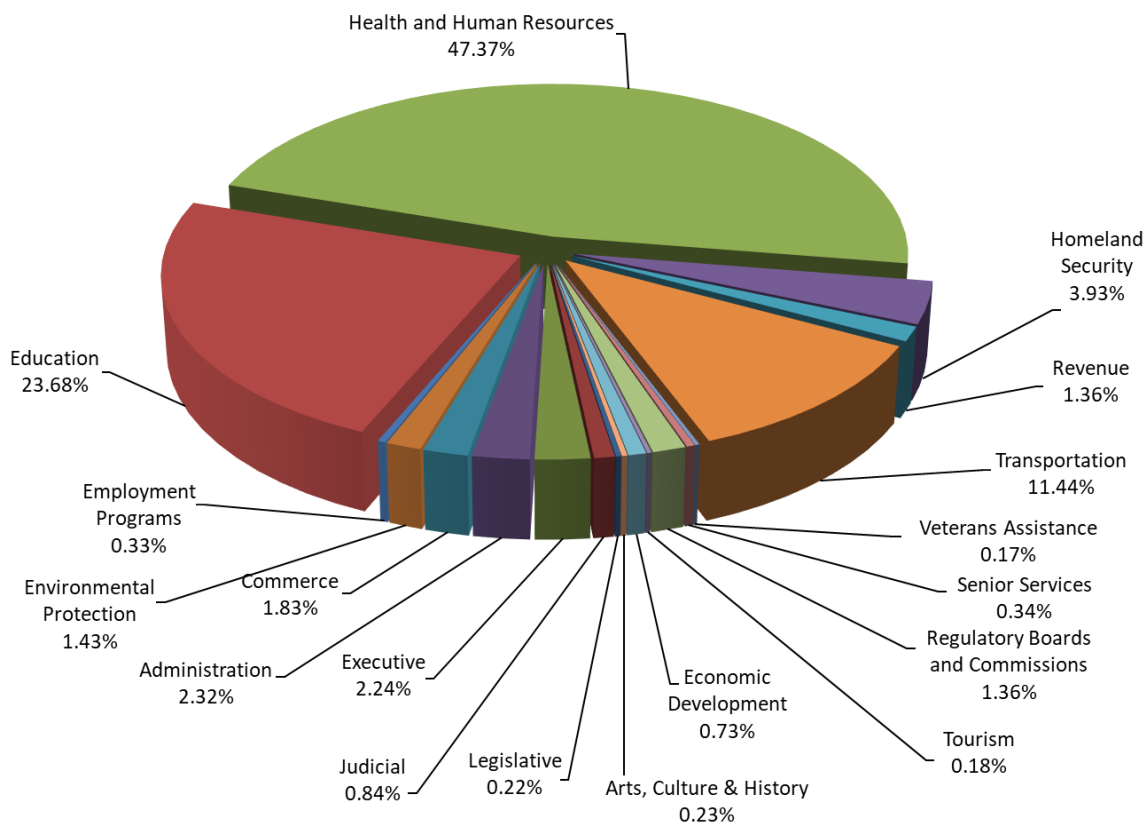




Chart B

2024 Functional Expenses - Governmental Activities



## **Business-type Activities**

For the year ended June 30, 2024, business-type change in net position after transfers decreased by \$12 million. Revenues increased by \$314 million and expenses increased by \$271 million with transfers decreasing by \$56 million comparing the years ended June 30, 2024 and 2023. Significant contributors to these changes were:

- Premium revenue increased \$208 million due to the “Pay Go” premium not being billed to employers, redirecting more of the health policy premium to Public Employees Insurance Agency (PEIA). In FY 24, PEIA also increased their premiums for both State and Non-State plans and implemented a spousal surcharge for family plans. BRIM also saw their premium revenue increase \$14 million due to BRIM increasing their premium rates to help cover increases in projected claims losses.
- Other revenue increased by \$84 million due to investment earnings increasing \$72 million due to overall market performance. Unemployment programs had an increase in other operating revenue of \$11 million as a result of an increase in interstate revenue due to the weekly benefit rate increasing.
- Overall expenses increased by \$271 million primarily due to increased claims expense for PEIA. Medical claims expense increased by \$174 million and drug costs increased by \$69 million. Also, the Unemployment Compensation Fund had an increase of \$42 million in corresponding Unemployment expenses. There was an increase in the maximum weekly benefit amount and the creation of additional wage classes that contributed to the increase in expenditures.
- Transfers decreased by \$56 million primarily due to PEIA not receiving a State appropriation in FY 24. In the prior year, PEIA received an appropriation of \$52 million to help meet the statutory reserve requirement to maintain no less than 10% of total costs in any fiscal year to offset unanticipated claims losses.

## **FINANCIAL ANALYSIS OF THE STATE’S FUNDS**

### **Governmental Funds**

The focus of the State’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the State’s financing requirements.

At the end of the current fiscal year, the State’s governmental funds reported a fund balance of \$6.9 billion, a decrease of \$525 million in comparison to that of the prior year.

There was a net decrease in revenue of \$2.2 billion. This was a result of a number of factors. General fund revenue decreased by \$2.6 billion. This is primarily due to intergovernmental revenue decreasing \$1.4 billion and food stamp revenue decreasing by \$428 million. Total tax revenues decreased by \$857 million due to a 21.25% decrease in the Personal Income tax rates enacted by the State legislature March 2023 and effective for tax year 2023 and a decrease in Business tax due to lower energy prices related to natural gas prices. Expenses were down by \$836 million, due to decreased spending of American Recovery Plan Act (ARPA) funds for many agencies. Majority of the ARPA funds were spent in fiscal year 2023. Expenses for the Department of Education increased by \$487 million due to increased health insurance costs, statutory distributions to county school boards, federal sub-awards transfers and other operating transfers. The Department of Transportation also had increased expenses of \$285 million for various Statewide Infrastructure projects throughout the State.

**Governmental Fund Balances at June 30, 2024**  
(Expressed in Thousands)

	General Fund	Transportation	Tobacco Settlement Finance Authority	State Road	Other Governmental Funds	Total
Nonspendable	\$ 50,823	\$ 94,284	\$ —	\$ —	\$ 1,006	\$ 146,113
Restricted	22,567	390,889	463,287	680,804	264,252	1,821,799
Unrestricted						
Committed	103,594	—	—	—	368,571	472,165
Assigned	16,654	417,661	—	—	7,730	442,045
Unassigned	4,014,443	—	—	—	280	4,014,723
<b>Total</b>	<b>\$ 4,208,081</b>	<b>\$ 902,834</b>	<b>\$ 463,287</b>	<b>\$ 680,804</b>	<b>\$ 641,839</b>	<b>\$ 6,896,845</b>

The General Fund is the chief operating fund of the State. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 28% of total General Fund expenditures, while total fund balance represents 30% of the same amount.

Cash and cash equivalents in the General Fund were down \$406 million, primarily due to decreased federal funding. General fund revenues also decreased in fiscal year 2024 from 2023 by \$2.6 billion. This decrease is due primarily to intergovernmental revenue decreasing \$1.4 billion and food stamp revenue decreasing by \$428 million. Tax revenue decreased by \$847 million. Revenues were \$452 million less than expenditures. Expenses for the General Fund also decreased by \$1.1 billion, with the majority of the decrease relating to the Regulatory board and commission function of \$1.3 billion in 2024. These expenditures are related to decreases in Federal ARPA funds spending.

At June 30, 2024, Transportation's total fund balance increased by approximately \$126 million from 2023. In fiscal year 2024 Transportation received a \$150 million supplemental appropriation from the State's General fund to support various road projects.

The Tobacco Settlement Finance Authority's fund balance decreased by \$15.5 million, primarily due to the amortization of deferred tobacco revenue.

State Road fund balance decreased by \$156 million due to construction expenses related to the Roads to Prosperity initiative which are funded by General Obligation bonds.

At year-end, nonmajor governmental funds had a net increase in fund balance of approximately \$59 million. There was an increase of \$679 thousand in construction to the state parks. Restricted fund balance is \$264 million, of which \$66 million was available for debt service; \$15 million to fund capital projects; \$75 million for development, tourism and recreation; \$131 thousand for education; and \$108 million for public protection. Committed fund balance is \$369 million, \$7 million for general government operations, and \$361 million for public protection.

### **Proprietary Funds**

The State's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Proprietary funds are composed of enterprise and internal service funds. Enterprise funds are used when services the State provides are charged to external customers. Internal service funds are used when services are provided to other state agencies. The six major enterprise funds include the Water Pollution Control Revolving Fund, Workers' Compensation Fund, Unemployment Compensation, West Virginia Infrastructure and Jobs Development Council, Public Employees Insurance Agency, and the Board of Risk and Insurance Management.

Other factors concerning the finances of the major enterprise funds have already been addressed in the discussion of business-type activities.

### **GENERAL REVENUE FUND BUDGETARY HIGHLIGHTS**

The final amended budget revenues were higher than the amount originally anticipated. The general revenue fund budget to actual overall revenue variance was \$590 million due to changes in revenue collection in several tax categories and other revenues. Personal income taxes increased \$186 million, consumer sales taxes increased \$37 million, corporate income/business franchise taxes increased by \$165 million, and severance tax increased \$26 million.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2024, the State had invested \$11.5 billion, net of accumulated depreciation, in a broad range of capital assets shown below. Depreciation and amortization expense for the year totaled \$436 million.

#### Capital Assets at June 30, 2024 (Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land and Improvements	\$ 1,566,398	\$ 1,539,533	\$ 611	\$ 611	\$ 1,567,009	\$ 1,540,144
Building and Improvements	1,015,044	1,023,759	1,434	1,568	1,016,478	1,025,327
Right-to-Use Buildings	97,389	100,585	—	—	97,389	100,585
Equipment	220,073	167,904	318	137	220,391	168,041
Library Holdings	580	761	—	—	580	761
Intangibles - Software	66,851	75,114	—	211	66,851	75,325
Intangibles - Land Rights	2,752	2,752	—	—	2,752	2,752
Subscription Asset, SBITA	21,308	16,352	—	—	21,308	16,352
Construction in Progress	2,573,919	2,401,809	—	—	2,573,919	2,401,809
Infrastructure	6,005,961	5,672,117	—	—	6,005,961	5,672,117
Totals, Net of Accumulated Depreciation	<u>\$ 11,570,275</u>	<u>\$ 11,000,686</u>	<u>\$ 2,363</u>	<u>\$ 2,527</u>	<u>\$ 11,572,638</u>	<u>\$ 11,003,213</u>

The total increase, net of disposals, accumulated depreciation, and accumulated amortization, in the State's net investment in capital assets for the current fiscal year, approximated \$570 million. The most significant changes in capital assets during the year were in the Transportation and Commerce functions. Transportation continues to expand the state road system, focusing primarily on upgrading existing roadways and completing the Appalachian Highway Corridor.

The \$172 million increase in construction in progress is due to increased projects in Transportation and offset by completed projects in the Division of Natural Resources. Transportation saw an increase of \$792 million for various bridge and roadway projects, including construction related to the Coalfields Expressway in Wyoming County, and Corridor H in Randolph County, offset by a decrease of \$653 million for completed projects that were placed in service. The Division of Natural Resources increased construction by \$9 million for improvement projects to numerous state parks, while completing \$13 million in construction projects.

The \$334 million increase in infrastructure is due primarily to Transportation's completed projects of \$642 million, offset by depreciation expense of \$306 million. Additional information concerning the State's capital assets can be found in Note 9 of this report and under the capital assets heading in Note 1.

**Long-Term Debt**

At year-end, the State had \$8.8 billion in bonds, other financing debt, notes payable, claims and judgments, compensated absences, right to use lease liability, subscription liability, net pension and OPEB liability, and other long-term obligations outstanding, as shown in the following table. The State’s general obligation bonds are rated AA by Fitch Investors Service, Moody’s Investors Service rating is Aa2, and Standard & Poor’s Corporation have an AA- rating.

The State’s general obligation debt must be authorized by constitutional amendment. A proposed amendment must be approved by two-thirds of both the Senate and the House of Delegates before it can be ratified or rejected by the voters. Once the amendment has voter approval, the Legislature must pass specific legislation authorizing the issuance of the general obligation debt. Revenue bonds are issued pursuant to specific statutory provisions enacted by the Legislature primarily for the purpose of financing capital construction. Neither the West Virginia Constitution nor its statutes establish a general limit on any type of debt, although certain agencies have debt limits in their specific Code sections.

**Outstanding Debt at June 30  
(Expressed in Thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 1,790,804	\$ 1,890,099	\$ —	\$ —	\$ 1,790,804	\$ 1,890,099
Revenue Bonds	1,159,089	1,229,363	136,480	144,165	1,295,569	1,373,528
Other Financing Debt	140,722	150,425	—	—	140,722	150,425
Notes Payable	3,407	18,094	—	—	3,407	18,094
Accrued and Other Liabilities	1,696,794	1,413,891	10,443	11,200	1,707,237	1,425,091
Insurance and Compensation Benefits	—	—	1,467,480	1,540,729	1,467,480	1,540,729
Compensated Absences	104,267	98,905	716	664	104,983	99,569
Right to Use Lease Liability	102,000	103,877	—	—	102,000	103,877
Subscription Liability-SBITA	20,677	15,927	—	—	20,677	15,927
Net Pension Liability	2,192,322	2,565,363	—	716	2,192,322	2,566,079
Net OPEB Liability	—	71,754	—	166	—	71,920
<b>Totals</b>	<b>\$ 7,210,082</b>	<b>\$ 7,557,698</b>	<b>\$ 1,615,119</b>	<b>\$ 1,697,640</b>	<b>\$ 8,825,201</b>	<b>\$ 9,255,338</b>



In FY 24, no new debt was issued. The decrease in general obligation and revenue bonds was due to debt service payments. Net Pension Liability decreased by \$374 million primarily due to contribution revenue being higher than prior year and an increase in investment revenue. The retirement system investment assumption that the State would receive a 7.5% return on invested assets was in line with the overall market return in the current fiscal year. Net OPEB Liability decreased by \$72 million due to changes in demographics and change in actuarial assumptions and methodologies. In FY 24, the State recorded a Net OPEB asset instead of a liability. See Notes 10 for more information relating to the State's long-term debt activity.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The general revenue estimate for FY 2025 is projected to be \$5.26 billion. Our current FY 2024 General Revenue actual collections are projected to be more than the official revenue estimate by as much as \$590 million. The Lottery Funds' actual revenue collections for FY 2024 were more than their original estimates. Lottery revenues are projected to remain flat in FY 2025 and remain that way through FY 2029.

The budget for FY 2025 includes significant expenditure decreases for executive, administration and revenue. The decrease in expenditures is consistent with the commitment to provide a balanced budget and long-term fiscal stability.

## **CONTACTING THE STATES FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Financial Accounting and Reporting Section, 2101 Washington St. East, Building 17, 3rd Floor, Charleston, WV 25305.



# *Basic Financial Statements*



Government-Wide

Major Funds

Notes 1-17

**Statement of Net Position  
June 30, 2024  
(Expressed in Thousands)**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 6,497,471	\$ 2,061,562	\$ 8,559,033	\$ 2,563,578
Investments	1,379,905	118,482	1,498,387	169,502
Receivables, Net	1,109,901	151,961	1,261,862	326,282
Due from Other Governments	529,847	21,214	551,061	2,044
Due from Primary Government	—	—	—	152,511
Due from Fiduciary Funds	170	8,632	8,802	6
Due from Component Units	183,947	6,926	190,873	—
Internal Balances	(1,753)	1,753	—	—
Inventories	107,708	60	107,768	23,339
Other Assets	4,559	13,827	18,386	37,597
Restricted Assets:				
Cash and Cash Equivalents	326	185,042	185,368	345,441
Investments	—	—	—	96,262
Receivables, Net	—	2,275	2,275	4,691
Other Restricted Assets	—	257,498	257,498	4
Total Current Assets	9,812,081	2,829,232	12,641,313	3,721,257
Noncurrent Assets:				
Cash and Cash Equivalents	—	—	—	89,645
Investments	—	202,537	202,537	712,019
Receivables, Net	—	1,322,738	1,322,738	365,093
Other Assets	80	—	80	70,072
Advance to Component Units	35,407	—	35,407	—
Net Pension Asset	167,105	23	167,128	555
Net OPEB Asset	104,416	232	104,648	22,396
Restricted Assets:				
Cash and Cash Equivalents	18,345	2	18,347	653,139
Investments	—	36,744	36,744	60,664
Receivables, Net	—	99	99	1,095,221
Other Restricted Assets	—	—	—	1,904
Land and Other Capital Assets Not Being Depreciated	4,122,992	611	4,123,603	474,587
Capital Assets, Being Depreciated (Net of Accumulated Depreciation and Amortization)	7,328,586	1,752	7,330,338	3,841,801
Right to Use Lease Asset (Net of Accumulated Amortization)	97,389	—	97,389	93,291
Subscription Asset, SBITA (Net of Accumulated Amortization)	21,308	—	21,308	36,832
Total Noncurrent Assets	11,895,628	1,564,738	13,460,366	7,517,219
Total Assets	21,707,709	4,393,970	26,101,679	11,238,476
Deferred Outflows of Resources:				
Deferred Loss on Bond Refundings	45,676	527	46,203	37,741
Related to CIP	—	—	—	6,653
Related to Pensions	856,211	1,329	857,540	33,329
Related to OPEB	141,641	89	141,730	15,614
Total Deferred Outflows of Resources	1,043,528	1,945	1,045,473	93,337

The accompanying notes are an integral part of the financial statements.

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts Payable	562,916	14,018	576,934	165,256
Interest Payable	9,372	—	9,372	17,001
Accrued and Other Liabilities	1,082,227	10,443	1,092,670	286,157
Due to Other Governments	663,635	474	664,109	—
Due to Primary Government	—	—	—	190,873
Due to Fiduciary Funds	295	—	295	80
Due to Component Units	151,916	595	152,511	—
Unearned Revenue	40,326	43,939	84,265	935,808
Premium Deficiency	—	661	661	—
Insurance and Compensation Benefits Obligations	—	360,102	360,102	—
General Obligation Debt	106,524	—	106,524	—
Revenue Bonds Payable	70,835	7,995	78,830	128,016
Right to Use Lease Liability	18,040	—	18,040	8,590
Subscription Liability (SBITA)	6,915	—	6,915	15,059
Other Financing Debt	20,760	—	20,760	11,824
Compensated Absences	68,173	157	68,330	60,562
<b>Total Current Liabilities</b>	<b>2,801,934</b>	<b>438,384</b>	<b>3,240,318</b>	<b>1,819,226</b>
<b>Noncurrent Liabilities:</b>				
Accrued and Other Liabilities	614,567	—	614,567	132,382
Unearned Revenue	—	—	—	312
Insurance and Compensation Benefits Obligations	—	1,107,378	1,107,378	—
Advances from Primary Government	—	—	—	35,407
Liabilities Payable from Restricted Assets	—	—	—	160,477
General Obligation Debt	1,684,280	—	1,684,280	—
Revenue Bonds Payable	1,088,254	128,485	1,216,739	2,817,614
Right to Use Lease Liability	83,960	—	83,960	103,228
Subscription Liability (SBITA)	13,762	—	13,762	18,880
Other Financing Debt	123,369	—	123,369	239,436
Net Pension Liability	2,192,322	—	2,192,322	4,348
Compensated Absences	36,094	559	36,653	18,205
<b>Total Noncurrent Liabilities</b>	<b>5,836,608</b>	<b>1,236,422</b>	<b>7,073,030</b>	<b>3,530,289</b>
<b>Total Liabilities</b>	<b>8,638,542</b>	<b>1,674,806</b>	<b>10,313,348</b>	<b>5,349,515</b>
<b>Deferred Inflows of Resources:</b>				
Gain on Bond Refundings	—	—	—	453
Related to Pensions	91,755	19	91,774	3,244
Related to OPEB	173,177	454	173,631	41,273
Service Concession Arrangements	—	—	—	37,838
Grants and Contributions	—	—	—	526
Related to Leases	—	—	—	12,217
Related to Private Public Partnerships	—	—	—	16,545
<b>Total Deferred Inflows of Resources</b>	<b>264,932</b>	<b>473</b>	<b>265,405</b>	<b>112,096</b>
<b>Net Position:</b>				
Net Investment in Capital Assets	10,027,422	2,363	10,029,785	2,974,179
<b>Restricted for:</b>				
Capital Projects	—	—	—	21,783
Debt Service	547,056	—	547,056	1,001,422
General Government Operations	5,215	4,854	10,069	—
Pension Asset	167,105	19	167,124	555
OPEB Asset	104,416	206	104,622	22,396
<b>Permanent Funds:</b>				
Nonexpendable	1,000	—	1,000	398,472
Expendable	131	—	131	—
Lending Activities	—	1,917,516	1,917,516	262,279
Insurance Activities	—	636,806	636,806	—
Development, Tourism, and Recreation	87,921	—	87,921	—
Education	240	—	240	—
Health and Social Services	1,958	—	1,958	—
Public Protection	110,286	—	110,286	—
Transportation	390,889	—	390,889	—
Specific Fund/Component Unit Purposes	—	—	—	507,517
Unrestricted	2,404,124	158,872	2,562,996	681,599
<b>Total Net Position</b>	<b>\$ 13,847,763</b>	<b>\$ 2,720,636</b>	<b>\$ 16,568,399</b>	<b>\$ 5,870,202</b>

**Statement of Activities  
For the Fiscal Year Ended June 30, 2024**

(Expressed in Thousands)

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
Legislative	\$ 33,935	\$ 1,023	\$ 340	\$ —
Judicial	132,090	1,543	2,806	—
Executive	350,372	33,472	66,696	—
Administration	363,022	53,213	—	—
Commerce	286,572	61,089	110,825	—
Environmental Protection	223,179	63,148	144,530	—
Employment Programs	51,726	—	53,042	—
Education	3,707,832	—	857,036	—
Health, Health Facilities, and Human Services	7,418,179	78,160	5,446,185	—
Homeland Security	614,736	1,975	110,956	5,768
Revenue	212,968	56,544	5,196	—
Transportation	1,791,421	57,427	—	861,341
Veterans Assistance	26,590	465	10,506	4,059
Senior Services	53,381	3	22,534	—
Regulatory Boards and Commissions	213,597	57,616	70,639	—
Tourism	27,826	2	692	—
Economic Development	114,926	622	73,509	—
Arts, Culture and History	36,494	457	8,455	—
Interest on Long-Term Debt	144,255	—	—	—
Interest on Lease Liability	3,760	—	—	—
<b>Total Governmental Activities</b>	<b>15,806,861</b>	<b>466,759</b>	<b>6,983,947</b>	<b>871,168</b>
Business-type Activities:				
Water Pollution Control Revolving Fund	13,230	6,417	—	—
Workers' Compensation Fund	72,545	908	—	—
Unemployment Compensation	169,192	160,657	—	—
West Virginia Infrastructure and Jobs Development Council	54,789	4,565	—	—
Public Employees' Insurance Agency	913,399	850,360	—	—
Board of Risk and Insurance Management	110,305	100,253	—	—
Other Activities	123,357	153,492	—	—
<b>Total Business-type Activities</b>	<b>1,456,817</b>	<b>1,276,652</b>	<b>—</b>	<b>—</b>
<b>Total Primary Government</b>	<b>17,263,678</b>	<b>1,743,411</b>	<b>6,983,947</b>	<b>871,168</b>
<b>Component Units:</b>				
West Virginia Lottery	1,321,067	1,295,912	—	—
Economic Development Authority	231,215	7,236	—	—
Housing Development Authority	167,881	51,918	120,408	—
Parkways Authority	132,036	185,293	—	—
Water Development Authority	53,714	55,132	—	—
Higher Education	2,318,223	913,717	625,927	25,047
West Virginia Division of Corrections and Rehabilitation	517,278	113,277	16,535	—
School Building Authority	158,712	—	3,696	—
Other Component Units	90,014	9,517	21,543	—
<b>Total Component Units</b>	<b>\$ 4,990,140</b>	<b>\$ 2,632,002</b>	<b>\$ 788,109</b>	<b>\$ 25,047</b>
<b>General Revenues:</b>				
Taxes:				
Personal Income				
Consumer Sales				
Business				
Medicaid				
Transportation				
Other				
Grants and Contributions not Restricted to Specific Programs				
Unrestricted Investment Earnings				
Tobacco Settlement Revenue				
Payments from State of West Virginia				
Lottery Revenues				
Miscellaneous				
Other Financing Sources				
Transfers				
<b>Total General Revenues and Transfers</b>				
<b>Change in Net Position</b>				
Net Position, Beginning of Year				
<b>Net Position, End of Year</b>				

The accompanying notes are an integral part of the financial statements.



Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (32,572)	\$ —	\$ (32,572)	\$ —
(127,741)	—	(127,741)	—
(250,204)	—	(250,204)	—
(309,809)	—	(309,809)	—
(114,658)	—	(114,658)	—
(15,501)	—	(15,501)	—
1,316	—	1,316	—
(2,850,796)	—	(2,850,796)	—
(1,893,834)	—	(1,893,834)	—
(496,037)	—	(496,037)	—
(151,228)	—	(151,228)	—
(872,653)	—	(872,653)	—
(11,560)	—	(11,560)	—
(30,844)	—	(30,844)	—
(85,342)	—	(85,342)	—
(27,132)	—	(27,132)	—
(40,795)	—	(40,795)	—
(27,582)	—	(27,582)	—
(144,255)	—	(144,255)	—
(3,760)	—	(3,760)	—
(7,484,987)	—	(7,484,987)	—
—	(6,813)	(6,813)	—
—	(71,637)	(71,637)	—
—	(8,535)	(8,535)	—
—	(50,224)	(50,224)	—
—	(63,039)	(63,039)	—
—	(10,052)	(10,052)	—
—	30,135	30,135	—
—	(180,165)	(180,165)	—
(7,484,987)	(180,165)	(7,665,152)	—
—	—	—	(25,155)
—	—	—	(223,979)
—	—	—	4,445
—	—	—	53,257
—	—	—	1,418
—	—	—	(753,532)
—	—	—	(387,466)
—	—	—	(155,016)
—	—	—	(58,954)
—	—	—	(1,544,982)
2,073,393	—	2,073,393	—
1,999,206	—	1,999,206	—
887,718	—	887,718	—
344,352	—	344,352	—
752,246	—	752,246	—
405,131	—	405,131	—
—	—	—	4,281
475,926	166,473	642,399	247,091
52,937	—	52,937	—
—	—	—	1,615,380
393,693	46,000	439,693	800
541,552	24,653	566,205	281,707
29,930	—	29,930	—
(32,205)	32,205	—	—
7,923,879	269,331	8,193,210	2,149,259
438,892	89,166	528,058	604,277
13,408,871	2,631,470	16,040,341	5,265,925
\$ 13,847,763	\$ 2,720,636	\$ 16,568,399	\$ 5,870,202



# GOVERNMENTAL FUNDS

## FINANCIAL STATEMENTS

### *Major Funds*

**General:** This Fund is used as the State's operating fund. It accounts for the financial resources and transactions that are not accounted for in other funds. The revenues are from taxes and other general revenues.

**Transportation:** The governmental fund types of the Department of Transportation (Transportation) are included in this Fund. The Division of Highways has statutory responsibility for the construction, maintenance, and improvement of all state roads. Transportation expenditures funded by registration fees, license fees, and automobile privilege taxes (fees and taxes) are recorded in the State Road Fund within the Division of Highways. These fees and taxes, among other revenue sources, are collected by the Division of Motor Vehicles, which is also in Transportation. Transportation also includes the Division of Public Transit, which administers all federal and state programs that develop public transportation facilities, services, equipment, and methods; the West Virginia Aeronautics Commission, which has general supervision and controls commercial, state, and municipal airports; and the West Virginia Public Port Authority.

**The Tobacco Settlement Finance Authority:** The Authority was created to issue revenue bonds related to the State's portion of the tobacco receipts from the Master Settlement Agreement between tobacco manufacturers and the covered states. The revenue bonds were sold June 26, 2007. See Note 10 for more information.

**State Road:** This constitutionally established Fund is operated within the Department of Transportation. Certain taxes, fees, and other revenue sources are expended for the construction and maintenance of roads.

Nonmajor governmental funds are presented, by fund type, beginning on page 236.

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**  
(Expressed in Thousands)

	General	Transportation	Tobacco Settlement Finance Authority	State Road	Other Governmental Funds	Total
<b>Assets:</b>						
Cash and Cash Equivalents	\$ 4,320,913	\$ 818,734	\$ 57,491	\$ 694,248	\$ 563,385	\$ 6,454,771
Investments	1,201,922	—	—	—	177,983	1,379,905
Receivables, Net	863,926	192,421	26,954	—	9,133	1,092,434
Due from Other Governments	519,070	—	—	—	10,777	529,847
Due from Other Funds	1,454	1,891	—	—	64	3,409
Due from Component Units	179,789	1,684	—	—	1,055	182,528
Advances to Component Units	35,407	—	—	—	—	35,407
Inventories	12,624	94,284	—	—	6	106,914
Other Assets	2,001	2,208	—	—	270	4,479
<b>Restricted Assets:</b>						
Cash and Cash Equivalents	—	—	—	—	2,176	2,176
<b>Total Assets</b>	<b>7,137,106</b>	<b>1,111,222</b>	<b>84,445</b>	<b>694,248</b>	<b>764,849</b>	<b>9,791,870</b>
<b>Deferred Outflows of Resources:</b>						
Deferred Payments to Tobacco Settlement Finance Authority	—	—	405,544	—	—	405,544
<b>Total Deferred Outflows of Resources</b>	<b>—</b>	<b>—</b>	<b>405,544</b>	<b>—</b>	<b>—</b>	<b>405,544</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 7,137,106</b>	<b>\$ 1,111,222</b>	<b>\$ 489,989</b>	<b>\$ 694,248</b>	<b>\$ 764,849</b>	<b>\$ 10,197,414</b>
<b>Liabilities:</b>						
Accounts Payable	\$ 322,354	\$ 167,150	\$ 6	\$ 13,434	\$ 34,441	\$ 537,385
Accrued and Other Liabilities	1,310,008	15,084	—	8	19,080	1,344,180
Unearned Revenue	39,537	789	—	—	—	40,326
Due to Other Governments	591,212	3,246	—	—	68,903	663,361
Due to Other Funds	10,345	3,758	—	2	586	14,691
Due to Component Units	151,851	65	—	—	—	151,916
<b>Total Liabilities</b>	<b>2,425,307</b>	<b>190,092</b>	<b>6</b>	<b>13,444</b>	<b>123,010</b>	<b>2,751,859</b>
<b>Deferred Inflows of Resources:</b>						
Tax Revenue	98,174	—	—	—	—	98,174
Tobacco Settlement Revenue	—	—	26,696	—	—	26,696
Advances to Tobacco Settlement Finance Authority	405,544	—	—	—	—	405,544
Claim Settlements	—	18,296	—	—	—	18,296
<b>Total Deferred Inflows of Resources</b>	<b>503,718</b>	<b>18,296</b>	<b>26,696</b>	<b>—</b>	<b>—</b>	<b>548,710</b>

The accompanying notes are an integral part of the financial statements.

	<u>General</u>	<u>Transportation</u>	<u>Tobacco Settlement Finance Authority</u>	<u>State Road</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fund Balances:						
Nonspendable:						
Inventories	12,624	94,284	—	—	6	106,914
Permanent Fund	—	—	—	—	1,000	1,000
Receivables	38,199	—	—	—	—	38,199
Restricted for:						
Capital Projects	—	—	—	680,804	14,928	695,732
Debt Service	—	—	463,287	—	66,187	529,474
Government Operations	5,168	—	—	—	—	5,168
Development, Tourism, and Recreation	13,121	—	—	—	74,800	87,921
Education	240	—	—	—	131	371
Health and Social Services	1,958	—	—	—	—	1,958
Public Protection	2,080	—	—	—	108,206	110,286
Transportation	—	390,889	—	—	—	390,889
Committed to:						
General Government Operations	52,037	—	—	—	7,333	59,370
Development, Tourism, and Recreation	9,494	—	—	—	—	9,494
Education	15,846	—	—	—	—	15,846
Health and Social Services	22,308	—	—	—	—	22,308
Public Protection	3,909	—	—	—	361,238	365,147
Assigned to:						
Government Operations	9,497	—	—	—	—	9,497
Development, Tourism, and Recreation	2,511	—	—	—	—	2,511
Education	2,074	—	—	—	—	2,074
Health and Social Services	1,934	—	—	—	4,369	6,303
Public Protection	638	—	—	—	3,361	3,999
Transportation	—	417,661	—	—	—	417,661
Unassigned	4,014,443	—	—	—	280	4,014,723
Total Fund Balance	<u>4,208,081</u>	<u>902,834</u>	<u>463,287</u>	<u>680,804</u>	<u>641,839</u>	<u>6,896,845</u>
Total Liabilities, Deferred Inflows, and Fund Balance	<u>\$ 7,137,106</u>	<u>\$ 1,111,222</u>	<u>\$ 489,989</u>	<u>\$ 694,248</u>	<u>\$ 764,849</u>	<u>\$ 10,197,414</u>

**Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position**

**June 30, 2024**

(Expressed in Thousands)

Total Fund Balances - Governmental Funds	\$	6,896,845
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets (excluding Internal Service Funds) consist of:		
Land	\$	1,531,988
Construction-in-Progress		2,516,508
Infrastructure Assets		14,705,981
Buildings, Equipment, and Other Depreciable Assets		2,205,178
Right-to-Use Assets - Buildings		141,359
Subscription Asset, SBITA		20,907
Intangibles		52,858
Accumulated Depreciation		<u>(9,940,539)</u>
Total Capital Assets		11,234,240
The Net Pension Asset is not recognized at the fund level.		167,054
The Net OPEB Asset is not recognized at the fund level.		103,787
Certain tax and other revenues are earned but not available and therefore are deferred inflows of resources in the funds.		143,166
Deferred inflows of resources for pensions and OPEB (excluding Internal Service Funds) are reported in the statement of net position but not reported in the funds.		(263,605)
Internal Service Funds are used by management to charge the costs of certain activities, such as building rental and information services, to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the statement of net position.		337,750
Bonds issued by the State have associated costs that are paid from current available financial resources in the funds. However, these costs are amortized over the life of the bonds in the statement of net position.		80
Deferred outflows of resources for pensions, OPEB, and loss on bond refundings (excluding Internal Service Funds) are reported in the statement of net position but not reported in the funds.		1,039,904
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities (excluding Internal Service Funds) consist of:		
General Obligation Bonds	(1,790,804)	
Revenue Bonds	(1,159,089)	
Other Financing Debt	(93,254)	
Right-to-Use Lease Liability	(100,267)	
Subscription Liability, SBITA	(12,428)	
Compensated Absences	(101,875)	
Net Pension Liability	(2,192,322)	
Accrued Interest Payable and Other Liabilities	<u>(361,419)</u>	
Total Long-Term Liabilities		<u>(5,811,458)</u>
Net Position of Governmental Activities	\$	<u><u>13,847,763</u></u>

The accompanying notes are an integral part of the financial statements.



**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2024**  
(Expressed in Thousands)

	General	Transportation	Tobacco Settlement Finance Authority	State Road	Other Governmental Funds	Total
<b>Revenues:</b>						
<b>Taxes:</b>						
Personal Income	\$ 2,084,287	\$ —	\$ —	\$ —	\$ —	\$ 2,084,287
Consumer Sales and Use	1,996,304	—	—	—	—	1,996,304
Severance	418,604	—	—	—	—	418,604
Corporate Net Income	411,394	—	—	—	—	411,394
Business and Occupation	127,501	—	—	—	—	127,501
Medicaid	342,985	—	—	—	—	342,985
Gasoline and Motor Carrier	—	435,840	—	—	—	435,840
Automobile Privilege	—	316,406	—	—	—	316,406
Other	402,236	3,000	—	—	—	405,236
Intergovernmental	6,068,278	861,341	—	—	198,509	7,128,128
Licenses, Permits, and Fees	118,125	6,444	—	—	123,127	247,696
Motor Vehicle Registration	—	138,067	—	—	—	138,067
Charges for Services	191,214	—	—	—	63	191,277
Lottery Revenues	378,159	—	—	—	10,640	388,799
SNAP Revenue	571,906	—	—	—	—	571,906
Investment Earnings	375,915	42,545	2,990	42,370	48,941	512,761
Other	183,458	373,051	53,091	—	14,791	624,391
<b>Total Revenues</b>	<b>13,670,366</b>	<b>2,176,694</b>	<b>56,081</b>	<b>42,370</b>	<b>396,071</b>	<b>16,341,582</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Legislative	35,934	—	—	—	1,241	37,175
Judicial	160,133	—	—	—	—	160,133
Executive	385,192	—	—	—	—	385,192
Administration	160,489	—	179	—	60	160,728
Commerce	338,214	—	—	—	—	338,214
Environmental Protection	—	—	—	—	179,011	179,011
Employment Programs	—	—	—	—	52,833	52,833
Economic Development	119,311	—	—	—	—	119,311
Education	3,817,309	—	—	—	—	3,817,309
Arts, Culture, and History	39,267	—	—	—	—	39,267
Health, Health Facilities, and Human Services	7,561,303	—	—	—	—	7,561,303
Homeland Security	665,802	—	—	—	—	665,802
Revenue	207,525	—	—	—	21,924	229,449
Tourism	29,449	—	—	—	—	29,449
Transportation	326,583	987,101	—	—	—	1,313,684
Veterans Assistance	31,494	—	—	—	1	31,495
Senior Services	54,270	—	—	—	—	54,270
Regulatory Boards and Commissions	186,964	—	—	—	24,697	211,661
Capital Outlay	—	894,339	—	198,432	—	1,092,771
<b>Debt Service:</b>						
Principal	—	82,985	33,070	—	58,725	174,780
Interest	—	85,648	21,195	—	18,317	125,160
Right-to-Use Principal	18,359	2,891	—	—	54	21,304
Right-to-Use Interest	3,584	—	—	—	3	3,587
<b>Total Expenditures</b>	<b>14,141,182</b>	<b>2,052,964</b>	<b>54,444</b>	<b>198,432</b>	<b>356,866</b>	<b>16,803,888</b>
Excess of Revenues Over (Under) Expenditures	(470,816)	123,730	1,637	(156,062)	39,205	(462,306)
<b>Other Financing Sources (Uses):</b>						
Right-to-Use Leases	15,750	2,335	—	—	—	18,085
Transfers In	58,185	—	—	—	69,470	127,655
Transfers Out	(141,017)	—	(17,149)	—	(49,990)	(208,156)
<b>Total Other Financing Sources (Uses)</b>	<b>(67,082)</b>	<b>2,335</b>	<b>(17,149)</b>	<b>—</b>	<b>19,480</b>	<b>(62,416)</b>
<b>Net Change in Fund Balance</b>	<b>(537,898)</b>	<b>126,065</b>	<b>(15,512)</b>	<b>(156,062)</b>	<b>58,685</b>	<b>(524,722)</b>
Fund Balances, Beginning of Year	4,745,979	776,769	478,799	836,866	583,154	7,421,567
<b>Fund Balances, End of Year</b>	<b>\$ 4,208,081</b>	<b>\$ 902,834</b>	<b>\$ 463,287</b>	<b>\$ 680,804</b>	<b>\$ 641,839</b>	<b>\$ 6,896,845</b>

The accompanying notes are an integral part of the financial statements.

**Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances –  
Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

Net Change in Fund Balances - Total Governmental Funds	\$	(524,722)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:</p>		
Capital Outlay	\$	928,436
Depreciation Expense		(384,835)
Excess of Capital Outlay Over Depreciation Expense		543,601
Accretion of interest related to capital appreciation bonds is an expense of the governmental activities.		(14,962)
<p>Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. For the current year, these amounts consist of:</p>		
Bond Principal Retirement	14,920	
Other Financing Debt Payments	159,860	
Total Long-Term Debt Repayment		174,780
Internal Service Funds are used by management to charge the costs of certain activities, such as building and vehicle maintenance and leasing, data processing, and investment and management of state monies, to individual funds. The change in net position of the Internal Service Funds is reported with governmental activities.		23,011
Revenues in the statement of activities that do provide current financial resources are not reported as revenues in the funds.		(161,448)
Loss on issuance of new refunding bonds in the current fiscal year but was deferred on the statement of activities.		(2,621)
Retirement contributions (excluding Internal Service Funds) to defined benefit pension plans in the current fiscal year are not included on the statement of activities.		517,360
OPEB contributions (excluding Internal Service Funds) to defined benefit OPEB plan in the current fiscal year are not included on the statement of activities.		52,053
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:</p>		
Decrease of Accrued Interest (Asset)	(9)	
Decrease of Compensated Absences	(5,260)	
Increase in Right-to-Use Lease Liability	1,701	
Increase in SBITA Liability	3,499	
Decrease of Accrued and Other Liabilities	(76,908)	
Decrease of Net Pension Liability (Asset), net of deferrals	(343,079)	
Increase of Net OPEB Liability (Asset), net of deferrals	227,225	
Amortization of Bond Premiums/Discounts	24,671	
Total Change in Expenditures		(168,160)
Change in Net Position of Governmental Activities	\$	438,892

The accompanying notes are an integral part of the financial statements.

# *PROPRIETARY FUNDS*

## *FINANCIAL STATEMENTS*

### *Major Funds*

**Water Pollution Control Revolving Fund (Water Pollution):** This fund was established to provide low-interest loans to communities that need to upgrade an existing waste water system, establish a new utility, or clean up the State's water supply. Water Pollution is to remain in perpetuity by recirculating the principal and interest earned from the loans.

**Workers' Compensation Fund:** On December 31, 2005, the Workers' Compensation Commission (WCC) ceased to exist as a separate state entity. The WCC's regulatory powers transferred to the Offices of the Insurance Commissioner, along with the residual assets and liabilities of the former WCC. Disbursements from the State's Workers' Compensation Fund are related to the liabilities and appropriate administrative expenses necessary for the administration of all claims, actual and incurred but not reported, for any claim with a date of injury on or before June 30, 2005.

**Unemployment Compensation:** The Fund is administered by the Bureau of Employment Programs doing business as WORKFORCE West Virginia. The Fund receives contributions from employers and provides for the payment of benefits to eligible unemployed workers under provisions of the Federal Unemployment Tax Act.

**West Virginia Infrastructure and Jobs Development Council:** The Council coordinates the review and funding of water, wastewater, and economic development projects in the State. The proceeds from the Council's bond programs provide financial assistance to infrastructure and economic development projects throughout the State. The primary source of repayment for the revenue and refunding bonds is the receipt of payments of principal and interest on a set of loans, known as defined loans, previously made to projects from general obligation and revenue bond proceeds.

**Public Employees Insurance Agency:** The Agency, a public entity risk pool, is responsible for providing health and life insurance to current and retired state and county employees. The Agency, empowered to set the premium rates charged to its participants, utilizes a third-party administrator to process claims and make payments to medical providers on a cost reimbursement basis.

**Board of Risk and Insurance Management:** The Board, a public entity risk pool, is responsible for the self-insurance of all state buildings, automobiles, and legal and civil actions, as well as insuring various county and local governments and charitable organizations. The Board is funded from the premiums assessed to the insured organizations.

Nonmajor proprietary funds are presented beginning on page 257.

# West Virginia

## Statement of Net Position

### Proprietary Funds

June 30, 2024

(Expressed in Thousands)

	Business-type Activities – Enterprise Funds			
	Water Pollution Control Revolving Fund	Workers' Compensation Fund	Unemployment Compensation	West Virginia Infrastructure and Jobs Development Council
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 292,774	\$ 1,151,795	\$ 434,063	\$ 18,070
Investments	—	—	—	114,486
Receivables, Net	38,765	301	25,867	28,171
Due from Other Governments	—	—	3,543	—
Due from Other Funds	—	—	404	—
Due from Component Units	—	—	126	—
Inventories	—	—	—	—
Other Assets	—	—	—	—
Restricted Assets:				
Cash and Cash Equivalents	—	—	—	176,479
Receivables, Net	—	—	—	—
Other Restricted Assets	—	—	—	—
Total Current Assets	331,539	1,152,096	464,003	337,206
Noncurrent Assets:				
Investments	—	—	—	—
Receivables, Net	636,107	—	—	522,403
Restricted Assets:				
Cash and Cash Equivalents	—	—	—	—
Investments	—	—	—	—
Receivables, Net	—	—	—	—
Capital Assets, Net	—	—	—	—
Right-to-Use Lease Asset, Net	—	—	—	—
Subscription Asset, Net (SBITA)	—	—	—	—
Net Pension Asset	4	—	—	1
Net OPEB Asset	48	—	—	5
Total Noncurrent Assets	636,159	—	—	522,409
Total Assets	967,698	1,152,096	464,003	859,615
Deferred Outflows of Resources:				
Deferred loss on Bond Refundings	—	—	—	527
Related to Pensions	218	—	—	57
Related to OPEB	19	—	—	4
Total Deferred Outflows of Resources	237	—	—	588
Liabilities:				
Current Liabilities:				
Accounts Payable	108	—	—	199
Accrued and Other Liabilities	—	260	4,450	2,064
Premium Deficiency	—	—	—	—
Unearned Revenue	—	—	—	—
Due to Other Governments	—	—	474	—
Due to Other Funds	—	—	—	—
Due to Component Units	62	—	—	163
Insurance and Compensation Benefits Obligations	—	106,600	20,345	—
Revenue Bonds Payable	—	—	—	7,995
Other Financing Debt	—	—	—	—
Other Financing Debt Payable to Component Units	—	—	—	—
Right-to-Use Lease Liability	—	—	—	—
Subscription Liability (SBITA)	—	—	—	—
Compensated Absences	101	—	—	—
Total Current Liabilities	271	106,860	25,269	10,421
Noncurrent Liabilities:				
Insurance and Compensation Benefits Obligations	—	897,000	—	—
Revenue Bonds Payable	—	—	—	128,485
Other Financing Debt	—	—	—	—
Other Financing Payable to Component Units	—	—	—	—
Right-to-Use Lease Liability	—	—	—	—
Subscription Liability (SBITA)	—	—	—	—
Compensated Absences	78	—	—	—
Total Noncurrent Liabilities	78	897,000	—	128,485
Total Liabilities	349	1,003,860	25,269	138,906
Deferred Inflows of Resources:				
Related to Pensions	1	—	—	—
Related to OPEB	82	—	—	10
Total Deferred Inflows of Resources	83	—	—	10
Net Position:				
Net Investment in Capital Assets	—	—	—	—
Restricted for:				
Capital Projects	—	—	—	—
General Government Operations	—	—	—	—
Lending Activities	967,451	—	—	703,155
Insurance Activities	—	148,236	438,734	—
Net Pension Asset	4	—	—	1
Net OPEB Asset	48	—	—	5
Unrestricted (Deficit)	—	—	—	18,126
Total Net Position	\$ 967,503	\$ 148,236	\$ 438,734	\$ 721,287

The accompanying notes are an integral part of the financial statements.

Public Employees' Insurance Agency	Board of Risk and Insurance Management	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 43,045	\$ 26,028	\$ 95,787	\$ 2,061,562	\$ 42,700
—	—	3,996	118,482	—
45,833	2,618	10,406	151,961	17,467
8	—	17,663	21,214	—
11,310	108	—	11,822	11,570
6,800	—	—	6,926	1,419
—	—	60	60	794
—	—	13,827	13,827	80
—	8,563	—	185,042	47
—	1,539	736	2,275	—
—	257,498	—	257,498	—
106,996	296,354	142,475	2,830,669	74,077
144,301	58,236	—	202,537	—
—	—	164,228	1,322,738	—
2	—	—	2	16,448
4,151	32,593	—	36,744	—
—	—	99	99	—
51	—	2,312	2,363	325,618
—	—	—	—	1,628
—	—	—	—	8,789
5	4	9	23	51
38	26	115	232	629
148,548	90,859	166,763	1,564,738	353,163
255,544	387,213	309,238	4,395,407	427,240
—	—	—	527	—
273	243	538	1,329	2,895
13	10	43	89	729
286	253	581	1,945	3,624
7,991	1,781	3,939	14,018	25,531
2,848	621	200	10,443	567
661	—	—	661	—
21,525	16,885	5,529	43,939	—
—	—	—	474	274
835	16	586	1,437	2,166
290	—	80	595	—
136,116	91,641	5,400	360,102	—
—	—	—	7,995	—
—	—	—	—	3,043
—	—	—	—	2,075
—	—	—	—	555
—	—	—	—	3,036
—	—	56	157	—
170,266	110,944	15,790	439,821	37,247
4,153	200,425	5,800	1,107,378	—
—	—	—	128,485	—
—	—	—	—	2,182
—	—	—	—	43,575
—	—	—	—	1,178
—	—	—	—	5,213
—	182	299	559	2,392
4,153	200,607	6,099	1,236,422	54,540
174,419	311,551	21,889	1,676,243	91,787
7	—	11	19	14
112	64	186	454	1,313
119	64	197	473	1,327
51	—	2,312	2,363	275,225
—	—	—	—	14,536
—	—	4,854	4,854	47
—	—	246,910	1,917,516	—
—	38,024	11,812	636,806	—
5	—	9	19	51
38	—	115	206	629
81,198	37,827	21,721	158,872	47,262
\$ 81,292	\$ 75,851	\$ 287,733	\$ 2,720,636	\$ 337,750

**Statement of Revenues, Expenses, and  
Changes in Fund Net Position  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	<b>Business-type Activities – Enterprise Funds</b>			
	<b>Water Pollution Control Revolving Fund</b>	<b>Workers' Compensation Fund</b>	<b>Unemployment Compensation</b>	<b>West Virginia Infrastructure and Jobs Development Council</b>
<b>Operating Revenues:</b>				
Charges for Services and Sales	\$ —	\$ —	\$ 160,653	\$ 4,565
Insurance Premiums	—	908	—	—
Investment Earnings	3,413	—	—	—
Licenses, Permits, and Fees	3,004	—	—	—
Other	—	36	5,219	—
<b>Total Operating Revenues</b>	<b>6,417</b>	<b>944</b>	<b>165,872</b>	<b>4,565</b>
<b>Operating Expenses:</b>				
Cost of Sales and Services	—	—	—	—
Insurance Claims and Claims Adjustment Provisions	—	68,002	—	—
Infrastructure and Economic Development	—	—	—	39,301
Unemployment Insurance Benefits	—	—	169,192	—
General and Administration	13,255	4,543	—	1,535
Pension Expense	83	—	—	38
OPEB Expense	(134)	—	—	(21)
Depreciation and Amortization	—	—	—	—
Provisions for Uncollectible Loans	—	—	—	3,376
Other	—	—	—	—
<b>Total Operating Expenses</b>	<b>13,204</b>	<b>72,545</b>	<b>169,192</b>	<b>44,229</b>
<b>Operating Income (Loss)</b>	<b>(6,787)</b>	<b>(71,601)</b>	<b>(3,320)</b>	<b>(39,664)</b>
<b>Nonoperating Revenues (Expenses):</b>				
Gain (Loss) on Sale of Equipment	—	—	—	—
Interest and Other Investment Income	—	104,665	11,336	15,293
Interest Expense	—	—	—	(5,026)
Lottery Revenues	—	—	—	46,000
Other Nonoperating Revenues	14,012	10	—	—
Other Nonoperating Expenses	(30)	—	—	(5,534)
<b>Total Nonoperating Revenues (Expenses), Net</b>	<b>13,982</b>	<b>104,675</b>	<b>11,336</b>	<b>50,733</b>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>7,195</b>	<b>33,074</b>	<b>8,016</b>	<b>11,069</b>
<b>Other Financing Sources (Uses):</b>				
Right-to-Use Liabilities Issued	—	—	—	—
Subscription Liabilities Issued	—	—	—	—
Transfers In	44,775	—	—	—
Transfers Out	—	—	—	(3,093)
<b>Total Other Financing Sources (Uses)</b>	<b>44,775</b>	<b>—</b>	<b>—</b>	<b>(3,093)</b>
<b>Change in Net Position</b>	<b>51,970</b>	<b>33,074</b>	<b>8,016</b>	<b>7,976</b>
<b>Net Position, Beginning of Year</b>	<b>915,533</b>	<b>115,162</b>	<b>430,718</b>	<b>713,311</b>
<b>Net Position, End of Year</b>	<b>\$ 967,503</b>	<b>\$ 148,236</b>	<b>\$ 438,734</b>	<b>\$ 721,287</b>

The accompanying notes are an integral part of the financial statements.

Public Employees' Insurance Agency	Board of Risk and Insurance Management	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ —	\$ —	\$ 137,208	\$ 302,426	\$ 184,161
850,372	100,345	9,429	961,054	—
—	—	—	3,413	—
—	—	6,882	9,886	—
4,955	—	114	10,324	—
<u>855,327</u>	<u>100,345</u>	<u>153,633</u>	<u>1,287,103</u>	<u>184,161</u>
—	—	101,909	101,909	186,357
885,100	104,272	7,109	1,064,483	—
—	—	—	39,301	—
—	—	—	169,192	—
21,796	5,972	7,636	54,737	13,739
153	154	302	730	1,689
(114)	(88)	(476)	(833)	(2,008)
13	—	239	252	24,111
—	—	—	3,376	—
6,490	—	6,711	13,201	—
<u>913,438</u>	<u>110,310</u>	<u>123,430</u>	<u>1,446,348</u>	<u>223,888</u>
<u>(58,111)</u>	<u>(9,965)</u>	<u>30,203</u>	<u>(159,245)</u>	<u>(39,727)</u>
—	—	—	—	(657)
14,558	16,996	3,625	166,473	572
—	—	—	(5,026)	(2,499)
—	—	—	46,000	4,894
—	19	288	14,329	547
—	—	(6)	(5,570)	(260)
<u>14,558</u>	<u>17,015</u>	<u>3,907</u>	<u>216,206</u>	<u>2,597</u>
<u>(43,553)</u>	<u>7,050</u>	<u>34,110</u>	<u>56,961</u>	<u>(37,130)</u>
—	—	—	—	352
—	—	—	—	11,493
—	—	20,756	65,531	52,385
—	—	(30,233)	(33,326)	(4,089)
—	—	(9,477)	32,205	60,141
<u>(43,553)</u>	<u>7,050</u>	<u>24,633</u>	<u>89,166</u>	<u>23,011</u>
<u>124,845</u>	<u>68,801</u>	<u>263,100</u>	<u>2,631,470</u>	<u>314,739</u>
<u>\$ 81,292</u>	<u>\$ 75,851</u>	<u>\$ 287,733</u>	<u>\$ 2,720,636</u>	<u>\$ 337,750</u>

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2024**  
**(Expressed in Thousands)**

	<b>Business-type Activities – Enterprise Funds</b>			
	<b>Water Pollution Control Revolving Fund</b>	<b>Workers' Compensation Fund</b>	<b>Unemployment Compensation</b>	<b>West Virginia Infrastructure and Jobs Development Council</b>
<b>Cash Flows From Operating Activities:</b>				
Receipts from Customers	\$ 43,945	\$ 952	\$ 148,581	\$ 33,952
Receipts from State Agencies	—	—	—	—
Payments to Suppliers	—	(4,731)	—	(902)
Payments to Employees	(1,512)	—	—	(630)
Payments to Beneficiaries	—	—	—	—
Payments for Loans Originated	(35,599)	—	—	(79,432)
Payments for Premiums	—	—	—	—
Payments to Claimants	—	(106,603)	(163,350)	—
Other Operating Cash Receipts	—	37	17,607	—
Other Operating Cash Payments	(12,237)	—	—	—
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>(5,403)</b>	<b>(110,345)</b>	<b>2,838</b>	<b>(47,012)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Repayment of Operating Debt	—	—	—	(6,850)
Interest Paid on Operating Debt	—	—	—	(5,936)
Transfers In	39,071	—	—	—
Transfers Out	—	—	—	—
Entitlements and Grants	—	—	—	—
Distributions or Subsidies from (to) Other Organizations	—	—	—	46,000
Receipts from Notes Receivable	—	—	—	—
Other Nonoperating Receipts (Payments)	—	—	—	(5)
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	<b>39,071</b>	<b>—</b>	<b>—</b>	<b>33,209</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Repayment of Capital Debt	—	—	—	—
Interest Paid on Capital Debt	—	—	—	—
Principal Paid for Right-to-Use Leases	—	—	—	—
Interest Paid on Right-to-Use Leases	—	—	—	—
Acquisition and Construction of Capital Assets	—	—	—	—
Proceeds from Sale of Capital Assets	—	—	—	—
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Cash Flows from Investing Activities:</b>				
Purchase of Investments	—	—	—	(259,160)
Proceeds from Sale of Investments	—	—	—	246,635
Investment Earnings	14,012	104,665	11,336	15,093
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b>14,012</b>	<b>104,665</b>	<b>11,336</b>	<b>2,568</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>47,680</b>	<b>(5,680)</b>	<b>14,174</b>	<b>(11,235)</b>
Cash and Cash Equivalents, Beginning of Year	245,094	1,157,475	419,889	205,784
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 292,774</b>	<b>\$ 1,151,795</b>	<b>\$ 434,063</b>	<b>\$ 194,549</b>

The accompanying notes are an integral part of the financial statements.



Public Employees' Insurance Agency	Board of Risk and Insurance Management	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 855,303	\$ 101,119	\$ 169,606	\$ 1,353,458	\$ —
—	—	—	—	179,918
(9,963)	(3,780)	(104,907)	(124,283)	(164,279)
(1,933)	(2,211)	(5,437)	(11,723)	(30,885)
(976,410)	(178,886)	—	(1,155,296)	—
—	—	(20,873)	(135,904)	—
—	—	(9,646)	(9,646)	—
—	—	(7,863)	(277,816)	—
126,808	—	2,590	146,057	—
—	(12,954)	(368)	(24,574)	—
(6,195)	(96,712)	23,102	(239,727)	(15,246)
—	—	—	(6,850)	—
—	—	—	(5,936)	—
—	—	8,622	47,693	52,385
(724)	—	(30,233)	(30,957)	(4,084)
—	—	140	140	—
—	—	—	46,000	4,894
—	—	736	736	—
—	—	—	(5)	—
(724)	—	(20,735)	50,821	53,195
—	—	—	—	(9,469)
—	—	—	—	(2,037)
—	—	—	—	(3,772)
—	—	—	—	(484)
(26)	—	(64)	(90)	(38,568)
—	—	—	—	11,845
(26)	—	(64)	(90)	(42,485)
(27,654)	(104,407)	—	(391,221)	—
14,845	203,974	—	465,454	—
14,558	1,561	3,526	164,751	570
1,749	101,128	3,526	238,984	570
(5,196)	4,416	5,829	49,988	(3,966)
48,243	30,175	89,958	2,196,618	63,161
<u>\$ 43,047</u>	<u>\$ 34,591</u>	<u>\$ 95,787</u>	<u>\$ 2,246,606</u>	<u>\$ 59,195</u>

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2024**  
(Expressed in Thousands)  
(Continued)

	<b>Business-type Activities – Enterprise Funds</b>			
	<b>Water Pollution Control Revolving Fund</b>	<b>Workers' Compensation Fund</b>	<b>Unemployment Compensation</b>	<b>West Virginia Infrastructure and Jobs Development Council</b>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	(6,787)	(71,601)	(3,320)	(39,664)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Bad Debt Expense	—	—	—	—
Depreciation and Amortization	—	—	—	—
Provisions for Uncollectible Loans	—	—	—	3,376
Pension Expense	83	—	—	38
OPEB Expense	(134)	—	—	(21)
Changes in Assets and Liabilities:				
Receivables	1,506	61	674	(2,121)
Inventories	—	—	—	—
Other Assets	—	—	—	—
Accounts Payable and Accrued Liabilities	29	(38,600)	5,842	(8,575)
Unearned Revenue	—	—	—	—
Escrow Deposits	—	—	—	—
Due to/from Other Funds	—	—	(358)	(21)
Unpaid Claims Liabilities	—	—	—	—
Other Liabilities	—	(205)	—	—
Compensated Absences	45	—	—	—
Pensions/OPEB	—	—	—	(68)
Deferred Outflows of Resources Related to Pensions/OPEB	(145)	—	—	57
Deferred Inflows of Resources Related to Pension/OPEB	—	—	—	(13)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (5,403)</u>	<u>\$ (110,345)</u>	<u>\$ 2,838</u>	<u>\$ (47,012)</u>
Schedule of Noncash Capital and Financing Activities:				
Loans Originated with Principal Forgiveness Features	—	—	—	—
Unrealized Gain (Loss) on Investments	—	—	—	—
Right-to-Use Lease Asset	—	—	—	—
Subscription Asset	—	—	—	—

The accompanying notes are an integral part of the financial statements.

Public Employees' Insurance Agency	Board of Risk and Insurance Management	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
(58,111)	(9,965)	30,203	(159,245)	(39,727)
—	—	—	—	666
13	—	239	252	24,111
—	—	—	3,376	—
153	154	302	730	1,689
(114)	(88)	(476)	(833)	(2,008)
51	527	(5,337)	(4,639)	(4,247)
—	—	(19)	(19)	13
—	—	(10)	(10)	(36)
36,659	—	(1,418)	(6,063)	5,981
14,108	—	11	14,119	—
—	(12,954)	—	(12,954)	—
—	—	—	(379)	—
—	(74,614)	—	(74,614)	—
1,221	377	(187)	1,206	78
—	—	6	51	—
—	—	(439)	(507)	—
(175)	(149)	448	36	(1,766)
—	—	(221)	(234)	—
<u>\$ (6,195)</u>	<u>\$ (96,712)</u>	<u>\$ 23,102</u>	<u>\$ (239,727)</u>	<u>\$ (15,246)</u>
—	—	5,788	5,788	—
12,809	—	—	12,809	—
—	—	—	—	2,688
—	—	—	—	11,493



# *FIDUCIARY FUNDS*

## *FINANCIAL STATEMENTS*

**Private Purpose Trust Fund:** This fund type is used to report a trust arrangement under which principal and income benefit individuals.

**SMART 529:** The West Virginia College Savings Program (the Program) operates under the West Virginia State Code Chapter 18, Article 30, and is administered by the Board of Trustees of the West Virginia College and Jumpstart Savings Programs. All funds paid into or invested through the Program will be available for use at any two-year or four-year college or university in the country, with refund and transfer options available. Since the Program is an Internal Revenue Service Section 529 Qualified State Tuition Program, earnings on the funds are federally tax deferred until used for college.

The individual Pension and Other Employee Benefit Trust Funds, Investment Trust Funds, and Custodial Funds descriptions and financial statements begin on page 264.

**Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2024  
(Expressed in Thousands)**

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	SMART 529	Custodial Funds
Assets:				
Cash and Cash Equivalents	\$ 55,270	\$ 1,094,878	\$ 4,036	\$ 104,464
Investments:				
Equity Pooled Investments	23,111,371	—	—	10,890
Mutual Funds	741,177	—	3,047,327	1,103
Receivables, Net:				
Contributions	30,916	—	6,840	—
Participant Loans	750	—	—	—
Accrued Interest	—	—	—	456
Accounts	5,872	—	—	—
Due from Other Funds	123	—	—	172
Due from Component Units	80	—	—	—
Restricted Assets:				
Net OPEB Asset	21	—	—	—
<b>Total Assets</b>	<b>23,945,580</b>	<b>1,094,878</b>	<b>3,058,203</b>	<b>117,085</b>
Deferred Outflows of Resources:				
Related to Pensions	147	—	—	—
Related to OPEB	6	—	—	—
<b>Total Deferred Outflows of Resources</b>	<b>153</b>	<b>—</b>	<b>—</b>	<b>—</b>
Liabilities:				
Accounts Payable	1	—	5,391	—
Accrued and Other Liabilities	20,453	—	584	—
Due to Other Governments	—	—	—	15,191
Due to Other Funds	8,802	—	—	—
Due to Component Units	6	—	—	—
Insurance Claims Payable	13,361	—	—	—
Custodial Liabilities	—	—	—	16,643
Net Pension Liability	—	—	—	—
Net OPEB Liability	—	—	—	—
<b>Total Liabilities</b>	<b>42,623</b>	<b>—</b>	<b>5,975</b>	<b>31,834</b>
Deferred Inflows of Resources:				
Related to Pensions	2	—	—	—
Related to OPEB	61	—	—	—
<b>Total Deferred Inflows of Resources</b>	<b>63</b>	<b>—</b>	<b>—</b>	<b>—</b>
Net Position:				
Restricted for:				
Pension Benefits	21,957,530	—	—	—
Other Postemployment Benefits	1,945,496	—	—	—
OPEB Asset	21	—	—	—
Held in trust for:				
External Investment Pool Participants	—	1,094,878	—	—
Individuals and Organizations	—	—	3,052,228	85,251
<b>Total Net Position</b>	<b>\$ 23,903,047</b>	<b>\$ 1,094,878</b>	<b>\$ 3,052,228</b>	<b>\$ 85,251</b>

The accompanying notes are an integral part of the financial statements.

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2024**  
**(Expressed in Thousands)**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Investment Trust Funds</b>	<b>SMART 529</b>	<b>Custodial Funds</b>
Additions:				
Contributions:				
Members	\$ 232,599	\$ —	\$ —	\$ —
Employer	363,682	—	—	—
Account Holder Contributions	—	—	199,594	—
Deposits, Pool Participants	—	913,583	—	—
Other	344,114	—	—	—
Total Contributions	<u>940,395</u>	<u>913,583</u>	<u>199,594</u>	<u>—</u>
Investment Income (Loss):				
Net Appreciation in Fair Value of Investments	2,477,061	59,199	217,192	—
Interest	21,980	—	118,410	59
Investment Expense	—	—	(4,605)	—
Net Investment Income	<u>2,499,041</u>	<u>59,199</u>	<u>330,997</u>	<u>59</u>
Transfers to Plans	(688)	—	—	—
Transfers In	—	—	1,000	—
Funds Received for Local Governments	—	—	—	1,546,915
Grants Received for Local Governments	—	—	—	3,205
Funds Received for Individuals and Organizations	—	—	—	200,646
Collateral Received and Related Additions	—	—	—	53,376
Taxes Collected for Other Governments	—	—	—	720,677
Other	6,529	—	—	—
Total Additions	<u>3,445,277</u>	<u>972,782</u>	<u>531,591</u>	<u>2,524,878</u>
Deductions:				
Benefits Expense	1,606,030	—	—	—
Forfeitures	594	—	—	—
Payments in Accordance with Trust Agreements	—	—	360,367	—
Refunds of Contributions	66,823	—	—	—
Withdrawals	—	854,091	—	—
Pension Expense	13	—	—	—
OPEB Expense	(65)	—	—	—
Administrative Expenses	13,973	—	6,004	—
Transfers from Plans	(688)	—	—	—
Funds Disbursed to Local Governments	—	—	—	1,546,915
Grants Disbursed to Local Governments	—	—	—	3,205
Funds Disbursed to Individuals and Organizations	—	—	—	200,646
Collateral Disbursed and Related Deductions	—	—	—	52,947
Taxes Disbursed to Local Governments	—	—	—	720,677
Total Deductions	<u>1,686,680</u>	<u>854,091</u>	<u>366,371</u>	<u>2,524,390</u>
Change in Net Position Restricted For:				
Individuals and Organizations	—	—	—	488
Change in Net Position Held in Trust For:				
Pension Benefits	1,608,746	—	—	—
Other Postemployment Benefits	149,851	—	—	—
External Investment Pool Participants	—	118,691	—	—
Individuals and Organizations	—	—	165,220	—
Net Position, Beginning of Year, as restated	22,144,450	976,187	2,887,008	84,763
Net Position, End of Year	<u>\$ 23,903,047</u>	<u>\$ 1,094,878</u>	<u>\$ 3,052,228</u>	<u>\$ 85,251</u>

The accompanying notes are an integral part of the financial statements.

# *DISCRETELY PRESENTED COMPONENT UNITS FINANCIAL STATEMENTS*

## *Major Component Units*

**West Virginia Lottery:** The West Virginia Lottery's responsibilities include the distribution and sale of lottery tickets and the awarding of prizes. The West Virginia Lottery has a duty to establish rules for conducting games, to select the type and number of gaming systems or games, and to enter into contracts and agreements to operate in a highly efficient manner. The Lottery derives its revenues from instant, online, video-type games, and table games. To the extent available, remaining net profits are to be distributed to the State and local governments as required by law.

**Economic Development Authority:** The Authority, responsible for developing and advancing the business prosperity and economic welfare of the State, is authorized to make loans and enter into direct financing and right to use leases with industrial development agencies for the promotion and retention of new and existing commercial and industrial development. The Authority is empowered to borrow money and issue bonds, notes, commercial paper, and other debt instruments to furnish money for the enhancement of business development projects, and additionally maintains the discretionary ability to set loan terms and interest rates.

**Housing Development Fund:** The Fund is responsible for providing residential housing programs for low- and moderate income families, elderly persons, and other eligible persons and families, as well as financing certain nonresidential projects. The Fund is empowered to issue bonds payable from mortgage payments and to issue general obligation bonds payable from other assets. The bonds of the Housing Development Fund do not constitute the debt of the State.

**Parkways Authority:** The Authority is responsible for the operation and maintenance of the State's turnpike and economic development and tourism projects approved by the Department of Transportation. The Authority is empowered to issue Parkway revenue refunding bonds and set rates for crossing the turnpike. The State has discretionary authority to reappropriate any surplus from the Authority.



**Water Development Authority:** The Authority is responsible for assisting in the preservation, protection, improvement, and management of the State's water resources. The Authority oversees a loan pool program which provides low-interest financing to local governments for water and wastewater projects. The Authority issues bonds to fund the loan pool and uses the proceeds to purchase local government revenue bonds. The revenue bonds are payable solely from the revenues of the projects.

**West Virginia Higher Education Fund:** The Fund is responsible for providing the delivery of postsecondary education, which is competitive, affordable, and has the capacity to deliver the programs and services necessary to meet the regional and statewide needs of young people and working-age adults. The focus and collaboration of the institutions within the Fund are to create a system of higher education that is equipped to increase the competitiveness and to diversify and to expand the State's workforce by increasing the number of postsecondary degrees. The Fund obtains revenues from state and federal student aid programs; tuition and fees; state and federal appropriations; sales and services of educational activities and auxiliary enterprises; federal, state, local, and nongovernmental grants and contracts; and gifts and contributions.

**West Virginia Division of Corrections and Rehabilitation:** The Division has statutory responsibility for the establishment and operation of correctional facilities, juvenile services, and regional jails in the State and the acquisition, construction, and renovation of those facilities for prisoner confinement. The Division has program revenues that consist of charges for incarceration of inmates.

**School Building Authority:** The Authority's responsibilities include providing state funds for the acquisition and construction of elementary and secondary public school facilities in order to satisfy the educational needs of the State's citizens in an efficient and economical manner. The Authority's programs are designed to provide modern, efficient public school facilities throughout the State by promoting the consolidation of elementary and secondary public schools, enabling the State to more efficiently utilize its educational resources.

Nonmajor component units are presented beginning on page 278.

**Combining Statement of Net Position  
Discretely Presented Component Units  
June 30, 2024  
(Expressed in Thousands)**

	<u>West Virginia Lottery</u>	<u>Economic Development Authority</u>	<u>Housing Development Fund</u>	<u>Parkways Authority</u>
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 227,763	\$ 1,035,628	\$ 19,141	\$ 15,816
Investments	—	—	—	—
Receivables, Net	38,569	20,444	2,403	10,001
Due from Other Governments	—	—	—	—
Due from Primary Government	1	—	—	20
Due from Component Units	13	—	—	—
Inventories	1,330	—	—	4,736
Prepaid SBITA	—	—	—	16,201
Other Assets	213	—	—	317
Restricted Assets:				
Cash and Cash Equivalents	—	302	182,364	109,928
Investments	—	—	—	96,262
Receivables, Net	—	—	4,226	—
Other Restricted Assets	—	—	—	—
Total Current Assets	<u>267,889</u>	<u>1,056,374</u>	<u>208,134</u>	<u>253,281</u>
Noncurrent Assets:				
Cash and Cash Equivalents	—	—	—	—
Investments	—	7,113	—	—
Receivables, Net	—	162,328	117,011	39,090
Other Assets	—	—	—	—
Net Pension Asset	24	3	18	53
Net OPEB Asset	204	34	396	581
Restricted Assets:				
Cash and Cash Equivalents	—	81,049	94,013	—
Investments	—	—	60,664	—
Receivables, Net	—	—	974,515	—
Other Restricted Assets	—	—	1,481	—
Right-to-Use Lease Asset, Net	—	—	—	—
Subscription Asset, Net (SBITA)	—	—	—	—
Capital Assets, Net	40,371	16,631	7,329	707,176
Total Noncurrent Assets	<u>40,599</u>	<u>267,158</u>	<u>1,255,427</u>	<u>746,900</u>
Total Assets	<u>308,488</u>	<u>1,323,532</u>	<u>1,463,561</u>	<u>1,000,181</u>
Deferred Outflows				
Loss on bond refundings	—	—	—	—
Related to CIP	—	—	—	—
Related to Pensions	1,397	210	1,042	3,021
Related to Other Post-Employment Benefits	74	47	1,089	291
Total Deferred Outflows of Resources	<u>1,471</u>	<u>257</u>	<u>2,131</u>	<u>3,312</u>

The accompanying notes are an integral part of the financial statements.

Water Development Authority	Higher Education	Division of Corrections & Rehabilitation	School Building Authority	Other Component Units	Total
\$ 54,737	\$ 670,944	\$ 22,622	\$ 439,077	\$ 77,850	\$ 2,563,578
—	165,474	—	—	4,028	169,502
13,921	221,812	15,803	39	3,290	326,282
—	—	—	—	2,044	2,044
305	148,949	56	—	3,186	152,517
—	4,717	—	—	—	4,730
—	3,688	13,563	—	22	23,339
—	—	—	—	—	16,201
—	20,345	488	—	33	21,396
—	—	30,369	—	22,478	345,441
—	—	—	—	—	96,262
—	—	—	—	465	4,691
4	—	—	—	—	4
<u>68,967</u>	<u>1,235,929</u>	<u>82,901</u>	<u>439,116</u>	<u>113,396</u>	<u>3,725,987</u>
—	89,645	—	—	—	89,645
—	704,906	—	—	—	712,019
5,955	39,569	—	—	1,140	365,093
—	70,072	—	—	—	70,072
1	—	377	—	79	555
10	17,413	3,335	9	414	22,396
476,460	—	—	—	1,617	653,139
—	—	—	—	—	60,664
119,971	—	—	—	735	1,095,221
59	—	—	—	364	1,904
—	84,662	5,644	—	2,985	93,291
—	36,633	199	—	—	36,832
<u>4,415</u>	<u>3,305,533</u>	<u>190,521</u>	<u>572</u>	<u>43,840</u>	<u>4,316,388</u>
<u>606,871</u>	<u>4,348,433</u>	<u>200,076</u>	<u>581</u>	<u>51,174</u>	<u>7,517,219</u>
<u>675,838</u>	<u>5,584,362</u>	<u>282,977</u>	<u>439,697</u>	<u>164,570</u>	<u>11,243,206</u>
4,116	31,750	—	1,875	—	37,741
—	—	6,653	—	—	6,653
85	1,195	23,135	88	3,156	33,329
8	8,852	5,017	6	230	15,614
<u>4,209</u>	<u>41,797</u>	<u>34,805</u>	<u>1,969</u>	<u>3,386</u>	<u>93,337</u>

**Combining Statement of Net Position  
Discretely Presented Component Units  
June 30, 2024  
(Expressed in Thousands)  
(Continued)**

	<u>West Virginia Lottery</u>	<u>Economic Development Authority</u>	<u>Housing Development Fund</u>	<u>Parkways Authority</u>
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 31,015	\$ 243	\$ —	\$ 16,941
Interest Payable	—	—	4,048	1,788
Accrued and Other Liabilities	32,757	32	23,200	9,938
Unearned Revenue	—	383,260	—	—
Due to Primary Government	179,017	650	—	1,585
Due to Component Units	4,380	13	—	—
Revenue Bonds Payable	—	—	29,520	9,305
Other Financing Debt	—	41	—	—
Right-to-Use Lease Liability	—	—	—	—
Subscription Liability (SBITA)	—	—	—	—
Compensated Absences	888	68	583	1,804
Total Current Liabilities	<u>248,057</u>	<u>384,307</u>	<u>57,351</u>	<u>41,361</u>
Noncurrent Liabilities:				
Unearned Revenue	—	282	—	—
Advances from Primary Government	—	35,407	—	—
Liabilities Payable from Restricted Assets	—	—	142,282	—
Accrued and Other Liabilities	—	—	—	21,449
Revenue Bonds Payable	—	—	653,610	523,812
Other Financing Debt	—	10,885	558	—
Net Pension Liability	—	—	—	—
Right-to-Use Lease Liability	—	—	—	—
Subscription Liability (SBITA)	—	—	—	—
Compensated Absences	—	68	—	—
Total Noncurrent Liabilities	<u>—</u>	<u>46,642</u>	<u>796,450</u>	<u>545,261</u>
Total Liabilities	<u>248,057</u>	<u>430,949</u>	<u>853,801</u>	<u>586,622</u>
Deferred Inflows of Resources:				
Gain on bond refundings	—	—	—	—
Related to Pensions	27	13	2	11
Related to OPEB	343	54	630	806
Service Concession Arrangements	—	—	—	—
Related to Leases	—	—	—	—
Public Private Partnerships	—	—	—	16,545
Grants and Contributions	—	—	—	—
Total Deferred Inflows	<u>370</u>	<u>67</u>	<u>632</u>	<u>17,362</u>
Net Position:				
Net Investment in Capital Assets	40,371	16,631	7,168	707,176
Restricted for:				
Capital Projects	—	—	—	—
Debt Service	—	—	409,809	195,432
Nonexpendable	—	—	—	—
Lending Activities	—	80,749	66,336	—
Pension Asset	24	3	18	53
OPEB Asset	204	34	396	581
Specific Component Unit Purposes	—	—	—	—
Unrestricted	20,933	795,356	127,532	(503,733)
Total Net Position	<u>\$ 61,532</u>	<u>\$ 892,773</u>	<u>\$ 611,259</u>	<u>\$ 399,509</u>

The accompanying notes are an integral part of the financial statements.

Water Development Authority	Higher Education	Corrections and Rehabilitation	School Building Authority	Other Component Units	Total
\$ 36	\$ 81,139	\$ 31,818	\$ —	\$ 4,064	\$ 165,256
1,009	9,367	789	—	—	17,001
—	202,532	11,446	5,604	648	286,157
372,799	176,894	—	—	2,855	935,808
—	5,679	4,004	—	18	190,953
—	—	337	—	—	4,730
10,079	61,182	—	17,930	—	128,016
—	9,354	2,429	—	—	11,824
—	6,126	1,750	—	714	8,590
—	14,922	137	—	—	15,059
—	56,919	—	53	247	60,562
<u>383,923</u>	<u>624,114</u>	<u>52,710</u>	<u>23,587</u>	<u>8,546</u>	<u>1,823,956</u>
—	—	—	—	30	312
—	—	—	—	—	35,407
—	—	—	—	18,195	160,477
—	110,733	—	—	200	132,382
112,135	1,261,157	—	266,900	—	2,817,614
—	198,976	29,017	—	—	239,436
—	4,186	—	162	—	4,348
—	96,624	4,208	—	2,396	103,228
—	18,746	134	—	—	18,880
113	5,192	11,453	—	1,379	18,205
<u>112,248</u>	<u>1,695,614</u>	<u>44,812</u>	<u>267,062</u>	<u>22,200</u>	<u>3,530,289</u>
<u>496,171</u>	<u>2,319,728</u>	<u>97,522</u>	<u>290,649</u>	<u>30,746</u>	<u>5,354,245</u>
453	—	—	—	—	453
—	3,064	10	4	113	3,244
20	27,040	11,546	24	810	41,273
—	37,838	—	—	—	37,838
—	11,138	—	—	1,079	12,217
—	—	—	—	—	16,545
—	526	—	—	—	526
<u>473</u>	<u>79,606</u>	<u>11,556</u>	<u>28</u>	<u>2,002</u>	<u>112,096</u>
4,415	1,995,381	158,689	572	43,776	2,974,179
—	21,783	—	—	—	21,783
—	57,781	23,502	314,898	—	1,001,422
—	398,108	—	—	364	398,472
115,194	—	—	—	—	262,279
1	—	377	—	79	555
10	17,413	3,335	9	414	22,396
—	414,960	41,700	—	50,857	507,517
63,783	321,399	(18,899)	(164,490)	39,718	681,599
<u>\$ 183,403</u>	<u>\$ 3,226,825</u>	<u>\$ 208,704</u>	<u>\$ 150,989</u>	<u>\$ 135,208</u>	<u>\$ 5,870,202</u>

**Combining Statement of Activities  
Discretely Presented Component Units  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	<u>Program Revenues</u>				
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
<b>Component Units:</b>					
West Virginia Lottery	\$ 1,320,350	\$ 1,295,912	\$ —	\$ —	\$ (24,438)
Economic Development Authority	231,215	6,594	—	—	(224,621)
Housing Development Fund	167,881	51,918	120,408	—	4,445
Parkways Authority	132,036	185,293	—	—	53,257
Water Development Authority	53,714	55,132	—	—	1,418
Higher Education	2,318,223	913,979	625,927	25,047	(753,270)
Division of Corrections & Rehabilitation	517,615	113,277	16,535	—	(387,803)
School Building Authority	158,712	—	3,696	—	(155,016)
Other Component Units	90,014	9,517	21,543	—	(58,954)
Total Component Units	<u>\$ 4,989,760</u>	<u>\$ 2,631,622</u>	<u>\$ 788,109</u>	<u>\$ 25,047</u>	<u>\$ (1,544,982)</u>

The accompanying notes are an integral part of the financial statements.

General Revenue							
Unrestricted Investment Earnings	Grants and Contributions Not Restricted for Specific Programs	Miscellaneous	Payments from the State of West Virginia	Total General Revenues and Special Item	Change in Net Position	Net Position, (Deficit) Beginning of Year	Net Position (Deficit) End of Year
\$ 13,505	\$ —	\$ 11,036	\$ —	\$ 24,541	\$ 103	\$ 61,429	\$ 61,532
65,053	—	163,173	—	228,226	3,605	889,168	892,773
10,829	—	—	—	10,829	15,274	595,985	611,259
13,538	—	—	—	13,538	66,795	332,714	399,509
28,931	—	—	53,000	81,931	83,349	100,054	183,403
100,514	—	103,190	789,412	993,116	239,846	2,986,979	3,226,825
2,009	—	—	378,016	380,025	(7,778)	216,482	208,704
11,961	—	—	338,290	350,251	195,235	(44,246)	150,989
751	4,281	5,108	56,662	66,802	7,848	127,360	135,208
<u>\$ 247,091</u>	<u>\$ 4,281</u>	<u>\$ 282,507</u>	<u>\$ 1,615,380</u>	<u>\$ 2,149,259</u>	<u>\$ 604,277</u>	<u>\$ 5,265,925</u>	<u>\$ 5,870,202</u>

**STATE OF WEST VIRGINIA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The State of West Virginia (the State) is governed by elected officials. These financial statements present the State (the primary government) and its component units. The component units discussed below are included in the State's reporting entity because of the significance of their operational or financial relationships with the State.

**Individual Component Unit Disclosures**

United States generally accepted accounting principles (GAAP) define component units as those entities which are legally separate organizations for which the State's elected officials are financially accountable, or other organizations for which the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. GAAP specifies two methods of presentation: blending the financial data of the component units' balances and transactions in a manner similar to the presentation of the State's balances and transactions, or discrete presentation of the component units' financial data in columns separate from the State's financial data.

**Blended Component Units**

The entities below are legally separate from the State and meet the GAAP criteria for component units. These entities are blended with the primary government because they provide services entirely or almost entirely to the State or there is a financial benefit or burden relationship with the primary government.

*Transportation*

The Division of Highways within the Department of Transportation (Transportation), is governed by a commissioner appointed by the Governor; it does not have a governing board separate from the State Legislature. It is a legally separate entity defined by the State Constitution. Since its operations are to improve the State's roads, Transportation is blended in the major special revenue funds of the State.

*West Virginia Investment Management Board*

The West Virginia Investment Management Board (IMB) is governed by a 13-member Board of Trustees. The IMB was created as a public corporation by West Virginia Code §12-6-1 to serve as the administrator, investor, and manager of the State's pension, Workers' Compensation, Pneumoconiosis, and other state funds. The Governor, the State Auditor, and the State Treasurer are members of the Board, and the other members are appointed by the Governor. Because there is a financial benefit-burden relationship between the State and the



IMB, and assets of the State and its component units comprise over 90% of the assets managed by the IMB, it is blended in the internal service funds of the State.

#### *West Virginia Board of Treasury Investments*

The West Virginia Board of Treasury Investments (BTI) is governed by a five-member board. The Governor, the State Auditor, and the State Treasurer are members of the Board and the other two members are appointed by the Governor. The BTI was created as a public corporation by West Virginia Code §12-6C-4 to provide prudent fiscal administration, investment, and management for the Consolidated Fund and is blended in the internal service funds of the State.

#### *Tobacco Settlement Finance Authority*

The Tobacco Settlement Finance Authority (TSFA) is governed by a five-member board, including the Secretary of Administration, the State Treasurer, and three persons appointed by the Governor. The TSFA was created to issue bonds related to the State's portion of the tobacco receipts from the Master Settlement Agreement between tobacco manufacturers and the covered states. The revenue bonds, secured by the tobacco revenues, are not a general obligation of the State. The TSFA is blended in the debt service funds of the State since its activities only benefit the State.

### **Blended Component Unit Financial Statements**

Audited financial statements for these blended component units can be obtained directly from their respective administrative offices.

#### Administrative Offices:

Transportation 1900 Kanawha Blvd., East Building 5, Room A-109 Charleston, WV 25305	West Virginia Investment Management Board 500 Virginia St. East, Suite 200 Charleston, WV 25301
Board of Treasury Investments 1900 Kanawha Blvd., East Building 1, Room E-122 Charleston, WV 25305	Tobacco Settlement Finance Authority 1900 Kanawha Blvd., East Building 1, Room E-119 Charleston, WV 25305

### **Discretely Presented Component Units**

Discretely presented component units are entities which are legally separate from the State but are financially accountable to the State, or whose relationship with the State is such that exclusion would cause the State's financial statements to be misleading or incomplete. Because of the nature of the services they provide and the State's ability to impose its will on them, the following component units are discretely presented. The State has both governmental (providing services to the government) and proprietary (providing services to external parties) component units. The component units are presented in a single column on the government-wide statements.

*The major discretely presented component units are composed of the following entities:*

### West Virginia Lottery

The West Virginia Lottery (Lottery) is governed by a seven-member board appointed by the Governor. It was formed to assist the State in funding education, debt service, the promotion of tourism, and other basic governmental activities. Even though the Lottery was created primarily to generate revenue for the State, the service provided by the Lottery – the opportunity for financial gain – is provided to anyone who chooses to participate. When prizes are awarded to winners and financial gain is achieved, the lottery operation does not exclusively, or almost exclusively, benefit the primary government as an institution, not meeting the criteria for blending and thus requiring discrete component unit presentation.

### Economic Development Authority

The Economic Development Authority (EDA) is administered by a nine-member board composed of the Governor, Secretary of Revenue, and seven other members appointed by the Governor. EDA is responsible for developing and advancing the business prosperity and economic welfare of the State. EDA is authorized to make loans, including direct financing and right to use leases to industrial development agencies for the promotion and retention of new and existing commercial and industrial development. EDA is empowered to borrow money and issue bonds (with approval of the State), notes, commercial paper, and other debt instruments to furnish money for the enhancement of business development projects and has the ability to establish loan terms, including interest rates, at its discretion. EDA promotes economic development among private industries, and though its services benefit the State by increasing the tax base, its primary function is to provide jobs.

### Housing Development Fund

The Housing Development Fund (HDF) is governed by an 11-member board consisting of the Governor, the Attorney General, the Commissioner of Agriculture, the State Treasurer, and seven other members appointed by the Governor. The Governor or his designee is the chair of the board of directors. HDF is responsible for providing residential housing programs for low-income and moderate-income families, elderly persons, and other eligible persons and families, as well as financing certain nonresidential projects. It is empowered to issue bonds which are payable from the mortgage payments. The assets and revenues of the bond programs of the HDF are restricted by resolution to repay the outstanding debt. As the State is able to impose its will over the HDF, it is included as a discretely presented component unit.

### Parkways Authority

The Parkways Authority (Parkways) is composed of seven members. The Governor or his designee serves as its chairperson, the Secretary of the Department of Transportation is on the board, and five members are appointed by the Governor. Its responsibilities include the operation and maintenance of the West Virginia Turnpike (the Turnpike) as well as economic development and tourism projects approved by Transportation. Parkways sets the rates for using the Turnpike and may issue Parkways' revenue refunding bonds payable solely from revenues of the Turnpike. Transportation, as well as the State, is able to impose its will on Parkways.

### Water Development Authority

The Water Development Authority (Water Development) is governed by a seven-member board. The Governor, who serves as the chair, the Secretary of the Department of Environmental Protection, and the Commissioner of the Bureau for Public Health are members ex-officio of the board. Four members are appointed by the Governor. Water Development is responsible for assisting in the preservation, protection, improvement, and management of the State's water resources. Water Development oversees a loan pool program which provides low-interest financing to local governments for water and wastewater projects. Water Development issues bonds to fund the loan pool and uses the proceeds to purchase local government revenue bonds. The revenue bonds are payable solely from the revenues of the projects. Water Development also serves as the financial administrator of the West Virginia Infrastructure and Jobs Development Council and the Drinking Water Treatment Revolving Fund, which are enterprise funds.

### Higher Education Fund

Each college and university in the Higher Education Fund (the Fund) is governed by a Governing Board, which is responsible for the general determination, control, supervision, and management of the financial business and educational policies and affairs of the institution(s). The West Virginia Higher Education Policy Commission (the Policy Commission), in accordance with Senate Bill No. 653, is the single accountability point responsible for developing, gaining consensus around, and overseeing the implementation and development of a higher education public policy agenda. It is comprised of ten persons appointed by the Governor with the advice and consent of the Senate. The Policy Commission is responsible for preparing and submitting a consolidated budget and allocating state appropriations to supplement institutional operating revenues.

Senate Bill 448 created the West Virginia Council for Community and Technical College Education (the Council), which has responsibility for developing, overseeing, and advancing the State's public policy agenda as it relates to community and technical college education. The Council is comprised of 12 persons appointed by the Governor with the advice and consent of the Senate.

The Fund is comprised of the following: Bluefield State College, BridgeValley Community and Technical College, New River Community and Technical College, Concord University, Eastern West Virginia Community and Technical College, Fairmont State University, Glenville State College, Marshall University (including Marshall University Graduate College), Mountwest Community and Technical College, Pierpont Community and Technical College, Shepherd University, Blue Ridge Community and Technical College, Southern West Virginia Community and Technical College, West Liberty University, West Virginia Higher Education Policy Commission (including West Virginia Network for Educational Telecomputing), West Virginia Council for Community and Technical College Education, West Virginia Northern Community College, West Virginia State University, West Virginia School of Osteopathic Medicine, West Virginia University (including Potomac State College and West Virginia University Institute of Technology), and West Virginia University at Parkersburg Community and Technical College. These entities are included in the Fund financial statements as blended component units: Concord University Research and Development Corporation, Glenville State College Research Corporation, Glenville State

College Housing Corporation, Marshall University Research Corporation, Shepherd University Research and Development Corporation, West Liberty University Research Corporation, West Virginia State University Research and Development Corporation, West Virginia University Research and Development Corporation, and West Virginia Regional Technology Park.

The Fund's component units' financial statements are included in the Fund's component unit column in the Discretely Presented Major Component Units Financial Statements of the ACFR. The component units are the separate private nonprofit organizations of each applicable institution. Those organizations report under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features.

Various foundations have been established as separate nonprofit organizations incorporated in the State of West Virginia having as their purpose “. . . to aid, strengthen and further in every proper and useful way, the work and services of the (individual institutions within the Fund), and their affiliated nonprofit organizations.” Oversight of the foundations is the responsibility of separate and independently elected Boards of Directors, not otherwise affiliated with the Fund. In carrying out its responsibilities, the Boards of Directors of the foundations employ management, form policy, and maintain fiscal accountability over funds administered by the foundations. Although the individual institutions within the Fund do not control the timing or amount of receipts from the foundations, the majority of resources, or income thereon, which the foundations hold and invest are restricted to the activities of the individual institutions within the Fund by donors. Because these restricted resources held by the foundations as detailed in the basic financial statements can only be used by, or for the benefit of, the individual institutions within the Fund, the foundations are considered component units of the individual institutions and are therefore included with the Fund's financial statements.

The West Virginia University Foundation Inc. is appropriately not reported because the economic resources held do not entirely or almost entirely benefit West Virginia University. The Kanawha Valley Community and Technical College Foundation, Inc.; the Bridgemont Community and Technical College Foundation; the Eastern West Virginia Community and Technical College Foundation Inc.; the Mountwest Foundation, Inc.; and Tech Foundation, Inc. are not included because they were not significant to their institutions. The Higher Education Foundation is not included because it was not significant to the Fund.

Complete financial statements for any college, university, or foundation can be obtained by contacting the Business Office of the West Virginia Higher Education Policy Commission, 1018 Kanawha Boulevard, E., Suite 700, Charleston, WV 25301.

#### West Virginia Division of Corrections and Rehabilitation

The West Virginia Division of Corrections and Rehabilitation (the Division) oversees the State's adult and juvenile offender populations. It combined the West Virginia Division of Corrections, the West Virginia Regional Jail and Correctional Facility, and the West Virginia Division of Juvenile Services into one agency. The Division is governed by a nine-member board consisting of the Commissioner of the Division of Corrections, the Assistant Commissioner of the Bureau of Juvenile Service, the Secretary of the Department of

Homeland Security, the Secretary of the Department of Administration, and five members appointed by the Governor.

#### School Building Authority

The School Building Authority (SBA) is governed by a ten-member board appointed by the Governor. The State Superintendent of Schools serves as president of the Authority. The remaining nine members consist of three members of the State Board of Education and six citizens, one of whom must be a representative of the construction trades. The SBA is to “facilitate and provide State funds for the acquisition, construction, and maintenance of elementary and secondary public school facilities so as to meet the educational needs of the people of the State in an efficient and economical manner.” The SBA’s program is designed to provide modern, efficient public-school facilities throughout the State by promoting the consolidation of elementary and secondary public schools, enabling the State to more efficiently utilize its educational resources.

*The nonmajor discretely presented component units are composed of the following entities:*

#### Educational Broadcasting Commission

The Educational Broadcasting Commission (EBC) consists of 9 members. Five members are appointed by the Governor. The other four members include the State Superintendent of Schools, one member from the West Virginia Board of Education, and one member from the Policy Commission. EBC is responsible for extending educational, cultural, and informational experiences to all state citizens. This is accomplished through the construction and operation of noncommercial educational television and radio stations and related facilities statewide. EBC provides statewide telecommunication services for other state and public service agencies for nonbroadcasted activities such as teleconferencing, in-service training, and data delivery. EBC’s revenues are derived primarily through donations, with a portion of operational costs supplemented by state and federal grants.

#### West Virginia Division of Multimodal Transportation Facilities

The West Virginia Division of Multimodal Transportation Facilities (Multimodal Division) is the agency of the State responsible for the administration of all federal and state programs related to public ports, railroads, airports, air navigational facilities and public transit providers. The Multimodal Division is empowered to issue bonds with the approval of the Secretary of Transportation.

#### Solid Waste Management Board

The Solid Waste Management Board (Solid Waste) is composed of seven members. Five members are appointed by the Governor and the remaining members are the Secretary of the Department of Health and Human Services and the Director of the Division of Environmental Protection. Solid Waste is responsible for improving collection and disposal of solid wastes and encouraging recycling, reuse, and recovery of resources from wastes. Solid Waste is the financing mechanism for solid waste projects and is empowered to issue bonds (with approval of the Water Development Authority) and set a rate structure.

### Racing Commission

The Racing Commission consists of three members appointed by the Governor, by and with the consent of the Senate. The State Legislature has the ability to approve and modify the Racing Commission's budget. The Racing Commission has full jurisdiction over and shall supervise all horse race meetings, all dog race meetings, and all persons involved in the holding and conducting of race meetings. It has the power to set fees and grant licenses and permits pertaining to horse and dog race meetings, as well as to regulate the horse and dog race wagering.

### Public Defender Corporation

The Public Defender Corporation represents the combined nonprofit corporations, created under authority of West Virginia Code §29-21, for the purpose of fulfilling the State's obligation to provide legal representation to eligible clients. Funding of the individual public defender corporations is by appropriation disbursed in periodic allotments determined by the Executive Director of the Public Defender Services, who is appointed by the Governor. The governing body of each public defender corporation is a Board of Directors appointed by the county commissions and the Governor.

### Municipal Pension Oversight Board

The Municipal Pension Oversight Board is responsible for monitoring and improving the performance of the municipal policemen's and firemen's pension and relief funds. The board, which is the governing body, ensures legal compliance of the funds and distribution of tax revenues to the relief funds as well as any reasonable actions necessary to provide for the security and fiscal integrity of pension funds. The board consists of nine members, including the executive directors of the State's IMB and Consolidated Public Retirement Board, an active or retired member from both the Municipal Policeman's Pension and Relief Fund, and the Municipal Fireman's Pension and Retirement Fund, an attorney experienced in finance and investment matters related to pensions management, two persons experienced in pension management, a certified public accountant experienced in auditing, and one person chosen from a list of three persons submitted to the Governor. It would be misleading to exclude the Municipal Pension Oversight Board, so it is presented as a discretely presented component unit.

## **Discretely Presented Component Unit Financial Statements**

Complete audited financial statements of the individual discretely presented component units can be obtained directly from their respective administrative offices.

### Administrative Offices:

West Virginia Lottery  
900 Pennsylvania Avenue  
Charleston, WV 25302

Housing Development Fund  
5710 MacCorkle Avenue, Southeast  
Charleston, WV 25304

Water Development Authority  
1009 Bullitt Street  
Charleston, WV 25301

Division of Corrections and Rehabilitation  
Building 84, Suite 230  
1409 Greenbrier Street  
Charleston, WV 25311

Educational Broadcasting Commission  
600 Capitol Street  
Charleston, WV 25301

Solid Waste Management Board  
601 57th Street, Southeast  
Charleston, WV 25304

Public Defender Corporation  
One Players Club Drive, Suite 301  
Charleston, WV 25311

Economic Development Authority  
Northgate Business Park  
180 Association Drive  
Charleston, WV 25311-1217

Parkways Authority  
P.O. Box 1469  
Charleston, WV 25325-1469

Higher Education Policy Commission  
2001 Union Carbide Drive, Building 2000  
South Charleston, WV 25303

School Building Authority  
Finance Division  
2300 Kanawha Boulevard, East  
Charleston, WV 25311

WV Division of Multimodal Transportation  
1900 Kanawha Boulevard, East  
Building 5, Room 132  
Charleston, WV 25305

Racing Commission  
900 Pennsylvania Avenue, Suite 533  
Charleston, WV 25302

Municipal Pension Oversight Board  
301 Eagle Mountain Road, Suite 251  
Charleston, WV 25311

## **Basis of Presentation**

The accompanying basic financial statements of the State of West Virginia conform to United States GAAP for governments. The GASB is the accepted standard-setting body for governmental accounting and financial reporting. In addition, GAAP requires that the State's proprietary activities apply GAAP in a similar manner as applied for business activities in the private sector. As a result, the financial statements of certain component units follow the specialized reporting practices of the insurance, housing finance agency, and other not-for-profit industries, as prescribed by the GASB. Certain net position and fund balance amounts presented for the preceding year have been restated. See Note 2 for further explanation.

The basic financial statements have been prepared primarily by the Financial Accounting and Reporting Section (FARS) of the Department of Administration from accounts maintained by the State Auditor's Office, the State Treasurer's Office, the Board of Treasury Investments, and the Investment Management Board. Additional data has been derived from the audited financial statements of certain entities and from reports and data prepared by various state agencies and departments, based on independent or subsidiary accounting records maintained by them.

## **Government-wide and Fund Financial Statements**

### Government-wide Financial Statements

The government-wide financial statements, which are the statement of net position and the statement of activities, report information on all the nonfiduciary activities of the primary government and its component units. These activities are reported as governmental activities, business-type activities, or component units. The governmental activities are normally supported by taxes, intergovernmental revenues, and other nonexchange revenues, and are reported separately from the business-type activities. The business-type activities rely significantly on fees and charges to external parties. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net position presents the State's nonfiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes, and other debt of resources that are attributed to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.
- Restricted net position results when constraints are placed on net position used by external creditors, grantors, contributors, etc. or imposed by law through constitutional provisions or enabling legislation and reduced by liabilities and deferred inflows of resources related to those assets.



- Unrestricted net position consists of net position which does not meet the definition of the two preceding categories. Unrestricted net position is often designated, which indicates that management does not consider it available for general operations. They also often have constraints on resources imposed by management but can be removed or modified.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included in program revenues are reported as general revenue.

### Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with nonmajor funds being combined into a single column.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. "Available" means expected to be collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, revenues are primarily considered available if received in the first 60 days of the new fiscal year. Significant revenues susceptible to accrual include income, sales and use, corporation, and other taxes; federal awards; federal reimbursements; and other reimbursements for use of materials and services. Revenues from federal awards are considered available when the related expenditures have been incurred and if received in 12 months. Receipts and disbursements of U.S. Government food stamps are accounted for in the General Fund. The electronic benefits transfer (EBT) process for food stamp revenue equal to expenditures is recognized when the underlying transaction (food purchase) occurs. Revenues from other sources are recognized when received.

Expenditures generally are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to retirement

costs, compensated absences, environmental obligations, and claims and judgments, are recorded only when payments are due.

### **Governmental Fund Types**

*Special Revenue Funds* are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes (other than debt service and capital projects).

*Debt Service Funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*Capital Projects Funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds).

*Permanent Funds* are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the State or its citizenry. The Irreducible School Fund was constitutionally established for educational purposes.

*The State reports the following major governmental funds:*

The General Fund is the primary operating fund of the State. It is used to account for all financial resources obtained and spent for those services normally provided by the State (e.g., health, social assistance, public safety, primary and secondary education), which are not required to be accounted for within other funds.

Transportation, a special revenue fund, has responsibility for the construction, maintenance, and improvement of all state roads; development of public transportation facilities, services, equipment, and methods; and supervision and control of commercial, state, and municipal airports and ports. Financial resources for these responsibilities are federal grants, registration fees, license fees, and taxes.

The TSFA, a debt service fund, was established to sell bonds that are being funded by projected future cash flows from the Master Settlement Agreement between the manufacturers and the states. The TSFA acquired the State's rights to the revenue under the Master Settlement Agreement. The TSFA receives the cash flows and transfers the monies to the trustee upon receipt.

State Road is a constitutionally established fund that is operated within the Department of Transportation. Certain taxes, fees, and other revenue sources are expended for the construction and maintenance of roads.

### **Proprietary Fund Types**

Enterprise Funds are used to account for operations of those state agencies providing goods or services to the general public on a user-charge basis, or where the State has decided that periodic determination of revenues earned, expenses incurred, and/or net income is

appropriate for capital maintenance, public policy, management control, accountability, or other purposes. This fund type is also used when the activity is financed with debt that is secured by a pledge of the net revenues from the fees and charges of the activity. These funds include the State's risk management and insurance funds as well as the Alcohol Beverage Control Administration, two water treatment loan programs, the West Virginia College and Jumpstart Savings Program Administration, and the West Virginia Infrastructure and Jobs Development Council.

Internal Service Funds account for the operations of those state agencies that provide goods and services to other state agencies and governmental units on a cost-reimbursement basis. These services include government building and vehicle maintenance and leasing, data processing functions, and the investment and management of state funds. In the government-wide statements, internal service funds are included with governmental activities.

*The State reports the following major enterprise funds:*

The Water Pollution Control Revolving Fund provides low-interest loans to communities to upgrade or establish sewer service, to clean up the State's water supply, and to assist local governmental entities in complying with the Clean Water Act.

The Workers' Compensation Fund provides compensation for injury or illness sustained during the course of employment with a date of injury on or before June 30, 2005 (see Note 15).

Unemployment Compensation operates local offices throughout the State to provide temporary assistance to eligible unemployed workers.

The West Virginia Infrastructure and Jobs Development Council coordinates the review and funding of water, wastewater, and economic development projects within the State through proceeds of its bond program, certain mineral severance taxes, repayments of principal and interest, and statutorily dedicated legislative appropriations from the excess lottery revenue fund.

The Public Employees' Insurance Agency and the Board of Risk and Insurance Management are the State's health insurance and risk management funds and are shown with the proprietary major funds due to their importance to management.

### **Types of Fiduciary Funds**

*Additionally, the State reports the following types of fiduciary funds:*

Pension and Other Employee Benefit Trust Funds report resources that are required to be held in trust for the members and beneficiaries of the State's defined benefit retirement plans, the defined contribution retirement plan, and the multiemployer, cost-sharing other postemployment benefit plan, in which the State is a participating employer.

Investment Trust Funds report resources in external investment pools that belong to local governments and municipalities.

Private Purpose Trust Funds report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. The

West Virginia College and Jumpstart Savings Programs allow citizens to invest monies for college tuition and defer taxes on earnings from those investments, and a savings program to cover costs of pursuing a career in skilled trades and vocations.

Custodial Funds report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. These funds are taxes that will be remitted to respective local governments, hospital patient and inmate funds, performance bonds, and interest earnings.

### **Interfund Activity and Balances**

As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. Exceptions to this rule are activities between funds reported as governmental activities and funds reported as business-type activities, and activities between funds that are reported in different functional categories in either the governmental or business-type activities column. Elimination of these activities would distort the direct costs and program revenues for the functions concerned.

In the fund financial statements, transfers represent flows of assets without equivalent flows of assets in return or a requirement for repayment. In addition, transfers are recorded when a fund receiving revenue provides it to the fund expending the resources.

Interfund receivables and payables have been eliminated from the statement of net position, except for the residual amounts due between governmental and business-type activities.

### **Major Reserve/Stabilization Funds**

The Revenue Shortfall Reserve Fund (Rainy Day Fund) was established in the State Code, which requires that the first 50% of all surplus General Revenue funds accrued during the fiscal year just ended must be deposited into the fund up to an aggregate amount not to exceed 13% of the total appropriations from the General Revenue Fund for the fiscal year just ended.

The Legislature is permitted to make appropriations from the fund for emergency revenue needs caused by acts of God or natural disasters or for other fiscal needs as determined by the Legislature. The Rainy Day Fund can also be invested and can retain those earnings. The first \$100 million is invested by the BTI, and any amounts over \$100 million are invested by the IMB. As of June 30, 2024, the fund contained \$706 million, which amounted to almost 13.5% of FY 2024 total appropriations. The Rainy Day Fund is reported in the General Fund as part of the unassigned fund balance.

The Legislature also authorized the Governor, by executive order, to borrow funds from the Rainy Day Fund when revenues are inadequate to make timely payments of the State's obligations. The amount borrowed may not exceed 1.5% of the General Revenue Fund estimate for the fiscal year in which the funds are borrowed and shall be repaid to the fund within 90 days of its withdrawal. Because of an expected cash flow shortfall experienced each year in the first quarter of the fiscal year, the Governor has borrowed from the fund each year since August 1996 in order to pay obligations in a timely manner. The loans were repaid before September 30 of each year, all within the 90-day limit allowed by law.

The Revenue Shortfall Reserve Fund – Part B (Rainy Day Fund – Part B) was established with the cash balance of the West Virginia Tobacco Settlement Medical Trust Fund on June 9, 2006, the effective date of the bill, West Virginia Code §11B-2-20. The funds are invested by the IMB, and interest and other returns on the invested funds are credited to the fund.

Expenditures may not be made from the Rainy Day Fund—Part B unless all monies in the Revenue Shortfall Reserve Fund have been first expended. After June 30, 2025, interest and other amounts earned on monies held in the Rainy Day Fund—Part B may be appropriated by the Legislature for continued support of the programs offered by the Public Employees’ Insurance Agency; funding for expansion of the federal-state Medicaid program; funding for public health programs, services, and agencies; funding for any State owned or operated health facilities; or in instances of revenue shortfalls or fiscal emergencies of an extraordinary nature. On June 30, 2024, the balance in the Rainy Day Fund—Part B was \$550 million, and it is reported in the General Fund as part of the unassigned fund balance.

The Income Tax Refund Reserve Fund was established to pay personal income tax refunds, interest, and penalties to taxpayers in a timely manner. It may also be used by the Legislature to make appropriations from the fund to address other items as the Legislature so desires. Personal income taxes received by the State can be added to this fund, if the state tax commissioner determines the balance in the fund is not sufficient to ensure the timely payment of income tax refunds. On June 30, 2024, the balance in the Income Tax Refund Reserve Fund was \$449 million, and it is reported in the General Fund as part of the unassigned fund balance.

### **Assets and Liabilities**

Cash and Cash Equivalents – Cash equivalents are short-term investments with maturities, when purchased, of three months or less. The State Treasurer principally deposits the State’s cash in investment pools maintained by the BTI and IMB, and such deposits are generally available with overnight notice. Cash deposits in outside bank accounts are considered to be cash and cash equivalents.

Investments – Amounts reported as investments include certain deposits with the IMB, the BTI, and other investments maintained in outside accounts. The investments at IMB are maintained in investment pools having long-term investment securities designated as trading securities or established to acquire participant-directed securities. IMB’s investments in the Short-Term Fixed Income Pool are carried at amortized cost. Futures and option contracts are valued at the last settlement price established each day by the exchange on which they are traded. Investments in commingled investment pools are valued at the net asset value of the individual funds. The State also participates in three external investment pools managed by the BTI. Two are reported at amortized cost, which approximates fair value. The third is a longer-term investment pool that carries investments at fair value. The fair value of investments is derived from quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date and by inputs that are observable for an asset or a liability, either directly or indirectly. Because fair value of the investments of the State Building Fund approximates amortized cost, no noncash change in fair value is reported.

Receivables – Amounts reported as receivables in the governmental funds consist primarily of Federal revenues, taxes, and interest on investments. Receivables in all other funds represent amounts that have arisen in the ordinary course of business and are shown net of allowances for uncollectible amounts. Further disaggregation of receivable balances is disclosed in Note 4.

Public-Private Partnership Receivables (PPP) - Amounts are measured at the present value of the amount expected to be received during the PPP term. The State may receive variable payments that are dependent on the operator's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

Inventories – Consumable inventories, consisting of expendable materials and supplies held for consumption, are valued and reported for financial statement purposes. Materials and supplies inventories are physically counted and primarily valued at the first-in, first-out (FIFO) and average cost methods at year-end. Inventories of governmental funds are recorded using the consumption method. Nonspendable fund balance is recorded for the ending inventory amount, indicating that inventory does not constitute “expendable available financial resources.” Proprietary fund and component units' inventories are valued at the lower of cost or market, cost being determined on FIFO, and are expensed when used.

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost, or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the time of the donation. In accordance with the capitalization policy adopted by the State for financial reporting, equipment with a purchase price in excess of \$25,000 is capitalized. Certain small blended component units follow other capitalization policies which range from \$5,000 to \$25,000 for equipment. The Fund component unit uses \$1,000 and \$5,000 thresholds. Buildings and improvements which extend the useful lives and/or significantly increase values of capitalized buildings with a combined value in excess of \$100,000 are capitalized. All land, regardless of acquisition price, is capitalized. Intangibles include off-the-shelf computer software, patents, easements, and mineral rights over \$25,000 and internally generated software over \$1 million.

West Virginia is one of few states that owns all the paved roads in the State, except for municipal streets. Infrastructure was capitalized for the first time in fiscal year 2002. Transportation's infrastructure constructed from July 1, 1980 to July 1, 2001, has been recorded at estimated historical cost. The estimated historical cost for years 1980-2001 was based on capital outlay expenditures reported by Transportation in the annual reports for those years, less an amount estimated for the historical cost of the acquisition of land for right-of-way. Transportation has not capitalized any infrastructure expenditures for assets constructed prior to July 1, 1980. The costs of normal maintenance and repairs that do not add to the asset's value or materially extend an asset's useful life are not capitalized. No interest was capitalized during the fiscal year. Other agencies are capitalizing all infrastructure assets.

The capital assets are depreciated over their estimated useful lives using the straight-line depreciation method. Amortization of leased assets is included with depreciation expense. Equipment, depending on type, is depreciated over 3-20 years. Buildings are depreciated over various lives, ranging from 20-50 years. The infrastructure assets are depreciated over a period of 20-50 years. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Impaired assets and insurance recoveries are analyzed for significance and recorded accordingly.

The State possesses certain capital assets that have not been capitalized and depreciated, including works of art and historical treasures, such as monuments; historical documents; paintings; antiques; pioneer Native American, and Civil War artifacts, etc. Works of art and historical treasures that are held for public exhibition, education, or research in furtherance of public service, rather than financial gain; protected, kept unencumbered, cared for, and preserved; and subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections are not capitalized.

Leases – Lease contracts generally relate to land, buildings, and associated facilities such as parking, and various machinery and equipment. Short-term leases, those with a maximum possible lease term of 12 months or less, are recognized as revenue or expense based on the provisions of the lease agreement. For all other contracts where the State is the lessee, a lease liability and right-to-use asset is recognized based on the present value of future lease payments over the term of the lease. The right-to-use lease assets are amortized over the term of the lease or the life of the asset whichever is shorter. On a limited basis, the State serves as a lessor providing leases of state-owned buildings. The financial statements recognize a lease receivable and a deferred inflow of resources, based on the present value of the future lease payments expected to be received during the contract term, and deferred inflow of resources is amortized over the life of the lease.

The State uses its estimated incremental borrowing rate as the discount rate for leases unless the rate the lessor charges is known. The State's incremental borrowing rates range from 4.17%-4.5%. If amendment or other circumstances occur that are expected to significantly affect the amount of the lease, the present value is remeasured and adjustments are made.

The State's leases include buildings, land, equipment and software with a minimum leasing arrangement with a cost greater than \$25,000 annually. The Fund component units use \$1,000-\$5,000 thresholds. All other leases are considered immaterial to the financial statements.

Subscription Based Information Technology Arrangements (SBITA) - The State has entered into various contracts with external parties for the right-to-use information technology software on a subscription basis. Amortization on these contracts is computed using the straight-line method over the shorter of the subscription term or the estimated useful life of the asset. The State's incremental borrowing rate for subscription contracts range from 3% to 6.5%.

Insurance and Compensation Benefits – The Board of Risk and Insurance Management (BRIM), the Public Employees' Insurance Agency (PEIA), and the Workers' Compensation Fund (WCF) each represent and are accounted for as insurance enterprise funds of the State.

BRIM and PEIA are considered public entity risk pools (enterprise funds). Each organization has included the required supplementary information in its separately audited financial statements.

Advances – The amount of EDA loans held by the State’s General Fund at June 30, 2024, is approximately \$35.4 million and is recorded as Advances to/from Component Units. There is a revolving loan agreement with the BTI to borrow up to \$80 million to be reloaned for the purposes of expanding broadband services across the State. This revolving loan allows EDA to insure no more than \$20 million per entity in one calendar year. The loan has a variable rate equal to the 12 month average yield on the WV Money Market Pool. The rate resets quarterly and the maximum annual adjustment may not exceed 1.00%. The annualized rate for fiscal year 2024 was 2.28%. At June 30, 2024, the outstanding balance was \$35.4 million.

Long-Term Liabilities – In the government-wide financial statements and proprietary fund financial statements, long-term obligations (including claims and judgments, environmental obligations, net pension liability, net other post-employment benefits liability (OPEB), and compensated absences) are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are charged to expenses as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pollution Remediation Obligations – In the government-wide statement of net position, pollution remediation obligations, including landfills, mine reclamation, oil and gas wells, and underground storage tanks, are reported in the Accrued and Other Liabilities line item at the current value of expected outlays to fund remediation costs using a technique substantially similar to the expected cash flow technique. The technique uses contracts issued, measuring averages and standard deviations, and variances to all the other sites without contracts. A range of possible estimated amounts is used, as well as all expectations about possible cash flows on a site-specific basis. Ranges are based on actual remediation cost experience, remediation cost estimates, and/or discrete cost remediation treatment possibilities. All reported obligation amounts are estimates and are subject to change resulting from price increases or reductions, technology, or changes in applicable laws or regulations. In cases when remediation costs are not reasonably estimable liabilities, a liability for such cases is not reported. For a more detailed explanation of the liability, see Note 16, Commitments and Contingencies.

Pensions – The State’s retirement pension plans cover all employees of the State and are funded according to matching portions of employee payroll prescribed by the Plans. The Plans’ fiduciary net position has been determined on the same basis used by the pension plan. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are carried at fair value as determined by a third-party pricing service utilized by the respective investment management companies. Investment



transactions are accounted for on a trade-date basis. Unrealized gains and losses are included in investment income. Investment income is determined monthly and distributed to each of the defined benefit plans participating in the investment pools on the last day of the month in the form of reinvested shares.

Other Postemployment Benefits (OPEB) – The State OPEB plan covers all employees of the State as set forth in the West Virginia Code. Accordingly, the basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America for governmental entities as prescribed or permitted by the GASB. Revenues are derived mainly from contributions from plan members and employers. Members' contributions are recognized in the period in which the contributions are due. Employers' contributions to the RHBT are recognized pursuant to a legal requirement, when there is a reasonable expectation of collection. Benefits and refunds are recognized when due and payable. RHBT cash and cash equivalents principally consist of the deposits in the Board of Treasury Investments (BTI) pooled funds recorded at fair value, as more fully described in Note 3.

Compensated Absences – Employees accumulate annual leave (vacation) balances to maximum amounts ranging from 240 to 320 hours. Most employees receive a 100% termination payment upon separation based upon their final rate of pay. The liability for annual leave is valued at 100% of the balance plus the State's share of Social Security and retirement contributions. In lieu of a cash payment, at retirement, an employee can elect to use accumulated annual leave toward their postemployment health care insurance premium. State employees earn sick leave benefits, which accumulate but do not vest. When separated from employment with the State, an employee's sick leave benefits are considered ended and no reimbursement is provided. However, eligible employees may convert, at the time of retirement, any unused accumulated sick leave to pay a portion of the employee's postemployment health care insurance premium. See the Other Postemployment Benefits discussion in Note 14.

Deferred Inflows/Outflows of Resources – In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The State has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, and deferred amounts related to pension and OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The State has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The

governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the State reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

Net Position/Fund Balance – The difference between assets plus deferred outflows of resources less liabilities plus deferred inflows or resources is “Net Position” on the government-wide, proprietary, and fiduciary fund statements, and “Fund Balance” on the governmental fund statements. Net Position is reported in three categories:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Net Position that is restricted due to legal restrictions from creditors, grantors, or laws and regulations of other governments, and, in some cases, by legally enforceable enabling legislation or constitution of the State is a restricted net position.
- Unrestricted net position consists of net position which does not meet the definition of the two preceding categories.

The fund balance category, general government operations, is based primarily on the extent to which the State is bound to honor constraints on the specific purposes for which the amounts in those funds can be spent. Fund balances are reported in the following categories:

- Nonspendable fund balances include amounts that cannot be spent because they are in a nonspendable form, such as inventory, or they are legally or contractually required to be maintained intact, such as the corpus of a permanent fund.
- Restricted fund balances are restricted due to legal restriction from creditors, grantors, or laws and regulations of other governments, or by legally enforceable enabling legislation or constitution of the State.
- Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by appropriation legislation passed by the State Legislature, which is the highest level of decision-making authority for the State. Those committed amounts cannot be used for any other purpose unless the Legislature passes new legislation concerning those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned fund balances are constrained by the government’s intent to use such funds for specific purposes, but are neither restricted nor committed, except for

major reserve/stabilization arrangements. The specific purpose for which the funds are intended is expressed within the appropriation requests of the agencies and approved by the State Budget Office, according to the West Virginia State Code. Assigned fund balances include all remaining amounts (except negative amounts) that are reported in the governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed. Amounts in the General Fund that are intended to be used for a specific purpose are also assigned. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the State has assigned those amounts to the purposes of the respective funds.

- Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Any negative fund balances are unassigned. The General Fund is the only fund that reports a positive unassigned fund balance.

Agency level assigned and unassigned fund balance spending is at the discretion of the agency, with approval of the State Budget Office. It is the State's overall policy to use restricted balances first, then unrestricted balances in the following order: committed, assigned, and unassigned.

### **Revenues and Expenditures/Expenses**

In the government-wide Statement of Activities, revenues and expenses are segregated by activity (governmental or business-type and discretely presented component units), then further by function (e.g., administration, education, transportation). Additionally, revenues are classified between program and general revenues. Program revenues include charges to customers or applicants for goods, services, or privileges provided; operating grants and contributions; and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenue. General revenues include all taxes. Certain indirect costs are included in the program expenses reported for individual functions.

In the governmental fund financial statements, revenues are reported by source. For budgetary control purposes, revenues are further classified as either "general purpose" or "restricted." General purpose revenues are available to fund any activity accounted for in the fund. Restricted revenues are, either restricted by state law or by outside restriction (e.g., federal awards), available only for specified purposes. Unused restricted revenues at year-end are recorded as restricted fund balance.

In the governmental fund financial statements, expenditures are reported by character: "Current," "Capital Outlay," or "Debt Service." Current expenditures are subclassified by function and are for items such as salaries, grants, supplies, and services. Capital outlay includes expenditures for real property or infrastructure. Debt service includes both interest and principal outlays related to bonds and payments on right to use leases.

Revenues and expenses of proprietary funds are classified as operating or nonoperating and are subclassified by object (e.g., sales, depreciation). Operating revenues and expenses generally result from providing services and producing and delivering goods. All other revenues and expenses are reported as nonoperating.

Retiree Drug Subsidies – The retiree drug subsidy (RDS) revenue from the federal government under the provisions of Medicare Part D has been recorded by the Retiree Health Benefit Trust Fund (RHBT). RHBT has accounted for the RDS revenue as voluntary nonexchange transactions. Accordingly, RDS estimated revenue is recognized as RHBT incurs Medicare-eligible retiree prescription drug expenditures.

Other Financing Sources – These additions to governmental fund balances in the fund financial statements include resources and financing provided by bond proceeds, other financing debt, right to use leases, subscription based information technology arrangements, and transfers from other funds.

Other Financing Uses – These reductions of governmental fund resources in the fund financial statements are uses of funds that could substantially distort a government’s regular operations. They include discounts on debt issued, refunding transactions, and transfers.

Interfund Services Provided and Used – When a sale or purchase of program-related goods and/or services between funds occurs, for a price approximating their external exchange value, the seller reports revenue and the purchaser reports an expenditure or expense, depending on the fund type. Transactions between the primary government and a discretely presented component unit are generally classified as revenues and expenses, unless they represent repayments of loans or similar activities.

### **Pronouncements Not Yet Adopted**

The GASB issued Statement No. 101, “Compensated Absences” to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and management has not determined the financial statement impact of the pronouncement.

The GASB issued Statement No. 102, “Certain Risk Disclosures” to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. This Statement defines and requires governments to disclose the risks related to constraints and concentrations of inflows and outflows of resources. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and management has not determined the financial statement impact of the pronouncement.

The GASB issued Statement No. 103, “Financial Reporting Model Improvements” to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement specifically addresses changes to elements impacting Management’s Discussion and Analysis, Unusual or Infrequent Items, the presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position, Major Component Unit Information, Budgetary Comparison Information, and certain application

issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and management has not determined the financial statement impact of the pronouncement.

The GASB issued Statement No. 104, “Disclosure of Certain Capital Assets” to provide users of government financial statements with essential information about certain types of capital assets. The Statement requires certain types of capital assets to be disclosed separately in the capital asset note. It also requires additional disclosures for capital assets held for sale. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical costs and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, management has not determined the financial statement impact of the pronouncement.

**NOTE 2**

**RESTATEMENT AND RESTRICTED BALANCES**

**Restatement of Beginning Balances**

“A Change in Reporting Entity”

The West Virginia Legislature passed Senate Bill 8 which transferred responsibility for the Prepaid Tuition Escrow Fund to the Board of Trustees of the West Virginia College and Jumpstart Savings Programs from the West Virginia State Treasurer’s Office. The Board set funds aside for a period not to exceed 10 years for the purpose of satisfying any claims against the Prepaid Tuition Trust Plan which has been closed. These funds will be held in a custodial fund; therefore, it has been included in the Custodial Funds financial statements as of July 1, 2023.

The effects of the adjustments are as follows (expressed in thousands):

<u>Entity /Reporting Unit</u>	<u>Fund Balances or Net Position</u>		
	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
Fiduciary Funds:			
Smart 529	\$ 2,888,052	\$ (1,044)	\$ 2,887,008
Total Smart 529	2,888,052	(1,044)	2,887,008
Custodial Funds:			
West Virginia Prepaid Tuition Escrow	—	1,044	1,044
Total Custodial Funds	83,719	1,044	84,763
Net Total	\$ 2,971,771	\$ —	\$ 2,971,771

## Restricted Net Position

The following table summarizes the restricted net position of funds included in “other” columns at June 30, 2024 (expressed in thousands):

Fund Type/Fund	Total Reporting Entity	Restricted for:							
		Capital Projects	Net Pension Asset	Net OPEB Asset	Lending Activities	Insurance Activities	General Government Operations	Non-Expendable	Specific Fund Purposes
Enterprise Funds:									
Drinking Water Treatment Revolving Fund	\$ 246,075	\$ —	\$ —	\$ —	\$ 246,075	\$ —	\$ —	\$ —	\$ —
Alcohol Beverage Control Administration	949	—	8	106	835	—	—	—	—
West Virginia College and Jumpstart Savings Program	4,864	—	1	9	—	—	4,854	—	—
State Entities Worker's Compensation	11,812	—	—	—	—	11,812	—	—	—
	<u>263,700</u>	<u>—</u>	<u>9</u>	<u>115</u>	<u>246,910</u>	<u>11,812</u>	<u>4,854</u>	<u>—</u>	<u>—</u>
Internal Service Funds:									
State Building Fund	14,877	14,536	14	327	—	—	—	—	—
Information Services and Communications	268	—	29	239	—	—	—	—	—
Travel Management	65	—	2	16	—	—	—	—	47
Enterprise Readiness Planning Board	53	—	6	47	—	—	—	—	—
	<u>15,263</u>	<u>14,536</u>	<u>51</u>	<u>629</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>47</u>
Discretely Presented Component Units:									
Educational Broadcasting Commission	496	—	7	125	—	—	—	364	—
WV Multimodal Transportation Facilities	4,583	—	3	35	—	—	—	—	4,545
Solid Waste Management Board	4,751	—	1	9	—	—	—	—	4,741
Racing Commission	35	—	31	4	—	—	—	—	—
Public Defender Corporation	275	—	36	239	—	—	—	—	—
Municipal Pensions Oversight Board	41,574	—	1	2	—	—	—	—	41,571
	<u>51,714</u>	<u>—</u>	<u>79</u>	<u>414</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>364</u>	<u>50,857</u>
Total	<u>\$ 330,677</u>	<u>\$ 14,536</u>	<u>\$ 139</u>	<u>\$ 1,158</u>	<u>\$ 246,910</u>	<u>\$ 11,812</u>	<u>\$ 4,854</u>	<u>\$ 364</u>	<u>\$ 50,904</u>

The government-wide statement of net position reports \$4.0 million of restricted net position for the primary government, of which \$1.4 million is restricted by enabling legislation.

**Restricted Fund Balance**

The following table summarizes, by fund, the restricted fund balance of each of the funds included in “other” columns at June 30, 2024 (expressed in thousands):

<b>Fund Type/Fund</b>	<b>Total Reporting Entity</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Development, Tourism, and Recreation</b>	<b>Education</b>	<b>Public Protection</b>
Governmental Funds:						
Special Revenue Funds:						
Environmental Protection	\$ 103,135	\$ —	\$ —	\$ —	\$ —	\$ 103,135
Public Service Commission	5,071	—	—	—	—	5,071
Wildlife Resources	74,800	—	—	74,800	—	—
	<u>183,006</u>	<u>—</u>	<u>—</u>	<u>74,800</u>	<u>—</u>	<u>108,206</u>
Capital Projects Funds:						
Education, Arts, Sciences, and Tourism Fund	1,081	1,081	—	—	—	—
Cacapon Project Fund	2,271	2,271	—	—	—	—
Lease Purchase Accounts	11,576	11,576	—	—	—	—
	<u>14,928</u>	<u>14,928</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Debt Service:						
Lease Purchase Accounts	5,435	—	5,435	—	—	—
West Virginia Infrastructure and Job Development Council	279	—	279	—	—	—
Education, Arts, Sciences, and Tourism Fund	1,009	—	1,009	—	—	—
Economic Development Project Fund	54,379	—	54,379	—	—	—
Cacapon Project Fund	1,640	—	1,640	—	—	—
State Parks Projects	3,445	—	3,445	—	—	—
	<u>66,187</u>	<u>—</u>	<u>66,187</u>	<u>—</u>	<u>—</u>	<u>—</u>
Permanent Funds:						
Irreducible School	131	—	—	—	131	—
	<u>131</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>131</u>	<u>—</u>
<b>Total</b>	<u>\$ 264,252</u>	<u>\$ 14,928</u>	<u>\$ 66,187</u>	<u>\$ 74,800</u>	<u>\$ 131</u>	<u>\$ 108,206</u>



## **NOTE 3**

### **DEPOSITS AND INVESTMENTS**

#### **Deposits**

The State's deposit policy is described in West Virginia's Code §12-2-2 and 3. All monies are to be maintained in the State's accounting system or in an outside bank account approved by the State Treasurer's Office.

Custodial credit risk is risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, the State would not be able to recover its deposits or collateralized securities that are in possession of the outside parties. According to State Code §12-1-5, the amount of funds on deposit in any depository financial institution in excess of the amount insured by the FDIC shall be secured by a depository guaranty bond issued by a valid bankers' surety company or by other securities acceptable to the State Treasurer, pursuant to the dedicated method, in the amount of 102% of the value of collateral pledged by the depository institution. The State minimizes custodial credit risk by obtaining the required amount of collateral in the name of the State. The State Treasurer has statutory responsibility for the daily cash management of the State's agencies, departments, boards, and commissions.

#### Primary Government

At June 30, 2024, the reported amount of the primary government's deposits was (\$186,388,000) and the bank balance was \$202,787,000. Of that bank balance, \$3,753,000 was uninsured and uncollateralized.

#### Component Units

At June 30, 2024, the reported amount of the component units' deposits was \$626,354,000 and the bank balance was \$363,175,000. Of that bank balance, \$24,316,000 was uninsured and collateralized with securities held by the pledging financial institution but not in the name of the State, and \$15,388,000 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the State.

#### **Investments**

The Board of Treasury Investments (BTI) manages the individual investment pools and accounts of the Consolidated Fund under authority of West Virginia Code, §12-6C, West Virginia Treasury Investments Act. The Consolidated Fund provides for the investment of monies not currently needed to fund state governmental operations, as well as provides the opportunity for local governments to participate in large investment pools, and for those funds statutorily required to be invested in the Consolidated Fund.

The BTI is authorized by West Virginia Code, §12-6C-9, to invest in United States government and agency obligations, commercial paper, corporate bonds, repurchase agreements, asset-backed securities, and investments in accordance with the Linked Deposit Program, which is a program using financial institutions in the State to reduce loan costs to

small businesses by offsetting interest reductions on the loans with certificates of deposit, loans approved by the Legislature, and any other programs authorized by the Legislature. In addition to the restrictions in investment types, at no time shall more than 75% of the Consolidated Fund be invested in any bond, note, debenture, commercial paper, or other evidence of indebtedness of any private corporation or association, and at no time shall more than 5% be invested in securities issued by a single private corporation or association.

The West Virginia Investment Management Board (WVIMB) focuses on the State's long-term trust investments. The WVIMB provides prudent fiscal administration and investment management services to designated state pension funds, the State's Workers' Compensation and Coal Workers' Pneumoconiosis funds, and certain other state government funds. The State Treasurer's Office determines which funds to transfer to the WVIMB and BTI for investment in accordance with West Virginia Code, policies set by the WVIMB and BTI, and by provisions of bond indentures and trust agreements, when applicable.

### **Investment Valuation**

Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

A hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.

Level 3: Unobservable pricing inputs for assets and liabilities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

Generally, the fair value of WVIMB's fund portfolio securities are determined as outlined in the hierarchy levels above and more specifically as follows and applicable:

- Equity securities and money market mutual funds are valued at the last sale price or official closing price reported in the market in which they are primarily traded.
- Equity securities that trade in non-U.S. markets are valued in U.S. dollars using period-end spot market exchange rates as supplied by the pool's custodian.

- Fixed income securities are valued according to prices furnished by independent pricing services to the pool's custodian. These services determine the security prices by a number of methods, including, but not limited to, dealer quotes, live market trading levels when available, live feeds of trade execution data, spreads over U.S. Treasury securities, and other models and formulae appropriate to the specific security type.
- Open-end regulated investment companies (RIC) or other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.
- Futures and option contracts are valued at the last settlement price established each day by the exchange on which they are traded.
- Credit default, interest rate, and total return swaps are valued at the last settlement price established each day by the exchange on which they are traded, are based on market values received from third parties, or are determined by valuation models.
- Foreign currency forward contracts are valued at the prevailing market exchange rates at respective dates of transactions.
- Investments in private credit & income funds, private equity partnerships, real estate limited partnerships and funds, and other private funds are securities for which market quotations are not readily available. The WVIMB has concluded that the net asset value reported by the general partners or fund administrators approximates the fair value of these investments, and, consequently, these investments are carried at net asset value as a practical expedient for fair value. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds, and, consequently, the fair value of the WVIMB's interest in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the WVIMB were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant. The WVIMB believes that the net asset value of such investments is a reasonable estimate of fair value at June 30, 2024.
- Investments in alternative risk premia (ARP) funds are generally securities for which market quotations are not readily available. The WVIMB has concluded that the net asset value reported by the underlying funds approximates the fair value of these investments, and, consequently, these investments are carried at net asset value as a practical expedient for fair value. These investments are redeemable with the fund at net asset value under the original terms of the agreements and operations of the underlying fund. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds, and, consequently, the fair value of the WVIMB's interests in the funds. The WVIMB

believes that the net asset value of such investments is a reasonable estimate of fair value at June 30, 2024.

- Investments in hedge funds are securities for which market quotations are not readily available. The WVIMB has concluded that the net asset value reported by the general partners or fund administrators approximates the fair value of these investments, and, consequently, these investments are carried at net asset value as a practical expedient for fair value. These investments are redeemable with the fund at net asset value under the original terms of the agreement and operations of the underlying fund. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds, and, consequently, the fair value of the WVIMB's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the WVIMB were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant. The WVIMB believes that the net asset value of such investments is a reasonable estimate of fair value at June 30, 2024.

Investments not generally described above are described in detail in the individual pool disclosures in the pages that follow.

The BTI is an investment vehicle of the State and its component units, all of which are government entities. The investments of the WV Money Market, WV Government Money Market, WV Term Deposit Account, and Loan pools and accounts are carried at amortized cost. The pools transact with their participants at a stable net asset value per share and meet the requirements for portfolio maturity, portfolio quality, portfolio diversification, portfolio liquidity, and shadow pricing. The BTI does not place any limitations or restrictions on participant withdrawals from the WV Money Market and WV Government Money Market pools, such as redemption notice periods, maximum transaction amounts, and any authority to impose liquidity fees or redemption gates. The specific exceptions to fair value reporting for the other pools as defined in professional standards are as follows:

Pool	Exception
WV Term Deposit Account	Nonnegotiable certificates of deposit which are nonparticipating interest-earning investment contracts
Loan	Loans receivable arising from lending activities of economic development authorities

The investments of the remaining pools and participant accounts are reported at fair value, which is determined by a third-party pricing service based on asset portfolio pricing models and other sources. The BTI measures fair value at the end of each month. Investments in commingled investment pools are valued at the reported unit values of the individual funds. Commissions on the purchases of securities by the BTI are a component of the security price quoted by the seller and are included in the investment cost.

A more detailed discussion of the WVIMB's and BTI's investment pools can be found in the WVIMB's and BTI's annual reports. A copy of the WVIMB's annual report can be

obtained from the following address: 500 Virginia Street East, Suite 200, Charleston, WV 25301 or <http://www.wvimb.org>. A copy of the BTI's annual report can be obtained from the following address: West Virginia Board of Treasury Investments, 315 70<sup>th</sup> Street SE, Charleston, WV 25304 or <http://www.wvbti.org>.

Except as specifically disclosed in this note, the State currently does not have specific overall policies addressing limitations on specific risk types, such as credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

In addition to amounts invested with the WVIMB and BTI, certain governmental funds and discretely presented component units are permitted to invest bond proceeds with third-party trustees named in bond indentures. Governmental funds, including the State Building Fund; Education, Arts, Sciences, and Tourism Fund; West Virginia Infrastructure and Jobs Development Council; Tobacco Settlement Finance Authority; the Department of Health, Health Facilities, and Human Services; and the Department of Administration have investments with bond trustees. The West Virginia Infrastructure and Jobs Development Council enterprise fund also has investments with bond trustees. The following discretely presented component units have reported investments held with third-party trustees: Corrections and Rehabilitation; Economic Development Authority (EDA); Educational Broadcasting Commission; Housing Development Fund; Parkways Authority; Water Development Authority; School Building Authority; and Higher Education Fund. WVIMB has operating funds in an institutional Treasury Money Market Fund. The Teachers' Defined Contribution Retirement System of the Consolidated Public Retirement Board and the SMART 529 College Savings Plan have their assets held by outside third parties.

Permissible investments for all agencies include those guaranteed by the United States of America, its agencies and instrumentalities (U.S. Government obligations); equities; corporate debt obligations, including commercial paper, which meet certain ratings; certain money market mutual funds; investment agreements with certain financial institutions; repurchase agreements; state and local government series (SLGS) securities; and other investments. Other investments consist primarily of single-family mortgage loans and collateralized mortgage obligations. SLGS are direct obligations of the U.S. Government, issued to state and local government entities to provide those governments with required cash flows at yields which do not exceed IRS arbitrage limits.

#### Repurchase Agreements

In connection with repurchase agreement transactions, it is the WVIMB's policy that its designated custodian or mutual third party take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of a repurchase transaction at all times. If a seller defaults and the fair value of the collateral declines, realization of the collateral by the WVIMB may be delayed or limited.

The BTI uses only tri-party repurchase agreements. Under the terms of a tri-party repurchase agreement, the seller transfers collateral securities to an account of the BTI's manager/agent at the seller's custodian bank. This arrangement perfects the BTI's lien on the collateral and effectively protects the BTI from a default by the seller. The BTI requires sellers in repurchase transactions to pledge collateral of at least 102% of the cash borrowed

from the BTI. If a seller defaults and the fair value of the collateral declines, realization of the collateral by the BTI may be delayed or limited.

### Derivatives

The State's investment strategy includes the use of derivatives as a tool in managing market risk and providing an opportunity for enhanced return. The WVIMB invests in derivative financial investments as authorized by its Board of Trustees. As of June 30, 2024, the WVIMB held derivative financial investments that included Foreign Currency Forward Contracts, Futures Contracts, Options, Credit Default Swaps, Interest Rate Swaps, and Total Return Swaps. Additionally, the WVIMB also held derivative instruments in option contracts and credit default swaps which were deemed immaterial to the State's financial statements. The WVIMB is indirectly exposed to derivative risk through participation in institutional commingled funds. Credit risk and interest rate risk pertaining to derivatives are disclosed in each participating pool's section in this note. The change in fair value of derivatives is included in the Unrestricted Investment Earnings on the Government-wide Statement of Activities; Interest and Other Investment Income on the Statement of Revenues, Expenses, and Changes in Fund Net Position, Proprietary Funds; and Net Appreciation in Fair Value of Investments on the Statement of Changes in Fiduciary Net Position, Fiduciary Funds. The fair value of derivatives is included in the Investments and Cash Equivalents on the Government-wide Statement of Net Position; Investments on the Statement of Net Position, Proprietary Funds; and Investments on the Statement of Fiduciary Net Position, Fiduciary Funds. More details of the changes in fair value may be obtained from the financial statements of the WVIMB.

### Foreign Currency

Amounts denominated in or expected to settle in foreign currencies are translated into United States dollars at exchange rates reported by the pool's custodian, Northern Trust, on the following basis:

- Market value of investment securities, other assets, and liabilities - at the closing rate of exchange at the valuation date.
- Purchases and sales of investment securities, income, and expenses - at the rate of exchange prevailing on the respective dates of such transactions.

### Futures Contracts

A futures contract is an agreement between a buyer or a seller and the clearinghouse of a futures exchange in which the parties agree to buy or sell a commodity, financial instrument or index at a specified future date and price. Upon entering into a financial futures contract, the WVIMB is required to pledge collateral to the broker an amount of cash, U.S. government securities, or other assets, equal to a certain percentage of the contract amount (initial margin deposit). Cash (variation margin) is received from or paid to the broker on a daily basis for the fluctuations of the underlying securities or index.

The market risk associated with holding equity index futures results from changes in the market value of the contractual positions due to changes in the value of the underlying instruments or indices. Investment risk associated with these futures contracts arises

because of the value of the futures contracts may not correlate perfectly with changes in the values of the underlying instruments or indices due to market distortions.

Other risks associated with futures contracts are liquidity risk and credit risk. Liquidity risk arises when there is insufficient trading in a particular futures contract. Credit risk arises from the potential inability of counterparties to meet the terms of the contracts. The WVIMB's managers generally only utilize futures contracts that are traded on major exchanges or are executed with major dealers. The major exchanges assume the risk of a counterparty default and generally require an initial margin deposit of cash or securities.

### Asset-Backed Securities

The WVIMB invests in various collateralized mortgage obligations (CMO), including interest-only (IO) and/or principal-only (PO) tranches, asset-backed securities, mortgage-backed securities (MBS), and structured corporate debt. The BTI has certain pools that invest in various asset-backed securities and structured corporate debt. The securities are reported at fair value. The WVIMB and BTI invest in these securities to enhance yields on investments. Changes in market interest rates affect the cash flows of these securities and may result in changes in fair value. The overall return or yield on these securities depends on the changes in the interest and principal payment patterns and market value of the underlying assets.

### Securities Lending

The WVIMB is authorized by statute and policy to participate in a securities lending program. The WVIMB, through its lending agent, Northern Trust, lent securities of the pool to various brokers on a temporary basis. The WVIMB receive compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. The income earned by the WVIMB is reported in the statement of operations as net securities lending income. The agent fees and broker rebates are reported as expenses. Unrealized gains or losses resulting from changes in the value of the investment of cash collateral are reported as part of the change in unrealized appreciation or depreciation of investments. The WVIMB continues to receive interest and dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the financial statements of the various investment pools. The WVIMB cannot pledge or sell such collateral without a default. At June 30, 2024, the fair value of securities on loan and collateral held by the pools of the WVIMB are as follows (expressed in thousands). Of the collateral held, \$275.2 million was received as cash. The collateral received as cash is invested in the West Virginia Custom Account.

	<b>Fair Value of Securities on Loan</b>	<b>Collateral Held</b>
Non-Large Cap Domestic Equity Pool	\$ 232,597	\$ 238,078
International Equity Pool	102,272	107,273
Total Return Fixed Income Pool	176,186	181,739
Core Fixed Income Pool	198,232	204,564
TIPS	37,377	38,847
Private Markets Pool	49,437	50,680
Total	<u>\$ 796,101</u>	<u>\$ 821,181</u>

## Investment Pools

### Schedule of Participation

The following schedule details the participation in the various WVIMB pools exclusive of those pools comprising the Consolidated Fund or Participant Directed Accounts as of June 30, 2024 (expressed in thousands):

	Portable Alpha Pool	Large Cap Domestic Equity	Non-Large Cap Domestic Equity	International		Equity
				Qualified	Nonqualified	
<b>Primary Government:</b>						
Revenue Shortfall Reserve Fund	\$ —	\$ 33,554	\$ 6,023	\$ —	\$ 7,303	\$ 15,967
Revenue Shortfall Reserve Fund B	—	54,279	9,717	—	11,800	25,754
Workers' Compensation Old Fund	—	118,930	21,081	—	25,842	56,736
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	—	5,688	1,012	—	1,233	2,691
Workers' Compensation Self-Insured Employer Security Risk Pool	—	7,165	1,281	—	1,559	3,411
Workers' Compensation Uninsured	—	2,609	467	—	567	1,238
Pneumoconiosis	—	28,539	5,090	—	6,224	13,601
Wildlife Endowment Fund	18,553	—	3,436	—	4,187	9,148
State Parks and Recreation Endowment Fund	11,572	—	2,146	—	2,608	5,697
Board of Risk & Insurance Management	—	12,791	2,281	—	2,780	6,077
Public Employees' Insurance Agency	—	16,579	2,958	—	3,604	7,868
WV Department of Environmental Protection Trust	—	3,106	550	—	674	1,471
WV Department of Environmental Protection Agency	—	50,906	9,007	—	11,074	24,213
<b>Total Primary Government</b>	<b>30,125</b>	<b>334,146</b>	<b>65,049</b>	<b>—</b>	<b>79,455</b>	<b>173,872</b>
Percentage of Ownership	0.52 %	99.72 %	5.71 %	— %	42.05 %	5.60 %
<b>Fiduciary Funds:</b>						
Judges' Retirement System	76,297	—	14,155	16,309	—	38,598
Emergency Medical Services Retirement System	35,368	—	6,555	7,560	—	17,917
Public Employees' Retirement System	2,258,356	—	418,286	482,719	—	1,142,068
Teachers' Retirement System	2,482,176	—	459,759	530,656	—	1,256,842
Municipal Police Officers and Firefighters' Retirement System	11,330	—	2,098	2,421	—	5,738
Municipal Policemen's or Firefighter's Pension and Relief Funds	61,177	927	11,534	13,275	—	31,466
Natural Resources Police Officer Retirement System	7,940	—	1,472	1,698	—	4,022
State Police Retirement System	90,614	—	16,768	19,375	—	45,920
State Police Death, Disability and Retirement Fund	205,425	—	37,940	43,888	—	104,061
Retiree Health Benefit Trust	483,375	—	89,700	—	109,096	238,435
Deputy Sheriff's Retirement System	87,544	—	16,233	18,712	—	44,262
<b>Total Fiduciary Funds</b>	<b>5,799,602</b>	<b>927</b>	<b>1,074,500</b>	<b>1,136,613</b>	<b>109,096</b>	<b>2,929,329</b>
Percentage of Ownership	99.45 %	0.28 %	94.27 %	100.00 %	57.74 %	94.37 %
<b>Other Participants:</b>						
Berkeley County Development Authority	1,692	—	314	—	382	837
<b>Total Amount</b>	<b>\$ 5,831,419</b>	<b>\$ 335,073</b>	<b>\$ 1,139,863</b>	<b>\$ 1,136,613</b>	<b>\$ 188,933</b>	<b>\$ 3,104,038</b>
State Percentage of Ownership	99.97 %	100.00 %	99.98 %	100.00 %	99.79 %	99.97 %



Short-Term Fixed Income	Total Return Fixed Income	Core Fixed Income	TIPS	Private Equity	Hedge Funds	Total (Memorandum Only)
\$ 60,042	\$ 170,429	\$ 73,307	\$ 243,057	\$ —	\$ —	\$ 609,682
1	191,717	82,559	124,235	24,104	30,371	554,537
33,259	198,702	85,601	84,094	73,361	138,677	836,283
1,938	9,483	4,084	4,000	3,501	6,616	40,246
2,299	11,992	5,162	5,068	4,425	8,364	50,726
997	4,378	1,880	1,842	1,613	3,047	18,638
8,437	48,018	20,619	20,243	17,669	33,401	201,841
134	5,759	5,760	—	19,514	8,191	74,682
667	3,582	3,585	—	12,163	5,105	47,125
4,455	21,407	9,207	9,019	7,894	14,918	90,829
1	39,377	16,932	22,135	6,457	32,541	148,452
—	1,148	495	—	2,362	1,191	10,997
1	69,699	29,926	—	11,411	57,511	263,748
112,231	775,691	339,117	513,693	184,474	339,933	2,947,786
42.60 %	30.69 %	16.26 %	100.00 %	2.93 %	11.71 %	11.20 %
444	23,421	23,357	—	80,263	33,695	306,539
1,185	10,603	10,587	—	37,212	15,621	142,608
26,602	680,728	678,518	—	2,375,504	997,263	9,060,044
115,303	746,505	744,061	—	2,611,397	1,096,275	10,042,974
900	3,395	3,387	—	11,924	5,005	46,198
1,304	19,144	19,120	—	64,400	27,033	249,380
412	2,339	2,336	—	8,356	3,507	32,082
2,151	27,665	27,646	—	95,369	40,036	365,544
983	60,927	60,869	—	216,048	90,690	820,831
—	150,092	149,896	—	508,424	213,438	1,942,456
1,958	26,332	26,294	—	92,096	38,662	352,093
151,242	1,751,151	1,746,071	—	6,100,993	2,561,225	23,360,749
57.40 %	69.29 %	83.72 %	— %	97.04 %	88.26 %	88.77 %
—	524	524	—	1,780	747	6,800
\$ 263,473	\$ 2,527,366	\$ 2,085,712	\$ 513,693	\$ 6,287,247	\$ 2,901,905	\$ 26,315,335
100.00 %	99.98 %	99.97 %	100.00 %	99.97 %	99.97 %	99.97 %

Investment Pool Descriptions

**Portable Alpha Pool**

The pool's objective is to exceed, net of external investment management fees, the S&P 500 Index over three-year to five-year periods.

*Credit Risk and Interest Rate Risk*

The pool is exposed to credit risk by requiring securities purchased to have a minimum long-term rating of BBB (investment grade) and/or a short-term rating of A-2 (Tier-II). The money market mutual fund has the highest credit rating. The pool is exposed to interest rate risk from its fixed income investments and money market mutual fund investment. As of June 30, 2024, the money market mutual fund has a weighted-average maturity (WAM) of 35 days.

The following table provides credit ratings for the pool's fixed income investments as of June 30, 2024 (expressed in thousands):

<b>Rating</b>	<b>Fair Value</b>
<i>Long-Term</i>	
AAA	\$ 508,240
AA	9,237
A	20,999
BBB	10,659
<i>Short-Term</i>	
A-1	265,183
A-2	4,495
Total Rated	818,813
Not Rated	39,589
Total Investments	\$ 858,402

The Portable Alpha Pool invests in asset-backed securities. The cash flows from these securities are based on the payment of the underlying collateral. The modified duration and yield to maturity of these securities are dependent on the estimated prepayment assumptions that consider historical experience, market conditions, and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. At June 30, 2024, Portable Alpha Pool held \$41,692,000 of these securities. This represents approximately 5% of the value of the pool's fixed-income securities and less than 1% of the value of the pool's total investments.

The following table provides the weighted average modified for the various asset types in the pool as of June 30, 2024:

<b>Investment Type</b>	<b>Fair Value (in thousands)</b>	<b>Effective Duration (years)</b>
Certificates of Deposit	\$ 16,480	0.1
Commercial Paper	230,598	0.2
Corporate ABS	41,692	0.8
Foreign Corporate Bonds	15,580	0.4
U.S. Corporate Bonds	24,081	0.9
U.S. Government Agency Bonds	29,336	0.5
U.S. Treasury Bonds	500,635	5.8
<b>Total</b>	<b>\$ 858,402</b>	

### *Fair Value Measurements*

U.S. GAAP does not require the pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. All of the pool's investments in alternative risk premia funds were valued using the net asset value per share; as such, they have not been categorized in the fair value hierarchy. The fair value measurement valuation techniques for the other Portable Alpha Pool's asset categories can be found on pages 82-84.

The table below summarizes the valuation of investment securities in accordance with the fair value hierarchy levels as of June 30, 2024 (expressed in thousands):

<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
ARP Fund (RIC)	\$ 241,699	\$ —	\$ —	\$ 241,699
Certificate of Deposit	—	16,480	—	16,480
Commercial Paper	—	230,598	—	230,598
Commingled Equity Fund	2,283,854	—	—	2,283,854
Corporate ABS	—	41,692	—	41,692
Foreign Corporate Bonds	—	15,580	—	15,580
Futures Contracts	5,010	—	—	5,010
Money Market Mutual Fund	652,880	—	—	652,880
U.S. Corporate Bonds	—	24,081	—	24,081
U.S. Government Agency Bond	—	29,336	—	29,336
U.S. Treasury Bonds	—	500,635	—	500,635
<b>Total</b>	<b>\$ 3,183,443</b>	<b>\$ 858,402</b>	<b>\$ —</b>	<b>4,041,845</b>
ARP Funds				1,794,957
<b>Total</b>				<b>\$ 5,836,802</b>

The following table presents information on investments measured at the NAV as of June 30, 2024 (expressed in thousands):

<b>ARP Fund Strategies</b>	<b>Fair Value</b>	<b>Redemption Frequency</b>	<b>Redemption Notice Period</b>
Directional <sup>(a)</sup>	\$ 459,134	Daily, Monthly	1 to 30 days
Multi-Premia <sup>(b)</sup>	1,029,277	Weekly, Semi-monthly, Monthly	3 to 30 days
Relative-Value <sup>(c)</sup>	306,546	Monthly	30 to 60 days
Total Investment Measured at NAV	<u>\$ 1,794,957</u>		

- (a) Directional funds employ various techniques to forecast the direction of segments of the market and then invest in either short or long positions.. The segments may be geographic economies, industry sectors, currency, or asset class. The investments may be in physical securities or derivatives. The strategies may be trend-following or mean-reverting and may be specific to that segment or universally applied across them.
- (b) Multi-premia funds combine several strategies within the same fund in order to provide diversification benefits to reduce return volatility and decrease asset-class and single-strategy risks. These funds typically add incremental returns through allocation adjustments based on market opportunities. Risk is managed through a variety of quantitative constraints, including, but not limited to, active risk, liquidity risk, currency risk, manger risk, derivatives risk, and leverage risk.
- (c) Relative-value funds maintain positions in which the investment thesis is predicated on the realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment insights, and security types range broadly across equity, fixed income, derivative or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk-adjusted spread between these instruments represents an attractive opportunity.

Derivative financial instruments held in the Pool are limited to equity index futures. These futures are not designated as hedging instruments under GASB Statement No. 53; they are used to obtain S&P 500 market exposure.

The table below presents the fair value, the fiscal year to date net increase (decrease) in fair value, and the notional amount of derivative financial instruments outstanding as of and for the year ended June 30, 2024 (expressed in thousands):

<b>Derivative Type</b>	<b>Fair Value</b>	<b>Net Increase (Decrease) in Fair Value of Investments</b>	<b>Notional Value</b>
Futures Contracts:			
Equity Index Futures Long	<u>\$ 5,010</u>	<u>\$ 585,256</u>	<u>\$ 3,609,405</u>

### **Large Cap Domestic Equity Pool**

The pool’s objective is to exceed, net of external management fees, the S&P 500 Stock Index over three-year to five-year periods. Large Cap Domestic Equity Pool invests in the BlackRock Equity Index Fund B. BlackRock uses a replication indexing approach to achieve investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P 500 Stock Index.

#### *Credit Risk and Interest Rate Risk*

The pool invests in commingled equity fund that invests in equities included in the S&P 500 Stock Index. The value of this investment at June 30, 2024, was \$327,287,000. The pool is exposed to credit risk and interest rate risk from its money market mutual fund investment. As of June 30, 2024, the money market mutual fund has the highest credit rating and has a weighted average maturity of 35 days. The pool is not exposed to concentration of credit risk, custodial credit risk, or foreign currency risk.

*Fair Value Measurements*

The table below summarizes the valuation of the investment securities in accordance with the fair value hierarchy levels as of June 30, 2024 (expressed in thousands):

<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Commingled Equity Fund	\$ 327,287	\$ —	\$ —	\$ 327,287
Money Market Mutual Fund	7,800	—	—	7,800
Total	\$ 335,087	\$ —	\$ —	\$ 335,087

Commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator. Investments for which the fair value cannot be determined are valued at fair value as determined in accordance with the WVIMB's established procedures.

**Non-Large Cap Domestic Equity Pool**

The pool's objective is to exceed, net of external management fees, the Russell 2500 Index over three-year to five-year periods.

*Credit Risk and Interest Rate Risk*

The pool is exposed to credit risk from the money market mutual fund investment and investments made with cash collateral for securities loaned. The money market mutual fund has the highest credit rating. The pool is exposed to interest rate risk from its money market mutual fund investments and certain investments made with cash collateral for securities loaned. As of June 30, 2024, the money market mutual fund has a WAM of 35 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the cash collateral account are limited to overnight investments and as of June 30, 2024, the WAM for cash collateral was 3 days.

*Fair Value Measurements*

The table below summarizes the valuation of the investment securities in accordance with the fair value hierarchy levels as of June 30, 2024 (expressed in thousands):

<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Domestic Common Stock	\$ 961,711	\$ —	\$ —	\$ 961,711
Foreign Common Stock	121,402	—	—	121,402
Money Market Mutual Fund	44,295	—	—	44,295
Securities Lending Collateral	—	67,121	—	67,121
Total	\$ 1,127,408	\$ 67,121	\$ —	\$ 1,194,529

The fair value measurement valuation techniques used for the investments in the Non-Large Cap Domestic Equity Pool can be found on pages 82-84.

**International Qualified**

Funds of this pool are invested in Silchester International Investors International Value Equity Group Trust. This pool's objective is to produce investment returns that exceed the MSCI Europe Australasia Far East (MSCI EAFE) Index by 200 basis points on an annualized basis over three-year to five-year periods, net of external investment management fees. Only "qualified participants" (as defined by the Internal Revenue Code) may invest in this pool.

Silchester invests in a diversified portfolio of equity securities of companies incorporated in any country other than the United States, with limited exposure to emerging markets and no unreasonable concentration exposure to any single issuer or country. Redemptions from Silchester can be made monthly with ten days advance written notice. Redemptions will generally be made within seven business days following month-end. The value of this investment at June 30, 2024, was \$1,136,655,000. This investment, although denominated in U.S. dollars, is exposed to foreign currency risk through the underlying investments.

*Fair Value Measurements*

U.S. GAAP does not require the pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. The investment in Silchester is valued using the net asset value per share practical expedient. As Silchester is the only investment in the pool, a fair value hierarchy table is not presented.

**International Nonqualified**

Funds of this pool are invested in Silchester International Investors International Value Equity Group Trust. This pool's objective is to produce investment returns that exceed the MSCI EAFE Index by 200 basis points on an annualized basis over three- to five-year periods, net of external investment management fees. This pool exists for participants who are not "qualified." Silchester invests in a diversified portfolio of equity securities of companies incorporated in any country other than the United States, with limited exposure to emerging markets and no unreasonable concentration exposure to any single issuer or country. Redemptions from Silchester can be made monthly with ten days advance written notice. Redemptions will generally be made within seven business days following month-end. The value of this investment at June 30, 2024, was \$188,940,000. This investment, although denominated in U.S. dollars, is exposed to foreign currency risk through the underlying investments.

*Fair Value Measurements*

U.S. GAAP does not require the pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. The investment in Silchester is valued using the net asset value per share practical expedient. As Silchester is the only investment in the pool, a fair value hierarchy table is not presented.

**International Equity**

This pool invests in the equities of international companies. The objective of the International Equity Pool is to exceed, net of external investment management fees, MSCI All Country World Free Ex US Index over three-year to five-year periods.

*Credit Risk and Interest Rate Risk*

The pool is exposed to credit risk from the money market mutual fund investments and investments made with cash collateral for securities loaned. The money market mutual fund has the highest credit rating. The pool is exposed to interest rate risk from its money market mutual fund investments and certain investments made with cash collateral for securities loaned. As of June 30, 2024, the money market mutual fund has a weighted-average maturity

(WAM) of 35 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the cash collateral account are limited to overnight investments. As of June 30, 2024, the WAM for the cash collateral account was 3 days.

This pool has both equity securities and cash that are denominated in foreign currencies and are exposed to foreign currency risks. The amounts at fair value (in U.S. dollars) of investments and cash denominated in foreign currencies as of June 30, 2024, consisted of the following (expressed in thousands):

Currency	Equity Investments	Cash	Foreign Currency Spot Contracts	Total
Australian Dollar	\$ 72,518	\$ 110	\$ —	\$ 72,628
Brazil Real	79,546	354	(1)	79,899
British Pound	196,772	515	—	197,287
Canadian Dollar	104,643	53	—	104,696
Chilean Peso	—	1	—	1
Chinese Yuan Offshore	56,400	317	—	56,717
Chinese Yuan Onshore	—	17	—	17
Danish Krone	29,388	7	—	29,395
Egyptian Pound	27	—	—	27
Emirati Dirham	34,887	7	—	34,894
Euro Currency Unit	430,287	654	—	430,941
Hong Kong Dollar	244,357	396	—	244,753
Hungarian Forint	4,850	217	—	5,067
Indian Rupee	292,048	39	—	292,087
Indonesian Rupiah	22,583	234	—	22,817
Israeli Shekel	7,326	3	—	7,329
Japanese Yen	320,699	1,469	—	322,168
Kuwaiti Dinar	2,454	134	—	2,588
Malaysian Ringgit	12,913	14	—	12,927
Mexican Peso	18,532	140	—	18,672
New Taiwan Dollar	309,283	243	(8)	309,518
New Zealand Dollar	56	—	—	56
Norwegian Krone	34,106	154	—	34,260
Philippine Peso	7,715	24	—	7,739
Polish Zloty	19,042	—	—	19,042
Qatar Riyal	1,248	—	—	1,248
Russian Ruble	—	5,253	—	5,253
Saudi Arabian Riyal	36,742	212	—	36,954
Singapore Dollar	16,778	10	—	16,788
South African Rand	15,479	2	—	15,481
South Korean Won	259,245	24	(1)	259,268
Swedish Krona	50,838	54	—	50,892
Swiss Franc	85,261	582	—	85,843
Thailand Baht	35,154	4	—	35,158
Turkish Lira	19,140	130	—	19,270
Subtotal	<u>2,820,317</u>	<u>11,373</u>	<u>(10)</u>	<u>2,831,680</u>
United States Currency	216,418	9	—	216,427
Total Assets	<u>\$ 3,036,735</u>	<u>\$ 11,382</u>	<u>\$ (10)</u>	<u>\$ 3,048,107</u>

*Fair Value Measurements*

The table below summarizes the valuation of the investment securities in accordance with the fair value hierarchy levels as of June 30, 2024 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Common Stock	\$ 3,005,519	\$ —	\$ —	\$ 3,005,519
Money Market Mutual Funds	47,955	—	—	47,955
Preferred Stock	31,216	—	—	31,216
Securities Lending Collateral	—	47,221	—	47,221
Total	\$ 3,084,690	\$ 47,221	\$ —	\$ 3,131,911

The fair value measurement valuation techniques used for the investments in the International Equity Pool can be found on pages 82-84.

**Short-Term Fixed Income**

This pool is structured as a money market fund to maintain sufficient liquidity to meet the daily disbursements requested by participants and to invest any contributions until the time the money is transferred to other asset classes without sustaining capital losses while earning a small return above inflation. For purposes of evaluating investment returns, net of external investment management fees, this pool is expected to meet or exceed the FTSE 3 Month T-Bill index.

*Credit Risk and Interest Rate Risk*

The IMB limits the exposure to credit risk in the Short-Term Fixed Income Pool by requiring all corporate bonds to be rated AA or higher. Commercial paper must be rated A-1 by Standard & Poor's and P-1 by Moody's. Additionally, the pool must have at least 10% of its assets in United States Treasury issues. All the pool's investments had the highest credit rating as of June 30, 2024. The pool is exposed to interest rate risk from its fixed income investments and money market mutual fund investments. The WVIMB monitors interest rate risk of the pool by limiting the weighted average maturity (WAM) of the investments of the pool to 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date.

The following table provides the WAM for the different asset types in the pool as of June 30, 2024, of the Short-Term Fixed Income pool's investments (expressed in thousands):

Investment Type	Carrying Value	WAM Days
U.S. Government Agency Bonds	\$ 149,920	5
U.S. Treasury Issues*	81,814	17
Repurchase Agreements (Underlying Securities):		
U.S. Treasury Issues*	31,730	1
Total Investments	\$ 263,464	8

\* U.S. Treasury issues are explicitly guaranteed by the U.S. Government and are not subject to credit risk.



*Fair Value Measurements*

The table below summarizes the valuation of the investment securities in accordance with the fair value hierarchy levels as of June 30, 2024 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Repurchase Agreement*	\$ —	\$ 31,730	\$ —	\$ 31,730
U.S. Government Agency Bonds	—	149,920	—	149,920
U.S. Treasury Issues	—	81,814	—	81,814
Total	\$ —	\$ 263,464	\$ —	\$ 263,464

\*Underlying Securities:  
U.S. Treasury Issues \$31,730

All securities of the Short-Term Fixed Income Pool are valued at amortized cost provided such amount approximates fair value. The basic premise underlying the use of the amortized cost method of valuation is that high-quality, short-term debt securities held until maturity will eventually return to their amortized cost value, regardless of any current disparity between the amortized cost value and fair value, and would not ordinarily be expected to fluctuate significantly in value. The pool values its securities at amortized cost so long as the deviation between the amortized cost and current market value remains minimal and results in the computation of a share price that represents fairly the current net asset value per share of \$1.

**Total Return Fixed Income**

The main objective of the Total Return Fixed Income Pool is to generate investment income and provide stability and diversification, but not at the expense of total return. The pool's investment objective is to outperform the Bloomberg U.S. Universal Bond Index over three-year to five-year periods, net of investment management fees.

*Credit Risk and Interest Rate Risk*

The pool is exposed to credit risk from its fixed income investments, money market mutual fund investment, and cash collateral account investment. The WVIMB limits the exposure to credit risk in the pool by maintaining at least an average rating of BBB (investment grade) and/or a short-term rating of A-2 (Tier II) as defined by a nationally recognized statistical rating organization. The WVIMB reviews available ratings from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. The pool held some securities in which the aforementioned rating agencies withdrew their credit rating and other securities that did not received a credit rating. These securities have been listed as withdrawn or not rated in the table below. The absence or lack of a rating does not necessarily indicate a greater degree of risk. The money market mutual fund has the highest credit rating. The cash collateral account is not rated.

The following table provides credit ratings for the pool's fixed income investments as of June 30, 2024 (expressed in thousands):

<u>Rating</u>	<u>Fair Value</u>
<i>Long-Term</i>	
AAA	\$ 58,419
AA	1,278,656
A	111,303
BBB	491,247
BB	325,290
B	119,098
CCC	27,439
CC	9,868
D	3,080
<i>Short-Term</i>	
A-1	149,038
Total Rated	<u>2,573,438</u>
Not Rated	69,460
Withdrawn	6,949
Total Fixed Income Investments	<u>\$ 2,649,847</u>

The Total Return Fixed Income Pool invests in commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations. The cash flows from these securities are based on the payment of the underlying collateral. The effective duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions, and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. At June 30, 2024, the Total Return Fixed Income Pool held \$1,101,986,000 of these securities. This represents approximately 42% of the value of the pool's securities.

The pool is exposed to interest rate risk from its fixed income investments, money market mutual fund investment, and cash collateral account investment. As of June 30, 2024, the money market mutual fund has a WAM of 35 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the cash collateral account are limited to overnight investments. As of June 30, 2024, the WAM for the cash collateral account was 3 days.

The following table provides the weighted average effective duration for the various asset types in the pool as of June 30, 2024 (expressed in thousands):

Investment Type	Fair Value	Effective Duration (years)
Bank Loans	\$ 3,120	1.8
Commingled Debt Funds	165,991	2.9
Corporate ABS	53,932	1.9
Corporate CMO	71,968	1.5
Foreign ABS	112,946	(0.1)
Foreign Corporate Bonds	273,674	4.5
Foreign Government Bonds	233,006	5.1
Municipal Bonds	12,057	6.5
Repurchase Agreement	21,000	0*
U.S. Corporate Bonds	306,350	4.6
U.S. Government Agency Bonds	2,035	0*
U.S. Government Agency CMO	93,028	1.2
U.S. Government Agency CMO IO	9,974	2.7
U.S. Government Agency MBS	543,408	5.7
U.S. Government Agency TBAs	216,730	6.5
U.S. Treasury Issues	518,814	9.4
U.S. Treasury Inflation Protected Securities (TIPS)	11,814	12.6
Total	\$ 2,649,847	

\*Rounds to less than 0.05

#### *Foreign Currency Risk*

The pool has foreign fixed income, foreign equity investments, and cash that is denominated in foreign currencies and exposed to foreign currency risks. Additionally, the pool has indirect exposure to foreign currency risk through its ownership interests in certain of the commingled debt funds. Approximately \$37,134,000 or 22%, of the commingled debt funds hold substantially all of their investments in securities denominated in foreign currencies. This represents approximately 1% of the value of the pool's fixed income securities.

The amounts at fair value (in U.S. dollars) of investments and cash denominated in foreign currencies as of June 30, 2024, (expressed in thousands):

Currency	Foreign Fixed Income	Common Stock	Cash	Cash Due To/From Broker	Total
Argentine Peso	\$ —	\$ —	\$ 6	\$ —	\$ 6
Australian Dollar	—	—	1,536	431	1,967
Brazilian Real	55,230	—	—	—	55,230
British Pound	—	369	1,726	298	2,393
Canadian Dollar	—	—	1,080	—	1,080
Colombian Peso	3,421	—	—	—	3,421
Dominican Peso	4,372	—	—	—	4,372
Egyptian Pound	2,130	—	—	—	2,130
Euro Currency Unit	30,842	—	2,005	253	33,100
Georgia Lari	720	—	—	—	720
Hungarian Forint	1,795	—	—	—	1,795
Indonesian Rupiah	1,615	—	—	—	1,615
Jamaican Dollar	2,189	—	—	—	2,189
Japanese Yen	4,339	—	1,219	2,048	7,606
Kazakhstani Tenge	4,498	—	—	—	4,498
Mexican Peso	36,585	—	2,305	3,881	42,771
New Zealand Dollar	—	—	742	—	742
Peruvian Nuevo Sol	2,343	—	—	—	2,343
Polish Zloty	3,047	—	—	—	3,047
Russian Ruble	—	—	767	—	767
South African Rand	10,324	—	3	—	10,327
Swedish Krona	—	—	420	—	420
Uruguayan Peso	2,629	—	—	—	2,629
Uzbekistan Som	3,681	—	—	—	3,681
Total Foreign-Denominated Investments	\$ 169,760	\$ 369	\$ 11,809	\$ 6,911	\$ 188,849
U.S. Dollar	452,986	—	(694)	10,959	463,251
Total	\$ 622,746	\$ 369	\$ 11,115	\$ 17,870	\$ 652,100

*Fair Value Measurements*

U.S. GAAP does not require the pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. All of the pool's investments in other funds were valued using the net asset value per share; as such, they have not been categorized in the fair value hierarchy. The fair value measurement valuation techniques for the Total Return Fixed Income Pool's asset categories can be found on pages 82-84, except for the investments in other funds, which are measured using the net asset value per share practical expedient.

The table below summarizes the valuation of investment securities in accordance with the fair value hierarchy levels as of June 30, 2024 (expressed in thousands):

<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Bank Loans	\$ —	\$ —	\$ 3,120	\$ 3,120
Corporate ABS Residual	—	1,094	—	1,094
Corporate ABS	—	53,932	—	53,932
Corporate CMO	—	71,968	—	71,968
Corporate Preferred Security	11,384	—	—	11,384
Foreign ABS	—	111,833	1,113	112,946
Foreign Corporate Bonds	—	273,674	—	273,674
Foreign Currency Forward Contracts	—	5,826	—	5,826
Foreign Equity Investments	369	—	—	369
Foreign Government Bonds	—	231,346	1,660	233,006
Futures Contracts	6,271	—	—	6,271
Money Market Mutual Fund	58,044	—	—	58,044
Municipal Bonds	—	12,057	—	12,057
Options Contracts Purchased	1,869	121	—	1,990
Repurchase Agreements	—	21,000	—	21,000
Securities Lending Collateral	—	48,614	—	48,614
Swaps	—	24,928	—	24,928
U.S. Corporate Bonds	—	306,350	—	306,350
U.S. Government Agency Bond	—	2,035	—	2,035
U.S. Government Agency CMO	—	93,028	—	93,028
U.S. Government Agency CMO IO	—	9,974	—	9,974
U.S. Government Agency MBS	—	543,408	—	543,408
U.S. Government Agency TBAs	—	216,730	—	216,730
U.S. Treasury Bonds	—	518,814	—	518,814
U.S. TIPS	—	11,814	—	11,814
<b>Total</b>	<u>\$ 77,937</u>	<u>\$ 2,558,546</u>	<u>\$ 5,893</u>	<u>2,642,376</u>
Commingled Debt Funds				165,991
<b>Total</b>				<u>\$ 2,808,367</u>

<b>Liabilities</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Foreign Currency Forward Contracts	\$ —	\$ (1,245)	\$ —	\$ (1,245)
Futures Contracts	(6,604)	—	—	(6,604)
Options Contracts Written	(2,884)	(115)	—	(2,999)
Securities Sold Short	—	(26,054)	—	(26,054)
Swaps	—	(21,950)	—	(21,950)
<b>Total</b>	<u>\$ (9,488)</u>	<u>\$ (49,364)</u>	<u>\$ —</u>	<u>\$ (58,852)</u>

The pool's investments in commingled debt funds were measured at the net asset value (NAV) as of June 30, 2024. These commingled debt funds invest in certain niche sectors, particularly ones that are not a significant percentage to the pool, to provide economies of scale and efficiencies in establishing and managing a diversified portfolio that would otherwise be difficult to achieve. The pool can redeem these investments daily.

## Core Fixed Income Pool

The main objective of the Core Fixed Income Pool is to generate investment income and provide stability and diversification, but not at the expense of total return. JP Morgan Investment Advisors manages this pool. This pool's investment objective, net of external investment management fees, is to outperform the Bloomberg U.S. Aggregate Bond Index over three-year to five-year periods, net of external management fees.

### *Credit Risk and Interest Rate Risk*

The WVIMB limits the exposure to credit risk in the pool by maintaining at least an average rating of BBB (investment grade) as defined by a nationally recognized statistical rating organization. The WVIMB reviews available ratings from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. The money market mutual fund has the highest credit rating and the cash collateral account is not rated.

The following table provides the credit ratings in the Core Fixed Income Pool's fixed income investments as of June 30, 2024 (expressed in thousands):

<u>Rating</u>	<u>Fair Value</u>
AAA	\$ 76,420
AA	1,265,263
A	219,003
BBB	383,552
BB	8,036
B	1,037
CCC	114
C	646
Total Rated	<u>1,954,071</u>
Not Rated	125,305
Withdrawn	<u>1,497</u>
Total Investments	<u>\$ 2,080,873</u>

The pool is exposed to interest rate risk from its fixed income investments, money market mutual fund investment, and cash collateral account investment. As of June 30, 2024, the money market mutual fund has a WAM of 35 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the cash collateral account are limited to overnight investments. As of June 30, 2024, the WAM for the cash collateral account was 3 days.

The WVIMB monitors interest rate risk by evaluating the effective duration of the investments in the pool. Effective duration is a method of disclosing interest rate risk that measures the expected change in the price of a fixed income security for a 1% change in interest rates. The effective duration calculation makes assumptions regarding the most likely timing of variable cash flows, which is particularly useful for measuring interest rate risk of callable bonds, commercial and residential mortgage-backed securities, asset-backed securities, collateralized mortgage obligations, and variable-rate debt.

The following table provides the weighted average effective duration for the pool's fixed income investments as of June 30, 2024 (expressed in thousands):

Investment Type	Fair Value	Effective Duration (years)
Corporate ABS	\$ 234,021	2.1
Corporate CMO	87,553	2.2
Corporate CMO IO	105	1.6
Corporate CMO PO	5,380	0.5
Foreign ABS	2,346	0*
Foreign Corporate Bonds	166,741	4.1
Foreign Government Bonds	5,786	9.3
Municipal Bonds	8,480	9.0
U.S. Corporate Bonds	365,052	7.3
U.S. Government Agency CMO	116,733	5.1
U.S. Government Agency CMO IO	1,173	8.5
U.S. Government Agency CMO PO	1,746	5.2
U.S. Government Agency MBS	480,710	6.1
U.S. Treasury Issues	605,047	8.2
Total	\$ 2,080,873	

\*Rounds to less than 0.05

The pool invests in commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations. The cash flows from these securities are based on the payment of the underlying collateral. The effective duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. At June 30, 2024, the pool held \$929,767,000 of these securities. This represents approximately 45 percent of the value of the pool's fixed income securities.

*Fair Value Measurements*

The table below summarizes the valuation of the investment securities in accordance with the fair value hierarchy levels as of June 30, 2024 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Corporate ABS	\$ —	\$ 234,021	\$ —	\$ 234,021
Corporate CMO	—	87,553	—	87,553
Corporate CMO IO	—	105	—	105
Corporate CMO PO	—	5,380	—	5,380
Foreign ABS	—	2,346	—	2,346
Foreign Corporate Bonds	—	166,741	—	166,741
Foreign Government Bonds	—	5,786	—	5,786
Money Market Mutual Fund	17,014	—	—	17,014
Municipal Bonds	—	8,480	—	8,480
Securities Lending Collateral	—	93,136	—	93,136
U.S. Corporate Bonds	—	365,052	—	365,052
U.S. Government Agency CMO	—	116,733	—	116,733
U.S. Government Agency CMO IO	—	1,173	—	1,173
U.S. Government Agency CMO PO	—	1,746	—	1,746
U.S. Government Agency MBS	—	480,710	—	480,710
U.S. Treasury Issues	—	605,047	—	605,047
Total	\$ 17,014	\$ 2,174,009	\$ —	\$ 2,191,023

The fair value measurement valuation techniques used for the Core Fixed Income Pool can be found on pages 82-84.

**TIPS Pool**

The pool was established to offer an additional level of diversification over and above nominal fixed income securities in an attempt to mitigate the risk of inflation. Northern Trust Investments manages this pool. The pool invests in Treasury Inflation-Protected Securities (TIPS) and its objective is to generate a return that exceeds the rate of inflation over a market cycle, to provide investment income and stability of principal, and to diversify interest rate exposure. The pool's performance is measured against the Bloomberg 1-10 Year Treasury Inflation Protected Securities (TIPS) Index on an annualized basis over rolling three-year to five-year periods, gross of fees.

*Credit Risk and Interest Rate Risk*

The WVIMB limits the exposure of credit risk in the Pool's fixed income investments by primarily investing in United States Treasury Inflation-Protected Securities (U.S. TIPS). The pool is exposed to credit risk from its money market mutual fund investment. The WVIMB reviews available rating from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. As of June 30, 2024, all of the pool's U.S. TIPS investments had a credit rating of AA. The money market fund has the highest credit rating. The pool is exposed to interest rate risk through its fixed income investments and money market mutual fund investment. The WVIMB monitors the interest rate risk of U.S. TIPS by evaluating the effective duration. Effective duration is a method of disclosing interest rate risk that measures the expected change in the price of a fixed income security for a 1% change in interest rates. As of June 30, 2024, the effective duration for the U.S. TIPS investments was 3.3 years. As of June 30, 2024, the money market mutual fund has a weighted average maturity of 35 days.



*Fair Value Measurements*

The table below summarizes the valuation of the investment securities in accordance with GASB 72 fair value hierarchy levels as of June 30, 2024 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Money Market Mutual Fund	\$ 83	\$ —	\$ —	\$ 83
U.S. TIPS	—	511,976	—	511,976
Total	\$ 83	\$ 511,976	\$ —	\$ 512,059

Investments for which the fair value cannot be determined are valued at fair value as determined in accordance with the WVIMB's established procedures.

**Private Markets Pool**

The objective of the pool is to provide for long-term growth of participants' assets and risk-reduction through diversification. The pool primarily holds the WVIMB's investments in private credit & income funds, private equity funds, real estate investment trusts (REITs), and real estate limited partnerships and funds.

*Credit Risk and Interest Rate Risk*

The pool is exposed to credit risk from its fixed income investments, money market fund investments, investments in unrated private credit and income funds, and certain investments made with cash collateral for securities loaned. The WVIMB limits the exposure to credit risk in the pool by maintaining at least an average rating of BBB (investment grade) as defined by a nationally recognized statistical rating organization. The WVIMB reviews available ratings from Standard & Poor's and Moody's, and reports the rating indicative of the greatest degree of risk. The money market fund has the highest credit rating. Credit risk associated with the unrated private credit and income funds is limited by requiring that underlying fund holdings are at least 90% collateralized by one or more assets of the issuer.

The following table provides the credit ratings in the Private Markets Pool's fixed income investments as of June 30, 2024 (expressed in thousands):

Rating	Fair Value
A	\$ 509
BBB	8,042
BB	2,667
CC	97
Total Investments	\$ 11,315

Credit risk from securities lending collateral investments is limited by requiring minimum ratings on debt instruments. Long-term debt instruments must be rated A or better by Moody's or Standard & Poor's at the time of purchase. The WVIMB reviews available ratings from Standard & Poor's and Moody's, and reports the rating indicative of the greatest degree of risk.

The pool is exposed to interest rate risk through its investments in U.S. corporate bonds, private credit and income funds, securities lending collateral investments, and a money market mutual fund. The WVIMB monitors interest rate risk of U.S. corporate bonds by evaluating the effective duration. Effective duration is a method of disclosing interest rate risk that measures the expected change in the price of a fixed income security for a 1% change in interest rates. The effective duration calculation takes into account the most likely timing of variable cash flows, which is particularly useful for measuring interest rate risk of callable bonds. As of June 30, 2024, the effective duration for U.S. corporate bonds was 3.6 years. The WVIMB manages interest rate risk of the private credit and income funds by investing primarily in funds that originate or invest in loans that have a variable or floating interest rates, most of these investments have relatively short durations, and final maturities are within three-years to five-years. As of June 30, 2024, the money market mutual fund has a WAM of 35 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the Cash Collateral Account are limited to overnight investments. As of June 30, 2024, the WAM for securities lending collateral was 3 days.

*Foreign Currency Risk*

The pool holds foreign common stock, real estate limited partnerships and funds, and cash that is denominated in foreign currencies that are exposed to foreign currency risks. The investments in private equity partnerships and private credit and income funds might be indirectly exposed to foreign currency risk.

The amounts at fair value (U.S. dollars) if investments and cash denominated in foreign currencies as of June 30, 2024, (expressed in thousands):

<u>Currency</u>	<u>Foreign Common Stock</u>	<u>Real Estate Limited Partnerships and Funds</u>	<u>Cash</u>	<u>Total</u>
Australian Dollar	\$ 5,164	\$ —	\$ —	\$ 5,164
British Pound	3,813	—	—	3,813
Canadian Dollar	3,170	68,949	—	72,119
Euro Currency Unit	6,388	88,207	—	94,595
Hong Kong Dollar	3,802	—	—	3,802
Japanese Yen	8,368	—	12	8,380
Singapore Dollar	3,544	—	—	3,544
Swedish Krona	1,187	—	—	1,187
Swiss Franc	517	—	—	517
Total foreign-denominated investments	<u>\$ 35,953</u>	<u>\$ 157,156</u>	<u>\$ 12</u>	<u>\$ 193,121</u>
U.S. Dollar	—	2,062,172	16,633	2,078,805
Total	<u>\$ 35,953</u>	<u>\$ 2,219,328</u>	<u>\$ 16,645</u>	<u>\$ 2,271,926</u>

*Fair Value Measurements*

The fair value measurement valuation techniques for the Private Markets Pool's asset categories can be found on pages 82-84, except for private credit and income funds, private equity partnerships, and real estate limited partnerships and funds which are measured using the net asset value per share practical expedient. The table that follows sets forth information about the level within the fair value hierarchy at which the pool's assets and liabilities are measured at June 30, 2024. All the investments valued using the net asset value per share practical expedient are not required to be categorized in the fair value hierarchy below as of June 30, 2024 (expressed in thousands):

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Foreign Common Stock	\$ 35,953	\$ —	\$ —	\$ 35,953
Money Market Mutual Fund	124,369	—	—	124,369
Securities Lending Collateral	—	19,117	—	19,117
U.S. Common Stock	161,123	—	—	161,123
U.S. Corporate Bonds	—	11,315	—	11,315
U.S. Preferred Stock	9,905	—	—	9,905
Total	<u>\$ 331,350</u>	<u>\$ 30,432</u>	<u>\$ —</u>	361,782
Private Credit & Income Funds				1,038,589
Private Equity Partnerships				2,654,612
Real Estate Limited Partnership and Funds				2,219,328
Total				<u>\$ 6,274,311</u>

The following table presents information on investments measured at the NAV as of June 30, 2024 (expressed in thousands):

<b>Strategies</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Contractual Termination Date Range</b>	<b>Redemption Frequency (a)</b>	<b>Redemption Notice Period</b>
Private Credit & Income Funds:					
Core Debt (b)	\$ 596,869	\$ 122,514	2029 to 2031	Quarterly	45 days
Opportunistic Debt (c)	177,940	121,286	2026 to 2031	N/A	N/A
Specialty Credit (d)	263,780	182,647	2024 to 2032	N/A	N/A
Private Equity Partnerships:					
Corporate Finance – Buyout (e)	1,796,982	549,680	2024 to 2035	N/A	N/A
Corporate Finance – Distressed Debt (f)	25,982	16,263	2025	N/A	N/A
Corporate Finance – Growth Equity (g)	167,116	91,166	2025 to 2031	N/A	N/A
Corporate Finance – Hard Assets (h)	128,978	47,031	2024 to 2033	N/A	N/A
Corporate Finance – Mezzanine (i)	2,055	480	N/A	N/A	N/A
Corporate Finance – Structured Capital (j)	61,236	22,337	2024 to 2028	N/A	N/A
Corporate Finance – Turnaround (k)	100,430	100,687	2024 to 2034	N/A	N/A
Venture Capital (l)	371,833	44,249	2025 to 2034	N/A	N/A
Real Estate Limited Partnerships and Funds:					
Core (m)	1,167,442	—	N/A	Quarterly	45-90 days
Opportunistic (n)	355,393	245,046	2024 to 2034	N/A	N/A
Value (o)	696,493	493,208	2024 to 2068	N/A	N/A
<b>Total</b>	<b>\$ 5,912,529</b>	<b>\$ 2,036,594</b>			

- (a) Investments without standard redemption frequencies cannot be redeemed until termination of the partnership.
- (b) Core Debt funds are primarily senior-secured commercial loans that are on the more conservative end of the spectrum of the private credit market. This may also include funds that invest in senior real estate mortgages and other debt that is structured such that it is considered to have a core risk/return profile. The returns on core private credit investments are expected to be derived from contractual income.
- (c) Opportunistic Debt funds is a broad classification that includes different types of debt strategies that have the highest risk-return profile in the private credit market. This may include strategies that invest in distressed debt, complex capital solutions, special situation loans, or market dislocations. It also includes specialized financing to specific industries that are underserved by the general debt markets. The returns on these assets are generally derived from both contractual income and an equity component.
- (d) Specialty Credit funds typically invest in asset-backed loans collateralized by commercial or consumer receivables, assets, or loans, as well as other specialty types of commercial loans. This also includes real estate debt funds that invest in mezzanine or other subordinated real estate debt, and/or target higher risk properties than a typical core fund. Specialty Credit investments are typically in the mid-range of the risk return spectrum of the private credit market.
- (e) Corporate Finance – Buyout funds acquire controlling or influential interests in companies.
- (f) Corporate Finance – Distressed Debt funds acquire the debt of companies experiencing operational or financial distress, usually converting the debt to equity and exercising control of the business.
- (g) Corporate Finance – Growth Equity funds invest in companies to expand or restructure operations, enter new markets, or finance an acquisition.
- (h) Corporate Finance – Hard Assets funds acquire controlling or influential interests in companies operating in natural resources or infrastructure.
- (i) Corporate Finance – Mezzanine funds acquire or issue subordinated debentures frequently in businesses controlled by the General Partner, but in another fund.
- (j) Corporate Finance – Structured Capital funds combine common equity, preferred equity, fixed income, and/or customized debt instruments to offer capital appreciation with downside protection.
- (k) Corporate Finance – Turnaround funds acquire the debt and or equity of companies experiencing operational or financial distress in order to radically reorganize and improve the business.
- (l) Venture Capital funds make investments in early-stage through late-stage companies, frequently start-ups in technology or healthcare.
- (m) Core funds are more conservative real estate investments that use a very modest level of financing to acquire and hold high-quality, stable properties typically located in major markets. Assets within these strategies tend to have high occupancy rates, higher credit tenants, and staggered lease terms, with a number of long-term leases expiring in five to ten years.
- (n) Opportunistic funds have higher risk/return profiles and have broad strategies to achieve these types of returns. Common strategies are properties that need significant rehabilitation or a total redevelopment to transition to a different type of property (for example, converting an office building to condominiums). It may also include new development, distressed debt strategies, and more complex transactions, as well as a more traditional value-add strategy that is financed with a higher amount of leverage.
- (o) Value funds typically use more leverage than core funds and target higher return opportunities by acquiring properties that the manager believes they can add value through capital renovations to the physical facility or enhanced leasing and management activities. Most of these properties have in-place cash flow, which is expected to increase as the business plans are implemented. This could include making physical improvements to the asset that will allow it to command higher rents, increasing efforts to lease vacant space at the property to quality tenants, or improving the management of the property and thereby increasing customer satisfaction or lowering operating expenses where possible.

## Hedge Fund

This pool was established to hold the WVIMB’s investments in hedge funds. The objective of this pool is to reduce risk through diversification of participants’ assets. The primary performance benchmark is the Hedge Funds Research, Inc. Fund of Fund Composite index plus 100 basis points. The secondary benchmark is the FTSE 3 Month US T-Bill Index plus

500 basis points. This pool holds shares in hedge funds and shares of a money market fund. As of June 30, 2024, the money market mutual fund is highest rated and has a WAM of 35 days. The investments in hedge funds might be indirectly exposed to foreign currency risk, interest rate risk, and/or custodial credit risk. As of June 30, 2024, the pool was in compliance with this restriction and is not exposed to concentration of credit risk.

### Fair Value Measurements

U.S. GAAP does not require the pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient.

All of the pool's investments in hedge funds were valued using the net asset value per share practical expedient.

Assets	Level 1	Level 2	Level 3	Total
Money Market Mutual Fund	\$ 1,341	\$ —	\$ —	\$ 1,341
Hedge Funds				2,846,583
Total				<u>\$ 2,847,924</u>

The following table presents information on investments measured at the NAV as of June 30, 2024 (expressed in thousands):

Hedge Fund Strategies	Fair Value	Redemption Frequency	Redemption Notice Period
Directional (a)	\$ 272,735	Monthly, Quarterly	5 to 65 days
Equity Long/Short (b)	515,378	Quarterly	45 to 90 days
Event-Driven (c)	230,051	Quarterly	180 days
Long-Biased (d)	93,166	Monthly	90 days
Multi-Strategy (e)	1,421,905	Monthly, Quarterly, Semi-annually	45 to 90 days
Relative-Value (f)	285,057	Weekly, Quarterly	5 to 60 days
	2,818,292		
In liquidation (g)	28,291		
Total Investment Measured at NAV	<u>\$ 2,846,583</u>		

- (a) Directional funds employ various techniques to forecast the direction of segments of the market and then invest in either short or long positions. The segments may be geographic economies, industry sectors, currency, or asset class. The investments may be in physical securities or derivatives. The strategies may be trend-following or mean-reverting and may be specific to that segment or universally applied across them. Investments representing approximately 34% of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.
- (b) Equity long/short funds involves taking long positions in stocks that are expected to increase in value and short positions in stocks that are expected to decrease in value. Investments representing approximately 75% of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.
- (c) Event-driven funds maintain positions in companies currently or prospectively involved in various corporate transactions, including, but not limited to, mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance, or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event-driven exposure includes a combination of sensitivities to equity markets, credit markets and company-specific developments. The sole fund in this investment strategy is subject to maximum withdrawal restrictions.
- (d) Long-biased funds employ analytical techniques in which the investment thesis is predicated on assessment of the valuation characteristics on the underlying companies with the goal of identifying undervalued companies. Long-biased strategies may vary the investment level or the level of long exposure over market cycles, but the primary distinguishing characteristic is that the manager maintains consistent long exposure.
- (e) Multi-strategy funds combine several strategies within the same fund in order to provide diversification benefits to reduce return volatility and decrease asset-class and single-strategy risks. These funds typically add incremental returns through active allocation adjustments based on market opportunities. Risk is managed through a combination of quantitative and qualitative constraints, including, but not limited to, active risk, liquidity risk, currency risk, manager risk, derivatives risk, and leverage risk. Investments representing approximately 78% of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.
- (f) Relative-value funds maintain positions in which the investment thesis is predicated on the realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment insights, and security types range broadly across equity, fixed income, derivative, or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between investments and, in some cases, identify attractive positions in which the risk-adjusted spread between these instruments represents an attractive opportunity. Investments representing approximately 53% of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.
- (g) Funds currently in liquidation are no longer managed to a defined strategy. As the remaining underlying assets of these funds are monetized, their proceeds are distributed to shareholders. The timing of these future distributions is unknown.

Investments in hedge funds are securities for which market quotations are not readily available. The IMB has concluded that the net asset value reported by the underlying funds approximates the fair value of these investments and consequently these investments are carried at net asset value as a practical expedient for fair value. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the WVIMB's interest in the funds.

Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the WVIMB were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant. The WVIMB believes that the net asset value of such investments is a reasonable estimate of fair value at June 30, 2024.

### **Consolidated Fund**

The Consolidated Fund is a statutory term for the collective investment of those monies not currently needed to fund state governmental operations or participation by local governments, or those monies that are required by other statutory provisions to be invested in the Consolidated Fund. The following six investment pools and participant-directed accounts comprise the Consolidated Fund and are managed by the BTI.

### **Board of Treasury Investments**

#### **WV Money Market**

This pool consists of the operating funds of the State, funds held by state agencies, and funds from local governments that desire the opportunity to invest with the State. Its purpose is to provide for the investment of all surplus funds and to supply the daily cash needs of the State. The pool is co-managed by Federated Hermes and UBS Global Asset Management.

#### *Credit Risk*

The BTI limits the exposure to credit risk in the WV Money Market Pool by requiring all corporate debt to be rated A+ or higher by Standard & Poor's (or its equivalent) and short-term corporate debt be rated as A-1 or higher by Standard & Poor's (or its equivalent).

The following table provides information on the credit ratings as of June 30, 2024, of the WV Money Market Pool's investments (expressed in thousands):

Security Type	Rating	Carrying Value	Percent of Pool Assets
Commercial Paper	A-1+	\$ 3,626,718	37.76%
	A-1	3,636,575	37.85%
Negotiable Certificates of Deposit	A-1+	844,998	8.80%
	A-1	709,000	7.38%
Money Market Funds	AAAm	2,820	0.03%
Repurchase Agreements (Underlying Securities):			
U.S. Treasury Bonds and Notes *	AA+	134,000	1.40%
U.S. Agency Bonds and Notes	AA+	651,000	6.78%
Total		<u>\$ 9,605,111</u>	<u>100%</u>

\* U.S. Treasury issues are explicitly guaranteed by the U.S. Government and are not subject to credit risk.

### Interest Rate Risk

The overall weighted average maturity of the investments of the WV Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 762 days.

The following table provides information on the WAM for the various asset types in the WV Money Market Pool as of June 30, 2024 (expressed in thousands):

Security Type	Total Carrying Value	Primary Government	Investment Trust Funds	Custodial Funds	Component Units	WAM (Days)
Commercial Paper	\$ 7,263,293	\$ 4,730,583	\$ 503,346	\$ 50,117	\$ 1,979,247	36
Negotiable Certificates of Deposit	1,553,998	1,012,119	107,692	10,723	423,464	50
Repurchase Agreements (Underlying Securities):						3
U.S. Treasury Bonds and Notes	134,000	87,274	9,286	925	36,515	
U.S. Agency Bonds and Notes	651,000	423,996	45,114	4,492	177,398	
Money Market Funds	2,820	1,838	195	19	768	3
Total	<u>\$ 9,605,111</u>	<u>\$ 6,255,810</u>	<u>\$ 665,633</u>	<u>\$ 66,276</u>	<u>\$ 2,617,392</u>	36
Percentage of Ownership	100%	65.13%	6.93%	0.69%	27.25%	

### WV Government Money Market

This pool consists of investors who wish to invest in a pool that restricts its investments to U.S. Government Obligations, U.S. Government Agency Obligations, or repurchase agreements. The pool is managed by UBS Global Asset Management.

### Credit Risk

The BTI limits the exposure to credit risk in the WV Government Money Market Pool by limiting the pool to U.S. Treasury issues, U.S. Government Agency issues, money market funds investing in U.S. Treasury issues and U.S. Government Agency issues, and repurchase agreements collateralized by U.S. Treasury issues and U.S. Government Agency issues.

The following table provides information on the credit ratings of the WV Government Money Market Pool's investments as of June 30, 2024 (expressed in thousands):

Security Type	Rating	Carrying Value	Percent of Pool Assets
U.S. Treasury Notes*	AA+	\$ 59,829	12.56%
U.S. Treasury Bills*	A-1+	253,430	53.22%
U.S. Agency Bonds and Notes	AA+	31,000	6.51%
Money Market Funds	AAAm	215	0.05%
Repurchase Agreements (Underlying Securities):			
U.S. Treasury Bonds and Notes *	AA+	105,000	22.05%
U.S. Agency Bonds and Notes	AA+	26,700	5.61%
Total		<u>\$ 476,174</u>	<u>100%</u>

\* U.S. Treasury issues are explicitly guaranteed by the U.S. Government and are not subject to credit risk.

*Interest Rate Risk*

The overall weighted average maturity of the investments of the WV Government Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 762 days.

The following table provides information on the WAM for the various asset types in the WV Government Money Market Pool as of June 30, 2024 (expressed in thousands):

Security Type	Carrying Value	Primary Government	Investment Trust Fund	Component Units	WAM (Days)
U.S. Treasury Notes	\$ 59,829	\$ 1,573	\$ 56,120	\$ 2,136	15
U.S. Treasury Bills	253,430	6,666	237,717	9,047	77
U.S. Agency Bonds and Notes	31,000	815	29,078	1,107	3
Repurchase Agreements (Underlying Securities):					3
U.S. Treasury Notes	105,000	2,761	98,490	3,749	
U.S. Agency Bonds and Notes	26,700	702	25,045	953	
Money Market Funds	215	5	202	8	3
Total	<u>\$ 476,174</u>	<u>\$ 12,522</u>	<u>\$ 446,652</u>	<u>\$ 17,000</u>	44
Percentage of Ownership	100%	2.63%	93.80%	3.57%	

**WV Short-Term Bond**

This pool consists of the operating funds of the State that are not immediately needed to fund the State's liquidity requirements. The pool is managed by Sterling Capital Management.

*Credit Risk*

The BTI limits the exposure to credit risk in the WV Short-Term Bond Pool by requiring all corporate debt be rated BBB- or higher by Standard & Poor's (or its equivalent) and all short-term corporate debt be rated A-1 or higher by Standard & Poor's (or its equivalent).



Mortgage-backed and asset-backed securities must be rated AAA by Standard & Poor's (or its equivalent).

The following table provides information on the credit ratings of the WV Short-Term Bond Pool's investments as of June 30, 2024 (expressed in thousands):

Security Types	Rating	Carrying Value	Percent of Pool Assets
U.S. Treasury Notes*	AA+	\$ 83,668	12.33%
U.S. Agency Collateralized Mortgage Obligations:			
U.S. Government Guaranteed*	AA+	3,852	0.57%
Non-U.S. Government Guaranteed	AA+	640	0.09%
Corporate Bonds and Notes	AA+	6,029	0.88%
	AA	3,628	0.54%
	AA-	20,134	2.97%
	A+	49,565	7.31%
	A	70,165	10.35%
	A-	84,265	12.43%
	BBB+	57,510	8.48%
	BBB	52,664	7.77%
	BBB-	42,895	6.33%
	BB+	3,509	0.52%
	NR	9,403	1.39%
Collateralized Mortgage Obligations	NR	8,213	1.21%
Municipal Securities	AAA	10,629	1.57%
	AA+	1,577	0.23%
	AA	5,874	0.87%
	AA-	6,547	0.97%
	A+	788	0.12%
	NR	2,813	0.41%
Asset-Backed Securities	AAA	104,860	15.47%
	NR	41,557	6.13%
Money Market Funds	AAAm	7,180	1.06%
Total		<u>\$ 677,965</u>	<u>100%</u>

NR = Not Rated. Securities are not rated by Standard & Poor's but are rated by Moody's, and/or Fitch.

\*U.S. Agency Mortgage-Backed Securities are explicitly guaranteed by the U.S. Government and are not subject to credit risk.

### Interest Rate Risk

The overall effective duration of the investments of the WV Short-Term Bond Pool is limited to a +/- 30% band around the effective duration of the portfolio's benchmark (the ICE BofAML 1-3 US Corporate & Government Index.) As of June 30, 2024, the effective duration of the benchmark was 664 days. Maximum effective duration of individual securities cannot exceed 1,827 days (five years) from date of purchase.

The following table provides information on the effective duration for the various asset types in the WV Short-Term Bond Pool as of June 30, 2024 (expressed in thousands):

Security Type	Total Carrying Value	Primary Government	Investment Trust Funds	Component Units	Effective Duration (Days)
U.S. Treasury Bonds and Notes	\$ 83,668	\$ 80,572	\$ 243	\$ 2,853	734
U.S. Agency Collateralized Mortgage Obligations	4,492	4,326	13	153	39
Corporate Fixed-Rate Bonds and Notes	387,992	373,636	1,125	13,231	723
Corporate Floating-Rate Bonds and Notes	11,775	11,339	34	402	—
Commercial Mortgage-Backed Securities	8,213	7,909	24	280	153
Municipal Securities	28,228	27,183	82	963	330
Asset-Backed Securities	146,417	140,999	425	4,993	579
Money Market Funds	7,180	6,914	21	245	—
Total	<u>\$ 677,965</u>	<u>\$ 652,878</u>	<u>\$ 1,967</u>	<u>\$ 23,120</u>	645
Percentage of Ownership	100%	96.30%	0.29%	3.41%	

*Fair Value Measurements*

The table below summarizes the valuation for the WV Short-Term Bond Pool in accordance with the fair value hierarchy levels as of June 30, 2024 (expressed in thousands):

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	\$ 83,688	\$ —	\$ —	\$ 83,688
U.S. Agency Collateralized Mortgage Obligations	—	4,492	—	4,492
Corporate Fixed-Rate Bonds and Notes	—	387,992	—	387,992
Corporate Floating-Rate Bonds and Notes	—	11,775	—	11,775
Commercial Mortgage-Backed Obligations	—	8,213	—	8,213
Municipal Securities	—	28,228	—	28,228
Asset-Backed Securities	—	146,417	—	146,417
Money Market Funds	7,180	—	—	7,180
Total	<u>\$ 90,868</u>	<u>\$ 587,117</u>	<u>\$ —</u>	<u>\$ 677,985</u>

The fair value measurement valuation techniques used for the WV Short-Term Bond Pool can be found on pages 82-84.

**WV Bank Pool**

This pool consists of certificates of deposit purchased by the State through the West Virginia CD program. The program purchases CDs from eligible banks and depositories to make state investment funds available for consumer and business loans within the State. The State is the sole participant in this pool. This pool was closed effective September 30, 2023.

**Loan Pool**

This pool is composed of loans made by the State. The \$1 unit price is utilized for accounting purposes only. The State is the sole participant in this pool. This pool primarily holds intergovernmental loans and an investment in a money market mutual fund in the amount

of approximately \$150,000 with a weighted-average maturity of one day which is rated AAAM by Standard & Poor's. The loans are not rated by any nationally recognized statistical rating organization; however, as there is the potential for defaults, they are exposed to credit risk. For financial statement purposes, the intergovernmental loans are reflected in the Advances to Component Units line on the Statement of Net Position. The BTI addresses the credit risk by evaluating the need for and establishing a reserve for uncollectible loans.

### **Participant-Directed Accounts**

The BTI also maintains pools for individual state agencies with specific investment needs. These pools include the following: West Virginia Term Deposit Account, School Fund, and Economic Development Authority-American Woodmark (EDA-AW). Each agency is the sole owner of the investments in its pool and is responsible for the investment decisions in accordance with the legal restrictions applicable to those assets. Effective September 30, 2023 EDA-AW was closed.

### **WV Term Deposit Account**

This account is composed of term deposit accounts in the state depositories. They account also holds an interest in a government money market mutual fund valued at \$29,000,000 using Level 1 inputs with a weighted average maturity of three days. The term deposit accounts are not rated. The BTI addresses credit risk, with respect to depository accounts, by requiring balances in excess of insurance coverage provided by an agency of the federal government be collateralized in accordance with West Virginia Code. The BTI does not have a policy specially addressing credit risk of other investments in WV Term Deposit Account. The mutual fund is rated AAAM by Standard & Poor's and Aaa by Moody's as of June 30, 2024 (expressed in thousands):

Security Type	Carrying Value	Investment Maturities			
		Less than 1	1-5	6-10	More than 10
<b>Component Unit Activities:</b>					
Money Market	\$ 29,000	\$ 29,000	\$ —	\$ —	\$ —

### **School Fund**

The School Fund account holds an interest in a money market mutual fund valued at \$1,013,000 using Level 1 inputs with a weighted-average maturity of three days. The mutual fund is rated AAAM by Standard & Poor's and Aaa by Moody's as of June 30, 2024 (expressed in thousands):

Security Type	Carrying Value	Investment Maturities			
		Less than 1	1-5	6-10	More than 10
<b>Governmental Activities:</b>					
Money Market	\$ 1,013	\$ 1,019	\$ —	\$ —	\$ —

This schedule reconciles disclosed investment values to net asset values of the pools as reflected in the accompanying financial statements, at IMB and BTI at June 30, 2024 (expressed in thousands):

<b>IMB Pools</b>	<b>Disclosed Value</b>	<b>Pool Receivables/ (Payables)</b>	<b>Net Asset Values</b>
Portable Alpha Pool	\$ 5,911,802	\$ (80,383)	\$ 5,831,419
Large Cap Domestic Equity Pool	335,087	(14)	335,073
Non-Large Cap Domestic Equity Pool	1,194,578	(54,715)	1,139,863
International Qualified	1,136,655	(42)	1,136,613
International Nonqualified	188,940	(7)	188,933
International Equity**	3,131,911	(27,873)	3,104,038
Short-Term Fixed Income	263,464	9	263,473
Total Return Fixed Income**	2,808,367	(281,001)	2,527,366
Core Fixed Income	2,191,023	(105,311)	2,085,712
TIPS Pool	512,059	1,634	513,693
Private Markets Pool	6,274,311	12,936	6,287,247
Hedge Fund	2,897,924	3,981	2,901,905
<b>BTI Pools</b>			
WV Money Market Pool	9,605,111	30,367	9,635,478
WV Government Money Market Pool	476,174	(4,167)	472,007
WV Short-Term Bond Pool	677,965	4,149	682,114
Loan Pool	35,557	185	35,742
WV Term Deposit Account	40,347	157	40,504
School Fund Account	1,013	4	1,017
Total Pooled Investments	<u>37,682,288</u>	<u>(500,091)</u>	<u>37,182,197</u>
Less EDA	35,407	—	35,407
Total for Disclosure	<u>\$ 37,646,881</u>	<u>\$ (500,091)</u>	<u>\$ 37,146,790</u>

\*\*Pools had cash denominated in foreign currencies.

### **Outside Investments**

In addition to the amounts invested with the IMB above, certain funds are permitted to invest bond proceeds with a third-party trustee named in the bond indenture. The following information relates to these outside investments.

*Credit Risk*

The following table provides information on the credit ratings of the State's third-party trustee investments as of June 30, 2024 (expressed in thousands):

Security Type	Carrying Value	Credit Rating	
		S&P	Moody's
<b>Primary Government:</b>			
Money Market/Mutual Funds	\$ 316,055	AAAm	Aaa-mf
Money Market/Mutual Funds	6,097	AAA	Aaa
Money Market/Mutual Funds	23,954	Unrated	Unrated
Corporate Bonds	1,446	AA+	Aaa
Corporate Bonds	1,383	AA	Aa2
Corporate Bonds	1,438	AA-	Aa1
Corporate Bonds	1,447	A+	Aa2
Corporate Bonds	1,455	AA+	Aa2
Corporate Bonds	4,384	A+	Aa3
Corporate Bonds	1,463	A+	A1
Corporate Bonds	1,470	AA	A1
Corporate Bonds	1,461	A	A2
U.S. Government and Agency Obligations	5,612	AA+	Aaa
U.S. Treasury Obligations	92,927	AA+	Aaa
<b>Total Primary Government</b>	<b>\$ 460,592</b>		
<b>Pension &amp; Private Purpose Trust Funds:</b>			
Money Market/Mutual Funds	\$ 3,233,407	Unrated	Unrated
Guaranteed Investment Contract	554,096	Unrated	Unrated
<b>Total Pension &amp; Private Purpose Trust Funds</b>	<b>\$ 3,787,503</b>		
<b>Component Units:</b>			
Common and Preferred Stocks	\$ 209,236	Unrated	Unrated
Corporate Bonds	41,763	Unrated	Unrated
Corporate Stock	2,850	Unrated	Unrated
Fixed Income Fund	10,314	AA+	Aaa
Fixed Income Fund	949	Unrated	Unrated
Fixed Income Fund	200	AA+	Unrated
Fixed Income Fund	10,168	Unrated	Aa2
Money Market/Mutual Funds	7,154	Unrated	A1
Money Market/Mutual Funds	44,810	AAAm	Aaa-mf
Money Market/Mutual Funds	6,895	Unrated	Baa
Money Market/Mutual Funds	20,086	AA+	Aaa
Money Market/Mutual Funds	292,424	Unrated	Unrated
Money Market/Mutual Funds	47,998	AAAm	Aaa
Mortgages Held for Investment	12,692	Unrated	Unrated
Other Investments	436	AA+	Unrated
Other Investments	262,353	Unrated	Unrated
Other Investments	111,825	AA+	Aaa
Repurchase Agreements *	15,733	Unrated	Unrated
State and Local Government Securities	211	AAA	Aaa
U.S. Government and Agency Obligations	109,382	AAA	Aaa
U.S. Government and Agency Obligations	96,262	AA+	Aaa
U.S. Government and Agency Obligations	12,916	AAAm	Aaa-mf
U.S. Government and Agency Obligations	43,262	Unrated	Unrated
U.S. Government and Agency Obligations	40,477	Unrated	Aaa
<b>Total Component Units</b>	<b>\$ 1,400,396</b>		

**Underlying Securities:**

\* Component Units: The \$15,733 is invested in U.S. Government National Mortgage Association Securities.

*Concentration of Credit Risk*

As of June 30, 2024, the State had investment balances with the following issuers which are greater than or equal to 5% of the respective third-party trustee investment balance (expressed in thousands):

Security Type	Carrying Value	Issuer	Percentage of Concentration
<b>Component Units:</b>			
Other Investments	\$ 254,061	The \$131,263,000 of the \$254,061,000 is invested by the Foundations at the Higher Education institutions, which are reported under FASB and the information is not available.	18.14%
Common & Preferred Stock	\$ 209,236	Common Stock	14.94%

*Interest Rate Risk*

The following table provides information on the interest rate risk of the State's third-party trustee investments as of June 30, 2024 (expressed in thousands):

Security Type	Carrying Value	Investment Maturities (Years)				
		Less Than 1	1-5	6-10	More Than 10	N/A
<b>Primary Government:</b>						
Money Market/Mutual Funds	\$ 346,106	\$ 346,106	\$ —	\$ —	\$ —	\$ —
Corporate Bonds	15,947	13,118	2,829	—	—	—
U.S. Government and Agency Obligations	5,612	5,612	—	—	—	—
U.S. Treasury Obligations	92,927	42,199	50,728	—	—	—
<b>Total Primary Government</b>	<b>460,592</b>	<b>407,035</b>	<b>53,557</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Pension &amp; Private Purpose Trust Funds:</b>						
Money Market/Mutual Funds	3,233,407	3,233,407	—	—	—	—
Guaranteed Investment Contract	554,096	554,096	—	—	—	—
<b>Total Pension &amp; Private Purpose Trust Funds</b>	<b>3,787,503</b>	<b>3,787,503</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Component Units:</b>						
Common and Preferred Stocks	209,236	—	—	—	—	209,236
Corporate Bonds	41,763	577	6,434	577	—	34,175
Corporate Stock	2,850	2,850	—	—	—	—
Fixed Income Fund	21,631	11,043	4,569	3,935	2,084	—
Money Market/Mutual Funds	419,367	165,337	41,461	6,187	1,859	204,523
Mortgages Held for Investment	12,692	—	166	308	12,218	—
Other Investments	374,614	40,091	73,349	—	—	261,174
Repurchase Agreements*	15,733	15,733	—	—	—	—
State and Local Government Securities	211	—	9	202	—	—
U.S. Government and Agency Obligations	302,299	131,667	113,053	13,423	10,262	33,894
<b>Total Component Units</b>	<b>1,400,396</b>	<b>367,298</b>	<b>239,041</b>	<b>24,632</b>	<b>26,423</b>	<b>743,002</b>
<b>Total Outside Investments</b>	<b>\$ 5,648,491</b>	<b>\$ 4,561,836</b>	<b>\$ 292,598</b>	<b>\$ 24,632</b>	<b>\$ 26,423</b>	<b>\$ 743,002</b>

**Underlying Securities:**

\*Component Units:

The \$15,733 is invested in U.S. Government National Mortgage Association Securities.

## Fair Value Measurements

U.S. GAAP does not require the categorization within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. All of the outside investments were valued using the net asset value per share practical expedient. These investments involve varying degrees of illiquidity and varying times of commitments to those investments.

The table below summarizes the valuation of the investment securities in accordance with the fair value hierarchy levels as of June 30, 2024 (expressed in thousands):

Security Type	Investment Amount	Level Amounts		
		1	2	3
<b>Primary Government:</b>				
Money Market/Mutual Funds	\$ 346,106	\$ 346,106	\$ —	\$ —
Corporate Bonds	15,947	—	15,947	—
U.S. Government & Agency Obligations	5,612	—	5,612	—
U.S. Treasury Obligations	92,927	—	92,927	—
<b>Total Primary Government</b>	<b>460,592</b>	<b>346,106</b>	<b>114,486</b>	<b>—</b>
<b>Pension &amp; Private Purpose Trust Funds:</b>				
Money Market/Mutual Funds	3,233,407	3,233,407	—	—
Guaranteed Investment Contract	554,096	—	554,096	—
<b>Total Pension &amp; Private Purpose Trust Funds</b>	<b>3,787,503</b>	<b>3,233,407</b>	<b>554,096</b>	<b>—</b>
<b>Component Units:</b>				
Common and Preferred Stocks	79,321	79,154	167	—
Corporate Bonds	41,763	11,677	30,086	—
Corporate Stock	2,850	2,850	—	—
Fixed Income Fund	21,631	11,537	10,094	—
Money Market/Mutual Funds	402,705	377,232	25,063	410
Mortgages Held for Investment	12,692	—	—	12,692
Other Investments	261,803	186,289	65,090	10,424
Repurchase Agreements*	15,733	15,733	—	—
State & Local Government Securities	211	—	211	—
U.S. Government & Agency Obligations	302,299	251,557	50,742	—
<b>Total Component Units</b>	<b>1,141,008</b>	<b>936,029</b>	<b>181,453</b>	<b>23,526</b>
<b>Outside Investments @ Fair Value</b>	<b>5,389,103</b>	<b>\$ 4,515,542</b>	<b>\$ 850,035</b>	<b>\$ 23,526</b>
<b>FV Investments @ Net Asset Value</b>	<b>259,388</b>			
<b>Total Outside Investments</b>	<b>\$ 5,648,491</b>			

Underlying Securities:

\*Component Units

The \$15,733 is invested in U.S. Government National Mortgage Association Securities.

## Reconciliation to Financial Statements

The following schedule reconciles the amount disclosed as deposits and investments included in this footnote to cash and cash equivalents, investments, and restricted cash and investments in the Statement of Net Position at June 30, 2024 (expressed in thousands):

### Deposits:

Cash and Cash Equivalents as Reported on the Statement of Net Position	\$	11,212,256
Cash and Cash Equivalents as Reported on the Statement of Fiduciary Net Position		1,258,648
Add:		
Restricted Cash and Cash Equivalents as Reported on the Statement of Net Position		1,202,295
Less:		
Cash Equivalents and Restricted Cash Disclosed as Investments		(12,801,264)
Cash with U.S. Treasury for Unemployment Programs		(431,969)
Reported Value of Deposits as Disclosed in this Footnote	\$	<u>439,966</u>

### Investments:

Investments as Reported on the Statement of Net Position	\$	2,582,445
Investments as Reported on the Statement of Fiduciary Net Position		26,911,868
Add:		
Restricted Investments as Reported on the Statement of Net Position		193,670
Cash Equivalents and Restricted Cash Disclosed as Investments		12,801,264
Mortgages Held for Investment Disclosed as Investments		12,692
Accrued Interest Disclosed as Investments		293,342
Reported Value of Investments as Disclosed in this Footnote	\$	<u>42,795,281</u>





NOTE 4

RECEIVABLES

(Expressed in Thousands)

Receivables at June 30, 2024, consisted of the following:

	<b>Governmental Funds</b>				
	<b>General</b>	<b>Transportation</b>	<b>Tobacco Settlement Finance Authority</b>	<b>Other Governmental</b>	<b>Total Governmental Receivables</b>
Taxes	\$ 557,495	\$ 78,368	\$ —	\$ —	\$ 635,863
Accounts	655,685	114,053	26,696	14,483	810,917
Loans	12,741	—	—	—	12,741
Accrued Interest	33,268	—	258	4,182	37,708
Total Receivables	1,259,189	192,421	26,954	18,665	1,497,229
Allowance for doubtful accounts	(395,263)	—	—	(9,532)	(404,795)
Receivables, net	<u>\$ 863,926</u>	<u>\$ 192,421</u>	<u>\$ 26,954</u>	<u>\$ 9,133</u>	<u>\$ 1,092,434</u>
As reported on the financial statements					
Current receivables	\$ 863,926	\$ 192,421	\$ 26,954	\$ 9,133	1,092,434
Noncurrent receivables	—	—	—	—	—
Total receivables (net)	<u>\$ 863,926</u>	<u>\$ 192,421</u>	<u>\$ 26,954</u>	<u>\$ 9,133</u>	<u>\$ 1,092,434</u>

	<b>Fiduciary Funds</b>		
	<b>Pension and Other Benefit Trust Funds</b>	<b>SMART 529</b>	<b>Custodial Funds</b>
Accounts	\$ 5,872	\$ —	\$ —
Loans	750	—	—
Leases	—	—	—
Contributions	30,962	6,840	—
Accrued Interest	—	—	456
Public Private Partnership	—	—	—
Total Receivables	37,584	6,840	456
Allowance for Doubtful Accounts	(46)	—	—
Receivables, Net	<u>\$ 37,538</u>	<u>\$ 6,840</u>	<u>\$ 456</u>
As reported on the Fund/Component Units Financial Statements:			
Current Receivables, Net	\$ 37,538	\$ 6,840	\$ 456
Noncurrent Receivables, Net	—	—	—
Total Receivables, Net	<u>\$ 37,538</u>	<u>\$ 6,840</u>	<u>\$ 456</u>

Enterprise Fund

Water Pollution Control Revolving Fund	Workers' Compensation	Unemployment Compensation	West Virginia Infrastructure and Jobs Development Council	Public Employees' Insurance Agency	Board of Risk and Insurance Management	Other Enterprise	Total Enterprise	Internal Service Funds
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
1,065	301	25,867	238	45,908	4,157	1,352	78,888	17,436
673,807	—	—	549,091	—	—	174,014	1,396,912	—
—	—	—	1,245	—	—	103	1,348	31
674,872	301	25,867	550,574	45,908	4,157	175,469	1,477,148	17,467
—	—	—	—	(75)	—	—	(75)	—
<u>\$ 674,872</u>	<u>\$ 301</u>	<u>\$ 25,867</u>	<u>\$ 550,574</u>	<u>\$ 45,833</u>	<u>\$ 4,157</u>	<u>\$ 175,469</u>	<u>\$ 1,477,073</u>	<u>\$ 17,467</u>
\$ 38,765	\$ 301	\$ 25,867	\$ 28,171	\$ 45,833	\$ 4,157	\$ 11,142	\$ 154,236	\$ 17,467
636,107	—	—	522,403	—	—	164,327	1,322,838	—
<u>\$ 674,872</u>	<u>\$ 301</u>	<u>\$ 25,867</u>	<u>\$ 550,574</u>	<u>\$ 45,833</u>	<u>\$ 4,157</u>	<u>\$ 175,469</u>	<u>\$ 1,477,073</u>	<u>\$ 17,467</u>

Discretely Presented Component Units

West Virginia Lottery	Economic Development Authority	Housing Development Fund	Parkways Authority	Water Development Authority	Higher Education	Division of Corrections & Rehabilitation	School Building Authority	Other Component Units	Total Discretely Presented Component Units
\$ 38,569	\$ —	\$ 1,095,830	\$ 29,927	\$ 5	\$ 268,769	\$ 15,803	\$ —	\$ 3,491	\$ 1,452,394
—	410,259	128,107	—	137,530	39,372	—	—	804	716,072
—	25,777	—	—	—	—	—	—	1,334	27,111
—	2,635	—	—	—	—	—	—	—	2,635
—	6,435	899	1,253	2,312	—	—	39	1	10,939
—	—	—	17,911	—	99	—	—	—	18,010
38,569	445,106	1,224,836	49,091	139,847	308,240	15,803	39	5,630	2,227,161
—	(262,334)	(126,681)	—	—	(46,859)	—	—	—	(435,874)
<u>\$ 38,569</u>	<u>\$ 182,772</u>	<u>\$ 1,098,155</u>	<u>\$ 49,091</u>	<u>\$ 139,847</u>	<u>\$ 261,381</u>	<u>\$ 15,803</u>	<u>\$ 39</u>	<u>\$ 5,630</u>	<u>\$ 1,791,287</u>
\$ 38,569	\$ 20,444	\$ 6,629	\$ 10,001	\$ 13,921	\$ 221,812	\$ 15,803	\$ 39	\$ 3,755	\$ 330,973
—	162,328	1,091,526	39,090	125,926	39,569	—	—	1,875	1,460,314
<u>\$ 38,569</u>	<u>\$ 182,772</u>	<u>\$ 1,098,155</u>	<u>\$ 49,091</u>	<u>\$ 139,847</u>	<u>\$ 261,381</u>	<u>\$ 15,803</u>	<u>\$ 39</u>	<u>\$ 5,630</u>	<u>\$ 1,791,287</u>

## Taxes Receivable

Taxes receivable at June 30, 2024, consisted of the following:

	<b>Governmental Funds</b>		<b>Total</b>
	<b>General</b>	<b>Transportation</b>	
Taxes Receivable:			
Consumer Sales & Use	\$ 157,662	\$ —	\$ 157,662
Personal Income	192,470	—	192,470
Severance	59,120	—	59,120
Business & Occupation	10,013	—	10,013
Automobile Privilege Taxes	—	29,268	29,268
Gasoline Excise	—	47,515	47,515
Registration Fees	—	1,043	1,043
Insurance	42,698	—	42,698
Corporate Net Income	37,934	—	37,934
Medicaid	46,559	—	46,559
Other	11,039	542	11,581
Subtotal for Taxes Receivable	<u>557,495</u>	<u>78,368</u>	<u>635,863</u>
Refunds Allowance	(25,787)	—	(25,787)
Total	<u>\$ 531,708</u>	<u>\$ 78,368</u>	<u>\$ 610,076</u>

## Leases Receivable

The Economic Development Authority (EDA) and the Educational Broadcasting Commission have both entered into long-term direct financing lease agreements with commercial entities for land, buildings, and equipment. A schedule of future lease amounts due is as follows:

<b>Year Ending June 30</b>	<b>Direct Financing Leases Amount Due</b>
2025	\$ 4,406
2026	4,383
2027	4,383
2028	3,703
2029	3,134
2030-2045	<u>9,222</u>
Total Minimum Amount Due	29,231
Less Amount Representing Interest	<u>(3,454)</u>
Present Value of Minimum Lease Amount Due	<u>\$ 25,777</u>

**NOTE 5****PRIVATE PUBLIC PARTNERSHIPS**

During the fiscal year ended June 30, 2024, the Parkways Authority (transferor) entered into a lease and operation agreement with Areas USA WVTP, LLC (operator). The agreement was determined to be a PPP and has four separate PPP components. The PPP arrangement began on February 1, 2023, and ends on December 31, 2037. The PPP arrangement provides for a guaranteed base rent which is increased over the term of the contract. Guaranteed monthly installment payments range from \$6,000 to \$120,000. Variable payments are based on the percentage of sales for food, beverages, and retail and are only received if the percentage-based rent exceeds the guaranteed-base rent. Since the variable payments are not fixed in substance, such payments are excluded as a component of the PPP receivable. The Parkways Authority has determined the net present value of PPP receipts based on an estimated interest rate of 6.5% based on market conditions at the commencement of the PPP arrangement.

Under the PPP arrangement, the operation has committed to invest in improvements to three of the PPP assets owned by the Parkways Authority. As of June 30, 2024 construction is currently in progress to improve two travel plazas. Construction is expected to commence on the third travel plaza in fiscal year 2025. At the end of the PPP arrangement, the Parkways Authority will retain ownership of all travel plazas and improvements.

At June 30, 2024, the Parkways Authority's total PPP receivable and deferred inflows of resources related to the PPP was \$17.9 million and \$16.5 million respectively. For the year ended June 30, 2024 the Parkways Authority recognized PPP revenue of \$1.2 million, which is included in other revenues on the statement of revenues, expenses, and changes in net position. Interest income related to the PPP totaled \$1.2 million for the year ended June 30, 2023. Variable payments not included as a component of the PPP receivable were \$132,000 for the year ended June 30, 2024.

West Virginia University has one contract for services that meets the four criteria of a service concession arrangement (SCA) per GASB Statement No. 94. This contract is with ACC OP (College Park, WV) LLC. Per the contract, ACC OP financed, designed, constructed, furnished, and equipped a student housing facility. This facility was completed the fall of 2014. The agreement will be in place for 40 years with the option to extend the agreement for two additional 10-year terms, at which time the facility will be returned to the University. The agreement stipulates that the ACC OP will retain all rents collected at the facility and will provide a percentage of net revenue annually to WVU. Per the operating agreement, WVU will provide certain services including marketing, lease management, billing, collections, security, parking enforcement and other services, and will receive a management fee for providing such services.

During fiscal year 2015, WVU recorded a capital asset with a fair market value of \$34.9 million and a deferred inflow of resources. This deferred inflow is being amortized to auxiliary revenue over the term of the agreement (40 years). WVU has recorded an accounts receivable of \$99,000 at June 30, 2024. At June 30, 2024, WVU recognized management fee revenue and its share of the net revenue of \$38,000.

**NOTE 6**

**INTERFUND BALANCES AND DUE TO/DUE FROM COMPONENT UNITS**

The following table details the interfund balances and due to/due from component units activity as of and for the year ended June 30, 2024 (expressed in thousands):

Due To	Due From				
	Governmental			Proprietary	
	General	Transportation	Other Nonmajor	Water Pollution Control Revolving Fund	West Virginia Infrastructure and Jobs Development Council
<b>Governmental Funds:</b>					
General	\$ —	\$ 106	\$ 99	\$ —	\$ —
Transportation	170	—	4	—	—
Other Nonmajor Governmental	—	—	—	—	—
<b>Total Governmental Funds</b>	<b>170</b>	<b>106</b>	<b>103</b>	<b>—</b>	<b>—</b>
<b>Proprietary Funds:</b>					
Unemployment Compensation	338	63	3	—	—
Public Employees Insurance Agency	9	2,333	—	—	—
Board of Risk and Insurance Management	16	92	—	—	—
Internal Service Funds	9,747	938	478	—	—
<b>Total Proprietary Funds</b>	<b>10,110</b>	<b>3,426</b>	<b>481</b>	<b>—</b>	<b>—</b>
<b>Fiduciary Funds:</b>					
Pension and Other Employee Benefit Trust Funds	65	54	4	—	—
Custodial Funds	—	172	—	—	—
<b>Total Fiduciary Funds</b>	<b>65</b>	<b>226</b>	<b>4</b>	<b>—</b>	<b>—</b>
<b>Discretely Presented Component Units</b>					
<b>Major:</b>					
West Virginia Lottery	—	—	—	—	—
Parkways Authority	—	20	—	—	—
Water Development Authority	—	—	—	62	163
Higher Education	148,676	45	—	—	—
Corrections and Rehabilitation	—	—	—	—	—
<b>Nonmajor:</b>					
Educational Broadcasting Commission	3,175	—	—	—	—
Racing Commission	—	—	—	—	—
WV Division of Multimodal Facilities Transportation	—	—	—	—	—
Public Defenders Corporation	—	—	—	—	—
<b>Total Discretely Presented Component Units</b>	<b>151,851</b>	<b>65</b>	<b>—</b>	<b>62</b>	<b>163</b>
<b>Total</b>	<b>\$ 162,196</b>	<b>\$ 3,823</b>	<b>\$ 588</b>	<b>\$ 62</b>	<b>\$ 163</b>

(a) Due from discretely presented component units includes \$177 million from the Lottery. The General Fund received \$144 million to be appropriated at a later date. The Legislature also approved the following distributions from the Lottery to the Senior Services (\$21.1 million), Library Commission (\$3.6 million), Department of Education – Public Education (\$4.7 million), Tourism (\$2.2 million), and various other general purposes.

Due From						
Proprietary				Pension and Other Employee Benefit Trust Funds	Total	Discretely Presented Component Units
Public Employees Insurance Agency	Board of Risk and Insurance Management	Other Nonmajor Enterprise	Internal Service Funds			
\$ 507	\$ —	\$ 567	\$ 114	\$ 61	\$ 1,454	\$ 179,789
—	—	—	1,717	—	1,891	1,684
59	—	—	—	5	64	1,055
<u>566</u>	<u>—</u>	<u>567</u>	<u>1,831</u>	<u>66</u>	<u>3,409</u>	<u>182,528</u> (a)
—	—	—	—	—	404	126
—	—	1	335	8,632	11,310	6,800
—	—	—	—	—	108	—
269	16	18	—	104	11,570	1,419
<u>269</u>	<u>16</u>	<u>19</u>	<u>335</u>	<u>8,736</u>	<u>23,392</u>	<u>8,345</u>
—	—	—	—	—	123	80
—	—	—	—	—	172	—
—	—	—	—	—	295	80
1	—	—	—	—	1	13
—	—	—	—	—	20	—
—	—	80	—	—	305	—
228	—	—	—	—	148,949	4,717
54	—	—	—	2	56	—
—	—	—	—	—	3,175	—
1	—	—	—	—	1	—
6	—	—	—	—	6	—
—	—	—	—	4	4	—
<u>290</u>	<u>—</u>	<u>80</u>	<u>—</u>	<u>6</u>	<u>152,517</u>	<u>4,730</u>
<u>\$ 1,125</u>	<u>\$ 16</u>	<u>\$ 666</u>	<u>\$ 2,166</u>	<u>\$ 8,808</u>	<u>\$ 179,613</u>	<u>\$ 195,683</u>

**NOTE 7**

**INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2024, consisted of the following (expressed in thousands):

	Transfers From		
	Governmental		
Transfers To	General	Tobacco Settlement Finance Authority	Other Nonmajor
Governmental Funds:			
General	\$ —	\$ 17,149 <sup>(a)</sup>	\$ 10,803
Transportation	—	—	—
Other Nonmajor Governmental	65,381 <sup>(b)</sup>	—	—
Total Governmental Funds	<u>65,381</u>	<u>17,149</u>	<u>10,803</u>
Proprietary Funds:			
Water Pollution Control Revolving Fund	5,588	—	39,187 <sup>(c)</sup>
West Virginia Infrastructure and Jobs Development Council	—	—	—
Other Nonmajor Proprietary	17,663	—	—
Internal Service Funds	52,385	—	—
Total Proprietary Funds	<u>75,636</u>	<u>—</u>	<u>39,187</u>
Total	<u>\$ 141,017</u>	<u>\$ 17,149</u>	<u>\$ 49,990</u>

(a) The deferred charge of the amortization of the future tobacco settlement revenue of the Tobacco Settlement Finance Authority resulted in a transfer of \$17.1 million to the General Fund.

(b) The General Fund transferred \$22 million to the West Virginia Infrastructure and Jobs Development Council, \$19 million to the Economic Development Project Fund for bond debt service, 14.8 million to the Department of Corrections and Rehabilitation for bond debt service, 6.4 million to the Division of Natural Resources for bond debt service.

(c) The Water Pollution Revolving Fund received \$45 million in grants from the West Virginia Department of Environmental Protection. All other transfers are made to finance various programs to the Legislation.

(d) Alcohol Beverage Control Administration transferred \$30 million that are statutory transfers based on operations and liquor license renewals.



Transfers From				
Proprietary				
Workers' Compensation Fund	West Virginia Infrastructure and Jobs Development Council	Other Nonmajor Enterprise	Internal Service Funds	Total
\$ —	\$ —	\$ 30,233 (d)	\$ —	\$ 58,185
—	—	—	—	—
—	—	—	4,089	69,470
—	—	30,233	4,089	127,655
—	—	—	—	44,775
5,000	—	—	—	5,000
—	3,093	—	—	20,756
—	—	—	—	52,385
5,000	3,093	—	—	122,916
\$ 5,000	\$ 3,093	\$ 30,233	\$ 4,089	\$ 250,571



**NOTE 8****RESTRICTED ASSETS**

Restricted assets are held by special revenue funds, enterprise funds, internal service funds, and discretely presented component units, primarily for the repayment of future long-term obligations and benefits payments. The restricted assets, composed of cash, investments, and other similar assets at June 30, 2024, are as follows (expressed in thousands):

	<b>Cash</b>	<b>Investments</b>	<b>Other</b>	<b>Totals</b>
<b>Special Revenue:</b>				
Environmental Programs	\$ 248	\$ —	\$ —	\$ 248
Public Service Commission	1,649	—	—	1,649
<b>Total Special Revenue</b>	<b>1,897</b>	<b>—</b>	<b>—</b>	<b>1,897</b>
<b>Debt Service:</b>				
Infrastructure and Jobs Development	279	—	—	279
<b>Total Debt Service</b>	<b>279</b>	<b>—</b>	<b>—</b>	<b>279</b>
<b>Enterprise:</b>				
Public Employees Insurance Agency	2	4,151	—	4,153
Board of Risk and Insurance Management	8,563	32,593	259,037	300,193
Infrastructure and Jobs Development	176,479	—	—	176,479
Alcohol Beverage Control Administration	—	—	835	835
<b>Total Enterprise</b>	<b>185,044</b>	<b>36,744</b>	<b>259,872</b>	<b>481,660</b>
<b>Internal Service:</b>				
State Building Fund	16,448	—	—	16,448
Travel Management	47	—	—	47
<b>Total Internal Services</b>	<b>16,495</b>	<b>—</b>	<b>—</b>	<b>16,495</b>
<b>Discretely Presented Component Units:</b>				
Economic Development Authority	81,351	—	—	81,351
Housing Development Authority	276,377	60,664	980,222	1,317,263
Parkways Authority	109,928	96,262	—	206,190
Water Development Authority	476,460	—	120,034	596,494
Corrections and Rehabilitation	30,369	—	—	30,369
Solid Waste Management Board	4,138	—	804	4,942
Educational Broadcasting Commission	1,763	—	364	2,127
Racing Commission	18,194	—	396	18,590
<b>Total Discretely Presented Component Units</b>	<b>998,580</b>	<b>156,926</b>	<b>1,101,820</b>	<b>2,257,326</b>
<b>Total Restricted Assets</b>	<b>\$ 1,202,295</b>	<b>\$ 193,670</b>	<b>\$ 1,361,692</b>	<b>\$ 2,757,657</b>

**Special Revenue Funds**

Environmental Protection has restricted cash held in trust “to protect human health and the environment, in accordance with the terms of the State and Federal Consent Decrees...” The Public Service Commission (PSC) has restricted cash held in trust in accordance with PSC General Order 250-T. The funds are for Telecommunications Relay Services under the Americans with Disabilities Act.

### **Enterprise Funds**

The Public Employees' Insurance Agency's restricted assets are the premium stabilization fund consisting of accumulated dividends and interest on optional life insurance policies to defray future premium increases. The Board of Risk and Insurance Management's (BRIM) cash and investment assets include funds to provide mine subsidence coverage to the general public. BRIM's other restricted assets include advance deposits with insurance companies of \$257.5 million and \$1.5 million in receivables. The Infrastructure and Jobs Development Council's assets are restricted for bond indentures and enabling Legislation. The Alcohol Beverage Control Administration's assets are restricted through enabling legislation that consists of notes and interest receivable from the Retail Liquor License Board re-bid, which are required by state code to be distributed to the State of West Virginia.

### **Internal Service Funds**

The State Building Fund's restricted assets are held in trust primarily for the costs of asbestos removal and other capital projects. Travel Management Fund's restricted assets are held in escrow for capital outlay.

### **Discretely Presented Component Units**

The Economic Development Authority's assets are restricted to provide assurance that adequate amounts will be available to repay notes secured by the real estate being leased and to guarantee portions of certain loans made for economic development purposes. The Housing Development Fund's cash and cash equivalents assets are restricted on behalf of mortgagors and for payments collected on mortgages for which the fund acts as service only. The investments are primarily United States government and agency obligations, investment agreements, and certificates of deposit with maturities greater than 90 days to meet the requirements of bond resolutions. Other restricted assets for the Housing Development Fund of \$980 million include certain foreclosed properties, properties developed for flood activities, other land for restricted housing purposes, and miscellaneous receivables. These assets are restricted subject to the provisions of bond resolutions, or state or federal regulations. The Parkways Authority's assets, restricted by the Tri-Party Agreement dated December 1988, can only be used for turnpike maintenance and operation, and debt service. These assets are restricted for Turnpike capital costs, renewal and replacement costs, operation and maintenance expenses, and debt service. The cash and investment assets of the Water Development Authority are restricted as part of applicable bond covenants and the other restricted assets are \$120 million restricted for revenue bonds receivable net of unamortized discount. The WV Division of Corrections and Rehabilitation's assets are restricted because of a safekeeping arrangement with inmates and for debt service and compliance with bond covenants. The Solid Waste Management Board's assets are restricted because their use is limited by applicable repayment agreements and certain assets are set aside to administer a revolving loan program in accordance with appropriations by the Legislature. The Educational Broadcasting Commission's (EBC) other restricted assets are in a charitable trust allowing the use of part of the interest to benefit the EBC. The West Virginia Racing Commission's cash is restricted for unclaimed winning tickets and other trust holdings which are mandated by West Virginia Code.

**NOTE 9**  
**CAPITAL ASSETS**  
**Governmental Activities**  
**(Expressed in Thousands)**

	Beginning Balance July 1, 2023	Increases	Decreases	Ending Balance June 30, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,519,815	\$ 26,514	\$ (8)	\$ 1,546,321
Construction-in-Progress	2,401,809	846,403	(674,293)	2,573,919
Intangibles	2,752	—	—	2,752
Total Capital Assets, Not Being Depreciated	<u>3,924,376</u>	<u>872,917</u>	<u>(674,301)</u>	<u>4,122,992</u>
Capital Assets, Being Depreciated/Amortized:				
Building and Improvements	1,844,286	38,587	(6,937)	1,875,936
Right-to-Use Asset - Buildings	134,249	18,043	(8,251)	144,041
Equipment	629,010	94,150	(18,744)	704,416
Infrastructure	14,064,349	641,717	—	14,706,066
Library Holdings	18,131	270	(2,553)	15,848
Land Improvements	52,014	2,660	—	54,674
Intangibles	182,242	1,593	(341)	183,494
Subscription Asset-SBITA	20,836	12,040	(476)	32,400
Total Capital Assets, Being Depreciated	<u>16,945,117</u>	<u>809,060</u>	<u>(37,302)</u>	<u>17,716,875</u>
Less Accumulated Depreciation/Amortization for:				
Building and Improvements	(820,527)	(46,386)	6,021	(860,892)
Right-to-Use Asset - Buildings	(33,664)	(20,573)	7,585	(46,652)
Equipment	(461,106)	(40,916)	17,679	(484,343)
Infrastructure	(8,392,232)	(307,873)	—	(8,700,105)
Library Holdings	(17,370)	(451)	2,553	(15,268)
Land Improvements	(32,296)	(2,301)	—	(34,597)
Intangibles	(107,128)	(9,856)	341	(116,643)
Subscription Asset-SBITA	(4,484)	(7,084)	476	(11,092)
Total Accumulated Depreciation/Amortization	<u>(9,868,807)</u>	<u>(435,440)</u>	<u>34,655</u>	<u>(10,269,592)</u>
Total Capital Assets, Being Depreciated, Net	<u>7,076,310</u>	<u>373,620</u>	<u>(2,647)</u>	<u>7,447,283</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,000,686</u>	<u>\$ 1,246,537</u>	<u>\$ (676,948)</u>	<u>\$ 11,570,275</u>
Depreciation/Amortization expense was charged to function as follows:				
Legislative	\$ 153			
Judicial	1,386			
Executive	3,845			
Administration	36,403			
Commerce	13,501			
Tourism	53			
Economic Development	29			
Environmental Protection	1,157			
Employment Programs	63			
Education	1,415			
Arts, Culture & History	2,015			
Senior Services	680			
Health, Health Facilities, and Human Services	14,029			
Military Affairs and Public Safety	7,326			
Revenue	1,559			
Transportation	333,525			
Veterans Assistance	135			
Regulatory Boards and Commissions	18,166			
Total Governmental Activities Depreciation/Amortization Expense	<u>\$ 435,440</u>			

**Business-type Activities**  
(Expressed in Thousands)

	<u>Beginning Balance</u> <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u> <u>June 30, 2024</u>
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 611	\$ —	\$ —	\$ 611
Total Capital Assets, Not Being Depreciated	<u>611</u>	<u>—</u>	<u>—</u>	<u>611</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	3,432	43	—	3,475
Equipment	3,225	46	(5)	3,266
Intangibles	9,026	—	—	9,026
Total Capital Assets, Being Depreciated	<u>15,683</u>	<u>89</u>	<u>(5)</u>	<u>15,767</u>
Less Accumulated Depreciation for:				
Building and Improvements	(1,864)	(177)	—	(2,041)
Equipment	(2,877)	(75)	4	(2,948)
Intangibles	(9,026)	—	—	(9,026)
Total Accumulated Depreciation	<u>(13,767)</u>	<u>(252)</u>	<u>4</u>	<u>(14,015)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,916</u>	<u>(163)</u>	<u>(1)</u>	<u>1,752</u>
Business-type Activities Capital Assets, Net	<u>\$ 2,527</u>	<u>\$ (163)</u>	<u>\$ (1)</u>	<u>\$ 2,363</u>
Depreciation expense was charged to function as follows:				
Public Employees Insurance Agency	\$ 13			
Alcohol Beverage Control Administration	<u>239</u>			
Total Business-type Activities Depreciation Expense	<u>\$ 252</u>			

**Discretely Presented Component Units**  
**(Expressed in Thousands)**

	Beginning Balance July 1, 2023	Increases	Decreases	Ending Balance June 30, 2024
Discretely Presented Component Units:				
Capital Assets, Not Being Depreciated:				
Land	\$ 268,000	\$ 2,102	\$ (81)	\$ 270,021
Construction-in-Progress	88,758	197,834	(82,026)	204,566
Total Capital Assets, Not Being Depreciated	<u>356,758</u>	<u>199,936</u>	<u>(82,107)</u>	<u>474,587</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	4,663,710	50,334	(21,162)	4,692,882
Right-to-Use Asset - Buildings	61,152	49,789	(1,388)	109,553
Equipment	654,779	46,654	(49,639)	651,794
Right-to-Use Asset - Equipment	4,739	1,969	(1,139)	5,569
Infrastructure	1,998,345	82,108	(14,071)	2,066,382
Library Holdings	219,220	3,331	(1,011)	221,540
Land Improvements	117,729	4,560	—	122,289
Right-to-Use Asset - Leased Land	150	—	(10)	140
Intangibles	355,615	900	(1,766)	354,749
Right-to-Use Asset - Intangibles	67	—	(67)	—
Subscription Asset-SBITA	64,225	17,796	(7,097)	74,924
Total Capital Assets, Being Depreciated	<u>8,139,731</u>	<u>257,441</u>	<u>(97,350)</u>	<u>8,299,822</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(1,704,347)	(109,992)	8,148	(1,806,191)
Right-to-Use Asset - Buildings	(16,550)	(5,665)	1,267	(20,948)
Equipment	(456,304)	(37,446)	31,165	(462,585)
Right-to-Use Asset - Equipment	(1,392)	(687)	1,107	(972)
Infrastructure	(1,322,136)	(67,321)	13,628	(1,375,829)
Library Holdings	(203,478)	(4,705)	949	(207,234)
Land Improvements	(87,201)	(4,512)	—	(91,713)
Right-to-Use Asset - Leased Land	(47)	(15)	10	(52)
Intangibles	(290,350)	(35,639)	1,706	(324,283)
Right-to-Use Asset - Intangibles	(46)	(20)	67	1
Subscription Asset-SBITA	(27,874)	(16,088)	5,870	(38,092)
Total Accumulated Depreciation	<u>(4,109,725)</u>	<u>(282,090)</u>	<u>63,917</u>	<u>(4,327,898)</u>
Total Capital Assets, Being Depreciated, Net	<u>4,030,006</u>	<u>(24,649)</u>	<u>(33,433)</u>	<u>3,971,924</u>
Discrete Component Unit Activities Capital Assets, Net	\$ 4,386,764	\$ 175,287	\$ (115,540)	\$ 4,446,511
Depreciation/Amortization expense charged to functions as follows:				
Economic Development Authority	\$ 91			
Housing Development Fund	175			
Parkways Authority	60,402			
Water Development Authority	189			
Higher Education	186,823			
Corrections and Rehabilitation	28,582			
Lottery	1,696			
School Building Authority	46			
Other Nonmajor Component Units	4,086			
Total Discrete Component Unit Depreciation Expense	<u>\$ 282,090</u>			





## NOTE 10 LONG TERM OBLIGATIONS

### Primary Government:

Long-term obligations at June 30, 2024, and changes for the fiscal year then ended, are as follows (expressed in thousands):

#### Governmental Activities:

	Balance June 30, 2023	Additions	Accretions	Reductions	Balance June 30, 2024	Amount Due Within One Year
General Obligation Bonds:						
Transportation	\$ 1,533,865	\$ —	\$ —	\$ (61,020)	\$ 1,472,845	\$ 66,595
Premium/(Discount)	270,081	—	—	(17,871)	252,210	17,653
Total Transportation	1,803,946	—	—	(78,891)	1,725,055	84,248
WV Infrastructure and Jobs						
Development Council	81,184	—	1,551	(20,465)	62,270	20,786
Premium/(Discount)	4,969	—	—	(1,490)	3,479	1,490
Total WV Infrastructure and Jobs Development Council	86,153	—	1,551	(21,955)	65,749	22,276
Total General Obligation Bonds	1,890,099	—	1,551	(100,846)	1,790,804	106,524
Revenue Bonds:						
Transportation	205,895	—	—	(21,965)	183,930	23,060
Premium/(Discount)	28,913	—	—	(4,169)	24,744	4,170
Total Transportation	234,808	—	—	(26,134)	208,674	27,230
Economic Development Project Fund	56,260	—	—	(15,570)	40,690	16,520
Premium/(Discount)	(70)	—	—	70	—	—
Total Economic Development Project Fund	56,190	—	—	(15,500)	40,690	16,520
Economic Development Project DNR	70,894	—	—	(2,926)	67,968	3,075
Premium/(Discount)	8,700	—	—	(575)	8,125	575
Total Economic Development DNR	79,594	—	—	(3,501)	76,093	3,650
Education, Arts, Sciences, & Tourism Fund	120,585	—	—	(4,845)	115,740	5,090
Premium/(Discount)	10,803	—	—	(635)	10,168	635
Tourism Fund	131,388	—	—	(5,480)	125,908	5,725
Total Revenue Bonds	501,980	—	—	(50,615)	451,365	53,125
Revenue Bonds:						
Direct Borrowings & Direct Placements Tobacco Settlement Finance Authority	727,383	—	13,411	(33,070)	707,724	17,710
Notes Payable	10,777	—	—	(7,370)	3,407	2,937
Total Direct Borrowings & Direct Placements	738,160	—	13,411	(40,440)	711,131	20,647
Other Financing Debt – Governmental	155,824	—	—	(16,920)	138,904	17,721
Other Financing Debt – Internal Service Fund	1,918	—	—	(100)	1,818	102
Total Other Financing Debt	157,742	—	—	(17,020)	140,722	17,823
Other Obligations:						
Medicaid	555,562	25,119	—	(15,895)	564,786	564,786
Tax Refunds	420,232	194,258	—	(12,800)	601,690	404,356
Claims and Judgments (Note 16)	274,940	73,081	—	(6,865)	341,156	26,345
Other	163,157	26,005	—	—	189,162	86,740
Total Accrued and Other Liabilities	1,413,891	318,463	—	(35,560)	1,696,794	1,082,227
Compensated Absences	98,905	5,362	—	—	104,267	68,173
Right-to-Use Lease Liability ( Note 11)	103,877	18,437	—	(20,314)	102,000	18,040
Subscription Liability-SBITA (Note 12)	15,927	11,493	—	(6,743)	20,677	6,915
Net Pension Liability, including ISF (Note 13)	2,565,363	—	—	(373,041)	2,192,322	—
Net OPEB Liability, including ISF (Note 14)	71,754	—	—	(71,754)	—	—
Total Other Obligations	4,269,717	353,755	—	(507,412)	4,116,060	1,175,355
Total Governmental Activities						
Long-Term Obligations	\$ 7,557,698	\$ 353,755	\$ 14,962	\$ (716,333)	\$ 7,210,082	\$ 1,373,474

**Business-type Activities:**

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amount Due Within One Year
Revenue Bonds					
WV Infrastructure and Jobs					
Development Council Revenue Bonds	\$ 132,740	\$ —	\$ (6,850)	\$ 125,890	\$ 7,160
Premium/(Discount)	11,425	—	(835)	10,590	835
<b>Total WV Infrastructure and Jobs Development Council Revenue Bonds</b>	<b>144,165</b>	<b>—</b>	<b>(7,685)</b>	<b>136,480</b>	<b>7,995</b>
Other Obligations					
Insurance and Compensation Benefits	1,540,729	41,065	(114,314)	1,467,480	360,102
Compensated Absences	664	108	(56)	716	157
Net Pension Liability (Note 13)	716	—	(716)	—	—
Net OPEB Liability (Note 14)	166	—	(166)	—	—
Accrued and Other	11,200	343	(1,100)	10,443	10,443
<b>Total Business-type Activities Long Term</b>	<b>\$ 1,697,640</b>	<b>\$ 41,516</b>	<b>\$ (124,037)</b>	<b>\$ 1,615,119</b>	<b>\$ 378,697</b>

The assets of the general, special revenue, and internal service funds are used to liquidate the other financing debt obligations and accrued and other liabilities of their respective fund types. Compensated absences liabilities are liquidated by the applicable governmental and internal service funds that account for the salaries and wages of the related employees, with the majority of the funds coming from the General Fund. The net pension liabilities are liquidated by the State’s governmental and internal service funds that contribute toward the pension funds based on plans established by the action of the State Legislature. The net pension liability and other postemployment benefits liability (OPEB) are adjusted each year based upon changes to participants, investment performance, contributions received and changes to actuarial assumptions. Please refer to Notes 13 and 14 for additional information related to the pension liability and OPEB. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the totals for governmental activities. At year-end, \$2.3 million of internal service funds’ compensated absences are included in the governmental amounts.

Senate Bill No. 1002, enacted in January 2005, provides that on and after February 1, 2005, bonds may not be issued or refunded by the State or any of its agencies, boards, or commissions without the express written direction of the governor if (1) the ultimate user of the proceeds of the bonds is the State or any of its agencies, boards, commissions, or departments or (2) the issuance or refunding of the bonds implicates the State’s credit rating.

**Compliance** – Various debt agreements governing the State’s bonds contain a number of covenants, including continuing disclosure requirements, debt service coverage ratio, and maintaining debt service reserve and maintenance reserve funds. It is required that debt service reserve funds and maintenance reserve funds are to be held with a trustee. As of June 30, 2023, the debt service reserve funds approximated \$36.4 million, and the maintenance reserve funds approximated \$11.5 million.

**General Obligation Bonds** – The State has constitutionally limited its ability to incur debt. The State’s general obligation debt must be authorized by constitutional amendment. A proposed amendment must be approved by two-thirds of both the Senate and the House of Delegates before it can be ratified or rejected by the voters. Once the amendment has voter

approval, the Legislature must pass specific legislation authorizing the issuance of general obligation debt, such as bonds for the facilitation of the construction of highways, secondary roads and bridges, as well as for utility upgrades for water and sewer systems. The general obligation bonds are secured by pledged receipts of annual tax revenue.

General obligation bonds outstanding at June 30, 2024, were as follows (expressed in thousands):

	<b>Final Maturity Date</b>	<b>Interest Rate(s)%</b>	<b>Balance</b>
Transportation Bonds:			
Payable from State Road Fund to build roads, issued under:			
1996 SAFE Roads Amendment	2025	4.00%-5.00%	\$ 24,472
2019 Roads to Prosperity Bonds	2043	2.00%-5.00%	766,002
2020 Roads to Prosperity Bonds	2044	2.00%-5.00%	683,382
2021 Roads to Prosperity Bonds	2045	2.00%-5.00%	251,199
Infrastructure Bonds:			
Payable from dedicated severance tax revenues to fund water, wastewater, and economic development projects	2027	2.00%-7.625%	65,749
Total			<u>\$ 1,790,804</u>

Future amounts required to pay principal and interest on general obligation bonds at June 30, 2024, were as follows (expressed in thousands):

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 78,150	\$ 73,450	\$ 151,600
2026	58,885	69,672	128,557
2027	61,560	66,797	128,357
2028	51,605	63,999	115,604
2029	54,225	61,386	115,611
2030-2034	314,980	263,042	578,022
2035-2039	403,040	174,972	578,012
2040-2044	458,472	64,116	522,588
2045-2049	28,038	1,770	29,808
<b>Total</b>	<b>1,508,955</b>	<b>839,204</b>	<b>2,348,159</b>
<b>Premium</b>	<b>255,659</b>	<b>—</b>	<b>255,659</b>
<b>Total</b>	<b>\$ 1,764,614</b>	<b>\$ 839,204</b>	<b>\$ 2,603,818</b>

**Capital Appreciation Bonds**

<b>Year Ending June 30</b>	<b>Principal, Net of Accreted Amounts</b>	<b>Future Accreted Amounts</b>	<b>Total</b>
2025	\$ 9,231	\$ 169	\$ 9,400
2026	8,604	646	9,250
2027	8,355	1,125	9,480
<b>Total</b>	<b>\$ 26,190</b>	<b>\$ 1,940</b>	<b>\$ 28,130</b>
<b>Total General Obligation Bonds</b>	<b>\$ 1,790,804</b>		

Revenue Bonds – Revenue bonds are issued by various state departments, agencies and authorities, and economic development projects. Revenue bonds are issued pursuant to specific statutory provisions enacted by the Legislature primarily for the purpose of financing capital construction. Principal and interest payments are made from specifically dedicated fees and other revenues. Revenue bonds do not constitute a general obligation of the State.

Revenue bonds outstanding (including premium or discount) at June 30, 2024, were as follows (expressed in thousands):

	<b>Issue Date</b>	<b>Final Maturity Date</b>	<b>Interest Rate(s) %</b>	<b>Balance</b>
Transportation	2019	2043	5.00	\$ 208,674
Economic Development Project Fund	2004	2027	1.20-6.07	40,690
Economic Development Project Fund DNR	2018	2038	1.20-6.07	22,932
Economic Development DNR Parks Projects	2019	2039	1.20-6.07	53,161
Education, Arts, Sciences, and Tourism Fund	2010/2018	2040	2.00-5.00	125,908
Subtotal Governmental				<u>451,365</u>
WV Infrastructure and Jobs Development Council	2006-2016	2046	2.00-5.00	136,480
Total Governmental and Business-Type Activities				<u><u>\$ 587,845</u></u>

Future amounts required to pay principal and interest on revenue bonds at June 30, 2024 were as follows (expressed in thousands):

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 54,915	\$ 24,926	\$ 79,841
2026	57,615	22,008	79,623
2027	48,730	19,397	68,127
2028	44,155	16,396	60,551
2029	46,250	14,174	60,424
2030-2034	159,185	46,663	205,848
2035-2039	97,500	18,742	116,242
2040-2044	23,835	2,640	26,475
2045-2046	2,035	230	2,265
	<u>534,220</u>	<u>165,176</u>	<u>699,396</u>
<b>Premium</b>	53,625	—	53,625
<b>Total</b>	<u><u>\$ 587,845</u></u>	<u><u>\$ 165,176</u></u>	<u><u>\$ 753,021</u></u>

Certain revenue bonds have call provisions providing for redemption at the option of the State, beginning ten years following the date of issuance, in whole or in part, in inverse order of maturity, and pay a redemption price not exceeding 103% of par value.

The following describes the purpose and dedicated revenue source of revenue bonds outstanding at June 30, 2024:

<b>Agency</b>	<b>Purpose</b>	<b>Revenue Source</b>
Transportation	Highway, road, and bridge construction	Federal reimbursement allowed by Title 23, Section 122
Economic Development Project Fund	To provide grants for various economic development projects	Certain net profits of the West Virginia Lottery
Education, Arts, Sciences, and Tourism Fund	Capital projects which promote education, arts, sciences, and tourism	Certain net profits of the West Virginia Lottery
WV Infrastructure and Jobs Development Council	To fund water and sewer infrastructure projects	Certain repayments of defined loans

### **The Division of Highways**

The Division of Highways has been authorized to issue revenue bonds in the amount of \$500 million by constitutional amendment. The Division has issued \$352 million, and paid off \$143 million, leaving \$291 million in bonds authorized but not issued. The revenue notes are secured by pledged receipts of eligible Federal Highway Administration (FHWA) funds received by the Division, representing reimbursement of the costs incurred in connection with the federal-aid projects financed by Surface Transportation Improvements Special Obligation Notes, GARVEE revenue notes.

### **Economic Development Project Fund**

The Economic Development Project Fund bonds, issued by EDA in FY 2004 in the amount of \$249.9 million to provide financing for various economic development project grants, are payable through 2029. The State has committed to appropriate each year, from the West Virginia Lottery net profits, amounts sufficient to cover the principal and interest requirements on the EDA debt. EDA has pledged these revenues as the sole security for the bonds. Total principal and interest remaining on the debt is \$41 million with annual requirements ranging from \$18.9 million in FY 2024 to \$7.1 million in the final year. For the current year, principal and interest paid were \$18.5 million and the net profits of the Lottery committed to the debt were \$19 million.

### **Economic Development DNR**

In FY 2018, the EDA issued bonds in conjunction with the Division of Natural Resources. These bonds are primarily payable from money transferred from the State Excess Lottery Revenue fund. The funds will be used to acquire land and build and maintain the newly created Cacapon Resort State Park. The initial bond of \$22.9 million was issued at 3.23% interest, and the maintenance reserve bond of \$2 million was issued at 2.03% interest. Both bonds mature in June 2040.

In FY 2019, the EDA issued \$55.2 million in bonds in conjunction with the Division of Natural Resources for state park projects. The funds will be used for capital improvement projects at any state park. The bonds are payable solely from the special revenue fund named the “State Parks Lottery Revenue Debt Service Fund” within the State Treasury. The bonds bear interest at 3.125% to 5.00% and are payable through 2040.

**EAST Fund**

New Education, Arts, Sciences, and Tourism Fund (EAST) bonds were issued by the EDA in FY 2018 in the amount of \$142.6 million to provide financing for capital projects which promote education and tourism, payable through 2040. The State has committed to appropriate each year, from the Lottery’s net profits, amounts sufficient to cover the principal and interest requirements on the EDA debt. EDA has pledged these revenues as the sole security for the bonds. Total principal remaining on the debt is \$115.75 million. For the current year, principal and interest paid were \$9.9 million, and the net profits of the Lottery committed to the debt were \$10 million.

Direct Placements & Direct Borrowings

Revenue Bonds

The following describes the purpose and dedicated revenue source of direct placement revenue bonds outstanding at June 30, 2024:

<u>Agency</u>	<u>Purpose</u>	<u>Revenue Source</u>
Tobacco Settlement Finance Authority	To issue bonds to receive lump sum in lieu of future annual payments from MSA	100% of receipts from Tobacco MSA until bonds are paid

**Tobacco Settlement Finance Authority (TSFA)**

The Taxable Tobacco Settlement Asset-Backed Bonds, Series 2007 were issued by the TSFA created by Chapter 4, Article 11A of the West Virginia Code on June 26, 2007.

On October 28, 2020, the TSFA issued Taxable Tobacco Settlement Asset-Backed Refunding Bonds, Series 2020 Senior Bonds, consisting of \$528.3 million Series 2020A (Fixed Amortization Serial/Term Bonds) Class 1 Senior Current Interest Bonds as Class 1 Senior Bonds and \$165.2 million Series 2020B (Turbo Term Bonds) Class 2 Senior Current Bonds as Class 2 Senior Bonds. The TSFA used \$737.2 million of the proceeds of the Series 2020 Senior Bonds to fully refund \$612.3 million of the Taxable Tobacco Settlement Asset-Backed Bonds, Series 2007A through redemption and defeasance and partially refund \$73.9 million of the Series 2007B bonds through payment of the purchase price thereof and cancellation. The proceeds were also used to establish Maintenance Reserve Accounts to comply with the bond covenants and pay bond issuance costs. The 2020 refunding resulted in a difference between the reacquisition price and the net carrying amount of the refunded bond of \$51 million. The TSFA completed the refunding to reduce its total debt service payments by reducing the expected debt service payments by \$315.9 million.

Direct placement revenue bonds outstanding at June 30, 2024, were as follows (expressed in thousands):

	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate(s)%</u>	<u>Balance</u>
Tobacco Settlement Finance Authority	2007	2040	7.47-8.50	\$ 167,804
Tobacco Settlement Finance Authority	2020	2053	7.47-8.50	\$ 539,920
				<u>\$ 707,724</u>

Future amounts required to pay principal and interest on direct placement revenue bonds at June 30, 2024, were as follows (expressed in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 17,710	\$ 20,228	\$ 37,938
2026	17,815	19,936	37,751
2027	18,160	19,612	37,772
2028	18,440	19,245	37,685
2029	18,400	18,811	37,211
2030-2034	88,805	86,408	175,213
2035-2039	93,435	71,110	164,545
2040-2044	91,440	51,830	143,270
2045-2049	175,715	32,711	208,426
	<u>\$ 539,920</u>	<u>\$ 339,891</u>	<u>\$ 879,811</u>

**Capital Appreciation Bond**

<u>Year Ending June 30</u>	<u>Principal, Net of Accreted Amounts</u>	<u>Future Accreted Amounts</u>	<u>Total</u>
2025	\$ —	\$ 14,560	\$ 14,560
2026	—	15,836	15,836
2027	—	17,202	17,202
2028	—	18,704	18,704
2029	—	20,321	20,321
2030-2034	—	131,339	131,339
2035-2039	—	199,133	199,133
2040-2044	—	301,944	301,944
2045-2049	167,804	251,582	419,386
<b>Total</b>	<u>\$ 167,804</u>	<u>\$ 970,621</u>	<u>\$ 1,138,425</u>
<b>Total Revenue Bonds</b>	<u>\$ 707,724</u>		



Notes Payable – Notes payable are a direct borrowing issued by Information Services and Communications and Travel Management internal service funds for financing various equipment and vehicles.

The outstanding notes from direct borrowings contain a provision that in an event of default, the note is terminated, and the owner may retake possession of the equipment and vehicles. The note is immediately declared due and payable and will proceed to court action to recover the value of the amount due.

<u>Direct Borrowings</u>	<u>Final Maturity Date</u>	<u>Interest Rate(s)%</u>	<u>Balance</u>
Travel Management	2018-2026	0.99-2.65	\$ 3,407
Total Notes Payable			<u>\$ 3,407</u>

Future amounts required to pay principal and interest on direct borrowings notes payable at June 30, 2024, were as follows (expressed in thousands):

<u>Notes from Direct Borrowings</u>			
<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,937	\$ 27	\$ 2,964
2026	470	4	474
<b>Total Notes Payable</b>	<u>\$ 3,407</u>	<u>\$ 31</u>	<u>\$ 3,438</u>

**Discretely Presented Component Units  
Summary of Discretely Presented  
Component Unit Debt  
(Expressed in Thousands)**

	<b>Balance June 30, 2023</b>	<b>Additions/ Debt Issued</b>	<b>Reductions/ Debt Paid</b>	<b>Other Changes</b>	<b>Balance June 30, 2024</b>	<b>Amount Due Within One Year</b>
Revenue Bonds:						
Housing Development Fund	\$ 389,569	\$ 325,250	\$ (31,689)	\$ —	\$ 683,130	\$ 29,520
Parkways Authority	553,261	—	(20,144)	—	533,117	9,305
Water Development Authority	127,175	—	(10,729)	—	116,446	9,684
Higher Education	1,376,508	79,196	(133,365)	—	1,322,339	61,182
School Building Authority	333,601	—	(48,771)	—	284,830	17,930
<b>Total Discretely Presented</b>						
Component Unit Revenue Bonds	<u>\$ 2,780,114</u>	<u>\$ 404,446</u>	<u>\$ (244,698)</u>	<u>\$ —</u>	<u>\$ 2,939,862</u>	<u>\$ 127,621</u>
Other Financing Debt						
Higher Education	<u>\$ 59,116</u>	<u>\$ (1,191)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 57,925</u>	<u>\$ 893</u>
Direct Borrowings & Direct Placements Revenue Bonds:						
Water Development Authority	6,149	—	(381)	—	5,768	395
<b>Total Discretely Presented Component Units Direct Borrowings &amp; Direct Placements Revenue Bonds</b>	<u>\$ 6,149</u>	<u>\$ —</u>	<u>\$ (381)</u>	<u>\$ —</u>	<u>\$ 5,768</u>	<u>\$ 395</u>
Notes Payable:						
Housing Development Fund	\$ 403	\$ 250	\$ (95)	\$ —	\$ 558	\$ —
Economic Development Authority	1,279	9,671	(24)	—	10,926	41
Correction and Rehabilitation	6,611	26,000	(1,165)	—	31,446	2,429
Higher Education	143,290	15,192	(8,077)	—	150,405	8,461
<b>Total Discretely Presented Component Notes Payable</b>	<u>\$ 151,583</u>	<u>\$ 51,113</u>	<u>\$ (9,361)</u>	<u>\$ —</u>	<u>\$ 193,335</u>	<u>\$ 10,931</u>
Other Debt-Related Items:						
Accrued and Other	\$ 418,291	\$ 26,271	\$ (26,023)	\$ —	\$ 418,539	\$ 286,157
Compensated Absences	74,733	6,875	(2,841)	—	78,767	60,562
Right- to- Use Lease Liability (Note 11)	108,800	14,948	(11,930)	—	111,818	8,590
Subscription Liability-SBITA (Note 12)	33,122	20,206	(19,389)	—	33,939	15,059
Net Pension Liability (see Note 13)	23,670	—	(19,322)	—	4,348	—
Net OPEB Liability (see Note 14)	16,977	—	(16,977)	—	—	—
<b>Total Discretely Presented Component Unit Other Items</b>	<u>\$ 675,593</u>	<u>\$ 68,300</u>	<u>\$ (96,482)</u>	<u>\$ —</u>	<u>\$ 647,411</u>	<u>\$ 370,368</u>

**Revenue Bonds** – Revenue bonds are issued by various component units pursuant to specific statutory provisions enacted by the Legislature for the purpose of financing capital construction. Principal and interest payments are made from specifically dedicated fees and other revenue sources, such as tuition and registration fees, dedicated court fees, and certain non-toll revenues. Revenue bonds do not constitute general debt of the State (expressed in thousands):

	Issue Date	Final Maturity Date	Interest Rate(s)%	Balance
Housing Development Fund	2007-2019	2050	1.05-4.35	\$ 683,130
Parkways Authority	2002-2018	2048	3.75-5.25	533,117
Water Development Authority	2005-2016	2044	2.00-5.125	116,446
Higher Education	1998-2016	2045	0.58-7.65	1,322,339
School Building Authority	2007-2016	2032	2.00-6.92	284,830
Total Revenue Bonds				<u>\$ 2,939,862</u>

Future amounts required to pay principal and interest on revenue bonds of the discretely presented component units at June 30, 2024, were as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2025	\$ 124,295	\$ 108,015	\$ 232,310
2026	183,380	104,215	287,595
2027	216,125	99,375	315,500
2028	141,846	94,335	236,181
2029	137,825	171,254	309,079
2030-2034	656,983	308,315	965,298
2035-2039	487,698	189,486	677,184
2040-2044	461,197	98,500	559,697
2045-2049	286,785	47,120	333,905
2050-2054	105,756	9,582	115,338
2055-2059	1,535	40	1,575
	<u>\$ 2,803,425</u>	<u>\$ 1,230,237</u>	<u>\$ 4,033,662</u>
Discount	(65)	—	(65)
Premium	136,502	—	136,502
Total	<u>\$ 2,939,862</u>	<u>\$ 1,230,237</u>	<u>\$ 4,170,099</u>

### **Parkways Authority**

In August 2018, the Authority issued \$166.4 million Series Lien Turnpike Toll Revenue Bonds at 3.75% to 5.00% due in varying installments from June 2019 to June 2048.

Direct Borrowing & Direct Placements

Revenue Bonds – Direct placement revenue bonds are issued by various component units listed below pursuant to specific statutory provisions enacted by the Legislature for the purpose of financing capital construction. Principal and interest payments are made from specifically dedicated fees and other revenue sources, such as mortgage loan repayments.

Revenue bonds do not constitute general debt of the State (expressed in thousands):

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate(s)%</u>	<u>Balance</u>
Water Development Authority	2005-2016	2044	2.00-5.125	5,768
Total Revenue Bonds				<u>\$ 5,768</u>

Future amounts required to pay principal and interest on direct placement revenue bonds of the discretely presented component units at June 30, 2024, were as follows (expressed in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 395	\$ 195	\$ 590
2026	409	181	590
2027	423	166	589
2028	438	151	589
2029	453	136	589
2030-2034	2,516	425	2,941
2035-2039	1,134	40	1,174
2040-2044	—	—	—
Total	<u>\$ 5,768</u>	<u>\$ 1,294</u>	<u>\$ 7,062</u>

Notes Payable – Direct Borrowings

Notes payable are issued for various reasons, including construction and the purchase of land, buildings, and vehicles. The Housing Development Fund (HDF) has a partnership with the DEP that allows HDF to borrow funds from the DEP that are then loaned to state residents to upgrade, replace, or repair inadequate septic systems. For detailed information on specific notes, see the separately issued financial statements of the discretely presented component units.

The following is a summary of notes payable at June 30, 2024 (expressed in thousands):

	<b>Issue Date</b>	<b>Final Maturity Date</b>	<b>Interest Rate(s)%</b>	<b>Balance</b>
Economic Development Authority	2007 & 2017	2029	3.00	\$ 10,926
Higher Education	2008-2014	2033	1.90-6.65	150,405
Housing Development Fund	2008-2014	N/A	0.00	558
Division of Corrections & Rehabilitation	2015	2020	1.23	31,446
Total Notes Payable				<u>\$ 193,335</u>

Future amounts required to pay principal and interest on direct borrowings notes payable of the discretely presented component units at June 30, 2024, were as follows (expressed in thousands):

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 12,319	\$ 6,315	\$ 18,634
2026	8,424	5,780	14,204
2027	8,373	5,512	13,885
2028	7,992	5,250	13,242
2029	11,427	4,987	16,414
2030-2034	65,360	22,562	87,922
2035-2039	30,528	12,250	42,778
2040-2044	22,845	7,735	30,580
2045-2049	9,861	4,484	14,345
2050-2054	8,785	2,680	11,465
2055-2059	7,421	606	8,027
Total	<u>\$ 193,335</u>	<u>\$ 78,161</u>	<u>\$ 271,496</u>

### **Other Financing-Conduit Debt**

The State has also entered into lease/purchase agreements with the Economic Development Authority (EDA), which issued revenue bonds to finance construction and acquisition of various capital assets as well as an energy savings project. EDA has no obligation for the debt. The State becomes the tenant of the facility under a lease/purchase agreement, which provides for the payment of rentals sufficient to cover the related bond debt service and for the passage of title to the State after the bonds have been repaid. This other financing debt, totaling \$133.8 million, is shown separately on the government-wide Statement of Net Position. Besides the other financing debt backed by leases with other State agencies, EDA also has revenue bond principal amounts payable outstanding of \$5.2 billion as of June 30, 2024.

### **Debt Contingencies and No-Commitment Debt**

As a vehicle to assist the local and other nonstate governments in West Virginia, the State may appropriate sufficient amounts to meet any deficiencies that may arise because of failures by such entities to provide for debt service payments for obligations under the supervision and control of the Municipal Bond Commission. For the year ended June 30, 2024, no such amounts were transferred to the Municipal Bond Commission under this agreement.

The Hospital Finance Authority (HFA) and the Economic Development Authority (EDA) have issued special limited obligations on behalf of third parties that in no way obligate the State, HFA, or EDA for these debt issuances, unless these entities or the State serve in a third-party role. The obligations become an obligation of the third party when issued because all rights to payments and/or obligations have been irrevocably assigned to a trustee. Payments are made directly to the trustee from dedicated revenues of the third parties, in accordance with the related bond indentures. The amount of such no-commitment debt outstanding at June 30, 2024, is approximately \$3.5 billion and \$5.1 billion for HFA and EDA, respectively.

### **Prior Defeasances**

In prior years, the State defeased certain revenue bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payment on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in these financial statements. At June 30, 2024, the following outstanding bonds are considered defeased (expressed in thousands):

<b>Outstanding Amount</b>	
Primary Government	\$ 681,760
Discretely Presented Component Units	58,705
Total	<u>\$ 740,465</u>

**NOTE 11****RIGHT-TO-USE LEASES**

Effective July 1, 2021, the State adopted GASB issued Statement No. 87 “Leases”. According to the standard, a contract that conveys control of the right to use another entity’s nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction be considered a lease. All leases that meet the criteria under this standard entered into by the State prior to the date of implementation on July 1, 2021, are measured using the facts and circumstances that existed at the beginning of the period of implementation. The State is not required to estimate what the lease asset would have been if it initially had been recognized and amortized in prior periods as a lease under the provisions of Statement 87. The lease liability for leases previously entered into was measured using the remaining lease term and discount rate as of the beginning of the earliest period restated. The right-to-use asset was measured based on the lease liability at that date and no restatement of beginning net position is required because the lease asset and the liability would be the same.

The State leases various buildings, equipment, and land for various terms under long-term noncancelable lease agreements. The leases have various due dates ranging through fiscal year 2076 and interest rates ranging from 1.17% to 6.5%.

At the commencement of a new lease, the State initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

Key estimates and judgments related to leases include how the State determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The State uses an estimated incremental borrowing rate as the discount rate for leases unless the interest rate charged by the lessor is provided. The discount rate is used to determine the present value of lease payments over the lease term. The incremental borrowing rate for all State leases ranged from 1.17% to 6.5%.
- The lease term is the noncancellable period of the lease. This includes periods in which there is an option to extend or terminate the lease if it is reasonably certain that the option will or will not be exercised.
- Lease payments included in the measurement of the lease liability are composed of fixed payments. There are no purchase options in the measurement of the lease liability for any State leases.

The State monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. No such remeasurements occurred in the current year.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position. For all leases, the State recognizes a lease liability and an intangible right-to-use asset (lease asset) in the government-wide financial statements. Leasing arrangements with a cost greater than \$25,000 annually are recognized by the State as a right-to-use asset.

For leases in governmental funds, other financing sources equal to the present value of the expected payments over the lease term are recorded at lease inception. Lease payments are recorded as debt service expenditure when paid.

Several lease agreements entered into by component units of the State are sublease agreements for leased equipment and land with monthly installments ranging between \$185 and \$901 plus interest at 4.5% to 6.5% with due dates ranging from April 2024 to December 2042.

The following table is an analysis of the leases by major asset type at June 30, 2024, (expressed in thousands):

<u>Asset Type</u>	<u>Right-to-Use Leased Asset</u>	<u>Accumulated Amortization</u>	<u>Net Right-to-Use Asset</u>
Governmental Activities:			
Building	\$ 144,041	\$ (46,652)	\$ 97,389
<b>Total Governmental Activities</b>	144,041	(46,652)	97,389
Discretely Presented Component Units:			
Building	\$ 109,553	\$ (20,948)	\$ 88,605
Land	140	(51)	89
Equipment	5,569	(972)	4,597
<b>Total Discretely Presented Component Units</b>	115,262	(21,971)	93,291
<b>Total</b>	<u>\$ 259,303</u>	<u>\$ (68,623)</u>	<u>\$ 190,680</u>



Future principal and interest lease payments as of June 30, 2024, were as follows (expressed in thousands):

Year Ending June 30	Governmental Activities		Discretely Presented Component Units		Total
	Principal	Interest	Principal	Interest	
2025	\$ 18,040	\$ 3,752	\$ 8,590	\$ 3,385	\$ 33,767
2026	14,547	3,093	8,365	3,281	29,286
2027	11,521	2,569	6,819	3,007	23,916
2028	10,711	2,123	5,777	2,779	21,390
2029	9,409	1,710	4,973	2,569	18,661
2030-2034	25,710	4,484	16,859	10,539	57,592
2035-2039	7,669	1,537	6,314	8,428	23,948
2040-2044	2,970	501	6,020	7,497	16,988
2045-2049	416	243	6,462	6,608	13,729
2050-2054	485	155	6,211	5,687	12,538
2055-2059	522	49	6,381	4,769	11,721
2060-2064	—	—	7,372	3,755	11,127
2065-2069	—	—	8,546	2,581	11,127
2070-2074	—	—	9,907	1,220	11,127
2075-2076	—	—	3,222	69	3,291
Lease Payments	\$ 102,000	\$ 20,216	\$ 111,818	\$ 66,174	\$ 300,208

Under GASB Statement No. 87, a lessor is required to recognize a lease receivable and a deferred inflow of resources for each lease. There are no variable payments in any of the lessor agreements noted below.

During the fiscal year June 30 2024, the Educational Broadcasting Commission (EBC), a component unit of the State, a lessor, leased land, equipment, and buildings under various noncancelable lease agreements. Several of these agreements are sublease arrangements. The lease agreements contain lease terms with planned end dates ranging from August 2026 to May 2047. Lease payment rates, terms, cancellation clauses, and other provisions vary based on the lease agreement. Certain leases provided for increases in future minimum annual rental payments. EBC has determined the net present value of lease receipts based on an estimated interest rate of 4.5%. Lease related income under these leases for the year ended June 30, 2024, was \$123 and \$57 for lease income and interest income, respectively.

The West Virginia Economic Development Authority, a component unit of the State, lease certain property to commercial entities under direct financing leases with planned end dates ranging from 2025 to 2044. Lease payment rates, terms, cancellation clauses, and other provisions vary based on the lease agreement. Under the terms of the direct financing leases, either the lessor or lessee may elect to adjust the basic rent as of each successive fifth anniversary date following the lease commencement date by an amount necessary to fully amortize the initial purchase price based on the prevailing interest rate on such anniversary date.

The West Virginia Higher Education Fund, a component unit of the State, leases facilities and land under various lease agreements. The lease agreements contain lease terms with planned end dates ranging from 2025 to 2039. Lease payment rates, terms, cancellation clauses and other provisions vary based on the lease agreement. Certain real estate leases provided for increases in future minimum monthly and annual rental payments. Lease-related income including interest under these leases for the year ended June 30, 2024, was \$1,161.

**NOTE 12****SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

Effective July 1, 2022, the State adopted GASB issued Statement No. 96, “Subscription-Based Information Technology Arrangements.” According to the standard, a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction be considered a SBITA. All leases that meet the criteria under this standard entered into by the State prior to the date of implementation on July 1, 2022, are measured using the facts and circumstances that existed at the beginning of the period of implementation. The State is not required to estimate what the lease asset would have been if it initially had been recognized and amortized in prior periods as a lease under the provisions of Statement 96. The subscription liability for subscriptions previously entered into was measured using the remaining subscription term and discount rate as of the beginning of the earliest period restated, July 1, 2022. The right-to-use subscription asset was measured based on the subscription liability at that date and no restatement of beginning net position is required because the subscription asset and the liability would be the same.

The State has SBITAs for risk, ransomware monitoring, multi-biometric identification, electronic filing, property tracking, laboratory information management and healthcare for various terms under long-term, noncancelable lease agreements. The leases have various due dates ranging through fiscal year 2029 and interest rates ranging from 3% to 9.15%.

At the commencement of a new SBITA, the State initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The State had no variable payments (fixed in substance or based on an index or rate), residual value guarantees, or termination penalties included within the subscription liability of any State SBITAs. Variable payments based on future performance of a government, usage of the underlying IT assets, or number of user seats, are not included in the measurement of the subscription liability and instead recognized as outflows of resources in the period in which the obligation for those payments is incurred. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus capitalizable initial implementation costs. In the transition year of GASB 96, governments are permitted, but not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. The State has elected to exclude any initial capitalizable outlays incurred prior to July 1, 2022, in the measurement of the subscription assets at July 1, 2022. There are no subscription payments made at or before the SBITA commencement or initial implementation costs included in the initial subscription asset measured for any State SBITAs. Subsequently, the subscription asset is amortized on a straight-line basis over the term of the SBITA.

Variable payments based on future performance of a government, usage of the underlying IT assets, or number of user seats are recognized as outflows of resources in the period in which

the obligation for those payments is incurred. The State had outflows of resources resulting in approximately \$25,708 of subscription cost for the year ended June 30, 2024. The majority of the cost is attributed to Google and Microsoft license contracts that are variable payments based on number of licenses.

Key estimates and judgments related to SBITAs include how the State determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- a. The State uses an estimated incremental borrowing rate as the discount rate for SBITAs unless the interest rate charged by the lessor is provided. The discount rate is used to determine the present value of subscription payments over the subscription term. The incremental borrowing rate for all State SBITAs ranged from 3% to 9.15%.
- b. The subscription term is the noncancellable period of the SBITA. This includes periods in which there is an option to extend or terminate the subscription if it is reasonably certain that the option will or will not be exercised.
- c. Subscription payments included in the measurement of the subscription liability are composed of fixed payments. There are no purchase options included in the measurement of the subscription liability for any State SBITAs.

The State monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. No such remeasurements occurred in the current year.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position. For all SBITAs, the State recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. SBITAs with a cost greater than \$25,000 (in dollars) annually are recognized by the State as a right-to-use subscription asset.

For SBITAs in governmental funds, other financing sources equal to the present value of the expected payments over the subscription term are recorded at SBITA inception. Subscription payments are recorded as debt service expenditure when paid.

The following table is an analysis of the SBITAs by major asset class at June 30, 2024 (expressed in thousands):

<b>Asset Class</b>	<b>Subscription Asset</b>	<b>Accumulated Depreciation</b>	<b>Net Subscription Asset</b>
<i>Governmental Activities:</i>			
Subscription	\$ 32,400	\$ 11,092	\$ 21,308
Total	<u>32,400</u>	<u>11,092</u>	<u>21,308</u>
<i>Discretely Presented Component Units:</i>			
Subscription	74,924	38,092	36,832
Total	<u>74,924</u>	<u>38,092</u>	<u>36,832</u>
Totals	<u>\$ 107,324</u>	<u>\$ 49,184</u>	<u>\$ 58,140</u>

The future principal and interest lease payments as of June 30, 2024, were as follows:  
(expressed in thousands):

Year Ending June 30:	<i>Governmental Activities</i>		<i>Discretely Presented Component Units</i>		Total
	Principal	Interest	Principal	Interest	
2025	\$ 6,915	\$ 616	\$ 15,059	\$ 1,266	\$ 23,856
2026	5785	388	9,825	693	16,691
2027	5352	186	6,294	312	12,144
2028	2470	41	2,113	94	4,718
2029	155	1	648	15	819
Totals	<u>\$ 20,677</u>	<u>\$ 1,232</u>	<u>\$ 33,939</u>	<u>\$ 2,380</u>	<u>\$ 58,228</u>

## **NOTE 13**

### **RETIREMENT SYSTEMS**

#### **Plan Description**

The West Virginia State Legislature has established nine defined benefit plans (the Plans) and a defined contribution plan to provide retirement benefits for eligible employees. The Plans are a group of defined benefit public employee retirement systems. The Consolidated Public Retirement Board (CPRB) administers the Plans under the direction of its Board of Trustees. The Governmental Employees Deferred Compensation Plan is administered by a third-party administrator and has been excluded from these financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans."

CPRB prepares separately issued financial statements covering the retirement systems, which can be obtained from the Consolidated Public Retirement Board, 601 57th Street, SE, Suite 5, Charleston, WV 25304 or <http://www.wvretirement.com>. The Plans' financial statements are prepared using fund accounting principles and the accrual basis of accounting, under which expenses are recorded when liabilities are incurred and revenues are recorded in the accounting period in which they are earned and become measurable. The Plans' fiduciary net position has been determined on the same basis used by the pension plan. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are carried at fair value as determined by a third-party pricing service utilized by the respective investment management companies. Investment transactions are accounted for on a trade-date basis. Unrealized gains and losses are included in investment income. Investment income is determined monthly and distributed to each of the defined benefit plans participating in the investment pools on the last day of the month in the form of reinvested shares.

The Plans are comprised of the following groups of defined benefit plans which provide substantially all employees of the State, its public education system, and other political subdivisions of the State with retirement and death and disability benefits:

- The Public Employees Retirement System (PERS) is a multiple-employer, cost-sharing, public employee retirement system. The number of local government employers participating in PERS at June 30, 2024, was 687, including 133 West Virginia state agencies, 153 cities and towns, 346 special districts, and 55 counties.

#### **Benefits Provided**

For PERS, a member is eligible for normal retirement at age 60 with five or more 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 age 55 and has at least ten years of contributory service or at any age with 30 years of contributory service. A member hired after July 1, 2015, may retire with the pension reduced actuarially if the member is between ages 60 and 62 with at least 30 years of contributory service. The straight-life annuity retirement benefit is equivalent to 2% of average salary multiplied by years of

service. Final average salary is the average annual salary from the highest 36 consecutive months within the last 15 years of employment. For all employees hired after July 1, 2015, final average salary is the average annual salary of the highest 60 consecutive months within the last 15 years of employment. 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 after July 1, 2015, this age increases to 64 with at least ten years of contributory service, or age 63 with at least 20 years of contributory service.

- The Deputy Sheriffs' Retirement System (DSRS) is a multiple-employer, cost-sharing, public employee retirement system which was established for all deputy sheriffs hired on or after July 1, 1998. Current employees were eligible to transfer from PERS. The State makes no employer contributions to DSRS.
- The Emergency Medical Services Retirement System (EMSRS) is a multiple-employer, cost-sharing public employee retirement system which was established for eligible emergency medical service officers. Participation is voluntary. The State makes no employer contributions to EMSRS.
- The Municipal Police Officers and Firefighters Retirement System (MPFRS) is a multiple-employer, cost-sharing public employee retirement system which was established for any municipality or municipal subdivision employing municipal police officers or firefighters. Participation is voluntary. The MPFRS had 649 participating members as of June 30, 2024. The State makes no employer contributions to MPFRS.
- The Natural Resources Police Officers Retirement System (NRPORS) is a single-employer defined benefit public employee retirement system which was established for all natural resources police officers hired by the West Virginia Division of Natural Resources (DNR) on or after January 2, 2021. This plan was also made available to any natural resources police officers employed in covered employment participating in PERS on the effective date. Approximately 115 natural resources police officers elected to participate and were transferred from the PERS plan.
- The Teachers' Retirement System (TRS) is a multiple-employer, cost-sharing, public employee retirement system. Fifty-five county public school systems, certain personnel of the thirteen State-supported institutions of higher education, West Virginia Department of Education, and boards of higher education participate in the TRS plan. There were 81 employers and three non-employer contributing entities (the State) participating in the plan as of June 30, 2024.

For TRS, all employees hired before July 1, 2015, are eligible for normal retirement at age 60 with 5 years of service, age 55 with 30 years of service, or any age with 35 years of service, or with reduced benefits before age 55 with at least 30 but less than 35 years of service. For all employees hired after July 1, 2015, qualification for normal retirement is age 62 with 10 years of service. All members hired after July 1, 2015, may retire with reduced benefits at age 62 with 10 or more years of service, age 57 with 20 or more years of service or age 55 with at least 30 years of service. Terminated members, who were hired before July 1, 2015, with at least five, but less than 20, years of credited service who do not withdraw their accumulated contributions are entitled to a deferred retirement commencing at age 62 or at

age 60 with more than 20 years of service. For all employees hired after July 1, 2015, this requirement increases to age 64 with 10 years of service. Retirement benefits are equivalent to 2% of final average annual salary multiplied by years of service. Average salary is the average of the five highest fiscal years of earnings during the last 15 fiscal years of earnings.

- The State Police Death, Disability, and Retirement System (SPDDRS), the State Police Retirement System (SPRS), and the Judges' Retirement System (JRS) are single-employer, public employee retirement systems.

For SPDDRS, a member is eligible for normal retirement at age 50 after 20 years of contributory service, or at any age upon completion of 25 years of service. There is no vesting in the State's contributions prior to ten years of service. Benefits payable to members retiring prior to age 50 are deferred until the normal retirement date. The annual retirement benefit is 5.5% of the members' aggregate salary, but not less than \$6,000 per year. Total service-related disability benefits are equal to 8.5% the member's annual salary, but not less than \$15,000 per year. Aggregate salary may include up to five years of active military service credited at the average departmental salary. Aggregate salary for purposes of determining disability benefits may include salary that would have been earned had the participant served at least 25 years. An annual cost of living adjustment of 3.75% is granted to retirees and beneficiaries. For service-connected total disability retirees, the adjustment begins at age 65.

For SPRS, a member is eligible for normal retirement at age 50 with 25 years of service or age 52 with 20 years of credited service. A member retiring before age 52 with 20 years of credited service is eligible for a reduced benefit. The annual regular retirement benefit is equal to 3.00% of the final average salary multiplied by the years of service. Final average salary is the average of the five highest calendar years of earnings during the last ten years of earnings. Annual retirement annuity adjustments are 1% for regular retirement and are payable on July 1 of each year after the member reaches 63 years of age.

For JRS, members who were elected or appointed to the bench prior to July 2, 2005, are eligible for normal retirement after reaching 24 years of service, of which at least 12 years were as a sitting judge or justice, 16 years of service at age 65, of which at least 12 years were as a sitting judge or justice, or 8 full years of service at age 65. A member who was appointed or elected to the bench on or after July 2, 2005, is eligible for normal retirement upon the attainment of 24 years of service, of which at least 14 years were as a sitting judge or justice, or 16 years of service at age 65, of which 14 years were as a sitting judge or justice. A member on the bench prior to July 2, 2005, is eligible for a deferred benefit upon termination of service prior to normal retirement, provided the member completes 16 years of service, of which 12 years of service were as a sitting judge or justice. A member of the bench on or after July 2, 2005, is eligible for a deferred benefit upon termination of service prior to normal retirement, provided the member completes 16 years of service, of which 14 years of service were as a sitting judge or justice.



Plan membership consisted of the following as of the plan valuation date, June 30, 2024:

	<b>SPDDRS</b>	<b>SPRS</b>	<b>JRS</b>
Retirees and beneficiaries currently receiving benefits	728	155	58
Terminated members entitled to benefits but not yet receiving them	2	29	2
Terminated nonvested members	1	160	—
Active members	1	596	124
Total	732	940	184

**Basis of Accounting**

The CPRB is included in the fiduciary funds financial statements. Accordingly, the pension fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Member contributions are recognized in the period when contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each system. The internal service fund financial statements have also been prepared using the economic resources measurement focus and the accrual basis of accounting. Operating revenues and expenses generally result from fees charged in connection with the operation of the plans. The Board’s assets are held primarily in accounts maintained by the State Treasurer, the West Virginia Investment Management Board, and the third-party administrator of its defined contribution system.

**Funding Policy**

Funding policies for all the Plans have been established and changed from time to time by action of the State Legislature. Actuarial valuations are performed to assist the Legislature in determining appropriate contribution rates. As a condition of participation in the Plans, employers and/or employees are required to contribute certain percentages of salaries and wages as authorized by statute and specified by CPRB. The following schedule summarizes each defined benefit plan’s required contribution rates at June 30, 2024:

<b>Statutory Contribution Rates as a Percent of Covered Payroll</b>		
<b>System</b>	<b>Member</b>	<b>Employer</b>
PERS	4.5% - 6.0%	9.0%
TRS	6.0%	15.0% State 15.0% Counties
SPDDRS	9.0%	15.0%
SPRS	13.0%	34.0%
JRS	7.0%	Appropriated by the Legislature

The State's required and actual contributions for the year ended June 30, 2024, were (expressed in thousands):

<b>System</b>	<b>Actual Contribution</b>
PERS	\$ 112,658
TRS	414,333
SPDDRS	7
SPRS	13,296
JRS	854

### **Special Funding Situation**

The State is a non-employer contributing entity that provides funding through the School Aid Formula (SAF) to subsidize employer contributions of county boards of education and to fund the unfunded liability of TRS for all participating employers. These amounts qualify as a special funding situation in accordance with GASB 68. The State assumes a share of the net pension liability on behalf of the various county boards of education for contributions related to the SAF. The State also assumes a share of the net pension liability on behalf of all participating employers for contributions related to funding of the non-employer contributing entity unfunded liability. The State reports a liability, deferred outflow of resources and deferred inflow of resources, and expense as a result of its requirement to contribute to the TRS plan.

The State Supreme Court has required the State to fund the TRS in an actuarially sound manner to eliminate the unfunded liability over a 40-year period beginning on July 1, 1994, and to meet the cash flow requirements of the TRS in fulfilling its future anticipated obligations to its members. The State Supreme Court has further ordered the State, through the Governor, to require the appropriate funding should the State Legislature fail to do so. Since this ruling, the Legislature has supplemented the funding of the TRS to meet this special funding situation requirement in the amount of \$303,771,000 for FY 2023, which is exclusive of the SAF appropriation.

**Pension Assets, Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The State’s net pension asset (liability), deferred outflows of resources, deferred inflows of resources and pension expense relating to the governmental, business-type, fiduciary, and component units’ activities for the PERS plan, governmental and component units’ activities for the TRS plan, and governmental activities for the single employer plans are as follows for June 30, 2024 (expressed in thousands):

Description	Governmental Activities	Business-type Activities	Fiduciary	Discretely Presented Component Units	Total
Net Pension Asset	\$ 167,105	\$ 23	\$ —	\$ 555	\$ 167,683
Net Pension Liability	(2,192,322)	—	—	(4,348)	(2,196,670)
Deferred Outflows of Resources	856,211	1,329	147	33,329	891,016
Deferred Inflows of Resources	(91,755)	(19)	(2)	(3,244)	(95,020)
Pension Expense	339,935	730	13	17,499	358,177

Refer to pages 164-165 for amounts reported for the PERS cost-sharing plan as it relates to governmental activities, business-type activities, fiduciary funds, and component units. Refer to page 167 for amounts reported for the TRS cost-sharing plan as it relates to governmental activities and component units. Refer to page 169 for amounts reported for the single-employer plans as they relate to governmental activities.

At June 30, 2024, the State reported a net pension liability of \$2,196,670,000 and a net pension asset of \$167,683,000 for its proportionate share of the multiple-employer, cost-sharing plans, and single employer plans, which were measured as of June 30, 2023. The total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The pension asset, liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense are allocated to the internal service funds of the State. The State’s proportionate share of the net pension asset/liability for the PERS and TRS was based on the State’s share of contributions to the pension plan relative to the contributions of all employers participating in PERS and TRS for the year ended June 30, 2023.

The State’s share of the net pension asset/liability for the PERS and TRS plans determined by the actuarial valuation as of June 30, 2022 is as follows (in thousands):

	2024	% of share	2023	% of share	Change \$	Change %
PERS	\$ 3,037	67.76	\$ (99,056)	66.52	\$ 102,093	1.24 %
TRS	\$(2,121,847)	92.68	\$(2,409,076)	93.66	\$ 287,229	(0.98)%

The State's amounts for net pension asset, liability, deferred outflows of resources, deferred inflows of resources, and pension expense were allocated to the governmental, business-type, fiduciary, and component units' activities based on each reporting unit's share of the State's employer contributions to the PERS and TRS plans. The pension-related amounts for primary government, fiduciary, and component units are as follows:

PERS (expressed in thousands):

	<u>Governmental Activities</u>	<u>Water Pollution</u>	<u>Infrastructure</u>
Proportionate share of statewide amount	80.98 %	0.13 %	0.03 %
Net pension Asset	\$ 2,459	\$ 4	\$ 1
Pension expense	81,743	83	38
Deferred outflows of resources representing contributions subsequent to the measurement date	91,192	139	34
Deferred outflows of resources representing the changes in employer proportion	444	—	1
Deferred outflows of resources representing difference between expected and actual experience	20,825	32	9
Deferred outflows of resources representing change in assumptions	15,904	24	7
Net deferred outflows of resources representing the difference between projected/actual earnings on investments	14,943	23	6
Deferred inflows of resources representing the changes in employer proportion	(1,282)	(1)	—
Amortization of applicable deferred amounts in current period	50,834	78	23
Amortization of applicable deferred amounts in future periods:			
2025	5,502	(2)	—
2026	(62,340)	(87)	(24)
2027	117,984	183	51
2028	(10,312)	(16)	(4)
Sensitivity Analysis:			
Net pension asset (liability) at 6.25% discount rate	(509,708)	(778)	(221)
Net pension asset (liability) at 7.25% discount rate	2,459	4	1
Net pension asset (liability) at 8.25% discount rate	434,635	663	188

PEIA	BRIM	Nonmajor Business-type	Total Primary Government	Fiduciary Funds	Component Units	Total
0.16 %	0.13 %	0.30 %	81.73 %	— %	18.27 %	100 %
\$ 5	\$ 4	\$ 9	\$ 2,482	\$ —	\$ 555	\$ 3,037
153	154	302	82,473	13	18,038	100,524
129	149	342	91,985	139	20,534	112,658
1	2	1	449	1	406	856
58	37	88	21,049	3	4,476	25,528
44	28	51	16,058	2	3,418	19,478
41	27	56	15,096	2	3,212	18,310
(7)	—	(11)	(1,301)	(2)	(176)	(1,479)
137	94	185	51,351	6	11,336	62,693
15	(1)	(9)	5,505	1	1,227	6,733
(168)	(101)	(220)	(62,940)	(7)	(13,902)	(76,849)
318	214	454	119,204	13	26,310	145,527
(28)	(18)	(40)	(10,418)	(1)	(2,299)	(12,718)
(965)	(907)	(1,933)	(514,512)	36	(115,042)	(629,518)
5	4	9	2,482	—	555	3,037
823	773	1,648	438,730	(30)	98,098	536,798

Deferred outflows of resources and deferred inflows of resources related to the PERS pension were from the following sources (expressed in thousands):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 18,310	\$ —
Changes in proportion and difference between employer contributions and proportionate share of contributions	856	(1,479)
Difference between expected and actual experience	25,528	—
Change in assumptions	19,478	—
Contributions made subsequent to the measurement date	112,658	—
Total	<u>\$ 176,830</u>	<u>\$ (1,479)</u>

Deferred outflows of resources of \$112,658,000 related to pensions are the result of contributions made subsequent to the measurement date of June 30, 2023, and will be recognized as a reduction of the net pension liability in the subsequent fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

<u>Year Ending June 30</u>	<u>Amount</u>
2025	\$ 6,733
2026	(76,849)
2027	145,527
2028	(12,718)

TRS, including special funding situation (expressed in thousands):

	<u>Governmental Activities</u>	<u>Component Units</u>	<u>Total</u>
Proportionate share of statewide amount	99.79 %	0.21 %	100 %
Net pension liability	\$ (2,117,499)	\$ (4,348)	\$ (2,121,847)
Pension expense, net of interfund special funding situation	262,956	(539)	262,417
Deferred outflows of resources representing contributions subsequent to the measurement date	413,815	518	414,333
Deferred outflows of resources representing the changes in employer proportion	41,196	199	41,395
Deferred outflows of resources representing the net difference between expected and actual experience	77,298	156	77,454
Deferred outflows of resources representing difference in assumptions	89,363	327	89,690
Deferred outflows of resources representing net difference between projected and actual earnings on investments	37,297	83	37,380
Deferred inflows of resources representing the changes in employer proportion	(68,183)	(3,058)	(71,241)
Deferred inflows of resources representing the net difference between expected and actual experience	(5,321)	(10)	(5,331)
Amortization of applicable deferred amounts in current period	171,650	(2,303)	169,347
Amortization of applicable deferred amounts in future periods:			
2025	22,585	(303)	22,282
2026	(59,770)	802	(58,968)
2027	234,181	(3,142)	231,039
2028	(22,415)	301	(22,114)
2029	(2,931)	39	(2,892)
Sensitivity Analysis:			
Net pension liability at 6.25% discount rate	(3,251,950)	(6,672)	(3,258,622)
Net pension liability at 7.25% discount rate	(2,117,499)	(4,348)	(2,121,847)
Net pension liability at 8.25% discount rate	(1,154,662)	(2,369)	(1,157,031)

Deferred outflows of resources and deferred inflows of resources related to the TRS pension plan were from the following sources (expressed in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 37,380	\$ —
Changes in proportion and difference between employer and proportionate share of contributions	41,395	(71,241)
Difference in expected and actual experience	77,454	(5,331)
Difference in assumptions	89,690	—
Contributions made subsequent to the measurement date	414,333	—
Total	<u>\$ 660,252</u>	<u>\$ (76,572)</u>

Deferred outflows of resources of \$414,333,000 related to pensions are the result of contributions made subsequent to the measurement date of June 30, 2023, and will be recognized as a reduction of the net pension liability in the subsequent fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 22,282
2026	(58,968)
2027	231,039
2028	(22,114)
2029	(2,892)

As of June 30, 2024, the State reported a net pension asset and a net pension liability of \$164,646,000 and \$74,823,000, respectively, for the single employer plans which were measured as of June 30, 2023. The total pension liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The amounts for net pension asset, net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense were allocated to reporting units related to governmental activities based on each reporting unit's employer contributions to the SPDDRS, SPRS, and JRS plans.



## Single Employer Plans (expressed in thousands):

	<b>SPRS</b>	<b>SPDDRS</b>	<b>JRS</b>	<b>Total</b>
Net pension asset/(liability)	\$ (42,399)	\$ (32,424)	\$ 164,646	\$ 89,823
Pension expense	13,823	(2,126)	(16,461)	(4,764)
Deferred outflows of resources representing contributions subsequent to the measurement date	13,296	7	854	14,157
Deferred outflows of resources representing the change in assumptions	21,542	—	2,224	23,766
Deferred outflows of resources representing the difference between expected and actual experience	10,692	—	—	10,692
Deferred outflows of resources representing the net difference between projected and actual earnings on pension plan investments	2,031	2,317	971	5,319
Deferred inflows of resources representing the difference between expected and actual experience	(2,497)	—	(14,472)	(16,969)
Amortization of applicable deferred amounts in current period	31,768	2,317	(11,277)	22,808
Amortization of applicable deferred amounts in future periods:				
2025	5,021	(5,356)	(6,719)	(7,054)
2026	3,104	(11,195)	(7,992)	(16,083)
2027	13,602	20,634	5,104	39,340
2028	5,188	(1,766)	(1,506)	1,916
2029-2031	4,853	—	(164)	4,689
Sensitivity Analysis:				
Net pension asset/(liability) 6.25%	(101,113)	(129,268)	152,275	(78,106)
Net pension asset/(liability) 7.25%	(42,399)	(32,424)	164,646	89,823
Net pension asset/(liability) 8.25%	4,809	47,676	175,216	227,701

**Changes in the Net Pension Liability (Asset)  
(Expressed in Thousands):**

<b>SPDDRS</b>	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) – (b)</b>
Balance at 6/30/2022	\$ 807,666	\$ 767,205	\$ 40,461
Changes for the year:			
Service cost	66	—	66
Interest	56,660	—	56,660
Difference between expected and actual experience	(1,405)	—	(1,405)
Change of assumptions	—	—	—
Contributions – employer	—	40	(40)
Contributions – employee	—	21	(21)
Net investment income	—	62,950	(62,950)
Benefit payments	(52,429)	(52,429)	—
Administrative expense	—	(358)	358
Other changes	—	705	(705)
Net changes	2,892	10,929	(8,037)
Balances at 6/30/2023	\$ 810,558	\$ 778,134	\$ 32,424

<b>SPRS</b>	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) – (b)</b>
Balance at 6/30/2022	\$ 330,539	\$ 289,303	\$ 41,236
Changes for the year:			
Service cost	10,019	—	10,019
Interest	24,431	—	24,431
Difference between expected and actual experience	4,600	—	4,600
Changes in assumptions	—	—	—
Contributions – employer	—	8,100	(8,100)
Contributions – employee	—	4,860	(4,860)
Net investment income	—	24,933	(24,933)
Benefit payments	(7,146)	(7,146)	—
Administrative expense	—	(135)	135
Other	—	129	(129)
Net changes	31,904	30,741	1,163
Balances at 6/30/2023	\$ 362,443	\$ 320,044	\$ 42,399

<b>JRS</b>	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) – (b)</b>
Balance at 6/30/2022	\$ 111,966	\$ 259,242	\$ (147,276)
Changes for the year:			
Service cost	2,855	—	2,855
Interest	8,138	—	8,138
Difference between expected and actual experience	(3,984)	—	(3,984)
Changes in assumptions	—	—	—
Contributions – employer	—	797	(797)
Contributions – employee	—	369	(369)
Net investment income	—	22,031	(22,031)
Benefit payments	(5,134)	(5,134)	—
Administrative expense	—	(121)	121
Other	—	1,303	(1,303)
Net changes	1,875	19,245	(17,370)
Balances at 6/30/2023	\$ 113,841	\$ 278,487	\$ (164,646)

## Actuarial Methods and Assumptions

The total pension liabilities for financial reporting purposes were determined by an actuarial valuation as of July 1, 2022, rolled forward to June 30, 2023, using the actuarial assumptions and methods.

Significant assumptions used in the actuarial valuations are as follows:

	<u>PERS</u>	<u>TRS</u>	<u>SPDDRS</u>
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Asset valuation method	Market value	Market value	Market value
Amortization method	Level dollar, fixed period	Level dollar, fixed period	Level dollar, fixed period
Amortization period	Through FY 2035	Through FY 2034	5 years from July 1, 2022 for the initial base, 10 years for each base established thereafter
Actuarial assumptions:			
Investment rate of return	7.25%	7.25%	7.25%
Projected salary increases:			
PERS:			
State	2.75% – 5.55%	—	—
Nonstate	3.60% – 6.75%	—	—
TRS:			
Teachers	—	2.75% – 5.9%	—
Non-Teachers	—	2.75% – 6.5%	—
SPDDRS:	—	—	4%
Inflation rate	2.75%	2.75%	2.75%
Discount rate	7.25%	7.25%	7.25%
Mortality rates	Actives - 100% of Pub-2010 General Employees table, below-median, headcount-weighted, projected generationally with scale MP-2018; retired males – 108% of Pub-2010 general retiree male table, below median, headcount-weighted, projected generationally with scale MP-2018; retired 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; retired disabled females – 117% of Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationally with scale MP-2018. Beneficiary males – 112% of Pub-2010 general employees table, below-median, headcount-weighted, projected with scale MP-2018; Beneficiary females – 115% of Pub-2010 general employees table, below-median, headcount-weighted, projected with scale MP-2018	Actives – 100% of Pub-2010 General Employees table, headcount-weighted, projected with scale MP-2019; retired males - 100% of Pub-2010 General Retiree male table, headcount-weighted, projected with scale MP-2019; retired females - 112% of Pub-2010 General Retiree female table, headcount-weighted, projected with scale MP-2019; disabled males - 107% of Pub-2010 General/Teachers Disabled male table, headcount-weighted projected with scale MP-2019; disabled females - 113% of Pub-2010 General/Teachers Disabled female table, headcount-weighted projected with scale MP-2019; beneficiary males - 101% of Pub-2010 Contingent Survivor male table, headcount-weighted, projected with scale MP-2019; beneficiary females - 113% of Pub-2010 Contingent Survivor female table, headcount-weighted, projected with scale MP-2019.	Actives – 100% of Pub-2010 Safety Employee, amount weighted, projected generationally with scale MP-2020; retired males - 98% of Pub-2010 Safety retiree male table, amount weighted, projected generationally with scale MP-2020; retired healthy females - 99% of Pub-2010 Safety retiree female table, amount weighted, projected generationally with scale MP-2020; disabled males - 124% of Pub-2010 Safety disabled male table, amount weighted, projected generationally with scale MP-2020; disabled females - 100% of Pub-2010 Safety disabled female table, amount weighted, projected generationally with scale MP-2020; Beneficiary males - 111% of Pub-2010 Contingent survivor male table, amount weighted, projected generationally with scale MP-2020; Beneficiary females - 109% of Pub-2010 Contingent survivor female table, amount weighted, projected generationally with scale MP-2020.
Disability rates	0.0% - 0.5%	0.0% - 0.6%	.03% - 0.4%
Retirement rates	12% - 100%	0% - 100%	25% - 100%
Date range of most recent experience study	2013-2018	2015-2020	2015 - 2020

	SPRS	JRS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial valuation method	Market value	Market value
Amortization method	Level dollar, fixed period	Level dollar, fixed period
Amortization period	Through FY 2029	10 years for the initial July 1, 2022 base. 15 years for each gain/loss thereafter. 10 years for any plan change base for vested participants.
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	4.0%	4.25% - 5.0%
Inflation rate	2.75%	2.75%
Discount rate	7.25%	7.25%
Mortality rates	Actives - 100% of Pub-2010 Safety Employee, amount weighted, projected generationally with scale MP-2020; retired males - 98% of Pub-2010 Safety retiree male table, amount weighted, projected generationally with scale MP-2020; retired healthy females - 99% of Pub-2010 Safety retired female table, amount weighted, projected generationally with scale MP-2020; disabled males - 124% of Pub-2010 Safety disabled male table, amount weighted, projected generationally with scale MP-2020; disabled females - 100% of Pub-2010 Safety disabled female table, amount weighted, projected generationally with scale MP-2020; Beneficiary males - 111% of Pub-2010 Contingent survivor male table, amount weighted, projected generationally with scale MP-2020; Beneficiary females - 109% of Pub-2010 Contingent survivor female table, amount weighted, projected generationally with scale MP-2020.	Actives - N/A - retired healthy males - 100% of Pub-2010 General retiree, above-median, amount weighted, projected generationally with scale MP-2020; retired healthy females - 100% of Pub-2010 General retiree, above-median, amount weighted, projected generationally with scale MP-2020; disabled males - 100% of Pub-2010 General/teachers disabled, amount weighted, projected generationally with scale MP-2020; disabled females - 100% of Pub-2010 General/teachers disabled, amount weighted, projected generationally with scale MP-2020; beneficiary males - 100% of Pub-2010 contingent survivor, above-median, amount weighted, projected generationally with scale MP-2020; beneficiary females - 100% of Pub-2010 contingent survivor, above-median, amount weighted, projected generationally with scale MP-2020.
Disability rates	0.03% - 0.4%	—
Retirement rates	20% - 100%	5.0% - 100%
Date range of most recent experience study	2015-2020	2015-2020

### Long-Term Expected Rates of Return

The long-term geometric rates of return on pension plan investments were determined using the building-block method in which estimates of expected real rates of return (expected returns, net of pension 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 percentages and by adding expected inflation. Rates summarized in the following table include the inflation component and were used for all defined benefit plans as of June 30, 2024:

Asset Class	Long-Term Expected Rate of Return	Target Allocation
Domestic Equity	6.5%	22.5%
International Equity	9.1%	22.5%
Fixed Income	4.3%	15.0%
Real Estate	5.8%	12.0%
Private Equity	9.2%	12.0%
Private Credit	9.8%	6.0%
Hedge Funds	4.6%	10.0%
Total		100%

## **Discount Rate**

The discount rate used to measure the total pension liability was 7.25% for all defined benefit plans. The projections of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position of each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liabilities (assets) of each plan. The discount rate used to measure the total pension liability did not change for the June 30, 2022 valuation.

Detailed pension plan fiduciary net position for all pension plans are available in a separately issued Consolidated Public Retirement Board annual financial report, and each plan has its own Audited Schedules of Employer Allocations and Pension Amounts by Employer report.

## **Defined Contribution Plans**

The Teachers' Defined Contribution Retirement System (TDCRS)

TDCRS, administered by the Consolidated Public Retirement Board, is a multiple-employer defined contribution retirement system primarily covering the full-time employees of the State's 55-county public school systems, the State Department of Education, the School for the Deaf and the Blind, and the Marshall University Research Corporation who were hired between July 1, 1991 and June 30, 2005. TDCRS members also include former TRS plan members, including higher education employees, who have elected to participate in the TDCRS plan. There are approximately 3,512 and 3,668 members in the TDCRS plan at June 30, 2024 and 2023, respectively. TDCRS retirement benefits depend solely on amounts contributed to the plan plus investment earnings. TDCRS closed participation to new members effective June 30, 2005.

State legislation requires enrolled employees to contribute 4.5% of their gross compensation, and the employers contribute 7.5% of covered members' gross compensation from amounts allocated to the employers through the State School Aid Formula. Employer contributions for each employee (and interest allocated to the employee's account) become partially vested after 6 years and fully vested after 12 years of completed service. Employer contributions and earnings thereon forfeited by employees who leave employment prior to becoming vested are available, in the event the employee does not return to active participant status within five years, to reduce the employer's current-period contribution requirement. Any such forfeitures arising from contributions, plus earnings thereon, will be used to reduce future employer contributions.

The TDCRS investments are held and managed by an investment company as the third-party administrator for the plan. As prescribed by West Virginia Code, the TDCRS investments are placed in participant accounts and the participants direct the investment of their account by selecting from a list of plan mutual funds or a long-term fixed investment option. The TDCRS provides members with a choice of 20 separate investment options made up of fixed income, balanced, large cap, mid cap, small cap, and international mutual funds, a money market fund, and a fixed annuity. The State currently does not have specific overall policies

addressing limitations on specific risk types, such as credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

The TDCRS investments are carried at fair value (except for fully benefit-responsive investment contracts, which are reported at contract value) as determined by a third-party pricing service utilized by an investment management company. For fully benefit-responsive investment contracts, contract value is the relevant measure for the portion of investments attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the plan. Investment income for the TDCRS is determined monthly and distributed to the individual participant accounts.

*Custodial Credit Risk – Cash Deposits*

The TDCRS' cash deposits with financial institutions were approximately \$134 thousand at June 30, 2024. These deposits, which had a bank balance of approximately \$134 thousand, are either insured by the Federal Deposit Insurance Corporation or collateralized with securities held in TDCRS' name by its agents.

*Interest Rate Risk*

As of June 30, 2024, the TDCRS had the following investments and maturities (expressed in thousands):

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	6-10
Mutual Funds	\$741,177	\$741,177	\$—	\$—

For the year ended June 30, 2024, the approximate payroll of state employees covered by TDCRS was \$123 million, and total covered payroll for both the TDCRS and TRS was approximately \$1.81 billion. Both the employees and employers made the required contributions amounting to \$5.5 million and \$9.2 million, or approximately 4.5% and 7.5% of covered payroll, respectively.

**Teachers Insurance and Annuity Association**

The Teachers Insurance and Annuity Association and/or College Retirement Equities Fund (TIAA-CREF), a privately administered multiple-employer defined contribution retirement plan, provides individual retirement fund contracts for each eligible participating employee. Eligible employees consist mainly of state college/university faculty and staff. For the year ended June 30, 2024, contributions were approximately \$56 million from the covered employees and approximately \$56.1 million from the 13 participating institutions from the State of West Virginia.

Benefits to retired employees are generally based on the value of the individual contracts and the estimated life expectancy of the employee at retirement and are fully vested from the date of employment. The total annual required contribution and the amount paid is 3% or 6% of the employee's annual salary and is established by the Board of Trustees of the University

System of West Virginia and the Board of Directors of the State College System. The State has no further liability once annual contributions are made.

**Empower Retirement**

Higher education employees enrolled in the basic 401(a) retirement plan with TIAA-CREF have a one-time option to switch to the New Educators Money 401(a) basic retirement plan, administered by Empower Retirement. New hires have the choice of either plan. For the year ended June 30, 2024, contributions were approximately \$143 thousand from the covered employees and \$143 thousand from the 13 participating institutions from the State of West Virginia.



**NOTE 14****OTHER POSTEMPLOYMENT BENEFITS****General**

In addition to the pension benefits described in Note 13, the State provides certain health care and other insurance benefits, in accordance with state statutes, for retired employees. Substantially all employees hired prior to July 1, 2001, may become eligible for these benefits if they reach normal retirement age while working for the State. State employees earn sick-leave benefits, which accumulate but do not vest. Eligible employees may convert, at the time of retirement, any unused accumulated sick leave to pay a portion of the employee's postemployment health care insurance premium. If this option is not selected, the leave amount may be applied toward an increase in the employee's retirement benefits, with such sick leave constituting additional credited service in the computation of such benefits. The unused portion of sick leave that is expected to be converted to additional credited service for retirement benefits is considered in the actuarial valuation used to calculate the total pension liability.

The State provides health care credits against monthly health insurance premiums of certain retirees based on various factors, including unused sick leave at the time of retirement. According to West Virginia State Code, employees hired prior to June 30, 1988, can receive health care credit against 100% of their health care coverage. Employees hired between June 30, 1988 and July 1, 2001, can receive health care credits against 50% of their health care cost. Employees hired July 1, 2001, or later, may not convert sick leave into a health care benefit.

In addition to the pension benefits allowing certain retirees to convert sick leave to health care premiums, state statutes provide that employees who retire may continue participation in the State's health insurance plan subject to certain length of service and participation requirements. Such employees are eligible to participate in the public employees' insurance program by making the premium contribution specified by the Public Employees Insurance Agency (PEIA) Finance Board. Approximately 42,469 retirees, 14,209 inactive plan members, and 26,732 active plan members met those eligibility requirements at June 30, 2024.

The State is a nonemployer contributing entity that provides funding through Senate Bill No. 469, which was passed February 10, 2012, granting Other Postemployment Benefits Liability relief to the State's 55 county boards of education effective July 1, 2012. The Public School Support Plan is a basic foundation allowance program that provides funding to the local school boards for "any amount of the employer's annual required contribution allocated and billed to the county boards of education for employees who are employed as professional employees, as service personnel, or as professional student support personnel," within the limits authorized by this law. The special funding under the school aid formula subsidizes employer contributions of the county boards of education and contributes to the overall unfunded OPEB liability.

**Plan Description**

The State established the RHBT under West Virginia Code §5-16D-2, an irrevocable trust, to account and report for the other postemployment benefits (OPEB) provided under the multiemployer cost-sharing plan. While PEIA administers the plan, legislation requires the

RHBT to determine, through an actuarial study, the contractually required contribution (CRC) which shall be sufficient to maintain the RHBT in an actuarially sound manner. The CRC, which is reviewed and approved by the PEIA Finance Board, shall be allocated to the 275 respective employers who are required by law to remit at least the minimum annual premium component of the CRC.

The RHBT provides the following basic retiree benefit coverage to all participants: hospital, surgical, group major medical, basic group life, and prescription drug coverage for retired employees of the State and various nonstate governmental agencies and their dependents. Plan benefits are established and revised by PEIA and RHBT management with the approval of their Finance Board.

### **Basis of Accounting**

The RHBT is included in the fiduciary funds financial statements. Accordingly, the basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America for governmental entities as prescribed or permitted by the GASB. Revenues are derived mainly from contributions from plan members and employers. Members' contributions are recognized in the period in which the contributions are due. Employers' contributions to the RHBT are recognized pursuant to a legal requirement, when there is a reasonable expectation of collection. Benefits and refunds are recognized when due and payable. RHBT cash and cash equivalents principally consists of deposits in the Board of Treasury Investments (BTI) pooled funds recorded at fair value, as more fully described in Note 3.

### **Funding Policy**

West Virginia Code §5-16D-6 also assigns to the PEIA Finance Board the authority to establish and amend contribution requirements of the plan members and the participating employers. Participating employers are required by statute to contribute at a rate assessed each year by the RHBT. The annual contractually required rate is the same for all participating employers.

West Virginia Code §5-16-25 requires the Finance Board of PEIA to maintain a reserve of 10% of projected PEIA plan costs for general operation purposes and to provide future plan stability.

The following schedule summarizes the plan's required contribution rates at June 30, 2024:

#### **Statutory Contribution Rates as a Percent of Covered-Employee Payroll**

<b>System</b>	<b>Member</b>	<b>Employer</b>
PERS	4.5% - 6.0%	9.0%
TRS	6.0%	7.5% - 15.0%

The State's required and actual contributions for the year ended June 30, 2024, were as follows (expressed in thousands):

<u>System</u>	<u>Actual Contribution</u>
OPEB	\$54,910

### **Special Funding**

Senate Bill No. 419, effective July 1, 2012, amended West Virginia Code §11-21-96 by dedicating \$30 million to be transferred annually from personal income tax previously collected for payment of the unfunded liability of the Workers' Compensation Fund (WCF) to the RHBT. Transfers will be made until the RHBT unfunded liability has been provided for in its entirety or July 1, 2037, whichever date is later. The aforementioned \$30 million transfers commenced in 2017.

In December 2011, the PEIA Finance Board passed a finance plan that placed a 3% cap on the amount participating employers will now pay in retiree premium subsidy annual increases. By this action, the employer is no longer exposed to ever-increasing trends in health care costs, significantly reducing future retiree premium subsidy costs.

### **OPEB Assets, OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The State reported a net OPEB asset, including the county school boards, at June 30, 2024, of \$127,065,000, including a special funding situation of the net OPEB asset (80.29%) for its share, which was measured as of June 30, 2023. The total OPEB asset used to calculate the net OPEB asset was determined using update procedures applied to the actuarial valuation as of June 30, 2022, and measured as of June 30, 2023. The OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense are allocated to governmental activities, including blended component units and internal service funds, business-type, and component units' activities of the State. The State's proportionate share of the net OPEB asset was based on the State's share of contributions to the OPEB plan relative to the contributions of all employers participating for the year ended June 30, 2023.

The State's proportionate share of the net OPEB asset at June 30, 2024, determined by the actuarial valuation measured as of June 30, 2022, was \$127,065,000, including a special funding situation (80.29%). The State's proportionate share for FY 2024 has increased by 0.40%. There was also a significant change in actuarial assumptions that resulted in the decrease of the total OPEB liability of (\$215,977) resulting in an OPEB asset.

The State's amounts for net OPEB asset, (liability), deferred outflows of resources (DO), deferred inflows of resources (DI), and OPEB expense were allocated to the governmental, business-type, fiduciary, and component units' activities based on each reporting unit's share of the State's employer contributions to the OPEB plan. The OPEB-related amounts for primary government, fiduciary funds, and component units are as follows (expressed in thousands):

	<b>Governmental Activities</b>	<b>Business-type</b>	
		<b>Water Pollution</b>	<b>Infrastructure</b>
Proportionate share of statewide amount	82.18 %	0.04 %	— %
Net OPEB asset	\$ 104,416	\$ 48	\$ 5
OPEB expense	(235,048)	(134)	(21)
DO related to contributions after measurement	52,055	6	—
DO related to change in proportion	60,795	—	3
DO related to diff. in assumptions	28,791	13	1
DI related to investment	(1,751)	(1)	—
DI related to change in proportion	(52,389)	(26)	(4)
DI related to assumption changes	(58,256)	(27)	(3)
DI related to experience	(60,781)	(28)	(3)
Total subject to amortization	(83,591)	(69)	(6)
Amortization of applicable deferred amounts in future periods:			
2025	(45,312)	(37)	(3)
2026	(39,376)	(33)	(3)
2027	4,628	4	—
2028	(3,531)	(3)	—
Sensitivity Analysis:			
Net OPEB asset at 6.40% discount rate	17,668	8	1
Net OPEB asset at 7.40% discount rate	104,416	48	5
Net OPEB asset at 8.40% discount rate	199,559	92	10
Net OPEB asset at 1% decrease of healthcare cost trend rate	265,991	122	13
Net OPEB asset at healthcare cost trend rate	104,416	48	5
Net OPEB asset at 1% increase of healthcare cost trend rate	(87,727)	(40)	(4)

<b>Business-type</b>						
<b>PEIA</b>	<b>BRIM</b>	<b>Nonmajor Business-type</b>	<b>Total Primary Government</b>	<b>Fiduciary</b>	<b>Component Units</b>	<b>Total</b>
0.03 %	0.02 %	0.09 %	82.36 %	0.02 %	17.62 %	100.00 %
\$ 38	\$ 26	\$ 115	\$ 104,648	\$ 21	\$ 22,396	\$ 127,065
(114)	(88)	(476)	(235,881)	(65)	(69,131)	(305,077)
—	—	—	52,061	—	2,849	54,910
2	10	12	60,822	1	5,847	66,670
11	—	31	28,847	5	6,918	35,770
—	—	(2)	(1,754)	—	(449)	(2,203)
(69)	(34)	(54)	(52,576)	(37)	(15,179)	(67,792)
(21)	(15)	(64)	(58,386)	(12)	(12,378)	(70,776)
(22)	(15)	(66)	(60,915)	(12)	(13,267)	(74,194)
(99)	(54)	(143)	(83,962)	(55)	(28,508)	(112,525)
(54)	(29)	(78)	(45,513)	(30)	(15,453)	(60,996)
(47)	(25)	(67)	(39,551)	(26)	(13,429)	(53,006)
5	3	8	4,648	3	1,578	6,229
(3)	(3)	(6)	(3,546)	(2)	(1,204)	(4,752)
6	4	19	17,706	4	3,790	21,500
38	26	115	104,648	21	22,396	127,065
73	50	220	200,004	40	42,803	242,847
97	66	293	266,582	53	57,052	323,687
38	26	115	104,648	21	22,396	127,065
(32)	(22)	(97)	(87,922)	(18)	(18,816)	(106,756)

Deferred outflows of resources and deferred inflows of resources related to the OPEB as of June 30, 2024, were from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ —	\$ (2,203)
Changes in proportion and difference between employer contributions and proportionate share of contributions	66,670	(67,792)
Difference between expected and actual experience	—	(74,194)
Change in assumptions	35,770	(70,776)
Contributions made subsequent to the measurement date	54,910	—
Total deferred outflows/inflows to be amortized	<u>\$ 157,350</u>	<u>\$ (214,965)</u>

Deferred outflows of resources of \$54,910,000 related to OPEB are the result of contributions made subsequent to the measurement date of June 30, 2023, and will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ending June 30:	Amount
2025	\$ (60,996)
2026	(53,006)
2027	6,229
2028	(4,752)

### **Actuarial Methods and Assumptions**

The total OPEB liability for financial reporting purposes was determined by an actuarial valuation as of June 30, 2022 and measured as of June 30, 2023, using update procedures applied to the actuarial assumptions and methods. The projections of the net OPEB liability are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Consideration is to be given to the written plan document as well as other communications between the employer and plan members and an established pattern of practice for cost sharing.

Significant assumptions used in the actuarial valuations are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	20-year closed period as of June 30, 2017
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.40%, net of OPEB plan investment expense, including inflation
Inflation rate	2.50%
Salary increases	Rates based on 2015-2020 OPEB Experience Study and depend on pension plan participation and attained age, and range from 2.75% to 5.18%, including inflation. Rates were first applied to the 2020 valuation.
Retirement age	Rates based on 2015-2020 OPEB Experience Study and vary by pension plan participation and age/service at retirement. Rates were first applied to the 2020 valuation.
Mortality rates	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with Scale MP-2021 for TRS. Pub-2010 General Below Median Healthy Retiree Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with Scale MP-2021 for Troopers A and B. Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with Scale MP-2021 for TRS. Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Employee Mortality Tables projected with Scale MP-2021 for Troopers A and B.
Healthcare cost trend rates	Trend rates for pre-Medicare and Medicare per capita costs start at 7.0% medical and 8.0% drug. The trends increase over four years to 9.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until the ultimate trend rate of 4.50% is reached in plan year 2032.
Aging factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the annual expense.
Date range in most recent experience study	Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

### Long-Term Expected Rates of Return

The long-term rates of return on OPEB plan investments were determined using the building-block method in which estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) were 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 percentages and by adding expected inflation. Best estimates of long-term geometric rates are summarized in the following tables and include the inflation component as of June 30, 2024:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
Equity	7.4%
Private Credit and Income	7.4%
Fixed Income	3.9%
Real Estate	7.7%
Private Equity	10.0%
Hedge Funds	4.5%

<u>Asset Class</u>	<u>Target Allocation</u>
Equity	45.0%
Private Credit and Income	6.0%
Fixed Income	15.0%
Real Estate	12.0%
Private Equity	12.0%
Hedge Funds	10.0%



## **Discount Rate**

The single discount rate used to measure the total OPEB liability was 7.40%. The projections of cash flows used to determine the discount rates assumed that the RHBT contributions would be made at rates equal to the actuarially determined contribution rates, in accordance with pre-funding and investment policies. Future pre-funding assumptions include a \$30 million annual contribution from the State through 2037. Based on those assumptions, and that the Plan is expected to be fully funded by fiscal year ended June 30, 2037, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates.



**NOTE 15****RISK MANAGEMENT**

The State is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health and life coverage; and natural disasters. The State of West Virginia operates three significant insurance enterprise funds: Board of Risk and Insurance Management (BRIM), Public Employees Insurance Agency (PEIA), and Workers' Compensation Fund (WCF).

On March 12, 2011, the West Virginia Legislature created the State Entities Workers' Compensation Program Fund (SEWC) to provide a means of managing workers' compensation coverage for persons directly employed by the State of West Virginia. The SEWC functions as an insurance-purchasing risk pool and is administered by the Office of the Insurance Commissioner (OIC). On October 1, 2011, the OIC entered into a high-deductible insurance coverage policy with Zurich. Pursuant to the policy provisions, the SEWC retains the loss exposure up to \$250,000 per occurrence. The SEWC has provided for these losses by establishing a Loss Reserve Fund with Zurich. Zurich will provide claims management services for claims incurred prior to June 30, 2017. The final true up for Zurich was in fiscal year 2021. The transfer of risk to Encova is complete. Encova Insurance administers claims with a date of injury of January 1, 2017 and forward. The SEWC had a total of \$11.2 million in unpaid claims and claim adjustment expenses at June 30, 2024.

Based on the composition and characteristics of these funds, the SEWC and AccessWV claim liabilities are not discounted.

In March 2004, the West Virginia Legislature passed House Bill 4740, creating a Patient Injury Compensation Fund. The purpose of this fund is to provide fair and reasonable compensation to claimants in medical malpractice actions for any portion of economic damages awarded that is uncollectible as a result of previously enacted tort reforms. This fund provides relief to claimants whose damages were limited because of caps for trauma care or as a result of joint and several liabilities. The capitalization of the fund comes from the State's tobacco settlement fund. The activity for this fund is not reflected in BRIM's financial statements. BRIM serves as third-party administrator for this fund and, accordingly, the activity for this fund is reflected in the State's financial statements. Senate Bill 602 passed in March 2016 and closed the Medical Liability Fund. All remaining funds were transferred to the Patient Injury Compensation Fund in July 2016. Therefore, there is no continuation of services previously provided by the Medical Liability Fund. This legislation also closed compensation to any claimants who filed with the Patient Injury Fund on or after July 1, 2016. Additional funding to pay any compensate claims filed as of June 30, 2016 was established by creation of assessments imposed on medical liability claims awards and settlements and fees charged to licensed physicians and hospitals. Senate Bill 576 passed in March of 2018 mandated that any funds remaining in the Patient Injury Compensation Fund as of June 30, 2024, that will not be used for claims payments or administrative costs, be transferred to the General Reserve Fund. Although BRIM administers the Patient Injury Compensation Fund, it is a fiduciary fund of the State of West Virginia and is not part of these financial statements.

### ***Description of the Funds***

#### **Board of Risk and Insurance Management**

BRIM provides a property and liability self-insurance program for its member agencies. BRIM has general supervision and control over the insurance of all state property, including that of the institutions of higher education and the discretely presented component units. In addition, the political subdivisions in the State and certain other charitable and public service organizations may request coverage by BRIM. Types of coverage provided by BRIM have been expanded over time to include medical malpractice, automobile liability, and coal mine subsidence reinsurance. At the end of the fiscal year, approximately 1,185 organizations participated in the BRIM risk pool.

Underwriting and rate-setting policies are established by BRIM. The cost of all coverage as determined by BRIM shall be paid by the participants. The BRIM risk pool retains a \$1 million per occurrence coverage maximum on all third-party liability claims. In the normal course of business, BRIM seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable operating results by reinsuring levels of risk in various areas of exposure with other insurance enterprises or reinsurers. Excess coverage under this program is limited to \$400 million per event, subject to limits on certain property. Reinsurance permits recovery of a portion of losses from reinsurers; however, it does not discharge the primary liability of BRIM as direct insurer of the risks insured. BRIM does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. There have been no significant reductions in insurance coverage from the prior year.

#### **Public Employees Insurance Agency**

PEIA provides a program of health, life, and prescription insurance for its member agencies. PEIA provides coverage for all participating state employees, including those of the institutions of higher education and the discretely presented component units. In addition, the political subdivisions in the State and certain other charitable and public service organizations may request coverage by PEIA. PEIA's general objectives are to provide a basic employee benefit insurance program, which includes hospital, surgical, major medical, prescription drug, basic life, and accidental death for all participating employers and employees. Underwriting and rate-setting policies are established by PEIA. The cost of all coverage, as determined by PEIA, shall be paid by the participants. Life insurance coverage is limited to \$500,000. Premiums are established by PEIA at varying rates dependent upon, among other things, coverage required, number of dependents, state vs. nonstate employees, and active employee vs. retired employee. PEIA retains all risks for the health and prescription features of its indemnity plan. PEIA has transferred the risks for health and prescription coverage for those individuals covered by the Managed Care Organization (MCO) Plan to the plan providers. PEIA has reinsured 100% of the basic life benefits; however, PEIA remains contingently liable in the event the insurer does not honor its obligation. PEIA presently charges equivalent premiums for participants in either the indemnity plan or the MCO Plan. Altogether, PEIA insures approximately 160,000 individuals, including participants and dependents.

### Workers' Compensation Fund

The Workers' Compensation Commission (WCC) was an agency of the State of West Virginia from 1913 until 2005, which provided for the payment of benefits to all employees sustaining personal injuries in the course of, and as a result of, their covered employment. On December 31, 2005, the West Virginia WCC ceased to exist as a separate state entity and all regulatory duties for workers' compensation insurance transitioned to the Office of the West Virginia Insurance Commissioner (the Insurance Commissioner), as did the administrative oversight of certain assets and liabilities of the former WCC. On January 1, 2006, the former WCC became a private sector insurance company.

The "workers' compensation old fund" (Old Fund) was created for those funds transferred to the offices of the Insurance Commissioner and those funds due and owing the workers' compensation fund as of June 30, 2005. The Old Fund assets and liabilities are the responsibility of the State and did not novate or otherwise transfer to the private sector insurance company. Disbursements from the Old Fund are related to the liabilities and appropriate administrative expenses necessary for the administration of all claims, actual and incurred but not reported, with a date of injury on or before June 30, 2005.

Senate Bill 1004 also created the "workers' compensation uninsured employers' fund," "self-insured guaranty risk pool," "self-insured security risk pool," "private carrier guaranty fund," and an "assigned risk fund" in the State's treasury. An employer who has been granted self-insured status for workers' compensation insurance coverage must post security with the Insurance Commissioner for an actuarially determined amount. Payments for injuries of defaulted self-insured employers incurred after July 1, 2004, will be made from the Self-Insured Guaranty Pool. Any self-insured employer who fails the analytical financial review will also be required to post security to the Guaranty Pool on any workers' compensation liabilities incurred after July 1, 2004. The Self-Insured Guaranty Pool is funded through quarterly assessments to self-insured employers and the proceeds received from the security held. To the extent a self-insured employer cannot meet its obligations, the self-insured pools remain contingently liable for all policy benefits. The amount has not been included in the estimated liabilities for unpaid claims and claim adjustment expenses because the likelihood of future self-insured defaults cannot be estimated. For financial statement presentation purposes, these funds, as well as the "Old Fund," are included as the Workers' Compensation Fund (WCF) in the Proprietary Funds' financial statements of the State.

### **Unpaid Claims Liabilities**

The three major insurance funds establish claims liabilities based on estimates of the ultimate cost of claims (including future claims adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The estimates of the claims liabilities include amounts for non-incremental claims adjustment expense. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not result in an exact amount. As a result, there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term. Accordingly, the actual incurred losses and loss adjustment expenses may vary significantly from the estimated amount included in the financial statements. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

Information concerning the changes in those aggregate liabilities for the past two fiscal years is shown in the following table (expressed in thousands):

	<b>BRIM</b>		<b>PEIA</b>		<b>WCF</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Unpaid claims and claims adjustment expense liability at beginning of year	\$ 366,680	\$ 285,295	\$ 101,279	\$ 103,734	\$ 1,042,200	\$ 1,130,300
Incurred claims and claims adjustments expense:						
Provision for insured events of the current fiscal year	92,025	88,684	889,794	707,565	276	178
Increase (decrease) in provision for insured events of prior fiscal years	11,247	82,569	(3,480)	(6,680)	38,048	(5,727)
Amortization of discount	—	—	—	—	29,678	32,199
Total incurred claims and claims adjustment expense	103,272	171,253	886,314	700,885	68,002	26,650
Payments:						
Claims and claims adjustment expense attributable to insured events of the current fiscal year	14,156	15,123	771,576	615,350	106,602	38
Claims and claims adjustment expense attributable to insured events of the prior fiscal years	163,730	74,745	79,901	87,990	—	114,712
Total payments	177,886	89,868	851,477	703,340	106,602	114,750
Total unpaid claims and claims adjustment expense liability, end of year	\$ 292,066	\$ 366,680	\$ 136,116	\$ 101,279	\$ 1,003,600	\$ 1,042,200

The above PEIA payments are net of pharmacy rebates of \$129,331 and \$121,754 for the years ended June 30, 2024 and June 30, 2023, respectively.

Neither BRIM nor PEIA discount their estimated claims liability. If BRIM's unpaid claims and claims adjustment expense liability were discounted using a 4% discount factor for 2024 to take into consideration the time value of money, the result would be a decrease in the liability and an increase in net position of approximately \$23.2 million as of June 30, 2024. The overall unpaid claim liability number includes a provision for allocated and unallocated claims adjustment expense. At June 30, 2024, the total undiscounted claims liability for WCF approximated \$1.241 billion. GASB standards provide that, if discounting is used, the pool should use a rate that is determined by giving consideration to such factors as the pool's expected settlement rate for those liabilities and its expected investment yield rate. Based on the expected investment yields on WCF's investment portfolio, the estimated liability for unpaid claims and claim adjustment expenses (claims liability) has been discounted using a rate of 3%. If discounting of the WCF claims liability was limited to anticipated investment income, the claims liability would have decreased by approximately \$237 million to record approximately \$1.004 billion, and the WCF would report a total deficit decrease of approximately \$89 million at June 30, 2024.

The OIC management believes the discounted liability for unpaid claims and claims adjustment expenses is adequate. However, due to the inherent variability of the assumptions used to estimate this liability, actual incurred losses and loss adjustment expenses may vary significantly from the estimated amount included in the WCF's financial statements.

Each of the three risk pools has issued separate, audited financial reports on its operations. Those reports include the required supplementary information concerning the reconciliation of claims liabilities by type of contract, if applicable, and ten-year claim development information.

Complete financial statements of the individual insurance enterprise funds, including additional detailed disclosures, can be obtained directly from their respective administrative offices:

Board of Risk and Insurance Management  
1124 Smith Street  
Suite 4300  
Charleston, WV 25301

Workers' Compensation Fund  
c/o Offices of the Insurance Commissioner  
900 Pennsylvania Avenue  
Charleston, WV 25302

Public Employees Insurance Agency  
601 57th St., SE  
Suite 2  
Charleston, WV 25304





**NOTE 16**

**COMMITMENTS AND CONTINGENCIES**

**Environmental Protection Claims**

The State, through the Department of Environmental Protection (DEP), maintains several environmental protection programs, including a bonding program for coal operators for mine reclamation; an abandoned oil and gas well bonding program; a Landfill Closure Assistance Program (LCAP); and an underground storage tank program. Under such programs, the State charges various fees, premiums, and other assessments, and sets bonding amounts that operators are required to maintain to ensure that funds are available in the event that the operator is unable to fulfill its environmental protection responsibilities. Based upon the State’s estimate of the liability for incurred losses under the programs, the bonding amounts and funding structures established by the State have proven inadequate to fund the actual costs of environmental protection that the State has incurred in acceptance of the related insurance risk. As a result, the State has been required at various times to increase fees and bonding rates. Administrative changes in permitting regulations governing the industries and businesses benefiting from the State’s maintenance of such environmental protection programs are constantly under review.

Management has estimated the total cost at current dollars of remediation efforts to approximate \$327 million at June 30, 2024. The estimated remediation costs are not expected to be liquidated by expendable available financial resources, so the obligation is reported as a liability in the governmental activities on the statement of net position. As such, the State has recorded in governmental activities the following liabilities related to the above programs at June 30, 2024 (expressed in thousands):

	<b>Balance</b>				<b>Balance</b>	<b>Amount</b>
	<b>June 30, 2023</b>	<b>Additions</b>	<b>Reductions</b>		<b>June 30, 2024</b>	<b>Due</b>
						<b>Within</b>
						<b>One Year</b>
Mine Reclamation Program	\$ 184,416	\$ 13,785	\$ —		\$ 198,201	\$ 20,851
Oil and Gas Well Program	4,185	5,804	—		9,989	9,989
Landfill Closure Assistance Program	70,427	47,642	—		118,069	3,356
Underground Storage Tanks	1,202	—	204		998	—
<b>Total Environmental Liability</b>	<b>\$ 260,230</b>	<b>\$ 67,231</b>	<b>\$ 204</b>		<b>\$ 327,257</b>	<b>\$ 34,196</b>

The nature of the environmental liabilities requires the use of estimates and assumptions by management. Accordingly, it is at least reasonably possible that a significant change in the estimate will occur in the near term, resulting from various factors, including inflation, deflation, technology, assumption changes, or change in applicable laws or regulations.

**Mine Reclamation Program**

The Special Reclamation Program was created to enable compliance with a federal mandate that allows the State to operate an alternative bonding program to ensure that mining sites are reclaimed in accordance with federal and state regulations. This program created funds

for reclamation costs if the operator does not perform the reclamation and the respective bond is forfeited by the operator. In addition, the State also accrues for active water treatment sites under this program. The State's estimated liability for these water treatment sites assumes a 20-year treatment period until the sites are properly reclaimed since the treatment costs beyond a 20-year period cannot be reasonably estimated. The actual length of water treatment and the actual ultimate liability could differ significantly from this estimate.

Forfeited operator bonds, as well as a tax imposed on clean mined coal, currently 27.9 cents per ton, are set aside to fund this program. The Special Reclamation Fund plans to make expenditures for reclamation and water treatment systems as more funding becomes available. The Legislature further established a Special Reclamation Fund Advisory Council (the Council). The Council's role is to develop a financial plan that ensures long-term stability of the special reclamation program. The Legislature further requires actuarial studies of the fund's fiscal soundness every two years.

#### Landfill Closure Assistance Program (LCAP)

The LCAP was established to provide landfill closure assistance to owners/permittees or landfills that were required to cease operations pursuant to certain statutory closure deadlines for non-composite-lined facilities. The program designs and constructs all closure-related activities necessary to provide sufficient leachate management, sediment and erosion control, gas management, groundwater monitoring, and final cover cap on non-composite lined landfills, as funds are available. The LCAP began with 28 landfills. Four landfills have been added to the original inventory by the legislative process and one in 2015. There is one landfill left to be closed. As of June 30, 2024, the liability is estimated at \$118 million and is projected to be paid through fiscal year 2057.

#### **Other Contingencies**

In addition to the environmental protection claims, the State has recorded an obligation in the amount of \$116 million, of which \$23.2 million is a current obligation, for the payment of other contingencies. Such other contingencies include, but are not limited to, unclaimed property and Division of Highway claims. These claims are based on management's evaluation of the nature of such claims and consideration of historical loss experience for the respective types of action. Certain other claims may be covered by the State's insurance carrier under its general liability or medical malpractice coverage.

An employer who has been granted self-insured status for workers' compensation insurance coverage must post security with the WCF for an actuarially determined amount of its liabilities incurred with dates of injury prior to July 1, 2004. Payments made for claims of employees of defaulted self-insured employers for injuries prior to July 1, 2004, will be made from the Self-insured Security Pool established by Senate Bill 1004. The assets of the Security Pool consist of the proceeds received from the security held by the WCF and any necessary assessments made to active self-insured employers for the default of a self-insured employer.

Payments for the injuries of defaulted self-insured employers incurred after July 1, 2004, will be made by the Self-insured Guaranty Pool; however, any self-insured employer who fails the analytical financial review will also be required to post security to the Guaranty Pool on any workers' compensation liabilities incurred after July 1, 2004. The Self-insured Guaranty Pool

is funded through quarterly assessments to self-insured employers and the proceeds received from the security held. To the extent a self-insured employer cannot meet its obligations under the Law, the two self-insured pools previously discussed remain contingently liable for all policy benefits. The only sources of revenue permitted under the Law to fund the Security Pool and the Guaranty Pool must be obtained from self-insured employers. Self-insured employers are considered joint and severally liable for the obligations of a defaulted self-insured employer. The amount has not been included in the estimated liabilities for unpaid claims and claim adjustment expense because the likelihood of future self-insurer defaults has not been estimated.

It is not possible to predict with certainty the ultimate outcome of all lawsuits or claims pending or threatened against the State, including those discussed above, some of which involve claims for significant amounts. Based on the current status of all legal proceedings for which accruals have not been made in the State's financial statements, it is the opinion of management and the Attorney General that the proceedings will not have a material adverse impact on the State's overall financial position. However, depending on the amount and timing of the resolution, some or all of these matters could materially affect the State's change in financial position or cash flows for a particular period.

### **Federal Grants**

Payments received under the reimbursement arrangements with agencies of the federal government are subject to retroactive audit and adjustment. Management believes that adequate provisions have been made for reasonable adjustments that may result from regulatory reviews and disallowed costs. However, laws and regulations governing these programs are extremely complex and subject to different interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount. Management believes it is in compliance with all applicable laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and exclusions.

The State, including its institutions of higher education, receives significant financial assistance from the U.S. Government in the form of grants and other federal awards. Entitlement to those resources is generally conditioned upon compliance with the terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for allowable purposes. The State provides for estimates of any material disallowance arising in connection with the operation of these federally funded programs as such amounts become reasonably estimable. Federal awards are subject to financial and compliance audits under either the federal Single Audit Act or by grantor agencies of the federal government or their designees. The ultimate obligations that may arise from cost disallowance or sanctions as a result of those audits and the related impact on the financial statements of the State or its component units are unknown. The ultimate resolution of the regulatory review process could materially impact the State's future change in financial position or cash flows in a particular period.

## Construction and Other Commitments

(Expressed in Thousands)

	Amount Committed	Commitment
Governmental Funds:		
Transportation	\$ 819,562	Construction
Enterprise Funds:		
Drinking Water Treatment Revolving Fund	39,384	Committed for loans
Water Pollution Control Revolving Fund	46,011	Committed for loans
West Virginia Infrastructure and Jobs Development Council	133,874	Funding of water and economic development projects
Discretely Presented Component Units:		
West Virginia Lottery	5,322	Capital assets and construction
Economic Development Authority	575,666	Committed for loans
Housing Development Fund	24,299	Committed for loans
Parkways Authority	179,817	Turnpike improvements
Higher Education	21,356	Construction
School Building Authority	24,900	Acquisition, construction and maintenance grants to county school boards
Municipal Pensions Oversight Board	1,817	Committed for Loans

The Department of Transportation’s Inspection Program (DOT) has reviewed information on obsolete and deficient bridges. Transportation is concerned about safety and tries to prioritize bridges for repair and replacement based on engineering assessments. Transportation’s long-range plans to address this issue will be impacted by actions that may be taken by both the federal and state government, including funding levels provided for this purpose, which cannot be estimated at this time.

West Virginia University (WVU) has signed an agreement providing for the purchase of steam for a remaining period of five years. Under the agreement, WVU has an annual minimum steam purchase requirement, purchased at an operating rate calculated in accordance with the agreement. Payments in future years will be dependent on actual operating costs and other cost indices in those years.

The West Virginia Providing Real Opportunities for Maximizing In-State Student Excellence (PROMISE) scholarship program provides scholarships to students within the West Virginia secondary education system who meet the scholarship requirements. The basic scholarship requirements include maintaining a 3.0 grade average, receiving an ACT composite score of 21 with a minimum sub-score of 19 in each of the four subject areas, and enrolling in a college or university in West Virginia. The program will pay for tuition and fees, and had \$16.8 million at June 30, 2024, to fund the program obligations. Subsequent to year-end, the program received \$2.8 million from the Lottery and \$10.1 million in general revenue.

**NOTE 17**

**SUBSEQUENT EVENTS**

On October 10, 2024, the West Virginia Housing Development Fund issued 2024 Series D and E Finance bonds at a par amount of \$80 million.

On December 5, 2024, the West Virginia Infrastructure and Job Development Council issued 2024 Series A Infrastructure Excess Lottery Revenue Refunding Bonds at a par amount of \$41.3 million and a premium of \$4 million. The proceeds of the 2024 Series A bonds, along with other funds available to the Council will be used to pay the redemption price of the Council's 2014 Series A Infrastructure Excess Lottery Revenue Bonds on their redemption date, which is expected to be January 4, 2025. Upon deposit, the 2014 Series A bonds will be deemed paid and the covenants, agreements, and other Obligations of the Council to the bondholders to be refunded shall be discharged and satisfied.

# *Required Supplementary Information (RSI)*



Budgetary Comparison  
Schedule

Notes to RSI

Budget-to-GAAP  
Reconciliation

Pension Information

OPEB Information

**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**  
**(Expressed in Thousands)**

	<b>General Revenue Fund</b>			<b>Variance With Final Budget</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
Revenues:				
Taxes:				
Personal Income	\$ 2,004,000	\$ 2,054,000	\$ 2,239,859	\$ 185,859
Consumer Sales	1,763,700	1,779,700	1,816,544	36,844
Severance	313,000	343,000	368,874	25,874
Corporate Income/Business Franchise	210,000	300,000	465,463	165,463
Business and Occupation	110,000	110,000	126,751	16,751
Gasoline and Motor Carrier	—	—	—	—
Wholesale Motor Fuel	—	—	—	—
Automobile Privilege	—	—	—	—
Other	315,300	315,300	319,451	4,151
Excess Lottery Transfer	65,000	65,000	65,549	549
Intergovernmental	—	—	—	—
Licenses, Permits, and Fees	8,486	8,486	9,027	541
Departmental Collections	25,114	25,114	26,038	924
Interest Income	38,900	89,511	226,562	137,051
Other	30,500	30,500	46,458	15,958
Industrial Access Road Transfer	—	—	—	—
<b>Total Revenues</b>	<b>4,884,000</b>	<b>5,120,611</b>	<b>5,710,576</b>	<b>589,965</b>
Expenditures:				
Legislature	26,806	38,306	27,436	10,870
Judicial	154,434	154,434	140,206	14,228
Executive	54,172	512,732	106,357	406,375
Department of Administration	159,877	368,603	96,554	272,049
Bureau of Commerce	71,198	130,012	83,969	46,043
Department of Tourism	7,000	22,000	11,111	10,889
Department of Economic Development	27,765	127,965	126,493	1,472
Department of Environmental Protection	6,951	7,599	7,574	25
Education	2,601,940	3,121,250	2,953,386	167,864
Health, Health Facilities, and Human Services	1,168,999	1,276,859	1,207,543	69,316
Department of Homeland Security	499,400	549,546	482,376	67,170
Revenue	33,600	433,600	429,704	3,896
Transportation	6,920	317,920	313,294	4,626
Veteran's Assistance	15,387	18,387	17,655	732
Bureau of Senior Services	10,840	10,840	10,840	—
Miscellaneous Boards and Commissions	18,427	26,185	18,406	7,779
Department of Arts, Culture, & History	10,856	17,556	12,326	5,230
<b>Total Expenditures</b>	<b>4,874,572</b>	<b>7,133,794</b>	<b>6,045,230</b>	<b>1,088,564</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures - Current Year	9,428	(2,013,183)	(334,654)	(498,599)
Expenditures from Prior Year Appropriations	797,996	797,996	280,436	517,560
<b>Total Excess (Deficiency) of Revenues Over (Under) Expenditures - Current Year</b>	<b>(788,568)</b>	<b>(2,811,179)</b>	<b>(615,090)</b>	<b>2,196,089</b>
Budgetary Fund Balance, Beginning of Year, As Adjusted	2,815,101	2,815,101	2,815,101	—
Adjustments for Accruals, etc.	—	—	(2,502)	(2,502)
<b>Budgetary Fund Balance, End of Year</b>	<b>\$ 2,026,533</b>	<b>\$ 3,922</b>	<b>\$ 2,197,509</b>	<b>\$ 2,193,587</b>



Federal Revenue				State Road			
Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	437,500	437,500	445,055	7,555
—	—	—	—	—	—	—	—
—	—	—	—	285,000	305,000	317,180	12,180
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
10,027,364	10,018,428	6,311,345	(3,707,083)	641,300	1,229,175	1,061,436	(167,739)
—	—	—	—	169,320	169,320	134,684	(34,636)
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	47,380	47,380	85,839	38,459
—	—	—	—	3,000	3,000	3,000	—
<u>10,027,364</u>	<u>10,018,428</u>	<u>6,311,345</u>	<u>(3,707,083)</u>	<u>1,583,500</u>	<u>2,191,375</u>	<u>2,047,194</u>	<u>(144,181)</u>
1,416	900	316	584	—	—	—	—
4,000	4,000	2,736	1,264	—	—	—	—
1,393,726	1,402,326	18,910	1,383,416	—	—	—	—
—	—	—	—	—	—	—	—
224,449	231,458	112,625	118,833	—	—	—	—
5,148	5,148	35	5,113	—	—	—	—
309,736	1,104,568	60,176	1,044,392	—	—	—	—
390,198	470,951	116,437	354,514	—	—	—	—
1,888,245	1,897,357	865,899	1,031,458	—	—	—	—
5,724,082	5,731,362	4,959,946	771,416	—	—	—	—
120,132	121,192	28,307	92,885	—	—	—	—
3,000	3,000	17	2,983	—	—	—	—
33,530	33,630	21,356	12,274	1,702,082	2,128,782	1,904,384	224,398
34,167	34,242	10,675	23,567	—	—	—	—
14,629	14,629	11,225	3,404	—	—	—	—
112,592	112,830	68,195	44,635	—	—	—	—
16,528	17,428	9,639	7,789	—	—	—	—
<u>10,275,578</u>	<u>11,185,021</u>	<u>6,286,494</u>	<u>4,898,527</u>	<u>1,702,082</u>	<u>2,128,782</u>	<u>1,904,384</u>	<u>224,398</u>
(248,214)	(1,166,593)	24,851	1,191,444	(118,582)	62,593	142,810	(80,217)
—	—	—	—	—	—	—	—
(248,214)	(1,166,593)	24,851	1,191,444	(118,582)	62,593	142,810	(80,217)
110,975	110,975	110,975	—	220,810	(386,406)	383,999	426,089
—	—	(9,715)	(9,715)	—	—	—	—
<u>\$ (137,239)</u>	<u>\$ (1,055,618)</u>	<u>\$ 126,111</u>	<u>\$ 1,181,729</u>	<u>\$ 102,228</u>	<u>\$ (323,813)</u>	<u>\$ 526,809</u>	<u>\$ 345,872</u>

Continued

**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**  
**(Expressed in Thousands)**  
**(Continued)**

	<b>Special Revenue Fund</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
Revenues:				
Taxes:				
Personal Income	\$ —	\$ —	\$ —	\$ —
Consumer Sales	—	—	—	—
Severance	—	—	—	—
Corporate Income/Business Franchise	—	—	—	—
Business and Occupation	—	—	—	—
Gasoline and Motor Carrier	—	—	—	—
Wholesale Motor Fuel	—	—	—	—
Automobile Privilege	—	—	—	—
Other	—	—	—	—
Excess Lottery Transfer	—	—	—	—
Intergovernmental	—	—	—	—
Licenses, Permits, and Fees	—	—	—	—
Departmental Collections	2,259,401	2,207,562	2,431,040	223,478
Interest Income	—	—	—	—
Other	—	—	—	—
Industrial Access Road Transfer	—	—	—	—
<b>Total Revenues</b>	<b>2,259,401</b>	<b>2,207,562</b>	<b>2,431,040</b>	<b>223,478</b>
Expenditures:				
Legislature	3,034	2,637	940	1,697
Judicial	1,850	1,850	1,252	598
Executive	67,252	70,202	37,167	33,035
Department of Administration	196,679	216,679	166,966	49,713
Bureau of Commerce	50,229	56,491	24,838	31,653
Department of Tourism	6,956	6,956	4,591	2,365
Department of Economic Development	242,105	242,105	14,669	227,436
Department of Environmental Protection	66,621	67,696	30,410	37,286
Education	290,875	437,078	278,794	158,284
Health, Health Facilities, and Human Services	707,409	730,230	692,492	37,738
Department of Homeland Security	45,960	55,257	20,015	35,242
Revenue	641,778	719,078	425,665	293,413
Transportation	11,948	11,948	6,949	4,999
Veteran's Assistance	1,964	4,039	3,935	104
Bureau of Senior Services	73,248	93,798	90,756	3,042
Miscellaneous Boards and Commissions	151,223	150,484	116,007	34,477
Department of Arts, Culture, & History	1,236	19,911	17,667	2,244
<b>Total Expenditures</b>	<b>2,560,367</b>	<b>2,886,439</b>	<b>1,933,113</b>	<b>953,326</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures - Current Year	(300,966)	(678,877)	497,927	1,176,804
Expenditures from Prior Year Appropriations	—	—	38,680	38,680
<b>Total Excess (Deficiency) of Revenues Over (Under) Expenditures - Current Year</b>	<b>(300,966)</b>	<b>(678,877)</b>	<b>459,247</b>	<b>1,138,124</b>
Budgetary Fund Balance, Beginning of Year	2,943,351	2,943,351	2,943,351	—
Adjustments for Accruals, etc.	—	—	52	52
<b>Budgetary Fund Balance, End of Year</b>	<b>\$ 2,642,385</b>	<b>\$ 2,264,474</b>	<b>\$ 3,402,650</b>	<b>\$ 1,138,176</b>

## **REQUIRED SUPPLEMENTARY INFORMATION**

### **Notes to Required Supplementary Information**

#### **Budgetary Reporting**

The State's annual budget is prepared on a cash basis, modified only at year-end to allow for a 31-day period for the payment of vendor invoices for goods and services previously encumbered. Appropriations expire or lapse at the end of this period.

#### **Budgetary Process**

Appropriation requests for the upcoming fiscal year are submitted to the State Budget Office (Budget) by September 1. Budget conducts budget hearings and reviews revenue estimates for recommendation and preparation of the proposed budget. The Governor presents the proposed budget to the State Legislature in January. Included in that budget proposal is the Governor's official revenue estimate for the upcoming fiscal year. To maintain a balanced budget, the Legislature can appropriate expenditures only to the level of the Governor's official revenue estimate and prior year fund balance.

The Legislature also holds budget hearings, considers the effect of other proposed legislation, and gathers other information during its 60-day session, which occurs January through March of each calendar year. During the last days of the legislative session, the Legislature passes the budget and the Governor approves, vetoes, or allows the budget to become law without signing.

In the event that there is a shortfall of General Revenue Fund collections during the year, the Governor may impose a spending reduction. In 1994, the Legislature created a Revenue Shortfall Reserve Fund (Rainy Day Fund) designed to prevent a spending reduction. By law, the first 50% of the General Revenue Fund surplus for a fiscal year is set aside in a reserve or Rainy Day Fund not to exceed 13% of the total appropriations from General Revenue for that year. This fund may be used to offset a shortfall of revenues which would otherwise require the Governor to impose expenditure reductions.

In the event of higher than estimated revenue collections throughout the year, supplemental appropriation requests may be made to the Legislature. In FY 2024, Appropriated Special Revenue and Federal Funds were increased by total supplemental appropriations of \$3.2 billion. During the budget process, the Legislature may also decide to reappropriate certain unexpended budgetary appropriations for expenditure in the next year. Accounts reappropriated generally relate to special activities or projects that may require several years to complete. Reappropriated prior year general revenue appropriations of \$798 million are reported as "Expenditures From Prior Year Appropriations."

In addition to the above, in the event of a General Revenue budget surplus from the previous fiscal year, additional appropriation requests may be made to the Legislature. Appropriations from 2023 General Revenue were increased by approximately \$16.75 million for surplus appropriations. The \$16.75 million surplus appropriations are also reported as "Expenditures From Prior Year Appropriations".

After the budget is legally enacted, certain appropriations from General Revenue may be altered or transferred within each Cabinet Secretariat. The transfers may not exceed more

than 5% of the funds appropriated to any one agency or board, and are altered at the budgetary activity level. Other specific transfers are allowed in all the budgetary funds from the object classes of personal services and unclassified budget object classes to employee benefits or from personal services and employee benefits to other budget object classes, and are not limited to Secretariat authority.

The budget laws provide for the ability of the Governor to increase the appropriations of the budgetary Appropriated Special Revenue Funds and the Federal Funds when the Legislature is not in session. Detailed spending plans, identification of new revenue sources, and justifications are required for review and approval.

### **Budgetary Control**

The State Legislature annually appropriates those general government activities determined to be important to controlling the financial operations of the State. The Legislature appropriates expenditures for those defined budgetary activities of personal services, current expenses, repairs, and other assets, often further defined by the object classes of personal services, employee benefits, equipment repairs and alterations, or unclassified.

The State's accounting system controls expenditures for appropriated accounts at the budgetary activity level on a predefined quarterly basis. The State Auditor exercises control over spending at the budgetary activity level on an annual appropriation basis.

Budget further monitors the rate and nature of spending for all budgetary accounts by requiring the organization responsible for the budgeted activities to submit annual spending plans reflecting further details on their expected quarterly spending patterns and the types of expenditures for the budgeted accounts. From these spending plans, Budget monitors and limits expenditures within predefined quarterly allotments. Expenditures during a quarter may not exceed the amount of the approved allotment, unless the Governor approves the expenditure of a larger amount. Any amounts remaining unexpended at the close of a quarter are available for reallocation and expenditure during any succeeding quarter of the same fiscal year.

Budget also utilizes encumbrance accounting to control purchase orders and other commitments. Under the budgetary process, unexpended appropriations and encumbrances expire at the end of the 31-day period following each fiscal year-end. All unpaid invoices and claims after that date must be submitted by the vendor to the State Court of Claims, unless the related activity has been reappropriated by the Legislature.

### **Budgetary Funds**

The State uses four budgetary fund groups to summarize accounts or activities which have been legally appropriated. The budgetary fund groups are described as follows:

General Revenue Fund – consists primarily of the major tax revenues of the State, such as Consumer Sales Tax, Personal Income Tax, Business and Occupation Tax, Corporate Net Income Tax, and Severance Tax. The General Revenue Fund supports the operation of certain primary government activities and certain other agencies.

Federal Fund – consists of any financial awards made to any state agency by the U.S. Government, whether a loan, grant, subsidy, augmentation, reimbursement or any other form of such awards, including state funds used for federal matching purposes.

Road Fund – consists of revenues from gasoline and other motor fuel excise and license taxes, motor vehicle registration and license fees, and all other revenue derived from motor vehicles or motor fuel. The Road Fund is appropriated by the Legislature and used solely for construction, repair, and maintenance of public highways, and also for the payment of interest and principal on all road bonds.

Appropriated Special Revenue Fund – consists of individual accounts created for special purposes. These accounts generate revenue derived from established rates or fees. The spending within these accounts is limited to the amount collected or the amount appropriated by the Legislature, whichever is less.

The State has other special revenue accounts which are not appropriated. These accounts are special accounts which derive revenues from special fees or charges, or exist for internal agency purposes, such as payroll clearing accounts, cost allocations, etc., but are not subject to specific legislative appropriation. Accordingly, these accounts have not been reported in the State's budgetary comparison schedule.

### **2024 Budgetary Reporting**

The State's budgetary General Revenue Fund balance at July 1, 2023, has been adjusted as follows (expressed in thousands):

<b>General Revenue Fund:</b>	
Beginning Fund Balance	\$ 2,853,698
Prior Year Refunds	1,136
Transfer from Expired Funds	189,215
Adjustment	(228,948)
Adjusted Beginning Fund Balance	<u>\$ 2,815,101</u>

### **Budgetary Reporting and GAAP**

Because the budgetary basis differs from accounting principles generally accepted in the United States, budget and actual amounts in the accompanying Budgetary Comparison Schedule are presented on the budgetary basis. A more detailed budgetary basis report, Supplementary Information to the State of West Virginia Annual Comprehensive Financial Report, is produced for internal purposes to demonstrate budgetary compliance and is available at the Financial Accounting and Reporting Section for public inspection. A reconciliation that compares the excess of revenues over expenditures on a budgetary basis for the year ended June 30, 2024, to the excess of revenues and other financing sources over expenditures and other financing uses presented in conformity with accounting principles generally accepted in the United States is set forth in the following schedule.

**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Budget-to-GAAP Reconciliation**  
**For the Fiscal Year Ended June 30, 2024**  
(Expressed in Thousands)

Budgetary Funds	General Revenue Fund	Federal Fund	State Road Fund	Appropriated Special Revenue Fund
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 5,710,576	\$ 6,311,345	\$ 2,047,194	\$ 2,431,040
<b>Differences – Budget to GAAP:</b>				
Intrafund transactions not included in GAAP revenues	(7,532,824)	—	—	—
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	58,185	—	—	—
Basis of Accounting Difference	(271,901)	—	39,686	—
<b>Reclassifications:</b>				
Nonappropriated Budgetary Fund's Revenue included as revenue/transfers in the GAAP General, Transportation, and Other Funds	8,191,008	—	59,575	—
Budgetary special revenue funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority and Other Funds	1,394,106	—	8,108	(2,431,040)
Budgetary federal funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority and Other Funds	6,121,216	(6,311,345)	22,131	—
<b>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds</b>	<b>\$ 13,670,366</b>	<b>\$ —</b>	<b>\$ 2,176,694</b>	<b>\$ —</b>
<b>Uses/Outflows of resources</b>				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 6,325,666	\$ 6,286,494	\$ 1,904,384	\$ 1,971,793
<b>Differences – Budget to GAAP:</b>				
Intrafund transactions not included in GAAP expenditures	(7,532,824)	—	—	—
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(141,017)	—	—	—
Basis of Accounting Difference	487,145	—	(415,809)	—
<b>Reclassifications:</b>				
Nonappropriated Budgetary Fund's exp./transfers out included as exp. in the GAAP General, Transportation, WV Infrastructure, and Other Funds	8,122,248	—	225,082	—
Budgetary general revenue funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority, and Other Funds	(361,226)	—	310,000	—
Budgetary special revenue funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority, and Other Funds	1,111,132	—	7,157	(1,971,793)
Budgetary federal revenue funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority, and Other Funds	6,130,058	(6,286,494)	22,150	—
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds</b>	<b>\$ 14,141,182</b>	<b>\$ —</b>	<b>\$ 2,052,964</b>	<b>\$ —</b>



**Schedule of the State's Proportionate Share  
of the Net Pension Liability (Asset)  
Multiple-Employer Cost Sharing Plans  
June 30, 2024  
(Expressed in Thousands)**

	<b>PERS</b>			
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
State's proportion of the net pension liability	67.76 %	66.52 %	67.64 %	68.25 %
State's proportionate share of the net pension liability (asset)	\$ (3,037)	\$ 99,056	\$ (593,849)	\$ 360,808
State's covered payroll	\$ 1,190,300	\$ 1,075,460	\$ 1,076,120	\$ 1,056,970
State's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.26 %	9.21 %	(55.18)%	34.14 %
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.05 %	98.17 %	111.07 %	92.89 %



<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
67.49 %	66.37 %	66.88 %	67.57 %	67.99 %	68.33 %
\$ 145,121	\$ 171,404	\$ 288,670	\$ 621,010	\$ 379,669	\$ 252,194
\$ 985,020	\$ 923,191	\$ 921,592	\$ 937,259	\$ 923,143	\$ 915,586
14.73 %	18.57 %	31.32 %	66.26 %	41.13 %	27.54 %
96.99 %	96.33 %	93.67 %	86.11 %	91.29 %	93.98 %

**Schedule of the State's Proportionate Share  
of the Net Pension Liability (Asset)  
Multiple-Employer Cost Sharing Plans  
June 30, 2024  
(Expressed in Thousands)**

	<b>TRS</b>			
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
State's proportion of the net pension liability	0.93 %	0.88 %	0.98 %	1.09 %
State's proportionate share of the net pension liability	\$ 21,405	\$ 22,689	\$ 15,246	\$ 35,091
State's covered payroll	\$ 369,649	\$ 358,650	\$ 351,673	\$ 330,830
State's proportionate share of the net pension liability as a percentage of its covered payroll	5.79 %	6.33 %	4.34 %	10.61 %
Plan fiduciary net position as a percentage of the total pension	80.42 %	77.78 %	86.38 %	70.89 %

	<b>TRS - Special Funding Situation</b>			
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Proportion of the net	92.68 %	93.66 %	94.28 %	94.43 %
Proportionate share of the net pension liability	\$ 2,100,442	\$ 2,386,387	\$ 1,458,109	\$ 3,006,052

<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
1.07 %	1.06 %	1.28 %	1.46 %	1.35 %	1.35 %
\$ 31,747	\$ 33,154	\$ 44,163	\$ 60,156	\$ 46,931	\$ 46,438
\$ 307,841	\$ 319,360	\$ 282,077	\$ 312,801	\$ 306,699	\$ 343,570
10.31 %	6.08 %	15.66 %	19.23 %	15.30 %	13.52 %
72.64 %	71.20 %	67.85 %	61.42 %	66.25 %	65.95 %
<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
94.34 %	93.83 %	92.86 %	92.09 %	93.44 %	94.15 %
\$ 2,775,073	\$ 2,929,645	\$ 3,208,171	\$ 3,784,772	\$ 3,237,919	\$ 3,248,227

**Required Supplementary Information**  
**Schedule of State Contributions – PERS**  
**Last Ten Fiscal Years**  
**(Expressed in Thousands)**

	<b>PERS</b>				
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Contractually required contribution	\$ 112,658	\$ 107,160	\$ 107,546	\$ 107,612	\$ 105,517
Contributions in relation to the contractually required contribution	112,658	107,160	107,546	107,612	105,517
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
State’s covered payroll	\$1,251,756	\$1,190,300	\$1,075,460	\$1,076,120	\$1,055,170
Contributions as a percentage of covered payroll	9.00 %	9.00 %	10.00 %	10.00 %	10.00 %

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 98,502	\$ 101,551	\$ 110,591	\$ 126,530	\$ 129,240
98,502	101,551	110,591	126,530	129,240
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 985,020	\$ 923,191	\$ 921,592	\$ 37,259	\$ 923,143
10.00 %	11.00 %	12.00 %	13.50 %	14.00 %

**Required Supplementary Information**  
**Schedule of State Contributions – TRS**  
**Last Ten Fiscal Years**  
**(Expressed in Thousands)**

	<b>TRS – State</b>				
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Contractually required contribution	\$ 4,621	\$ 4,558	\$ 4,652	\$ 4,361	\$ 4,980
Contributions in relation to the contractually required contribution	4,621	4,558	4,652	4,361	4,980
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 405,434	\$ 369,649	\$ 358,650	\$ 351,673	\$ 330,830
Contributions as a percentage of covered payroll	1.14 %	1.23 %	1.30 %	1.24 %	1.51 %

	<b>TRS – Special Funding Situation</b>				
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Statutorily required contribution	\$ 409,712	\$ 415,496	\$ 456,981	\$ 392,790	\$ 440,068
Contributions in relation to the statutorily required contribution	409,712	415,496	456,981	392,790	440,068
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 5,104	\$ 5,118	\$ 5,780	\$ 6,043	\$ 6,662
5,104	5,118	5,780	6,043	6,662
\$ —	\$ —	\$ —	\$ —	\$ —
\$ 307,841	\$ 319,360	\$ 282,077	\$ 312,801	\$ 306,699
1.66 %	1.60 %	2.05 %	1.93 %	2.17 %

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 438,081	\$ 448,484	\$ 420,605	\$ 392,714	\$ 458,452
438,081	448,484	420,605	392,714	458,452
\$ —	\$ —	\$ —	\$ —	\$ —

**Required Supplementary Information**  
**Schedule of State Contributions – Single Employer Plans**  
**Last Ten Fiscal Years**  
(Expressed in Thousands)

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
<b>SPDDRS</b>					
2024	\$ 9,984	\$ 10,038	\$ (54)	108	9,294.44 %
2023	47	40	7	290	13.79 %
2022	17,798	17,842	(44)	353	5,054.39 %
2021	16,648	16,699	(51)	349	4,784.81 %
2020	13,187	13,246	(59)	514	2,577.04 %
2019	15,162	15,595	(433)	1,527	1,021.28 %
2018	24,675	24,829	(154)	2,963	837.97 %
2017	16,875	17,155	(280)	3,181	528.30 %
2016	13,209	13,977	(768)	3,713	376.43 %
2015	20,860	21,668	(808)	5,120	423.20 %
<b>SPRS</b>					
2024	\$ 14,713	\$ 13,296	\$ 1,417	43,230	30.76 %
2023	12,937	8,100	4,837	38,809	20.87 %
2022	7,094	9,428	(2,334)	35,120	26.85 %
2021	9,778	7,928	1,850	34,946	22.69 %
2020	7,716	4,850	2,866	33,904	14.31 %
2019	4,180	4,556	(376)	30,938	14.73 %
2018	4,726	4,205	521	32,291	13.02 %
2017	4,427	3,657	770	31,582	11.58 %
2016	3,402	3,887	(485)	31,792	12.23 %
2015	3,183	4,060	(877)	29,574	13.73 %
<b>JRS</b>					
2024	\$ 854	\$ 854	\$ —	15,655	5.46 %
2023	797	797	—	11,289	7.06 %
2022	742	1,052	(310)	10,504	10.02 %
2021	838	886	(48)	9,752	9.09 %
2020	791	791	—	9,752	8.11 %
2019	779	779	—	9,374	8.31 %
2018	735	735	—	9,500	7.74 %
2017	709	739	(30)	9,122	8.10 %
2016	739	739	—	8,870	8.33 %
2015	2,845	2,845	—	9,248	30.76 %

Notes:

(1) Contributions for SPDDRS include employer contributions and other payments designated by WV State Code Section 15-2-26 - Payments to members for court attendance and mileage; rewards for apprehending wanted persons; fees for traffic accident reports and photographs; fees for criminal investigation reports and photographs; fees for criminal history record checks; and fees for criminal history record reviews and challenges or from any other sources designated by the superintendent.





**Required Supplementary Information**  
**Schedule of Changes in the State's**  
**Net Pension Liability (Asset) and Related Ratios**  
**Fiscal Years Ended June 30**  
**(Expressed in Thousands)**

	SPDDRS				
	2024	2023	2022	2021	2020
<b>Total pension liability:</b>					
Service cost	\$ 66	\$ 98	\$ 89	\$ 153	\$ 540
Interest	56,660	56,238	56,154	55,378	54,438
Difference between actual and expected experience	(1,405)	1,458	(672)	4,601	6,331
Assumption changes	—	—	22,231	—	—
Benefit payments	(52,429)	(51,447)	(50,228)	(49,225)	(47,551)
Net change in total pension liability	2,892	6,347	27,574	10,907	13,758
Total pension liability – beginning	807,666	801,319	773,745	762,838	749,080
Total pension liability – ending (a)	810,558	807,666	801,319	773,745	762,838
<b>Plan fiduciary net position:</b>					
Contributions – employer	40	17,842	16,699	13,246	15,595
Contributions – member	21	26	34	35	110
Net investment income	62,950	(51,130)	208,656	21,252	38,174
Benefit payments	(52,429)	(51,447)	(50,228)	(49,225)	(47,551)
Administrative expense	(358)	(340)	(54)	(54)	(63)
Other	705	721	822	530	752
Net change in plan fiduciary net position	10,929	(84,328)	175,929	(14,216)	7,017
Plan fiduciary net position – beginning	767,205	851,533	675,604	689,820	682,803
Plan fiduciary net position – ending (b)	778,134	767,205	851,533	675,604	689,820
State's net pension liability (asset) – ending (a) - (b)	<u>\$ 32,424</u>	<u>\$ 40,461</u>	<u>\$ (50,214)</u>	<u>\$ 98,141</u>	<u>\$ 73,018</u>
Plan fiduciary net position as a percentage of total pension liability	96.00 %	94.99 %	106.27 %	87.32 %	90.43 %
Covered payroll	\$ 290	\$ 353	\$ 349	\$ 514	\$ 1,527
State's net pension liability (asset) as a percentage of covered payroll	11,180.69 %	11,462.04 %	14,387.97 %	19,093.58 %	4,781.79 %
Information presented based upon measurement date of:	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019

	2019	2018	2017	2016	2015
\$	931	\$ 1,071	\$ 1,263	\$ 1,774	\$ 2,215
	54,004	53,131	51,913	50,748	49,778
	(2,218)	47	6,283	4,344	—
	—	1,961	—	—	—
	(45,529)	(43,325)	(41,969)	(39,708)	(37,565)
	7,188	12,885	17,490	17,158	14,428
	741,892	729,007	711,517	694,359	679,931
	749,080	741,892	729,007	711,517	694,359
	24,829	17,155	13,977	21,668	26,955
	186	362	320	445	545
	60,939	87,793	(1,230)	22,866	90,872
	(45,529)	(43,325)	(41,969)	(39,708)	(37,565)
	(61)	(45)	(48)	(51)	(52)
	691	847	590	861	—
	41,055	62,787	(28,360)	6,081	80,755
	641,748	578,798	607,158	601,077	520,322
	682,803	641,585	578,798	607,158	601,077
\$	66,277	\$ 100,307	\$ 150,209	\$ 104,359	\$ 93,282
	91.15 %	86.48 %	79.40 %	85.33 %	86.57 %
\$	2,963	\$ 3,181	\$ 3,713	\$ 5,120	\$ 5,988
	2,236.82 %	3,153.32 %	4,045.49 %	2,038.28 %	1,557.82 %
	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

**Required Supplementary Information**  
**Schedule of Changes in the State's**  
**Net Pension Liability (Asset) and Related Ratios**  
**Fiscal Years Ended June 30**  
**(Expressed in Thousands)**

	SPRS				
	2024	2023	2022	2021	2020
<b>Total pension liability:</b>					
Service cost	\$ 10,019	\$ 9,258	\$ 8,794	\$ 8,533	\$ 7,456
Interest	24,431	21,236	19,210	16,918	14,654
Change of benefit terms	—	15,809	—	—	12,731
Difference between actual and expected	4,600	3,451	513	7,888	(3,513)
Assumption changes	—	—	12,476	—	—
Benefit payments	(7,146)	(5,743)	(3,599)	(2,498)	(1,944)
Net change in total pension liability	31,904	44,011	37,394	30,841	29,384
Total pension liability – beginning	330,539	286,528	249,134	218,293	188,909
Total pension liability – ending (a)	362,443	330,539	286,528	249,134	218,293
Plan fiduciary net position:					
Contributions – employer	8,100	9,428	7,928	4,850	4,556
Contributions – member	4,860	4,395	4,185	4,168	3,905
Net investment income	24,933	(19,815)	72,138	7,010	11,730
Benefit payments	(7,146)	(5,743)	(3,599)	(2,498)	(1,944)
Administrative expense	(135)	(120)	(59)	(67)	(60)
Other	129	—	—	—	—
Net change in plan fiduciary net position	30,741	(11,855)	80,593	13,463	18,187
Plan fiduciary net position – beginning	289,303	301,158	220,565	207,102	188,915
Plan fiduciary net position – ending (b)	320,044	289,303	301,158	220,565	207,102
State's net pension liability (asset) – ending (a) - (b)	\$ 42,399	\$ 41,236	\$ (14,630)	\$ 28,569	\$ 11,191
Plan fiduciary net position as a percentage of total pension liability	88.30 %	87.52 %	105.11 %	88.53 %	94.87 %
Covered payroll	\$ 38,809	\$ 35,120	\$ 34,946	\$ 30,938	\$ 30,938
State's net position liability (asset) as a percentage of covered payroll	109.25 %	117.41 %	(41.86)%	84.25 %	36.17 %
Information presented based upon measurement date of:	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$	7,617	\$ 6,827	\$ 6,750	\$ 6,337	\$ 5,890
	13,496	11,410	10,113	9,024	8,021
	—	—	—	—	—
	(3,610)	(765)	1,636	(201)	—
	—	11,192	—	—	—
	(1,842)	(1,454)	(1,071)	(1,051)	(913)
	15,661	27,210	17,428	14,109	12,998
	173,248	146,038	128,610	114,501	101,503
	188,909	173,248	146,038	128,610	114,501
	4,205	3,657	3,887	4,060	4,049
	3,621	3,634	3,755	3,609	3,630
	16,303	22,346	91	4,972	17,756
	(1,842)	(1,454)	(1,071)	(1,051)	(913)
	(60)	(64)	(47)	(45)	(42)
	—	—	(163)	—	—
	22,227	28,119	6,452	11,545	24,480
	166,688	138,569	132,117	120,572	96,092
	188,915	166,688	138,569	132,117	120,572
\$	(6)	\$ 6,560	\$ 7,469	\$ (3,507)	\$ (6,071)
	100.00 %	96.21 %	94.89 %	102.73 %	105.30 %
\$	32,291	\$ 31,582	\$ 31,792	\$ 29,574	\$ 27,701
	(0.02)%	20.77 %	23.49 %	(11.86)%	(21.92)%
	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

**Required Supplementary Information**  
**Schedule of Changes in the State's**  
**Net Pension Liability (Asset) and Related Ratios**  
**Fiscal Years Ended June 30**  
**(Expressed in Thousands)**

	<b>JRS</b>				
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Total pension liability:					
Service cost	\$ 2,855	\$ 2,590	\$ 2,358	\$ 2,640	\$ 2,406
Interest	8,138	7,905	8,735	8,711	8,608
Difference between actual and expected experience	(3,984)	(2,457)	(19,046)	(5,885)	(4,959)
Assumption changes	—	—	5,218	—	—
Benefit payments	(5,134)	(5,046)	(4,810)	(4,897)	(4,933)
Net change in total pension liability	1,875	2,992	(7,545)	569	1,122
Total pension liability – beginning	111,966	108,974	116,519	115,950	114,828
Total pension liability – ending (a)	113,841	111,966	108,974	116,519	115,950
Plan fiduciary net position:					
Contributions – employer	797	1,052	886	791	779
Contributions – member	369	319	295	301	331
Net investment income	22,031	(17,631)	68,611	6,850	12,085
Benefit payments	(5,134)	(5,046)	(4,810)	(4,897)	(4,933)
Administrative expense	(121)	(112)	(10)	(10)	(11)
Other	1,303	—	—	—	(86)
Net change in plan fiduciary net position	19,245	(21,418)	64,972	3,035	8,165
Plan fiduciary net position – beginning	259,242	280,660	215,688	212,653	204,488
Plan fiduciary net position – ending (b)	278,487	259,242	280,660	215,688	212,653
State's net pension liability (asset) – ending (a) - (b)	\$ (164,646)	\$ (147,276)	\$ (171,686)	\$ (99,169)	\$ (96,703)
Plan fiduciary net position as a percentage of total pension liability	244.63 %	231.54 %	257.55 %	185.11 %	183.40 %
Covered payroll	\$ 11,289	\$ 10,504	\$ 9,752	\$ 9,752	\$ 9,374
State's net pension liability (asset) as a percentage of covered payroll	(1,458.46)%	(1,402.07)%	(1,760.52)%	(1,016.91)%	(1,031.61)%
Information presented based upon measurement date of:	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$	2,587	\$ 2,466	\$ 2,681	\$ 2,812	\$ 2,819
	8,539	8,521	8,478	8,458	7,978
	(6,054)	(6,101)	(5,813)	(6,506)	—
	962	—	—	—	—
	(4,932)	(4,609)	(4,429)	(4,313)	(4,455)
	1,102	277	917	451	6,342
	113,726	113,449	112,532	112,081	105,739
	114,828	113,726	113,449	112,532	112,081
	735	739	739	2,845	2,456
	364	372	401	413	426
	18,373	26,270	(175)	6,525	25,263
	(4,932)	(4,609)	(4,429)	(4,313)	(4,455)
	(8)	(6)	(6)	(6)	(7)
	—	(4)	(39)	—	80
	14,532	22,762	(3,509)	5,464	23,763
	189,956	167,194	170,703	165,239	141,476
	204,488	189,956	167,194	170,703	165,239
\$	(89,660)	\$ (76,230)	\$ (53,745)	\$ (58,171)	\$ (53,158)
	178.08 %	167.03 %	147.37 %	151.69 %	147.43 %
\$	9,500	\$ 9,122	\$ 8,870	\$ 9,248	\$ 8,870
	(943.78)%	(853.67)%	(605.92)%	(629.01)%	(599.30)%
	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014

## Notes to Required Supplementary Information

### Changes in Assumptions

An experience study which was based on the years 2013 through 2018, was approved by the Consolidated Public Retirement Board. As a result, valuation assumptions were changed as of June 30, 2023, to reflect the most recent experience study:

	2023	2022	2021	2020	2019
Projected salary					
Increases:					
State	2.75% - 5.55%	2.75% - 5.55%	3.1% - 5.3%	3.1% - 5.3%	3.1% - 5.3%
Nonstate	3.60% - 6.75%	3.60% - 6.75%	3.35% - 6.5%	3.35% - 6.5%	3.35% - 6.5%
Inflation rate	2.75%	2.75%	3.0%	3.0%	3.0%
Mortality rates	Working Participants -100% of Pub-2010 general employees table, below-median, headcount-weighted, projected which scale MP-2018; Retired Healthy males - 108% Pub-2010 general retiree male table, below median, headcount-weighted, projected with Scale MP-2018; Retired Healthy females - 122% Pub-2010 general retiree female table, below median, headcount-weighted, projected with Scale 2018; Retired Disabled males - 118% Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationally with Scale MP-2018; Retired Disabled females - 117% Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationally with scale MP-2018.	Working Participants - Pub-2010 general employees table, below-median, headcount-weighted, projected which scale MP-2018; Retired Healthy males - 108% Pub-2010 general retiree male table, below median, headcount-weighted, projected with Scale MP-2018; Retired Healthy females - 122% Pub-2010 general retiree female table, below median, headcount-weighted, projected with Scale 2018; Retired Disabled males - 118% Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationally with Scale MP-2018; Retired Disabled females - 117% Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationally with scale MP-2018.	Active - Pub-2010 general employees table, below-median, headcount-weighted, projected which scale MP-2018; Retired Healthy males - 108% Pub-2010 general retiree male table, below median, headcount-weighted, projected with Scale MP-2018; Retired Healthy females - 122% Pub-2010 general retiree female table, below median, headcount-weighted, projected with Scale 2018; Retired Disabled males - 118% Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationally with Scale MP-2018; Retired Disabled females - 117% Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationally with scale MP-2018.	Active - 100% of Pub-2010 general employees table, below-median, headcount-weighted, projected which scale MP-2018; Retired Healthy males - 108% Pub-2010 general retiree male table, below median, headcount-weighted, projected with Scale MP-2018; Retired Healthy females - 122% Pub-2010 general retiree female table, below median, headcount-weighted, projected with Scale 2018; Retired Disabled males - 118% Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationally with Scale MP-2018; Retired Disabled females - 117% Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationally with scale MP-2018.	Active - RP-2000 Non-Annuitant table, projected with Scale AA on a fully generational basis; Retired Healthy males - 97% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Healthy females - 94% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled males - 96% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled females - 101% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis.
Disability rates	0 - 0.5%	0 - 0.5%	0 - 0.5%	0 - 0.5%	0 - 0.7%



	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Projected salary					
Increases:					
State	3.00% – 4.6%	3.00% – 4.6%	3.00% – 4.6%	3.00% – 4.6%	4.25% – 6.0%
Nonstate	3.35% – 6.0%	3.35% – 6.0%	3.35% – 6.0%	3.35% – 6.0%	4.25% – 6.0%
Inflation rate	3.0%	3.0%	3.0%	1.9%	2.2%
Mortality rates	Active – RP-2000 Non-Annuitant tables, projected with Scale AA on a fully generational basis; Retired Healthy males – 110% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Healthy females – 101% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled males – 96% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled females – 107% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis.	Active – RP-2000 Non-Annuitant tables, projected with Scale AA on a fully generational basis; Retired Healthy males – 110% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Healthy females – 101% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled males – 96% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled females – 107% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis.	Healthy males – RP-2000 healthy annuitant table, projected Scale AA; Healthy females – RP-2000 healthy annuitant table, projected with Scale AA; Disabled male 96% of RP-2000 disabled annuitant table, projected with Scale AA; Disabled females – 107% of RP-2000 disabled annuitant table, projected with Scale AA.	Healthy males – 110% of RP-2000 healthy annuitant table, projected Scale AA; Healthy females – 101% of RP-2000 healthy annuitant table, projected Scale AA; Disabled male 96% of RP-2000 disabled annuitant table, projected with Scale AA; Disabled females – 107% of RP-2000 disabled annuitant table, projected with Scale AA.	Healthy males – 1983 GAM, Healthy females – 1971 set back 1 yr, Disabled GAM males – 1971 GA set forward 8 yrs, Disabled females – Revenue ruling 96-7
Disability rates	0 – 0.7%	0 – 0.7%	0 – .675%	0 – .675%	0 – .8%

**Schedule of the State's Proportionate Share  
of the Net OPEB Liability (Asset)  
Multiple-Employer Cost Sharing Plan  
June 30, 2024  
(Expressed in Thousands)**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
State's proportion of the net OPEB liability (asset)	80.29 %	79.89 %	80.17 %	80.82 %
State's proportionate share of the net OPEB liability (asset)	\$ (127,065)	\$ 88,912	\$ (23,836)	\$ 356,966
State's covered-employee payroll	\$ 1,545,095	\$ 1,571,758	\$ 1,662,544	\$ 1,768,975
State's proportionate share of the net OPEB's liability (asset) as a percentage of its covered-employee payroll	(8.22)%	5.66 %	(1.43)%	20.18 %
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	109.66 %	93.59 %	101.81 %	73.49 %

Note: This schedule is intended to show ten years. Additional years will be added as they become available. Data is presented one year in arrears.

<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
80.63 %	76.65 %	78.90 %	74.47 %
\$ 1,337,704	\$ 1,644,412	\$ 1,940,146	\$ 1,849,369
\$ 1,892,941	\$ 2,286,999	\$ 2,199,037	\$ 2,114,459
70.67 %	71.90 %	88.23 %	87.46 %
39.69 %	30.98 %	25.10 %	21.64 %

**Required Supplementary Information**  
**Schedule of State Contributions – OPEB**  
**June 30, 2024**  
(Expressed in Thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 70,000	\$ 118,000	\$ 152,000	\$ 151,000	\$ 158,000
Contributions in relation to the contractually required contribution	55,000	87,000	115,000	153,000	156,000
Contribution deficiency (excess)	\$ 15,000	\$ 31,000	\$ 37,000	\$ (2,000)	\$ 2,000
State's covered-employee payroll	\$ 1,505,608	\$ 1,545,095	\$ 1,571,758	\$ 1,662,544	\$ 1,768,975
Contributions as a percentage of covered-employee payroll	3.65 %	5.63 %	7.32 %	9.20 %	8.82 %

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$ 171,000	\$ 169,000	\$ 185,000	\$ 128,000
166,000	156,000	128,000	109,000
\$ 5,000	\$ 13,000	\$ 57,000	\$ 19,000
\$ 1,892,941	\$ 2,286,999	\$ 2,199,037	\$ 2,114,459
8.77 %	6.82 %	5.82 %	5.15 %

Note: This schedule is intended to show ten years. Additional years will be added as they become available.

**Required Supplementary Information**  
**Schedule of State Contributions – OPEB Special Funding Situation**  
**June 30, 2024**  
(Expressed in Thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Statutorily required contribution	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Contributions in relation to the statutorily required contribution	30,000	30,000	30,000	30,000
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

Note: This schedule is intended to show ten years. Additional years will be added as they become available.

<b>2020</b>	<b>2019</b>	<b>2018</b>
\$ 35,000	\$ 35,000	\$ 35,000
35,000	35,000	35,000
\$ —	\$ —	\$ —

## Notes to Required Supplementary Information

### Changes in Assumptions for OPEB

Significant assumptions used in the actuarial valuations are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	20-year closed period as of June 30, 2017
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.40%, net of OPEB plan investment expense, including inflation
Inflation rate	2.50%
Salary Increases	Rates based on 2015-2020 OPEB Experience Study and depend on pension plan participation and attained age, and range from 2.75% to 5.18% including inflation. Rates were first applied to the 2020 valuation.
Retirement Age	Rates based on 2015-2020 OPEB Experience Study and vary by pension plan participation and age/service at retirement. Rates were first applied to the 2020 valuation.
Mortality rates	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with Scale MP-2021 for TRS. Pub-2010 General Below Median Healthy Retiree Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with Scale MP-2021 for Troopers A and B. Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with Scale MP-2021 for TRS. Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Employee Mortality Tables projected with Scale MP-2021 for Troopers A and B.
Healthcare cost trend rates	Trend rates for pre-Medicare and Medicare per capita costs start at 7.00% medical and 8.00% drug. The trend increase over four years to 9.00% and 9.50%, respectively. The trends then decrease linearly for 5 years until the ultimate trend rate of 4.50% is reached in plan year-end 2032.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the annual expense.
Date range in most recent experience study	Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.



# *Combining Financial Statements and Schedules*



Nonmajor Funds

Governmental

Proprietary

Fiduciary

Nonmajor Component

Units

# *GOVERNMENTAL FUND TYPES – NONMAJOR*

## **Special Revenue:**

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes.

## **Debt Service:**

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

## **Capital Projects:**

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. These funds consist of the following:

**Education, Arts, Sciences, and Tourism Fund:** This Fund is established to provide public financial support for constructing, equipping, improving, and maintaining capital improvement projects which promote education and tourism in the State.

**Lease Purchase Account:** This Account is established to ensure that revenues and expenditures for the acquisition of capital assets through lease-purchase agreements are properly recorded.

**Cacapon Project Fund:** This Fund is established to provide public financial support for constructing, equipping, improving, and maintaining capital improvement projects at Cacapon Resort State Park.

**Permanent Funds:**

Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the State's programs, for the benefit of the government or its citizenry.

**The Irreducible School Fund:** The Fund, which was constitutionally established, is required to maintain a minimum level of investments. All earnings from these investments are transferred to the General Fund for educational expenditures.

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2024  
(Expressed in Thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>
Assets:		
Cash and Cash Equivalents	\$ 482,806	\$ 64,585
Investments	177,983	—
Receivables, Net	8,800	268
Due from Other Governments	10,777	—
Due from Other Funds	64	—
Due from Component Units	—	1,055
Inventories	6	—
Other Assets	270	—
Restricted Assets:		
Cash and Cash Equivalents	1,897	279
Total Assets	<u>\$ 682,603</u>	<u>\$ 66,187</u>
Liabilities:		
Accounts Payable	34,441	—
Accrued and Other Liabilities	19,080	—
Due to Other Governments	68,903	—
Due to Other Funds	586	—
Total Liabilities	<u>123,010</u>	<u>—</u>
Fund Balances:		
Nonspendable:		
Inventories	6	—
Permanent Fund	—	—
Restricted for:		
Capital Projects	—	—
Debt Service	—	66,187
Development, Tourism, and Recreation	74,800	—
Education	—	—
Public Protection	108,206	—
Committed to:		
General Government Operations	7,333	—
Public Protection	361,238	—
Assigned to:		
Health and Social Services	4,369	—
Public Protection	3,361	—
Unassigned	280	—
Total Fund Balances	<u>559,593</u>	<u>66,187</u>
Total Liabilities and Fund Balances	<u>\$ 682,603</u>	<u>\$ 66,187</u>

Capital Projects			Permanent Fund		Total
Education, Arts, Sciences, and Tourism Fund	Cacapon Project Fund	Lease Purchase Account	Irreducible School		
\$ 1,076	\$ 2,262	\$ 11,529	\$ 1,127	\$ 563,385	
—	—	—	—	177,983	
5	9	47	4	9,133	
—	—	—	—	10,777	
—	—	—	—	64	
—	—	—	—	1,055	
—	—	—	—	6	
—	—	—	—	270	
—	—	—	—	2,176	
<u>\$ 1,081</u>	<u>\$ 2,271</u>	<u>\$ 11,576</u>	<u>\$ 1,131</u>	<u>\$ 764,849</u>	
—	—	—	—	34,441	
—	—	—	—	19,080	
—	—	—	—	68,903	
—	—	—	—	586	
—	—	—	—	123,010	
—	—	—	—	6	
—	—	—	1,000	1,000	
1,081	2,271	11,576	—	14,928	
—	—	—	—	66,187	
—	—	—	—	74,800	
—	—	—	131	131	
—	—	—	—	108,206	
—	—	—	—	7,333	
—	—	—	—	361,238	
—	—	—	—	4,369	
—	—	—	—	3,361	
—	—	—	—	280	
<u>1,081</u>	<u>2,271</u>	<u>11,576</u>	<u>1,131</u>	<u>641,839</u>	
<u>\$ 1,081</u>	<u>\$ 2,271</u>	<u>\$ 11,576</u>	<u>\$ 1,131</u>	<u>\$ 764,849</u>	

**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>
Revenues:		
Intergovernmental	\$ 198,509	\$ —
Licenses, Permits, and Fees	123,127	—
Charges for Services	61	—
Lottery Revenue	—	10,640
Investment Earnings	45,115	3,034
Other	14,394	—
Total Revenues	<u>381,206</u>	<u>13,674</u>
Expenditures:		
Legislative	1,241	—
Administration	—	1
Environmental Protection	179,011	—
Employment Programs	52,833	—
Education	—	—
Revenue	21,924	—
Veterans Assistance	—	1
Regulatory Boards and Commissions	24,697	—
Capital Outlay	—	—
Debt Service:		
Principal	—	58,725
Interest	—	18,317
Right-to-Use Principal	54	—
Right-to-Use Interest	3	—
Total Expenditures	<u>279,763</u>	<u>77,044</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>101,443</u>	<u>(63,370)</u>
Other Financing Sources (Uses):		
Transfers In	2,369	67,101
Transfers Out	(49,534)	—
Total Other Financing Sources (Uses)	<u>(47,165)</u>	<u>67,101</u>
Net Change in Fund Balances	54,278	3,731
Fund Balances, Beginning of Year	505,315	62,456
Fund Balances, End of Year	<u>\$ 559,593</u>	<u>\$ 66,187</u>

Capital Projects			Permanent Fund		Total
Education, Arts, Sciences, and Tourism Fund	Cacapon Project Fund	Fund Lease Purchase Account	Irreducible School		
\$ —	\$ —	\$ —	\$ —	\$ —	198,509
—	—	—	—	—	123,127
—	—	—	2	—	63
—	—	—	—	—	10,640
57	111	570	54	—	48,941
—	—	—	397	—	14,791
<u>57</u>	<u>111</u>	<u>570</u>	<u>453</u>	<u>—</u>	<u>396,071</u>
—	—	—	—	—	1,241
—	—	59	—	—	60
—	—	—	—	—	179,011
—	—	—	—	—	52,833
—	—	—	—	—	—
—	—	—	—	—	21,924
—	—	—	—	—	1
—	—	—	—	—	24,697
—	—	—	—	—	—
—	—	—	—	—	58,725
—	—	—	—	—	18,317
—	—	—	—	—	54
—	—	—	—	—	3
—	—	59	—	—	356,866
<u>57</u>	<u>111</u>	<u>511</u>	<u>453</u>	<u>—</u>	<u>39,205</u>
—	—	—	—	—	69,470
—	—	—	(456)	—	(49,990)
—	—	—	(456)	—	19,480
57	111	511	(3)	—	58,685
1,024	2,160	11,065	1,134	—	583,154
<u>\$ 1,081</u>	<u>\$ 2,271</u>	<u>\$ 11,576</u>	<u>\$ 1,131</u>	<u>\$ —</u>	<u>\$ 641,839</u>





# *SPECIAL REVENUE FUNDS*

## *Nonmajor Funds*

**Environmental Protection:** The Fund consists of various programs intended to maintain and improve the environmental quality of the State and its natural resources. Included in this Fund are programs addressing the following: Underground Storage Tanks, Groundwater, Solid Waste Environmental Response and Enforcement, Special Reclamation, Mines and Minerals, Dam Safety, Hazardous Waste Emergency Response, Oil and Gas Reclamation, and Oil and Gas Operating Permit and Processing, as well as other miscellaneous programs.

**Public Service Commission:** The Commission is responsible for appraising and balancing the interests of current and future utility service customers, the State's economy, and the utilities subject to its jurisdiction. It is directed to identify, explore, and consider the potential benefits and risks associated with emerging and state-of-the-art concepts in utility management, rate design, and conservation.

**Crime Victims' Compensation:** The intent of the Fund is to provide partial relief to the innocent victims of crime, including claimant's attorneys and witnesses, for the failure of the State to fully provide for the safety of its citizens and the inviolability of their property. To fund this program, individuals convicted of any felony or misdemeanor, excluding nonmoving traffic violations, must pay an additional amount over and above ordinary court costs.

**Insurance Commission:** The Commission is responsible for promoting a competitive and solvent insurance market of domestic, foreign, and alien insurers. Additionally, the Fund is authorized to promulgate and adopt and enforce such rules and regulations relating to insurance as are deemed necessary to protect and safeguard the interests of policyholders and the public.

**WORKFORCE West Virginia:** The Bureau of Employment Programs doing business as WORKFORCE West Virginia includes the Employment Service Division (ES) and the administrative activities of the Unemployment Compensation Division (UC). Local offices are operated throughout the State to serve those seeking and providing employment.

**Wildlife Resources Fund:** The Fund is responsible for recognizing the inestimable importance of conserving the wildlife resources of West Virginia. In addition, the Fund provides the opportunity for citizens and residents of the State to invest in the future of its wildlife resources. The Fund is financed from the proceeds of the sale of lifetime hunting and fishing licenses, as well as proceeds from gifts, grants, and contributions. The interest on this Fund shall be used only for the purpose of supporting wildlife conservation programs of the State.

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2024  
(Expressed in Thousands)**

	<b>Environmental Protection</b>	<b>Public Service Commission</b>	<b>Crime Victims' Compensation</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 381,306	\$ 36,677	\$ 7,337
Investments	103,992	—	—
Receivables, Net	4,243	176	39
Due from Other Governments	—	5,917	—
Due from Other Funds	—	61	—
Inventories	—	—	—
Other Assets	—	—	—
Restricted Assets:			
Cash and Cash Equivalents	248	1,649	—
<b>Total Assets</b>	<b>\$ 489,789</b>	<b>\$ 44,480</b>	<b>\$ 7,376</b>
<b>Liabilities:</b>			
Accounts Payable	15,988	14,800	43
Accrued and Other Liabilities	16,586	2,071	—
Due to Other Governments	57,783	11,061	—
Due to Other Funds	70	85	—
Due to Component Units	—	—	—
<b>Total Liabilities</b>	<b>90,427</b>	<b>28,017</b>	<b>43</b>
<b>Fund Balances (Deficits):</b>			
<b>Nonspendable:</b>			
Inventories	—	—	—
<b>Restricted for:</b>			
Development, Tourism, and Recreation	—	—	—
Public Protection	103,135	5,071	—
<b>Committed to:</b>			
General Government Operations	—	—	7,333
Public Protection	292,919	11,059	—
<b>Assigned to:</b>			
Health and Social Services	—	—	—
Public Protection	3,308	53	—
Unassigned	—	280	—
<b>Total Fund Balances</b>	<b>399,362</b>	<b>16,463</b>	<b>7,333</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 489,789</b>	<b>\$ 44,480</b>	<b>\$ 7,376</b>

Insurance Commission	WORKFORCE West Virginia	Wildlife Resources Fund	Total
\$ 53,762	\$ 3,607	\$ 117	\$ 482,806
—	—	73,991	177,983
3,648	2	692	8,800
—	4,860	—	10,777
3	—	—	64
—	6	—	6
270	—	—	270
—	—	—	1,897
<u>\$ 57,683</u>	<u>\$ 8,475</u>	<u>\$ 74,800</u>	<u>\$ 682,603</u>
—	3,610	—	34,441
423	—	—	19,080
—	59	—	68,903
—	431	—	586
—	—	—	—
<u>423</u>	<u>4,100</u>	<u>—</u>	<u>123,010</u>
—	6	—	6
—	—	74,800	74,800
—	—	—	108,206
—	—	—	7,333
57,260	—	—	361,238
—	4,369	—	4,369
—	—	—	3,361
—	—	—	280
<u>57,260</u>	<u>4,375</u>	<u>74,800</u>	<u>559,593</u>
<u>\$ 57,683</u>	<u>\$ 8,475</u>	<u>\$ 74,800</u>	<u>\$ 682,603</u>

**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	<u>Environmental Protection</u>	<u>Public Service Commission</u>	<u>Crime Victims' Compensation</u>
Revenues:			
Intergovernmental	\$ 139,234	\$ 5,917	\$ 316
Licenses, Permits, and Fees	63,445	16,066	1,017
Charges for Services	—	61	—
Investment Earnings and Losses	36,881	—	369
Other	14,373	—	21
<b>Total Revenues</b>	<b>253,933</b>	<b>22,044</b>	<b>1,723</b>
Expenditures:			
Legislative	—	—	1,241
Environmental Protection	179,011	—	—
Employment Programs	—	—	—
Revenue	—	—	—
Regulatory Boards and Commissions	—	24,697	—
Right-to-Use Principal	—	54	—
Right-to-Use Interest	—	3	—
<b>Total Expenditures</b>	<b>179,011</b>	<b>24,754</b>	<b>1,241</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	74,922	(2,710)	482
Other Financing Sources (Uses):			
Transfers In	2,369	—	—
Transfers Out	(42,131)	(114)	—
<b>Total Other Financing Sources (Uses)</b>	<b>(39,762)</b>	<b>(114)</b>	<b>—</b>
Net Change in Fund Balances	35,160	(2,824)	482
Fund Balances, Beginning of Year	364,202	19,287	6,851
<b>Fund Balances, End of Year</b>	<b>\$ 399,362</b>	<b>\$ 16,463</b>	<b>\$ 7,333</b>

<b>Insurance Commission</b>	<b>WORKFORCE West Virginia</b>	<b>Wildlife Resources Fund</b>	<b>Total</b>
\$ —	\$ 53,042	\$ —	\$ 198,509
40,730	—	1,869	123,127
—	—	—	61
33	—	7,832	45,115
—	—	—	14,394
<u>40,763</u>	<u>53,042</u>	<u>9,701</u>	<u>381,206</u>
—	—	—	1,241
—	—	—	179,011
—	52,833	—	52,833
21,924	—	—	21,924
—	—	—	24,697
—	—	—	54
—	—	—	3
<u>21,924</u>	<u>52,833</u>	<u>—</u>	<u>279,763</u>
<u>18,839</u>	<u>209</u>	<u>9,701</u>	<u>101,443</u>
—	—	—	2,369
—	—	(7,289)	(49,534)
—	—	(7,289)	(47,165)
18,839	209	2,412	54,278
38,421	4,166	72,388	505,315
<u>\$ 57,260</u>	<u>\$ 4,375</u>	<u>\$ 74,800</u>	<u>\$ 559,593</u>



# *DEBT SERVICE FUNDS*

## *Nonmajor Funds*

**Lease Purchase Account:** This Account is established to ensure that revenues and expenditures for the debt service of the lease-purchase agreements are properly recorded.

**West Virginia Infrastructure and Jobs Development Council:** The Council coordinates the review and funding of water, wastewater, and economic development projects in the State. This Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest for the Council's general obligation debt.

**Education, Arts, Sciences, and Tourism Fund:** This Fund is used to account for and report the financial resources that are restricted, committed, or assigned to expenditure for principal and interest on the bonds issued to provide public financial support for constructing, equipping, improving, and maintaining capital improvement projects which promote education, arts, sciences, and tourism in the State.

**Economic Development Project Fund:** This Fund is used to account for and report the financial resources that are restricted, committed, or assigned to expenditure for principal and interest on the bonds issued to provide funds to finance a portion of the costs of construction, equipping, improving, or maintaining economic development projects, capital improvement projects, and infrastructure projects which promote economic development in the State.

**Cacapon Project Fund:** This Fund is used to account for and report the financial resources that are restricted, committed, or assigned to expenditure for principal and interest on the bonds issued to provide funds to finance a portion of the costs of constructing, equipping, improving or maintaining capital improvements projects at Cacapon Resort State Park.

**State Parks Projects:** This Fund is used to account for and report the financial resources that are restricted, committed, or assigned to expenditure for principal and interest on the bonds issued to provide funds for certain capital improvement and deferred maintenance projects throughout the State Parks System, including but not limited to, maintenance, repair, construction, upgrades, and improvements.

**Combining Balance Sheet  
Nonmajor Debt Service Funds  
June 30, 2024  
(Expressed in Thousands)**

	<b>Lease Purchase Accounts</b>	<b>West Virginia Infrastructure and Jobs Development Council</b>	<b>Education, Arts, Sciences, and Tourism Fund</b>	<b>Economic Development Project Fund</b>	<b>Cacapon Project Fund</b>	<b>State Park Projects</b>	<b>Total</b>
Assets:							
Cash and Cash Equivalents	\$ 5,362	\$ —	\$ 5	\$ 54,154	\$ 1,633	\$ 3,431	\$ 64,585
Receivables, Net	18	—	4	225	7	14	268
Due from Component Units	55	—	1,000	—	—	—	1,055
Restricted Assets:							
Cash	—	279	—	—	—	—	279
<b>Total Assets</b>	<b>\$ 5,435</b>	<b>\$ 279</b>	<b>\$ 1,009</b>	<b>\$ 54,379</b>	<b>\$ 1,640</b>	<b>\$ 3,445</b>	<b>\$ 66,187</b>
Fund Balances:							
Restricted for Debt Service	5,435	279	1,009	54,379	1,640	3,445	66,187
<b>Total Fund Balances</b>	<b>\$ 5,435</b>	<b>\$ 279</b>	<b>\$ 1,009</b>	<b>\$ 54,379</b>	<b>\$ 1,640</b>	<b>\$ 3,445</b>	<b>\$ 66,187</b>



**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	Lease Purchase Accounts	West Virginia Infrastructure and Jobs Development Council	Education, Arts, Sciences, and Tourism Fund	Economic Development Project Fund	Cacapon Project Fund	State Park Projects	Total
Revenues:							
Lottery Revenues	\$ 646	\$ —	\$ 9,994	\$ —	\$ —	\$ —	\$ 10,640
Investment Earnings	466	114	4	2,297	50	103	3,034
<b>Total Revenues</b>	<b>1,112</b>	<b>114</b>	<b>9,998</b>	<b>2,297</b>	<b>50</b>	<b>103</b>	<b>13,674</b>
Expenditures:							
Administration	—	—	1	—	—	—	1
Veterans Assistance	1	—	—	—	—	—	1
Debt Service:							
Principal	14,920	20,465	4,845	15,570	975	1,950	58,725
Interest	5,069	1,736	5,150	2,942	1,029	2,391	18,317
<b>Total Expenditures</b>	<b>19,990</b>	<b>22,201</b>	<b>9,996</b>	<b>18,512</b>	<b>2,004</b>	<b>4,341</b>	<b>77,044</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(18,878)</b>	<b>(22,087)</b>	<b>2</b>	<b>(16,215)</b>	<b>(1,954)</b>	<b>(4,238)</b>	<b>(63,370)</b>
Other Financing Sources (Uses):							
Transfers In	19,489	22,201	—	18,990	2,029	4,392	67,101
<b>Total Other Financing Sources (Uses)</b>	<b>19,489</b>	<b>22,201</b>	<b>—</b>	<b>18,990</b>	<b>2,029</b>	<b>4,392</b>	<b>67,101</b>
<b>Net Change in Fund Balances</b>	<b>611</b>	<b>114</b>	<b>2</b>	<b>2,775</b>	<b>75</b>	<b>154</b>	<b>3,731</b>
<b>Fund Balances, Beginning of Year</b>	<b>4,824</b>	<b>165</b>	<b>1,007</b>	<b>51,604</b>	<b>1,565</b>	<b>3,291</b>	<b>62,456</b>
<b>Fund Balances, End of Year</b>	<b>\$ 5,435</b>	<b>\$ 279</b>	<b>\$ 1,009</b>	<b>\$ 54,379</b>	<b>\$ 1,640</b>	<b>\$ 3,445</b>	<b>\$ 66,187</b>



# *INTERNAL SERVICE FUNDS*

Internal Service Funds account for the operations of those state agencies that provide goods and services to other state agencies and governmental units on a cost-reimbursement basis. The Internal Service Funds consist of the following:

**State Building Fund:** The Fund operates and maintains the primary state government office building complex and related facilities. These facilities are leased to the state agencies that occupy the facilities.

**Information Services and Communications:** The Fund is responsible for establishing, developing, and improving data-processing functions, for promulgating standards for the utilization of data-processing equipment; and for promoting the effective and efficient operation of the legislative, executive, and judicial branches of State Government. Costs are recovered through service charges to user agencies.

**Travel Management:** The Fund, a central motor pool responsible for the storage, maintenance, and repairs of state-owned vehicles and aircraft, is maintained by the Department of Administration. User agencies are billed for leasing such vehicles and for use of aircraft.

**Enterprise Readiness Planning Board:** The Board is responsible for the oversight of how the State manages its financial, human resources, procurement, and other administrative business processes through its Enterprise Readiness Planning (ERP) system. Costs are recovered through service charges to user agencies.

**Investment Management Board:** The Board serves as the Trustee to provide prudent fiscal administration, investment, and management of the State's pension funds, workers' compensation, pneumoconiosis, and other long-term funds.

**Board of Treasury Investments:** The BTI serves as the investment vehicle for the operating cash of state agencies and authorities, local governments, and other political subdivisions.

**Combining Statement of Fund Net Position**  
**Internal Service Funds**  
**June 30, 2024**  
**(Expressed in Thousands)**

	State Building Fund	Information Services and Communications	Travel Management	Enterprise Readiness Planning Board	Investment Management Board	Board of Treasury Investments	Total
<b>Assets:</b>							
<b>Current Assets:</b>							
Cash and Cash Equivalents	\$ 3,326	\$ 5,258	\$ 2,946	\$ 22,875	\$ 6,098	\$ 2,197	\$ 42,700
Receivables, Net	67	4,694	424	—	10,911	1,371	17,467
Due from Other Funds	2,116	9,142	312	—	—	—	11,570
Due from Component Units	—	1,412	7	—	—	—	1,419
Inventories	608	186	—	—	—	—	794
Other Assets	—	—	—	—	80	—	80
<b>Restricted Assets:</b>							
Cash and Cash Equivalents	—	—	47	—	—	—	47
<b>Total Current Assets</b>	<b>6,117</b>	<b>20,692</b>	<b>3,736</b>	<b>22,875</b>	<b>17,089</b>	<b>3,568</b>	<b>74,077</b>
<b>Noncurrent Assets:</b>							
<b>Restricted Assets:</b>							
Cash and Cash Equivalents	16,448	—	—	—	—	—	16,448
Capital Assets, Net	264,386	537	6,446	54,050	195	4	325,618
Right-to-Use Lease Asset, Net	108	325	172	—	1,023	—	1,628
Subscription Asset, Net (SBITA)	—	8,789	—	—	—	—	8,789
Net Pension Asset	14	29	2	6	—	—	51
Net OPEB Asset	327	239	16	47	—	—	629
<b>Total Noncurrent Assets</b>	<b>281,283</b>	<b>9,919</b>	<b>6,636</b>	<b>54,103</b>	<b>1,218</b>	<b>4</b>	<b>353,163</b>
<b>Total Assets</b>	<b>287,400</b>	<b>30,611</b>	<b>10,372</b>	<b>76,978</b>	<b>18,307</b>	<b>3,572</b>	<b>427,240</b>
<b>Deferred Outflows of Resources:</b>							
Related to Pensions	799	1,639	123	334	—	—	2,895
Related to Other Post-Employment Benefits	501	195	5	28	—	—	729
<b>Total Deferred Outflows of Resources</b>	<b>1,300</b>	<b>1,834</b>	<b>128</b>	<b>362</b>	<b>—</b>	<b>—</b>	<b>3,624</b>
<b>Liabilities:</b>							
<b>Current Liabilities:</b>							
Accounts Payable	6,317	5,229	236	452	11,829	1,468	25,531
Accrued and Other Liabilities	114	348	22	83	—	—	567
Due to Other Governments	69	165	10	30	—	—	274
Due to Other Funds	109	1,926	12	119	—	—	2,166
Other Financing Debt	106	—	2,937	—	—	—	3,043
Other Financing Debt Payable to Component Units	2,075	—	—	—	—	—	2,075
Right-to-Use Lease Liability	112	236	32	—	175	—	555
Subscription Liability (SBITA)	—	3,036	—	—	—	—	3,036
<b>Total Current Liabilities</b>	<b>8,902</b>	<b>10,940</b>	<b>3,249</b>	<b>684</b>	<b>12,004</b>	<b>1,468</b>	<b>37,247</b>
<b>Noncurrent Liabilities:</b>							
Other Financing Debt	1,712	—	470	—	—	—	2,182
Right-to-Use Lease Liability	—	102	140	—	936	—	1,178
Subscription Liability (SBITA)	—	5,213	—	—	—	—	5,213
Other Financing Debt Payable to Component Units	43,575	—	—	—	—	—	43,575
Compensated Absences	576	1,431	71	314	—	—	2,392
<b>Total Noncurrent Liabilities</b>	<b>45,863</b>	<b>6,746</b>	<b>681</b>	<b>314</b>	<b>936</b>	<b>—</b>	<b>54,540</b>
<b>Total Liabilities</b>	<b>54,765</b>	<b>17,686</b>	<b>3,930</b>	<b>998</b>	<b>12,940</b>	<b>1,468</b>	<b>91,787</b>
<b>Deferred Inflows of Resources:</b>							
Related to Pensions	9	—	2	3	—	—	14
Related to Other Post-Employment Benefits	746	480	26	61	—	—	1,313
<b>Total Deferred Inflows of Resources</b>	<b>755</b>	<b>480</b>	<b>28</b>	<b>64</b>	<b>—</b>	<b>—</b>	<b>1,327</b>
<b>Net Position:</b>							
Net Investment in Capital Assets	216,914	1,064	3,086	54,050	107	4	275,225
Restricted for Capital Projects	14,536	—	—	—	—	—	14,536
Restricted for Pension Asset	14	29	2	6	—	—	51
Restricted for OPEB Asset	327	239	16	47	—	—	629
Restricted for Specific Fund Purposes	—	—	47	—	—	—	47
Unrestricted (Deficit)	1,389	12,947	3,391	22,175	5,260	2,100	47,262
<b>Total Net Position</b>	<b>\$ 233,180</b>	<b>\$ 14,279</b>	<b>\$ 6,542</b>	<b>\$ 76,278</b>	<b>\$ 5,367</b>	<b>\$ 2,104</b>	<b>\$ 337,750</b>

**Combining Statement of Revenues, Expenses,  
and Changes in Fund Net Position  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	State Building Fund	Information Services and Communications	Travel Management	Enterprise Readiness Planning Board	Investment Management Board	Board of Treasury Investments	Total
Operating Revenues:							
Charges for Services	\$ 25,573	\$ 75,839	\$ 6,813	\$ 16,621	\$ 53,931	\$ 5,384	\$ 184,161
Operating Expenses:							
Cost of Sales and Services	38,970	80,664	2,970	11,175	47,817	4,761	186,357
General and Administration	2,053	3,831	631	1,175	5,817	232	13,739
Pension Expense	461	951	73	204	—	—	1,689
OPEB Expense	(916)	(892)	(73)	(127)	—	—	(2,008)
Depreciation and Amortization	8,601	3,147	6,612	5,518	230	3	24,111
Total Operating Expenses	49,169	87,701	10,213	17,945	53,864	4,996	223,888
Operating Income (Loss)	(23,596)	(11,862)	(3,400)	(1,324)	67	388	(39,727)
Nonoperating Revenues (Expenses):							
Gain (Loss) on Sale of Equipment	(581)	—	(76)	—	—	—	(657)
Investment Income	144	—	73	—	355	—	572
Interest Expense	(2,039)	(401)	—	—	(59)	—	(2,499)
Lottery Revenue	4,894	—	—	—	—	—	4,894
Other Nonoperating Revenues	—	—	547	—	—	—	547
Other Nonoperating Expenses	(260)	—	—	—	—	—	(260)
Total Nonoperating Revenues (Expenses), Net	2,158	(401)	544	—	296	—	2,597
Income (Loss) Before Transfers	(21,438)	(12,263)	(2,856)	(1,324)	363	388	(37,130)
Other Financing Sources (Uses):							
Right-to-Use Liabilities Issued	177	—	175	—	—	—	352
Subscription Liabilities Issued	—	11,493	—	—	—	—	11,493
Transfers In	51,300	—	1,085	—	—	—	52,385
Transfers Out	(4,089)	—	—	—	—	—	(4,089)
Total Other Financing Sources (Uses)	47,388	11,493	1,260	—	—	—	60,141
Change in Net Position	25,950	(770)	(1,596)	(1,324)	363	388	23,011
Net Position, Beginning of Year	207,230	15,049	8,138	77,602	5,004	1,716	314,739
Net Position, End of Year	\$ 233,180	\$ 14,279	\$ 6,542	\$ 76,278	\$ 5,367	\$ 2,104	\$ 337,750

**Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	State Building Fund	Information Services and Communications	Travel Management	Enterprise Readiness Planning Board	Investment Management Board	Board of Treasury Investments	Total
Cash Flows from Operating Activities:							
Receipts from State Agencies	\$ 25,274	\$ 73,364	\$ 6,682	\$ 16,621	\$ 52,653	\$ 5,324	\$ 179,918
Payments to Suppliers	(34,179)	(66,539)	(2,619)	(8,943)	(47,457)	(4,542)	(164,279)
Payments to Employees	(6,929)	(15,142)	(922)	(3,047)	(4,845)	—	(30,885)
Net Cash Provided by (Used for) Operating Activities	(15,834)	(8,317)	3,141	4,631	351	782	(15,246)
Cash Flows from Noncapital Financing Activities:							
Transfers In	51,300	—	1,085	—	—	—	52,385
Transfers Out	(4,084)	—	—	—	—	—	(4,084)
Distributions or Subsidies from (to) Other Organizations	4,894	—	—	—	—	—	4,894
Net Cash Provided by (Used for) Noncapital Financing Activities	52,110	—	1,085	—	—	—	53,195
Cash Flows from Capital and Related Financing Activities:							
Repayment of Capital Debt	(2,100)	—	(7,369)	—	—	—	(9,469)
Interest Paid on Capital Debt	(2,037)	—	—	—	—	—	(2,037)
Principal Paid for Right-to-Use Leases	(106)	(3,472)	(33)	—	(161)	—	(3,772)
Interest Paid for Right-to-Use Leases	(4)	(419)	(1)	—	(60)	—	(484)
Acquisition and Construction of Capital Assets	(38,202)	(128)	328	(474)	(88)	(4)	(38,568)
Proceeds from Sale or Lease of Capital Assets	177	11,493	175	—	—	—	11,845
Net Cash Provided by (Used for) Capital and Related Financing Activities	(42,272)	7,474	(6,900)	(474)	(309)	(4)	(42,485)
Cash Flows from Investing Activities:							
Investment Earnings	144	—	74	—	352	—	570
Net Cash Provided by (Used for) Investing Activities	144	—	74	—	352	—	570
Net Increase (Decrease) in Cash and Cash Equivalents	(5,852)	(843)	(2,600)	4,157	394	778	(3,966)
Cash and Cash Equivalents, Beginning of Year	25,626	6,101	5,593	18,718	5,704	1,419	63,161
Cash and Cash Equivalents, End of Year	\$ 19,774	\$ 5,258	\$ 2,993	\$ 22,875	\$ 6,098	\$ 2,197	\$ 59,195

**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2024**  
**(Expressed in Thousands)**  
**(Continued)**

	State Building Fund	Information Services and Communications	Travel Management	Enterprise Readiness Planning Board	Investment Management Board	Board of Treasury Investments	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Operating Income (Loss)	\$ (23,596)	\$ (11,862)	\$ (3,400)	\$ (1,324)	\$ 67	\$ 388	\$ (39,727)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Bad Debt Expense	—	666	—	—	—	—	666
Pension Expense	461	951	73	204	—	—	1,689
OPEB Expense	(916)	(892)	(73)	(127)	—	—	(2,008)
Depreciation and Amortization	8,601	3,147	6,612	5,518	230	3	24,111
Changes in Assets, Liabilities, and Deferred Outflow of Resources:							
Receivables	(299)	(2,476)	(133)	—	(1,278)	(61)	(4,247)
Inventories	(93)	106	—	—	—	—	13
Other Assets	—	—	(39)	—	3	—	(36)
Accounts Payable and Accrued Liabilities	513	2,983	180	524	1,329	452	5,981
Other Liabilities	5	65	(43)	51	—	—	78
Deferred Outflows of Resources	(510)	(1,005)	(36)	(215)	—	—	(1,766)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (15,834)</u>	<u>\$ (8,317)</u>	<u>\$ 3,141</u>	<u>\$ 4,631</u>	<u>\$ 351</u>	<u>\$ 782</u>	<u>\$ (15,246)</u>
Schedule of Non-Cash Capital and Financing Activities:							
Right-to-Use Lease Asset	\$ 177	\$ 750	\$ 175	\$ —	\$ 1,581	\$ —	\$ 2,683
Subscription Asset	—	11,493	—	—	—	—	\$ 11,493

# *PROPRIETARY FUNDS – NONMAJOR*

**Drinking Water Treatment Revolving Fund:** Low-interest loans are made to communities to assist in financing drinking water infrastructure projects, including, but not limited to, treatment, distribution, transmission, and storage. The Fund is to remain in perpetuity by recirculating the principal and interest earned from the loans.

**Alcohol Beverage Control Administration:** The Administration is responsible for the regulation and control of the manufacture, sale, distribution, transportation, storage, and consumption of alcoholic beverages. The Administration shall establish stores and agencies and shall fix uniform prices for the sale of alcoholic beverages.

**West Virginia College and Jumpstart Savings Program:** The College and Jumpstart Savings Administrative Account previously named the College Prepaid Tuition and Savings Program Administrative Account was continued by Senate Bill 8 to implement, operate, and maintain the College and Jumpstart Savings Programs. Sources of funds for the Administrative Account come from fees charged to participants in the College Savings Program and transfers from the West Virginia Savings and Investment Program Fulfillment Fund of the State to the Administrative Account to cover expenses related to the Jumpstart Savings Program. The Program began operations on July 1, 2022.

**State Entities Workers' Compensation (SEWC):** The Fund is responsible for providing a means of managing workers' compensation coverage for persons directly employed by the State of West Virginia. The West Virginia Offices of the Insurance Commissioner was given the responsibility of administering the SEWC. The SEWC is a public entity risk pool functioning as an insurance purchasing pool.



**Combining Statement of Net Position  
Nonmajor Proprietary Funds  
June 30, 2024  
(Expressed in Thousands):**

	Business-type Activities - Enterprise Funds				
	Drinking Water Treatment Revolving Fund	Alcohol Beverage Control Administration	West Virginia College and Jumpstart Savings Program	State Entities Workers' Compensation	Total
Assets:					
Current Assets:					
Cash and Cash Equivalents	\$ 61,221	\$ 25,060	\$ 748	\$ 8,758	\$ 95,787
Investments	—	—	3,996	—	3,996
Receivables, Net	9,139	707	133	427	10,406
Due from Other Governments	17,663	—	—	—	17,663
Inventories	—	60	—	—	60
Other Assets	—	—	—	13,827	13,827
Restricted Assets:					
Receivables, Net	—	736	—	—	736
Total Current Assets	88,023	26,563	4,877	23,012	142,475
Noncurrent Assets:					
Receivables, Net	164,228	—	—	—	164,228
Restricted Assets:					
Receivables, Net	—	99	—	—	99
Capital Assets, Net	—	2,312	—	—	2,312
Net Pension Asset	—	8	1	—	9
Net OPEB Asset	—	106	9	—	115
Total Noncurrent Assets	164,228	2,525	10	—	166,763
Total Assets	252,251	29,088	4,887	23,012	309,238
Deferred Outflows of Resources:					
Related to Pensions	—	458	80	—	538
Related to OPEB	—	41	2	—	43
Total Deferred Outflows of Resources	—	499	82	—	581
Liabilities:					
Current Liabilities:					
Accounts Payable	—	3,921	18	—	3,939
Accrued and Other Liabilities	—	200	—	—	200
Due to Other Funds	567	19	—	—	586
Due to Component Units	80	—	—	—	80
Unearned Revenue	5,529	—	—	—	5,529
Insurance and Compensation Benefits Obligations	—	—	—	5,400	5,400
Compensated Absences	—	—	56	—	56
Total Current Liabilities	6,176	4,140	74	5,400	15,790
Noncurrent Liabilities:					
Insurance and Compensation Benefits Obligations	—	—	—	5,800	5,800
Compensated Absences	—	274	25	—	299
Total Noncurrent Liabilities	—	274	25	5,800	6,099
Total Liabilities	6,176	4,414	99	11,200	21,889
Deferred Inflows of Resources:					
Related to Pensions	—	10	1	—	11
Related to OPEB	—	171	15	—	186
Total Deferred Inflows of Resources	—	181	16	—	197
Net Position:					
Net Investment in Capital Assets	—	2,312	—	—	2,312
Restricted for:					
General Government Operations	—	—	4,854	—	4,854
Pension Asset	—	8	1	—	9
OPEB Asset	—	106	9	—	115
Lending Activities	246,075	835	—	—	246,910
Insurance Activities	—	—	—	11,812	11,812
Unrestricted	—	21,731	(10)	—	21,721
Total Net Position	\$ 246,075	\$ 24,992	\$ 4,854	\$ 11,812	\$ 287,733

**Combining Statement of Revenues, Expenses,  
and Changes in Fund Net Position  
Nonmajor Proprietary Funds  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	Business-type Activities - Enterprise Funds				
	Drinking Water Treatment Revolving Fund	Alcohol Beverage Control Administration	West Virginia College and Jumpstart Savings Program	State Entities Workers' Compensation	Total
Operating Revenues:					
Charges for Services and Sales	\$ 1,979	\$ 135,229	\$ —	\$ —	\$ 137,208
Insurance Premiums	—	—	—	9,429	9,429
Licenses, Permits, and Fees	—	5,329	1,553	—	6,882
Other	—	114	—	—	114
Total Operating Revenues	<u>1,979</u>	<u>140,672</u>	<u>1,553</u>	<u>9,429</u>	<u>153,633</u>
Operating Expenses:					
Cost of Sales and Services	—	101,909	—	—	101,909
Insurance Claims and Claims Adjustment Provisions	—	—	—	7,109	7,109
General and Administration	—	5,853	1,343	440	7,636
Pension Expense	—	257	45	—	302
OPEB Expense	—	(446)	(30)	—	(476)
Depreciation and Amortization	—	239	—	—	239
Other	6,711	—	—	—	6,711
Total Operating Expenses	<u>6,711</u>	<u>107,812</u>	<u>1,358</u>	<u>7,549</u>	<u>123,430</u>
Operating Income (Loss)	(4,732)	32,860	195	1,880	30,203
Nonoperating Revenues (Expenses):					
Interest and Other Investment Income	3,220	—	—	405	3,625
Other Nonoperating Revenues	—	74	214	—	288
Other Nonoperating Expenses	—	—	(6)	—	(6)
Total Nonoperating Revenues (Expenses), Net	<u>3,220</u>	<u>74</u>	<u>208</u>	<u>405</u>	<u>3,907</u>
Income (Loss) Before Transfers	(1,512)	32,934	403	2,285	34,110
Transfers:					
Transfers In	20,756	—	—	—	20,756
Transfers Out	—	(30,233)	—	—	(30,233)
Total Transfers	<u>20,756</u>	<u>(30,233)</u>	<u>—</u>	<u>—</u>	<u>(9,477)</u>
Change in Net Position	19,244	2,701	403	2,285	24,633
Net Position, Beginning of Year	226,831	22,291	4,451	9,527	263,100
Net Position, End of Year	<u>\$ 246,075</u>	<u>\$ 24,992</u>	<u>\$ 4,854</u>	<u>\$ 11,812</u>	<u>\$ 287,733</u>

**Combining Statement of Cash Flows  
Nonmajor Proprietary Funds  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	Business-type Activities – Enterprise				
	Drinking Water Treatment Revolving Fund	Alcohol Beverage Control Administration	West Virginia College and Jumpstart Savings Program	State Entities Workers’ Compensation	Total
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 10,637	\$ 140,437	\$ —	\$ 18,532	\$ 169,606
Payments to Suppliers	—	(104,247)	(622)	(38)	(104,907)
Payments to Employees	—	(4,666)	(771)	—	(5,437)
Payments for Loans Originated	(20,873)	—	—	—	(20,873)
Payments for Premiums	—	—	—	(9,646)	(9,646)
Payments to Claimants	—	—	—	(7,863)	(7,863)
Other Operating Cash Receipts	—	—	1,605	985	2,590
Other Operating Cash Payments	(368)	—	—	—	(368)
Net Cash Provided by (Used for) Operating Activities	(10,604)	31,524	212	1,970	23,102
Cash Flows from Noncapital Financing Activities:					
Transfers In	8,622	—	—	—	8,622
Transfers Out	—	(30,233)	—	—	(30,233)
Entitlements and Grants	—	140	—	—	140
Provided from Issuing Liquor Licenses	—	—	—	—	—
Receipts from Notes Receivable	—	736	—	—	736
Net Cash Provided by (Used for) Noncapital Financing Activities	8,622	(29,357)	—	—	(20,735)
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	—	(64)	—	—	(64)
Net Cash Used for Capital and Related Financing Activities	—	(64)	—	—	(64)
Cash Flows from Investing Activities:					
Investment Earnings	3,220	—	—	306	3,526
Net Cash Provided by (Used for) Investing Activities	3,220	—	—	306	3,526
Net Increase (Decrease) in Cash and Cash Equivalents	1,238	2,103	212	2,276	5,829
Cash and Cash Equivalents, Beginning of Year	59,983	22,957	536	6,482	89,958
Cash and Cash Equivalents, End of Year	\$ 61,221	\$ 25,060	\$ 748	\$ 8,758	\$ 95,787

**Combining Statement of Cash Flows  
Nonmajor Proprietary Funds  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)  
(Continued)**

	<b>Business-type Activities – Enterprise Funds</b>				
	<b>Drinking Water Treatment Revolving Fund</b>	<b>Alcohol Beverage Control Administration</b>	<b>West Virginia College and Jumpstart Savings Program</b>	<b>State Entities Workers’ Compensation</b>	<b>Total</b>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	(4,732)	32,860	195	1,880	\$ 30,203
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used for) Operating Activities:					
Depreciation and Amortization	—	239	—	—	239
Pension Expense	—	257	45	—	302
OPEB Expense	—	(446)	(30)	—	(476)
Changes in Assets, Liabilities, and Deferred Outflows and Inflows of Resources:					
Receivables	(6,428)	(235)	(6)	1,332	(5,337)
Inventories	—	(19)	—	—	(19)
Other Assets	—	—	(10)	—	(10)
Accounts Payable and Accrued Liabilities	556	(920)	46	(1,100)	(1,418)
Unearned Revenue	—	11	—	—	11
Other Liabilities	—	—	(45)	(142)	(187)
Compensated Absences	—	—	6	—	6
Deferred Outflows Related to Pensions/OPEB	—	437	11	—	448
Pensions/OPEB	—	(439)	—	—	(439)
Deferred Inflows related to Pensions/OPEB	—	(221)	—	—	(221)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (10,604)</u>	<u>\$ 31,524</u>	<u>\$ 212</u>	<u>\$ 1,970</u>	<u>\$ 23,102</u>
Schedule of Noncash Capital and Financing Activities:					
Loans Originated with Principal Forgiveness Features	\$ 5,788	\$ —	\$ —	\$ —	\$ 5,788



# *PENSION TRUST AND OTHER EMPLOYEE BENEFIT TRUST FUNDS*

***Pension Trust*** These Funds are accounted for in essentially the same manner as proprietary funds and are described below:

**Consolidated Public Retirement Board** The Consolidated Public Retirement Board consists of nine plans. There are nine defined benefit plans as follows: The Public Employees Retirement System (PERS) plan is a multiple-employer defined benefit, cost-sharing public employee retirement system. This plan covers substantially all employees of the State and its component units, as well as employees of participating nonstate governmental entities who are not participants of another State or municipal retirement system. The Deputy Sheriffs' Retirement System (DSRS) plan is a multiple-employer defined benefit, cost-sharing public employee retirement system. This plan covers all deputy sheriffs hired on or after July 1, 1998, as well as eligible transferees from PERS. The Emergency Medical Services Retirement System (EMSRS) is a multiple-employer, cost-sharing public employee retirement system, which was established for eligible emergency medical service officers. Participation is voluntary. The Teachers' Retirement System (TRS) plan is a multiple-employer defined benefit, cost-sharing public employee retirement system. This plan covers all full-time employees of the public school systems in the State, as well as certain personnel of the State-supported institutions of higher education, State Department of Education, and boards of higher education. The Public Safety Death, Disability and Retirement Fund (PSDDRF) plan is a single-employer defined benefit public employee retirement system. This plan covers all West Virginia State Police hired before July 1, 1994. The State Police Retirement System (SPRS) was implemented to cover all State Police employees hired on or after July 1, 1994. The Judges Retirement System (JRS) plan is a single-employer defined benefit public employee retirement system. This plan covers the State's judges who elect to participate. The Teachers' Defined Contribution Retirement System (TDCRS) plan is a multiple-employer defined contribution retirement system. This plan primarily covers full-time employees of the State's county public school systems. The Municipal Police Officers and Firefighters Retirement System (MPFRS) plan is a multiple- employer defined benefit retirement system. This plan provides for any municipality or municipal subdivision employing municipal police officers or firefighters. The Natural Resources Police Officers Retirement System (NRPORS) is a single-employer defined benefit public employee retirement system. This plan covers all natural resources police officers hired January 2, 2021, and any transferees from PERS.

***Employee Benefit Trust Fund*** This fund is used to report a trust arrangement and is accounted for in essentially the same manner as proprietary funds.

**The West Virginia Retiree Health Benefit Trust Fund** The West Virginia Retiree Health Benefit Trust Fund (RHBT), an irrevocable trust, was established under West Virginia Code 5-16D and is administered by the West Virginia Public Employees Insurance Agency (PEIA) and the PEIA Finance Board. The RHBT is a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. It provides the following basic retiree benefit coverage to all participants: hospital, surgical, group major medical, basic group life, accidental death, dental, and prescription drug coverage for retired employees of the State of West Virginia and various nonstate agencies and their dependents. All premium rates for plan members and employers are established based upon actuarially determined projected coverage costs as reviewed and approved by the Finance Board of PEIA.

**Combining Statement of Fiduciary Net Position  
Pension Trust and Other Employee  
Benefit Trust Funds  
June 30, 2024  
(Expressed in Thousands)**

	<b>Public Employees' Retirement System</b>	<b>Teachers' Retirement System</b>	<b>Public Safety Death, Disability, and Retirement Fund</b>	<b>State Police Retirement System</b>	<b>Judges' Retirement System</b>	<b>Teachers' Defined Contribution Retirement System</b>
<b>Assets:</b>						
Cash and Cash Equivalents	\$ 1,804	\$ 23,102	\$ 58	\$ 55	\$ 52	\$ 4,015
<b>Investments:</b>						
Equity in Pooled Investments	9,060,046	10,042,974	820,831	365,544	306,539	—
Mutual Funds	—	—	—	—	—	741,177
<b>Receivables, Net:</b>						
Contributions	4,960	22,446	—	—	—	1,039
Participant Loans	157	273	13	26	—	131
Accounts	81	—	—	—	—	—
Due from Other Funds	—	—	—	—	—	—
Due from Component Units	—	—	—	—	—	—
<b>Restricted Assets:</b>						
Net OPEB Asset	—	—	—	—	—	—
<b>Total Assets</b>	<b>9,067,048</b>	<b>10,088,795</b>	<b>820,902</b>	<b>365,625</b>	<b>306,591</b>	<b>746,362</b>
<b>Deferred Outflows of Resources:</b>						
Related to Pensions	—	—	—	—	—	—
Related to OPEB	—	—	—	—	—	—
<b>Total Deferred Outflows of Resources</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Liabilities:</b>						
Accounts Payable	—	—	—	—	—	—
Accrued and Other Liabilities	4,135	4,626	296	157	223	3,811
Due to Other Funds	110	—	—	—	—	—
Due to Component Units	—	—	—	—	—	—
Insurance Claims Payable	—	—	—	—	—	—
Net Pension Liability	—	—	—	—	—	—
Net OPEB Liability	—	—	—	—	—	—
<b>Total Liabilities</b>	<b>4,245</b>	<b>4,626</b>	<b>296</b>	<b>157</b>	<b>223</b>	<b>3,811</b>
<b>Deferred Inflows of Resources:</b>						
Related to Pensions	—	—	—	—	—	—
Related to OPEB	—	—	—	—	—	—
<b>Total Deferred Inflows of Resources</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net Position Held in trust for:</b>						
<b>Restricted for:</b>						
Pensions	9,062,803	10,084,169	820,606	365,468	306,368	742,551
Other Postemployment Benefits	—	—	—	—	—	—
OPEB Asset	—	—	—	—	—	—
<b>Total Net Position</b>	<b>\$ 9,062,803</b>	<b>\$ 10,084,169</b>	<b>\$ 820,606</b>	<b>\$ 365,468</b>	<b>\$ 306,368</b>	<b>\$ 742,551</b>



Deputy Sheriff Retirement System	Emergency Medical Services Retirement System	Municipal Police Officers and Firefighters	Natural Resources Police Officers Retirement System	Total Pension Trust Funds	Other Employee Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
\$ 220	\$ 86	\$ 293	\$ 51	\$ 29,736	\$ 25,534	\$ 55,270
352,093	142,607	46,198	32,082	21,168,914	1,942,457	23,111,371
—	—	—	—	741,177	—	741,177
1,047	702	286	—	30,480	436	30,916
144	6	—	—	750	—	750
—	—	—	—	81	5,791	5,872
—	—	—	—	—	123	123
—	—	—	—	—	80	80
—	—	—	—	—	21	21
<u>353,504</u>	<u>143,401</u>	<u>46,777</u>	<u>32,133</u>	<u>21,971,138</u>	<u>1,974,442</u>	<u>23,945,580</u>
—	—	—	—	—	147	147
—	—	—	—	—	6	6
—	—	—	—	—	153	153
—	—	—	—	—	1	1
157	62	17	14	13,498	6,955	20,453
—	—	—	—	110	8,692	8,802
—	—	—	—	—	6	6
—	—	—	—	—	13,361	13,361
—	—	—	—	—	—	—
—	—	—	—	—	—	—
<u>157</u>	<u>62</u>	<u>17</u>	<u>14</u>	<u>13,608</u>	<u>29,015</u>	<u>42,623</u>
—	—	—	—	—	2	2
—	—	—	—	—	61	61
—	—	—	—	—	63	63
353,347	143,339	46,760	32,119	21,957,530	—	21,957,530
—	—	—	—	—	1,945,496	1,945,496
—	—	—	—	—	21	21
<u>\$ 353,347</u>	<u>\$ 143,339</u>	<u>\$ 46,760</u>	<u>\$ 32,119</u>	<u>\$ 21,957,530</u>	<u>\$ 1,945,517</u>	<u>\$ 23,903,047</u>

**Combining Statement of Changes in Fiduciary Net Position  
Pension Trust and Other Employee  
Benefit Trust Funds  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	<b>Public Employees' Retirement System</b>	<b>Teachers' Retirement System</b>	<b>Public Safety Death, Disability, and Retirement Fund</b>	<b>State Police Retirement System</b>	<b>Judges' Retirement System</b>	<b>Teachers' Defined Contribution Retirement System</b>
Additions:						
Contributions:						
Members	\$ 95,542	\$ 111,006	\$ 4	\$ 5,150	\$ 402	\$ 5,578
Employers	166,916	142,561	7	13,296	854	9,341
Other	—	304,083	10,031	—	—	—
Total Contributions	<u>262,458</u>	<u>557,650</u>	<u>10,042</u>	<u>18,446</u>	<u>1,256</u>	<u>14,919</u>
Investment Income (Loss):						
Net Appreciation (Depreciation) in Fair Value of	943,733	1,037,192	85,745	37,288	31,713	83,531
Interest	1,429	1,954	156	75	25	15,896
Net Investment Income (Loss)	<u>945,162</u>	<u>1,039,146</u>	<u>85,901</u>	<u>37,363</u>	<u>31,738</u>	<u>99,427</u>
Transfers to Plan	(530)	(158)	—	—	—	—
Other Income	673	4,132	665	35	233	71
Total Additions	<u>1,207,763</u>	<u>1,600,770</u>	<u>96,608</u>	<u>55,844</u>	<u>33,227</u>	<u>114,417</u>
Deductions:						
Benefits Expense	527,375	899,316	53,754	9,609	5,384	—
Forfeitures	—	—	—	—	—	594
Refunds of Contributions	14,718	13,113	—	654	82	35,473
Administrative Expenses	4,124	4,576	382	157	137	335
Pension Expense	—	—	—	—	—	—
OPEB Expense	—	—	—	—	—	—
Transfer from Plan	(158)	—	—	—	(257)	—
Total Deductions	<u>546,059</u>	<u>917,005</u>	<u>54,136</u>	<u>10,420</u>	<u>5,346</u>	<u>36,402</u>
Change in Net Position:						
Restricted for Pension Benefits Held in trust for Postemployment Benefits	661,704	683,765	42,472	45,424	27,881	78,015
Net Position, Beginning of Year	<u>8,401,099</u>	<u>9,400,404</u>	<u>778,134</u>	<u>320,044</u>	<u>278,487</u>	<u>664,536</u>
Net Position, End of Year	<u>\$ 9,062,803</u>	<u>\$ 10,084,169</u>	<u>\$ 820,606</u>	<u>\$ 365,468</u>	<u>\$ 306,368</u>	<u>\$ 742,551</u>

Deputy Sheriff Retirement System	Emergency Medical Services Retirement System	Municipal Police Officers and Firefighters	Natural Resources Police Officers Retirement System	Total Pension Trust Funds	Other Employee Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
\$ 6,294	\$ 4,260	\$ 3,592	\$ 771	\$ 232,599	\$ —	\$ 232,599
11,834	4,758	3,592	973	354,132	9,550	363,682
—	—	—	—	314,114	30,000	344,114
18,128	9,018	7,184	1,744	900,845	39,550	940,395
36,164	14,451	4,423	3,243	2,277,483	199,578	2,477,061
86	47	32	16	19,716	2,264	21,980
36,250	14,498	4,455	3,259	2,297,199	201,842	2,499,041
—	—	—	—	(688)	—	(688)
441	—	93	—	6,343	186	6,529
54,819	23,516	11,732	5,003	3,203,699	241,578	3,445,277
17,105	5,115	39	568	1,518,265	87,765	1,606,030
—	—	—	—	594	—	594
1,235	931	572	45	66,823	—	66,823
155	62	17	14	9,959	4,014	13,973
—	—	—	—	—	13	13
—	—	—	—	—	(65)	(65)
—	—	(178)	(95)	(688)	—	(688)
18,495	6,108	450	532	1,594,953	91,727	1,686,680
36,324	17,408	11,282	4,471	1,608,746	—	1,608,746
—	—	—	—	—	149,851	149,851
317,023	125,931	35,478	27,648	20,348,784	1,795,666	22,144,450
\$ 353,347	\$ 143,339	\$ 46,760	\$ 32,119	\$ 21,957,530	\$ 1,945,517	\$ 23,903,047



# *INVESTMENT TRUST FUNDS*

**Investment Trust Funds:** The investment trust funds account for the external portion of the State's external investment pools. The State maintains two external investment pools, the West Virginia Money Market and West Virginia Government Money Market pools. The external portion belongs to local governments and municipalities. These Funds are accounted for in essentially the same manner as proprietary funds.

## West Virginia

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### Combining Statement of Fiduciary Net Position Investment Trust Funds June 30, 2024 (Expressed in Thousands)

	<u>West Virginia Money Market</u>	<u>West Virginia Government Money Market</u>	<u>Total</u>
Assets:			
Cash and Cash Equivalents	\$ 669,418	\$ 425,460	\$ 1,094,878
Total Assets	<u>\$ 669,418</u>	<u>\$ 425,460</u>	<u>\$ 1,094,878</u>
Net Position:			
Held in Trust for External Investment Pool Participants	\$ 669,418	\$ 425,460	\$ 1,094,878
Total Net Position	<u>\$ 669,418</u>	<u>\$ 425,460</u>	<u>\$ 1,094,878</u>

### Combining Statement of Changes in Fiduciary Net Position Investment Trust Funds For the Year Ended June 30, 2024 (Expressed in Thousands)

	<u>West Virginia Money Market</u>	<u>West Virginia Government Money Market</u>	<u>Total</u>
Additions:			
Deposits, Pool Participants	\$ 578,788	\$ 334,795	\$ 913,583
Investment Income:			
Net Appreciation in Fair Value of Investments	37,228	21,971	59,199
Total Additions	<u>616,016</u>	<u>356,766</u>	<u>972,782</u>
Deductions:			
Withdrawals	<u>591,427</u>	<u>262,664</u>	<u>854,091</u>
Change in Net Position Held in Trust for External Investment Pool Participants	24,589	94,102	118,691
Net Position, Beginning of Year	<u>644,829</u>	<u>331,358</u>	<u>976,187</u>
Net Position, End of Year	<u>\$ 669,418</u>	<u>\$ 425,460</u>	<u>\$ 1,094,878</u>



# *CUSTODIAL FUNDS*

***Custodial Funds:*** These funds are custodial in nature and report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. They include the following:

**Local Government:** This fund accounts for funds received by the State, from local governments to be invested with the West Virginia Board of Treasury Investments.

**Municipal Bond Commission:** This fund includes funds received by the State, who acts as an escrow agent for local governments and assures payments are made to bondholders.

**Consolidated Escrow Fund:** This fund includes amounts collected on behalf of third parties, performance bonds required by the Department of Energy and Labor, the Department of Environmental Protection, and other restricted assets held by the Governor's Office of Community and Industrial Development.

**Patient Injury Compensation Fund:** This fund was created for the purpose of providing fair and reasonable compensation in medical malpractice actions for any portion of economic damages awarded that is uncollectible as a result of limitations on economic damage awards for trauma care, or as a result of the operation of the joint and several liability principles and standards set forth in the West Virginia State Code.

**West Virginia Prepaid Tuition Escrow:** This fund was created for the purpose of satisfying any claims against the Prepaid Tuition Trust Plan arising after the plan's closure.

**Other Custodial Funds:** These funds include the Coronavirus State Fiscal Recovery Pass Through Fund, and other small custodial funds.



**Combining Statement of Fiduciary Net Position  
Custodial Funds  
June 30, 2024  
(Expressed in Thousands)**

	Local Government		Other Agency				Total
	Local Government	Municipal Bond Commission	Consolidated Investment Pool	Patient Injury Compensation Fund	West Virginia Prepaid Tuition Escrow	Other Custodial Funds	
Assets:							
Current Assets:							
Cash and Cash Equivalents	\$ 4,218	\$ 3,982	\$ 73,258	\$ 57	\$ —	\$ 22,949	\$ 104,464
Investments	—	—	10,890	—	—	—	10,890
Mutual Funds	—	—	—	—	1,103	—	1,103
Receivables, Net	—	—	433	—	—	23	456
Due from Other Funds	172	—	—	—	—	—	172
<b>Total Assets</b>	<b>4,390</b>	<b>3,982</b>	<b>84,581</b>	<b>57</b>	<b>1,103</b>	<b>22,972</b>	<b>117,085</b>
Liabilities:							
Current Liabilities:							
Due to Other Governments	4,390	3,982	—	—	—	6,819	15,191
Custodial Liabilities	—	—	433	57	—	16,153	16,643
<b>Total Liabilities</b>	<b>4,390</b>	<b>3,982</b>	<b>433</b>	<b>57</b>	<b>—</b>	<b>22,972</b>	<b>31,834</b>
Net Position:							
Restricted for:							
Individuals, Organizations and other Governments	—	—	84,148	—	1,103	—	85,251
<b>Total Net Position</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 84,148</b>	<b>\$ —</b>	<b>\$ 1,103</b>	<b>\$ —</b>	<b>\$ 85,251</b>

- American Rescue Plan Act is included in Other Custodial Funds that will be distributed to local governments.

**Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

	<u>Local Government</u>	<u>Municipal Bond Commission</u>	<u>Consolidated Investment Pool</u>	<u>West Virginia Prepaid Tuition Escrow</u>	<u>Other Custodial Funds</u>	<u>Total</u>
Investment Income (Loss):						
Interest	\$ —	\$ —	\$ —	\$ 59	\$ —	\$ 59
Net Investment Income	—	—	—	59	—	59
Additions:						
Funds Received for Local Governments	\$ 1,546,915	\$ —	\$ —	—	—	\$ 1,546,915
Grants Received for Local Governments	—	—	—	—	3,205	3,205
Funds Received for Individuals and Organizations	—	—	—	—	200,646	200,646
Collateral Received and Related Additions	—	—	53,376	—	—	53,376
Taxes Collected for Other Governments	—	720,677	—	—	—	720,677
Total Additions	<u>1,546,915</u>	<u>720,677</u>	<u>53,376</u>	<u>59</u>	<u>203,851</u>	<u>2,524,878</u>
Deductions:						
Funds Disbursed to Local Governments	1,546,915	—	—	—	—	1,546,915
Grants disbursed to Local Governments	—	—	—	—	3,205	3,205
Funds disbursed to Individuals and Organizations	—	—	—	—	200,646	200,646
Collateral Disbursed and Related Deductions	—	—	52,947	—	—	52,947
Taxes Disbursed to Local Governments	—	720,677	—	—	—	720,677
Total Deductions	<u>1,546,915</u>	<u>720,677</u>	<u>52,947</u>	<u>—</u>	<u>203,851</u>	<u>2,524,390</u>
Change in Net Position Restricted For:						
Individuals and Organizations	—	—	429	59	—	488
Net Position, Beginning of Year, as Restated	—	—	83,719	1,044	—	84,763
Net Position, End of Year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 84,148</u>	<u>\$ 1,103</u>	<u>\$ —</u>	<u>\$ 85,251</u>



# *DISCRETELY PRESENTED COMPONENT UNITS*

## *Nonmajor Component Units*

**Educational Broadcasting Commission:** The Commission is responsible for extending educational, cultural, and informational experiences to all citizens of the State through the construction and operation of noncommercial, educational television and radio stations, and related facilities. Revenues for operations are derived primarily through private donations, with additional supplements from federal and state grants.

**West Virginia Division of Multimodal Transportation Facilities:** The Division is responsible for the administration of all federal and state programs related to public ports, railroads, airports, air navigational facilities and public transit providers. The Division is empowered to issue bonds for the rail system.

**Solid Waste Management Board:** The Board is responsible for the improved collection and disposal of solid wastes, and for encouraging recycling, reuse, or recovery of resources from wastes. The intent of the Board is to become a viable financing mechanism for solid waste projects in West Virginia, and it is empowered to issue bonds and set rate structures at its discretion.

**Racing Commission:** The Commission has full jurisdiction and supervision over all horse- and dog-race meetings, and all persons involved in the holding or conducting of horse- or dog-race meetings. It can fix the annual fee for permits and registrations. Other racing taxes and fees are set by West Virginia State Code, Chapter 19, Article 23.

**Public Defender Corporation:** The Corporation is responsible for fulfilling the State's obligation to provide legal representation to eligible clients. Funding of the individual public defender corporations is by appropriation determined by the executive director of the Public Defender Services.

**Municipal Pensions Oversight Board:** The Board's purpose is to monitor and improve the performance of municipal policemen's and firemen's pension and relief funds assuring prudent administration, investment, and management of the funds. The board also assists municipal boards of trustees in performing their duties related to pensions, ensures the funds' compliance with applicable laws, and distributes insurance premium tax revenues to the individual pension funds.

**Combining Statement of Net Position  
Nonmajor Discretely Presented Component Units  
June 30, 2024  
(Expressed in Thousands)**

	<b>Educational Broadcasting Commission</b>	<b>WV Division of Multimodal Transportation Facilities</b>	<b>Solid Waste Management Board</b>
Assets:			
Current Assets:			
Cash and Cash Equivalents	\$ 5,076	\$ 10,969	\$ 3,696
Investments	4,028	—	—
Receivables, Net	195	843	253
Due from Other Governments	—	2,044	—
Due from Primary Government	3,175	6	—
Inventories	—	22	—
Other Assets	—	—	1
Restricted Assets:			
Cash and Cash Equivalents	146	—	4,138
Receivables, Net	—	—	69
Total Current Assets	<u>12,620</u>	<u>13,884</u>	<u>8,157</u>
Noncurrent Assets:			
Receivables, Net	1,140	—	—
Net Pension Asset	7	3	1
Net OPEB Asset	125	35	9
Restricted Assets:			
Cash and Cash Equivalents	1,617	—	—
Receivables, Net	—	—	735
Other Restricted Assets	364	—	—
Right-to-Use Lease Asset, Net	157	—	—
Capital Assets, Net	5,711	36,720	35
Total Noncurrent Assets	<u>9,121</u>	<u>36,758</u>	<u>780</u>
Total Assets	<u>21,741</u>	<u>50,642</u>	<u>8,937</u>
Deferred Outflows of Resources:			
Related to Pensions	412	215	77
Related to OPEB	79	27	5
Total Deferred Outflows of Resources	<u>491</u>	<u>242</u>	<u>82</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	154	3,334	134
Accrued and Other Liabilities	—	72	—
Due to Primary Government	6	2	—
Unearned Revenue	298	3	—
Right-to-Use Lease Liability	11	—	—
Compensated Absences	136	111	—
Total Current Liabilities	<u>605</u>	<u>3,522</u>	<u>134</u>
Noncurrent Liabilities:			
Accrued and Other Liabilities	—	—	200
Unearned Revenue	—	30	—
Liabilities Payable from Restricted Assets	—	—	—
Right-to-Use Lease Liability	163	—	—
Compensated Absences	—	46	64
Total Noncurrent Liabilities	<u>163</u>	<u>76</u>	<u>264</u>
Total Liabilities	<u>768</u>	<u>3,598</u>	<u>398</u>
Deferred Inflows of Resources:			
Related to Pensions	13	48	1
Related to Other Post-Employment Benefits	145	68	15
Related to Leases	1,079	—	—
Total Deferred Inflows of Resources	<u>1,237</u>	<u>116</u>	<u>16</u>
Net Position:			
Net Investment in Capital Assets	5,692	36,720	35
Restricted for:			
Nonexpendable	364	—	—
Pension Asset	7	3	1
OPEB Asset	125	35	9
Specific Component Unit Purposes	—	4,545	4,741
Unrestricted	14,039	5,867	3,819
Total Net Position	<u>\$ 20,227</u>	<u>\$ 47,170</u>	<u>\$ 8,605</u>

Racing Commission	Public Defender Corporation	Municipal Pensions Oversight Board	Total
\$ 1,581	\$ 14,923	\$ 41,605	\$ 77,850
—	—	—	4,028
225	1,774	—	3,290
—	—	—	2,044
1	4	—	3,186
—	—	—	22
—	32	—	33
18,194	—	—	22,478
396	—	—	465
<u>20,397</u>	<u>16,733</u>	<u>41,605</u>	<u>113,396</u>
—	—	—	1,140
31	36	1	79
4	239	2	414
—	—	—	1,617
—	—	—	735
—	—	—	364
—	2,828	—	2,985
—	1,373	1	43,840
<u>35</u>	<u>4,476</u>	<u>4</u>	<u>51,174</u>
<u>20,432</u>	<u>21,209</u>	<u>41,609</u>	<u>164,570</u>
243	2,175	34	3,156
9	104	6	230
<u>252</u>	<u>2,279</u>	<u>40</u>	<u>3,386</u>
400	—	42	4,064
94	459	23	648
8	—	2	18
—	2,554	—	2,855
—	703	—	714
—	—	—	247
<u>502</u>	<u>3,716</u>	<u>67</u>	<u>8,546</u>
—	—	—	200
—	—	—	30
18,195	—	—	18,195
—	2,233	—	2,396
188	1,081	—	1,379
<u>18,383</u>	<u>3,314</u>	<u>—</u>	<u>22,200</u>
<u>18,885</u>	<u>7,030</u>	<u>67</u>	<u>30,746</u>
—	51	—	113
60	515	7	810
—	—	—	1,079
<u>60</u>	<u>566</u>	<u>7</u>	<u>2,002</u>
—	1,328	1	43,776
—	—	—	364
31	36	1	79
4	239	2	414
—	—	41,571	50,857
1,704	14,289	—	39,718
<u>\$ 1,739</u>	<u>\$ 15,892</u>	<u>\$ 41,575</u>	<u>\$ 135,208</u>

**Combining Statement of Activities  
Nonmajor Discretely Presented Component Units  
For the Fiscal Year Ended June 30, 2024  
(Expressed in Thousands)**

		<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
Component Units:				
Educational Broadcasting Commission	\$ 10,765	\$ 3,429	\$ 2,195	\$ (5,141)
WV Division of Multimodal Transportation Facilities	29,060	854	18,159	(10,047)
Solid Waste Management Board	2,638	2,763	—	125
Racing Commission	3,006	2,471	—	(535)
Public Defender Corporation	23,354	—	1,189	(22,165)
Municipal Pensions Oversight Board	21,191	—	—	(21,191)
Total Component Units	<u>\$ 90,014</u>	<u>\$ 9,517</u>	<u>\$ 21,543</u>	<u>\$ (58,954)</u>



<b>General Revenue</b>									
<b>Unrestricted Investment Earnings</b>	<b>Grants and Contributions Not Restricted for Specific Programs</b>	<b>Miscellaneous</b>	<b>Payments from the State of West Virginia</b>	<b>Total General Revenues and Special Item</b>	<b>Change in Net Position</b>	<b>Net Position, Beginning of Year</b>	<b>Net Position, End of Year</b>		
\$ 57	\$ 4,281	\$ 215	\$ —	\$ 4,553	\$ (588)	\$ 20,815	\$ 20,227		
482	—	1,961	7,826	10,269	222	46,948	47,170		
79	—	—	—	79	204	8,401	8,605		
—	—	800	—	800	265	1,474	1,739		
133	—	167	23,948	24,248	2,083	13,809	15,892		
—	—	1,965	24,888	26,853	5,662	35,913	41,575		
<u>\$ 751</u>	<u>\$ 4,281</u>	<u>\$ 5,108</u>	<u>\$ 56,662</u>	<u>\$ 66,802</u>	<u>\$ 7,848</u>	<u>\$ 127,360</u>	<u>\$ 135,208</u>		



# *Statistical Section*



Financial Trends

Revenue Capacity

Debt Capacity

Demographics and  
Economic Information

Operating Information

Miscellaneous



## Statistical Section Index

Financial Trends – These schedules contain trend information to help the reader understand how the State’s financial performance and well-being have changed over time.

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Operating Information – These schedules assist the reader in evaluating the size, efficiency, and effectiveness of the State’s government.

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Miscellaneous Statistics – This information may provide the reader with more insight into the State’s financial and demographic status.

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Note: GASB 63 was implemented in fiscal year 2013, which changed net assets to net position.

Sources: Unless otherwise noted, the information in the following schedules is derived from the State’s Annual Comprehensive Financial Reports.

**Schedule 1**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Expressed in Thousands)**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 10,027,422	\$ 10,966,906	\$ 9,119,557	\$ 9,139,616
Restricted	1,416,217	1,344,616	1,557,217	1,430,320
Unrestricted Net Position (Deficit)	2,404,124	1,097,349	574,051	(1,991,434)
<b>Total Governmental Activities Net Position</b>	<b>\$ 13,847,763</b>	<b>\$ 13,408,871</b>	<b>\$ 11,250,825</b>	<b>\$ 8,578,502</b>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	\$ 2,363	\$ 2,527	\$ 3,113	\$ 1,965
Restricted	2,559,401	2,403,762	2,356,490	2,110,728
Unrestricted Net Position (Deficit)	158,872	225,181	170,279	405,599
<b>Total Business-type Activities Net Position(Deficit)</b>	<b>\$ 2,720,636</b>	<b>\$ 2,631,470</b>	<b>\$ 2,529,882</b>	<b>\$ 2,518,292</b>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$ 10,029,785	\$ 10,969,433	\$ 9,122,670	\$ 9,141,581
Restricted	3,975,618	3,748,378	3,913,707	3,541,048
Unrestricted Net Position (Deficit)	2,562,996	1,322,530	744,330	(1,585,835)
<b>Total Primary Government Net Position</b>	<b>\$ 16,568,399</b>	<b>\$ 16,040,341</b>	<b>\$ 13,780,707</b>	<b>\$ 11,096,794</b>

2020	2019	2018	2017	2016	2015
\$ 9,192,701	\$ 9,005,297	\$ 8,875,443	\$ 8,996,053	\$ 8,986,789	\$ 8,890,142
1,188,896	1,251,729	953,572	402,490	422,147	439,118
(3,423,609)	(3,337,234)	(4,119,293)	(4,455,964)	(4,563,114)	(4,718,599)
<u>\$ 6,957,988</u>	<u>\$ 6,919,792</u>	<u>\$ 5,709,722</u>	<u>\$ 4,942,579</u>	<u>\$ 4,845,822</u>	<u>\$ 4,610,661</u>
\$ 2,001	\$ 1,821	\$ 2,676	\$ 2,863	\$ 2,940	\$ 2,963
1,777,494	1,972,374	1,895,646	1,809,614	1,741,004	1,813,975
389,829	354,405	333,239	282,812	201,954	201,022
<u>\$ 2,169,324</u>	<u>\$ 2,328,600</u>	<u>\$ 2,231,561</u>	<u>\$ 2,095,289</u>	<u>\$ 1,945,898</u>	<u>\$ 2,017,960</u>
\$ 9,194,702	\$ 9,007,118	\$ 8,878,119	\$ 8,998,916	\$ 8,989,729	\$ 8,893,105
2,966,390	3,224,103	2,849,218	2,212,104	2,163,151	2,253,093
(3,033,780)	(2,982,829)	(3,786,054)	(4,173,152)	(4,361,160)	(4,567,049)
<u>\$ 9,127,312</u>	<u>\$ 9,248,392</u>	<u>\$ 7,941,283</u>	<u>\$ 7,037,868</u>	<u>\$ 6,791,720</u>	<u>\$ 6,628,621</u>

\*In FY 2015, Unrestricted Net Position (Deficit) was revised Due to a subsequent revision in the July 1, 2014 schedule of employer allocations for the Teachers' Retirement Systems, the State identified a misstatement in the cumulative effect that was reported in Governmental Activities net beginning net position in the June 30, 2015 financial statements.

**Schedule 2**  
**Changes in Net Position by Component**  
**Last Ten Fiscal Years (Expressed in Thousands)**

	2024	2023	2022	2021
<b>Governmental Activities:</b>				
Expenses:				
Legislative	\$ 33,935	\$ 22,083	\$ 22,161	\$ 21,755
Judicial	132,090	107,734	68,095	111,998
Executive	350,372	350,893	622,666	714,308
Administration	363,022	318,337	287,847	241,868
Commerce	286,572	163,917	157,407	233,403
Environmental Protection	223,179	119,899	123,749	88,978
Employment Programs	51,726	63,160	59,131	211,110
Education	3,707,832	3,140,045	2,745,843	3,064,713
Health, Health Facilities, and Human Services	7,418,179	8,147,013	7,828,170	6,880,969
Homeland Security	614,736	520,974	395,814	515,711
Revenue	212,968	118,889	58,449	126,387
Transportation	1,791,421	1,426,056	1,463,303	1,325,447
Veterans Assistance	26,590	20,692	15,216	17,407
Senior Services	53,381	56,410	51,537	53,919
Regulatory Boards and Commissions	213,597	1,504,324	368,609	141,343
Tourism	27,826	28,578	37,621	—
Economic Development	114,926	104,964	559,988	—
Arts, Culture and History	36,494	34,276	36,155	—
Interest on Long-Term Debt	144,255	152,565	154,682	143,228
Interest on Lease Liability	3,760	3,064	3,064	—
<b>Total Expenses</b>	<b>15,806,861</b>	<b>16,404,566</b>	<b>15,059,507</b>	<b>13,892,544</b>
Program Revenues:				
Charges for Services:				
Legislative	1,023	991	985	1,078
Judicial	1,543	1,528	1,233	1,067
Executive	33,472	14,573	27,248	33,892
Administration	53,213	78,831	59,244	61,505
Commerce	61,089	55,174	33,769	48,742
Environmental Protection	63,148	63,482	55,970	63,051
Employment Programs	—	—	—	—
Education	—	—	—	—
Health, Health Facilities, and Human Services	78,160	36,519	62,976	61,783
Homeland Security	1,975	19,008	13,355	—
Revenue	56,544	14,062	46,634	45,958
Transportation	57,427	196,251	137,986	170,990
Veterans Assistance	465	390	284	183
Senior Services	3	1,238	1,260	2
Regulatory Boards and Commissions	57,616	49,311	42,653	19,667
Tourism	2	1	—	—
Economic Development	622	—	726	—
Arts, Culture and History	457	749	812	—
<b>Total Charges for Services</b>	<b>466,759</b>	<b>532,108</b>	<b>485,135</b>	<b>507,918</b>
Operating Grants and Contributions:				
Legislative	340	348	900	840
Judicial	2,806	2,614	2,288	2,170
Executive	66,696	739,380	1,263,082	668,297
Administration	—	—	127	—
Commerce	110,825	74,603	55,166	94,631
Environmental Protection	144,530	90,079	84,310	84,963
Employment Programs	53,042	65,875	64,560	149,770
Education	857,036	879,614	843,635	582,884
Health, Health Facilities, and Human Services	5,446,185	6,626,910	6,535,448	5,531,583
Homeland Security	110,956	181,855	126,609	91,125
Revenue	5,196	3,713	2,021	2,740
Transportation	—	—	—	50,000
Veterans Assistance	10,506	8,682	7,602	7,050
Senior Services	22,534	27,615	28,546	26,193
Regulatory Boards and Commissions	70,639	54,465	57,146	55,435
Tourism	692	1,718	—	—
Economic Development	73,509	57,540	62,448	—
Arts, Culture and History	8,455	9,213	8,248	—
<b>Total Operating Grants and Contributions</b>	<b>6,983,947</b>	<b>8,824,224</b>	<b>9,142,136</b>	<b>7,347,681</b>
Capital Grants and Contributions:				
Administration	—	—	439	239
Homeland Security	5,768	172	—	—
Transportation	861,341	717,426	551,222	505,348
Veterans Assistance	4,059	3,048	2,764	2,634
<b>Total Capital Grants and Contributions</b>	<b>871,168</b>	<b>720,646</b>	<b>554,425</b>	<b>508,221</b>
<b>Total Program Revenues</b>	<b>8,321,874</b>	<b>10,076,978</b>	<b>10,181,696</b>	<b>8,363,820</b>
<b>Total Governmental Activities Net Program Expenses</b>	<b>(7,484,987)</b>	<b>(6,327,588)</b>	<b>(4,877,811)</b>	<b>(5,528,724)</b>



	2020	2019	2018	2017	2016	2015
\$	22,565	\$ 21,399	\$ 24,352	\$ 24,189	\$ 25,766	\$ 26,762
	136,383	122,394	136,825	134,351	133,702	126,904
	368,025	279,266	213,285	176,485	139,580	124,455
	279,823	203,481	235,485	262,684	234,542	280,007
	194,690	163,112	196,759	166,225	166,129	141,566
	103,259	115,131	112,962	173,689	84,533	109,036
	50,785	47,779	43,287	55,231	48,173	43,876
	2,991,209	2,704,721	2,669,868	2,777,727	2,708,236	2,870,823
	5,934,351	5,500,238	5,483,893	5,810,783	5,352,930	5,241,337
	559,734	461,957	479,783	502,408	417,604	412,894
	63,132	122,114	93,815	89,178	78,504	86,654
	1,386,393	1,341,573	1,150,909	1,153,708	1,183,397	1,121,182
	20,152	25,178	24,369	20,572	20,588	19,264
	48,307	45,485	44,825	41,934	44,037	49,205
	50,519	44,027	55,422	53,909	47,680	74,255
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	172,922	157,642	118,156	110,722	112,273	123,064
	—	—	—	—	—	—
	<u>12,382,249</u>	<u>11,355,497</u>	<u>11,083,995</u>	<u>11,553,795</u>	<u>10,797,674</u>	<u>10,851,284</u>
	1,064	1,286	1,277	1,268	1,431	1,436
	907	1,026	—	1,768	1,730	944
	23,619	25,710	19,326	18,002	14,407	22,440
	56,118	50,744	46,708	42,766	45,767	51,167
	40,634	45,103	46,986	41,017	43,541	46,972
	58,935	65,371	68,595	53,209	74,621	71,302
	—	—	—	—	—	—
	1,394	554	—	—	2,580	3,970
	84,834	64,862	56,589	70,812	72,849	84,731
	16,234	15,877	18,449	16,018	10,868	8,751
	42,173	45,962	44,703	42,421	42,754	50,547
	130,505	181,181	169,142	101,562	92,171	97,716
	324	393	3	—	—	—
	2	(2)	—	3	—	—
	36,806	37,712	41,508	42,259	26,158	31,317
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	<u>493,549</u>	<u>535,779</u>	<u>513,286</u>	<u>431,105</u>	<u>428,877</u>	<u>471,293</u>
	1,095	48	3,786	309	136	784
	2,102	3,543	2,472	2,899	1,978	2,296
	108,510	40,152	29,404	24,812	33,725	14,076
	—	(1,547)	—	—	3,006	50,731
	71,738	65,568	60,551	60,378	41,846	39,802
	87,493	106,230	99,742	87,674	98,312	102,018
	53,462	48,391	49,969	49,288	48,050	45,306
	508,378	453,950	435,775	440,701	451,719	443,295
	4,509,174	4,044,403	4,005,927	4,319,051	3,940,757	3,811,046
	132,731	78,481	85,058	130,128	118,282	65,630
	3,040	1,833	1,316	2,645	1,917	144
	—	—	—	—	—	—
	6,761	5,947	11,805	8,208	8,008	9,604
	25,427	23,452	22,005	22,318	23,489	22,728
	3,262	3,180	3,134	2,910	3,049	3,058
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	<u>5,511,368</u>	<u>4,873,631</u>	<u>4,810,944</u>	<u>5,151,321</u>	<u>4,774,274</u>	<u>4,610,518</u>
	—	—	2,364	1,563	2,552	—
	794	38	—	2,128	1,235	17,241
	340,627	492,389	369,711	526,571	452,435	373,708
	2,261	2,311	—	1,564	—	—
	<u>343,682</u>	<u>494,738</u>	<u>372,075</u>	<u>531,826</u>	<u>456,222</u>	<u>390,949</u>
	<u>6,348,599</u>	<u>5,904,148</u>	<u>5,696,305</u>	<u>6,114,252</u>	<u>5,659,373</u>	<u>5,472,760</u>
	<u>(6,033,650)</u>	<u>(5,451,349)</u>	<u>(5,387,690)</u>	<u>(5,439,543)</u>	<u>(5,138,301)</u>	<u>(5,378,524)</u>

**Schedule 2**  
**Changes in Net Position by Component**  
**Last Ten Fiscal Years**  
(Expressed in Thousands)  
(Continued)

	2024	2023	2022	2021
General Revenues and Other Changes in Net Position:				
Taxes:				
Personal Income	2,073,393	2,629,514	\$ 2,522,395	\$ 2,194,829
Consumer Sales	1,999,206	1,920,175	1,812,684	1,668,378
Business	887,718	1,454,652	1,372,786	777,371
Medicaid	344,352	301,981	278,554	266,706
Transportation	752,246	762,227	719,812	701,541
Other	405,131	407,910	403,464	379,286
Entitlements and Grants	—	—	—	—
Unrestricted Investment Earnings	475,926	276,718	(118,738)	130,414
Tobacco Settlement Revenue	52,937	59,359	63,707	61,812
Lottery Revenues	393,693	377,630	372,001	389,012
Miscellaneous	541,552	399,221	143,261	628,007
Other Financing Sources	29,930	22,472	13,140	—
Transfers	(32,205)	(88,142)	(32,932)	(48,118)
Total General Revenues and Transfers	7,923,879	8,523,717	7,550,134	7,149,238
<b>Total Governmental Activities Changes in Net Position</b>	<b>\$ 438,892</b>	<b>\$ 2,196,129</b>	<b>\$ 2,672,323</b>	<b>\$ 1,620,514</b>
<b>Business-type Activities</b>				
Expenses:				
Water Pollution Control Revolving Fund	13,230	11,410	11,232	11,291
Workers' Compensation Fund	72,545	31,265	6,365	62,049
Unemployment Compensation	169,192	127,567	117,319	1,063,978
West Virginia Infrastructure and Jobs Development Council	54,789	43,835	44,395	31,795
Public Employees' Insurance Agency	913,399	675,684	708,037	701,087
Board of Risk and Insurance Management	110,305	177,118	173,129	88,562
Other Activities	123,357	119,032	123,729	116,405
Total Expenses	1,456,817	1,185,911	1,184,206	2,075,167
Program Revenues:				
Charges for Services:				
Water Pollution Control Revolving Fund	6,417	6,619	6,196	5,763
Workers' Compensation Fund	908	674	1,071	2,604
Unemployment Compensation	160,657	154,019	168,180	200,836
West Virginia Infrastructure and Jobs Development Council	4,565	3,389	4,008	4,749
Public Employees' Insurance Agency	850,360	641,968	629,198	571,567
Board of Risk and Insurance Management	100,253	86,433	81,250	78,692
Other Activities	153,492	152,757	147,642	144,406
Total Charges for Services	1,276,652	1,045,859	1,037,545	1,008,617
Total Revenues	1,276,652	1,045,859	1,037,545	1,008,617
Total Business-type Activities Net Program Expenses	(180,165)	(140,052)	(146,661)	(1,066,550)
General Revenues and Other Changes in Net Position:				
Unrestricted Investment Earnings	166,473	94,074	(171,028)	301,195
Tobacco Settlement Revenue	—	—	—	—
Lottery Revenue	46,000	46,000	46,000	46,000
Miscellaneous	24,653	13,424	250,347	1,020,205
Transfers	32,205	88,142	32,932	48,118
Total General Revenues and Other Changes in Net Position	269,331	241,640	158,251	1,415,518
<b>Total Business-type Activities Changes in Net Position</b>	<b>\$ 89,166</b>	<b>\$ 101,588</b>	<b>\$ 11,590</b>	<b>\$ 348,968</b>
<b>Total Primary Government Changes in Net Position</b>	<b>\$ 528,058</b>	<b>\$ 2,297,717</b>	<b>\$ 2,683,913</b>	<b>\$ 1,969,482</b>

Note: In FY 2019, Regional Jail Authority merged with Division of Corrections, Division of Juvenile Services, and Correctional Industries to create the Division of Corrections and Rehabilitation.

	2020	2019	2018	2017	2016	2015
\$	2,023,079	\$ 2,090,596	\$ 1,939,977	\$ 1,830,106	\$ 1,849,056	\$ 1,921,597
	1,514,838	1,481,344	1,355,135	1,312,353	1,291,813	1,265,957
	550,918	793,067	626,743	581,896	640,081	907,362
	235,758	239,201	222,859	217,665	222,578	197,692
	680,902	682,331	674,795	593,158	605,403	640,135
	384,882	393,244	390,773	409,426	303,770	249,102
	—	—	—	—	—	—
	123,951	144,963	56,933	73,552	34,380	12,259
	106,093	59,764	62,930	61,426	62,697	62,105
	266,124	348,250	322,845	336,294	342,702	356,401
	176,399	395,866	152,806	106,526	129,760	131,023
	—	—	—	—	—	—
	7,147	(30,315)	9,667	15,204	(108,778)	(230,208)
	6,070,091	6,598,311	5,815,463	5,537,606	5,373,462	5,513,425
\$	<u>36,441</u>	<u>\$ 1,146,962</u>	<u>\$ 427,773</u>	<u>\$ 98,063</u>	<u>\$ 235,161</u>	<u>\$ 242,989</u>
	10,739	5,316	4,067	3,467	4,745	6,358
	59,151	139,992	117,132	134,443	202,406	44,488
	1,415,646	164,478	142,103	169,197	509,796	225,940
	22,325	18,512	35,937	23,941	60,622	71,587
	597,217	561,807	537,044	552,882	542,825	577,433
	70,377	84,683	61,797	66,152	67,650	72,436
	110,335	96,947	98,697	98,901	103,294	108,868
	2,285,790	1,071,735	996,777	1,048,983	1,491,338	1,107,110
	5,779	5,879	6,061	5,995	5,850	5,725
	1,679	18,194	35,905	35,738	105,897	46,272
	202,465	204,789	188,153	204,496	431,717	223,836
	3,810	3,310	3,344	3,095	1,940	2,591
	555,480	545,646	560,051	576,153	507,419	516,689
	75,539	76,541	72,270	64,587	58,303	51,940
	130,781	120,187	121,484	118,471	118,985	120,634
	975,533	974,546	987,268	1,008,535	1,230,111	967,687
	975,533	974,546	987,268	1,008,535	1,230,111	967,687
	(1,310,257)	(97,189)	(9,509)	(40,448)	(261,227)	(139,423)
	96,412	116,396	99,883	167,076	31,098	29,282
	—	—	—	—	—	—
	38,198	46,000	48,750	31,500	42,735	37,000
	984,648	7,791	6,708	6,467	6,554	7,271
	(7,147)	30,315	(9,667)	(15,204)	108,778	230,208
	1,112,111	200,502	145,674	189,839	189,165	303,761
\$	<u>(198,146)</u>	<u>\$ 103,313</u>	<u>\$ 136,165</u>	<u>\$ 149,391</u>	<u>\$ (72,062)</u>	<u>\$ 164,338</u>
\$	<u>(161,705)</u>	<u>\$ 1,250,275</u>	<u>\$ 563,938</u>	<u>\$ 247,454</u>	<u>\$ 163,099</u>	<u>\$ 407,327</u>

**Schedule 3**  
**Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
(Expressed in Thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>General Fund</b>				
Nonspendable:				
Inventories	\$ 12,624	\$ 11,935	\$ 11,115	\$ 11,425
Receivables	38,199	18,875	116,432	125,259
Restricted for:				
Government Operations	5,168	6,252	59,883	21,896
Development, Tourism, and Recreation	13,121	16,625	6,871	2,769
Education	240	214	240	128
Health and Social Services	1,958	1,359	3,466	701
Public Protection	2,080	1,621	1,030	357
Committed for:				
General Government Operations	52,037	35,971	33,210	11,182
Rainy Day Funds	—	—	—	996,893
Development, Tourism, and Recreation	9,494	13,475	21,201	4,106
Education	15,846	17,140	16,781	11,458
Health and Social Services	22,308	44,304	32,912	13,652
Public Protection	3,909	4,160	4,169	1,890
Assigned for:				
Government Operations	9,497	10,423	7,214	5,545
Development, Tourism, and Recreation	2,511	2,382	2,283	811
Education	2,074	1,478	1,434	362
Health and Social Services	1,934	2,387	2,522	907
Public Protection	638	783	823	325
Unassigned	4,014,443	4,556,595	3,555,421	932,900
<b>Total General Fund</b>	<u>\$ 4,208,081</u>	<u>\$ 4,745,979</u>	<u>\$ 3,877,007</u>	<u>\$ 2,142,566</u>
<b>All Other Governmental Funds</b>				
Nonspendable:				
Inventories	\$ 94,290	\$ 83,047	\$ 62,475	\$ 57,742
Permanent Fund	1,000	1,000	1,000	1,000
Receivables	—	18,875	—	—
Restricted for:				
Capital Projects	695,732	851,115	974,496	1,325,879
Debt Service	529,474	541,255	557,983	578,301
Government Operations				
Development, Tourism, and Recreation	74,800	72,388	73,752	78,281
Education	131	134	505	502
Public Protection	108,206	87,711	107,501	118,315
Transportation	390,889	449,685	484,513	504,595
Committed for:				
General Government Operations	7,333	6,851	6,862	6,508
Public Protection	361,238	329,309	322,173	330,075
Assigned for:				
Health and Social Services	4,369	4,159	4,126	3,904
Public Protection	3,361	4,890	4,924	6,093
Transportation	417,661	244,044	198,861	278,485
Unassigned	280	—	(12,274)	—
<b>Total All Other Governmental Funds</b>	<u>2,688,764</u>	<u>2,694,463</u>	<u>2,786,897</u>	<u>3,289,680</u>
<b>Total Fund Balances, Governmental Funds</b>	<u>\$ 6,896,845</u>	<u>\$ 7,440,442</u>	<u>\$ 6,663,904</u>	<u>\$ 5,432,246</u>

Notes: In FY 2020, Rainy Day Fund was determined to be Unassigned Fund Balance rather than Committed.

In FY 2019, Regional Jail Authority merged with Division of Corrections, Division of Juvenile Services, and Correctional Industries to create the Division of Corrections and Rehabilitation.

2020	2019	2018	2017	2016	2015
\$ 8,954	\$ —	\$ 11,888	\$ 11,113	\$ 9,936	\$ 10,288
122,435	—	112,120	128,761	128,116	129,150
109,500	—	818	500	132	846
7,766	109,500	2,409	1,768	511	2,376
244	7,766	95	180	65	268
1,449	244	372	527	160	780
890	1,449	402	314	81	402
21,434	—	6,483	4,771	1,213	5,430
862,766	763,388	720,323	663,061	789,352	879,749
8,084	8,084	2,755	2,246	695	3,160
14,336	12,792	25,038	24,126	24,031	17,590
22,521	22,521	9,219	5,020	871	5,268
4,937	4,937	2,115	1,720	479	2,308
8,491	7,967	1,978	—	6,183	—
1,835	1,835	615	—	—	—
751	751	267	—	—	—
2,591	2,591	860	—	—	—
1,600	1,600	420	—	—	—
442,363	673,649	305,331	(1,231,719)	(1,324,232)	(1,284,506)
<u>\$ 1,642,947</u>	<u>\$ 1,648,385</u>	<u>\$ 1,203,508</u>	<u>\$ (387,612)</u>	<u>\$ (362,407)</u>	<u>\$ (226,891)</u>
\$ 60,253	\$ 54,997	\$ 49,163	\$ 52,860	\$ 49,814	\$ 48,686
1,000	1,000	1,000	1,000	1,000	1,000
—	—	—	543,598	564,488	585,811
1,444,819	1,002,883	967,400	10,658	12,333	13,270
636,745	658,493	677,347	153,621	153,646	154,491
—	65,000	65,482	63,888	54,591	54,668
62,703	427	360	889	584	1,174
535	94,395	87,049	57,160	51,334	53,233
102,368	312,280	17,550	12,737	12,031	12,968
142,157	5,258	5,144	1,642	1,796	2,268
5,986	322,358	287,855	265,899	299,757	311,564
314,622	—	—	—	—	—
3,762	3,877	5,738	6,226	4,506	7,265
3,598	280,637	220,966	67,439	6,309	61,181
13,586	1,917	210,794	(13,610)	(9,953)	(9,072)
—	—	—	—	—	—
2,792,134	2,803,522	2,595,848	1,224,007	1,202,236	1,298,507
<u>\$ 4,435,081</u>	<u>\$ 4,451,907</u>	<u>\$ 3,799,356</u>	<u>\$ 836,395</u>	<u>\$ 839,829</u>	<u>\$ 1,071,616</u>

**Schedule 4**  
**Changes in Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
(Expressed in Thousands)

	2024	2023	2022	2021
<b>Revenues:</b>				
Taxes:				
Personal Income	\$ 2,084,287	\$ 2,614,991	\$ 2,508,884	\$ 2,196,298
Consumer Sales and Use	1,996,304	1,919,466	1,812,650	1,668,804
Severance	418,604	840,325	894,560	326,363
Corporate Net Income	411,394	433,695	346,535	317,670
Business and Occupation	127,501	116,404	110,485	131,541
Medicaid	342,985	300,994	278,211	267,979
Gasoline and Motor Carrier	435,840	439,560	422,937	404,425
Automobile Privilege	316,406	322,667	296,875	297,116
Other	405,236	407,682	403,243	379,294
Intergovernmental	7,128,128	8,369,774	8,541,855	6,853,416
Licenses, Permits, and Fees	247,696	256,430	248,956	243,371
Motor Vehicle Registration	138,067	144,626	141,471	146,836
Charges for Services	191,277	170,339	158,020	173,157
Lottery Revenues	388,799	372,736	367,107	384,118
Investment Earnings	512,761	317,224	(121,046)	155,659
Food Stamp Revenue	571,906	999,558	1,002,881	872,884
Other	624,391	471,076	245,980	748,925
<b>Total Revenues</b>	<b>16,341,582</b>	<b>18,497,547</b>	<b>17,659,604</b>	<b>15,567,856</b>
<b>Expenditures:</b>				
Current:				
Legislative	37,175	26,815	28,426	25,903
Judicial	160,133	148,943	150,671	135,586
Executive	385,192	377,969	785,832	843,107
Administration	160,728	157,671	158,554	105,099
Commerce	338,214	224,965	186,764	289,378
Environmental Protection	179,011	173,366	155,023	127,164
Employment Programs	52,833	65,842	64,338	213,160
Economic Development	119,311	108,816	473,062	—
Education	3,817,309	3,330,645	3,176,220	3,111,098
Arts, Culture, and History	39,267	36,829	36,735	—
Health, Health Facilities, and Human Services	7,561,303	8,325,854	8,053,902	7,018,893
Homeland Security	665,802	611,915	488,555	568,532
Revenue	229,449	135,879	84,878	141,218
Tourism	29,449	30,533	35,508	—
Transportation	1,313,684	1,028,402	956,241	739,916
Veterans Assistance	31,495	25,917	22,199	21,025
Senior Services	54,270	55,449	52,603	54,576
Regulatory Boards and Commissions	211,661	1,507,016	367,606	134,791
Capital Outlay	1,092,771	934,371	792,076	903,605
Debt Service:				
Principal	174,780	175,849	163,133	166,750
Interest	125,160	131,877	139,111	124,227
Right-to-Use Principal	21,304	20,976	14,700	—
Right-to-Use Interest	3,587	4,090	2,962	—
<b>Total Expenditures</b>	<b>16,803,888</b>	<b>17,639,989</b>	<b>16,389,099</b>	<b>14,724,028</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(462,306)</b>	<b>857,558</b>	<b>1,270,505</b>	<b>843,828</b>
<b>Other Financing Sources (Uses):</b>				
Face Value of Long-Term Debt Issued	—	—	—	907,600
Premiums on Bonds Issued	—	—	—	63,371
Capital Lease Acquisitions	—	—	—	—
Right-to-Use Leases	18,085	22,472	13,140	—
Payments to Refunded Bonds Escrow Agents	—	—	—	(737,172)
Transfers In	127,655	157,912	143,633	278,761
Transfers Out	(208,156)	(277,338)	(195,620)	(359,223)
<b>Total Other Financing Sources (Uses)</b>	<b>(62,416)</b>	<b>(96,954)</b>	<b>(38,847)</b>	<b>153,337</b>
<b>Net Changes in Fund Balances</b>	<b>\$ (524,722)</b>	<b>\$ 760,604</b>	<b>\$ 1,231,658</b>	<b>\$ 997,165</b>
Debt service as a percentage of noncapital expenditures	2.00 %	1.89 %	2.01 %	2.06 %

Note: In FY 2019, Regional Jail Authority merged with Division of Corrections, Division of Juvenile Services, and Correctional Industries to create the Division of Corrections and Rehabilitation.

	2020	2019	2018	2017	2016	2015
\$	2,021,193	\$ 2,084,820	\$ 1,936,836	\$ 1,846,638	\$ 1,853,422	\$ 1,915,382
	1,516,325	1,477,711	1,355,092	1,317,452	1,293,535	1,264,716
	268,513	452,680	393,278	360,801	373,801	589,883
	155,406	205,481	109,113	120,728	152,873	189,473
	134,173	129,105	115,772	110,240	119,594	120,426
	236,292	238,773	226,212	215,558	221,717	200,408
	410,901	444,575	443,273	389,753	404,321	435,142
	270,001	237,756	231,522	203,405	201,082	204,993
	384,873	393,326	390,691	409,636	303,544	249,071
	5,273,610	4,871,752	4,696,456	5,130,386	4,702,423	4,452,997
	241,191	249,476	245,434	230,571	239,007	242,406
	122,972	175,565	156,931	109,047	94,277	103,092
	136,500	131,956	122,975	123,512	118,233	124,305
	262,156	343,356	317,140	330,589	336,938	349,853
	137,340	159,033	66,522	83,917	34,300	14,298
	533,130	405,622	451,228	490,483	496,107	494,131
	253,175	468,351	212,216	177,335	202,768	224,883
	<u>12,357,751</u>	<u>12,469,338</u>	<u>11,470,691</u>	<u>11,650,051</u>	<u>11,147,942</u>	<u>11,175,459</u>
	23,414	23,606	23,439	24,461	26,907	28,840
	137,777	133,023	130,832	139,774	144,091	140,847
	374,699	279,425	202,686	176,493	142,313	126,313
	147,210	77,139	111,703	148,133	126,668	155,998
	220,882	224,908	206,481	196,657	180,018	163,777
	135,242	140,328	127,757	148,139	151,537	131,371
	53,426	49,383	48,895	51,546	48,968	45,743
	—	—	—	—	—	—
	3,092,021	2,873,944	2,796,313	2,831,189	2,869,977	2,997,533
	—	—	—	—	—	—
	6,018,370	5,589,099	5,484,857	5,869,748	5,430,561	5,285,201
	566,560	488,369	478,052	525,010	495,656	461,599
	73,121	137,263	86,650	95,166	91,050	92,758
	—	—	—	—	—	—
	877,712	1,042,123	873,276	894,409	914,909	801,658
	21,517	24,811	23,104	21,036	21,546	20,261
	48,651	45,002	44,295	42,029	44,253	49,439
	38,763	35,534	39,337	42,181	36,877	54,965
	972,659	542,106	365,949	364,318	359,889	335,493
	167,020	111,090	130,901	75,615	85,180	105,800
	149,247	135,867	92,461	91,238	95,180	100,348
	—	—	—	—	—	—
	—	—	—	—	—	—
	<u>13,118,291</u>	<u>11,953,020</u>	<u>11,266,988</u>	<u>11,737,142</u>	<u>11,265,580</u>	<u>11,097,944</u>
	(760,540)	516,318	203,703	(87,091)	(117,638)	77,515
	600,000	133,789	1,186,099	81,595	—	205,365
	146,576	19,097	172,216	8,640	—	39,273
	—	12,414	11,737	13,568	2,019	580
	—	—	—	—	—	—
	—	—	(142,788)	(32,022)	—	(244,030)
	192,909	254,709	163,393	204,252	188,770	149,515
	(197,526)	(287,175)	(155,288)	(191,070)	(304,938)	(388,051)
	<u>741,959</u>	<u>132,834</u>	<u>1,235,369</u>	<u>84,963</u>	<u>(114,149)</u>	<u>(237,348)</u>
\$	<u>(18,581)</u>	<u>\$ 649,152</u>	<u>\$ 1,439,072</u>	<u>\$ 2,128</u>	<u>\$ 231,787</u>	<u>\$ 159,833</u>
	2.51 %	2.17 %	2.05 %	1.47 %	1.66 %	1.92 %

**Schedule 5**  
**Revenue Base**  
**Last Ten Years**  
**(Expressed in Thousands)**

**Personal Income by Industry (Calendar Year)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Farm Earnings	\$ 25,806	\$ 54,988	\$ 32,040	\$ 28,083
Agricultural/Forestry, Fishing, and Other	137,595	136,782	146,870	131,019
Mining	2,850,036	2,797,809	2,472,132	2,164,045
Construction	3,108,458	3,018,898	2,994,056	2,811,942
Manufacturing	4,202,634	4,122,065	4,172,720	3,831,022
Transportation, Warehousing, and Public Utilities	2,625,038	2,502,352	2,461,407	2,343,504
Wholesale Trade	1,865,800	1,710,453	1,586,170	1,563,243
Retail Trade	3,585,777	3,462,627	3,345,766	3,073,387
Finance, Insurance, and Real Estate	2,963,354	2,705,450	16,777,919	2,280,263
Service Industries	21,580,815	20,390,422	18,933,825	17,650,527
Federal, Civilian	3,425,898	3,162,226	3,097,806	2,965,165
Military	355,171	472,462	654,487	322,107
State and Local Government	7,598,209	7,132,500	6,680,765	6,721,741

**Tax Revenue (Fiscal Year)**

Consumer Sales	1,750,000	1,655,000	1,537,000	1,387,000
Personal Income	2,664,000	2,503,000	2,254,000	1,948,000
Severance	946,000	769,000	274,000	267,000
Corporate Income and Business Franchise	420,000	366,000	321,000	152,000
Motor Fuel	432,000	420,000	400,000	427,000
Automobile Privilege	322,667	297,000	297,000	270,000

Source: Bureau of Economic Analysis, State of West Virginia Executive Budget, and the Department of Highways.



	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$	(27,935)	\$ (63,393)	\$ (87,698)	\$ (99,972)	\$ (30,770)	\$ 19,745
	157,191	161,474	158,024	158,604	160,316	102,143
	2,671,305	2,471,086	2,139,297	1,897,087	2,725,768	3,423,411
	3,311,109	4,101,799	3,008,747	2,689,538	2,896,798	2,857,279
	3,936,598	3,800,160	3,446,282	3,408,226	3,421,537	3,601,454
	2,433,754	2,341,273	2,208,615	2,151,786	2,159,353	2,127,148
	1,586,278	1,542,010	1,491,856	1,467,931	1,557,478	1,539,380
	3,022,118	2,964,421	2,938,849	2,972,989	2,935,939	2,941,483
	2,209,851	2,094,476	1,916,253	1,865,942	1,885,393	1,956,188
	18,092,541	17,462,559	16,079,925	15,551,002	15,611,983	15,033,408
	2,770,566	2,713,339	2,602,306	2,498,151	2,424,565	2,349,128
	319,932	300,274	285,857	277,818	272,963	299,618
	6,616,465	6,301,709	6,357,743	6,351,203	6,221,514	6,210,344
	1,370,000	1,247,000	1,222,000	1,231,000	1,228,000	1,173,000
	2,097,000	1,920,000	1,814,000	1,803,000	1,840,000	1,664,000
	463,000	346,000	321,000	276,000	414,000	489,000
	198,000	110,000	116,000	144,000	186,000	204,000
	443,000	420,000	381,000	396,000	435,000	441,000
	238,000	232,000	203,000	201,000	205,000	196,000

**Schedule 6  
Revenue Rates  
Last Ten Calendar Years**

**Personal Income Tax**

**Single, Head of Household, Widow(er) with Dependent Child  
and Married Filing Jointly (Unchanged Over Last Ten Years)**

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Less than \$10,000..... 3% of the taxable income

At least — But less than —

\$10,000	\$25,000.....	\$ 300.00 plus 4.0% of excess over \$10,000
\$25,000	\$40,000.....	\$ 900.00 plus 4.5% of excess over \$25,000
\$40,000	\$60,000.....	\$1,575.00 plus 6.0% of excess over \$40,000
\$60,000	.....	\$2,775.00 plus 6.5% of excess over \$60,000

**Business**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Corporate Net Income (applies to C corporations)	6.50%	6.50%	6.50%	6.50%
Severance Tax:				
Timber	0%	0%	0%	0%
Oil/Gas	5%	5%	5%	5%
Coal	various	various	various	various
Consumer Sales Tax	6%	6%	6%	6%
Food Tax *	0%	0%	0%	0%
Motor Fuel Excise and Sales Tax** (cents per gallon)	37.2	35.7	35.7	35.7
Automobile Privilege Tax	6%	6%	6%	6%

All rates are set by the Legislature.

Source: State Tax Department and the Division of Motor Vehicles.

**Married Filing Separately (Unchanged Over Last Ten)**

Less than \$5,000..... 3% of the taxable income  
 At least — But less than —

\$5,000	\$12,500.....	\$	150.00	plus 4.0% of excess over \$5,000
\$12,500	\$20,000.....	\$	450.00	plus 4.5% of excess over \$12,500
\$20,000	\$30,000.....	\$	787.50	plus 6.0% of excess over \$20,000
\$30,000	.....	\$	1,387.50	plus 6.5% of excess over \$30,000

2020	2019	2018	2017	2016	2015
6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
0%	1.50%	2%	2%	0%	0%
5%	5%	5%	5%	5%	5%
various	various	various	various	various	various
6%	6%	6%	6%	6%	6%
0%	0%	0%	0%	0%	0%
35.7	35.7	35.7	35.7	34.6	34.6
6%	6%	6%	6%	5%	5%

**Schedule 7**  
**Revenue Payers by Industry/Category**  
**Most Current Available Year and**  
**Historical Comparison**  
(Dollars Expressed in Thousands)

**Consumers Sales and Service Tax and Use Tax**

<b>Tax Year 2015</b>				
<b>Industry</b>	<b>Remittance</b>	<b>Percent of Total</b>	<b>Accounts</b>	<b>Percent of Total</b>
Agriculture, Forestry, Fishing, and Hunting	\$ 2,562,463	0.21 %	649	1.56 %
Mining, Quarrying, and Oil and Gas Extraction	14,747,163	1.19 %	295	0.71 %
Construction	39,145,299	3.15 %	3,716	8.92 %
Manufacturing	73,281,413	5.90 %	3,083	7.40 %
Wholesale Trade	109,243,636	8.80 %	2,838	6.81 %
Retail Trade	565,962,381	45.61 %	9,406	22.58 %
Finance and Insurance	11,623,578	0.94 %	471	1.13 %
Services	348,897,658	28.11 %	18,783	45.10 %
Other	75,533,745	6.09 %	2,411	5.79 %
<b>Total</b>	<b>\$1,240,997,336</b>	<b>100.00 %</b>	<b>41,652</b>	<b>100.00 %</b>

<b>Tax Year 2006</b>				
<b>Industry</b>	<b>Remittance</b>	<b>Percent of Total</b>	<b>Accounts</b>	<b>Percent of Total</b>
Agriculture, Forestry, Fishing, and Hunting	\$ 4,263,248	0.40 %	1,520	2.16 %
Mining, Quarrying, and Oil and Gas Extraction	5,715,604	0.53 %	1,502	2.13 %
Construction	32,432,170	3.00 %	11,977	17.02 %
Manufacturing	53,336,059	4.94 %	4,062	5.77 %
Wholesale Trade	90,177,184	8.35 %	3,164	4.50 %
Retail Trade	582,626,343	53.95 %	16,075	22.84 %
Finance and Insurance	3,115,399	0.29 %	579	0.82 %
Services	244,810,238	22.67 %	26,800	38.08 %
Other	63,413,908	5.87 %	4,698	6.68 %
<b>Total</b>	<b>\$1,079,890,153</b>	<b>100.00 %</b>	<b>\$ 70,377</b>	<b>100.00 %</b>

Note: Due to confidentiality issues, the names of revenue payers are not provided. This information is an alternative regarding the sources of the State's revenue.

Source: West Virginia State Tax Department

**Personal Income Tax****Tax Year 2015**

<b>Income Level</b>	<b>Tax Liability</b>	<b>Percent of Total</b>	<b>Returns</b>	<b>Percent of Total</b>
\$0 - \$10,000	\$ 5,272,893	0.30 %	236,651	27.90 %
\$10,000 - \$20,000	47,459,937	2.66 %	123,579	14.57 %
\$20,000 - \$40,000	170,695,066	9.56 %	162,763	19.20 %
\$40,000 - \$60,000	213,223,266	11.93 %	104,607	12.33 %
Over \$60,000	1,349,611,684	75.55 %	220,536	26.00 %
<b>Total</b>	<b>\$1,786,262,846</b>	<b>100.00 %</b>	<b>848,136</b>	<b>100.00 %</b>

**Tax Year 2006**

<b>Income Level</b>	<b>Tax Liability</b>	<b>Percent of Total</b>	<b>Returns</b>	<b>Percent of Total</b>
\$0 - \$10,000	\$ 18,619,641	1.39 %	251,245	32.97 %
\$10,000 - \$20,000	61,443,632	4.60 %	123,103	16.15 %
\$20,000 - \$40,000	173,037,512	12.95 %	156,696	20.56 %
\$40,000 - \$60,000	214,708,216	16.07 %	99,970	13.12 %
Over \$60,000	868,594,173	64.99 %	131,030	17.20 %
<b>Total</b>	<b>\$1,336,403,174</b>	<b>100.00 %</b>	<b>\$ 762,044</b>	<b>100.00 %</b>

**Schedule 8**  
**Ratios of Outstanding Debt**  
**Last Ten Fiscal Years**  
**(Dollars Expressed in Thousands)**

	<b>Primary Government Debt</b>			
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Governmental Activities:				
General Obligation Bonds	\$ 1,790,804	\$ 1,890,099	\$ 1,982,665	\$ 2,057,062
Revenue Bonds	\$ 1,159,809	1,229,363	1,303,621	1,380,364
Right to Use Lease Liability	\$ 102,000	103,877	99,993	—
Right to Use Software Liability	\$ 20,677	15,927	—	—
Other Financing Debt	\$ 10,249	18,094	29,025	27,210
Other Financing Debt Payable to Component Units	\$ 133,880	150,425	171,740	191,185
<b>Total Governmental Activities</b>	<b>\$ 3,217,419</b>	<b>3,407,785</b>	<b>3,587,044</b>	<b>3,655,821</b>
Enterprise Activities:				
Revenue Bonds	\$ 136,480	144,165	151,565	158,655
<b>Total Primary Government Debt</b>	<b>\$ 3,353,899</b>	<b>\$ 3,551,950</b>	<b>\$ 3,738,609</b>	<b>\$ 3,814,476</b>

**Governmental Activities Tax Income**

<b>Year</b>	<b>Personal Income</b>	<b>Consumer Sales and Use</b>	<b>Business</b>	<b>Transportation</b>	<b>Other</b>	<b>Total</b>
2024	\$ 2,079,918	\$ 1,999,319	\$ 889,481	\$ 752,246	\$ 749,505	\$ 6,470,469
2023	2,628,777	1,920,060	1,448,071	762,227	709,303	7,468,438
2022	2,523,014	1,816,936	1,378,447	719,812	684,184	7,122,393
2021	2,194,829	1,668,378	777,371	701,541	645,992	5,988,111
2020	2,023,079	1,514,838	550,918	680,902	620,640	5,390,377
2019	2,090,596	1,368,741	793,067	682,331	632,445	5,567,180
2018	1,939,977	1,355,135	626,743	674,795	613,632	5,210,282
2017	1,830,106	1,312,353	581,896	593,158	627,091	4,944,604
2016	1,849,056	1,291,813	640,081	605,403	526,348	4,912,701
2015	1,921,597	1,265,957	907,362	640,135	446,794	5,181,845

**General Obligation Bond Debt Ratios**

<b>Year</b>	<b>General Obligation Bond Debt</b>	<b>Percent of Tax Income</b>	<b>Percent of Personal Income</b>	<b>Amount of Debt Per Capita*</b>
2024	\$ 1,790,804	27.68 %	1.89 %	\$ 1.01
2023	1,890,099	25.31 %	2.21 %	1.06
2022	1,982,665	27.84 %	2.32 %	1.11
2021	2,057,062	34.35 %	2.56 %	1.16
2020	1,865,314	34.60 %	2.46 %	1.04
2019	1,182,881	21.25 %	1.60 %	0.66
2018	1,240,350	23.81 %	1.80 %	0.68
2017	359,261	7.27 %	0.54 %	0.20
2016	393,089	8.00 %	0.58 %	0.21
2015	412,368	7.96 %	0.62 %	0.22

**Primary Government Debt**

<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 1,865,314	\$ 1,182,881	\$ 1,240,350	\$ 359,261	\$ 393,089	\$ 412,368
1,445,649	1,532,497	1,415,049	1,182,921	1,142,347	1,185,022
—	—	—	—	—	—
—	—	—	—	—	—
32,368	32,972	45,563	28,168	28,153	28,813
209,730	227,660	244,995	260,955	275,765	260,995
<b>3,553,061</b>	<b>2,976,010</b>	<b>2,945,957</b>	<b>1,831,305</b>	<b>1,839,354</b>	<b>1,887,198</b>
<b>165,475</b>	<b>172,045</b>	<b>178,395</b>	<b>185,290</b>	<b>191,049</b>	<b>197,762</b>
<b>\$ 3,718,536</b>	<b>\$ 3,148,055</b>	<b>\$ 3,124,352</b>	<b>\$ 2,016,595</b>	<b>\$ 2,030,403</b>	<b>\$ 2,084,960</b>

**Total Debt Ratios**

<b>Year</b>	<b>Total Debt</b>	<b>Percent of Tax Income</b>	<b>Percent of Personal Income</b>	<b>Amount of Debt Per Capita*</b>
2024	\$ 3,353,899	51.83 %	3.55 %	1.90
2023	3,551,950	49.87 %	4.15 %	1.99
2022	3,738,609	52.49 %	4.37 %	2.10
2021	3,814,476	63.70 %	4.75 %	2.16
2020	3,718,536	68.98 %	4.90 %	2.07
2019	3,148,055	56.55 %	4.27 %	1.74
2018	3,124,352	59.97 %	4.54 %	1.72
2017	2,016,595	40.78 %	3.01 %	1.10
2016	2,030,403	41.33 %	3.00 %	1.10
2015	2,084,960	40.24 %	3.12 %	1.13

All General Obligation Bonds carry a pledge of the State to levy taxes if funds are insufficient to meet debt service.

Infrastructure bonds are paid from the dedication of the first \$24 million in severance tax collections.

Safe Roads bonds are paid from a debt service fund which is administered by the West Virginia State Treasurer's Office. The Division of Highways makes a monthly transfer to this fund from the Road Fund. The monthly transfer amount is equal to 10% of the annual debt service requirement on all Safe Roads Bonds.

\*These ratios are calculated using the current fiscal year debt total divided by personal income and population for the prior calendar year. See Schedule 10 for personal income tax and population data.

**Schedule 9**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
(Dollars Expressed in Thousands)

**Department of Transportation**

West Virginia Code Chapter 17, Article 17A provides for the issuance of Surface Transportation Improvement Special Obligation Notes (GARVEE bonds) to facilitate the construction of highways, secondary roads, and bridges to be funded wholly or in part by federal dollars and in anticipation of reimbursement from such sources. Title 23, Section 122 federal legislation allows this reimbursement. There is Memorandum of Agreement between the Federal Highway Administration and the Division of Highways that documents the procedures for managing the stewardship and oversight of highway projects that are financed with the proceeds of these notes first issued in fiscal year 2007.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2024	\$ 31,690	—	\$ 31,690	\$ 23,070	\$ 8,620	\$ 31,690	1.00
2023	31,711	—	31,711	21,965	9,746	31,711	1.00
2022	31,738	—	31,738	20,920	10,818	31,738	1.00
2021	32,769	—	32,769	19,930	12,839	32,769	1.00
2020	31,787	—	31,787	18,975	12,812	31,787	1.00
2019	31,495	—	31,495	17,765	13,730	31,495	1.00
2018	25,926	—	25,926	15,310	10,616	25,926	1.00
2017	10,971	—	10,971	8,515	2,456	10,971	1.00
2016	—	—	—	—	—	—	—
2015	27,504	—	27,504	25,650	1,854	27,504	1.00

**WV Infrastructure and Jobs Development Council**

The primary source of repayment for the revenue and refunding bonds is the receipt of payments of principal and interest on a set of loans, known as defined loans, previously made to projects from revenue bond proceeds. New bonds were issued in 2018 to refund earlier bond issues.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2024	\$ 65,852	\$ 52,852	\$ 13,000	\$ 3,510	\$ 3,362	\$ 6,872	1.89
2023	59,227	41,660	17,567	3,385	3,529	6,914	2.54
2022	50,307	40,896	9,411	3,225	3,692	6,917	1.36
2021	51,009	27,977	23,032	3,100	3,834	6,934	3.32
2020	46,205	18,245	27,960	2,985	3,953	6,938	4.03
2019	54,612	19,158	35,454	2,900	4,055	6,955	5.10
2018	51,948	30,841	21,107	3,570	4,137	7,707	2.74
2017	29,097	17,264	11,883	83,805	3,634	87,439	0.14
2016	38,048	58,856	(20,808)	2,720	4,640	7,360	(2.83)
2015	28,840	70,089	(41,249)	2,620	4,746	7,366	(5.60)



### Tobacco Settlement Finance Authority

Pursuant to the Code, and a Purchase and Sale Agreement, dated June 1, 2007, by and between the Authority and the State, the State sold to the Authority its right, title, and interest in and to all tobacco settlement revenue that is received by the State, under the terms of the Master Settlement Agreement entered into by participating tobacco product manufacturers, West Virginia, 45 other states, and six other U.S. jurisdictions in November 1998. In FY 21, refunding bonds Series 2020 were issued. The proceeds were used to refund a portion of the 200A bonds. The Series 2020 Bonds are secured by and are payable solely from the right, title, and interest of the Authority of 100% of the tobacco receipts, and investment earnings on the accounts with the trustee under the Indenture.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2024	\$ 58,081	\$ 179	\$ 57,902	\$ 33,070	\$ 21,195	\$ 54,265	1.03
2023	61,527	155	61,372	37,960	22,045	60,005	1.03
2022	65,319	97	65,222	42,275	22,917	55,192	1.00
2021	63,577	(30)	63,607	40,290	14,024	54,314	1.17
2020	108,271	361	107,910	61,825	50,263	112,088	0.96
2019	63,711	109	63,602	12,910	51,226	64,136	0.99
2018	65,304	127	65,177	13,410	52,228	65,638	0.99
2017	68,009	116	67,893	15,090	53,355	68,445	1.00
2016	66,356	130	66,226	12,405	54,281	66,686	0.99
2015	67,029	17	67,012	12,205	55,192	67,397	0.99

### Economic Development Project Fund

West Virginia State Code Chapter 29, Article 22, Section 18a designates \$19 million annually from the "excess lottery revenue fund" to be paid into the Economic Development Project Fund created in subsection (d) for payment of revenue bonds issued pursuant to the same subsection. Interest on the account and any other amounts paid into the Economic Development Project Fund are also to be used for the repayment of the bonds, which were issued in 2004.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2024	\$ 21,287	\$ —	\$ 21,287	\$ 15,570	\$ 2,942	\$ 18,512	1.15
2023	20,549	—	20,549	14,680	3,861	18,541	1.11
2022	19,037	—	19,037	13,840	4,726	18,566	1.03
2021	18,990	—	18,990	13,130	5,503	18,633	1.02
2020	19,438	—	19,438	12,460	6,194	18,654	1.04
2019	19,801	—	19,801	11,825	6,846	18,671	1.06
2018	19,419	—	19,419	11,220	7,465	18,685	1.04
2017	19,114	—	19,114	10,650	8,052	18,702	1.03
2016	19,051	—	19,051	10,105	8,610	18,715	1.02
2015	19,206	—	19,206	9,660	9,104	18,764	1.02

**Schedule 9**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
(Dollars Expressed in Thousands)  
(Continued)

**Education, Arts, Sciences, and Tourism**

Certain net profits of the Lottery as set forth in Chapter 29, Article 22 of the Code of West Virginia, are transferred to the Trustee under the bond indenture. These bonds are subordinate to lien and source of payment only to those certain School Building Authority Capital Improvement Bonds, Series 2004 and 2012.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2024	\$ 9,995	\$ —	\$ 9,995	\$ 4,845	\$ 5,150	\$ 9,995	1.00
2023	9,995	—	9,995	4,615	5,380	9,995	1.00
2022	9,991	—	9,991	4,395	5,600	9,995	1.00
2021	9,994	—	9,994	4,185	5,809	9,994	1.00
2020	9,994	—	9,994	3,985	6,009	9,994	1.00
2019	9,994	—	9,994	3,795	6,198	9,993	1.00
2018	10,240	2,691	7,549	1,095	6,206	7,301	1.03
2017	10,010	—	10,010	3,290	6,709	9,999	1.00
2016	9,996	—	9,996	3,130	6,865	9,995	1.00
2015	9,996	—	9,996	3,010	6,985	9,995	1.00

**Cacapon Project Fund**

Pledged revenues under the Indenture include all money deposited into the Cacapon State Parks Lottery Revenue Debt Service Fund pursuant to Section 18e of the Lottery Act and transferred to the Trustee for deposit in the Revenue Fund established under the Indenture. All income and receipts on the funds and accounts are held by the Trustee under the Indenture.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2024	\$ 2,079	\$ —	\$ 2,079	\$ 975	\$ 1,029	\$ 2,004	1.04
2023	2,064	—	2,064	930	1,076	2,006	1.03
2022	2,031	—	2,031	885	1,122	2,007	1.01
2021	2,029	—	2,029	870	1,153	2,023	1.00
2020	2,038	—	2,038	855	1,169	2,024	1.01
2019	2,045	—	2,045	400	1,179	1,579	1.30
2018	1,397	—	1,397	—	400	—	3.49

### Economic Development Authority

The Economic Development Authority (EDA) has issued Revenue Bonds to provide financial assistance to State governmental entities for the acquisition and construction of facilities deemed to be in the public interest. The EDA has lease-purchase agreements with the State, and the State makes the payments to the trustee. Upon repayment of the bonds, ownership of the acquired facilities transfers to the governmental entity served by the bond issuance.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2024	\$ —	\$ —	\$ 23,267	\$ 16,545	\$ 6,722	\$ 23,267	1.00
2023	—	—	28,937	21,315	7,622	28,937	1.00
2022	—	—	27,872	19,445	8,427	27,872	1.00
2021	—	—	27,656	18,545	9,111	27,656	1.00
2020	—	—	27,802	17,930	9,872	27,802	1.00
2019	—	—	27,846	17,330	10,516	27,846	1.00
2018	—	—	27,273	16,093	11,180	27,273	1.00
2017	—	—	26,455	14,810	11,645	26,455	1.00
2016	—	—	25,780	13,775	12,005	25,780	1.00
2015	—	—	23,478	13,065	10,413	23,478	1.00

### Housing Development Fund

Operating revenue includes revenues and principal loan repayments. Both are used for bond repayment. The Fund is authorized by West Virginia State Code to issue bonds and notes for its various programs in an aggregate principal amount not to exceed \$1.25 billion 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. 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.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2024	\$ 95,889	\$ 17,989	\$ 77,900	\$ 21,915	\$ 16,122	\$ 38,037	2.05
2023	82,823	10,814	72,009	18,885	9,142	28,027	2.57
2022	105,294	7,833	97,461	21,135	7,456	28,591	3.41
2021	119,954	7,962	111,992	26,785	9,862	36,647	3.06
2020	95,207	9,323	85,884	24,575	10,013	34,588	2.48
2019	84,319	8,351	75,968	23,385	9,101	32,486	2.34
2018	86,072	6,441	79,631	28,095	9,904	37,999	2.10
2017	93,181	7,022	86,159	27,075	10,967	38,042	2.26
2016	97,344	6,980	90,364	24,240	12,690	36,930	2.44
2015	94,554	7,435	87,119	23,345	14,769	38,114	2.28

**Schedule 9**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
(Dollars Expressed in Thousands)  
(Continued)

**Water Development Authority**

The Authority maintains a variety of programs to provide long-term, short-term, and private-activity financing at favorable interest rates for design, construction, and/or acquisition of wastewater and/or water systems. Monies are loaned to municipalities, public service districts, and other political subdivisions through purchase of revenue bonds or notes issued by these local governmental agencies. The loans are repaid from the revenues of the systems or other permanent financing. The aggregate principal amount of bonds and/or notes issued by the Authority may not exceed \$500 million outstanding at any time; provided that before the Authority issues bonds or notes in excess of \$400 million, the Legislature must pass a resolution authorizing this action. An additional aggregate principal amount of \$192 million may be issued for the limited purpose of providing grants for capital improvements for designated projects in the Chesapeake Bay and Greenbrier Watershed areas. The Authority's long-term planning is accomplished within the confines of its authorized borrowing limit. Operating revenue includes revenues and principal loan repayments. Both are used for bond repayment.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2024	\$ 55,132	\$ 1,431	\$ 53,701	\$ 10,422	\$ 4,973	\$ 15,395	\$ 3.50
2023	18,294	1,856	16,438	9,229	5,426	14,655	1.13
2022	10,093	1,038	9,055	8,851	5,884	14,735	0.61
2021	10,946	1,052	9,894	8,544	6,193	14,737	0.67
2020	11,136	1,292	9,844	8,238	6,418	14,656	0.67
2019	11,449	1,207	10,242	8,969	6,677	15,646	0.65
2018	12,034	1,398	10,636	49,195	7,382	56,577	0.19
2017	12,681	1,633	11,048	54,880	63,040	117,920	0.09
2016	13,294	1,685	11,610	8,034	8,251	16,285	0.71
2015	14,060	1,624	12,436	7,875	8,494	16,369	0.76

## Higher Education Fund

Various individual institutions, as well as the Fund, have issued bonds which are generally payable from tuition and registration fees. Several bond issues, including the 2009 Series A, 2010 Series A, B, and C, and a 2012 Series A and B are to be repaid using certain Lottery funds. Higher Education issued new taxable bonds in fiscal year 2023.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2024	\$ 2,155,782	\$ 1,941,772	\$ 214,010	\$ 76,657	\$ 62,219	\$ 138,876	1.54
2023	1,863,995	1,885,950	(21,955)	79,703	60,644	140,347	(0.16)
2022	1,752,336	1,860,528	(108,192)	84,149	58,623	142,772	(0.76)
2021	1,734,046	1,741,493	(7,447)	64,063	56,577	120,640	(0.06)
2020	1,719,799	1,793,882	(74,083)	95,782	53,321	149,103	(0.50)
2019	1,706,699	1,735,783	(29,084)	46,830	59,354	106,184	(0.27)
2018	1,690,514	1,699,547	(9,033)	81,181	58,879	140,060	(0.06)
2017	1,687,251	1,717,659	(30,408)	93,417	59,644	153,061	(0.20)
2016	1,661,924	1,712,074	(51,150)	40,620	58,309	98,929	(0.52)
2015	1,632,186	1,669,579	(37,393)	89,575	54,237	143,812	(0.26)

## West Virginia Division of Corrections and Rehabilitation

Revenue Bonds are secured by the regional jails and correctional facilities and an irrevocable pledge of the lease payments, which are generated by court fees, and are required to be in sufficient amount to pay principal and interest on the bonds when due.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2024	\$ 481,027	\$ 505,815	\$ (24,788)	\$ 1,165	\$ 1,145	\$ 2,310	(10.72)
2023	433,813	430,298	3,515	1,111	491	1,602	2.20
2022	315,841	355,507	(39,666)	1,043	436	1,479	(26.82)
2021	414,454	392,725	21,729	9,440	527	9,967	2.18
2020	388,022	379,661	8,361	9,004	990	9,994	0.84
2019	356,488	336,744	19,744	8,557	1,564	10,121	1.95
2018	104,704	86,365	18,339	7,294	1,493	8,787	2.09
2017	93,493	82,258	11,235	6,936	1,854	8,790	1.28
2016	89,639	76,579	13,060	6,537	1,653	8,190	1.60
2015	86,862	72,677	14,185	6,150	2,716	8,866	1.60

**Schedule 9**

**Pledged Revenue Coverage**

**Last Ten Fiscal Years**

(Dollars Expressed in Thousands)

(Continued)

**School Building Authority**

The Authority provides funds for modern efficient public school facilities throughout the State by promoting the consolidation of elementary and secondary public schools. The bonds are paid by certain net profits of the West Virginia Lottery.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			Coverage
				Principal	Interest	Total	
2024	\$ 42,898	\$ 6,467	\$ 36,431	\$ 47,060	\$ 7,790	\$ 54,850	0.66
2023	62,183	27,912	34,271	16,585	8,261	24,846	1.38
2022	30,591	3,357	27,234	15,840	8,819	24,659	1.10
2021	37,023	14,751	22,272	15,100	9,563	24,663	0.90
2020	38,856	7,953	30,903	36,765	10,784	47,549	0.65
2019	66,767	104	66,663	28,285	11,732	40,017	1.67
2018	60,409	2,025	58,384	29,620	12,146	41,766	1.40
2017	60,010	8,069	51,940	27,235	14,169	41,404	1.26
2016	64,044	10,180	53,864	25,900	12,457	39,644	1.36
2015	62,533	10,525	52,008	29,555	14,812	44,367	1.17

**Parkways Authority**

Revenue Bonds are secured by a pledge of substantially all Parkways Authority operating revenues and all monies deposited into accounts created by the Trust Indentures. Only total debt service is available.

Fiscal Year	Operating Revenue	Direct Operating Expense	Revenue Available for Debt Service	Debt Service	Coverage
2024	\$ 192,032	\$ 52,110	\$ 139,922	\$ 30,762	4.55
2023	189,474	47,717	141,757	30,763	4.61
2022	178,589	42,562	136,027	30,764	4.42
2021	157,853	45,124	112,729	10,282	10.96
2020	156,655	44,028	112,627	10,280	10.96
2019	132,815	43,949	88,866	9,025	9.85
2018	95,215	37,449	57,766	10,140	5.70
2017	92,436	41,621	50,815	10,760	4.72
2016	93,223	39,223	54,100	10,755	5.03
2015	88,625	40,904	47,721	10,577	4.51

Notes: Details regarding the State's debt can be found in Note 10 to the basic financial statements.

Source: Department of Transportation; School Building Authority; West Virginia Infrastructure and Jobs Development Council; Housing Development Fund; Water Development Authority; Higher Education Fund; West Virginia Division of Corrections and Rehabilitation; Parkways Authority; Tobacco Settlement Finance Authority; and bond indentures.



**Schedule 10**  
**Demographic and Economic Indicators**  
**Last Ten Calendar Years**

	2023	2022	2021	2020
<b>Population</b>				
West Virginia	1,766,107	1,764,786	1,781,860	1,767,859
Change	0.07 %	-0.96 %	0.79 %	-1.36 %
National	345,815,485	340,267,511	338,380,787	333,551,673
Change	1.63 %	0.56 %	1.45 %	1.62 %
<b>Total Personal Income (Dollars in Millions)</b>				
West Virginia	\$ 94,536	\$ 88,954	\$ 85,540	\$ 80,304
Change	6.28 %	3.99 %	6.52 %	5.89 %
National	\$ 22,952,030	\$ 21,804,790	\$ 21,056,620	\$ 19,607,447
Change	5.26 %	3.55 %	7.39 %	5.74 %
<b>Per Capita Personal Income* (In Dollars)</b>				
West Virginia	\$ 52,585	\$ 49,169	\$ 48,488	\$ 44,994
Change	6.95 %	1.40 %	7.77 %	6.33 %
National	\$ 69,205	\$ 65,423	\$ 63,444	\$ 59,510
Change	5.78 %	3.12 %	6.61 %	5.35 %
<b>Median Age</b>	43	42	42	42
<b>Educational Attainment</b>				
9th Grade or Less	3.8 %	3.9 %	4.1 %	4.3 %
Some High School, No Diploma	8.1 %	8.3 %	8.3 %	8.8 %
High School Diploma	40.1 %	39.9 %	40.0 %	40.3 %
Some College, No Degree	18.5 %	26.4 %	18.7 %	18.6 %
Associate, Bachelor's, or Graduate Degree	29.5 %	30.0 %	28.9 %	28.0 %
<b>Labor Force and Employment (People in Thousands)</b>				
Civilian Labor Force	785.6	785.1	788.8	792.2
Employed	755.0	754.5	749.1	726.0
Unemployed	30.7	30.7	39.7	66.1
Unemployment Rate	3.90 %	3.9 %	5.0 %	8.3 %
Nonfarm Wage and Salary Workers Employed in West Virginia Goods Producing Industries:				
Mining	21.8	19.9	17.5	18.0
Construction	32.1	32.1	30.9	29.8
Manufacturing-Durable Goods	27.8	27.5	26.5	26.0
Manufacturing-NonDurable Goods	17.7	18.7	19.1	18.6
Total Goods Producing Industries	99.4	98.2	94.0	92.4
Non-Goods Producing Industries (people in thousands)				
Trade	96.7	96.4	97.3	95.6
Service	357.4	352.2	347.8	337.4
State and Local Government	124.3	124.3	121.4	122.9
Federal Government	25.7	25.2	25.2	25.0
Total Non-Goods Producing Industries	604.1	598.1	591.7	580.9
Total Nonfarm Wage and Salary Employment	704	696.3	685.7	673.3

The most current period available is 2023.

\*Per capita personal income is calculated by dividing total personal income by population.

Sources: WORKFORCE West Virginia Research, Information, and Analysis Office; the Census; the Survey of Current Business; and the Bureau of Economic Analysis.



2019	2018	2017	2016	2015	2014
1,792,147	1,805,832	1,815,857	1,831,102	1,844,128	1,850,326
-0.76 %	-0.55 %	(83.00)%	(0.71)%	(0.33)%	(0.21)%
328,239,523	327,167,434	325,719,178	323,127,513	321,418,820	318,857,056
0.33 %	0.44 %	80.00 %	0.53 %	0.80 %	0.86 %
\$ 75,835	\$ 73,809	\$ 68,864	\$ 67,062	\$ 67,787	\$ 66,857
2.74 %	7.18 %	2.69 %	(1.07)%	1.39 %	1.45 %
\$ 18,542,262	\$ 17,813,035	\$ 16,413,551	\$ 15,912,777	\$ 15,463,981	\$ 14,683,147
4.09 %	8.53 %	3.15 %	2.90 %	5.32 %	3.62 %
\$ 42,315	\$ 40,873	\$ 37,924	\$ 36,624	\$ 36,578	\$ 36,132
3.53 %	7.78 %	3.55 %	0.13 %	1.23 %	1.66 %
\$ 56,490	\$ 54,446	\$ 50,392	\$ 49,246	\$ 48,112	\$ 46,049
3.75 %	8.04 %	2.33 %	2.36 %	4.48 %	2.79 %
42.9	42.7	38.0	42.2	41.8	41.3
4.2 %	3.9 %	5 %	4 %	5 %	5.0 %
8.7 %	8.3 %	8.4 %	9.6 %	9.8 %	9.9 %
40.2 %	39.7 %	41.2 %	39.7 %	40.7 %	41.1 %
17.9 %	19.2 %	18.6 %	18.1 %	18.5 %	18.4 %
28.9 %	28.8 %	27.3 %	28.2 %	25.7 %	25.7 %
797.0	783.3	773.8	771.8	776.0	787.8
757.9	742.2	733.4	732.5	730.1	733.5
39.1	41.2	40.4	39.3	45.9	54.3
4.9 %	5.3 %	5.2 %	5.1 %	5.9 %	690.0 %
22.4	22.6	21.8	20.7	23.7	25.5
36.0	41.1	34.0	29.5	31.2	27.7
28.3	28.6	28.8	27.5	28.0	28.9
18.7	18.5	18.4	18.7	18.9	18.8
105.4	110.8	103.0	96.4	101.8	100.9
100.6	103.0	107.3	109.4	112.4	107.9
361.7	359.7	389.9	389.0	397.9	389.6
127.9	129.1	132.9	134.8	132.2	130.0
24.0	23.5	23.6	23.9	23.4	22.2
614.2	615.3	653.7	657.1	665.9	649.7
719.6	726.1	756.7	753.5	767.7	750.6

**Schedule 11  
Principal Employers  
Current Year and Ten Years Ago**

**Estimated as of June 30, 2024**

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

**Estimated as of June 30, 2015**

<b>Major West Virginia Employers</b>	<b>Number of Employees</b>	<b>Percentage of Total Employed</b>
Local Government	74,000-79,999	10.28%
State of West Virginia	40,000-44,999	5.72%
Federal Government	20,000-24,999	3.15%
Wal-Mart Associates, Inc.	10,000-12,999	1.57%
West Virginia United Health System	7,000-9,999	1.16%
Charleston Area Medical Center, Inc.	5,000-6,999	82.00%
Kroger	3,000-4,999	55.00%
Mylan Pharmaceuticals, Inc.	3,000-4,999	55.00%
Murray American Energy, Inc.	1,000-2,999	0.27%
St Mary's Hospital	1,000-2,999	0.27%
Lowe's Home Center, Inc.	1,000-2,999	0.27%
Mentor Management, Inc.	1,000-2,999	0.27%
Res-Care, Inc.	1,000-2,999	0.27%

Source: WORKFORCE West Virginia Research, Information, and Analysis Office.

**Schedule 12**  
**Education Enrollment**  
**Last Ten Fiscal Years**

**Public School Enrollment Grades Pre-K Through 12**

<b>Year</b>	<b>Elementary (Pre-K to 6)</b>	<b>Secondary (7 to 12)</b>	<b>Total All Grades</b>
2023-24	133,417	111,630	245,047
2022-23	135,974	114,075	250,049
2021-22	135,318	115,581	250,899
2020-21	136,083	116,274	252,357
2019-20	145,746	115,887	261,633
2018-19	149,182	116,537	265,719
2017-18	152,584	118,023	270,607
2016-17	154,180	118,986	273,166
2015-16	157,003	120,134	277,137
2014-15	158,815	121,084	279,899

**Higher Education Enrollment Colleges and Universities**

<b>Year</b>	<b>Public</b>		<b>Independent</b>	
	<b>Enrollment</b>	<b>Number of Certificates and Degrees</b>	<b>Enrollment</b>	<b>Number of Certificates and Degrees</b>
2023-24	72,591	16,935	N/A*	N/A*
2022-23	72,043	16,141	N/A*	N/A*
2021-22	72,618	16,636	N/A*	N/A*
2020-21	75,184	17,285	6,571	N/A*
2019-20	81,292	17,916	6,596	1,732
2018-19	80,931	18,451	8,167	2,037
2017-18	83,133	18,399	8,385	2,088
2016-17	84,447	18,573	8,607	2,109
2015-16	86,427	18,521	8,654	1,862
2014-15	87,082	18,410	8,637	1,794

\*This information is no longer available after 2020-21..

Sources: West Virginia Board of Education and West Virginia Higher Education Policy Commission

**Schedule 13**  
**State Employees by Function**  
**Last Ten Fiscal Years**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Executive	863	870	849	861
Legislative	164	171	164	160
Judicial	1,217	1,199	1,170	1,155
Administration	921	946	906	936
Commerce				
Division of Natural Resources (Parks)	690	655	665	703
Tourism and Development	154	153	146	147
WORKFORCE West Virginia	316	317	329	326
Other	325	324	326	337
Environmental Protection	784	775	745	764
Education and the Arts				
Department of Education	525	524	510	505
School for Deaf and Blind	117	110	108	138
Charter School Board	2	1	—	—
Rehabilitation Services	416	386	390	403
Higher Education	10,743	11,045	10,865	10,632
Other	183	165	181	186
Revenue	834	815	800	865
Health, Health Facilities, and Human Services	5,138	4,862	4,737	5,096
Homeland Security				
Corrections and Rehabilitation*	3,179	2,710	2,756	3,109
Juvenile Services*	—	—	—	—
State Police	677	734	807	879
Regional Jail Authority*	—	—	—	—
Other	865	874	812	274
Veterans Assistance	205	202	206	201
Transportation	6,293	6,064	5,824	5,976
Miscellaneous**	495	497	481	1,061
Total	<u>35,106</u>	<u>34,398</u>	<u>33,777</u>	<u>34,714</u>

Notes:

\* In FY 2019, Regional Jail Authority merged with Division of Corrections, Division of Juvenile Services, and Correctional Industries to create the Division of Corrections and Rehabilitation Services

\*\*In FY 2021, the Legislature passed a bill to move Adjutant General and Armory Board from Homeland Security to Miscellaneous Boards.

Sources: Leave system data warehouse reports, Higher Education Policy Commission, Housing Development Fund, and the Supreme Court of Appeals.

2020	2019	2018	2017	2016	2015
885	849	852	857	899	931
174	164	157	164	182	189
1,145	1,118	1,118	1,137	1,072	1,109
939	910	923	895	927	914
701	683	690	696	701	703
145	132	143	147	144	141
278	287	291	320	332	365
338	344	332	321	379	379
778	761	753	794	811	850
505	511	520	473	511	507
155	163	162	160	158	161
—	—	—	—	—	—
412	442	476	528	532	539
10,636	10,519	10,510	10,556	10,501	11,633
187	205	200	229	267	259
873	891	894	905	953	987
5,215	5,132	5,402	5,250	5,437	5,463
3,334	3,362	3,313	1,885	1,987	1,688
—	—	14	466	549	516
946	999	997	984	1,025	1,050
—	—	18	846	935	948
745	703	687	660	610	591
208	228	230	223	210	207
6,042	5,648	5,519	5,530	5,646	5,629
490	494	484	483	511	519
<b>35,131</b>	<b>34,545</b>	<b>34,685</b>	<b>34,509</b>	<b>35,279</b>	<b>36,278</b>

**Schedule 14  
Operating Indicators by Function  
Last Ten Fiscal Years**

	2024	2023	2022
Department of Transportation			
Division of Highways			
Total highway construction projects authorized	1,429	1,089	462
Number of roadway resurfacing projects	1,232	951	106
Highway mileage resurfaced (in miles)	2,818	1,994	261
WORKFORCE West Virginia (Employment Programs)			
Applications processed for job seekers (in thousands)	83	92	95
Filled job openings	337	391	244
Department of Education			
Schools receiving exemplary accreditation status	N/A	N/A	N/A
Schools receiving full accreditation status	N/A	N/A	N/A
School districts receiving full approval status	N/A	N/A	N/A
Department of Health, Health Facilities, and Human Services			
Number of food stamp recipients	279,905	315,494	311,755
Number of food stamps issued	47,782,375	72,593,928	74,399,186
Medicaid enrollees	686,726	707,128	673,821
Counties enrolled in managed care	100 %	100 %	100 %
Child support collections (in millions)	\$164	\$168	\$175
Students served by school-based health clinics	54,839	39,297	39,550
Division of Natural Resources			
Attendance at State Parks (in millions)	8.5	8.1	7.3
Hunting and Fishing License Sales (calendar year)	869,803	1,182,945	1,300,516
Individuals whitewater rafting on rivers (calendar year)	120,925	131,266	141,762
Department of Environmental Protection			
Division of Air Quality			
Number of air quality inspections	846	850	555
Average days open per complaint	5.44	4.40	6.28
Division of Land Restoration Programs			
Organizations that adopted highways	53	64	82
Division of Mining and Reclamation			
Surface mine blasting examinations and certifications	165	210	211
Surface mine mineral extractions inspections	24,211	18,120	18,158
Number of acres reclaimed through reclamation and restoration of land	4,835	1,612	1,768
Office of Miners Health and Safety (Calendar Year)			
Total Safety Inspections	4,359	4,291	4,442
Violations issued by mine Inspectors	8,902	7,444	7,177
Lost time injuries of mining personnel	417	365	674
Department of Military Affairs and Public Safety			
Division of Corrections and Rehabilitation			
Adult inmate housing capacity	10,151	10,267	10,283
Inmate employment (Prison Industries)	275	268	252
Youth successfully completed programs/returned to community (Calendar Year)	36	48	47
Veterans' Home			
Average daily number of residents	76	77	78
Average daily cost per resident	\$135.15	\$124.51	\$116.44
Bureau of Senior Services			
Persons served under Medicaid Aged and Disabled Waiver	8,551	8,613	8,434

N/A – Information is not available. Accreditation has been suspended for school years beginning with 2014-15 and 2013-14 due to development of new state accreditation standards.

Sources: State of West Virginia Executive Budget Operating Detail Reports and state agencies.

2021	2020	2019	2018	2017	2016	2015
995	851	1,014	1,213	813	1,042	891
537	217	461	595	294	519	483
1,508	718	1,318	1,816	1,140	1,729	1,481
14	105	104	117	114	96	102
80	858	1,576	2,396	3,147	2,969	3,235
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
301,342	294,346	289,359	304,952	322,086	333,938	360,266
61,135,695	38,585,136	33,602,760	37,312,477	40,337,523	40,796,612	40,995,643
631,568	622,943	616,834	650,686	651,031	649,111	632,808
100 %	100 %	100 %	100 %	100 %	100 %	100 %
\$182	\$207	\$194	\$184	\$189	\$214	\$212
36,761	45,254	44,868	45,682	37,456	29,045	28,053
6.9	6.7	6.5	6.6	6.8	7.1	7.0
891,774	883,964	854,434	830,309	852,909	868,658	913,578
112,372	136,779	136,233	119,675	136,128	131,022	134,170
521	815	812	524	470	583	546
6.82	7.55	7.79	6.53	8.60	6.80	8.24
38	38	88	52	74	1,835	1,301
57	145	188	273	234	147	134
23,707	23,500	18,241	9,639	18,935	19,739	20,205
2,874	2,989	1,048	204,453	891	527	398
5,190	6,107	5,365	5,486	5,328	5,002	5,750
6,145	9,227	9,748	9,495	7,205	7,527	8,767
377	488	500	442	369	355	584
10,291	10,291	5,998	6,106	5,956	5,989	5,987
231	265	271	251	244	245	240
74	129	145	182	196	188	166
74	76	82	82	70	74	81
\$110.84	\$117.51	\$96.98	\$107.05	\$112.44	\$107.02	\$97.62
7,884	7,026	6,842	6,419	6,151	6,385	6,455

**Schedule 15  
Capital Assets Statistics by Function  
Last Ten Fiscal Years**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Vehicles				
Executive	225	211	195	195
Judicial	18	18	18	17
Administration				
Agency-Owned	2,928	3,051	3,094	3,004
Leased to other agencies	—	—	—	—
Totals	<u>2,928</u>	<u>3,051</u>	<u>3,094</u>	<u>3,004</u>
Revenue	1	—	—	—
Commerce*				
Division of Natural Resources	581	560	537	539
Division of Forestry	94	95	87	89
Others	<u>62</u>	<u>51</u>	<u>26</u>	<u>21</u>
Total Commerce	737	706	650	649
Environmental Protection	28	8	5	4
Education*	26	25	15	15
Health, Health Facilities, and Human Services	38	38	52	21
Homeland Security				
West Virginia State Police	637	678	744	734
Corrections and Rehabilitation	100	91	72	79
Regional Jail Authority**	—	—	—	—
Others	<u>66</u>	<u>61</u>	<u>45</u>	<u>37</u>
Total Homeland Security	803	830	861	850
Veterans Affairs	16	43	49	52
Regulatory Boards and Commissions	33	33	16	19
Boats				
Commerce	236	235	237	241
Environmental Protection	19	16	15	15
Buildings				
Executive	84	104	104	104
Administration	74	236	238	234
Revenue	2	2	2	2
Commerce				
Division of Natural Resources (Parks)	1,523	1,625	1,674	1,672
Division of Forestry	16	16	16	16
Others	<u>12</u>	<u>13</u>	<u>13</u>	<u>13</u>
Total Commerce	1,551	1,654	1,703	1,701
Environmental Protection	2	2	2	2
Education	27	73	73	70
Health, Health Facilities, and Human Services	90	451	451	452
Homeland Security***				
West Virginia State Police	102	205	205	203
Division of Corrections	247	461	461	463
Armory Board	—	—	—	—
Others	<u>20</u>	<u>20</u>	<u>20</u>	<u>—</u>
Total Homeland Security	369	686	686	666
Veterans Affairs	10	12	12	12
Regulatory Boards and Commissions***	184	267	265	269

\* In FY 2018, the Legislature passed a bill that moved Division of Rehabilitation Services from Education to Commerce.

\*\* In FY 2019, Regional Jail Authority merged with Division of Corrections, Division of Juvenile Services, and Correctional Industries to create the Division of Corrections and Rehabilitation Services.

\*\*\* In FY 2021, the Legislature passed a bill that moved Adjutant General and Armory Board from Homeland Security to Regulatory Board and Commissions..

Sources: Financial Accounting and Reporting Section; West Virginia's ERP system (wvOASIS); Fixed Asset detailed ledger.



2020	2019	2018	2017	2016	2015
190	190	193	235	218	227
19	19	19	20	18	20
2,950	2,776	202	10	9	8
—	—	2,585	2,434	2,502	2,664
2,950	2,776	2,787	2,444	2,511	2,672
—	—	—	1	—	—
535	525	517	907	581	710
92	99	107	140	119	135
21	22	21	18	14	18
648	646	645	1,065	714	863
4	5	5	8	8	8
15	15	14	48	30	42
22	25	26	42	35	38
810	802	706	1,164	867	1,014
85	84	43	29	26	25
—	—	47	—	—	51
55	49	51	27	23	25
950	935	847	1,220	916	1,115
54	61	61	89	77	80
—	—	—	2	2	2
225	199	198	209	196	103
16	14	15	16	15	8
104	105	98	27	72	28
228	225	217	75	71	70
2	2	2	2	2	2
1,674	1,670	1,039	885	903	907
16	1	5	5	5	5
14	13	12	12	11	11
1,704	1,684	1,056	902	919	923
6	7	6	6	6	7
76	69	67	72	79	79
452	455	470	106	106	100
203	203	203	97	97	92
457	455	183	64	66	63
201	218	218	149	149	149
50	53	176	63	66	66
911	929	780	373	378	370
12	12	12	11	10	10
18	17	7	3	3	3

**Schedule 16**  
**Miscellaneous Statistics**  
**June 30, 2024**

Date of Statehood June 20, 1863

West Virginia shares its history with Virginia from 1609 until Virginia seceded from the Union in 1861. The delegates of 40 western counties formed their own government, which was granted statehood in 1863. Declared a state by President Abraham Lincoln, West Virginia is the only state to be designated by Presidential Proclamation.

Form of Government	Constitutional Representative Government
Branches of Government	Legislative, Executive, Judicial
Area (Land and Water)	24,231.4 square miles (approximately)
Highest Elevation Point	Spruce Knob - 4,863 feet above sea level
Lowest Elevation Point	Harpers Ferry - 240 feet above sea level
Miles of Public Roads and Streets	38,770
Miles Maintained by the State	34,691
State Police Protection:	
Number of State Police Detachments	57
Number of State Police Troopers	600
Higher Education (State Supported):	
Number of Campuses	21
Number of Students	70,560
Recreation:	
Number of State Parks	35
Area of State Parks	77,467
Number of State Forests	8
Area of State Forests	72,683
Number of State owned and Operated Rail Trails	3
Distance of Rail Trails	178.7 miles
Wildlife Fish and Game Management Areas	100
Acreage of Wildlife Management Areas (Owned and Leased)	432,925

Sources: Division of Highways, Division of Public Safety, Higher Education Policy Commission, and Division of Natural Resources.