

West Virginia



Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2022

West Virginia

Annual Comprehensive

Financial Report

For the Fiscal Year

Ended June 30, 2022



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



Governor Jim Justice



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, 2022. 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.

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

Report Prepared By:

West Virginia Department of Administration
Finance Division
Financial Accounting and Reporting Section
2101 Washington Street, East
Building 17, 3rd Floor
Charleston, West Virginia 25305
(304) 558-4083

Financial Reporting Team:

Stephanie Bailes, CPA
Betsy Chapman, CGFM
Samantha Chapman, CGFM
Taylor Cole
Melody Duke
Cheryl Garner
Reneé King
Luke Murray
Matthew Reynolds
Timothy Scites
Robert Tanner
Kay Walden, CGFM
Maria Yoakum

A Special Thanks To:

Sarah H. 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 the Division of Tourism.

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

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	x
GFOA Certificate of Achievement	xx
Organization Chart	xxi
State of West Virginia Principal Officials	xxii

FINANCIAL SECTION

Report of Independent Auditors	2
Management’s Discussion and Analysis	6

Basic Financial Statements

Government-wide Financial Statements	
Statement of Net Position	24
Statement of Activities	26
Governmental Funds Financial Statements	
Balance Sheet	30
Reconciliation of the Governmental Funds	
Balance Sheet to the Statement of Net Position	32
Statement of Revenues, Expenditures, and Changes in Fund Balances	33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	34
Proprietary Funds Financial Statements	
Statement of Net Position	36
Statement of Revenues, Expenses, and Changes in Fund Net Position	38
Statement of Cash Flows	40
Fiduciary Funds Financial Statements	
Statement of Fiduciary Net Position	46
Statement of Changes in Fiduciary Net Position	47
Discretely Presented Component Units Financial Statements	
Combining Statement of Net Position	50
Combining Statement of Activities	54

Notes to the Financial Statements:

Note 1 – Summary of Significant Accounting Policies	57
Note 2 – Restatement and Restricted Balances	79
Note 3 – Net Position/Fund Deficits	82
Note 4 – Deposits and Investments	83
Note 5 – Receivables	124
Note 6 – Interfund Balances	128
Note 7 – Interfund Transfers	130
Note 8 – Restricted Assets	133
Note 9 – Capital Assets	135
Note 10 – Long-Term Obligations	139
Note 11 – Right-to-Use Leases	153
Note 12 – Retirement Systems	156
Note 13 – Other Postemployment Benefits	175
Note 14 – Risk Management	185
Note 15 – Commitments and Contingencies	191
Note 16 – Subsequent Events	195

Required Supplementary Information

Budgetary Comparison Schedule	198
Notes to Required Supplementary Information – Budgetary Reporting	201
Budgetary Comparison Schedule, Budget-to-GAAP Reconciliation	204
Pension Plans Schedules	206
Notes to Required Supplementary Information – Pension	222
OPEB Plan Schedules	224
Notes to Required Supplementary Information – OPEB	228

Combining Financial Statements and Schedules

Nonmajor Governmental Funds	
Combining Balance Sheet	232
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	234
Nonmajor Special Revenue Funds	
Combining Balance Sheet	238
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	240
Nonmajor Debt Service Funds	
Combining Balance Sheet	244
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	245

Internal Service Funds	
Combining Statement of Fund Net Position	248
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	249
Combining Statement of Cash Flows	250
Nonmajor Proprietary Funds	
Combining Statement of Net Position	253
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	254
Combining Statement of Cash Flows	255
Pension Trust and Other Employee Benefit Trust Funds	
Combining Statement of Fiduciary Net Position	260
Combining Statement of Changes in Fiduciary Net Position	262
Investment Trust Funds	
Combining Statement of Fiduciary Net Position	266
Combining Statement of Changes in Fiduciary Net Position	266
Custodial Funds	
Combining Statement of Fiduciary Net Position	269
Combining Statement of Changes in Fiduciary Net Position	270
Nonmajor Discretely Presented Component Units	
Combining Statement of Net Position	274
Combining Statement of Activities	276

STATISTICAL SECTION

Index to Statistical Section	
Schedule 1 – Net Position by Component	282
Schedule 2 – Changes in Net Position by Component	284
Schedule 3 – Fund Balances – Governmental Funds	288
Schedule 4 – Changes in Fund Balances – Governmental Funds	290
Schedule 5 – Revenue Base	292
Schedule 6 – Revenue Rates	294
Schedule 7 – Revenue Payers by Industry/Category	296
Schedule 8 – Ratios of Outstanding Debt	298
Schedule 9 – Pledged Revenue Coverage	300
Schedule 10 – Demographic and Economic Indicators	308
Schedule 11 – Principal Employers	310
Schedule 12 – Education Enrollment	311
Schedule 13 – State Employees by Function	312
Schedule 14 – Operating Indicators by Function	314
Schedule 15 – Capital Assets Statistics by Function	316
Schedule 16 – Miscellaneous Statistics	318



Introductory Section



Transmittal Letter

Certificate of Achievement
for Excellence in Financial
Reporting

Organization Chart

Principal Officials



STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION

Mark D. Scott
CABINET SECRETARY

December 16, 2022

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 2022 Annual Comprehensive Financial Report (2022 ACFR) of the State of West Virginia for the fiscal year ended June 30, 2022. This report was prepared by the Financial Accounting and Reporting Section (FARS) within the Finance Division of the Department of Administration (Management).

The 2022 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, 2022, 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 2022 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. After the approval of the budget, the State Budget Office maintains control over the spending patterns of the State at the activity level and by use of the quarterly allotments. The State Auditor exercises control over spending at the annual appropriation level. All appropriations, except funds which are re-appropriated, expire 31 days after fiscal year-end.

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

Economic Review

West Virginia leads the nation with its commitment to energy research and a diverse energy portfolio that includes not only coal, but natural gas, wind, hydroelectric, geothermal, biomass and solar. The State has long been, and remains today, one of America's leading net exporters of electricity. West Virginia is a net supplier of electricity to the regional grid and is among the top five states in the nation in net interstate sales of electricity. West Virginia remains competitive in low-cost energy.

The State is the sixth-largest producer of marketed natural gas in the nation. There was a substantial increase in production this year that can be attributed to the discovery of vast gas reserves in the Marcellus and Utica Shale formations. These formations are beneath portions of the Appalachian region and the utilization of horizontal drilling techniques to access those reserves. The region's 6,000-foot-deep Marcellus Shale gas fields, extending from New York to West Virginia, are believed to contain more than 84 trillion cubic feet of recoverable natural gas, one of the world's largest natural gas fields.

West Virginia's business climate is among the best in the country and ranks 10th in Business Facilities 2021 State Rankings Report. Business Facilities also ranked Charleston, WV as 3rd best business climate for populations less than 200k. Business Facilities considers the competitiveness of each state's infrastructure, workforce, economy, business friendliness and access to capital when determining a state's business climate ranking.

West Virginia continues to diversify its economy, which includes industries such as technology, chemicals and polymers, automotive, manufacturing, natural gas, aerospace, metals, fulfillment distribution and building products.

Global companies and organizations have selected West Virginia for their expansion because of its business climate and productive workforce. Below are examples of this economic growth in the State:

- The Nucor Corporation selected Mason County, West Virginia, as the location for a state-of-the-art sheet steel mill. The record investment will exceed \$2.7 billion, making it the largest in West Virginia history, as well as the largest single investment Nucor has ever made.
- GreenPower Motor Company Inc. signed an agreement with the state to lease/purchase a 9.5-acre manufacturing facility in South Charleston, including an 80,000-square-foot building, where the company will manufacture zero-emission, all-electric school buses, bringing hundreds of new jobs and millions of dollars in economic impact to West Virginia.

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

- Mitsubishi Heavy Industries RJ signed a contract in May 2021, investing \$20 million to expand the facility in 2022 by 100,000 square feet and adding two hangars. This will generate more jobs and growth for the State.
- Veloxint, a manufacturer of nanocrystalline metal alloys, is moving to Touchstone Research Laboratory Ltd. in Triadelphia, West Virginia. Veloxint expects to create 200-300 new jobs over the next four years (2022-2026) at its new location. Positions will include research engineers, laboratory technicians, metallurgists, and machinists.
- Technologies and Materials North American manufacturing plant located in Jefferson County announced that it is set to add a \$7 million expansion, which will double the size of the facility. This will increase construction and manufacturing jobs for the State.
- PepsiCo Beverages North America commemorated the grand opening of their brand-new warehouse and distribution center in Cabell County. The \$16.5 million, 100,000-square-foot facility will distribute millions of cases of beverages per year to customers throughout West Virginia and Kentucky.
- Omnis Building Technologies celebrated the beginning of work on their \$40 million, 150,000-square-foot manufacturing facility that will produce housing materials revolutionizing the future of residential construction. Located just off Interstate 77 in Bluefield, West Virginia, the new facility will create 150-300 new jobs available to West Virginians.
- The Department of Economic Development has continued to assist with many significant tourism developments and promote the use of the Tourism Development Act tax incentive. Since 2019, the Tourism Development Act tax credit program has received more applications than the first decade of the program (which began in 1985) alone. Recent applications represent more than \$250 million in investment in West Virginia's tourism industry.
- In 2021, the New River Gorge was named the nation's newest national park, promoting further economic growth for the state.

Looking forward, other significant developments for 2023 include:

- BHE Renewables, a Berkshire Hathaway Energy business, has entered into an agreement with the State of West Virginia to purchase more than 2,000 acres of land in Ravenswood, West Virginia, to be developed as a first-of-its-kind renewable energy microgrid-powered industrial site.
- Mountain Top Beverages was welcomed to the Morgantown Industrial Park. Its state-of-the-art beverage manufacturing facility is expected to be fully operational by the end of the year and employ about 300.

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

- Pure Watercraft, the leading direct-to-consumer provider of high-performance electric boats, has executed an agreement with the State of West Virginia to manufacture its electric pontoon boats in Beech Bottom, West Virginia.
- Klöckner Pentaplast (kp), a global manufacturer and supplier of sustainable packaging products, announced that it has selected its production facility in the Raleigh County community of Beaver for a multimillion-dollar production expansion.

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
- Electricity rates that are 13 percent below the national average
- 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

The State of West Virginia focused on several major initiatives during FY 2022. Some of these initiatives are outlined below:

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.

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

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.

In addition to lower business 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 2022, the West Virginia Division of Highways (WVDOH) continued work on several of its major initiatives around the state including Corridor H, the Nitro bridge project on I-64, the Wellsburg bridge, the Welch to WV 16 portion of the Coalfields Expressway and the Airport Road - John Nash Boulevard portion of the King Coal Highway, to name a few. It is also worth noting that one major initiative from fiscal year 2021, finishing US35, has now been completed. During 2022, the WVDOH authorized a total of 462 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 7,248 vehicular bridges, of which the WVDOH is responsible for 7,138. 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 82 construction starts on bridge initiatives ranging from full replacement to deck overlays. The WVDOH's resurfacing program consisted of 106 projects, which addressed approximately 261 miles of roadway. The number was considerably lower than normal for several reasons which included: timing issues surrounding implementation of the agency's new project tracking system, which took place in October 2021, delays in the availability of federal funding with the roll out of the Infrastructure and Investment Jobs Act (IIJA), and delays in establishing the fiscal year 2023 resurfacing program. While the programs were significantly lower than fiscal year 2021, the WVDOH is positioned to increase program activity in fiscal year 2023.

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

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

lodges, golf courses, cabins ranging from pioneer to contemporary styles, conference centers, a tourist railroad, aerial tramways, rail trails, an island and a major ski resort.

The system is composed of 35 state parks, nine state forests, 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 provided across 46 areas.

The park system serves as a strong foundation for the growing tourism industry as destination locations. According to the Outdoor Industry Association research, the outdoor recreation economy in West Virginia contributes 82,000 direct state jobs resulting in \$2 billion in wages and salaries. Consumers spend \$7.6 billion annually on outdoor recreation.

The parks section manages or assists in managing more than 160,000 acres of public land and sees up to 10 million visitors annually. Traffic counts and projections show 2022 to be trending much like the higher attendance levels last year, with 2.2 million attendees in July, August, and September 2022 alone. In July 2022, visitation was 910,000 in a single month. Currently, there are more than \$150 million in renovations either completed, under construction, or in the planning stage.

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 325 carriers filing to offer workers' compensation insurance to West Virginia policyholders. Since the privatization, the workers' compensation market has experienced approximately \$446 million in premium savings after 18 consecutive loss cost decreases. The most recent decrease of 7.2% results in a cumulative 81.3% 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 Insurance Commission, the National Council on Comprehensive Insurance, private carriers, and the employers of the state of West Virginia.

Prior to the privatization, the unfunded liability for the former Workers' Compensation Fund exceeded \$3 billion. As of June 30, 2022, the Workers' Compensation Old Fund deficit balance was \$61 million. The significant reduction in the unfunded liability demonstrates West Virginia's focus on fiscal responsibility.

Environmental Protection Initiatives

In Fiscal Year 2022, the West Virginia Department of Environmental Protection's (WVDEP) Rehabilitation Environmental Action Plan (REAP) awarded 27 recycling assistance grants totaling \$1,839,742 to local governments, universities, private, and nonprofit organizations for the purpose of planning, initiating, expanding, or upgrading recycling

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

programs, providing related public education programs, and assisting in recycling market procurement efforts; 17 covered electronic devices recycling grants totaling \$131,987 to conduct electronic collection events and programs; and 25 litter control grants totaling \$84,350 to initiate, continue, or expand local litter control programs.

The Office of Abandoned Mine Lands and Reclamation (AMLR) completed 10 reclamation projects totaling \$1.9 million and 28 emergency projects totaling \$2.9 million. AMLR solicited bids for 13 AMLR waterline construction project at a cost of \$5 million, 1 Abandoned Mine Land Economic Revitalization (AMLER) waterline construction project at a cost of \$5.1 million, and 4 Pilot (AMLER) projects at a cost of \$5.6 million. The waterline project 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 Clean Water State Revolving Fund, WVDEP disbursed more than \$37.4 million to communities for municipal sewer projects under construction; disbursed \$120,070 to the onsite system loan program; closed new loans on an additional 13 municipal construction projects and 7 amendments to existing projects, worth \$33.3 million; and have already issued 19 preliminary binding commitment letters and/or loan agreements for additional projects, worth \$67 million.

Long Term Financial Planning and Relevant Financial Policies

In order 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 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 total appropriations for the fiscal year just ended. For the fiscal year ending June 30, 2022, no deposit of surplus funds occurred because the combined balance of the Reserve Funds exceeded the 20% of total appropriations threshold. The combined fund balance for the State's Rainy Day Funds was \$937 million as of September 30, 2022.

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

Strong Financial Performance

In 2022, strong economic growth along with high inflation, especially for energy commodities, resulted in General Revenue Fund growth of more than \$1.07 billion or 22.1% over prior year adjusted collections. Collections were also more than \$1.3 billion ahead of official estimates. Per the Governor's recommendations, the Legislature approved nearly \$943.4 million in surplus appropriations, including among others \$600.5 million for economic development, \$150 million for secondary road maintenance, \$100 million for infrastructure and \$50 million for a new mining mutual company.

Conclusion

West Virginia continues to aggressively address the fiscal challenges associated with a changing economy. During Fiscal Year 2022, 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.

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, 1997 through 2021. 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.

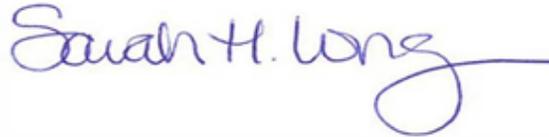
Acknowledgments

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 2022 budgets.

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

The 2022 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
Chief Financial Officer
Assistant Cabinet Secretary of Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

State of West Virginia

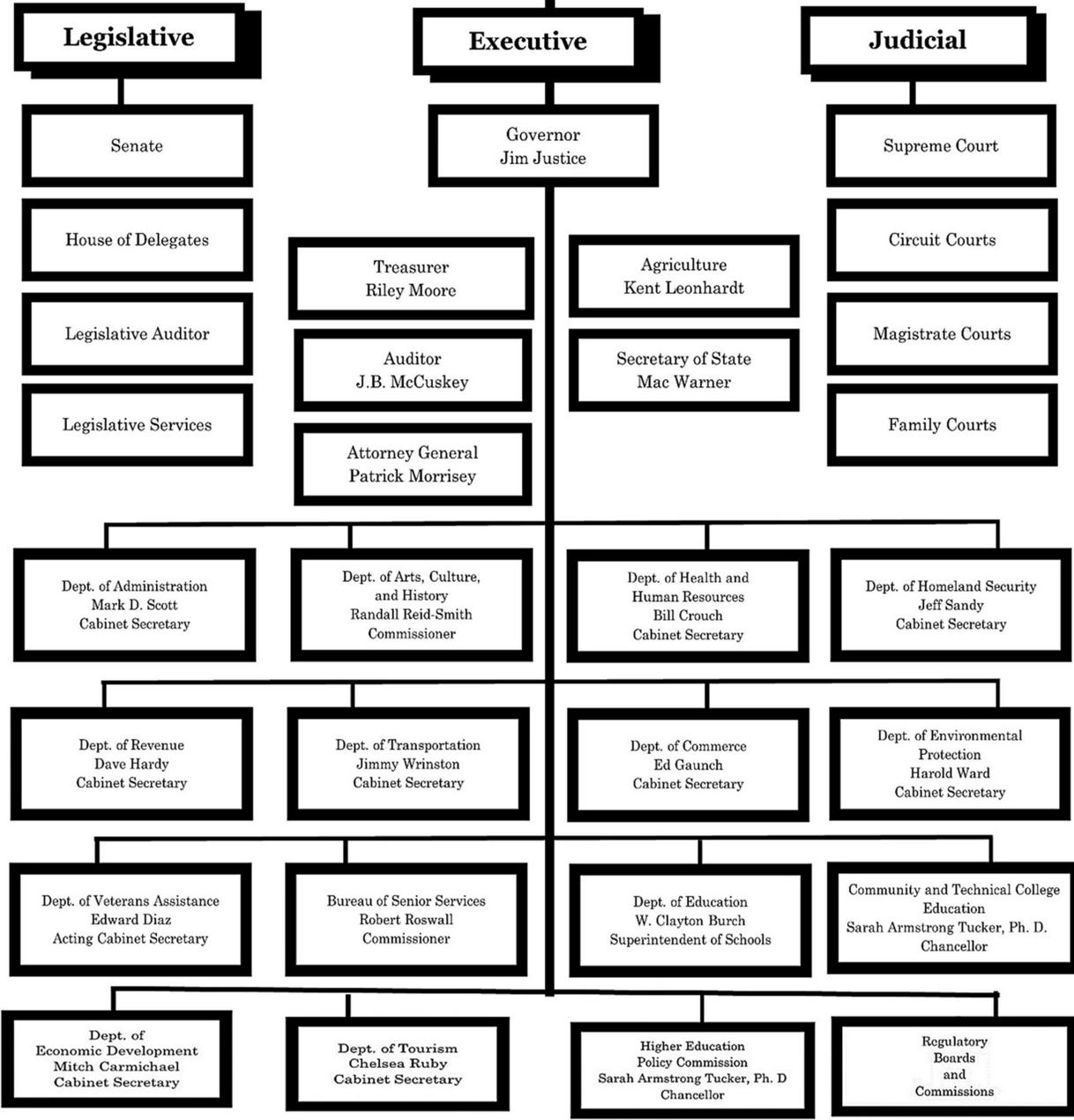
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

ORGANIZATION CHART



As of June 30, 2022

State of WEST VIRGINIA Principal Officials

Executive Branch	Legislative Branch	Judicial Branch
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 Eric Householder	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



Ernst & Young LLP
900 United Center
500 Virginia Street East
Charleston, WV 25301

Tel: +1 304 343 8971
Fax: +1 304 357 5994
ey.com

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, 2022, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

In our opinion, 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 of West Virginia at June 30, 2022, 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.

Basis for Opinions

Our responsibility is to express opinions on these financial statements based on our audit. 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 53% of total assets, 75% of net position, and 10% of total revenues for the governmental activities; 94% of total assets, 96% of net position, and 52% of total revenues for the business-type activities; 100% of total assets, net position, and revenues for the aggregate discretely presented component units; 97% of total assets, 97% of fund balance, and 98% 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 85% of total assets, 88% of net position, and 24% 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 opinion, 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, is based solely on the reports of the other auditors.

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 of West Virginia, 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, Schedules of the State's Proportionate Share of the Net Pension Liability (Asset), Schedules of State's Contributions for Pension Plans, Schedules 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), and Schedules of State Contributions for the OPEB Plan on pages 6 through 21 and 198 through 228 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The accompanying supplementary information, such as the combining and individual nonmajor fund financial statements and the other information, such as the introductory and statistical section, 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 auditing standards generally accepted in the United States of America. 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 16, 2022

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, 2022. 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 \$13.8 billion, reported as net position. Governmental activities reported \$11.3 billion in net position, a \$2.7 million increase, up 31% from last year, while the business-type activities reported net position of \$2.5 billion, an \$11.6 million increase.

Fund Level

At year-end, the governmental funds reported combined fund balances of \$6.7 billion, an increase of \$1.2 billion, or 23% higher than the prior year. The unrestricted fund balance, including the committed, assigned, and unassigned balances, was \$4.2 billion. The nonspendable balance was \$191 million, and \$2.3 billion was restricted to capital projects, debt service, general government operations, development, tourism and recreation, education, health and social services, public protection, and transportation. General Revenue cash surpluses allowed \$15.4 million to be transferred to the Revenue Shortfall Reserve Fund (Rainy Day Fund); this transfer was the same as in the previous year.

Long-Term Obligations

There was a net decrease in the State's long-term obligations of \$2.4 billion. The Governmental Activities decreased by \$2.3 billion and the Business-type Activities decreased by \$61 million. The net decrease of \$2.3 billion primarily consisted of a decrease in net pension liability in the amount of \$2 billion, a decrease in other net postemployment benefit liability of \$285 million, an increase of \$135 million in accrued and other liabilities, and an increase in payments on bonds, other financing debt, and notes payable in the amount of \$176 million. The increase in accrued and other liabilities is related to an increase in Medicaid of \$84 million, an increase of \$61 million in taxes, and a decrease of \$18 million in claims and judgments.

The insurance and compensation benefits liability decreased \$50 million. The decrease consisted of a \$96 million increase at the Board of Risk and Insurance Management (BRIM) due to an increase in estimated claims expense, a decrease in unpaid claims, and a \$23 million decrease in Unemployment Compensation due to a decrease in claims paid. There was a \$126 million decrease at the Offices of the Insurance Commissioner due to an increase in claims paid. See Note 14 for a more detailed explanation about risk management.

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

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 and human resources, 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, 2022 and 2021 (expressed in thousands):

Net Position as of June 30
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 10,697,454	\$ 8,827,767	\$ 4,338,444	\$ 4,616,036	\$ 15,035,898	13,443,803
Right-to-Use Lease Asset	98,034	—	—	—	98,034	—
Capital Assets	10,472,101	10,373,595	2,641	1,965	10,474,742	10,375,560
Total Assets	21,267,589	19,201,362	4,341,085	4,618,001	25,608,674	23,819,363
Deferred Outflows of Resources	1,386,954	1,507,521	3,248	3,557	1,390,202	1,511,078
Current and Other Liabilities	3,217,276	3,225,378	457,982	679,064	3,675,258	3,904,442
Long-term Liabilities	5,297,905	7,684,052	1,348,455	1,421,294	6,646,360	9,105,346
Total Liabilities	8,515,181	10,909,430	1,806,437	2,100,358	10,321,618	13,009,788
Deferred Inflows of Resources	2,888,537	1,220,951	8,014	2,908	2,896,551	1,223,859
Net Position						
Net Investment in Capital Assets	9,119,557	9,139,616	3,113	1,965	9,122,670	9,141,581
Restricted	1,557,217	1,430,320	2,356,490	2,110,728	3,913,707	3,541,048
Unrestricted (Deficit)	574,051	(1,991,434)	170,279	405,599	744,330	(1,585,835)
Total Net Position	\$ 11,250,825	\$ 8,578,502	\$ 2,529,882	\$ 2,518,292	\$ 13,780,707	\$ 11,096,794

Comparing June 30, 2022 to June 30, 2021, government-wide balances, current and other assets increased \$1.6 billion due to a \$1 billion increase in cash and equivalents, primarily from a stronger than expected revenue collections along with the receipt of the second payment from the federal government under the American Rescue Plan Act of 2021 (ARPA). Also, due to changes in assumptions and return on investments for both the pension and OPEB funds, assets of \$700 million were recorded in FY 22. Previously, both of these were reported as a liability. Current and other liabilities decreased \$229 million due to decrease in benefit payment obligations resulting from employer contributions being higher than claimant benefit payments and lower unemployment rates.

Long-term liabilities decreased \$2.5 billion due to the change from a liability to an asset in FY 22 for both pension and OPEB. Significant changes in capital assets and long-term liabilities are discussed later in this Management's Discussion and Analysis.

Deferred Inflows increased by \$1.7 billion primarily due to changes in actuarial assumptions and methodology for pension and OPEB.

The State's combined net position, governmental and business-type, increased \$2.7 billion over the course of this fiscal year's operations. The net position of the governmental activities increased \$2.7 billion, and the net position of the business-type activities increased \$11.5 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 32% 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, 2022 and 2021 (expressed in thousands):

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services	\$ 485,135	\$ 507,918	\$ 1,037,545	\$ 1,008,617	\$ 1,522,680	\$ 1,516,535
Operating Grants and Contributions	9,142,136	7,347,681	—	—	9,142,136	7,347,681
Capital Grants and Contributions	554,425	508,221	—	—	554,425	508,221
General Revenues:						
Personal Income Tax	2,522,395	2,194,829	—	—	2,522,395	2,194,829
Consumer Sales Tax	1,812,684	1,668,378	—	—	1,812,684	1,668,378
Business Taxes	1,372,786	777,371	—	—	1,372,786	777,371
Transportation Taxes	719,812	701,541	—	—	719,812	701,541
Other Taxes	682,018	645,992	—	—	682,018	645,992
Lottery Revenue	372,001	389,012	46,000	46,000	418,001	435,012
Other Revenue	101,370	820,233	79,319	1,321,400	180,689	2,141,633
Total Revenue	17,764,762	15,561,176	1,162,864	2,376,017	18,927,626	17,937,193
Program Expenses:						
Legislative	22,161	21,755	—	—	22,161	21,755
Judicial	68,095	111,998	—	—	68,095	111,998
Executive	622,666	714,308	—	—	622,666	714,308
Administration	287,847	241,868	—	—	287,847	241,868
Commerce	157,407	233,403	—	—	157,407	233,403
Environmental Protection	123,749	88,978	—	—	123,749	88,978
Employment Programs	59,131	211,110	—	—	59,131	211,110
Education	2,745,843	3,064,713	—	—	2,745,843	3,064,713
Health and Human Resources	7,828,170	6,880,969	—	—	7,828,170	6,880,969
Homeland Security	395,814	515,711	—	—	395,814	515,711
Revenue	58,449	126,387	—	—	58,449	126,387
Transportation	1,463,303	1,325,447	—	—	1,463,303	1,325,447
Veterans Assistance	15,216	17,407	—	—	15,216	17,407
Senior Services	51,537	53,919	—	—	51,537	53,919
Regulatory Boards and Commissions	368,609	141,343	—	—	368,609	141,343
Tourism	37,621	—	—	—	37,621	—
Economic Development	559,988	—	—	—	559,988	—
Arts, Culture and History	36,155	—	—	—	36,155	—
Interest on Long-Term Debt	154,682	143,228	—	—	154,682	143,228
Interest on Lease Liability	3,064	—	—	—	3,064	—
Water Pollution Control Revolving Fund	—	—	11,232	11,291	11,232	11,291
Workers' Compensation Fund	—	—	6,365	62,049	6,365	62,049
Unemployment Compensation	—	—	117,319	1,063,978	117,319	1,063,978
West Virginia Infrastructure and Jobs Development Council	—	—	44,395	31,795	44,395	31,795
Public Employees' Insurance Agency	—	—	708,037	701,087	708,037	701,087
Board of Risk and Insurance Management	—	—	173,129	88,562	173,129	88,562
Other Activity	—	—	123,729	116,405	123,729	116,405
Total Expenses	15,059,507	13,892,544	1,184,206	2,075,167	16,243,713	15,967,711
Increase (Decrease) in Net Position Before Transfers	2,705,255	1,668,632	(21,342)	300,850	2,683,913	1,969,482
Transfers	(32,932)	(48,118)	32,932	48,118	—	—
Increase (Decrease) in Net Position	2,672,323	1,620,514	11,590	348,968	2,683,913	1,969,482
Net Position, Beginning of Year	8,578,502	6,957,988	2,518,292	2,169,324	11,096,794	9,127,312
Net Position, End of Year	\$ 11,250,825	\$ 8,578,502	\$ 2,529,882	\$ 2,518,292	\$ 13,780,707	\$ 11,096,794

Governmental Activities

For the year ended June 30, 2022, the State's change in net position before transfers decreased by \$1 billion for governmental activities. Revenues increased by \$2.2 billion, and expenses were also higher by \$1.2 billion comparing the years ended June 30, 2022 and 2021.

The revenue increase is primarily due to the increase in both operating and capital grants and contributions. Operating grants and contributions increased as a result of increases in federal funding of \$1.8 billion for CareAct and American Rescue Plan Act (ARPA). The State recognized \$1.3 billion in CareAct revenue and \$679 million in ARPA revenue. Majority of these funds were for the Department of Health and Human Resources and the Governor's office. The Department of Transportation received capital grants and contributions of \$551 million. This is an increase of \$46 million from prior year. These funds are related to Fixing America's Surface Transportation Act (FAST). FAST is a five-year surface transportation program authorizing funding for highway and public transportation investments. On November 15, 2021, Infrastructure Investment and Jobs Act was enacted and covers federal fiscal years 2022-2026. This Act will replace FAST. West Virginia's federal fiscal year 2022 apportionment was \$576.6 million, and the total obligation limitation was \$621.3 million.

Overall, tax revenue across all tax types increased \$1.1 billion. Personal income tax revenue increased by \$328 million due to employment rising by more than 3%. A strong equity market and consumer expenditure inflation caused increases in consumer sales and use taxes of \$144 million. Business tax revenues increased by \$595 million in 2022 due higher energy prices for natural gas and oil, boosting severance tax collections. Transportation taxes increased \$18 million due to strong motor vehicle sales in FY 2022, which resulted in a significant increase in privilege tax collections.

Other revenue decreased \$719 million. This was attributed primarily to a decrease in investment earning of \$249 million resulting in investment losses of \$119 million. Also, intergovernmental revenue for the Department of Transportation decreased by \$422 million.

Program expenses increased approximately \$1.2 billion in total.

- Department of Health and Human Resources expenses were up \$947 million due to increased professional and contractual services and medical supplies along with increased costs for medical services and SNAP benefits.
- Education expenses were down \$319 million primarily due to decrease in pension expense as a result of a change in actuarial assumptions.
- Regulatory Boards and Commissions expenses increased by \$227 million primarily due to \$250 million of American Rescue Plan Act monies being disbursed.
- Economic development expenditures increased by \$560 million due to increased spending to help improve programs related to economic development of the State. The majority of the expenses were to help provide financial assistance to Nucor Corporation to set up operations in the State. Nucor selected Mason County, West Virginia, as the location for a state-of-the-art sheet steel mill. The record investment will exceed \$2.7 billion, making it the largest in West Virginia history. The remaining expenses were related to initiative grants the Development office entered into with other businesses to help promote and support economic development, new job creation, and growth of industry and commerce.

The charts on the next pages depict revenues and expenses, respectively, of the governmental activities for the fiscal year. Approximately 33% of the total revenues came from personal income, consumer sales, business taxes, and transportation taxes, while 55% was in the form of grants and contributions (see Chart A). The State's governmental activities expenses include 53% for health and human resources and 18% for education (see Chart B).

Chart A

2022 Source of Revenue - Governmental Activities

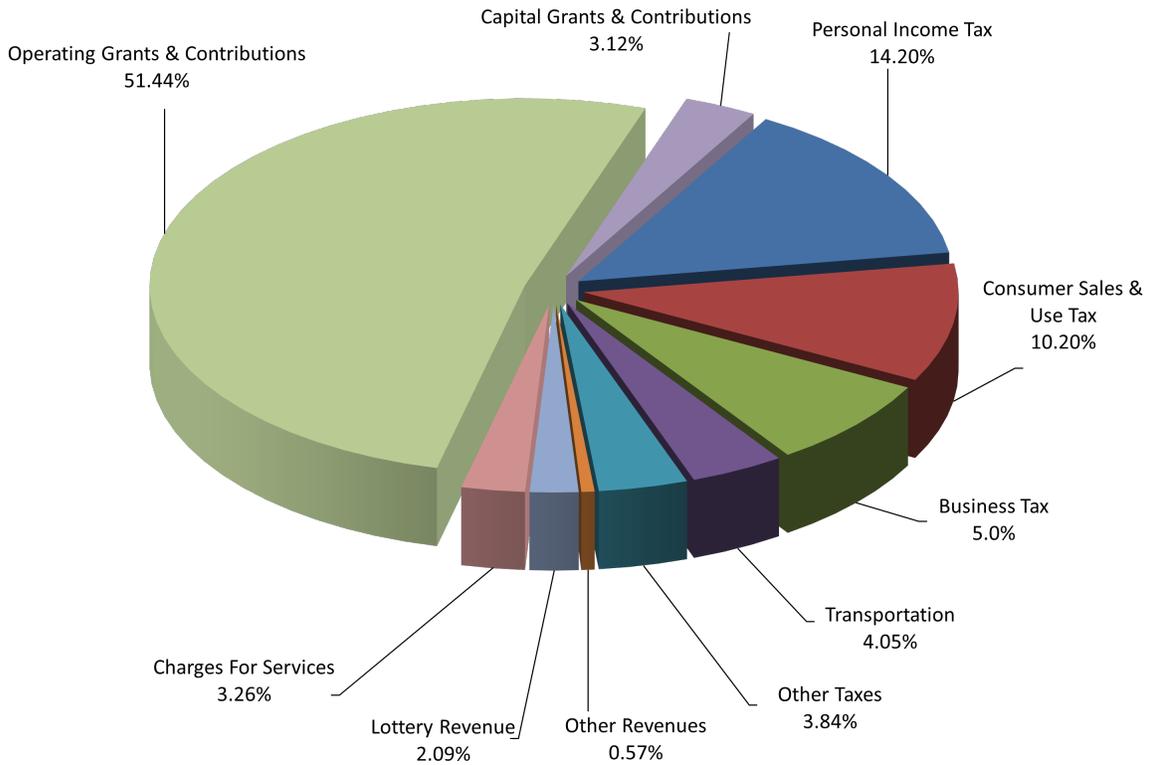
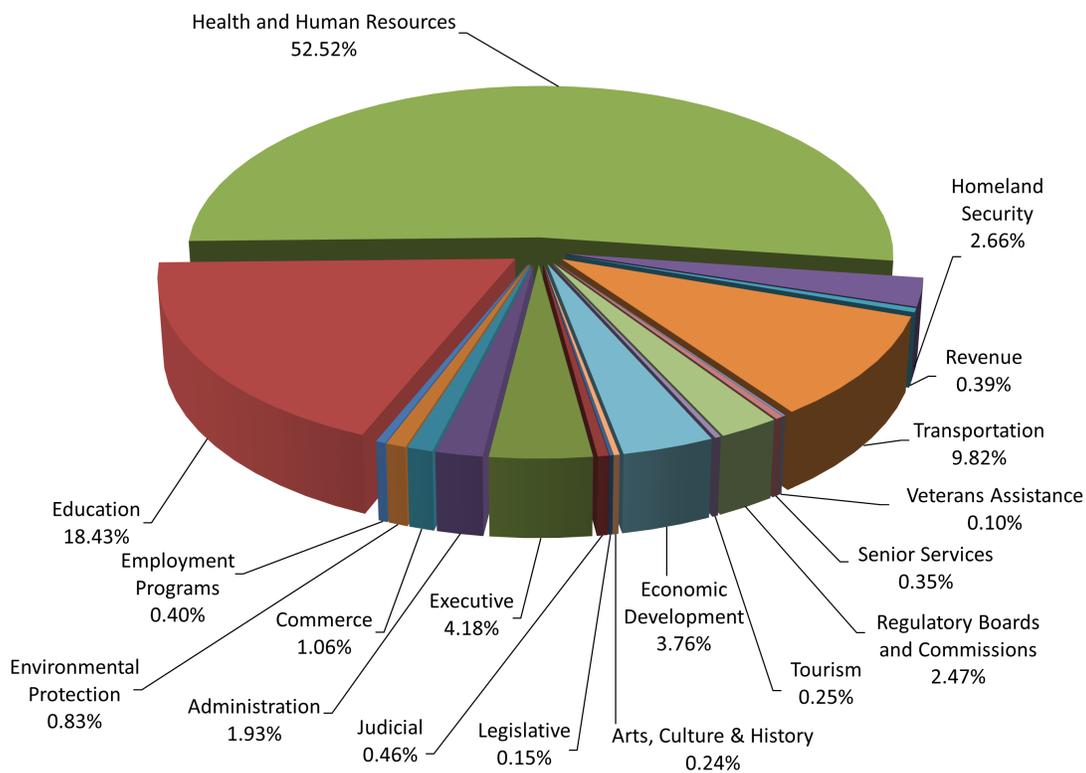


Chart B

2022 Functional Expenses - Governmental Activities



Business-type Activities

For the year ended June 30, 2022, business-type change in net position after transfers increased by \$337 million. Revenues decreased by \$1.2 million and expense decreased by \$891 million with transfers also decreasing by \$15 million comparing the years ended June 30, 2022 and 2021. Significant contributors to these changes were:

- Other revenue decreased by \$1.2 billion due to investment earnings decreasing \$472 million as a result of the down turn in the economy. Unemployment programs had a decrease in other operating revenue of \$808 million as a result of no additional Pandemic assistance funds being received in FY 22. The Unemployment Compensation Fund also had a decrease of \$947 million in corresponding Unemployment expenses. Additionally, the West Virginia unemployment rate decreased from 5.3% in June 2021 to 3.6% in June 2022 reducing unemployment benefit payments.
- BRIM had an increase in claims expense of \$72 million resulting from unfavorable claims development of several prior years and the current year. BRIM saw total revenue and expense from 2022 to 2021 fluctuate due to alterations in premium rates, the changes in the retained loss estimates and the variations in annual investment market returns.

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 \$6.7 billion, a decrease of \$1.2 billion in comparison to that of the prior year.

There was a net increase in revenue of \$2.1 billion. This was a result of a number of factors. General fund revenue increased by \$2.7 billion. This is primarily due to intergovernmental revenue increasing by \$1.8 billion (primarily due to the increase in grant awards for Department of Health and Human Services and Governor’s office) and food stamp revenue increasing \$130 million (primarily due to needs driven by the COVID-19 pandemic). Total tax revenues increased by \$1.1 billion due to a strong equity market which provided long term capital gain of over 40% and consumer expenditure inflation in both personal income tax and business and consumer taxes. Severance tax tripled due to the rising energy prices for natural gas and oil and coal. Expenses were up by \$1.7 billion, primarily due to spending from many agencies to aid in the recovery of the Coronavirus pandemic.

Governmental Fund Balances at June 30, 2022
(Expressed in Thousands)

	General Fund	Transportation	Tobacco Settlement Finance Authority	State Road	Other Governmental Funds	Total
Nonspendable	\$ 127,547	\$ 62,468	\$ —	\$ —	\$ 1,007	\$ 191,022
Restricted	71,490	484,513	496,660	960,237	257,340	2,270,240
Unrestricted						
Committed	108,273	—	—	—	329,035	437,308
Assigned	14,276	198,861	—	—	9,050	222,187
Unassigned	3,555,421	—	—	—	(12,274)	3,543,147
Total	\$ 3,877,007	\$ 745,842	\$ 496,660	\$ 960,237	\$ 584,158	\$ 6,663,904

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 25% of total General Fund expenditures, while total fund balance represents 15% of the same amount.

Cash and cash equivalents in the General Fund were up \$1 billion, primarily due to stronger revenue collections and American Rescue Plan Act funds received. These funds were invested with the Board of Treasury Investments. General fund revenues increased in fiscal year 2022 from 2021 by \$2.7 billion. This increase is due primarily to intergovernmental revenue of \$1.8 billion. Tax revenue increased by \$1.1 billion. Revenues were \$1.8 billion more than expenditures. Expenses for general fund also increased by \$1.7 billion, with the majority of the increase relating to the Health and Human Resource and Executive function of \$1 billion in 2022.

At June 30, 2022, Transportation’s total fund balance decreased by approximately \$95 million from 2021, primarily due to increases in road maintenance expenditures of \$139 million related to capital improvements including small bridge repair, contract paving, and various types of renovation such as guardrail, slides, and drainage. In fiscal year 2021, Transportation received a one-time appropriation of \$150 million from the State’s General fund for specific projects under the Road maintenance program. These funds were received June 2021 with the spending authority granted for fiscal year 2022.

Also, other federal aid programs revenue decreased by \$38 million. The Divisions' federal aid program revenue is only recognized when expenditures occur.

The Tobacco Settlement Finance Authority's fund balance decreased by \$20.6 million primarily due to the amortization of deferred tobacco revenue.

At year-end, nonmajor governmental funds had a net decrease in fund balance of approximately \$55 million. There was a \$33 million decrease in investment earnings for Department of Environmental Protection, Crime Victims and Wildlife Resources. There was a decrease of \$19 million in construction to the state parks. Restricted fund balance is \$257 million, of which \$61 million was available for debt service; \$14 million to fund capital projects; \$74 million for development, tourism and recreation; \$505 thousand for education; and \$108 million for public protection. Committed fund balance is \$329 million, \$7 million for general government operations, and \$322 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 \$1.3 billion due to changes in revenue collection in several tax categories and other revenues. Personal income taxes increased \$462 million, consumer sales taxes increased \$182 million, corporate income/business franchise taxes increased by \$206 million, and severance tax increased \$439 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the State had invested \$10.6 billion, net of accumulated depreciation, in a broad range of capital assets shown below. Depreciation and amortization expense for the year totaled \$416 million.

Capital Assets at June 30, 2022 (Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land and Improvements	\$ 1,511,708	\$ 1,486,079	\$ 611	\$ 611	\$ 1,512,319	\$ 1,486,690
Building and Improvements	930,029	941,445	1,794	998	931,823	942,443
Right-to-Use Buildings	98,034	—	—	—	98,034	—
Equipment	155,621	146,643	25	145	155,646	146,788
Library Holdings	742	594	—	—	742	594
Intangibles - Software	84,254	91,519	211	211	84,465	91,730
Intangibles - Land Rights	2,752	2,752	—	—	2,752	2,752
Construction in Progress	2,299,256	2,063,133	—	—	2,299,256	2,063,133
Infrastructure	5,487,739	5,641,430	—	—	5,487,739	5,641,430
Totals, Net of Accumulated Depreciation	<u>\$ 10,570,135</u>	<u>\$ 10,373,595</u>	<u>\$ 2,641</u>	<u>\$ 1,965</u>	<u>\$ 10,572,776</u>	<u>\$ 10,375,560</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 \$77 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 Appalachian Highway Corridor.

The \$236 million increase in construction in progress is due to increased projects in Transportation and completed projects in the Division of Natural Resources. Transportation saw an increase of \$394 million for various bridge and roadway projects, including construction related to the Coalfields Expressway in Wyoming County, Corridor H in Randolph County, and continued environmental studies on various projects in process, offset by a decrease of \$153 million for completed projects that were placed in service. The Division of Natural Resources increased construction by \$24 million for improvement projects to numerous state parks, while completing \$31 million in construction projects.

The \$154 million decrease in infrastructure is due primarily to Transportation's acquisitions of \$150 million, offset by depreciation expense of \$303 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 \$8.2 billion in bonds, other financing debt, notes payable, claims and judgments, compensated absences, right to use lease 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	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$ 1,982,665	\$ 2,057,062	\$ —	\$ —	\$ 1,982,665	\$ 2,057,062
Revenue Bonds	1,303,621	1,380,364	151,565	158,655	1,455,186	1,539,019
Other Financing Debt	171,740	191,186	—	—	171,740	191,186
Notes Payable	29,025	27,210	—	—	29,025	27,210
Accrued and Other Liabilities	1,421,209	1,286,578	12,349	11,791	1,433,558	1,298,369
Insurance and Compensation Benefits	—	—	1,547,980	1,598,864	1,547,980	1,598,864
Compensated Absences	94,215	98,319	627	652	94,842	98,971
Right to Use Lease Liability	99,993	—	—	—	99,993	119,348
Net Pension Liability	1,468,673	3,447,374	—	2,714	1,468,673	3,450,088
Net OPEB Liability	—	284,345	—	811	—	285,156
Totals	\$ 6,571,141	\$ 8,772,438	\$ 1,712,521	\$ 1,773,487	\$ 8,283,662	\$ 10,545,925

In FY 22 the State implemented GASB 87, “Leases,” which resulted in a right-to-use asset offset with a lease liability of \$100 million. No new debt was issued. The decrease in general obligation and revenue bonds was due to debt service payments. Net Pension Liability decreased by \$2 billion primarily due to the change in actuarial assumptions and net investment return of \$2 billion. Net OPEB Liability decreased by \$285 million primarily due to changes in demographics and change in actuarial assumptions and methodologies. See Notes 10 and 11 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 2022 is projected to be \$4.58 billion. Our current FY 2022 General Revenue actual collections are projected to be more than the official revenue estimate by as much as \$1.3 billion. The Lottery Funds’ actual revenue collections for FY 2022 were less than their original estimates. Lottery revenues are projected to remain flat in FY 2023 and remain that way through FY 2025.

The budget for FY 2022 includes significant expenditure increases for health and human resources, education, and economic development. Health and human resources’ increase in expenditures are mainly due to an increase in medical costs and prices of prescription drugs. An aging population, new and more-costly medical technologies, and expensive new generation drugs are also contributing factors to the rising health care costs. Economic development expenditures increased to help improve programs related to economic development of the state.

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 1-16

Statement of Net Position
June 30, 2022
(Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 6,583,082	\$ 1,982,466	\$ 8,565,548	\$ 1,399,639
Investments	1,021,620	99,508	1,121,128	169,010
Receivables, Net	1,176,966	173,683	1,350,649	280,607
Other Financing Receivable from Primary Government	—	—	—	17,375
Due from Other Governments	730,707	1,330	732,037	1,377
Due from Primary Government	—	—	—	12,205
Due from Fiduciary Funds	46	8,658	8,704	2
Due from Component Units	232,954	9,816	242,770	—
Internal Balances	(2,067)	2,067	—	—
Inventories	74,788	50	74,838	22,241
Other Assets	1,819	13,392	15,211	20,010
Restricted Assets:				
Cash and Cash Equivalents	7,633	162,216	169,849	262,297
Investments	—	—	—	67,757
Receivables, Net	—	1,988	1,988	2,998
Other Restricted Assets	—	243,344	243,344	4
Total Current Assets	9,827,548	2,698,518	12,526,066	2,255,522
Noncurrent Assets:				
Cash and Cash Equivalents	—	—	—	120,400
Investments	—	245,336	245,336	697,621
Receivables, Net	—	1,319,342	1,319,342	309,703
Other Financing Receivable from Primary Government	—	—	—	154,365
Other Assets	127	—	127	85,457
Advance to Component Units	114,920	—	114,920	—
Net Pension Asset	714,623	4,514	719,137	110,745
Net OPEB Asset	18,894	51	18,945	4,891
Restricted Assets:				
Cash and Cash Equivalents	21,342	4,111	25,453	424,658
Investments	—	64,938	64,938	111,311
Receivables, Net	—	1,634	1,634	805,648
Other Restricted Assets	—	—	—	2,194
Land and Other Capital Assets Not Being Depreciated	3,792,512	611	3,793,123	535,163
Capital Assets, Being Depreciated (Net of Accumulated Depreciation)	6,679,589	2,030	6,681,619	3,730,997
Right to Use Lease Asset (Net of Accumulated Amortization)	98,034	—	98,034	47,947
Total Noncurrent Assets	11,440,041	1,642,567	13,082,608	7,141,100
Total Assets	21,267,589	4,341,085	25,608,674	9,396,622
Deferred Outflows of Resources:				
Deferred Loss on Bond Refundings	52,880	659	53,539	45,047
Related to Pensions	1,173,396	2,203	1,175,599	58,451
Related to OPEB	160,678	386	161,064	29,462
Total Deferred Outflows of Resources	1,386,954	3,248	1,390,202	132,960

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

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities:				
Current Liabilities:				
Accounts Payable	633,188	10,389	643,577	143,721
Interest Payable	10,751	—	10,751	13,963
Accrued and Other Liabilities	1,003,155	12,349	1,015,504	337,578
Due to Other Governments	572,094	815	572,909	—
Due to Primary Government	—	—	—	242,770
Due to Fiduciary Funds	3,594	3	3,597	1,114
Due to Component Units	11,545	660	12,205	—
Unearned Revenue	712,833	23,400	736,233	164,123
Premium Deficiency	—	58,649	58,649	—
Insurance and Compensation Benefits Obligations	—	344,180	344,180	—
General Obligation Debt	94,026	—	94,026	—
Revenue Bonds Payable	66,409	7,400	73,809	197,783
Right to Use Lease Liability	21,319	—	21,319	8,018
Other Financing Debt	9,550	—	9,550	13,542
Other Financing Debt Payable to Component Units	17,375	—	17,375	—
Compensated Absences	61,437	137	61,574	56,724
Total Current Liabilities	<u>3,217,276</u>	<u>457,982</u>	<u>3,675,258</u>	<u>1,179,336</u>
Noncurrent Liabilities:				
Accrued and Other Liabilities	418,054	—	418,054	112,559
Due to Other Governments	35	—	35	—
Unearned Revenue	—	—	—	318
Insurance and Compensation Benefits Obligations	—	1,203,800	1,203,800	—
Advances from Primary Government	—	—	—	114,920
Liabilities Payable from Restricted Assets	—	—	—	213,616
General Obligation Debt	1,888,639	—	1,888,639	—
Revenue Bonds Payable	1,237,212	144,165	1,381,377	2,692,332
Right to Use Lease Liability	78,674	—	78,674	101,793
Other Financing Debt	19,475	—	19,475	206,142
Other Financing Debt Payable to Component Units	154,365	—	154,365	—
Net Pension Liability	1,468,673	—	1,468,673	4,682
Net OPEB Liability	—	—	—	849
Compensated Absences	32,778	490	33,268	15,292
Total Noncurrent Liabilities	<u>5,297,905</u>	<u>1,348,455</u>	<u>6,646,360</u>	<u>3,462,503</u>
Total Liabilities	<u>8,515,181</u>	<u>1,806,437</u>	<u>10,321,618</u>	<u>4,641,839</u>
Deferred Inflows of Resources:				
Gain on Bond Refundings	—	—	—	501
Related to Pensions	2,165,851	5,870	2,171,721	154,902
Related to OPEB	722,686	2,144	724,830	177,744
Service Concession Arrangements	—	—	—	36,596
Grants and Contributions	—	—	—	8,283
Related to Leases	—	—	—	12,664
Total Deferred Inflows of Resources	<u>2,888,537</u>	<u>8,014</u>	<u>2,896,551</u>	<u>390,690</u>
Restricted for:				
Net Investment in Capital Assets	9,119,557	3,113	9,122,670	2,898,129
Restricted for:				
Capital Projects	—	—	—	20,456
Debt Service	574,293	—	574,293	775,768
General Government Operations	67,516	3,554	71,070	—
Permanent Funds:				
Nonexpendable	1,000	—	1,000	357,777
Expendable	505	—	505	—
Lending Activities	—	1,744,919	1,744,919	112,169
Insurance Activities	—	608,017	608,017	—
Development, Tourism, and Recreation	80,623	—	80,623	—
Education	240	—	240	—
Health and Social Services	3,466	—	3,466	—
Public Protection	345,061	—	345,061	—
Transportation	484,513	—	484,513	—
Specific Fund/Component Unit Purposes	—	—	—	342,639
Unrestricted (Deficit)	<u>574,051</u>	<u>170,279</u>	<u>744,330</u>	<u>(9,885)</u>
Total Net Position (Deficit)	<u>\$ 11,250,825</u>	<u>\$ 2,529,882</u>	<u>\$ 13,780,707</u>	<u>\$ 4,497,053</u>

Statement of Activities
For the Fiscal Year Ended June 30, 2022

(Expressed in Thousands)

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Legislative	\$ 22,161	\$ 985	\$ 900	\$ —
Judicial	68,095	1,233	2,288	—
Executive	622,666	27,248	1,263,082	—
Administration	287,847	59,244	127	—
Commerce	157,407	33,769	55,166	—
Environmental Protection	123,749	55,970	84,310	—
Employment Programs	59,131	—	64,560	—
Education	2,745,843	—	843,635	—
Health and Human Resources	7,828,170	62,976	6,535,448	—
Homeland Security	395,814	13,355	126,609	439
Revenue	58,449	46,634	2,021	—
Transportation	1,463,303	137,986	—	551,222
Veterans Assistance	15,216	284	7,602	2,764
Senior Services	51,537	1,260	28,546	—
Regulatory Boards and Commissions	368,609	42,653	57,146	—
Tourism	37,621	—	—	—
Economic Development	559,988	726	62,448	—
Arts, Culture and History	36,155	812	8,248	—
Interest on Long-Term Debt	154,682	—	—	—
Interest on Lease Liability	3,064	—	—	—
Business-type Activities:	15,059,507	485,135	9,142,136	554,425
Water Pollution Control Revolving Fund	11,232	6,196	—	—
Workers' Compensation Fund	6,365	1,071	—	—
Unemployment Compensation	117,319	168,180	—	—
West Virginia Infrastructure and Jobs Development Council	44,395	4,008	—	—
Public Employees' Insurance Agency	708,037	629,198	—	—
Board of Risk and Insurance Management	173,129	81,250	—	—
Other Activities	123,729	147,642	—	—
Total Business-type Activities	1,184,206	1,037,545	—	—
Total Primary Government	16,243,713	1,522,680	9,142,136	554,425
Component Units:				
West Virginia Lottery	1,280,502	1,270,050	—	—
Economic Development Authority	3,864	6,970	9,389	—
Housing Development Authority	213,632	38,771	191,700	—
Parkways Authority	111,192	186,455	—	14,762
Water Development Authority	6,910	10,093	—	—
Higher Education	2,158,377	875,699	663,165	59,749
Regional Jail Authority	364,256	119,439	115,836	—
School Building Authority	104,047	—	—	—
Other Component Units	55,850	11,413	2,882	—
Total Component Units	\$ 4,298,630	\$ 2,518,890	\$ 982,972	\$ 74,511
General Revenues:				
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				
Total General Revenues and Transfers				
Change in Net Position				
Net Position (Deficit), Beginning of Year				
Net Position (Deficit), End of Year				

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
\$ (20,276)	\$ —	\$ (20,276)	\$ —
(64,574)	—	(64,574)	—
667,664	—	667,664	—
(228,476)	—	(228,476)	—
(68,472)	—	(68,472)	—
16,531	—	16,531	—
5,429	—	5,429	—
(1,902,208)	—	(1,902,208)	—
(1,229,746)	—	(1,229,746)	—
(255,411)	—	(255,411)	—
(9,794)	—	(9,794)	—
(774,095)	—	(774,095)	—
(4,566)	—	(4,566)	—
(21,731)	—	(21,731)	—
(268,810)	—	(268,810)	—
(37,621)	—	(37,621)	—
(496,814)	—	(496,814)	—
(27,095)	—	(27,095)	—
(154,682)	—	(154,682)	—
(3,064)	—	(3,064)	—
(4,877,811)	—	(4,877,811)	—
—	(5,036)	(5,036)	—
—	(5,294)	(5,294)	—
—	50,861	50,861	—
—	(40,387)	(40,387)	—
—	(78,839)	(78,839)	—
—	(91,879)	(91,879)	—
—	23,913	23,913	—
—	(146,661)	(146,661)	—
4,877,811	(146,661)	(5,024,472)	—
—	—	—	(10,452)
—	—	—	12,495
—	—	—	16,839
—	—	—	90,025
—	—	—	3,183
—	—	—	(559,764)
—	—	—	(128,981)
—	—	—	(104,047)
—	—	—	(41,555)
—	—	—	(722,257)
2,522,395	—	2,522,395	—
1,812,684	—	1,812,684	—
1,372,786	—	1,372,786	—
278,554	—	278,554	—
719,812	—	719,812	—
403,464	—	403,464	—
—	—	—	3,725
(118,738)	(171,028)	(289,766)	(76,941)
63,707	—	63,707	—
—	—	—	1,160,708
372,001	46,000	418,001	800
143,261	250,347	393,608	128,406
13,140	—	13,140	—
(32,932)	32,932	—	—
7,550,134	158,251	7,708,385	1,216,698
2,672,323	11,590	2,683,913	494,441
8,578,502	2,518,292	11,096,794	4,002,612
\$ 11,250,825	\$ 2,529,882	\$ 13,780,707	\$ 4,497,053



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 232.

Balance Sheet
Governmental Funds
June 30, 2022
(Expressed in Thousands)

	General	Transportation	Tobacco Settlement Finance Authority	State Road	Other Governmental Funds	Total
Assets:						
Cash and Cash Equivalents	\$ 4,342,528	\$ 655,301	\$ 54,701	\$ 990,763	\$ 500,985	\$ 6,544,278
Investments	856,582	—	—	—	165,038	1,021,620
Receivables, Net	906,639	228,657	27,061	—	4,333	1,166,690
Due from Other Governments	726,156	—	—	—	4,551	730,707
Due from Other Funds	1,686	659	—	—	107	2,452
Due from Component Units	231,581	221	—	—	1,055	232,857
Advances to Component Units	114,920	—	—	—	—	114,920
Inventories	11,115	62,468	—	—	7	73,590
Other Assets	1,396	325	—	—	—	1,721
Restricted Assets:						
Cash and Cash Equivalents	—	—	—	—	1,773	1,773
Total Assets	7,192,603	947,631	81,762	990,763	677,849	9,890,608
Deferred Outflows of Resources:						
Deferred Payments to Tobacco Settlement Finance Authority	—	—	441,921	—	—	441,921
Total Deferred Outflows of Resources	—	—	441,921	—	—	441,921
Total Assets and Deferred Outflows of Resources	7,192,603	947,631	523,683	990,763	677,849	10,332,529
Liabilities:						
Accounts Payable	453,768	101,859	—	30,526	27,416	613,569
Accrued and Other Liabilities	1,070,938	25,398	—	—	20,334	1,116,670
Unearned Revenue	711,519	1,314	—	—	—	712,833
Due to Other Governments	519,317	7,001	—	—	45,453	571,771
Due to Other Funds	12,848	7,527	—	—	358	20,733
Due to Component Units	11,275	102	—	—	130	11,507
Total Liabilities	2,779,665	143,201	—	30,526	93,691	3,047,083
Deferred Inflows of Resources:						
Tax Revenue	94,010	—	—	—	—	94,010
Tobacco Settlement Revenue	—	—	27,023	—	—	27,023
Advances to Tobacco Settlement Finance Authority	441,921	—	—	—	—	441,921
Claim Settlements	—	58,588	—	—	—	58,588
Total Deferred Inflows of Resources	535,931	58,588	27,023	—	—	621,542

	<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	11,115	62,468	—	—	7	73,590
Permanent Fund	—	—	—	—	1,000	1,000
Receivables	116,432	—	—	—	—	116,432
Restricted for:						
Capital Projects	—	—	—	960,237	14,259	974,496
Debt Service	—	—	496,660	—	61,323	557,983
Government Operations	59,883	—	—	—	—	59,883
Development, Tourism, and Recreation	6,871	—	—	—	73,752	80,623
Education	240	—	—	—	505	745
Health and Social Services	3,466	—	—	—	—	3,466
Public Protection	1,030	—	—	—	107,501	108,531
Transportation	—	484,513	—	—	—	484,513
Committed to:						
General Government Operations	33,210	—	—	—	6,862	40,072
Development, Tourism, and Recreation	21,201	—	—	—	—	21,201
Education	16,781	—	—	—	—	16,781
Health and Social Services	32,912	—	—	—	—	32,912
Public Protection	4,169	—	—	—	322,173	326,342
Assigned to:						
Government Operations	7,214	—	—	—	—	7,214
Development, Tourism, and Recreation	2,283	—	—	—	—	2,283
Education	1,434	—	—	—	—	1,434
Health and Social Services	2,522	—	—	—	4,126	6,648
Public Protection	823	—	—	—	4,924	5,747
Transportation	—	198,861	—	—	—	198,861
Unassigned	3,555,421	—	—	—	(12,274)	3,543,147
	<u>3,877,007</u>	<u>745,842</u>	<u>496,660</u>	<u>960,237</u>	<u>584,158</u>	<u>6,663,904</u>
Total Liabilities and Deferred Inflows	<u>\$ 7,192,603</u>	<u>\$ 947,631</u>	<u>\$ 523,683</u>	<u>\$ 990,763</u>	<u>\$ 677,849</u>	<u>\$ 10,332,529</u>

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

June 30, 2022

(Expressed in Thousands)

Total Fund Balances - Governmental Funds	\$	6,663,904
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	\$	1,476,171
Construction-in-Progress		2,253,282
Infrastructure Assets		13,585,189
Buildings, Equipment, and Other Depreciable Assets		1,970,163
Right-to-Use Assets - Buildings		120,724
Intangibles		52,183
Accumulated Depreciation		<u>(9,191,412)</u>
Total Capital Assets		10,266,300
The Net Pension Asset is not recognized at the fund level.		704,285
The Net OPEB Asset is not recognized at the fund level.		18,793
Certain tax and other revenues are earned but not available and therefore are deferred inflows of resources in the funds.		179,621
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.		(2,869,524)
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.		294,513
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.		127
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.		1,380,107
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	(1,982,665)	
Revenue Bonds	(1,303,621)	
Other Financing Debt	(127,929)	
Right-to-Use Lease Liability	(98,111)	
Compensated Absences	(92,078)	
Net Pension Liability	(1,468,673)	
Accrued Interest Payable and Other Liabilities	<u>(314,224)</u>	
Total Long-Term Liabilities		<u>(5,387,301)</u>
Net Position of Governmental Activities	\$	<u><u>11,250,825</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, 2022
(Expressed in Thousands)

	General	Transportation	Tobacco Settlement Finance Authority	State Road	Other Governmental Funds	Total
Revenues:						
Taxes:						
Personal Income	\$ 2,508,884	\$ —	\$ —	\$ —	\$ —	\$ 2,508,884
Consumer Sales and Use	1,812,650	—	—	—	—	1,812,650
Severance	894,560	—	—	—	—	894,560
Corporate Net Income	346,535	—	—	—	—	346,535
Business and Occupation	110,485	—	—	—	—	110,485
Medicaid	278,211	—	—	—	—	278,211
Gasoline and Motor Carrier	—	422,937	—	—	—	422,937
Automobile Privilege	—	296,875	—	—	—	296,875
Other	399,153	4,090	—	—	—	403,243
Intergovernmental	7,844,583	551,222	—	—	146,050	8,541,855
Licenses, Permits, and Fees	123,114	6,719	—	—	119,123	248,956
Motor Vehicle Registration	—	141,471	—	—	—	141,471
Charges for Services	157,955	—	—	—	65	158,020
Lottery Revenues	356,455	—	—	—	10,652	367,107
Food Stamp Revenue	1,002,881	—	—	—	—	1,002,881
Investment Earnings	(92,660)	1,905	103	2,938	(33,332)	(121,046)
Other	154,333	15,792	65,216	9	10,630	245,980
Total Revenues	15,897,139	1,441,011	65,319	2,947	253,188	17,659,604
Expenditures:						
Current:						
Legislative	27,080	—	—	—	1,346	28,426
Judicial	150,671	—	—	—	—	150,671
Executive	785,832	—	—	—	—	785,832
Administration	158,455	—	97	—	2	158,554
Commerce	186,761	—	—	—	3	186,764
Environmental Protection	1	—	—	—	155,022	155,023
Employment Programs	—	—	—	—	64,338	64,338
Economic Development	473,062	—	—	—	—	473,062
Education	3,175,358	—	—	—	862	3,176,220
Arts, Culture, and History	36,735	—	—	—	—	36,735
Health and Human Resources	8,053,902	—	—	—	—	8,053,902
Homeland Security	488,555	—	—	—	—	488,555
Revenue	63,485	—	—	—	21,393	84,878
Tourism	35,508	—	—	—	—	35,508
Transportation	11,211	945,030	—	—	—	956,241
Veterans Assistance	22,198	—	—	—	1	22,199
Senior Services	52,603	—	—	—	—	52,603
Regulatory Boards and Commissions	346,921	—	—	—	20,685	367,606
Capital Outlay	—	438,588	—	335,192	18,296	792,076
Debt Service:						
Principal	—	62,903	42,275	—	57,955	163,133
Interest	—	92,679	22,917	—	23,515	139,111
Right-to-Use Principal	14,700	—	—	—	—	14,700
Right-to-Use Interest	2,962	—	—	—	—	2,962
Total Expenditures	14,086,000	1,539,200	65,289	335,192	363,418	16,389,099
Excess of Revenues Over (Under) Expenditures	1,811,139	(98,189)	30	(332,245)	(110,230)	1,270,505
Other Financing Sources (Uses):						
Right-to-Use Leases	12,396	744	—	—	—	13,140
Transfers In	55,998	2,472	—	—	85,163	143,633
Transfers Out	(145,092)	—	(20,637)	—	(29,891)	(195,620)
Total Other Financing Sources (Uses)	(76,698)	3,216	(20,637)	—	55,272	(38,847)
Net Change in Fund Balance	1,734,441	(94,973)	(20,607)	(332,245)	(54,958)	1,231,658
Fund Balances, Beginning of Year	2,142,566	840,815	517,267	1,292,482	639,116	5,432,246
Fund Balances, End of Year	\$ 3,877,007	\$ 745,842	\$ 496,660	\$ 960,237	\$ 584,158	\$ 6,663,904

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, 2022
(Expressed in Thousands)**

Net Change in Fund Balances - Total Governmental Funds	\$	1,231,658
Amounts reported for governmental activities in the statement of activities are different because:		
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:		
Capital Outlay	\$	447,237
Depreciation Expense		<u>(374,590)</u>
Excess of Capital Outlay Over Depreciation Expense		72,647
Accretion of interest related to capital appreciation bonds is an expense of the governmental activities.		(13,659)
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:		
Bond Principal Retirement		17,920
Other Financing Debt Payments		<u>140,350</u>
Total Long-Term Debt Repayment		158,270
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 net position of the Internal Service Funds is reported with governmental activities.		23,914
Revenues in the statement of activities that do provide current financial resources are not reported as revenues in the funds.		24,164
Loss on issuance of new refunding bonds in the current fiscal year but was deferred on the statement of activities.		(659)
Retirement contributions (excluding Internal Service Funds) to defined benefit pension plans in the current fiscal year are not included on the statement of activities.		569,710
OPEB contributions (excluding Internal Service Funds) to defined benefit OPEB plan in the current fiscal year are not included on the statement of activities.		97,799
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:		
Decrease of Accrued Interest (Asset)		(23)
Decrease of Compensated Absences		4,069
Increase in Right-to-Use Lease Liability		21,869
Decrease of Accrued and Other Liabilities		22,031
Increase of Net Pension Liability (Asset), net of deferrals		144,787
Increase of Net OPEB Liability (Asset), net of deferrals		291,297
Amortization of Bond Premiums/Discounts		<u>24,449</u>
Total Change in Expenditures		508,479
Change in Net Position of Governmental Activities	<u>\$</u>	<u>2,672,323</u>

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 253.

West Virginia

Statement of Net Position Proprietary Funds June 30, 2022 (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	\$ 200,095	\$ 1,195,103	\$ 378,628	\$ 45,662
Investments	—	—	—	99,508
Receivables, Net	37,310	486	32,214	26,588
Due from Other Governments	—	—	1,326	—
Due from Other Funds	—	—	67	—
Due from Component Units	—	—	8	—
Inventories	—	—	—	—
Other Assets	—	—	—	—
Restricted Assets:				
Cash and Cash Equivalents	—	—	—	148,631
Receivables, Net	—	—	—	—
Other Restricted Assets	—	—	—	—
Total Current Assets	237,405	1,195,589	412,243	320,389
Noncurrent Assets:				
Investments	—	—	—	—
Receivables, Net	644,999	—	—	534,363
Restricted Assets:				
Cash and Cash Equivalents	—	—	—	—
Investments	—	—	—	—
Receivables, Net	—	—	—	—
Capital Assets, Net	—	—	—	—
Right-to-Use Lease Asset, Net	—	—	—	—
Net Pension Asset	660	—	—	243
Net OPEB Asset	9	—	—	2
Total Noncurrent Assets	645,668	—	—	534,608
Total Assets	883,073	1,195,589	412,243	854,997
Deferred Outflows of Resources:				
Deferred loss on Bond Refundings	—	—	—	659
Related to Pensions	318	—	—	117
Related to OPEB	34	—	—	24
Total Deferred Outflows of Resources	352	—	—	800
Liabilities:				
Current Liabilities:				
Accounts Payable	128	—	—	20
Accrued and Other Liabilities	—	2,654	3,234	2,311
Premium Deficiency	—	—	—	—
Unearned Revenue	—	—	—	—
Due to Other Governments	—	—	815	—
Due to Other Funds	—	—	824	—
Due to Component Units	95	—	114	378
Insurance and Compensation Benefits Obligations	—	120,400	10,440	—
Revenue Bonds Payable	—	—	—	7,400
Other Financing Debt	—	—	—	—
Other Financing Debt Payable to Component Units	—	—	—	—
Right-to-Use Lease Liability	—	—	—	—
Compensated Absences	76	—	—	—
Total Current Liabilities	299	123,054	15,427	10,109
Noncurrent Liabilities:				
Insurance and Compensation Benefits Obligations	—	1,009,900	—	—
Revenue Bonds Payable	—	—	—	144,165
Other Financing Debt	—	—	—	—
Other Financing Payable to Component Units	—	—	—	—
Right-to-Use Lease Liability	—	—	—	—
Compensated Absences	51	—	—	—
Total Noncurrent Liabilities	51	1,009,900	—	144,165
Total Liabilities	350	1,132,954	15,427	154,274
Deferred Inflows of Resources:				
Related to Pensions	859	—	—	317
Related to OPEB	343	—	—	70
Total Deferred Inflows of Resources	1,202	—	—	387
Net Position:				
Net Investment in Capital Assets	—	—	—	—
Restricted for:				
Capital Projects	—	—	—	—
General Government Operations	—	—	—	—
Lending Activities	881,873	—	—	655,827
Insurance Activities	—	123,813	396,816	—
Unrestricted (Deficit)	—	(61,178)	—	45,309
Total Net Position	\$ 881,873	\$ 62,635	\$ 396,816	\$ 701,136

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
\$ 52,868	\$ 14,544	\$ 95,566	\$ 1,982,466	\$ 38,804
—	—	—	99,508	—
65,315	3,026	8,744	173,683	10,276
4	—	—	1,330	—
12,144	—	—	12,211	13,265
9,765	43	—	9,816	97
—	—	50	50	1,198
471	—	12,921	13,392	98
—	13,585	—	162,216	7,633
—	1,222	766	1,988	—
—	243,344	—	243,344	—
140,567	275,764	118,047	2,700,004	71,371
134,812	110,524	—	245,336	—
—	—	139,980	1,319,342	—
4,111	—	—	4,111	19,569
—	64,938	—	64,938	—
—	—	1,634	1,634	—
42	—	2,599	2,641	301,993
—	—	—	—	1,842
924	894	1,793	4,514	10,338
9	6	25	51	101
139,898	176,362	146,031	1,642,567	333,843
280,465	452,126	264,078	4,342,571	405,214
—	—	—	659	—
454	434	880	2,203	4,945
132	61	135	386	1,902
586	495	1,015	3,248	6,847
4,297	1,496	4,448	10,389	19,619
3,265	615	270	12,349	1,066
58,649	—	—	58,649	—
11,192	12,208	—	23,400	—
—	—	—	815	358
664	—	1	1,489	599
37	—	36	660	38
103,734	103,306	6,300	344,180	—
—	—	—	7,400	—
—	—	—	—	9,203
—	—	—	—	1,920
—	—	—	—	427
—	—	61	137	—
181,838	117,625	11,116	459,468	33,230
4,111	181,989	7,800	1,203,800	—
—	—	—	144,165	—
—	—	—	—	14,063
—	—	—	—	47,650
—	—	—	—	1,455
—	167	272	490	2,137
4,111	182,156	8,072	1,348,455	65,305
185,949	299,781	19,188	1,807,923	98,535
1,200	1,156	2,338	5,870	13,181
462	280	989	2,144	5,832
1,662	1,436	3,327	8,014	19,013
513	—	2,600	3,113	235,162
—	—	—	—	17,912
—	—	3,554	3,554	7,633
—	—	207,219	1,744,919	—
—	75,988	11,400	608,017	—
92,927	75,416	17,805	170,279	33,806
\$ 93,440	\$ 151,404	\$ 242,578	\$ 2,529,882	\$ 294,513

**Statement of Revenues, Expenses, and
Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2022
(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
Operating Revenues:				
Charges for Services and Sales	\$ —	\$ —	\$ 168,180	\$ 4,008
Insurance Premiums	—	1,071	—	—
Investment Earnings	3,150	—	—	—
Licenses, Permits, and Fees	3,046	—	—	—
Other	—	45	235,197	—
Total Operating Revenues	6,196	1,116	403,377	4,008
Operating Expenses:				
Cost of Sales and Services	—	—	—	—
Insurance Claims and Claims Adjustment Provisions	—	625	—	—
Infrastructure and Economic Development	—	—	—	28,783
Unemployment Insurance Benefits	—	—	117,319	—
General and Administration	9,107	5,603	—	1,403
Pension Expense	(135)	—	—	(37)
OPEB Expense	(201)	—	—	10
Depreciation and Amortization	—	—	—	—
Provisions for Uncollectible Loans	—	—	—	8,517
Other	—	—	—	—
Total Operating Expenses	8,771	6,228	117,319	38,676
Operating Income (Loss)	(2,575)	(5,112)	286,058	(34,668)
Nonoperating Revenues (Expenses):				
Gain (Loss) on Sale of Equipment	—	—	—	—
Interest and Other Investment Income	—	(126,001)	4,193	295
Interest Expense	(2,455)	—	—	(5,719)
Lottery Revenues	—	—	—	46,000
Other Nonoperating Revenues	—	—	—	3
Other Nonoperating Expenses	(8)	(138)	—	—
Total Nonoperating Revenues (Expenses), Net	(2,463)	(126,139)	4,193	40,579
Income (Loss) Before Capital Contributions and Transfers	(5,038)	(131,251)	290,251	5,911
Capital Contributions and Transfers:				
Transfers In	29,723	—	—	1
Transfers Out	—	—	—	(2,220)
Total Capital Contributions and Transfers	29,723	—	—	(2,219)
Change in Net Position	24,685	(131,251)	290,251	3,692
Net Position, Beginning of Year	857,188	193,886	106,565	697,444
Net Position, End of Year	\$ 881,873	\$ 62,635	\$ 396,816	\$ 701,136

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
\$ —	\$ —	\$ 131,781	\$ 303,969	\$ 155,440
629,209	81,341	10,224	721,845	—
—	—	—	3,150	—
—	—	5,681	8,727	—
4,982	—	792	241,016	—
634,191	81,341	148,478	1,278,707	155,440
—	—	98,365	98,365	120,543
684,802	168,122	10,545	864,094	—
—	—	—	28,783	—
—	—	—	117,319	—
19,943	5,275	6,607	47,938	9,100
(153)	(146)	(333)	(804)	511
(176)	(121)	(529)	(1,017)	661
25	—	176	201	22,542
—	—	—	8,517	—
3,635	—	6,455	10,090	—
708,076	173,130	121,286	1,173,486	153,357
(73,885)	(91,789)	27,192	105,221	2,083
—	—	—	—	(13)
(16,049)	(33,670)	204	(171,028)	8
—	—	—	(8,174)	(2,256)
—	—	—	46,000	4,894
—	—	9,328	9,331	143
—	(6)	(2,540)	(2,692)	—
(16,049)	(33,676)	6,992	(126,563)	2,776
(89,934)	(125,465)	34,184	(21,342)	4,859
21,000	—	16,323	67,047	24,316
—	—	(31,895)	(34,115)	(5,261)
21,000	—	(15,572)	32,932	19,055
(68,934)	(125,465)	18,612	11,590	23,914
162,374	276,869	223,966	2,518,292	270,599
\$ 93,440	\$ 151,404	\$ 242,578	\$ 2,529,882	\$ 294,513

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2022
(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
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 42,090	\$ 1,183	\$ 180,585	\$ 29,734
Receipts from State Agencies	—	—	—	—
Payments to Suppliers	—	(6,685)	—	(849)
Payments to Employees	(1,443)	(2)	—	(570)
Payments to Beneficiaries	—	—	—	—
Payments for Loans Originated	(31,153)	—	—	(62,278)
Payments for Premiums	—	—	—	—
Payments to Claimants	—	(126,226)	(326,849)	—
Other Operating Cash Receipts	—	45	439,167	—
Other Operating Cash Payments	(7,794)	—	—	—
Net Cash Provided by (Used for) Operating Activities	1,700	(131,685)	292,903	(33,963)
Cash Flows from Noncapital Financing Activities:				
Repayment of Operating Debt	—	—	—	(6,255)
Interest Paid on Operating Debt	—	—	—	(6,589)
Transfers In	24,769	—	—	1
Transfers Out	—	—	—	—
Entitlements and Grants	—	—	—	—
Distributions or Subsidies from (to) Other Organizations	—	—	—	46,000
Receipts from Notes Receivable	—	—	—	—
Other Nonoperating Receipts (Payments)	—	—	—	—
Net Cash Provided by (Used for) Noncapital Financing Activities	24,769	—	—	33,157
Cash Flows from Capital and Related Financing Activities:				
Proceeds from Sale of Capital Bonds and Other Debts	—	—	—	3
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	—	—	—	—
Net Cash Provided by (Used for) Capital and Related Financing Activities	—	—	—	3
Cash Flows from Investing Activities:				
Purchase of Investments	—	—	—	(300,889)
Proceeds from Sale of Investments	—	—	—	302,354
Investment Earnings	(2,455)	(126,001)	4,193	271
Net Cash Provided by (Used for) Investing Activities	(2,455)	(126,001)	4,193	1,736
Net Increase (Decrease) in Cash and Cash Equivalents	24,014	(257,686)	297,096	933
Cash and Cash Equivalents, Beginning of Year	176,081	1,452,789	81,532	193,360
Cash and Cash Equivalents, End of Year	\$ 200,095	\$ 1,195,103	\$ 378,628	\$ 194,293

Public Employees' Insurance Agency	Board of Risk and Insurance Management	Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 622,543	\$ 82,035	\$ 162,486	\$ 1,120,656	\$ —
—	—	—	—	157,107
(35,576)	(3,109)	(100,906)	(147,125)	(116,931)
(136)	(2,058)	(4,654)	(8,863)	(24,739)
(817,310)	(72,423)	(10,169)	(899,902)	—
—	—	(19,447)	(112,878)	—
—	—	(8,748)	(8,748)	—
—	—	(8,632)	(461,707)	—
113,638	—	2,059	554,909	—
—	(8,519)	(439)	(16,752)	—
(116,841)	(4,074)	11,550	19,590	15,437
—	—	—	(6,255)	—
—	—	—	(6,589)	—
—	—	16,323	41,093	24,316
(6,936)	—	(31,895)	(38,831)	(5,261)
—	—	110	110	—
21,000	—	—	67,000	4,894
—	—	766	766	—
—	—	6,650	6,650	—
14,064	—	(8,046)	63,944	23,949
—	—	—	3	11,815
—	—	—	—	(11,524)
—	—	—	—	(2,181)
—	—	—	—	(576)
—	—	—	—	(93)
(121)	—	(877)	(998)	(23,833)
(121)	—	(877)	(995)	(26,392)
(117,754)	(13,996)	—	(432,639)	—
253,890	15,983	2,242	574,469	—
(16,049)	85	189	(139,767)	4
120,087	2,072	2,431	2,063	4
17,189	(2,002)	5,058	84,602	12,998
39,790	30,131	90,508	2,064,191	12,998
\$ 56,979	\$ 28,129	\$ 95,566	\$ 2,148,793	\$ 25,996

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)
(Continued)

	Business-type Activities – Enterprise Funds			
	Water Pollution Control Revolving Fund	Workers' Compensation Fund	Unemployment Compensation	West Virginia Infrastructure and Jobs Development Council
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ (2,575)	\$ (5,112)	\$ 286,058	\$ (34,668)
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	—	—	—	8,517
Pension Expense	(135)	—	—	(37)
OPEB Expense	(201)	—	—	10
Changes in Assets and Liabilities:				
Receivables	4,741	(401)	31,465	(5,549)
Inventories	—	—	—	—
Other Assets	—	—	—	—
Accounts Payable and Accrued Liabilities	30	(125,600)	(209,530)	(2,250)
Tuition Contracts Benefits and Expenses	—	—	—	—
Unearned Revenue	—	—	—	—
Escrow Deposits	—	—	—	—
Due to/from Other Funds	—	—	184,910	57
Unpaid Claims Liabilities	—	—	—	—
Other Liabilities	—	(572)	—	—
Compensated Absences	(12)	—	—	—
Pensions/OPEB	—	—	—	(388)
Deferred Outflows of Resources Related to Pensions/OPEB	(148)	—	—	(14)
Deferred Inflow related to Pension/OPEB	—	—	—	359
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,700</u>	<u>\$ (131,685)</u>	<u>\$ 292,903</u>	<u>\$ (33,963)</u>
Schedule of Noncash Capital and Financing Activities:				
Loans Originated with Principal Forgiveness Features	\$ —	\$ —	\$ —	\$ —
Unrealized Gain (Loss) on Investments	—	—	—	—
Right-to-Use Lease 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
\$ (73,885)	\$ (91,789)	\$ 27,192	\$ 105,221	\$ 2,083
—	—	—	—	(1,586)
25	—	176	201	22,542
—	—	—	8,517	—
(153)	(146)	(333)	(804)	(2,115)
(176)	(121)	(529)	(1,017)	(2,155)
(11,618)	(1,435)	(5,242)	11,961	1,666
—	—	3	3	(353)
—	—	—	—	(40)
7,478	—	1,253	(328,619)	(2,008)
—	—	(10,559)	(10,559)	—
(8,697)	—	—	(8,697)	—
—	(8,519)	—	(8,519)	—
—	—	—	184,967	—
—	95,699	—	95,699	—
(29,619)	2,414	8	(27,769)	(608)
—	—	(9)	(21)	—
—	—	(2,884)	(3,272)	—
(196)	(177)	778	243	(1,989)
—	—	1,696	2,055	—
<u>\$ (116,841)</u>	<u>\$ (4,074)</u>	<u>\$ 11,550</u>	<u>\$ 19,590</u>	<u>\$ 15,437</u>
\$ —	\$ —	\$ 2,051	\$ 2,051	\$ —
(16,136)	—	—	(16,136)	—
—	—	—	—	2,457



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 Office of the State Treasurer under the direction of the Program's Board. 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 260.

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022
(Expressed in Thousands)**

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	SMART 529	Custodial Funds
Assets:				
Cash and Cash Equivalents	\$ 120,147	\$ 670,707	\$ 2,432	\$ 101,681
Investments:				
Equity Pooled Investments	20,266,801	—	—	11,021
Mutual Funds	603,837	—	2,777,436	—
Receivables, Net:				
Contributions	25,415	—	8,735	—
Participant Loans	1,672	—	—	—
Accrued Interest	—	—	—	16
Accounts	36,554	—	—	—
Due from Other Funds	3,832	—	—	391
Due from Component Units	1,114	—	—	—
Other Assets	502	—	—	—
Restricted Assets:				
Net Pension Asset	497	—	—	—
Net OPEB Asset	5	—	—	—
Total Assets	21,060,376	670,707	2,788,603	113,109
Deferred Outflows of Resources:				
Related to Pensions	243	—	—	—
Related to OPEB	67	—	—	—
Total Deferred Outflows of Resources	310	—	—	—
Liabilities:				
Accounts Payable	237	—	8,173	—
Accrued and Other Liabilities	24,913	—	538	—
Due to Other Governments	—	—	—	14,131
Due to Other Funds	9,330	—	—	—
Due to Component Units	2	—	—	—
Insurance Claims Payable	11,359	—	—	—
Custodial Liabilities	—	—	—	10,893
Total Liabilities	45,841	—	8,711	25,024
Deferred Inflows of Resources:				
Related to Pensions	646	—	—	—
Related to OPEB	249	—	—	—
Total Deferred Inflows of Resources	895	—	—	—
Net Position:				
Restricted for:				
Pension Benefits	19,388,978	—	—	—
Other Postemployment Benefits	1,624,972	—	—	—
Held in trust for:				
External Investment Pool Participants	—	670,707	—	—
Individuals and Organizations	—	—	2,779,892	88,085
Total Net Position	\$ 21,013,950	\$ 670,707	\$ 2,779,892	\$ 88,085

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, 2022
(Expressed in Thousands)

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	SMART 529	Custodial Funds
Additions:				
Contributions:				
Members	\$ 199,045	\$ —	\$ —	\$ —
Employer	394,112	—	—	—
Account Holder Contributions	—	—	217,609	—
Deposits, Pool Participants	—	690,457	—	—
Other	427,403	—	—	—
Total Contributions	<u>1,020,560</u>	<u>690,457</u>	<u>217,609</u>	<u>—</u>
Investment Income (Loss):				
Net Appreciation (Depreciation) in Fair Value of Investments	(1,479,939)	712	(609,641)	—
Interest	30,829	—	293,632	—
Investment Expense	—	—	(5,289)	—
Net Investment Income	<u>(1,449,110)</u>	<u>712</u>	<u>(321,298)</u>	<u>—</u>
Transfers to Plans	(350)	—	—	—
Funds Received for Local Governments	—	—	—	1,408,068
Grants Received for Local Governments	—	—	—	84,690
Funds Received for Individuals and Organizations	—	—	—	196,467
Collateral Received and Related Additions	—	—	—	80,745
Taxes Collected for Other Governments	—	—	—	862,349
Other	6,704	—	998	—
Total Additions	<u>(422,196)</u>	<u>691,169</u>	<u>(102,691)</u>	<u>2,632,319</u>
Deductions:				
Benefits Expense	1,506,612	—	—	—
Forfeitures	1,681	—	—	—
Payments in Accordance with Trust Agreements	—	—	312,802	—
Refunds of Contributions	59,100	—	—	—
Withdrawals	—	652,263	—	—
Pension Expense	(85)	—	—	—
OPEB Expense	(96)	—	—	—
Administrative Expenses	13,124	—	6,478	—
Transfers from Plans	(350)	—	—	—
Funds Disbursed to Local Governments	—	—	—	1,408,068
Grants Disbursed to Local Governments	—	—	—	84,690
Funds Disbursed to Individuals and Organizations	—	—	—	196,467
Collateral Disbursed and Related Deductions	—	—	—	54,826
Taxes Disbursed to Local Governments	—	—	—	862,349
Total Deductions	<u>1,579,986</u>	<u>652,263</u>	<u>319,280</u>	<u>2,606,400</u>
Change in Net Position Restricted For:				
Individuals and Organizations	—	—	—	25,919
Change in Net Position Held in Trust For:				
Pension Benefits	(1,954,130)	—	—	—
Other Postemployment Benefits	(48,052)	—	—	—
External Investment Pool Participants	—	38,906	—	—
Individuals and Organizations	—	—	(421,971)	—
Net Position, Beginning of Year	<u>23,016,132</u>	<u>631,801</u>	<u>3,201,863</u>	<u>62,166</u>
Net Position, End of Year	<u>\$ 21,013,950</u>	<u>\$ 670,707</u>	<u>\$ 2,779,892</u>	<u>\$ 88,085</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 274.

**Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2022
(Expressed in Thousands)**

	West Virginia Lottery	Economic Development Authority	Housing Development Fund	Parkways Authority
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 281,708	\$ 76,764	\$ 13,049	\$ 16,968
Investments	—	—	—	—
Receivables, Net	32,019	16,579	3,208	9,538
Other Financing Debt Receivable from Primary Government	—	17,375	—	—
Due from Other Governments	—	1,377	—	—
Due from Primary Government	—	—	—	—
Due from Component Units	13	—	—	—
Inventories	1,436	—	—	4,683
Other Assets	1,477	—	—	370
Restricted Assets:				
Cash and Cash Equivalents	—	302	97,753	125,755
Investments	—	—	—	67,757
Receivables, Net	—	—	2,463	—
Other Restricted Assets	—	—	—	—
Total Current Assets	<u>316,653</u>	<u>112,397</u>	<u>116,473</u>	<u>225,071</u>
Noncurrent Assets:				
Cash and Cash Equivalents	—	—	—	—
Investments	—	1,533	—	—
Receivables, Net	—	168,482	100,603	—
Other Financing Debt Receivable from Primary Government	—	154,365	—	—
Other Assets	—	—	—	—
Net Pension Asset	4,467	400	3,538	9,484
Net OPEB Asset	46	4	12	118
Restricted Assets:				
Cash and Cash Equivalents	—	16,104	142,197	—
Investments	—	—	49,587	61,724
Receivables, Net	—	—	664,369	—
Other Restricted Assets	—	—	1,816	—
Right-to-Use Lease Asset, Net	—	—	—	—
Capital Assets, Net	42,326	29,122	7,857	578,362
Total Noncurrent Assets	<u>46,839</u>	<u>370,010</u>	<u>969,979</u>	<u>649,688</u>
Total Assets	<u>363,492</u>	<u>482,407</u>	<u>1,086,452</u>	<u>874,759</u>
Deferred Outflows				
Loss on bond refunding's	—	—	—	—
Related to Pensions	2,167	216	1,872	4,856
Related to Other Post-Employment Benefits	269	58	1,923	589
Total Deferred Outflows of Resources	<u>2,436</u>	<u>274</u>	<u>3,795</u>	<u>5,445</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
\$ 44,105	\$ 587,236	\$ 68,697	\$ 242,297	\$ 68,815	\$ 1,399,639
—	165,777	—	—	3,233	169,010
15,103	195,617	7,067	49	1,427	280,607
—	—	—	—	—	17,375
—	—	—	—	—	1,377
509	7,175	91	—	4,432	12,207
—	4,666	—	—	—	4,679
—	3,732	12,373	—	17	22,241
—	17,400	683	—	80	20,010
—	—	17,540	—	20,947	262,297
—	—	—	—	—	67,757
—	—	—	—	535	2,998
4	—	—	—	—	4
59,721	981,603	106,451	242,346	99,486	2,260,201
—	120,400	—	—	—	120,400
—	693,770	—	—	2,318	697,621
10,189	26,654	—	—	3,775	309,703
—	—	—	—	—	154,365
—	85,451	—	—	6	85,457
254	—	83,048	—	9,554	110,745
2	3,709	904	3	93	4,891
265,115	—	—	—	1,242	424,658
—	—	—	—	—	111,311
140,408	—	—	—	871	805,648
66	—	—	—	312	2,194
—	39,821	6,506	—	1,620	47,947
4,009	3,403,473	157,265	583	43,163	4,266,160
420,043	4,373,278	247,723	586	62,954	7,141,100
479,764	5,354,881	354,174	242,932	162,440	9,401,301
5,399	36,534	—	3,114	—	54,158
131	2,082	42,245	126	4,756	52,179
29	20,608	5,348	26	612	26,623
5,559	59,224	47,593	3,266	5,368	132,960

**Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2022
(Expressed in Thousands)
(Continued)**

	West Virginia Lottery	Economic Development Authority	Housing Development Fund	Parkways Authority
Liabilities:				
Current Liabilities:				
Accounts Payable	25,219	52	—	17,377
Interest Payable	—	—	1,260	1,860
Accrued and Other Liabilities	36,242	149	18,073	8,930
Unearned Revenue	—	—	—	—
Due to Primary Government	230,659	517	—	240
Due to Component Units	4,666	13	—	—
Revenue Bonds Payable	—	17,375	18,885	8,440
Other Financing Debt	—	143	—	—
Right-to-Use Lease Liability	—	—	—	—
Compensated Absences	755	50	631	1,408
Total Current Liabilities	<u>297,541</u>	<u>18,299</u>	<u>38,849</u>	<u>38,255</u>
Noncurrent Liabilities:				
Unearned Revenue	—	282	—	—
Advances from Primary Government	—	114,920	—	—
Liabilities Payable from Restricted Assets	—	—	196,667	—
Accrued and Other Liabilities	—	—	—	—
Revenue Bonds Payable	—	154,365	266,985	564,747
Other Financing Debt	—	1,506	536	—
Net Pension Liability	—	—	—	—
Net OPEB Liability	—	—	849	—
Right-to-Use Lease Liability	—	—	—	—
Compensated Absences	—	50	—	—
Total Noncurrent Liabilities	<u>—</u>	<u>271,123</u>	<u>465,037</u>	<u>564,747</u>
Total Liabilities	<u>297,541</u>	<u>289,422</u>	<u>503,886</u>	<u>603,002</u>
Deferred Inflows of Resources:				
Gain on bond refundings	—	—	—	—
Related to Pensions	5,817	522	4,893	12,284
Related to OPEB	1,674	181	402	4,314
Service Concession Arrangements	—	—	—	—
Related to Leases	—	—	—	—
Grants and Contributions	—	—	—	—
Total Deferred Inflows	<u>7,491</u>	<u>703</u>	<u>5,295</u>	<u>16,598</u>
Net Position:				
Net Investment in Capital Assets	42,326	29,122	7,619	578,362
Restricted for:				
Capital Projects	—	—	—	—
Debt Service	—	—	385,364	245,543
Nonexpendable	—	—	—	—
Lending Activities	—	15,804	75,675	—
Specific Component Unit Purposes	—	—	—	—
Unrestricted (Deficit)	<u>18,570</u>	<u>147,630</u>	<u>112,408</u>	<u>(563,301)</u>
Total Net Position	<u>\$ 60,896</u>	<u>\$ 192,556</u>	<u>\$ 581,066</u>	<u>\$ 260,604</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
\$ 93	\$ 79,330	\$ 20,732	\$ 17	\$ 901	\$ 143,721
1,185	9,568	90	—	—	13,963
—	251,940	13,168	8,333	743	337,578
—	162,562	—	—	1,561	164,123
—	9,607	2,639	—	222	243,884
—	—	—	—	—	4,679
9,941	126,557	—	16,585	—	197,783
—	6,788	6,611	—	—	13,542
—	6,133	1,509	—	376	8,018
—	53,497	—	82	301	56,724
<u>11,219</u>	<u>705,982</u>	<u>44,749</u>	<u>25,017</u>	<u>4,104</u>	<u>1,184,015</u>
—	—	—	—	36	318
—	—	—	—	—	114,920
—	—	—	—	16,949	213,616
—	112,359	—	—	200	112,559
133,325	1,249,271	—	323,639	—	2,692,332
6,376	196,613	1,111	—	—	206,142
—	4,452	—	230	—	4,682
—	—	—	—	—	849
—	95,372	5,143	—	1,278	101,793
113	4,669	9,183	—	1,277	15,292
<u>139,814</u>	<u>1,662,736</u>	<u>15,437</u>	<u>323,869</u>	<u>19,740</u>	<u>3,462,503</u>
<u>151,033</u>	<u>2,368,718</u>	<u>60,186</u>	<u>348,886</u>	<u>23,844</u>	<u>4,646,518</u>
501	—	—	—	—	501
332	9,019	109,231	233	12,571	154,902
73	133,834	33,464	99	3,703	177,744
—	36,596	—	—	—	36,596
—	11,336	—	—	1,328	12,664
—	8,283	—	—	—	8,283
<u>906</u>	<u>199,068</u>	<u>142,695</u>	<u>332</u>	<u>17,602</u>	<u>390,690</u>
4,009	2,043,551	149,397	583	43,160	2,898,129
—	20,456	—	—	—	20,456
—	22,771	16,064	106,026	—	775,768
—	357,465	—	—	312	357,777
20,690	—	—	—	—	112,169
—	307,492	—	—	35,147	342,639
<u>308,685</u>	<u>94,584</u>	<u>33,425</u>	<u>(209,629)</u>	<u>47,743</u>	<u>(9,885)</u>
<u>\$ 333,384</u>	<u>\$ 2,846,319</u>	<u>\$ 198,886</u>	<u>\$ (103,020)</u>	<u>\$ 126,362</u>	<u>\$ 4,497,053</u>

**Combining Statement of Activities
Discretely Presented Component Units
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	<u>Program Revenues</u>				Net (Expense) Revenue
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Component Units:					
West Virginia Lottery	\$ 1,280,284	\$ 1,270,050	\$ —	\$ —	\$ (10,234)
Economic Development Authority	3,864	6,970	9,389	—	12,495
Housing Development Fund	213,632	38,771	191,700	—	16,839
Parkways Authority	111,192	186,455	—	14,762	90,025
Water Development Authority	6,910	10,093	—	—	3,183
Higher Education	2,158,377	875,481	663,165	59,749	(559,982)
Division of Corrections & Rehabilitation	364,256	119,439	115,836	—	(128,981)
School Building Authority	104,047	—	—	—	(104,047)
Other Component Units	55,850	11,413	2,882	—	(41,555)
Total Component Units	<u>\$ 4,298,412</u>	<u>\$ 2,518,672</u>	<u>\$ 982,972</u>	<u>\$ 74,511</u>	<u>\$ (722,257)</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, as restated	Net Position (Deficit) End of Year
\$ 111	\$ —	\$ 13,987	\$ —	\$ 14,098	\$ 3,864	\$ 57,032	\$ 60,896
(460)	—	2,556	—	2,096	14,591	177,965	192,556
(2,723)	—	—	—	(2,723)	14,116	566,950	581,066
(2,254)	—	—	—	(2,254)	87,771	172,833	260,604
477	—	—	250,000	250,477	253,660	79,724	333,384
(73,478)	—	111,636	520,587	558,745	(1,237)	2,847,556	2,846,319
93	—	—	203,863	203,956	74,975	123,911	198,886
650	—	—	141,085	141,735	37,688	(140,708)	(103,020)
643	3,725	1,027	45,173	50,568	9,013	117,349	126,362
<u>\$ (76,941)</u>	<u>\$ 3,725</u>	<u>\$ 129,206</u>	<u>\$ 1,160,708</u>	<u>\$ 1,216,698</u>	<u>\$ 494,441</u>	<u>\$ 4,002,612</u>	<u>\$ 4,497,053</u>



**STATE OF WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 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, who serves as the chair. 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 Authority

The Educational Broadcasting Authority (EBA) consists of 11 members. Seven 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 two members from the Policy Commission. EBA 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. EBA provides statewide telecommunication services for other state and public service agencies for nonbroadcasted activities such as teleconferencing, in-service training, and data delivery. EBA’s revenues are derived primarily through donations, with a portion of operational costs supplemented by state and federal grants.

Jobs Investment Trust

The Jobs Investment Trust (JIT) consists of 13 members. The Governor, the President of West Virginia University, the President of Marshall University, the Chancellor of the West Virginia Higher Education Policy Commission, and the Executive Director of the West Virginia Housing Development Fund serve on the board by virtue of their respective positions. One member is appointed by the Governor from a list of two names submitted by the Board of Directors of the Housing Development Fund. One member is appointed by the Governor from a list of two names submitted by the Commissioner of the Division of Tourism. The other six members are appointed from the general public by the Governor. JIT is responsible for the development, promotion, and expansion of West Virginia’s economy and to provide opportunities to businesses and college and university students to develop and implement plans for innovative projects and investment opportunity.

West Virginia State Rail Authority

The West Virginia State Rail Authority (Rail Authority) consists of seven members. Six members are appointed by the Governor and the seventh member is the Secretary of the Department of Transportation. The Rail Authority is responsible for the rehabilitation,

improvement, and restoration of the financial stability of the railway system in the State. It can issue bonds and set rates for the rail system. The Rail Authority receives federal and state grants to supplement its cost of operations.

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 Resources 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, S.E.
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 Authority
600 Capitol Street
Charleston, WV 25301

West Virginia State Rail Authority
120 Water Plant Drive
Moorefield, WV 26836

Solid Waste Management Board
601 57th Street, SE
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
Administrative Services
1018 Kanawha Boulevard, East
Suite 700
Charleston, WV 25301

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

Jobs Investment Trust
1012 Kanawha Boulevard, East
5th Floor
Charleston, WV 25301-2877

Racing Commission
900 Pennsylvania Avenue, Ste. 553
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 Prepaid College Plan, 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 14).

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

SMART 529 College Savings Plan allows citizens to invest monies for college tuition and defer taxes on earnings from those investments.

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 until the aggregate amount of the fund exceeds 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, 2022, the fund contained \$438.8 million, which amounted to almost 9% of FY 2022 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, 2022, the balance in the Rainy Day Fund—Part B was \$517.9 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, 2022, the balance in the Income Tax Refund Reserve Fund was \$49 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 5.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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 rate's 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.

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.

Other Financing Debt Payable to Component Units – The EDA has issued revenue bonds to provide financial assistance to the State's governmental entities for the acquisition and construction of facilities. The EDA has entered into a lease purchase agreement with the State. Other Financing Debt Payable to Component Units has been recorded in the governmental activities at June 30, 2022, of approximately \$171.7 million. There is also an offset of Leases Receivable from Primary Government recorded by the EDA.

Advances – The amount of EDA loans held by the State’s General Fund at June 30, 2022, is approximately \$115 million and is recorded as Advances to/from Component Units. There is a revolving loan agreement with the BTI to borrow up to \$175 million (\$115 million outstanding) to be reloaned for economic development purposes, with interest equal to the 12-month average of BTI’s yield on its cash liquidity pool, adjusted annually. Monthly payments must be sufficient to repay outstanding principal over ten years, secured by a security interest in the investments derived from the loan. Another revolving loan agreement exists with the BTI to borrow up to \$50 million to provide loan insurance for broadband projects, with interest equal to the 12-month average of BTI’s yield on its money market pool, adjusted quarterly. There is also a note payable to the BTI, nonrecourse with right of offset against a note receivable, amount not to exceed \$25 million, interest at 3%, principal due in annual installments through June 2022, unsecured. Note repayments are dependent upon the proceeds received from the investments in venture capital funds. The nonrecourse note has been written down based upon the borrowing agreement with BTI.

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 15, 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 4.

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 13.

Deferred Inflows/Outflows – A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period.

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, 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.

Effect of New Accounting Pronouncements

The GASB issued Statement No. 87, “Leases” to improve the accounting and financial reporting for leases by governments and to increase the usefulness of the governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. The State implemented this GASB as of July 1, 2021. The beginning balances for capital assets and liabilities were restated for the Primary Government with no impact to net position. See footnote 9 and 10 for detail. The beginning balances for capital assets, liabilities and net position were restated for Component Units related to Higher Education. See Footnote 2, 9 and 10 for details.

New Accounting Pronouncements Not Yet Adopted

The GASB issued Statement No. 91, “Conduit Debt Obligations,” which provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This statement is effective for fiscal year 2023, and management has not yet determined the financial statement impact of the pronouncement.

The GASB issued Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements,” which aims to improve financial reporting by addressing issues related to public-private and public-public partnership (PPP) arrangements and also provides guidance for accounting and financial reporting for availability payment arrangements. This statement is effective for fiscal year 2023, and management has not yet determined the financial statement impact of the pronouncement.

The GASB issued Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance,” which provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018. The requirements of Statement No. 95 were effective immediately. Effective dates for the following statements reflect their postponements.

The GASB issued Statement No. 96, “Subscription-Based Information Technology Arrangements,” which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement defines SBITA, establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, provides capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding SBITA. This statement is effective for fiscal year 2023, and management has not yet determined the financial statement impact of the pronouncement.

The GASB issued Statement No. 99, “Omnibus 2022,” to improve the consistency of authoritative literature. It will do this by addressing 1) practice issues that have been identified during implementation and application of certain GASB Statements and 2) accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs are effective for fiscal year 2023, while the financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53, is not effective until fiscal year 2024. Management has not yet determined the financial statement impact of the pronouncement.

The GASB issued Statement No. 100, “Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62,” to enhance requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This pronouncement defines accounting changes as well as prescribes the accounting and financial reporting for each type of accounting change and error correction. This statement is effective for fiscal year 2024, and management has not yet determined the financial statement impact of the pronouncement.

The GASB issued Statement No. 101, “Compensated Absences,” to better meet the needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This is met by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for fiscal year 2025, and management has not yet determined the financial statement impact of the pronouncement.

NOTE 2**RESTATEMENT AND RESTRICTED BALANCES****Restatement of Beginning Balances**

As of July 1, 2021, the State of West Virginia implemented GASB Statement No. 87, "Leases". This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources recognized based on the payment provisions of the contract. As a result of the implementation, the Higher Education Fund restated net position to record the impact of recording right-to-use lease assets and related lease liabilities for the lessee arrangements.

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

Entity /Reporting Unit	Fund Balances or Net Position		
	As Previously Reported	Adjustment	As Restated
Component Units			
Higher Education	\$ 2,909,216	\$ (61,660)	\$ 2,847,556
Total Component Units	\$ 4,064,272	\$ (61,660)	\$ 4,002,612

Restricted Net Position

The following table summarizes the restricted net position of funds included in “other” columns at June 30, 2022 (expressed in thousands):

Fund Type/Fund	Total Reporting Entity	Restricted for:					
		Capital Projects	Lending Activities	Insurance Activities	General Government Operations	Non-Expendable	Other Specific Fund Purposes
Enterprise Funds:							
Drinking Water Treatment Revolving Fund	\$ 204,819	\$ —	\$ 204,819	\$ —	\$ —	\$ —	\$ —
Alcohol Beverage Control Administration	2,400	—	2,400	—	—	—	—
West Virginia Prepaid College Plan	3,554	—	—	—	3,554	—	—
State Entities Worker's Compensation	11,400	—	—	11,400	—	—	—
	<u>222,173</u>	<u>—</u>	<u>207,219</u>	<u>11,400</u>	<u>3,554</u>	<u>—</u>	<u>—</u>
Internal Service Funds:							
State Building Fund	17,912	17,912	—	—	—	—	—
Travel Management	7,633	—	—	—	—	—	7,633
	<u>25,545</u>	<u>17,912</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,633</u>
Discretely Presented Component Units:							
Educational Broadcasting Authority	312	—	—	—	—	312	—
Solid Waste Management Board	4,591	—	—	—	—	—	4,591
Municipal Pensions Oversight Board	30,556	—	—	—	—	—	30,556
	<u>35,459</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>312</u>	<u>35,147</u>
Total	<u>\$ 283,177</u>	<u>\$ 17,912</u>	<u>\$ 207,219</u>	<u>\$ 11,400</u>	<u>\$ 3,554</u>	<u>\$ 312</u>	<u>\$ 42,780</u>

The government-wide statement of net position reports \$3.8 million of restricted net position for the primary government, of which \$1.5 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, 2022 (expressed in thousands):

Fund Type/Fund	Total Reporting Entity	Capital Projects	Debt Service	Development, Tourism, and Recreation	Education	Public Protection
Governmental Funds:						
Special Revenue Funds:						
Environmental Protection	\$ 97,818	\$ —	\$ —	\$ —	\$ —	\$ 97,818
Public Service Commission	9,683	—	—	—	—	9,683
Wildlife Resources	73,752	—	—	73,752	—	—
	<u>181,253</u>	<u>—</u>	<u>—</u>	<u>73,752</u>	<u>—</u>	<u>107,501</u>
Capital Projects Funds:						
State Road	—	—	—	—	—	—
Education, Arts, Sciences, and Tourism Fund	1,419	1,419	—	—	—	—
Cacapon Project Fund	2,086	2,086	—	—	—	—
State Parks Projects	4	4	—	—	—	—
Lease Purchase Accounts	10,750	10,750	—	—	—	—
	<u>14,259</u>	<u>14,259</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Debt Service:						
Lease Purchase Accounts	6,043	—	6,043	—	—	—
Education, Arts, Sciences, and Tourism Fund	1,008	—	1,008	—	—	—
Economic Development Project Fund	49,596	—	49,596	—	—	—
Cacapon Project Fund	1,507	—	1,507	—	—	—
State Parks Projects	3,169	—	3,169	—	—	—
	<u>61,323</u>	<u>—</u>	<u>61,323</u>	<u>—</u>	<u>—</u>	<u>—</u>
Permanent Funds:						
Irreducible School	505	—	—	—	505	—
	<u>505</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>505</u>	<u>—</u>
Total	<u>\$ 257,340</u>	<u>\$ 14,259</u>	<u>\$ 61,323</u>	<u>\$ 73,752</u>	<u>\$ 505</u>	<u>\$ 107,501</u>

NOTE 3

NET POSITION/FUND DEFICITS

Individual funds with net position/fund balance deficits at June 30, 2022, were as follows (expressed in thousands):

	<u>Net Position/ Fund Balance Deficit</u>
Discretely Presented Component Units:	
School Building Authority	\$ 103,020
Total Deficits	<u>\$ 103,020</u>

Discretely Presented Component Units

The School Building Authority of West Virginia's (the SBA) combined net position deficiency at June 30, 2022, is approximately \$103 million, which is primarily driven by future obligations related to long-term debt. These revenue bonds are secured by and satisfied from certain net profits of the West Virginia Lottery.

At year-end, the SBA had \$340.2 million in bonds outstanding, compared to \$357.6 million at June 30, 2021, a decrease of 4.87%. This decrease of \$17.4 million was due to the scheduled retirement of the existing bonds. Since the SBA receives all its debt service funding from allocations from the West Virginia Lottery, any bonds issued by the SBA will always be assigned a debt rating based on the performance of the West Virginia Lottery.

NOTE 4

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 not exceed 90% 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, 2022, the reported amount of the primary government's deposits was (\$232,940,000) and the bank balance was \$220,507,000. Of that bank balance, \$411,000 was uninsured and uncollateralized.

Component Units

At June 30, 2022, the reported amount of the component units' deposits was \$711,629,000 and the bank balance was \$367,722,000. Of that bank balance, \$29,866,000 was uninsured and collateralized with securities held by the pledging financial institution but not in the name of the State, and \$4,475,000 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. Further, no less than 15% of the Consolidated Fund shall be invested in any direct obligation of or obligation guaranteed by the United States government.

The Investment Management Board (IMB) focuses on the State's long-term trust investments. The IMB 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 IMB and BTI for investment in accordance with West Virginia Code, policies set by the IMB 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 IMB'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 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 not securities for which market quotations are readily available. The IMB 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 IMB'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 IMB 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 IMB believes that the net asset value of such investments is a reasonable estimate of fair value at June 30, 2022.
- Investments in alternative risk premia funds are not securities for which market quotations are 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. 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 IMB's interests in the funds. The IMB believes that the net asset value of such investments is a reasonable estimate of fair value at June 30, 2022.
- Investments in hedge funds are not securities for which market quotations are readily available. The IMB 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 IMB'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 IMB 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 IMB believes that the net asset value of such investments is a reasonable estimate of fair value at June 30, 2022.

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 Bank, Loan, and Reserve 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:

<u>Pool</u>	<u>Exception</u>
WV Bank	Nonnegotiable certificates of deposit which are nonparticipating interest-earning investment contracts
Loan	Loans receivable arising from lending activities of economic development authorities
Reserve	Banks' depository account that has no market

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 IMB's and BTI's investment pools can be found in the IMB's and BTI's annual reports. A copy of the IMB'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 70th Street SE, Charleston, WV 25304 or <http://www.wvbt.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 IMB 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 and Human Resources; 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 Authority; Jobs Investment Trust; Housing Development Fund; Parkways Authority; Water Development Authority; School Building Authority; and Higher Education Fund. IMB 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 IMB'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 IMB 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 IMB invests in derivative financial investments as authorized by its Board of Trustees. As of June 30, 2022, the IMB held derivative financial investments that included Futures Contracts, Foreign Exchange Forward Contracts, Currency Swaps, and Interest Rate Swaps. Additionally, the IMB also held derivative

instruments in option contracts and credit default swaps which were deemed immaterial to the State's financial statements. The IMB 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 IMB.

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:

- Fair 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.

Asset-Backed Securities

The IMB invests in various asset-backed securities, mortgage-backed securities, 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 IMB 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 IMB is authorized by statute and policy to participate in a securities lending program. Through November 2020, the IMB, through its lending agent, Northern Trust, lent securities of the pool to various brokers on a temporary basis. The IMB 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 IMB 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 IMB 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 IMB cannot pledge or sell such collateral without a default.

At June 30, 2022, the fair value of securities on loan and collateral held by the pools of the IMB are as follows (expressed in thousands). Of the collateral held, \$462.9 million was received as cash. The collateral received as cash is invested in the West Virginia Custom Account.

	Fair Value of Securities on Loan	Collateral Held
Non-Large Cap Domestic Equity Pool	\$ 204,968	\$ 213,235
International Equity Pool	108,004	118,724
Total Return Fixed Income Pool	267,611	277,580
Core Fixed Income Pool	128,284	133,055
Private Markets Pool	58,426	60,589
Total	<u>\$ 767,293</u>	<u>\$ 803,183</u>

Investment Pools

Schedule of Participation

The following schedule details the participation in the various IMB pools exclusive of those pools comprising the Consolidated Fund or Participant Directed Accounts as of June 30, 2022 (expressed in thousands):

	Portable Alpha Pool	Large Cap Domestic Equity	Non-Large Cap Domestic Equity	International		Equity
				Qualified	Nonqualified	
Primary Government:						
Revenue Shortfall Reserve Fund	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Revenue Shortfall Reserve Fund B	—	51,988	9,195	—	14,500	30,069
Workers' Compensation Old Fund	—	129,374	22,164	—	34,542	76,125
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	—	4,971	878	—	1,386	2,874
Workers' Compensation Self-Insured Employer Security Risk Pool	—	6,793	1,206	—	1,894	3,935
Workers' Compensation Uninsured	—	2,164	381	—	604	1,249
Pneumoconiosis	—	29,121	5,181	—	8,101	16,784
Wildlife Endowment Fund	17,242	—	2,871	—	4,496	9,382
State Parks and Recreation Endowment Fund	3,223	—	521	—	843	1,719
Board of Risk & Insurance Management	—	24,673	4,357	—	6,879	14,252
Public Employees' Insurance Agency	—	14,756	3,321	—	5,296	10,571
WV Department of Environmental Protection Trust	—	3,213	568	—	889	1,871
WV Department of Environmental Protection Agency	—	41,177	7,229	—	11,411	23,773
Total Primary Government	20,465	308,230	57,872	—	90,841	192,604
Percentage of Ownership	0.43 %	99.81 %	6.78 %	— %	49.48 %	6.89 %
Fiduciary Funds:						
Judges' Retirement System	60,589	—	10,154	16,364	—	33,166
Emergency Medical Services Retirement System	26,138	—	4,384	7,082	—	14,338
Public Employees' Retirement System	1,871,060	—	314,951	506,449	—	1,029,958
Teachers' Retirement System	2,076,954	—	349,672	562,920	—	1,143,307
Municipal Police Officers and Firefighters' Retirement System	6,056	—	1,011	1,659	—	3,305
Municipal Policemen's or Firefighter's Pension and Relief Funds	15,793	588	2,742	4,430	—	8,929
Natural Resources Police Officer Retirement System	5,652	—	945	1,533	—	3,088
State Police Retirement System	67,126	—	11,252	18,207	—	36,760
State Police Death, Disability and Retirement Fund	177,554	—	30,029	48,704	—	97,758
Retiree Health Benefit Trust	352,757	—	59,010	—	92,251	192,464
Deputy Sheriff's Retirement System	68,426	—	11,472	18,512	—	37,479
Total Fiduciary Funds	4,728,105	588	795,622	1,185,860	92,251	2,600,552
Percentage of Ownership	99.53 %	0.19 %	93.19 %	100.00 %	50.25 %	93.07 %
Other Participants:						
Berkeley County Development Authority	1,843	—	309	—	483	1,004
Total Amount	\$ 4,750,413	\$ 308,818	\$ 853,803	\$ 1,185,860	\$ 183,575	\$ 2,794,160
State Percentage of Ownership	99.96 %	100.00 %	99.97 %	100.00 %	99.73 %	99.96 %

Short-Term Fixed Income	Total Return Fixed Income	Core Fixed Income	TIPS	Private Equity	Hedge Funds	Total (Memorandum Only)
\$ —	\$ 116,364	\$ 50,093	\$ 163,345	\$ —	\$ —	\$ 329,802
—	195,495	84,450	113,022	—	—	498,719
7,141	273,607	117,279	90,674	—	131,084	881,990
1,805	9,212	3,978	3,589	—	6,998	35,691
2,284	12,561	5,427	4,927	—	9,563	48,590
785	4,027	1,739	1,559	—	3,051	15,559
9,398	53,644	23,163	21,186	—	40,909	207,487
133	7,243	3,120	—	21,968	7,186	73,641
991	1,403	607	—	4,115	1,348	14,770
7,218	45,767	19,777	17,796	—	34,744	175,463
—	33,321	10,862	24,630	—	32,055	134,812
—	1,218	525	—	—	2,073	10,357
—	64,818	28,018	—	—	43,224	219,650
29,755	818,680	349,038	440,728	26,083	312,235	2,646,531
20.46 %	29.71 %	29.36 %	100.00 %	0.43 %	13.60 %	11.51 %
682	24,847	10,710	—	77,474	25,337	259,323
410	10,857	4,706	—	33,526	10,966	112,407
10,009	762,545	329,794	—	2,395,882	784,187	8,004,835
100,719	844,704	367,428	—	2,663,077	871,643	8,980,424
515	2,673	1,155	—	7,852	2,570	26,796
964	7,251	3,132	—	20,191	6,604	70,624
227	2,365	1,024	—	7,258	2,375	24,467
1,088	28,353	12,250	—	86,188	28,193	289,417
455	74,796	32,338	—	230,448	75,426	767,508
—	149,070	64,520	—	450,798	147,439	1,508,309
595	28,313	12,212	—	87,641	28,665	293,315
115,664	1,935,774	839,269	—	6,060,335	1,983,405	20,337,425
79.54 %	70.26 %	70.61 %	— %	99.53 %	86.37 %	88.45 %
—	781	338	—	2,357	771	7,886
\$ 145,419	\$ 2,755,235	\$ 1,188,645	\$ 440,728	\$ 6,088,775	\$ 2,296,411	\$ 22,991,842
100.00 %	99.97 %	99.97 %	100.00 %	99.96 %	99.97 %	99.96 %

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, 2022, the money market mutual fund has a weighted-average maturity (WAM) of 41 days.

The following table provides credit ratings for the pool's fixed income investments as of June 30, 2022 (expressed in thousands):

Rating	Fair Value
<i>Long-Term</i>	
AAA	\$ 429,832
AA	6,017
A	21,288
BBB	10,572
<i>Short-Term</i>	
A-1	230,037
Not Rated	79,956
Total Investments	<u>\$ 777,702</u>

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, 2022, Portable Alpha Pool held \$11,485,000 of these securities. This represents approximately 1% of the value of the pool's fixed-income securities and less than 0.5% 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, 2022:

Investment Type	Fair Value (in thousands)	Effective Duration (years)
Certificates of Deposit	\$ 50,743	—
Commercial Paper	157,100	0.1
Corporate Asset Backed Issues	11,485	0.6
Foreign Corporate Bonds	22,695	0.1
U.S. Corporate Bonds	31,359	0.3
U.S. Government Agency Bonds	85,973	0.2
U.S. Treasury Bonds	281,063	6.4
U.S. Treasury Inflation Protected Security	137,284	6.9
Total	\$ 777,702	

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 84-86.

The table below summarizes the valuation of investment securities in accordance with the fair value hierarchy levels as of June 30, 2022 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Certificate of Deposit	\$ —	\$ 50,743	\$ —	\$ 50,743
Commercial Paper	—	157,100	—	157,100
Commingled Equity Fund	1,335,973	—	—	1,335,973
Corporate Asset-Backed Issues	—	11,485	—	11,485
Foreign Corporate Bonds	—	22,695	—	22,695
Money Market Mutual Fund	364,703	—	—	364,703
U.S. Corporate Bonds	—	31,359	—	31,359
U.S. Government Agency Bond	—	85,973	—	85,973
U.S. Treasury Bonds	—	281,063	—	281,063
U.S. Treasury Inflation-Protected Securities	—	137,284	—	137,284
Total	\$ 1,700,676	\$ 777,702	\$ —	2,478,378
Alternative risk premia funds				1,897,479
Total				\$ 4,375,857
Liabilities	Level 1	Level 2	Level 3	Total
Futures Contracts	\$ (124,020)	\$ —	\$ —	\$ (124,020)

The following table presents information on investments measured at the NAV as of June 30, 2022 (expressed in thousands):

ARP Fund Strategies	Fair Value	Redemption Frequency	Redemption Notice Period
Directional (a)	\$ 363,630	Monthly	10 to 30 days
Multi-Premia (b)	1,413,370	Weekly, Semimonthly, Monthly	3 to 60 days
Relative-Value (c)	120,479	Monthly	30 days
Total Investment Measured at NAV	<u>\$ 1,897,479</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, manager risk, derivatives risk, and leverage risk. Investments representing approximately 10% of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.
- (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.

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, 2022, was \$308,837. The pool is not exposed to concentration of credit risk, custodial credit risk, interest rate 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, 2022 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Commingled Equity Fund	\$ 308,837	\$ —	\$ —	\$ 308,837
Total	<u>\$ 308,837</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 308,837</u>

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 IMB’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, 2022, the money market mutual fund has a WAM of 41 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, 2022, the WAM for cash collateral was 1 day.

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, 2022 (expressed in thousands):

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Domestic Common Stock	\$ 735,883	\$ —	\$ —	\$ 735,883
Foreign Common Stock	70,780	—	—	70,780
Money Market Mutual Fund	56,338	—	—	56,338
Securities Lending Collateral	168,389	—	—	168,389
Total	<u>\$ 1,031,390</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,031,390</u>

The fair value measurement valuation techniques used for the investments in the Non-Large Cap Domestic Equity Pool can be found on pages 84-86.

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 Morgan Stanley Capital International's 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, 2022, was \$1,185,907. 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 Morgan

Stanley Capital International's 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, 2022, was \$183,582. 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, Morgan Stanley Capital International's All Country World Free Ex US Index over three- 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, 2022, the money market mutual fund has a weighted-average maturity (WAM) of 41 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, 2022, the WAM for the cash collateral account was 1 day.

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, 2022, consisted of the following (expressed in thousands):

Currency	Equity Investments	Cash	Foreign Currency Spot Contracts	Total
Australian Dollar	\$ 90,137	\$ 29	\$ 5	\$ 90,171
Brazil Real	78,683	1,115	—	79,798
British Pound	194,576	147	—	194,723
Canadian Dollar	129,401	141	—	129,542
Chilean Peso	5,467	—	—	5,467
Chinese Yuan	120,727	722	—	121,449
Czech Koruna	1,699	—	—	1,699
Danish Krone	20,568	9	—	20,577
Egyptian Pound	97	—	—	97
Emirati Dirham	13,466	—	—	13,466
Euro Currency Unit	374,162	159	1	374,322
Hong Kong Dollar	381,161	2,424	—	383,585
Hungarian Forint	4,479	125	3	4,607
Indian Rupee	78,210	9,176	—	87,386
Indonesian Rupiah	33,130	170	—	33,300
Israeli Shekel	4,825	—	—	4,825
Japanese Yen	251,857	1,273	—	253,130
Kuwaiti Dinar	7,046	—	—	7,046
Malaysian Ringgit	18,173	77	—	18,250
Mexican Peso	36,527	58	1	36,586
New Taiwan Dollar	147,963	156	—	148,119
New Zealand Dollar	400	—	—	400
Norwegian Krone	31,337	365	1	31,703
Philippine Peso	2,658	44	(2)	2,700
Polish Zloty	6,195	—	—	6,195
Qatar Riyal	2,975	—	—	2,975
Saudi Arabian Riyal	24,285	25	—	24,310
Singapore Dollar	22,532	396	3	22,931
South African Rand	27,755	86	—	27,841
South Korean Won	170,253	1,773	(10)	172,016
Swedish Krona	43,995	33	—	44,028
Swiss Franc	79,781	50	—	79,831
Thailand Baht	50,316	331	—	50,647
Turkish Lira	5,234	133	—	5,367
Subtotal	<u>2,460,070</u>	<u>19,017</u>	<u>2</u>	<u>2,479,089</u>
United States Currency	234,752	—	—	234,752
Total Assets	<u>\$ 2,694,822</u>	<u>\$ 19,017</u>	<u>\$ 2</u>	<u>\$ 2,713,841</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, 2022 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Common Stock	\$ 2,629,469	\$ —	\$ —	\$ 2,629,469
EFT	39,823	—	—	39,823
Money Market Mutual Funds	42,808	—	—	42,808
Preferred Stock	25,530	—	—	25,530
Securities Lending Collateral	57,625	—	—	57,625
Total	<u>\$ 2,795,255</u>	<u>\$ —</u>	<u>\$ —</u>	<u>2,795,255</u>

The fair value measurement valuation techniques used for the investments in the International Equity Pool can be found on pages 84-86.

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, 2022. The pool is exposed to interest rate risk from its fixed income investments and money market mutual fund investments. The IMB 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, 2022, of the Short-Term Fixed Income pool’s investments (expressed in thousands):

Investment Type	Carrying Value	WAM Days
U.S. Government Agency Bonds	\$ 93,991	1
U.S. Treasury Bills	15,983	38
Repurchase Agreements (Underlying Securities):		
U.S. Treasury Issues*	35,461	1
Total Investments	<u>\$ 145,435</u>	5

* 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, 2022 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Repurchase Agreement*	\$ —	\$ 35,461	\$ —	\$ 35,461
U.S. Government Agency Bonds	—	93,991	—	93,991
U.S. Treasury Bonds	—	15,983	—	15,983
Total	\$ —	\$ 145,435	\$ —	\$ 145,435

*Underlying Securities:

U.S. Treasury Issues \$35,461

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 Barclays 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 IMB limits the exposure to credit risk in the pool by maintaining at least an average rating of investment grade as defined by a nationally recognized statistical rating organization. The IMB reviews available ratings from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. The pool holds some securities that have not received a rating from the aforementioned rating organizations. These securities have been listed as 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, 2022 (expressed in thousands):

Rating	Fair Value
AAA	\$ 23,494
AA	900,769
A	127,999
BBB	602,737
BB	344,804
B	218,720
CCC	22,657
CC	7,342
C	546
Withdrawn	15,762
Total Rated	2,264,830
Not Rated	62,443
Total Fixed Income Investments	<u>\$ 2,327,273</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, 2022, the Total Return Fixed Income Pool held \$688,670,000 of these securities. This represents approximately 30% 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, 2022, the money market mutual fund has a WAM of 41 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, 2022, the WAM for the cash collateral account was 1 day.

The following table provides the weighted average effective duration for the various asset types in the pool as of June 30, 2022 (expressed in thousands):

Investment Type	Fair Value	Effective Duration (years)
Bank Loans	\$ 2,980	2.3
Commingled Debt Funds	242,023	2.9
Corporate Asset-Backed Issues	76,488	0.6
Corporate CMO	81,472	1.2
Foreign Asset-Backed Issues	87,664	—
Foreign Corporate Bonds	352,447	5.0
Foreign Government Bonds	194,192	6.2
Municipal Bonds	22,293	8.2
U.S. Corporate Bonds	458,781	6.7
U.S. Government Agency Bonds	28,382	4.2
U.S. Government Agency CMO	76,540	1.0
U.S. Government Agency CMO Interest-Only	4,565	3.0
U.S. Government Agency MBS	315,433	5.8
U.S. Government Agency TBA	46,508	5.6
U.S. Treasury Bonds	337,505	14.0
Total	<u>\$ 2,327,273</u>	

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 \$46,178, or 19%, of the commingled debt funds hold substantially all of their investments in securities denominated in foreign currencies. This represents approximately 2% 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, 2022, (expressed in thousands):

Currency	Foreign Fixed Income	Common Stock	Cash	Cash Due To/From Broker	Total
Argentine Peso	\$ 86	\$ —	\$ 711	\$ —	\$ 797
Australian Dollar	—	—	670	936	1,606
British Pound	—	792	4,614	63	5,469
Canadian Dollar	—	—	1,105	—	1,105
Colombian Peso	5,163	—	—	—	5,163
Dominican Peso	3,626	—	—	—	3,626
Egyptian Pound	2,504	—	—	—	2,504
Euro Currency Unit	17,556	—	1,852	(1,138)	18,270
Georgia Lari	545	—	—	—	545
Ghana Cedi	1,362	—	—	—	1,362
Indonesian Rupiah	23,886	—	2,207	—	26,093
Japanese Yen	3,314	—	1,349	(2,145)	2,518
Kazakhstani Tenge	3,661	—	—	—	3,661
Kenyan Shilling	2,156	—	—	—	2,156
Mexican Peso	46,668	—	1,492	3,241	51,401
New Zealand Dollar	—	—	732	—	732
Peruvian Nuevo Sol	2,290	—	—	—	2,290
Russian Ruble	5,657	—	1,263	—	6,920
South African Rand	11,837	—	748	—	12,585
Swedish Krona	—	—	426	—	426
Turkish Lira	1,231	—	—	—	1,231
Uruguayan Peso	4,207	—	—	—	4,207
Uzbekistan Som	4,409	—	—	—	4,409
Total Foreign-Denominated Investments	\$ 140,158	\$ 792	\$ 17,169	\$ 957	\$ 159,076
U.S. Dollar	497,125	—	—	66,708	563,833
Total	\$ 637,283	\$ 792	\$ 17,169	\$ 67,665	\$ 722,909

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 84-86, 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, 2022 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Bank Loans	\$ —	\$ 2,980	\$ —	\$ 2,980
Corporate ABS Residual	—	1,803	—	1,803
Corporate Asset-Backed Issues	—	76,488	—	76,488
Corporate Collateralized Mortgage Obligations	—	81,472	—	81,472
Corporate Preferred Security	10,423	—	—	10,423
Foreign Asset-Backed Issues	—	87,664	—	87,664
Foreign Corporate Bonds	—	352,447	—	352,447
Foreign Currency Forward Contracts	—	2,774	—	2,774
Foreign Equity Investments	792	—	—	792
Foreign Government Bonds	—	194,192	—	194,192
Futures Contracts	12,032	—	—	12,032
Money Market Mutual Fund	130,798	—	—	130,798
Municipal Bonds	—	22,293	—	22,293
Options Contracts Purchased	4,358	3,872	—	8,230
Securities Lending Collateral	125,567	—	—	125,567
Swaps	—	48,417	—	48,417
U.S. Corporate Bonds	—	458,781	—	458,781
U.S. Government Agency Bond	—	28,382	—	28,382
U.S. Government Agency CMO	—	76,540	—	76,540
U.S. Government Agency CMO Interest-Only	—	4,565	—	4,565
U.S. Government Agency MBS	—	315,433	—	315,433
U.S. Government Agency TBAs	—	46,508	—	46,508
U.S. Treasury Bonds	—	337,505	—	337,505
Total	<u>\$ 283,970</u>	<u>\$ 2,142,116</u>	<u>\$ —</u>	<u>2,426,086</u>
Commingled Debt Funds				242,023
Total				<u>\$ 2,668,109</u>

Liabilities	Level 1	Level 2	Level 3	Total
Foreign Currency Forward Contracts	\$ —	\$ (553)	\$ —	\$ (553)
Futures Contracts	(27,233)	—	—	(27,233)
Options Contracts Written	(16,803)	(6,950)	—	(23,753)
Swaps	—	(44,968)	—	(44,968)
Total	<u>\$ (44,036)</u>	<u>\$ (52,471)</u>	<u>\$ —</u>	<u>\$ (96,507)</u>

The pool's investments in commingled debt funds were measured at the net asset value (NAV) as of June 30, 2022. 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, Inc. manages this pool. This pool's investment objective, net of external investment management fees, is to outperform the Bloomberg Barclays U.S. Aggregate Bond Index over three-year to five-year periods, net of external management fees.

Credit Risk and Interest Rate Risk

The IMB limits the exposure to credit risk in the pool by maintaining at least an average rating of investment grade as defined by a nationally recognized statistical rating organization. The IMB 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, 2022 (expressed in thousands):

<u>Rating</u>	<u>Fair Value</u>
AAA	\$ 27,651
AA	582,782
A	87,108
BBB	220,969
BB	10,347
B	506
CCC	151
D	32
Withdrawn	2,160
Total Rated	<u>931,706</u>
Not Rated	<u>113,887</u>
Total Investments	<u>\$ 1,045,593</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, 2022, the money market mutual fund has a WAM of 41 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, 2022, the WAM for the cash collateral account was 1 day.

The IMB 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 considers 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, and collateralized mortgage obligations.

The following table provides the weighted average effective duration for the pool's fixed income investments as of June 30, 2022 (expressed in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration (years)</u>
Corporate Asset-Backed Issues	\$ 126,155	2.3
Corporate CMO	95,908	2.2
Corporate CMO Interest-Only	141	(0.1)
Corporate CMO Principal-Only	28	2.5
Foreign Asset-Backed Issues	2,441	—
Foreign Corporate Bonds	75,517	5.6
Foreign Government Bonds	2,731	11.7
Municipal Bonds	9,051	10.8
U.S. Corporate Bonds	178,510	7.7
U.S. Government Agency CMO	98,468	4.4
U.S. Government Agency CMO Interest-Only	2,246	7.1
U.S. Government Agency CMO Principal-Only	2,246	5.0
U.S. Government Agency MBS	166,732	5.1
U.S. Treasury Bonds	285,419	8.7
Total	<u>\$ 1,045,593</u>	

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, 2022, the pool held \$494,365 of these securities. This represents approximately 47 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, 2022 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Corporate Asset-Backed Issues	\$ —	\$ 126,155	\$ —	\$ 126,155
Corporate CMO	—	95,908	—	95,908
Corporate CMO Interest-Only	—	141	—	141
Corporate CMO Principal-Only	—	28	—	28
Foreign Asset-Backed Issues	—	2,441	—	2,441
Foreign Corporate Bonds	—	75,517	—	75,517
Foreign Government Bonds	—	2,731	—	2,731
Money Market Mutual Fund	13,437	—	—	13,437
Municipal Bonds	—	9,051	—	9,051
Securities Lending Collateral	59,920	—	—	59,920
U.S. Corporate Bonds	—	178,510	—	178,510
U.S. Government Agency CMO	—	98,468	—	98,468
U.S. Government Agency CMO Interest-Only	—	2,246	—	2,246
U.S. Government Agency CMO Principal-Only	—	2,246	—	2,246
U.S. Government Agency MBS	—	166,732	—	166,732
U.S. Treasury Bonds	—	285,419	—	285,419
Total	\$ 73,357	\$ 1,045,593	\$ —	\$ 1,118,950

The fair value measurement valuation techniques used for the Core Fixed Income Pool can be found on pages 84-86.

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. 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 is measured against the Bloomberg Barclay’s U.S. Treasury Inflation Protection Index on an annualized basis over rolling three-year to five-year periods, gross of fees. The pool invests in the BlackRock U.S. Treasury Inflation Protected Securities Fund B (BlackRock). BlackRock invests primarily in a portfolio of debt securities with the objective of closely approximating the total rate of return for all outstanding U.S. Treasury Inflation-Protected Securities with a maturity of one year or greater.

Credit Risk and Interest Rate Risk

The pool invests in a commingled bond fund that holds primarily U.S. Treasury Inflation-Protected Securities and a money market mutual fund. These investments are exposed to credit and interest rate risk. The IMB 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, 2022, the commingled bond fund was rated AA. 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, 2022, the commingled bond fund has an effective duration of 6.89 years.

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, 2022 (expressed in thousands):

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Commingled Bond Funds	\$ 440,765	\$ —	\$ —	\$ 440,765
Total	<u>\$ 440,765</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 440,765</u>

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 IMB’s established procedures.

Private Markets Pool

The objective of the pool is to enhance the diversification and stability of the portfolio, while generating a higher level of income than generally available in the public fixed income markets and to provide for long-term growth of participants’ assets and risk-reduction through diversification. The pool primarily holds the IMB’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 IMB 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 IMB 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, 2022 (expressed in thousands):

<u>Rating</u>	<u>Fair Value</u>
A	\$ 276
BBB	8,742
BB	1,487
B	262
Total Investments	<u>\$ 10,767</u>

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 IMB 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 IMB 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, 2022, the effective duration for U.S. corporate bonds was 5.4 years. The IMB 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, 2022, the money market mutual fund has a WAM of 41 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, 2022, the WAM for securities lending collateral was 1 day.

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, 2022, (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	\$ 4,111	\$ —	\$ —	\$ 4,111
British Pound	2,914	—	—	2,914
Canadian Dollar	3,588	48,146	—	51,734
Euro Currency Unit	6,846	102,407	—	109,253
Hong Kong Dollar	5,484	—	—	5,484
Japanese Yen	8,841	—	8	8,849
Singapore Dollar	2,799	—	—	2,799
Swedish Krona	842	—	—	842
Total foreign-denominated investments	<u>\$ 35,425</u>	<u>\$ 150,553</u>	<u>\$ 8</u>	<u>\$ 185,986</u>
U.S. Dollar	713	2,070,371	—	2,071,084
Total	<u>\$ 36,138</u>	<u>\$ 2,220,924</u>	<u>\$ 8</u>	<u>\$ 2,257,070</u>

Fair Value Measurements

The fair value measurement valuation techniques for the Private Markets Pool's asset categories can be found on pages 84-86, 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, 2022. 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, 2022 (expressed in thousands):

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Foreign Common Stock	\$ 36,138	\$ —	\$ —	\$ 36,138
Money Market Mutual Fund	113,410	—	—	113,410
Securities Lending Collateral	51,390	—	—	51,390
U.S. Common Stock	189,397	—	—	189,397
U.S. Corporate Bonds	—	10,767	—	10,767
U.S. Preferred Stock	12,286	—	—	12,286
Total	<u>\$ 402,621</u>	<u>\$ 10,767</u>	<u>\$ —</u>	<u>413,388</u>
Private Credit & Income Funds				735,089
Private Equity Partnerships				2,757,816
Real Estate Limited Partnership and Funds				2,220,924
Total				<u>\$ 6,127,217</u>

The following table presents information on investments measured at the NAV as of June 30, 2022 (expressed in thousands):

Strategies	Fair Value	Unfunded Commitments	Contractual Termination Date Range	Redemption Frequency (a)	Redemption Notice Period
Private Credit & Income Funds:					
Commercial Debt Funds (b)	\$ 432,769	\$ 191,331	2026 to 2029	N/A	N/A
Real Estate Debt Funds (c)	302,320	154,056	2022 to 2031	Quarterly	45 days
Private Equity Partnerships:					
Corporate Finance – Buyout (d)	1,739,433	604,305	2022 to 2035	N/A	N/A
Corporate Finance – Distressed Debt (e)	44,383	16,263	2022 to 2023	N/A	N/A
Corporate Finance – Growth Equity (f)	125,251	84,609	2023 to 2031	N/A	N/A
Corporate Finance – Hard Assets (g)	133,978	29,075	2022 to 2028	N/A	N/A
Corporate Finance – Mezzanine (h)	1,800	480	2022	N/A	N/A
Corporate Finance – Structured Capital (i)	83,547	25,774	2023 to 2028	N/A	N/A
Corporate Finance – Turnaround (j)	107,257	67,813	2022 to 2032	N/A	N/A
Venture Capital (k)	522,167	57,826	2023 to 2034	N/A	N/A
Real Estate Limited Partnerships and Funds:					
Core (l)	1,261,147	110,000	2022	Quarterly	30-60 days
Opportunistic (m)	275,488	335,654	2022 to 2031	N/A	N/A
Value (n)	684,289	591,894	2022 to 2033	Quarterly	90 days
Total	\$ 5,713,829	\$ 2,269,080			

- (a) Investments without standard redemption frequencies cannot be redeemed until termination of the partnership.
- (b) Commercial Debt funds seek to generate current income while preserving capital through investments primarily in senior-secured loans to business enterprises.
- (c) Real Estate Debt funds seek to generate income while preserving capital through investments in real estate mortgages and debt investments.
- (d) Corporate Finance – Buyout funds acquire controlling or influential interests in companies.
- (e) 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.
- (f) Corporate Finance – Growth Equity funds invest in companies to expand or restructure operations, enter new markets, or finance an acquisition.
- (g) Corporate Finance – Hard Assets funds acquire controlling or influential interests in companies operating in natural resources or infrastructure.
- (h) Corporate Finance – Mezzanine funds acquire or issue subordinated debentures frequently in businesses controlled by the General Partner, but in another fund.
- (i) Corporate Finance - Structured Capital funds combine common equity, preferred equity, fixed income, and/or customized debt instruments to off capital appreciation with downside protection.
- (j) 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.
- (k) Venture Capital funds make investments in early-stage through late-stage companies, frequently start-ups in technology or healthcare.
- (l) 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.
- (m) 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.
- (n) 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 IMB’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, 2022, the money market mutual fund is highest rated and has a WAM of 41 days. The investments in hedge funds might be indirectly exposed to foreign currency risk, interest rate risk, and/or custodial 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	\$ 316	\$ —	\$ —	\$ 316
Hedge Funds				2,281,790
Total				\$ 2,282,106

The following table presents information on investments measured at the NAV as of June 30, 2022 (expressed in thousands):

Hedge Fund Strategies	Fair Value	Redemption Frequency	Redemption Notice Period
Directional (a)	\$ 262,986	Monthly, Quarterly	5 to 30 days
Equity Long/Short (b)	414,512	Quarterly	45 to 90 days
Event-Driven (c)	128,252	Quarterly	180 days
Long-Biased (d)	77,743	Monthly	90 days
Multi-Strategy (e)	1,115,440	Monthly, Quarterly, Semiannually	45 to 95 days
Relative-Value (f)	229,844	Weekly, Quarterly	5 to 60 days
	2,228,777		
In liquidation (g)	53,013		
Total Investment Measured at NAV	\$ 2,281,790		

- (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) 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 64% 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, derivative risk, and leverage risk. Investments representing approximately 82% 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 60% 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 not securities for which market quotations are 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 IMB'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 IMB 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 IMB believes that the net asset value of such investments is a reasonable estimate of fair value at June 30, 2022.

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 seven investment pools and participant-directed accounts comprise the Consolidated Fund and are managed by the BTI.

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, 2022, of the WV Money Market Pool’s investments (expressed in thousands):

Security Type	Rating	Carrying Value	Percent of Pool Assets
U.S. Treasury Notes *	AA+	\$ 37,503	0.47%
Commercial Paper	A-1+	1,956,052	24.01%
	A-1	3,849,657	47.26%
Negotiable Certificates of Deposit	A-1+	208,000	2.55%
	A-1	1,141,000	14.01%
	A+	117,500	1.44%
Money Market Funds	AAAm	217,659	2.67%
Cash	AAAm	824	0.01%
Repurchase Agreements (Underlying Securities):			
U.S. Treasury Bonds and Notes *	AA+	117,400	1.44%
U.S. Agency Bonds and Notes	AA+	500,000	6.14%
Total		<u>\$ 8,145,595</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, 2022 (expressed in thousands):

Security Type	Total Carrying Value	Primary Government	Investment Trust Funds	Custodial Funds	Component Units	WAM (Days)
U.S. Treasury Notes	\$ 37,503	\$ 29,943	\$ 2,100	\$ 270	\$ 5,190	1
Commercial Paper	5,805,709	4,635,278	325,120	41,801	803,510	23
Negotiable Certificates of Deposit	1,466,500	1,170,853	82,124	10,559	202,964	25
Repurchase Agreements						1
(Underlying Securities):						
U.S. Treasury Bonds and Notes	117,400	93,733	6,574	845	16,248	
U.S. Agency Bonds and Notes	500,000	399,200	28,000	3,600	69,200	
Money Market Funds	217,659	173,779	12,189	1,567	30,124	1
Cash	824	658	46	6	114	1
Total	<u>\$ 8,145,595</u>	<u>\$ 6,503,444</u>	<u>\$ 456,153</u>	<u>\$ 58,648</u>	<u>\$ 1,127,350</u>	21
Percentage of Ownership	100%	79.84%	5.60%	0.72%	13.84%	

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, 2022 (expressed in thousands):

Security Type	Rating	Carrying Value	Percent of Pool Assets
U.S. Treasury Notes*	AA+	\$ 1,000	0.43%
U.S. Treasury Bills*	A-1+	28,974	12.39%
U.S. Agency Bonds and Notes	AA+	39,124	16.70%
U.S. Agency Discount Notes	A-1+	109,899	46.95%
Money Market Funds	AAA	198	0.08%
Repurchase Agreements (Underlying Securities):			
U.S. Treasury Bonds and Notes *	AA+	54,900	23.45%
Total		<u>\$ 234,095</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, 2022 (expressed in thousands):

Security Type	Carrying Value	Primary Government	Investment Trust Fund	Component Units	WAM (Days)
U.S. Treasury Notes	\$ 1,000	\$ 50	\$ 926	\$ 24	62
U.S. Treasury Bills	28,974	1,469	26,818	687	34
U.S. Agency Bonds and Notes	39,124	1,984	36,213	927	9
U.S. Agency Discount Notes	109,899	5,571	101,723	2,605	28
Repurchase Agreements (Underlying Securities):					1
U.S. Treasury Notes	54,900	2,784	50,815	1,301	
Money Market Funds	198	10	183	5	1
Total	<u>\$ 234,095</u>	<u>\$ 11,868</u>	<u>\$ 216,678</u>	<u>\$ 5,549</u>	21
Percentage of Ownership	100%	5.07%	92.56%	2.37%	

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- 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, 2022 (expressed in thousands):

Security Types	Rating	Carrying Value	Percent of Pool Assets
U.S. Treasury Notes*	AA+	\$ 89,910	13.03%
U.S. Government Agency Bonds	AA+	2,403	0.34%
U.S. Agency Collateralized Mortgage Obligations:			
U.S. Government Guaranteed*	AA+	10,577	1.53%
Non-U.S. Government Guaranteed	AA+	2,732	0.40%
Corporate Bonds and Notes	AAA	3,421	0.50%
	AA+	1,983	0.29%
	AA	3,077	0.45%
	AA-	22,231	3.22%
	A+	57,764	8.37%
	A	58,155	8.43%
	A-	90,582	13.13%
	BBB+	61,433	8.90%
	BBB	35,313	5.12%
	BBB-	44,896	6.51%
	NR	24,283	3.52%
Collateralized Mortgage Obligations	AAA	3,126	0.45%
	NR	15,296	2.22%
Municipal Securities	AAA	7,713	1.12%
	AA+	12,362	1.79%
	AA	7,262	1.05%
	AA-	2,179	0.32%
	A	2,469	0.36%
	NR	4,279	0.62%
Asset-Backed Securities	AAA	94,217	13.66%
	NR	26,361	3.82%
Money Market Funds	AAA _m	5,856	0.85%
Total		<u>\$ 689,880</u>	<u>100%</u>

NR = Not Rated

*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, 2022, the effective duration of the benchmark was 686 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, 2022 (expressed in thousands):

Security Type	Total Carrying Value	Primary Government	Investment Trust Funds	Component Units	Effective Duration (Days)
U.S. Treasury Bonds and Notes	\$ 89,910	\$ 82,519	\$ 3,381	\$ 4,010	816
U.S. Government Agency Bonds	2,403	2,206	90	107	815
U.S. Agency Collateralized Mortgage Obligations	13,309	12,215	500	594	75
Corporate Fixed-Rate Bonds and Notes	369,328	338,969	13,887	16,472	657
Corporate Floating-Rate Bonds and Notes	33,810	31,031	1,271	1,508	(19)
Commercial Mortgage-Backed Securities	18,422	16,907	693	822	585
Municipal Securities	36,264	33,283	1,364	1,617	433
Asset-Backed Securities	120,578	110,666	4,534	5,378	474
Money Market Funds	5,856	5,375	220	261	—
Total	\$ 689,880	\$ 633,171	\$ 25,940	\$ 30,769	584
Percentage of Ownership	100%	91.78%	3.76%	4.46%	

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, 2022 (expressed in thousands):

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	\$ 89,910	\$ —	\$ —	\$ 89,910
U.S. Government Agency Bonds	—	2,403	—	2,403
U.S. Agency Collateralized Mortgage Obligations	—	13,309	—	13,309
Corporate Fixed-Rate Bonds and Notes	—	369,328	—	369,328
Corporate Floating-Rate Bonds and Notes	—	33,810	—	33,810
Commercial Mortgage-Backed Obligations	—	18,422	—	18,422
Municipal Securities	—	36,264	—	36,264
Asset-Backed Securities	—	120,578	—	120,578
Money Market Funds	5,856	—	—	5,856
Total	\$ 95,766	\$ 594,114	\$ —	\$ 689,880

The fair value measurement valuation techniques used for the WV Short-Term Bond Pool can be found on pages 84-86.

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 non-negotiable certificates of deposit in this pool total approximately \$20.1 million, with maturities ranging from July 2022 to August 2022, and an interest in a money market mutual fund valued at approximately \$78,000.

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 \$42,000 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.

Reserve Pool

This pool is composed of an interest-bearing depository account, with funds totaling approximately \$19,986,000 in a bank depository and an interest in a money market mutual fund valued at approximately \$2,000. The pool was created to provide an added layer of security for the WV Money Market and WV Government Money Market pools. The objective of this pool is to provide support for the WV Money Market and WV Government Money Market pools to ensure their unit net position levels do not fall below \$0.9985. The State is the sole participant in this pool.

Participant-Directed Accounts

The BTI also maintains pools for individual state agencies with specific investment needs. These pools include the following: Municipal Bond Commission (MBC), 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.

Municipal Bond Commission

This account only holds three securities issued by the State and Local Government Series (SLGS) with a weighted average maturity of 333 days. The BTI's policy does not specifically address maturity restrictions as a means of managing exposure to fair value losses in the MBC account arising from increasing interest rates. The MBC is not subject to credit risk.

Fair Value Measurements

The MBC account's SLGS are reported at historical cost (face value) of \$39,674,000. SLGS are special purpose securities the U.S. Department of the Treasury issues to state and local government entities, upon request by the those entities, to assist them in complying with federal tax laws and Internal Revenue Service arbitrage regulations when they have cash proceeds to invest from their issuance of tax exempt bonds. There is no market for these securities as they may only be redeemed at the U.S. Department of Treasury on or before their stated maturity date at face value plus accrued interest.

School Fund

The School Fund account holds an interest in a money market mutual fund valued at \$1,101,000 using Level 1 inputs with a weighted-average maturity of one day. The mutual fund is rated AAAM by Standard & Poor's and Aaa by Moody's as of June 30, 2022 (expressed in thousands):

<u>Security Type</u>	<u>Carrying Value</u>	<u>Investment Maturities</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Governmental Activities:					
Money Market	\$ 1,101	\$ 1,101	\$ —	\$ —	\$ —

EDA-AW

This account holds a U.S. Treasury bond valued at \$1,499,000 using Level 1 inputs that mature on August 15, 2023. The EDA's investment policy limits this account to holding only U.S. Treasury securities with 20 year maturities at time of purchase as of June 30, 2022 (expressed in thousands):

<u>Security Type</u>	<u>Carrying Value</u>	<u>Investment Maturities</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Component Unit Activities:					
U.S. Treasury Bond	\$ 1,499	\$ —	\$ 1,499	\$ —	\$ —

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, 2022 (expressed in thousands):

IMB Pools	Disclosed Value	Pool Receivables/ (Payables)	Net Asset Values
Portable Alpha Pool	\$ 4,375,857	\$ 374,556	\$ 4,750,413
Large Cap Domestic Equity Pool	308,837	(19)	308,818
Non-Large Cap Domestic Equity Pool	1,031,390	(177,587)	853,803
International Qualified	1,185,907	(47)	1,185,860
International Nonqualified	183,582	(7)	183,575
International Equity**	2,795,255	(1,095)	2,794,160
Short-Term Fixed Income	145,435	(16)	145,419
Total Return Fixed Income**	2,668,109	87,126	2,755,235
Core Fixed Income	1,118,950	69,695	1,188,645
TIPS Pool	440,765	(37)	440,728
Private Markets Pool	6,127,217	(38,442)	6,088,775
Hedge Fund	2,282,106	14,305	2,296,411
BTI Pools			
WV Money Market Pool	8,145,595	(32,441)	8,113,154
WV Government Money Market Pool	234,095	(1,982)	232,113
WV Short-Term Bond Pool	689,880	1,925	691,805
WV Bank Pool	20,178	28	20,206
Loan Pool	114,962	133	115,095
Reserve Pool	19,988	19	20,007
Municipal Bond Commission Account	39,674	6	39,680
School Fund Account	1,101	1	1,102
EDA-AW	1,500	33	1,533
Total Pooled Investments	<u>31,930,383</u>	<u>296,154</u>	<u>32,226,537</u>
Less EDA	105,234	—	105,234
Less MBC	39,674	6	39,680
Less Nonnegotiable Certificates of Deposit	20,100	28	20,128
Less Reserve Pool in Depository	19,986	19	20,005
Total for Disclosure	<u>\$ 31,745,389</u>	<u>\$ 296,101</u>	<u>\$ 32,041,490</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, 2022 (expressed in thousands):

Security Type	Carrying	Credit Rating	
		S&P	Moody's
Primary Government:			
Money Market/Mutual Funds	\$ 331,279	AAAm	Aaa-mf
Money Market/Mutual Funds	4,700	AAA	Aaa
Corporate Bonds	4,491	A-1+	P-1
Corporate Bonds	8,953	A-1	P-1
U.S. Government and Agency Obligations	86,064	AA+	Aaa
Total Primary Government	<u>\$ 435,487</u>		
Pension & Private Purpose Trust Funds:			
Money Market/Mutual Funds	\$ 2,828,496	Unrated	Unrated
Guaranteed Investment Contract	551,773	Unrated	Unrated
Total Pension & Private Purpose Trust Funds	<u>\$ 3,380,269</u>		
Component Units:			
Common and Preferred Stocks	\$ 177,353	Unrated	Unrated
Corporate Bonds	5,064	AAA-BBB	AAA-Baa2
Corporate Bonds	31,000	Unrated	Unrated
Corporate Stock	2,471	Unrated	Unrated
Fixed Income Fund	2,449	Unrated	Unrated
Fixed Income Fund	153	AA+	Unrated
Fixed Income Fund	9,924	Unrated	Aa2
Fixed Income Fund	12,829	Unrated	Aaa
Money Market/Mutual Funds	244,982	AAAm	Aaa-mf
Money Market/Mutual Funds	6,813	Unrated	A3
Money Market/Mutual Funds	6,447	Unrated	A
Money Market/Mutual Funds	17,792	AA-	Aa2
Money Market/Mutual Funds	11	AA+	Aaa
Money Market/Mutual Funds	358,552	Unrated	Unrated
Mortgages Held for Investment	15,599	Unrated	Unrated
Other Investments	239	AA+	Unrated
Other Investments	63,297	Unrated	A+
Other Investments	227,612	Unrated	Unrated
Other Investments	94,849	AA+	Aaa
Repurchase Agreements *	7,875	Unrated	Unrated
State and Local Government Securities	391	AAA	Aaa
U.S. Government and Agency Obligations	49,320	AAA	Aaa
U.S. Government and Agency Obligations	11,729	AA-	Aa2
U.S. Government and Agency Obligations	3,830	AAAm	Aaa-mf
U.S. Government and Agency Obligations	33,868	Unrated	Unrated
Total Component Units	<u>\$ 1,384,449</u>		

Underlying Securities:

* Component Units:

The \$7,875 is invested in U.S. Government National Mortgage Association Securities.

Concentration of Credit Risk

As of June 30, 2022, 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
Component Units:			
Other Investments	\$ 226,850	The \$128,794,000 of the \$226,850,000 is invested by the Foundations at the Higher Education institutions, which are reported under FASB and the information is not available.	16.4%
Common & Preferred Stock	\$ 175,035	Common Stock	12.6%

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, 2022 (expressed in thousands):

Security Type	Carrying Value	Investment Maturities (Years)				N/A
		Less Than 1	1-5	6-10	More Than 10	
Primary Government:						
Money Market/Mutual Funds	\$ 335,979	\$ 335,979	\$ —	\$ —	\$ —	\$ —
Corporate Bonds	13,444	13,444	—	—	—	—
U.S. Government and Agency Obligations	86,064	86,064	—	—	—	—
Total Primary Government	435,487	435,487	—	—	—	—
Pension & Private Purpose Trust Funds:						
Money Market/Mutual Funds	2,828,496	2,828,496	—	—	—	—
Guaranteed Investment Contract	551,773	551,773	—	—	—	—
Total Pension & Private Purpose Trust Funds	3,380,269	3,380,269	—	—	—	—
Component Units:						
Common and Preferred Stocks	177,353	—	—	—	2,318	175,035
Corporate Bonds	36,064	1,050	10,862	—	—	24,152
Corporate Stock	2,471	2,471	—	—	—	—
Fixed Income Fund	25,355	842	19,273	3,374	1,866	—
Money Market/Mutual Funds	634,597	348,209	37,629	4,285	2,893	241,581
Mortgages Held for Investment	15,599	—	329	117	15,153	—
Other Investments	385,997	1,001	94,849	—	—	290,147
Repurchase Agreements*	7,875	7,875	—	—	—	—
State and Local Government Securities	391	—	29	265	97	—
U.S. Government and Agency Obligations	98,747	7,340	46,829	18,109	1,969	24,500
Total Component Units	1,384,449	368,788	209,800	26,150	24,296	755,415
Total Outside Investments	\$ 5,200,205	\$ 4,184,544	\$ 209,800	\$ 26,150	\$ 24,296	\$ 755,415

Underlying Securities:

*Component Units:

The \$7,875 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, 2022 (expressed in thousands):

Security Type	Investment Amount	Level Amounts		
		1	2	3
Primary Government:				
Money Market/Mutual Funds	\$ 335,979	\$ 335,979	\$ —	\$ —
Corporate Bonds	13,444	—	13,444	—
U.S. Government & Agency Obligations	86,064	—	86,064	—
Total Primary Government	435,487	335,979	99,508	—
Pension & Private Purpose Trust Funds:				
Money Market/Mutual Funds	2,828,496	2,828,496	—	—
Guaranteed Investment Contract	551,773	—	551,773	—
Total Pension & Private Purpose Trust Funds	3,380,269	2,828,496	551,773	—
Component Units:				
Common and Preferred Stocks	68,184	65,693	173	2,318
Corporate Bonds	36,064	9,398	26,666	—
Corporate Stock	2,471	2,471	—	—
Fixed Income Fund	25,355	3,413	21,942	—
Money Market/Mutual Funds	620,154	590,591	29,183	380
Mortgages Held for Investment	15,599	—	—	15,599
Other Investments	273,450	170,458	95,293	7,699
Repurchase Agreements*	7,875	7,875	—	—
State & Local Government Securities	391	—	391	—
U.S. Government & Agency Obligations	98,747	83,130	15,617	—
Total Component Units	1,148,290	933,029	189,265	25,996
Outside Investments @ Fair Value	4,964,046	\$ 4,097,504	\$ 840,546	\$ 25,996
FV Investments @ Net Asset Value	236,159			
Total Outside Investments	\$ 5,200,205			

Underlying Securities:

*Component Units

The \$7,875 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, 2022 (expressed in thousands):

Deposits:

Cash and Cash Equivalents as Reported on the Statement of Net Position	\$	10,085,587
Cash and Cash Equivalents as Reported on the Statement of Fiduciary Net Position		894,967
Add:		
Restricted Cash and Cash Equivalents as Reported on the Statement of Net Position		882,257
Less:		
Cash Equivalents and Restricted Cash Disclosed as Investments		(11,005,594)
Cash with U.S. Treasury for Unemployment Programs		(378,528)
Reported Value of Deposits as Disclosed in this Footnote	\$	<u>478,689</u>

Investments:

Investments as Reported on the Statement of Net Position	\$	2,233,095
Investments as Reported on the Statement of Fiduciary Net Position		23,659,095
Add:		
Restricted Investments as Reported on the Statement of Net Position		244,006
Cash Equivalents and Restricted Cash Disclosed as Investments		11,005,594
Mortgages Held for Investment Disclosed as Investments		15,599
Accrued Interest Disclosed as Investments		84,738
Reported Value of Investments as Disclosed in this Footnote	\$	<u>37,242,127</u>

NOTE 5

RECEIVABLES

(Expressed in Thousands)

Receivables at June 30, 2022, consisted of the following:

	Governmental Funds				
	General	Transportation	Tobacco Settlement Finance Authority	Other Governmental	Total Governmental Receivables
Taxes	\$ 676,568	\$ 81,735	\$ —	\$ —	\$ 758,303
Accounts	622,473	146,922	27,023	10,461	806,879
Loans	10,092	—	—	—	10,092
Accrued Interest	4	—	38	46	88
Total Receivables	1,309,137	228,657	27,061	10,507	1,575,362
Allowance for doubtful accounts	(402,498)	—	—	(6,174)	(408,672)
Receivables, net	\$ 906,639	\$ 228,657	\$ 27,061	\$ 4,333	\$ 1,166,690
As reported on the financial statements					
Current receivables	\$ 906,639	\$ 228,657	\$ 27,061	\$ 4,333	\$ 1,166,690
Noncurrent receivables	—	—	—	—	—
Total receivables (net)	\$ 906,639	\$ 228,657	\$ 27,061	\$ 4,333	\$ 1,166,690

Fiduciary Funds

	Pension and Other Benefit Trust Funds	SMART 529	Custodial Funds
	Loans	1,672	—
Leases	—	—	—
Contributions	25,915	8,735	—
Accrued Interest	—	—	16
Other	36,554	—	—
Total Receivables	64,141	8,735	16
Allowance for Doubtful Accounts	(500)	—	—
Receivables, Net	\$ 63,641	\$ 8,735	\$ 16
As reported on the Fund/Component Units Financial Statements:			
Current Receivables, Net	\$ 63,641	\$ 8,735	\$ 16
Noncurrent Receivables, Net	—	—	—
Total Receivables, Net	\$ 63,641	\$ 8,735	\$ 16

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
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
551	486	32,214	16	65,353	4,248	891	103,759	10,272
681,758	—	—	558,750	—	—	150,167	1,390,675	—
—	—	—	2,185	—	—	66	2,251	4
682,309	486	32,214	560,951	65,353	4,248	151,124	1,496,685	10,276
—	—	—	—	(38)	—	—	(38)	—
<u>\$ 682,309</u>	<u>\$ 486</u>	<u>\$ 32,214</u>	<u>\$ 560,951</u>	<u>\$ 65,315</u>	<u>\$ 4,248</u>	<u>\$ 151,124</u>	<u>\$ 1,496,647</u>	<u>\$ 10,276</u>
\$ 37,310	\$ 486	\$ 32,214	\$ 26,588	\$ 65,315	\$ 4,248	\$ 9,510	\$ 175,671	\$ 10,276
644,999	—	—	534,363	—	—	141,614	1,320,976	—
<u>\$ 682,309</u>	<u>\$ 486</u>	<u>\$ 32,214</u>	<u>\$ 560,951</u>	<u>\$ 65,315</u>	<u>\$ 4,248</u>	<u>\$ 151,124</u>	<u>\$ 1,496,647</u>	<u>\$ 10,276</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
\$ 32,019	\$ —	\$ 777,549	\$ 9,538	\$ —	\$ 218,437	\$ 7,067	\$ —	\$ 1,434	\$ 1,046,044
—	145,596	114,241	—	163,199	43,481	—	—	3,389	469,906
—	41,450	—	—	—	—	—	—	1,413	42,863
—	—	—	—	—	—	—	—	—	—
—	6,015	732	—	2,501	—	—	49	372	9,669
32,019	193,061	892,522	9,538	165,700	261,918	7,067	49	6,608	1,568,482
—	(8,000)	(121,879)	—	—	(39,647)	—	—	—	(169,526)
<u>\$ 32,019</u>	<u>\$ 185,061</u>	<u>\$ 770,643</u>	<u>\$ 9,538</u>	<u>\$ 165,700</u>	<u>\$ 222,271</u>	<u>\$ 7,067</u>	<u>\$ 49</u>	<u>\$ 6,608</u>	<u>\$ 1,398,956</u>
\$ 32,019	\$ 16,579	\$ 5,671	\$ 9,538	\$ 15,103	\$ 195,617	\$ 7,067	\$ 49	\$ 1,962	\$ 283,605
—	168,482	764,972	—	150,597	26,654	—	—	4,646	1,115,351
<u>\$ 32,019</u>	<u>\$ 185,061</u>	<u>\$ 770,643</u>	<u>\$ 9,538</u>	<u>\$ 165,700</u>	<u>\$ 222,271</u>	<u>\$ 7,067</u>	<u>\$ 49</u>	<u>\$ 6,608</u>	<u>\$ 1,398,956</u>

Taxes Receivable

Taxes receivable at June 30, 2022, consisted of the following:

	Governmental Funds		Total
	General	Transportation	
Taxes Receivable:			
Consumer Sales & Use	\$ 150,357	\$ —	\$ 150,357
Personal Income	214,053	—	214,053
Severance	191,724	—	191,724
Business & Occupation	9,469	—	9,469
Automobile Privilege Taxes	—	22,554	22,554
Gasoline Excise	—	56,621	56,621
Registration Fees	—	2,228	2,228
Insurance	36,545	—	36,545
Corporate Net Income	25,458	—	25,458
Medicaid	37,879	—	37,879
Other	11,083	332	11,415
Subtotal for Taxes Receivable	<u>676,568</u>	<u>81,735</u>	<u>758,303</u>
Refunds Allowance	<u>(31,262)</u>	<u>—</u>	<u>(31,262)</u>
Total	<u>\$ 645,306</u>	<u>\$ 81,735</u>	<u>\$ 727,041</u>

Leases Receivable

The Economic Development Authority (EDA) and the Educational Broadcast Authority 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:

Year Ending June 30	Direct Financing Leases Amount Due
2023	\$ 8,420
2024	7,272
2025	4,908
2026	4,853
2027	4,719
2028-2043	<u>19,832</u>
Total Minimum Amount Due	50,004
Less Amount Representing Interest	<u>(7,141)</u>
Present Value of Minimum Lease Amount Due	<u>\$ 42,863</u>



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, 2022 (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
Governmental Funds:					
General	\$ —	\$ 237	\$ 190	\$ —	\$ —
Transportation	656	—	—	—	—
Other Nonmajor Governmental	—	—	—	—	—
Total Governmental Funds	656	237	190	—	—
Proprietary Funds:					
Unemployment Compensation	58	5	0	—	—
Public Employees Insurance Agency	11	2,915	—	—	—
Board of Risk and Insurance Management	—	—	—	—	—
Internal Service Funds	11,163	1,744	160	—	—
Total Proprietary Funds	11,232	4,664	160	—	—
Fiduciary Funds:					
Pension and Other Employee Benefit Trust Funds	960	2,235	8	—	—
Custodial Funds	—	391	—	—	—
Total Fiduciary Funds	960	2,626	8	—	—
Discretely Presented Component Units					
Major:					
West Virginia Lottery	—	—	—	—	—
Water Development Authority	—	—	—	95	378
Higher Education	6,849	42	130	—	—
Corrections and Rehabilitation	—	60	—	—	—
Nonmajor:					
Educational Broadcasting Authority	197	—	—	—	—
Racing Commission	—	—	—	—	—
State Rail Authority	4,229	—	—	—	—
Total Discretely Presented Component Units	11,275	102	130	95	378
Total	\$ 24,123	\$ 7,629	\$ 488	\$ 95	\$ 378

(a) Due from discretely presented component units includes \$229 million from the Lottery. The General Fund received \$193.5 million to be appropriated at a later date. The Legislature also approved the following distributions from the Lottery to the Senior Services (\$19.3 million), Library Commission (\$4.2 million), Department of Education – Public Education (\$5.2 million), Tourism (\$2.5 million), and various other general purposes.

Due From						
Proprietary				Pension and Other Employee Benefit Trust Funds	Total	Discretely Presented Component Units
Unemployment Compensation	Public Employees Insurance Agency	Other Nonmajor Enterprise	Internal Service Funds			
\$ 781	\$ 399	\$ —	\$ 35	\$ 44	\$ 1,686	\$ 231,581
3	—	—	—	—	659	221
40	65	—	—	2	107	1,055
<u>824</u>	<u>464</u>	<u>—</u>	<u>35</u>	<u>46</u>	<u>2,452</u>	<u>232,857</u> (a)
—	—	—	4	—	67	8
—	—	—	560	8,658	12,144	9,765
—	—	—	—	—	—	43
—	198	—	—	—	13,265	97
<u>—</u>	<u>198</u>	<u>—</u>	<u>564</u>	<u>8,658</u>	<u>25,476</u>	<u>9,913</u>
—	2	1	—	626	3,832	1,114
—	—	—	—	—	391	—
<u>—</u>	<u>2</u>	<u>1</u>	<u>—</u>	<u>626</u>	<u>4,223</u>	<u>1,114</u>
—	—	—	—	—	—	13
—	—	36	38	—	509	—
104	12	—	—	—	7,175	4,666
10	19	—	—	2	91	—
—	5	—	—	—	4,229	—
—	1	—	—	—	1	—
—	—	—	—	—	202	—
<u>114</u>	<u>37</u>	<u>36</u>	<u>38</u>	<u>2</u>	<u>12,207</u>	<u>4,679</u>
<u>\$ 938</u>	<u>\$ 701</u>	<u>\$ 37</u>	<u>\$ 637</u>	<u>\$ 9,332</u>	<u>\$ 44,358</u>	<u>\$ 248,563</u>

NOTE 7

INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2022, consisted of the following (expressed in thousands):

	Transfers From		
	Governmental		
Transfers To	General	Tobacco Settlement Finance Authority	Other Nonmajor
Governmental Funds:			
General	\$ —	\$ 20,637 ^(a)	\$ 5,121
Transportation	2,472	—	—
Other Nonmajor Governmental	78,247 ^(b)	—	—
Total Governmental Funds	<u>80,719</u>	<u>20,637</u>	<u>5,121</u>
Proprietary Funds:			
Water Pollution Control Revolving Fund	4,954	—	24,769 ^(c)
West Virginia Infrastructure and Jobs Development Council	—	—	1
Public Employees Insurance Agency	21,000 ^(d)	—	—
Other Nonmajor Proprietary	14,103	—	—
Internal Service Funds	24,316	—	—
Total Proprietary Funds	<u>64,373</u>	<u>—</u>	<u>24,770</u>
Total	<u>\$ 145,092</u>	<u>\$ 20,637</u>	<u>\$ 29,891</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 \$20 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, 14.7 million to the Department of Corrections and Rehabilitation for bond debt service, and 11.5 million to the Department of Environment Protection for bond debt service.

(c) The Water Pollution Revolving Fund received \$30 million in grants from the West Virginia Department of Environmental Protection. All other transfers are made to finance various programs to the Legislation.

(d) PEIA received a \$21 million State Appropriation from the General Fund.

(e) Alcohol Beverage Control Administration transferred \$30.2 million that are statutory transfers based on operations and liquor license renewals.

Transfers From			
Proprietary			
West Virginia Infrastructure and Jobs Development Council	Other Nonmajor Enterprise	Internal Service Funds	Total
\$ —	\$ 30,240 (e)	\$ —	\$ 55,998
—	—	—	2,472
—	1,655	5,261	85,163
—	31,895	5,261	143,633
—	—	—	29,723
—	—	—	1
—	—	—	21,000
2,220	—	—	16,323
—	—	—	24,316
2,220	—	—	91,363
<u>\$ 2,220</u>	<u>\$ 31,895</u>	<u>\$ 5,261</u>	<u>\$ 234,996</u>



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, 2022, are as follows (expressed in thousands):

	Cash	Investments	Other	Totals
Special Revenue:				
Environmental Programs	\$ 250	\$ —	\$ —	\$ 250
Public Service Commission	1,523	—	—	1,523
Total Special Revenue	<u>1,773</u>	<u>—</u>	<u>—</u>	<u>1,773</u>
Enterprise:				
Public Employees Insurance Agency	4,111	—	—	4,111
Board of Risk and Insurance Management	13,585	64,938	244,566	323,089
Infrastructure and Jobs Development	148,631	—	—	148,631
Alcohol Beverage Control Administration	—	—	2,400	2,400
Total Enterprise	<u>166,327</u>	<u>64,938</u>	<u>246,966</u>	<u>478,231</u>
Internal Service:				
State Building Fund	19,569	—	—	19,569
Travel Management	7,633	—	—	7,633
Total Internal Services	<u>27,202</u>	<u>—</u>	<u>—</u>	<u>27,202</u>
Discretely Presented Component Units:				
Economic Development Authority	16,406	—	—	16,406
Housing Development Authority	239,950	49,587	668,648	958,185
Parkways Authority	125,755	129,481	—	255,236
Water Development Authority	265,115	—	140,478	405,593
Corrections and Rehabilitation	17,540	—	—	17,540
Solid Waste Management Board	3,852	—	938	4,790
Educational Broadcasting Authority	1,388	—	312	1,700
Racing Commission	16,949	—	468	17,417
Total Discretely Presented Component Units	<u>686,955</u>	<u>179,068</u>	<u>810,844</u>	<u>1,676,867</u>
Total Restricted Assets	<u>\$ 882,257</u>	<u>\$ 244,006</u>	<u>\$ 1,057,810</u>	<u>\$ 2,184,073</u>

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 \$243 million and \$1.2 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 \$669 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 \$140 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 Authority's (EBA) other restricted assets are in a charitable trust allowing the use of part of the interest to benefit the EBA. 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, 2021, as restated	Increases	Decreases	Ending Balance June 30, 2022
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,464,181	\$ 26,339	\$ (16)	\$ 1,490,504
Construction-in-Progress	2,063,133	428,696	(192,573)	2,299,256
Intangibles	2,752	—	—	2,752
Total Capital Assets, Not Being Depreciated	<u>3,530,066</u>	<u>455,035</u>	<u>(192,589)</u>	<u>3,792,512</u>
Capital Assets, Being Depreciated/Amortized:				
Building and Improvements	1,677,263	30,016	(1,751)	1,705,528
Right-to-Use Asset - Buildings	119,348	3,833	—	123,181
Equipment	582,591	40,822	(24,396)	599,017
Infrastructure	13,433,899	151,375	—	13,585,274
Library Holdings	17,470	394	(64)	17,800
Land Improvements	49,674	1,558	—	51,232
Intangibles	179,166	2,721	—	181,887
Total Capital Assets, Being Depreciated	<u>16,059,411</u>	<u>230,719</u>	<u>(26,211)</u>	<u>16,263,919</u>
Less Accumulated Depreciation/Amortization for:				
Building and Improvements	(735,818)	(41,412)	1,731	(775,499)
Right-to-Use Asset - Buildings	—	(25,147)	—	(25,147)
Equipment	(435,948)	(31,681)	24,233	(443,396)
Infrastructure	(7,792,469)	(305,066)	—	(8,097,535)
Library Holdings	(16,876)	(246)	64	(17,058)
Land Improvements	(27,776)	(2,252)	—	(30,028)
Intangibles	(87,647)	(9,986)	—	(97,633)
Total Accumulated Depreciation/Amortization	<u>(9,096,534)</u>	<u>(415,790)</u>	<u>26,028</u>	<u>(9,486,296)</u>
Total Capital Assets, Being Depreciated, Net	<u>6,962,877</u>	<u>(185,071)</u>	<u>(183)</u>	<u>6,777,623</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,492,943</u>	<u>\$ 269,964</u>	<u>\$ (192,772)</u>	<u>\$ 10,570,135</u>

Depreciation/Amortization expense was charged to function as follows:

Legislative	\$ 132
Judicial	1,604
Executive	3,449
Administration	30,376
Commerce	9,440
Tourism	7
Economic Development	28
Environmental Protection	1,202
Employment Programs	2,698
Education	680
Arts, Culture & History	1,842
Senior Services	162
Health and Human Resources	13,187
Military Affairs and Public Safety	4,852
Revenue	905
Transportation	327,864
Veterans Assistance	122
Regulatory Boards and Commissions	17,240
Total Governmental Activities Depreciation/Amortization Expense	<u>\$ 415,790</u>

Business-type Activities

(Expressed in Thousands)

	Beginning Balance July 1, 2021	Increases	Decreases	Ending Balance June 30, 2022
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 611	\$ —	\$ —	\$ 611
Total Capital Assets, Not Being Depreciated	611	—	—	611
Capital Assets, Being Depreciated:				
Buildings and Improvements	2,542	877	(1)	3,418
Equipment	3,205	1	(26)	3,180
Intangibles	9,026	—	—	9,026
Total Capital Assets, Being Depreciated	14,773	878	(27)	15,624
Less Accumulated Depreciation for:				
Building and Improvements	(1,544)	(81)	1	(1,624)
Equipment	(3,060)	(120)	25	(3,155)
Intangibles	(8,815)	—	—	(8,815)
Total Accumulated Depreciation	(13,419)	(201)	26	(13,594)
Total Capital Assets, Being Depreciated, Net	1,354	677	(1)	2,030
Business-type Activities Capital Assets, Net	<u>\$ 1,965</u>	<u>\$ 677</u>	<u>\$ (1)</u>	<u>\$ 2,641</u>
Depreciation expense was charged to function as follows:				
Public Employees Insurance Agency	\$ 25			
Alcohol Beverage Control Administration	176			
Total Business-type Activities Depreciation Expense	<u>\$ 201</u>			

Discretely Presented Component Units

(Expressed in Thousands)

	Beginning Balance July 1, 2021, as Restated	Increases	Decreases	Ending Balance June 30, 2022
Discretely Presented Component Units:				
Capital Assets, Not Being Depreciated:				
Land	\$ 270,947	\$ 527	\$ (3,308)	\$ 268,166
Right-to-Use Asset-Land	—	120	—	120
Construction-in-Progress	241,733	114,787	(89,523)	266,997
Total Capital Assets, Not Being Depreciated	<u>512,680</u>	<u>115,434</u>	<u>(92,831)</u>	<u>535,283</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	4,428,906	80,219	(1,206)	4,507,919
Right-to-Use Asset - Buildings	55,446	9,236	(3,549)	61,133
Equipment	604,675	43,616	(33,783)	614,508
Right-to-Use Asset - Equipment	1,379	177	(22)	1,534
Infrastructure	1,737,315	65,692	(279)	1,802,728
Library Holdings	213,350	4,564	(312)	217,602
Land Improvements	113,613	2,521	—	116,134
Intangibles	279,229	43,826	(84)	322,971
Right-to-Use Asset - Intangibles	1,349	111	(150)	1,310
Total Capital Assets, Being Depreciated	<u>7,435,262</u>	<u>249,962</u>	<u>(39,385)</u>	<u>7,645,839</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(1,492,205)	(91,388)	1,223	(1,582,370)
Right-to-Use Asset - Buildings	(6,962)	(8,852)	1,324	(14,490)
Equipment	(470,455)	(38,113)	30,571	(477,997)
Right-to-Use Asset - Equipment	(175)	(397)	15	(557)
Infrastructure	(1,201,026)	(58,549)	278	(1,259,297)
Library Holdings	(193,739)	(5,447)	231	(198,955)
Land Improvements	(76,415)	(5,903)	2	(82,316)
Intangibles	(220,219)	(29,789)	78	(249,930)
Right-to-Use Asset - Intangibles	(379)	(875)	151	(1,103)
Total Accumulated Depreciation	<u>(3,661,575)</u>	<u>(239,313)</u>	<u>33,873</u>	<u>(3,867,015)</u>
Total Capital Assets, Being Depreciated, Net	<u>3,773,687</u>	<u>10,649</u>	<u>(5,512)</u>	<u>3,778,824</u>
Discrete Component Unit Activities Capital Assets, Net	<u>\$ 4,286,367</u>	<u>\$ 126,083</u>	<u>\$ (98,343)</u>	<u>\$ 4,314,107</u>
Depreciation/Amortization expense charged to functions as follows:				
Economic Development Authority	\$ 568			
Housing Development Fund	269			
Parkways Authority	51,463			
Water Development Authority	156			
Higher Education	170,352			
Corrections and Rehabilitation	11,340			
Lottery	1,659			
School Building Authority	29			
Other Nonmajor Component Units	<u>3,477</u>			
Total Discrete Component Unit Depreciation Expense	<u>\$ 239,313</u>			



NOTE 10

LONG-TERM OBLIGATIONS

Primary Government:

Long-term obligations at June 30, 2022, and changes for the fiscal year then ended, are as follows (expressed in thousands):

Governmental Activities:

	Balance June 30, 2021 as restated	Additions	Accretions	Reductions	Balance June 30, 2022	Amount Due Within One Year
General Obligation Bonds:						
Transportation	\$ 1,627,450	\$ —	\$ —	\$ (38,110)	\$ 1,589,340	\$ 55,476
Premium/(Discount)	305,820	—	—	(17,870)	287,950	17,313
Total Transportation	1,933,270	—	—	(55,980)	1,877,290	72,789
WV Infrastructure and Jobs						
Development Council	115,722	—	2,309	(19,145)	98,886	19,498
Premium/(Discount)	8,070	—	—	(1,581)	6,489	1,739
Total WV Infrastructure and Jobs Development Council	123,792	—	2,309	(20,726)	105,375	21,237
Total General Obligation Bonds	2,057,062	—	2,309	(76,706)	1,982,665	94,026
Revenue Bonds:						
Transportation	246,745	—	—	(19,930)	226,815	20,920
Premium/(Discount)	37,253	—	—	(3,858)	33,395	3,858
Total Transportation	283,998	—	—	(23,788)	260,210	24,778
Economic Development Project Fund	84,780	—	—	(13,840)	70,940	14,680
Premium/(Discount)	(210)	—	—	70	(140)	(70)
Total Economic Development Project Fund	84,570	—	—	(13,770)	70,800	14,610
Economic Development Project DNR	76,339	—	—	(2,655)	73,684	2,790
Premium/(Discount)	9,850	—	—	(575)	9,275	575
Total Economic Development DNR	86,189	—	—	(3,230)	82,959	3,365
Education, Arts, Sciences, & Tourism Fund	129,595	—	—	(4,395)	125,200	4,616
Premium/(Discount)	12,073	—	—	(635)	11,438	635
Tourism Fund	141,668	—	—	(5,030)	136,638	5,251
Total Revenue Bonds	596,425	—	—	(45,818)	550,607	48,004
Revenue Bonds:						
Direct Borrowings & Direct Placements Tobacco Settlement Finance Authority	783,939	—	11,350	(42,275)	753,014	18,405
Notes Payable	18,958	11,815	—	(9,529)	21,244	9,072
Total Direct Borrowings & Direct Placements	802,897	11,815	11,350	(51,804)	774,258	27,477
Other Financing Debt – Governmental	6,099	—	—	(340)	5,759	347
Other Financing Debt – Internal Service Fund	2,153	—	—	(131)	2,022	131
Other Financing Debt Payable to Component Units	191,185	—	—	(19,445)	171,740	17,375
Total Other Financing Debt	199,437	—	—	(19,916)	179,521	17,853
Other Obligations:						
Medicaid	446,583	100,869	—	(16,629)	530,823	530,823
Tax Refunds	336,321	397,529	—	(336,321)	397,529	315,025
Claims and Judgments (Note 15)	326,621	6,815	—	(24,961)	308,475	48,016
Other	177,053	366,470	—	(359,141)	184,382	109,291
Total Accrued and Other Liabilities	1,286,578	871,683	—	(737,052)	1,421,209	1,003,155
Compensated Absences	98,319	16,183	—	(20,287)	94,215	61,437
Right-to-Use Lease Liability (Note 11)	119,348	—	—	(19,355)	99,993	21,319
Net Pension Liability, including ISF (Note 12)	3,447,374	—	—	(1,978,701)	1,468,673	—
Net OPEB Liability, including ISF (Note 13)	284,345	—	—	(284,345)	—	—
Total Other Obligations	5,235,964	887,866	—	(3,039,740)	3,084,090	1,085,911
Total Governmental Activities						
Long-Term Obligations	\$ 8,891,785	\$ 899,681	\$ 13,659	\$ (3,233,984)	\$ 6,571,141	\$ 1,273,271

Business-type Activities:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amount Due Within One Year
Revenue Bonds					
WV Infrastructure and Jobs					
Development Council Revenue Bonds	\$ 145,560	\$ —	\$ (6,255)	\$ 139,305	\$ 6,565
Premium/(Discount)	13,095	—	(835)	12,260	835
Total WV Infrastructure and Jobs Development Council Revenue Bonds	158,655	—	(7,090)	151,565	7,400
Other Obligations					
Accrued Tuition Contract Benefits	10,828	—	(10,828)	—	—
Insurance and Compensation Benefits	1,598,864	811,587	(862,471)	1,547,980	344,180
Compensated Absences	652	66	(91)	627	137
Net Pension Liability (Note 12)	2,714	—	(2,714)	—	—
Net OPEB Liability (Note 13)	811	—	(811)	—	—
Accrued and Other	11,791	865	(307)	12,349	12,349
Total Business-type Activities Long Term	<u>\$ 1,784,315</u>	<u>\$ 812,518</u>	<u>\$ (884,312)</u>	<u>\$ 1,712,521</u>	<u>\$ 364,066</u>

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 12 and 13 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 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, 2022, the debt service reserve funds approximated \$36.3 million, and the maintenance reserve funds approximated \$10.2 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, 2022, were as follows (expressed in thousands):

	Final Maturity Date	Interest Rate(s)%	Balance
Transportation Bonds:			
Payable from State Road Fund to build roads, issued under:			
1996 SAFE Roads Amendment	2025	4.00%-5.00%	\$ 63,227
2019 Roads to Prosperity Bonds	2043	2.00%-5.00%	818,187
2020 Roads to Prosperity Bonds	2044	2.00%-5.00%	729,936
2021 Roads to Prosperity Bonds	2045	2.00%-5.00%	265,939
Infrastructure Bonds:			
Payable from dedicated severance tax revenues to fund water, wastewater, and economic development projects	2027	2.00%-7.625%	105,376
Total			<u>\$ 1,982,665</u>

Future amounts required to pay principal and interest on general obligation bonds at June 30, 2022, were as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2023	\$ 66,431	\$ 80,297	\$ 146,728
2024	72,084	77,065	149,149
2025	78,150	73,449	151,599
2026	58,885	69,673	128,558
2027	61,560	66,797	128,357
2028-2032	285,445	292,583	578,028
2033-2037	365,175	212,839	578,014
2038-2042	467,330	110,681	578,011
2043-2046	192,408	13,180	205,588
Total	1,647,468	996,564	2,644,032
Premium	294,440	—	294,440
Total	\$ 1,941,908	\$ 996,564	\$ 2,938,472

Capital Appreciation Bonds

Year Ending June 30	Principal, Net of Accreted Amounts	Future Accreted Amounts	Total
2023	\$ 8,543	\$ 157	\$ 8,700
2024	8,743	657	9,400
2025	8,282	1,118	9,400
2026	7,719	1,531	9,250
2027	7,470	1,980	9,450
Total	\$ 40,757	\$ 5,443	\$ 46,200
Total General Obligation Bonds	\$ 1,982,665		

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, 2022, were as follows (expressed in thousands):

	Issue Date	Final Maturity Date	Interest Rate(s) %	Balance
Transportation	2019	2043	5.00	\$ 260,210
Economic Development Project Fund	2004	2027	1.20-6.07	70,800
Economic Development Project Fund DNR	2018	2038	1.20-6.07	25,265
Economic Development DNR Parks Projects	2019	2039	1.20-6.07	57,694
Education, Arts, Sciences, and Tourism Fund	2010/2018	2040	2.00-5.00	136,638
Subtotal Governmental				550,607
WV Infrastructure and Jobs Development Council	2006-2016	2046	2.00-5.00	151,565
Total Governmental and Business-Type Activities				<u>\$ 702,172</u>

Future amounts required to pay principal and interest on revenue bonds at June 30, 2022 were as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2023	\$ 49,571	\$ 30,380	\$ 79,951
2024	52,155	27,715	79,870
2025	54,915	24,927	79,842
2026	57,615	22,009	79,624
2027	48,730	18,924	67,654
2028-2032	191,831	61,320	253,151
2033-2037	118,529	26,663	145,192
2038-2042	57,165	6,169	63,334
2043-2046	5,434	455	5,889
	<u>635,945</u>	<u>218,562</u>	<u>854,507</u>
Premium	66,227	—	66,227
Total	<u>\$ 702,172</u>	<u>\$ 218,562</u>	<u>\$ 920,734</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, 2022:

Agency	Purpose	Revenue Source
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 \$105.3 million, leaving \$272.6 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 \$70.9 million with annual requirements ranging from \$19 million in FY 2022 to \$7.1 million in the final year. For the current year, principal and interest paid were \$18.6 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 and interest remaining on the debt is \$125.2 million. For the current year, principal and interest paid were \$10 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, 2022:

<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, 2022, 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	\$ 142,064
Tobacco Settlement Finance Authority	2020	2053	7.47-8.50	<u>\$ 610,950</u>
				\$ 753,014

Future amounts required to pay principal and interest on direct placement revenue bonds at June 30, 2022, were as follows (expressed in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 18,405	\$ 22,051	\$ 40,456
2024	18,320	21,831	40,151
2025	17,770	21,557	39,327
2026	17,815	21,264	39,079
2027	18,160	20,940	39,100
2028-2032	91,170	98,198	189,368
2033-2037	106,695	83,308	190,003
2038-2042	95,415	63,576	158,991
2043-2047	88,410	44,222	132,632
2048-2051	138,790	12,370	151,160
	<u>\$ 610,950</u>	<u>\$ 409,317</u>	<u>\$ 1,020,267</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>
2023	\$ —	\$ 12,329	\$ 12,329
2024	—	13,411	13,411
2025	—	14,560	14,560
2026	—	15,836	15,836
2027	—	17,202	17,202
2028-2032	—	111,201	111,201
2033-2037	—	168,589	168,589
2038-2042	—	255,633	255,633
2043-2047	—	387,600	387,600
2048-2051	142,064	—	142,064
Total	<u>\$ 142,064</u>	<u>\$ 996,361</u>	<u>\$ 1,138,425</u>

Total Revenue Bonds \$ 753,014

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.

Direct Borrowings	Final Maturity Date	Interest Rate(s)%	Balance
Travel Management	2018-2022	0.99-2.65	\$ 21,244
Total Notes Payable			<u>\$ 21,244</u>

Future amounts required to pay principal and interest on direct borrowings notes payable at June 30, 2022, were as follows (expressed in thousands):

Notes from Direct Borrowings			
Year Ending June 30	Principal	Interest	Total
2023	\$ 9,100	\$ 249	\$ 9,349
2024	6,580	119	6,699
2025	4,132	58	4,190
2026	1,432	11	1,443
Total Notes Payable	<u>\$ 21,244</u>	<u>\$ 437</u>	<u>\$ 21,681</u>

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

	Balance June 30, 2021 as restated	Additions/ Debt Issued	Reductions/ Debt Paid	Other Changes	Balance June 30, 2022	Amount Due Within One Year
Revenue Bonds:						
Housing Development Fund	\$ 312,535	\$ 29,293	\$ (20,428)	\$ (35,530)	\$ 285,870	\$ 18,885
Parkways Authority	593,831	—	(8,940)	(11,704)	573,187	8,440
Water Development Authority	145,954	—	(9,207)	—	136,747	9,572
Higher Education	1,398,891	52,486	(75,549)	—	1,375,828	126,557
School Building Authority	357,557	—	(17,333)	—	340,224	16,585
Total Discretely Presented						
Component Unit Revenue Bonds	<u>\$ 2,808,768</u>	<u>\$ 81,779</u>	<u>\$ (131,457)</u>	<u>\$ (47,234)</u>	<u>\$ 2,711,856</u>	<u>\$ 180,039</u>
Other Financing Debt						
Higher Education	<u>\$ 58,443</u>	<u>\$ 40</u>	<u>\$ (772)</u>	<u>\$ —</u>	<u>\$ 57,711</u>	<u>\$ 774</u>
Direct Borrowings & Direct Placements Revenue Bonds:						
Economic Development Authority	\$ 191,185	\$ —	\$ (19,445)	\$ —	\$ 171,740	\$ 17,375
Water Development Authority	6,875	—	(356)	—	6,519	369
Total Discretely Presented Component Units Direct Borrowings & Direct Placements Revenue Bonds	<u>\$ 198,060</u>	<u>\$ —</u>	<u>\$ (19,801)</u>	<u>\$ —</u>	<u>\$ 178,259</u>	<u>\$ 17,744</u>
Notes Payable:						
Housing Development Fund	\$ 386	\$ 1,000	\$ (850)	\$ —	\$ 536	\$ —
Economic Development Authority	2,073	—	(424)	—	1,649	143
Correction and Rehabilitation	8,765	—	(1,043)	—	7,722	6,611
Water Development Authority	5,756	1,788	(1,168)	—	6,376	—
Higher Education	140,863	13,595	(8,768)	—	145,690	6,014
Total Discretely Presented Component Notes Payable	<u>\$ 157,843</u>	<u>\$ 16,383</u>	<u>\$ (12,253)</u>	<u>\$ —</u>	<u>\$ 161,973</u>	<u>\$ 12,768</u>
Other Debt-Related Items:						
Accrued and Other	\$ 459,745	\$ 8,053	\$ (17,661)	\$ —	\$ 450,137	\$ 337,578
Compensated Absences	74,145	2,441	(4,570)	—	72,016	56,724
Right- to- Use Lease Liability (Note 11)	113,026	12,673	(15,888)	—	109,811	8,018
Net Pension Liability (see Note 12)	78,404	—	—	(73,722)	4,682	—
Net OPEB Liability (see Note 13)	71,737	—	—	(70,888)	849	—
Total Discretely Presented Component Unit Other Items	<u>\$ 797,057</u>	<u>\$ 23,167</u>	<u>\$ (38,119)</u>	<u>\$ (144,610)</u>	<u>\$ 637,495</u>	<u>\$ 402,320</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	\$ 285,870
Parkways Authority	2002-2018	2048	3.75-5.25	573,187
Water Development Authority	2005-2016	2044	2.00-5.125	136,747
Higher Education	1998-2016	2045	0.58-7.65	1,375,828
School Building Authority	2007-2016	2032	2.00-6.92	340,224
Total Revenue Bonds				<u>\$ 2,711,856</u>

Future amounts required to pay principal and interest on revenue bonds of the discretely presented component units at June 30, 2022, were as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2023	\$ 179,327	\$ 93,132	\$ 272,459
2024	132,621	90,591	223,212
2025	111,065	86,997	198,062
2026	161,612	83,205	244,817
2027	190,398	79,151	269,549
2028-2032	526,838	328,576	855,414
2033-2037	412,050	215,927	627,977
2038-2042	388,965	134,300	523,265
2043-2047	319,848	57,796	377,644
2048-2052	121,034	11,965	132,999
2053-2057	325	7	332
	<u>2,544,083</u>	<u>1,181,647</u>	<u>3,725,730</u>
Discount	(685)	—	(685)
Premium	168,458	—	168,458
Total	<u>\$ 2,711,856</u>	<u>\$ 1,181,647</u>	<u>\$ 3,893,503</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>
Economic Development Authority	1999-2016	2040	2.07-5.23	\$ 171,740
Water Development Authority	2005-2016	2044	2.00-5.125	6,519
Total Revenue Bonds				<u>\$ 178,259</u>

Future amounts required to pay principal and interest on direct placement revenue bonds of the discretely presented component units at June 30, 2022, were as follows (expressed in thousands):

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 19,054	\$ 7,888	\$ 26,942
2024	17,170	7,238	24,408
2025	17,932	6,356	24,288
2026	18,643	5,501	24,144
2027	19,279	4,613	23,892
2028-2032	54,676	11,572	66,248
2033-2037	20,584	4,517	25,101
2038-2042	10,921	885	11,806
Total	<u>\$ 178,259</u>	<u>\$ 48,570</u>	<u>\$ 226,829</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, 2022 (expressed in thousands):

	Issue Date	Final Maturity Date	Interest Rate(s)%	Balance
Economic Development Authority	2007 & 2017	2029	3.00	\$ 1,649
Water Development Authority	2019	2022	2.24	6,376
Higher Education	2008-2014	2033	1.90-6.65	145,690
Housing Development Fund	2008-2014	N/A	0.00	536
Division of Corrections & Rehabilitation	2015	2020	1.23	7,722
Total Notes Payable				<u>\$ 161,973</u>

Future amounts required to pay principal and interest on direct borrowings notes payable of the discretely presented component units at June 30, 2022, were as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2023	\$ 8,075	\$ 4,037	\$ 12,112
2024	16,934	3,810	20,744
2025	7,454	3,565	11,019
2026	7,358	3,335	10,693
2027	7,096	3,145	10,241
2028-2032	48,880	13,443	62,323
2033-2037	22,366	9,371	31,737
2038-2042	15,017	6,847	21,864
2043-2047	9,631	5,043	14,674
2048-2052	8,038	3,427	11,465
2053-2057	10,037	1,428	11,465
2058-2062	1,087	15	1,102
Total	<u>\$ 161,973</u>	<u>\$ 57,466</u>	<u>\$ 219,439</u>

Other Financing-Conduit Debt

The State has also entered into lease/purchase agreements with the Economic Development Authority (EDA), which issued 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 \$172 million, is shown separately on the government-wide Statement of Net Position as other financing debt payable to component units. For more detail on conduit debt relationships please refer to West Virginia Economic Development Authority's audit.

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, 2021, 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, 2022, is approximately \$2.6 billion and \$10.6 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, 2022, the following outstanding bonds are considered defeased (expressed in thousands):

Outstanding Amount	
Primary Government	\$ 691,630
Discretely Presented Component Units	69,580
Total	<u>\$ 761,210</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 2062 and interest rates ranging from 1.17% to 4.5%.

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 4.5%.
- 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 with monthly installments plus interest at 4.5% with due dates ranging from April 2024 to March 2039.

The following table is an analysis of the leases by major asset type at June 30, 2022, (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	\$ 123,181	\$ (25,147)	\$ 98,034
Total Governmental Activities	<u>123,181</u>	<u>(25,147)</u>	<u>98,034</u>
Discretely Presented Component Units:			
Building	\$ 61,133	\$ (14,490)	\$ 46,643
Land	150	(30)	120
Equipment	1,534	(557)	977
Software	1,310	(1,103)	207
Total Discretely Presented Component Units	<u>64,127</u>	<u>(16,180)</u>	<u>47,947</u>
Total	<u>\$ 187,308</u>	<u>\$ (41,327)</u>	<u>\$ 145,981</u>

Future principal and interest lease payments as of June 30, 2022, were as follows (expressed in thousands):

Year Ending June 30	Governmental Activities		Discretely Presented Component Units		Total
	Principal	Interest	Principal	Interest	
2023	\$ 21,319	\$ 3,607	\$ 8,018	\$ 3,212	\$ 36,156
2024	17,301	2,832	7,705	2,963	30,801
2025	11,875	2,237	6,387	2,767	23,266
2026	9,413	1,806	5,796	2,615	19,630
2027	6,966	1,476	4,515	2,380	15,337
2028-2032	21,734	3,887	15,515	10,112	51,248
2033-2037	6,003	1,640	6,336	8,514	22,493
2038-2042	3,477	703	5,458	7,662	17,300
2043-2047	674	283	5,979	6,891	13,827
2048-2052	448	193	6,396	5,993	13,030
2053-2057	547	94	6,104	5,138	11,883
2058-2062	236	6	6,948	4,179	11,369
2063-2067	—	—	16,359	4,442	20,801
2068-2072	—	—	8,295	1,789	10,084
Lease Payments	\$ 99,993	\$ 18,764	\$ 109,811	\$ 68,657	\$ 297,225

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 2022, the West Virginia Educational Broadcasting Authority (WVEBA), 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 December 2023 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. WVEBA 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, 2022, was \$120 and \$64 for lease income and interest income, respectively.

The West Virginia Higher Education Fund (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 2023 to 2042. 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, 2022, was \$2,779.

NOTE 12

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, 4101 MacCorkle Avenue, SE, 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, 2022, was 636, including 121 West Virginia state agencies, 100 cities and towns, 360 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. Average salary is the average of the three consecutive highest annual earnings out of the last 15 years of earnings. For all employees hired after July 1, 2015, average salary is the average of the five consecutive highest annual earnings out of the last 15 years of earnings. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired 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 651 participating members as of June 30, 2022. 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 80 employers and one nonemployer contributing entity (the State) participating in the plan as of June 30, 2022.

Benefits Provided

For TRS, a member is 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. A member may retire with the pension reduced actuarially if the member is less than age 55 and has between 30 and 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 the pension reduced actuarially if the member is between ages 60 and 62 with 10 years of service or between ages 55 and 62 with 30 years of service. Terminated members with at least 5, but less than 20, years of credited service who do not withdraw

their accumulated contributions are entitled to a deferred retirement beginning at age 62. Terminated members with at least 20 years of credited service who do not withdraw their accumulated contributions are entitled to a deferred retirement commencing at age 60. For all employees hired after July 1, 2015, this age increases to 64 with 10 years of service, or age 63 with 20 years of service. Retirement benefits are equivalent to 2% of 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.

Benefits Provided

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 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 2.75% 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, 2022:

	SPDDRS	SPRS	JRS
Retirees and beneficiaries currently receiving benefits	752	94	59
Terminated members entitled to benefits but not yet receiving them	2	20	1
Terminated nonvested members	1	138	—
Active members	4	606	79
Total	<u>759</u>	<u>858</u>	<u>139</u>

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, 2022:

Statutory Contribution Rates as a Percent of Covered Payroll		
System	Member	Employer
PERS	4.5% - 6.0%	10.0%
TRS	6.0%	15.0% State 15.0% Counties
SPDDRS	9.0%	15.0%
SPRS	12.0%	28.0%
JRS	7.0%	Appropriated by the Legislature

The State's required and actual contributions for the year ended June 30, 2022, were (expressed in thousands):

<u>System</u>	<u>Actual Contribution</u>
PERS	\$ 107,546
TRS	456,801
SPDDRS	17,842
SPRS	9,428
JRS	1,052

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 \$288,360,000 for FY 2021, 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, 2022 (expressed in thousands):

Description	Governmental Activities	Business-type Activities	Fiduciary	Discretely Presented Component Units	Total
Net Pension Asset	\$ 714,623	\$ 4,514	\$ 497	\$ 110,745	\$ 830,379
Net Pension Liability	(1,468,673)	—	—	(4,682)	(1,473,355)
Deferred Outflows of Resources	1,173,329	2,203	243	58,451	1,234,226
Deferred Inflows of Resources	(2,165,851)	(5,870)	(646)	(154,902)	(2,327,269)
Pension Expense	(86,333)	(804)	(85)	6,281	(80,941)

Refer to pages 162-163 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 165 for amounts reported for the TRS cost-sharing plan as it relates to governmental activities and component units. Refer to page 167 for amounts reported for the single-employer plans as they relate to governmental activities.

At June 30, 2022, the State reported a net pension liability of \$1,473,355,000 for the TRS plan, and a net pension asset of \$830,379,000 for all other plans, for its proportionate share of the multiple-employer, cost-sharing plans, and single employer plans, which were measured as of June 30, 2021. The total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to the measurement date of June 30, 2021. 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, 2021.

The State's share of the net pension asset/liability for the PERS and TRS plan determined by the actuarial valuation as of June 30, 2020 is as follows (in thousands):

	2022	% of share	2021	% of share	Change \$	Change %
PERS	\$ 360,808	68.25	\$ (593,624)	67.62	\$ 954,432	0.63 %
TRS	\$(3,041,143)	94.43	\$(1,473,355)	94.28	\$(1,567,788)	0.15 %

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	80.51 %	0.11 %	0.04 %
Net pension asset	\$ 478,093	\$ 660	\$ 243
Pension expense	(31,213)	(135)	(37)
Deferred outflows of resources representing contributions subsequent to the measurement date	87,253	115	—
Deferred outflows of resources representing the changes in employer proportion	2,657	2	3
Deferred outflows of resources representing difference between expected and actual experience	54,537	75	28
Deferred outflows of resources representing change in assumptions	90,922	126	46
Net deferred inflows of resources representing the difference between projected/actual earnings on investments	(612,072)	(845)	(271)
Deferred inflows of resources representing the changes in employer proportion	(3,246)	(6)	(3)
Deferred inflows of resources representing change in assumptions	(3,873)	(5)	(2)
Deferred inflows of resources representing the difference between expected and actual experience	(1,811)	(3)	(1)
Amortization of applicable deferred amounts in current period	(472,886)	(652)	(241)
Amortization of applicable deferred amounts in future periods:			
2023	(94,676)	(124)	(44)
2024	(85,291)	(108)	(41)
2025	(112,551)	(175)	(64)
2026	(180,368)	(245)	(92)
Sensitivity Analysis:			
Net pension asset (liability) at 6.5% discount rate	(5,530)	(8)	(3)
Net pension asset (liability) at 7.5% discount rate	478,092	660	243
Net pension asset (liability) at 8.5% discount rate	897,118	1,223	450

PEIA	BRIM	Nonmajor Business-type	Total Primary Government	Fiduciary Funds	Component Units	Total
0.16 %	0.15 %	0.30 %	81.27 %	0.08 %	18.65 %	100 %
\$ 924	\$ 894	\$ 1,793	\$ 482,607	\$ 497	\$ 110,745	\$ 593,849
(153)	(146)	(333)	(32,017)	(85)	(8,990)	(41,092)
162	156	321	88,007	86	19,453	107,546
11	6	14	2,693	6	3,080	5,779
105	102	204	55,051	57	12,642	67,750
176	170	341	91,781	94	20,723	112,598
(1,183)	(1,145)	(2,295)	(617,811)	(637)	(141,584)	(760,032)
(6)	—	(21)	(3,282)	(3)	(2,206)	(5,491)
(7)	(8)	(15)	(3,910)	(4)	(1,016)	(4,930)
(4)	(3)	(7)	(1,829)	(2)	(499)	(2,330)
(871)	(878)	(1,779)	(477,307)	(489)	(108,860)	(586,656)
(220)	(163)	(333)	(95,560)	(98)	(21,795)	(117,453)
(210)	(144)	(295)	(86,089)	(88)	(19,634)	(105,811)
(105)	(235)	(474)	(113,604)	(116)	(25,910)	(139,630)
(336)	(336)	(677)	(182,054)	(187)	(41,521)	(223,762)
(11)	(10)	(15)	(5,577)	59	(1,265)	(6,783)
924	894	1,792	482,607	497	110,745	593,849
1,712	1,657	2,470	904,630	3,003	204,275	1,111,908

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ —	\$ (760,032)
Changes in proportion and difference between employer contributions and proportionate share of contributions	5,779	(5,491)
Difference between expected and actual experience	67,750	(2,330)
Change in assumptions	112,598	(4,930)
Contributions made subsequent to the measurement date	107,546	—
Total	<u>\$ 293,673</u>	<u>\$ (772,783)</u>

Deferred outflows of resources of \$107,546,000 related to pensions are the result of contributions made subsequent to the measurement date of June 30, 2022, and will be recognized as a reduction of the net pension liability in the subsequent fiscal year ending June 30, 2023. 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>
2023	\$ (117,453)
2024	(105,811)
2025	(139,630)
2026	(223,762)

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

	<u>Governmental Activities</u>	<u>Component Units</u>	<u>Total</u>
Proportionate share of statewide amount	99.68 %	0.32 %	100 %
Net pension liability	\$ (1,468,673)	\$ (4,682)	\$ (1,473,355)
Pension expense, net of interfund special funding situation	(22,673)	(2,709)	(25,382)
Deferred outflows of resources representing contributions subsequent to the measurement date	455,855	946	456,801
Deferred outflows of resources representing the changes in employer proportion	124,582	322	124,904
Deferred outflows of resources representing the net difference between expected and actual experience	119,648	357	120,005
Deferred outflows of resources representing difference in assumptions	182,324	578	182,902
Deferred inflows of resources representing net difference between projected and actual earnings on investments	(1,173,793)	(3,635)	(1,177,428)
Deferred inflows of resources representing the changes in employer proportion	(118,466)	(5,304)	(123,770)
Deferred inflows of resources representing the net difference between expected and actual experience	(43,004)	(308)	(43,312)
Amortization of applicable deferred amounts in current period	(908,709)	(7,990)	(916,699)
Amortization of applicable deferred amounts in future periods:			
2023	(222,305)	(1,955)	(224,260)
2024	(200,564)	(1,763)	(202,327)
2025	(204,079)	(1,794)	(205,873)
2026	(284,620)	(2,503)	(287,123)
2027	2,859	25	2,884
Sensitivity Analysis:			
Net pension liability at 6.50% discount rate	(2,595,189)	(8,331)	(2,603,520)
Net pension liability at 7.50% discount rate	(1,468,673)	(4,682)	(1,473,355)
Net pension liability at 8.50% discount rate	(511,352)	(1,642)	(512,994)

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	\$ —	\$ (1,177,428)
Changes in proportion and difference between employer and proportionate share of contributions	124,904	(123,770)
Difference in expected and actual experience	120,005	(43,312)
Difference in assumptions	182,902	—
Contributions made subsequent to the measurement date	456,801	—
Total	<u>\$ 884,612</u>	<u>\$ (1,344,510)</u>

Deferred outflows of resources of \$456,801,000 related to pensions are the result of contributions made subsequent to the measurement date of June 30, 2022, and will be recognized as a reduction of the net pension liability in the subsequent fiscal year ending June 30, 2023. 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):

Year Ending June 30,	Amount
2023	\$ (224,260)
2024	(202,327)
2025	(205,873)
2026	(287,123)
2027	2,884

As of June 30, 2022, the State reported a net pension asset of \$236,530,000, respectively, for the single employer plans which were measured as of June 30, 2021. The total pension liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to the measurement date of June 30, 2021. 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):

	SPRS	SPDDRS	JRS	Total
Net pension asset/(liability)	\$ 14,630	\$ 50,214	\$ 171,686	\$ 236,530
Pension expense	(1,649)	(7,854)	(22,944)	(32,447)
Deferred outflows of resources representing contributions subsequent to the measurement date	9,428	17,842	1,052	28,322
Deferred outflows of resources representing the change in assumptions	15,957	—	4,418	20,375
Deferred outflows of resources representing the difference between expected and actual experience	6,854	—	—	6,854
Deferred inflows of resources representing the net difference between projected and actual earnings on pension plan	(38,478)	(107,725)	(36,276)	(182,479)
Deferred inflows of resources representing the difference between expected and actual experience	(4,457)	—	(22,356)	(26,813)
Amortization of applicable deferred amounts in current period	(20,124)	(107,725)	(54,214)	(182,063)
Amortization of applicable deferred amounts in future periods:				
2023	(6,269)	(26,301)	(14,669)	(47,239)
2024	(5,564)	(23,605)	(12,798)	(41,967)
2025	(6,095)	(25,990)	(12,433)	(44,518)
2026	(8,012)	(31,829)	(13,706)	(53,547)
2027-2029	5,816	—	(608)	5,208
Sensitivity Analysis:				
Net pension asset/(liability) 6.5%	(33,508)	(48,947)	159,610	77,155
Net pension asset/(liability) 7.5%	14,630	50,214	171,686	236,530
Net pension asset/(liability) 8.5%	53,266	131,798	181,951	367,015

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

SPDDRS	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 6/30/2020	\$ 773,745	\$ 675,604	\$ 98,141
Changes for the year:			
Service cost	89	—	89
Interest	56,154	—	56,154
Difference between expected and actual experience	(672)	—	(672)
Change of assumptions	22,231		22,231
Contributions – employer	—	16,699	(16,699)
Contributions – employee	—	34	(34)
Net investment income	—	208,656	(208,656)
Benefit payments	(50,228)	(50,228)	—
Administrative expense	—	(54)	54
Other changes	—	822	(822)
Net changes	27,574	175,929	(148,355)
Balances at 6/30/2021	\$ 801,319	\$ 851,533	\$ (50,214)

SPRS	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 6/30/2020	\$ 249,134	\$ 220,565	\$ 28,569
Changes for the year:			
Service cost	8,794	—	8,794
Interest	19,210	—	19,210
Difference between expected and actual experience	513	—	513
Changes in assumptions	12,476	—	12,476
Contributions – employer	—	7,928	(7,928)
Contributions – employee	—	4,185	(4,185)
Net investment income	—	72,138	(72,138)
Benefit payments	(3,599)	(3,599)	—
Administrative expense	—	(59)	59
Net changes	37,394	80,593	(43,199)
Balances at 6/30/2021	\$ 286,528	\$ 301,158	\$ (14,630)

JRS	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 6/30/2020	\$ 116,519	\$ 215,688	\$ (99,169)
Changes for the year:			
Service cost	2,358	—	2,358
Interest	8,735	—	8,735
Difference between expected and actual experience	(19,046)	—	(19,046)
Changes in assumptions	5,218	—	5,218
Contributions – employer	—	886	(886)
Contributions – employee	—	295	(295)
Net investment income	—	68,611	(68,611)
Benefit payments	(4,810)	(4,810)	—
Administrative expense	—	(10)	10
Net changes	(7,545)	64,972	(72,517)
Balances at 6/30/2021	\$ 108,974	\$ 280,660	\$ (171,686)

Actuarial Methods and Assumptions

The total pension liabilities for financial reporting purposes were determined by an actuarial valuation as of July 1, 2020, rolled forward to June 30, 2021, using the actuarial assumptions and methods.

Significant assumptions used in the actuarial valuations are as follows:

	PERS	TRS	SPDDRS
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Asset valuation method	4-year, 25% level smoothing of gain or (loss). Gain or (loss) is determined as the actual return on market value during the period less the expected return on the actuarial value of assets	4-year, 25% level smoothing of gain or (loss). Gain or (loss) is determined as the actual return on market value during the period less the expected return on the actuarial value of assets	Market value
Amortization method	Level dollar, fixed period	Level dollar, fixed period	Level dollar, fixed period
Amortization period	Through FY 2035	Through FY 2034	7 years from July 1, 2020 for the initial base. 5 years for each base established thereafter
Actuarial assumptions:			
Investment rate of return	7.5%	7.5%	7.5%
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%	3.0%
Discount rate	7.25%	7.25%	7.25%
Mortality rates	Working Participants – 100% of Pub-2010 general employees table, below-median, headcount-weighted, projected with scale MP-2018; retired males – 108% of Pub-2010 general retiree male table, below median, headcount-weighted, projected with scale MP-2018; retired females – 122% of Pub-2010 general retiree female table, below median, headcount-weighted, projected with scale MP-2018; disabled males – 118% of Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationally with scale MP-2018; retired disabled females – 117% of Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationally with scale MP-2018.	Actives – 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 – 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.
Withdrawal rates:			
State	2.28% - 45%	Teachers: 1.6% - 35%	0.0% - 2.67%
Nonstate	2.5% - 35.9%	Non-teachers: 2.3% - 23.51%	
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	N/A
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	4.0%	4.25%
Inflation rate	3.0%	3.0%
Discount rate	7.25%	7.25%
Mortality rates	Actives - 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 - 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, above-median, amount weighted, projected generationally with scale MP-2020; disabled females - 100% of Pub-2010 General/teachers disabled, above-median, 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.
Withdrawal rates	0.0% - 6.8%	—
Disability rates	0.03% - 0.4%	—
Retirement rates	20% - 100%	5.0% - 100%
Date range of most recent experience study	2015-2020	2017-2021

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, 2022:

Asset Class	Long-Term Expected Rate of Return	Target Allocation
Domestic Equity	5.3%	27.5%
International Equity	6.1%	27.5%
Fixed Income	2.2%	15.0%
Real Estate	6.5%	10.0%
Private Equity	9.5%	10.0%
Hedge Funds	3.8%	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 of each plan. The discount rate used to measure the total pension liability did change for the June 30, 2020 valuation from the June 30, 2019 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 3,777 and 3,922 members in the TDCRS plan at June 30, 2022 and 2021, 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 a 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 \$48 thousand at June 30, 2022. These deposits, which had a bank balance of approximately \$48 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, 2022, 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	\$603,837	\$603,837	\$—	\$—

For the year ended June 30, 2020, the approximate payroll of state employees covered by TDCRS was \$127 million, and total covered payroll for both the TDCRS and TRS was approximately \$1.73 billion. Both the employees and employers made the required contributions amounting to \$5.7 million and \$9.5 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, 2022, contributions were approximately \$51.6 million from the covered employees and approximately \$51.5 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, 2022, contributions were approximately \$204 thousand from the covered employees and \$204 thousand from the 13 participating institutions from the State of West Virginia.

NOTE 13

OTHER POSTEMPLOYMENT BENEFITS

General

In addition to the pension benefits described in Note 12, 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 43,017 retirees, 13,189 inactive plan members, and 31,812 active plan members met those eligibility requirements at June 30, 2022.

The State is a nonemployer contributing entity that provides funding through Senate Bill No. 469, which was passed 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 702 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 4.

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, 2022:

Statutory Contribution Rates as a Percent of Covered-Employee Payroll

System	Member	Employer
PERS	4.5% - 6.0%	10.0%
TRS	6.0%	15.0% State 15.0% Counties

The State's required and actual contributions for the year ended June 30, 2022, were as follows (expressed in thousands):

<u>System</u>	<u>Actual Contribution</u>
OPEB	\$115,125

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, 2022, of \$23,841,000, including a special funding situation of the net OPEB liability (80.17%) for its share, which was measured as of June 30, 2021. 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, 2020, and measured as of June 30, 2021. 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, 2021.

The State's proportionate share of the net OPEB asset at June 30, 2022, determined by the actuarial valuation measured as of June 30, 2020, was \$23,841,000, including a special funding situation (80.17%). The State's proportionate share for FY 2022 has decreased by 0.65%. There was also a significant change in actuarial assumptions that resulted in the decrease of the total OPEB liability of (\$380,807,000) resulting in an OPEB asset.

The State's amounts for net OPEB (asset), liability, deferred outflows of resources, deferred inflows of resources, 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):

	Governmental Activities	Business-type	
		Water Pollution	Infrastructure
Proportionate share of statewide amount	79.24 %	0.04 %	0.01 %
Net OPEB asset	\$ 18,894	\$ 9	\$ 2
OPEB expense	(289,581)	(201)	10
Deferred outflows of resources representing contributions subsequent to the measurement date	98,111	33	4
Deferred outflows of resources representing the changes in employer proportion	62,567	1	20
Net deferred inflows of resources representing the difference between projected/actual earnings on investments	(127,598)	(65)	(13)
Net deferred outflows of resources representing the difference between expected and actual experience	—	—	—
Deferred outflows of resources representing change in assumptions	—	—	—
Deferred inflows of resources representing the changes in employer proportion	(72,850)	(13)	(5)
Deferred inflows of resources representing change in assumptions	(394,790)	(200)	(39)
Deferred inflows of resources representing the difference between expected and actual experience	(127,448)	(65)	(13)
Total of deferred amounts subject to amortization	(660,119)	(342)	(50)
Amortization of applicable deferred amounts in future periods:			
2023	(326,006)	(170)	(24)
2024	(250,330)	(128)	(21)
2025	(45,925)	(25)	(1)
2026	(37,859)	(19)	(4)
Sensitivity Analysis:			
Net OPEB asset at 5.65% discount rate	101,387	48	11
Net OPEB asset at 6.65% discount rate	18,894	9	2
Net OPEB asset at 7.65% discount rate	(118,762)	(57)	(12)
Net OPEB asset at 1% decrease of healthcare cost trend rate	(139,503)	(66)	(15)
Net OPEB asset at healthcare cost trend rate	18,894	9	2
Net OPEB asset at 1% increase of healthcare cost trend rate	128,022	61	14

		Business-type											
PEIA		BRIM		Nonmajor Business-type		Total Primary Government		Fiduciary		Component Units		Total	
0.04 %		0.03 %		0.10 %		79.46 %		0.02 %		20.52 %		100 %	
\$	9	\$	6	\$	25	\$	18,945	\$	5	\$	4,891	\$	23,841
	(176)		(121)		(529)		(290,598)		(96)		(91,567)		(382,261)
	34		21		68		98,271		18		16,836		115,125
	98		40		67		62,793		49		12,626		75,468
	(66)		(42)		(175)		(127,959)		(36)		(33,688)		(161,683)
	—		—		—		—		—		—		—
	—		—		—		—		—		—		—
	(127)		(69)		(106)		(73,170)		(69)		(6,796)		(80,035)
	(203)		(127)		(535)		(395,894)		(109)		(103,467)		(499,038)
	(66)		(42)		(173)		(127,807)		(35)		(33,793)		(161,635)
	(364)		(240)		(922)		(662,037)		(200)		(165,118)		(827,355)
	(178)		(106)		(452)		(930)		(99)		(81,545)		(408,597)
	(138)		(90)		(350)		(727)		(76)		(62,616)		(313,749)
	(25)		(37)		(65)		(153)		(14)		(11,487)		(57,559)
	(23)		(7)		(55)		(108)		(11)		(9,470)		(47,450)
	49		32		134		101,661		27		26,246		127,907
	9		6		25		18,945		5		4,891		23,841
	(57)		(38)		(157)		(119,083)		(31)		(30,743)		(149,857)
	(66)		(44)		(185)		(139,879)		(37)		(36,113)		(176,029)
	9		6		25		18,945		5		4,891		23,841
	61		41		169		128,368		34		33,140		161,542

Deferred outflows of resources and deferred inflows of resources related to the OPEB as of June 30, 2022, 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	\$ —	\$ (161,683)
Changes in proportion and difference between employer contributions and proportionate share of contributions	75,468	(80,035)
Difference between expected and actual experience	—	(161,683)
Change in assumptions	—	(499,038)
Contributions made subsequent to the measurement date	115,125	—
Total deferred outflows/inflows to be amortized	<u>\$ 190,593</u>	<u>\$ (902,439)</u>

Deferred outflows of resources of \$115,125,000 related to OPEB are the result of contributions made subsequent to the measurement date of June 30, 2021, and will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year ending June 30, 2022. 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
2023	(408,597)
2024	(313,749)
2025	(57,559)
2026	(47,450)

Actuarial Methods and Assumptions

The total OPEB liability for financial reporting purposes was determined by an actuarial valuation as of June 30, 2020 and measured as of June 30, 2021, 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	6.65%, net of OPEB plan investment expense, including inflation
Inflation rate	2.25%
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-2019 for TRS. Pub-2010 General Employee Mortality Tables projected with Scale MP-2019 for PERS. Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with Scale MP-2019 for Troopers A and B. Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with Scale MP-2019 for TRS. Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2019 for PERS. Pub-2010 Public Safety Employee Mortality Tables projected with Scale MP-2019 for Troopers A and B.
Healthcare cost trend rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.5% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of -33.11% for plan year end 2022, 9.15% for plan year-end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year-end 2036.
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, 2020, 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, 2021:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
Domestic Equity	5.5%
International Equity	7.0%
Fixed Income	2.2%
Real Estate	6.6%
Private Equity	8.5%
Hedge Funds	4.0%

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	27.5%
International Equity	27.5%
Fixed Income	15.0%
Real Estate	10.0%
Private Equity	10.0%
Hedge Funds	10.0%

Discount Rate

The single discount rate used to measure the total OPEB liability was 6.65%. 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, 2036, 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 14**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. The SEWC had a total of \$14.1 million in unpaid claims and claim adjustment expenses at June 30, 2022.

Based on the composition and characteristics of these funds, the SEWC and AccessWV claim liabilities are not discounted.

The Patient Injury Compensation Fund (PICF) is a custodial fund of the State, administered by BRIM. The balance of the PICF does not reflect claims until an award becomes final and all reasonable means of recovery have been exhausted. The PICF works on a "claims filed" basis. The remaining \$2.2 million balance owed on the outstanding claims as of June 30, 2022, was paid in August 2021. The PICF was fully funded on or about July 9, 2021. Any fees received after July 9, 2021, were refunded to the physicians, attorneys and hospitals that had submitted them. Senate Bill 576 passed in March of 2018 mandated that any funds remaining in the PICF as of June 30, 2022, be transferred to the General Revenue Fund.

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 167,000 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):

	BRIM		PEIA		WCF	
	2022	2021	2022	2021	2022	2021
Unpaid claims and claims adjustment expense liability at beginning of year	\$ 189,596	\$ 204,796	\$ 98,087	\$ 73,366	\$ 1,255,900	\$ 1,336,200
Incurred claims and claims adjustments expense:						
Provision for insured events of the current fiscal year	96,174	77,590	713,639	647,600	174	94
Increase (decrease) in provision for insured events of prior fiscal years	71,948	(7,331)	(4,320)	(6,390)	(35,347)	17,010
Amortization of discount	—	—	—	—	35,798	38,069
Total incurred claims and claims adjustment expense	168,122	70,259	709,319	641,210	625	55,173
Payments:						
Claims and claims adjustment expense attributable to insured events of the current fiscal year	16,970	13,159	617,247	564,186	9	—
Claims and claims adjustment expense attributable to insured events of the prior fiscal years	55,453	72,300	86,425	52,303	126,216	135,473
Total payments	72,423	85,459	703,672	616,489	126,225	135,473
Total unpaid claims and claims adjustment expense liability, end of year	\$ 285,295	\$ 189,596	\$ 103,734	\$ 98,087	\$ 1,130,300	\$ 1,255,900

The above PEIA payments are net of pharmacy rebates of \$117,245 and \$97,750 for the years ended June 30, 2022 and June 30, 2021, 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 2021 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 \$36.2 million as of June 30, 2022. The overall unpaid claim liability number includes a provision for allocated and unallocated claims adjustment expense. At June 30, 2022, the total undiscounted claims liability for WCF approximated \$1.447 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 \$317 million to record approximately \$1.130 billion, and the WCF would report a total deficit decrease of approximately \$254 million at June 30, 2022.

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.

Required Supplementary Information

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 15

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 \$289 million at June 30, 2022. 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, 2022 (expressed in thousands):

	Balance			Balance	Amount
	June 30, 2021	Additions	Reductions	June 30, 2022	Due
					Within
					One Year
Mine Reclamation Program	\$ 208,963	\$ 395	\$ —	\$ 209,358	\$ 38,000
Oil and Gas Well Program	786	2,150	—	2,936	2,937
Landfill Closure Assistance Program	89,489	—	13,976	75,513	4,146
Underground Storage Tanks	1,961	—	509	1,452	—
Total Environmental Liability	<u>\$ 301,199</u>	<u>\$ 2,545</u>	<u>\$ 14,485</u>	<u>\$ 289,259</u>	<u>\$ 45,083</u>

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 are three landfills left to be closed. As of June 30, 2022, the liability is estimated at \$76 million and is projected to be paid through fiscal year 2054.

Other Contingencies

In addition to the environmental protection claims, the State has recorded an obligation in the amount of \$111 million, of which \$21.9 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)

	<u>Amount Committed</u>	<u>Commitment</u>
Governmental Funds:		
Transportation	\$ 1,796,707	Construction
Enterprise Funds:		
Water Pollution Control Revolving Fund	26,585	Committed for loans
West Virginia Infrastructure and Jobs Development Council	67,608	Funding of water and economic development projects
Discretely Presented Component Units:		
West Virginia Lottery	7,075	Capital assets and construction
Economic Development Authority	123,840	Committed for loans
Housing Development Fund	30,605	Committed for loans
Parkways Authority	77,415	Turnpike improvements
Higher Education	14,235	Construction
School Building Authority	236,000	Acquisition, construction and maintenance grants to county school boards
Municipal Pensions Oversight Board	1,086	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 \$8 million at June 30, 2022, 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 16

SUBSEQUENT EVENTS

Effective July 1, 2022, West Virginia Division of Multimodal Transportation was created by House Bill 4492. This Division combines the powers and duties of the Public Port Authority, the West Virginia State Rail Authority and the state Aeronautics Commission.

Also effective July 1, 2022, Jobs Investment Trust board was terminated and all jobs of the Jobs Investment Trust Board shall be governed, administered, and accounted for by the Economic Development Authority.

On July 1, 2022, the School Building Authority issued revenue bonds for \$27 million to fund grants to finance capital improvements to public schools located in the State. The revenue bonds are considered special obligation bonds, which are secured by certain net profits of the West Virginia Lottery.

On August 1, 2022, the Housing Development Fund redeemed various Housing Finance Bonds in advance to the scheduled maturities of \$8.3 million. On August 10, 2022, the Fund issued the Housing Finance 2022 Series B bonds in the amount of \$40 million. Bond proceeds will be used to originate single family mortgage loans.

On December 15, 2022, the Housing Development Fund issued Housing Finance bonds in the amount of \$45 million.



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, 2022
(Expressed in Thousands)

	General Revenue Fund			Variance With Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes:				
Personal Income	\$ 2,041,300	\$ 2,041,300	\$ 2,502,828	\$ 461,528
Consumer Sales	1,473,800	1,473,800	1,655,483	181,683
Severance	329,925	329,925	768,794	438,869
Corporate Income/Business Franchise	160,300	160,300	366,316	206,016
Business and Occupation	111,000	111,000	110,502	(498)
Gasoline and Motor Carrier	—	—	—	—
Wholesale Motor Fuel	—	—	—	—
Automobile Privilege	—	—	—	—
Other	322,200	322,200	335,688	13,488
Excess Lottery Transfer	65,000	65,000	65,554	554
Intergovernmental	—	—	—	—
Licenses, Permits, and Fees	9,016	9,016	9,414	398
Departmental Collections	23,700	23,700	26,344	2,644
Interest Income	5,500	5,500	(1,705)	(7,205)
Other	38,100	38,100	48,681	10,581
Industrial Access Road Transfer	—	—	—	—
Total Revenues	4,579,841	4,579,841	5,887,899	1,308,058
Expenditures:				
Legislature	29,907	29,907	26,269	3,638
Judicial	138,963	138,963	120,310	18,653
Executive	46,487	91,402	38,360	53,042
Department of Administration	106,529	129,029	97,842	31,187
Bureau of Commerce	61,425	63,917	58,363	5,554
Department of Tourism	7,000	7,000	3,396	3,604
Department of Economic Development	12,565	351,907	350,107	1,800
Department of Environmental Protection	6,591	6,591	6,475	116
Education	2,361,980	2,362,846	2,311,875	50,971
Health and Human Resources	1,184,243	1,152,192	1,110,023	42,169
Department of Homeland Security	426,562	330,738	299,546	31,192
Revenue	30,262	30,337	27,254	3,083
Transportation	5,204	8,310	1,843	6,467
Veteran's Assistance	19,012	19,012	10,607	8,405
Bureau of Senior Services	29,951	29,951	29,951	—
Miscellaneous Boards and Commissions	17,792	17,792	14,644	3,148
Department of Arts, Culture, & History	10,559	10,632	9,889	743
Total Expenditures	4,495,032	4,780,526	4,516,754	263,772
Excess (Deficiency) of Revenues Over (Under) Expenditures - Current Year	84,809	(200,685)	1,371,145	1,571,830
Expenditures from Prior Year Appropriations	604,045	604,045	222,502	381,543
Total Excess (Deficiency) of Revenues Over (Under) Expenditures - Current Year	(519,236)	(804,730)	1,148,643	1,953,373
Budgetary Fund Balance, Beginning of Year, As Adjusted	818,052	818,052	818,052	—
Adjustments for Accruals, etc.	—	—	(4,385)	(4,385)
Budgetary Fund Balance, End of Year	\$ 298,816	\$ 13,322	\$ 1,962,310	\$ 1,948,988

Federal Revenue				State Road			
Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	430,000	430,000	419,593	(10,407)
—	—	—	—	260,000	260,000	300,583	40,583
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
6,602,418	9,547,540	7,113,645	(2,433,895)	505,000	505,000	474,424	(30,576)
—	—	—	—	174,000	174,000	136,234	(37,766)
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	51,700	51,700	17,324	(34,376)
—	—	—	—	3,000	3,000	3,000	—
<u>6,602,418</u>	<u>9,547,540</u>	<u>7,113,645</u>	<u>(2,433,895)</u>	<u>1,423,700</u>	<u>1,423,700</u>	<u>1,351,158</u>	<u>(72,542)</u>
1,722	1,100	887	213	—	—	—	—
4,000	4,000	2,341	1,659	—	—	—	—
32,740	708,929	674,011	34,918	—	—	—	—
—	—	—	—	—	—	—	—
163,555	163,705	90,480	73,225	—	—	—	—
—	5,148	—	5,148	—	—	—	—
269,534	303,505	53,329	250,176	—	—	—	—
191,890	191,890	79,045	112,845	—	—	—	—
1,752,135	1,830,677	675,575	1,155,102	—	—	—	—
4,712,675	6,260,833	5,386,148	874,685	—	—	—	—
107,162	107,393	25,864	81,529	—	—	—	—
3,000	3,000	563	2,437	—	—	—	—
32,478	32,478	20,317	12,161	1,440,669	1,620,858	1,396,379	224,479
7,839	11,163	7,414	3,749	—	—	—	—
14,582	30,982	16,446	14,536	—	—	—	—
105,770	105,795	46,965	58,830	—	—	—	—
—	19,785	9,189	10,596	—	—	—	—
<u>7,399,082</u>	<u>9,780,383</u>	<u>7,088,574</u>	<u>2,691,809</u>	<u>1,440,669</u>	<u>1,620,858</u>	<u>1,396,379</u>	<u>224,479</u>
(796,664)	(232,843)	25,071	257,914	(16,969)	(197,158)	(45,221)	151,937
—	—	—	—	—	—	—	—
(796,664)	(232,843)	25,071	257,914	(16,969)	(197,158)	(45,221)	151,937
745,026	745,026	745,026	—	29,510	(55,817)	314,979	370,796
—	—	(8,659)	(8,659)	—	—	—	—
<u>\$ (51,638)</u>	<u>\$ 512,183</u>	<u>\$ 761,438</u>	<u>\$ 249,255</u>	<u>\$ 12,541</u>	<u>\$ (252,975)</u>	<u>\$ 269,758</u>	<u>\$ 522,733</u>

Continued

Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)
(Continued)

	Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
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	1,932,723	1,934,464	1,520,722	(413,742)
Interest Income	—	—	—	—
Other	—	—	—	—
Industrial Access Road Transfer	—	—	—	—
Total Revenues	1,932,723	1,934,464	1,520,722	(413,742)
Expenditures:				
Legislature	2,705	2,637	481	2,156
Judicial	1,350	1,350	726	624
Executive	66,386	66,921	34,968	31,953
Department of Administration	189,868	192,268	158,601	33,667
Bureau of Commerce	93,248	91,682	21,619	70,063
Department of Tourism	6,732	6,732	3,676	3,056
Department of Economic Development	1,350	1,887	395	1,492
Department of Environmental Protection	66,056	71,002	33,464	37,538
Education	213,734	244,269	178,395	65,874
Health and Human Resources	468,343	558,426	462,609	95,817
Department of Homeland Security	41,065	47,836	19,760	28,076
Revenue	611,206	710,106	437,550	272,556
Transportation	11,571	13,801	10,071	3,730
Veteran's Assistance	1,964	1,964	1,931	33
Bureau of Senior Services	55,366	72,116	67,207	4,909
Miscellaneous Boards and Commissions	135,841	137,539	111,050	26,489
Department of Arts, Culture, & History	—	16,998	14,875	2,123
Total Expenditures	1,966,785	2,237,534	1,557,378	680,156
Excess (Deficiency) of Revenues Over (Under) Expenditures - Current Year	(34,062)	(303,070)	(36,656)	266,414
Expenditures from Prior Year Appropriations	—	—	66,109	(66,109)
Total Excess (Deficiency) of Revenues Over (Under) Expenditures - Current Year	(34,062)	(303,070)	(102,765)	200,305
Budgetary Fund Balance, Beginning of Year	2,972,601	2,972,601	2,972,601	—
Adjustments for Accruals, etc.	—	—	(2,215)	(2,215)
Budgetary Fund Balance, End of Year	\$ 2,938,539	\$ 2,669,531	\$ 2,867,621	\$ 198,090

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 2021, Appropriated Special Revenue and Federal Funds were increased by total supplemental appropriations of \$3 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 \$604 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 2021 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.

2022 Budgetary Reporting

The State's budgetary General Revenue Fund balance at July 1, 2021, has been adjusted as follows (expressed in thousands):

General Revenue Fund:	
Beginning Fund Balance	\$ 645,727
Prior Year Refunds	723
Transfer from Expired Funds	182,125
Adjustment	(10,523)
Adjusted Beginning Fund Balance	<u>\$ 818,052</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, 2022, 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, 2022
(Expressed in Thousands)

Budgetary Funds	General Revenue Fund	Federal Fund	State Road Fund	Appropriated Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 5,887,899	\$ 7,113,645	\$ 1,348,158	\$ 1,520,722
Differences – Budget to GAAP:				
Intrafund transactions not included in GAAP revenues	(7,013,943)	—	—	—
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	55,998	—	2,472	—
Basis of Accounting Difference	1,329,670	—	44,419	—
Reclassifications:				
Nonappropriated Budgetary Fund's Revenue included as revenue/transfers in the GAAP General, Transportation, and Other Funds	7,777,161	—	17,006	—
Budgetary special revenue funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority and Other Funds	876,557	—	7,462	(1,520,722)
Budgetary federal funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority and Other Funds	6,983,797	(7,113,645)	21,494	—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	\$ 15,897,139	\$ —	\$ 1,441,011	\$ —
Uses/Outflows of resources				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 4,739,256	\$ 7,088,574	\$ 1,398,357	\$ 1,623,487
Differences – Budget to GAAP:				
Intrafund transactions not included in GAAP expenditures	(7,013,943)	—	—	—
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(145,092)	—	—	—
Basis of Accounting Difference	690,652	—	(378,651)	—
Reclassifications:				
Nonappropriated Budgetary Fund's exp./transfers out included as exp. in the GAAP General, Transportation, WV Infrastructure, and Other Funds	8,050,540	—	334,703	—
Budgetary general revenue funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority, and Other Funds	(46,456)	—	2,308	—
Budgetary special revenue funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority, and Other Funds	844,252	—	7,299	(1,623,487)
Budgetary federal revenue funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority, and Other Funds	6,966,791	(7,088,574)	21,496	—
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	\$ 14,086,000	\$ —	\$ 1,385,512	\$ —



**Schedule of the State's Proportionate Share
of the Net Pension Liability (Asset)
Multiple-Employer Cost Sharing Plans
June 30, 2022
(Expressed in Thousands)**

	PERS			
	2022	2021	2020	2019
State's proportion of the net pension liability	67.64 %	68.25 %	67.49 %	66.37 %
State's proportionate share of the net pension liability (asset)	\$ (593,849)	\$ 360,808	\$ 145,121	\$ 171,404
State's covered payroll	\$ 1,076,120	\$ 1,056,970	\$ 985,020	\$ 923,191
State's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(55.18)%	34.14 %	14.73 %	18.57 %
Plan fiduciary net position as a percentage of the total pension liability (asset)	111.07 %	92.89 %	96.99 %	96.33 %

Note: The schedule is intended to show ten years. Additional years will be added as they become available.

2018	2017	2016	2015
66.88 %	67.57 %	67.99 %	68.33 %
\$ 288,670	\$ 621,010	\$ 379,669	\$ 252,194
\$ 921,592	\$ 937,259	\$ 923,143	\$ 915,586
31.32 %	66.26 %	41.13 %	27.54 %
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, 2022
(Expressed in Thousands)**

	TRS			
	2022	2021	2020	2019
State's proportion of the net pension liability	0.98 %	1.09 %	1.07 %	1.06 %
State's proportionate share of the net pension liability	\$ 15,246	\$ 35,091	\$ 31,747	\$ 33,154
State's covered payroll	\$ 351,673	\$ 330,830	\$ 307,841	\$ 319,360
State's proportionate share of the net pension liability as a percentage of its covered payroll	4.34 %	10.61 %	10.31 %	6.08 %
Plan fiduciary net position as a percentage of the total pension	86.38 %	70.89 %	72.64 %	71.20 %

	TRS - Special Funding Situation			
	2022	2021	2020	2019
Proportion of the net	94.28 %	94.43 %	94.34 %	93.83 %
Proportionate share of the net pension liability	\$ 1,458,109	\$ 3,006,052	\$ 2,775,073	\$ 2,929,645

Note: This schedule is intended to show ten years. Additional years will be added as they become available.

2018	2017	2016	2015
1.28 %	1.46 %	1.35 %	1.35 %
\$ 44,163	\$ 60,156	\$ 46,931	\$ 46,438
\$ 282,077	\$ 312,801	\$ 306,699	\$ 343,570
15.66 %	19.23 %	15.30 %	13.52 %
67.85 %	61.42 %	66.25 %	65.95 %
2018	2017	2016	2015
92.86 %	92.09 %	93.44 %	94.15 %
\$ 3,208,171	\$ 3,784,772	\$ 3,237,919	\$ 3,248,227

Required Supplementary Information
Schedule of State Contributions – PERS
Last Nine Fiscal Years
(Expressed in Thousands)

	PERS				
	2022	2021	2020	2019	2018
Contractually required contribution	\$ 107,546	\$ 107,612	\$ 105,517	\$ 98,502	\$ 101,551
Contributions in relation to the contractually required contribution	107,546	107,612	105,517	98,502	101,551
Contribution deficiency (excess)	<u>\$ —</u>				
State’s covered payroll	\$1,075,460	\$1,076,120	\$1,055,170	\$ 985,020	\$ 923,191
Contributions as a percentage of covered payroll	10.00 %	10.00 %	10.00 %	10.00 %	11.00 %

Note: This schedule is intended to show ten years. Additional years will be added as they become available.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 110,591	\$ 126,530	\$ 129,240	\$ 132,760
110,591	126,530	129,240	132,760
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 921,592	\$ 37,259	\$ 923,143	\$ 915,586
12.00 %	13.50 %	14.00 %	14.50 %

Required Supplementary Information
Schedule of State Contributions – TRS
Last Nine Fiscal Years
(Expressed in Thousands)

	TRS – State				
	2022	2021	2020	2019	2018
Contractually required contribution	\$ 4,652	\$ 4,361	\$ 4,980	\$ 5,104	\$ 5,118
Contributions in relation to the contractually required contribution	4,652	4,361	4,980	5,104	5,118
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 358,650	\$ 351,673	\$ 330,830	\$ 307,841	\$ 319,360
Contributions as a percentage of covered payroll	1.30 %	1.24 %	1.51 %	1.66 %	1.60 %

	TRS – Special Funding Situation				
	2022	2021	2020	2019	2018
Statutorily required contribution	\$ 452,149	\$ 389,692	\$ 436,598	\$ 442,726	\$ 458,163
Contributions in relation to the statutorily required contribution	452,149	389,692	436,598	442,726	458,163
Contribution deficiency (excess)	<u>\$ —</u>	<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.

2017	2016	2015	2014
\$ 5,780	\$ 6,043	\$ 6,662	\$ 6,922
<u>5,780</u>	<u>6,043</u>	<u>6,662</u>	<u>6,922</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 282,077	\$ 312,801	\$ 306,699	\$ 343,570
2.05 %	1.93 %	2.17 %	2.01 %

2017	2016	2015	2014
\$ 420,605	\$ 392,714	\$ 458,452	\$ 484,159
<u>420,605</u>	<u>392,714</u>	<u>458,452</u>	<u>484,159</u>
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

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
SPDDRS					
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 %
2014	25,146	26,218	(1,072)	5,988	437.84 %
2013	15,162	16,210	(1,048)	6,779	239.12 %
SPRS					
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 %
2014	3,363	4,049	(686)	27,701	14.62 %
2013	3,802	4,193	(391)	27,670	15.15 %
JRS					
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 %
2014	2,456	2,456	—	8,870	27.69 %
2013	2,422	2,422	—	8,860	27.34 %

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				
	2022	2021	2020	2019	2018
Total pension liability:					
Service cost	\$ 89	\$ 153	\$ 540	\$ 931	\$ 1,071
Interest	56,154	55,378	54,438	54,004	53,131
Difference between actual and expected experience	(672)	4,601	6,331	(2,218)	47
Assumption changes	22,231	—	—	—	1,961
Benefit payments	(50,228)	(49,225)	(47,551)	(45,529)	(43,325)
Net change in total pension liability	27,574	10,907	13,758	7,188	12,885
Total pension liability – beginning	773,745	762,838	749,080	741,892	729,007
Total pension liability – ending (a)	801,319	773,745	762,838	749,080	741,892
Plan fiduciary net position:					
Contributions – employer	16,699	13,246	15,595	24,829	17,155
Contributions – member	34	35	110	186	362
Net investment income	208,656	21,252	38,174	60,939	87,793
Benefit payments	(50,228)	(49,225)	(47,551)	(45,529)	(43,325)
Administrative expense	(54)	(54)	(63)	(61)	(45)
Other	822	530	752	691	847
Net change in plan fiduciary net position	175,929	(14,216)	7,017	41,055	62,787
Plan fiduciary net position – beginning	675,604	689,820	682,803	641,748	578,798
Plan fiduciary net position – ending (b)	851,533	675,604	689,820	682,803	641,585
State's net pension liability (asset) – ending (a) - (b)	<u>\$ (50,214)</u>	<u>\$ 98,141</u>	<u>\$ 73,018</u>	<u>\$ 66,277</u>	<u>\$ 100,307</u>
Plan fiduciary net position as a percentage of total pension liability	106.27 %	87.32 %	90.43 %	91.15 %	86.48 %
Covered payroll	\$ 349	\$ 514	\$ 1,527	\$ 2,963	\$ 3,181
State's net pension liability (asset) as a percentage of covered payroll	14,387.97 %	19,093.58 %	4,781.79 %	2,236.82 %	3,153.32 %
Information presented based upon measurement date of:	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017

Note: This schedule is intended to show ten years. Additional years will be added as they become available.

2017	2016	2015
\$ 1,263	\$ 1,774	\$ 2,215
51,913	50,748	49,778
6,283	4,344	—
—	—	—
(41,969)	(39,708)	(37,565)
17,490	17,158	14,428
711,517	694,359	679,931
729,007	711,517	694,359
13,977	21,668	26,955
320	445	545
(1,230)	22,866	90,872
(41,969)	(39,708)	(37,565)
(48)	(51)	(52)
590	861	—
(28,360)	6,081	80,755
607,158	601,077	520,322
578,798	607,158	601,077
<u>\$ 150,209</u>	<u>\$ 104,359</u>	<u>\$ 93,282</u>
79.40 %	85.33 %	86.57 %
\$ 3,713	\$ 5,120	\$ 5,988
4,045.49 %	2,038.28 %	1,557.82 %
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				
	2022	2021	2020	2019	2018
Total pension liability:					
Service cost	\$ 8,794	\$ 8,533	\$ 7,456	\$ 7,617	\$ 6,827
Interest	19,210	16,918	14,654	13,496	11,410
Change of benefit terms	—	—	12,731	—	—
Difference between actual and expected	513	7,888	(3,513)	(3,610)	(765)
Assumption changes	12,476	—	—	—	11,192
Benefit payments	(3,599)	(2,498)	(1,944)	(1,842)	(1,454)
Net change in total pension liability	37,394	30,841	29,384	15,661	27,210
Total pension liability – beginning	249,134	218,293	188,909	173,248	146,038
Total pension liability – ending (a)	286,528	249,134	218,293	188,909	173,248
Plan fiduciary net position:					
Contributions – employer	7,928	4,850	4,556	4,205	3,657
Contributions – member	4,185	4,168	3,905	3,621	3,634
Net investment income	72,138	7,010	11,730	16,303	22,346
Benefit payments	(3,599)	(2,498)	(1,944)	(1,842)	(1,454)
Administrative expense	(59)	(67)	(60)	(60)	(64)
Other	—	—	—	—	—
Net change in plan fiduciary net position	80,593	13,463	18,187	22,227	28,119
Plan fiduciary net position – beginning	220,565	207,102	188,915	166,688	138,569
Plan fiduciary net position – ending (b)	301,158	220,565	207,102	188,915	166,688
State's net pension liability (asset) – ending (a) - (b)	\$ (14,630)	\$ 28,569	\$ 11,191	\$ (6)	\$ 6,560
Plan fiduciary net position as a percentage of total pension liability	105.11 %	88.53 %	94.87 %	100.00 %	96.21 %
Covered payroll	\$ 34,946	\$ 30,938	\$ 30,938	\$ 32,291	\$ 31,582
State's net position liability (asset) as a percentage of covered payroll	(41.86)%	84.25 %	36.17 %	(0.02)%	20.77 %
Information presented based upon measurement date of:	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017

Note: This schedule is intended to show ten years. Additional years will be added as they become available.

2017	2016	2015
\$ 6,750	\$ 6,337	\$ 5,890
10,113	9,024	8,021
—	—	—
1,636	(201)	—
—	—	—
(1,071)	(1,051)	(913)
17,428	14,109	12,998
128,610	114,501	101,503
146,038	128,610	114,501
3,887	4,060	4,049
3,755	3,609	3,630
91	4,972	17,756
(1,071)	(1,051)	(913)
(47)	(45)	(42)
(163)	—	—
6,452	11,545	24,480
132,117	120,572	96,092
138,569	132,117	120,572
<u>\$ 7,469</u>	<u>\$ (3,507)</u>	<u>\$ (6,071)</u>
94.89 %	102.73 %	105.30 %
\$ 31,792	\$ 29,574	\$ 27,701
23.49 %	(11.86)%	(21.92)%
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)

	JRS				
	2022	2021	2020	2019	2018
Total pension liability:					
Service cost	\$ 2,358	\$ 2,640	\$ 2,406	\$ 2,587	\$ 2,466
Interest	8,735	8,711	8,608	8,539	8,521
Difference between actual and expected experience	(19,046)	(5,885)	(4,959)	(6,054)	(6,101)
Assumption changes	5,218	—	—	962	
Benefit payments	(4,810)	(4,897)	(4,933)	(4,932)	(4,609)
Net change in total pension liability	(7,545)	569	1,122	1,102	277
Total pension liability – beginning	116,519	115,950	114,828	113,726	113,449
Total pension liability – ending (a)	108,974	116,519	115,950	114,828	113,726
Plan fiduciary net position:					
Contributions – employer	886	791	779	735	739
Contributions – member	295	301	331	364	372
Net investment income	68,611	6,850	12,085	18,373	26,270
Benefit payments	(4,810)	(4,897)	(4,933)	(4,932)	(4,609)
Administrative expense	(10)	(10)	(11)	(8)	(6)
Other	—	—	(86)	—	(4)
Net change in plan fiduciary net position	64,972	3,035	8,165	14,532	22,762
Plan fiduciary net position – beginning	215,688	212,653	204,488	189,956	167,194
Plan fiduciary net position – ending (b)	280,660	215,688	212,653	204,488	189,956
State's net pension liability (asset) – ending (a) - (b)	\$ (171,686)	\$ (99,169)	\$ (96,703)	\$ (89,660)	\$ (76,230)
Plan fiduciary net position as a percentage of total pension liability	257.55 %	185.11 %	183.40 %	178.08 %	167.03 %
Covered payroll	\$ 9,752	\$ 9,752	\$ 9,374	\$ 9,500	\$ 9,122
State's net pension liability (asset) as a percentage of covered payroll	(1,760.52)%	(1,016.91)%	(1,031.61)%	(943.78)%	(835.67)%
Information presented based upon measurement date of:	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017

Note: This schedule is intended to show ten years. Additional years will be added as they become available.

	2017	2016	2015
\$	2,681	\$ 2,812	\$ 2,819
	8,478	8,458	7,978
	(5,813)	(6,506)	—
	(4,429)	(4,313)	(4,455)
	917	451	6,342
	112,532	112,081	105,739
	113,449	112,532	112,081
	739	2,845	2,456
	401	413	426
	(175)	6,525	25,263
	(4,429)	(4,313)	(4,455)
	(6)	(6)	(7)
	(39)	—	80
	(3,509)	5,464	23,763
	170,703	165,239	141,476
	167,194	170,703	165,239
\$	(53,745)	\$ (58,171)	\$ (53,158)
	147.37 %	151.69 %	147.43 %
\$	8,870	\$ 9,248	\$ 8,870
	(605.92)%	(629.01)%	(599.30)%
	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, 2021, to reflect the most recent experience study:

	2021	2020	2019	2018	2017
Projected salary					
Increases:					
State	3.1% - 5.3%	3.1% - 5.3%	3.1% - 5.3%	3.00% - 4.6%	3.00% - 4.6%
Nonstate	3.35% - 6.5%	3.35% - 6.5%	3.35% - 6.5%	3.35% - 6.0%	3.35% - 6.0%
Inflation rate	3.0%	3.0%	3.0%	3.0%	3.0%
Mortality rates	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 - 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.	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.
Withdrawal rates					
State	2.28 - 45%	2.28 - 45%	2.28 - 45%	1.75 - 35%	1.75 - 26%
Nonstate	2.5 - 35.9%	2.5 - 35.9%	2.5 - 35.9%	2 - 35.9%	2 - 31.2%
Disability rates	0 - 0.5%	0 - 0.5%	0 - 0.7%	0 - 0.7%	0 - 0.7%

	2016	2015	2014
Projected salary			
Increases:			
State	3.00% – 4.6%	3.00% – 4.6%	4.25% – 6.0%
Nonstate	3.35% – 6.0%	3.35% – 6.0%	4.25% – 6.0%
Inflation rate	3.0%	1.9%	2.2%
Mortality rates	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
Withdrawal rates			
State	1.75 – 35.1%	1.75 – 35.1%	1 – 26%
Nonstate	2 – 35.8%	2 – 35.8%	2 – 31.2%
Disability rates	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, 2022
(Expressed in Thousands)**

	2022	2021	2020	2019
State's proportion of the net OPEB liability (asset)	80.17 %	80.82 %	80.63 %	76.65 %
State's proportionate share of the net OPEB liability (asset)	\$ (23,836)	\$ 356,966	\$ 1,337,704	\$ 1,644,412
State's covered-employee payroll	\$ 1,571,758	\$ 1,662,544	\$ 1,768,975	\$ 2,286,999
State's proportionate share of the net OPEB's liability (asset) as a percentage of its covered-employee payroll	1.52 %	21.47 %	75.62 %	71.90 %
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	101.81 %	73.49 %	39.69 %	30.98 %

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.

2018	2017
78.90 %	74.47 %
\$ 1,940,146	\$ 1,849,369
\$ 2,199,037	\$ 2,114,459
88.23 %	87.46 %
25.10 %	21.64 %

**Required Supplementary Information
Schedule of State Contributions – OPEB
June 30, 2022
(Expressed in Thousands)**

	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 152,000	\$ 151,000	\$ 158,000	\$ 171,000	\$ 169,000	\$ 185,000	\$ 128,000
Contributions in relation to the contractually required contribution	115,000	153,000	156,000	5,000	156,000	128,000	109,000
Contribution deficiency (excess)	\$ (37,000)	\$ (2,000)	\$ 2,000	\$ 166,000	\$ 13,000	\$ 57,000	\$ 19,000
State's covered-employee payroll	\$ 1,571,758	\$ 1,662,544	\$ 1,768,975	\$ 1,892,941	\$ 2,286,999	\$ 2,199,037	\$ 2,114,459
Contributions as a percentage of covered-employee payroll	7.32 %	9.20 %	8.82 %	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, 2022
(Expressed in Thousands)

	2022	2021	2020	2019	2018
Statutorily required contribution	\$ 30,000	\$ 30,000	\$ 35,000	\$ 35,000	\$ 35,000
Contributions in relation to the statutorily required contribution	30,000	30,000	35,000	35,000	35,000
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —

Note: This schedule is intended to show ten years. Additional years will be added as they become available.

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	6.65%, net of OPEB plan investment expense, including inflation
Inflation rate	2.75%
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-2019 for TRS. Pub-2010 General Employee Mortality Tables projected with Scale MP-2019 for PERS. Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with Scale MP-2019 for Troopers A and B. Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with Scale MP-2019 for TRS. Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2019 for PERS. Pub-2010 Public Safety Employee Mortality Tables projected with Scale MP-2019 for Troopers A and B.
Healthcare cost trend rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.5% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of -33.11% for plan year end 2022, 9.15% for plan year-end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year-end 2036.
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, 2020, 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.

State Parks Projects: This Fund is established to provide public financial support for certain capital improvement and deferred maintenance projects throughout the State Parks System, including, but not limited to, maintenance, repair, construction, upgrades, and improvements.

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, 2022
(Expressed in Thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>
Assets:		
Cash and Cash Equivalents	\$ 424,854	\$ 60,231
Investments	165,038	—
Receivables, Net	4,287	37
Due from Other Governments	4,551	—
Due from Other Funds	107	—
Due from Component Units	—	1,055
Inventories	7	—
Restricted Assets:		
Cash and Cash Equivalents	1,773	—
Total Assets	<u>\$ 600,617</u>	<u>\$ 61,323</u>
Liabilities:		
Accounts Payable	27,271	—
Accrued and Other Liabilities	20,334	—
Due to Other Governments	45,453	—
Due to Other Funds	358	—
Due to Component Units	130	—
Total Liabilities	<u>93,546</u>	<u>—</u>
Fund Balances:		
Nonspendable:		
Inventories	7	—
Permanent Fund	—	—
Restricted for:		
Capital Projects	—	—
Debt Service	—	61,323
Development, Tourism, and Recreation	73,752	—
Education	—	—
Public Protection	107,501	—
Committed to:		
General Government Operations	6,862	—
Public Protection	322,173	—
Assigned to:		
Health and Social Services	4,126	—
Public Protection	4,924	—
Unassigned	(12,274)	—
Total Fund Balances	<u>507,071</u>	<u>61,323</u>
Total Liabilities and Fund Balances	<u>\$ 600,617</u>	<u>\$ 61,323</u>

Education, Arts, Sciences, and Tourism Fund	Capital Projects			Permanent Fund		Total
	Cacapon Project Fund	DNR - State Park	Lease Purchase Account	Irreducible School		
\$ 1,563	\$ 2,085	\$ 4	\$ 10,744	\$ 1,504	\$	500,985
—	—	—	—	—		165,038
1	1	—	6	1		4,333
—	—	—	—	—		4,551
—	—	—	—	—		107
—	—	—	—	—		1,055
—	—	—	—	—		7
—	—	—	—	—		1,773
<u>\$ 1,564</u>	<u>\$ 2,086</u>	<u>\$ 4</u>	<u>\$ 10,750</u>	<u>\$ 1,505</u>	<u>\$</u>	<u>677,849</u>
145	—	—	—	—		27,416
—	—	—	—	—		20,334
—	—	—	—	—		45,453
—	—	—	—	—		358
—	—	—	—	—		130
145	—	—	—	—		93,691
—	—	—	—	—		7
—	—	—	—	1,000		1,000
1,419	2,086	4	10,750	—		14,259
—	—	—	—	—		61,323
—	—	—	—	—		73,752
—	—	—	—	505		505
—	—	—	—	—		107,501
—	—	—	—	—		6,862
—	—	—	—	—		322,173
—	—	—	—	—		4,126
—	—	—	—	—		4,924
—	—	—	—	—		(12,274)
<u>1,419</u>	<u>2,086</u>	<u>4</u>	<u>10,750</u>	<u>1,505</u>		<u>584,158</u>
<u>\$ 1,564</u>	<u>\$ 2,086</u>	<u>\$ 4</u>	<u>\$ 10,750</u>	<u>\$ 1,505</u>	<u>\$</u>	<u>677,849</u>

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	Special Revenue	Debt Service
Revenues:		
Intergovernmental	\$ 146,050	\$ —
Licenses, Permits, and Fees	119,123	—
Charges for Services	65	—
Lottery Revenue	—	10,652
Investment Earnings	(33,419)	68
Other	10,630	—
Total Revenues	<u>242,449</u>	<u>10,720</u>
Expenditures:		
Legislative	1,346	—
Administration	—	2
Commerce	—	3
Environmental Protection	155,022	—
Employment Programs	64,338	—
Education	—	—
Revenue	21,393	—
Veterans Assistance	—	1
Regulatory Boards and Commissions	20,683	2
Capital Outlay	—	—
Debt Service:		
Principal	—	57,955
Interest	—	23,515
Total Expenditures	<u>262,782</u>	<u>81,478</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(20,333)</u>	<u>(70,758)</u>
Other Financing Sources (Uses):		
Transfers In	13,608	71,048
Transfers Out	(29,387)	(1)
Total Other Financing Sources (Uses)	<u>(15,779)</u>	<u>71,047</u>
Net Change in Fund Balances	(36,112)	289
Fund Balances, Beginning of Year	543,183	61,034
Fund Balances, End of Year	<u>\$ 507,071</u>	<u>\$ 61,323</u>

Education, Arts, Sciences, and Tourism Fund	Capital Projects			Permanent Fund		Total
	Cacapon Project Fund	State Park Project	Fund Lease Purchase Account	Irreducible School		
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 146,050
—	—	—	—	—	—	119,123
—	—	—	—	—	—	65
—	—	—	—	—	—	10,652
3	2	2	10	2		(33,332)
—	—	—	—	—	—	10,630
<u>3</u>	<u>2</u>	<u>2</u>	<u>10</u>	<u>2</u>		<u>253,188</u>
—	—	—	—	—	—	1,346
—	—	—	—	—	—	2
—	—	—	—	—	—	3
—	—	—	—	—	—	155,022
—	—	—	—	—	—	64,338
859	—	—	—	—	3	862
—	—	—	—	—	—	21,393
—	—	—	—	—	—	1
—	—	—	—	—	—	20,685
—	—	18,296	—	—	—	18,296
—	—	—	—	—	—	57,955
—	—	—	—	—	—	23,515
<u>859</u>	<u>—</u>	<u>18,296</u>	<u>—</u>	<u>3</u>		<u>363,418</u>
(856)	2	(18,294)	10	(1)		(110,230)
—	—	—	—	—	507	85,163
—	—	—	—	—	(503)	(29,891)
—	—	—	—	—	4	55,272
(856)	2	(18,294)	10	3		(54,958)
2,275	2,084	18,298	10,740	1,502		639,116
<u>\$ 1,419</u>	<u>\$ 2,086</u>	<u>\$ 4</u>	<u>\$ 10,750</u>	<u>\$ 1,505</u>		<u>\$ 584,158</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, 2022
(Expressed in Thousands)**

	Environmental Protection	Public Service Commission	Crime Victims' Compensation
Assets:			
Cash and Cash Equivalents	\$ 313,376	\$ 42,992	\$ 6,863
Investments	91,396	—	—
Receivables, Net	1,091	112	—
Due from Other Governments	—	4,043	—
Due from Other Funds	—	65	—
Inventories	—	—	—
Restricted Assets:			
Cash and Cash Equivalents	250	1,523	—
Total Assets	\$ 406,113	\$ 48,735	\$ 6,863
Liabilities:			
Accounts Payable	13,393	13,185	1
Accrued and Other Liabilities	16,565	2,202	—
Due to Other Governments	16,381	10,498	—
Due to Other Funds	137	103	—
Due to Component Units	—	—	—
Total Liabilities	46,476	25,988	1
Fund Balances (Deficits):			
Nonspendable:			
Inventories	—	—	—
Restricted for:			
Development, Tourism, and Recreation	—	—	—
Public Protection	97,818	9,683	—
Committed to:			
General Government Operations	—	—	6,862
Public Protection	273,254	8,979	—
Assigned to:			
Health and Social Services	—	—	—
Public Protection	4,894	30	—
Unassigned	(16,329)	4,055	—
Total Fund Balances	359,637	22,747	6,862
Total Liabilities and Fund Balances	\$ 406,113	\$ 48,735	\$ 6,863

Insurance Commission	WORKFORCE West Virginia	Wildlife Resources Fund	Total
\$ 38,438	\$ 23,075	\$ 110	\$ 424,854
—	—	73,642	165,038
3,058	26	—	4,287
—	508	—	4,551
11	31	—	107
—	7	—	7
—	—	—	1,773
<u>\$ 41,507</u>	<u>\$ 23,647</u>	<u>\$ 73,752</u>	<u>\$ 600,617</u>
—	692	—	27,271
1,567	—	—	20,334
—	18,574	—	45,453
—	118	—	358
—	130	—	130
<u>1,567</u>	<u>19,514</u>	<u>—</u>	<u>93,546</u>
—	7	—	7
—	—	73,752	73,752
—	—	—	107,501
—	—	—	6,862
39,940	—	—	322,173
—	4,126	—	4,126
—	—	—	4,924
—	—	—	(12,274)
<u>39,940</u>	<u>4,133</u>	<u>73,752</u>	<u>507,071</u>
<u>\$ 41,507</u>	<u>\$ 23,647</u>	<u>\$ 73,752</u>	<u>\$ 600,617</u>

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	<u>Environmental Protection</u>	<u>Public Service Commission</u>	<u>Crime Victims' Compensation</u>
Revenues:			
Intergovernmental	\$ 76,560	\$ 4,043	\$ 887
Licenses, Permits, and Fees	56,690	20,900	1,014
Charges for Services	—	65	—
Investment Earnings and Losses	(28,184)	—	(212)
Other	9,895	—	13
Total Revenues	<u>114,961</u>	<u>25,008</u>	<u>1,702</u>
Expenditures:			
Legislative	—	—	1,346
Environmental Protection	155,022	—	—
Employment Programs	—	—	—
Revenue	—	—	—
Regulatory Boards and Commissions	—	20,683	—
Total Expenditures	<u>155,022</u>	<u>20,683</u>	<u>1,346</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(40,061)</u>	<u>4,325</u>	<u>356</u>
Other Financing Sources (Uses):			
Transfers In	11,953	—	—
Transfers Out	(26,997)	(109)	(2)
Total Other Financing Sources (Uses)	<u>(15,044)</u>	<u>(109)</u>	<u>(2)</u>
Net Change in Fund Balances	<u>(55,105)</u>	<u>4,216</u>	<u>354</u>
Fund Balances, Beginning of Year	414,742	18,531	6,508
Fund Balances, End of Year	<u>\$ 359,637</u>	<u>\$ 22,747</u>	<u>\$ 6,862</u>

Insurance Commission	WORKFORCE West Virginia	Wildlife Resources Fund	Total
\$ —	\$ 64,560	\$ —	\$ 146,050
38,466	—	2,053	119,123
—	—	—	65
—	—	(5,023)	(33,419)
2	—	720	10,630
<u>38,468</u>	<u>64,560</u>	<u>(2,250)</u>	<u>242,449</u>
—	—	—	1,346
—	—	—	155,022
—	64,338	—	64,338
21,393	—	—	21,393
—	—	—	20,683
<u>21,393</u>	<u>64,338</u>	<u>—</u>	<u>262,782</u>
17,075	222	(2,250)	(20,333)
1,655	—	—	13,608
—	—	(2,279)	(29,387)
<u>1,655</u>	<u>—</u>	<u>(2,279)</u>	<u>(15,779)</u>
18,730	222	(4,529)	(36,112)
21,210	3,911	78,281	543,183
<u>\$ 39,940</u>	<u>\$ 4,133</u>	<u>\$ 73,752</u>	<u>\$ 507,071</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, 2022
(Expressed in Thousands)

	Lease Purchase Accounts	Education, Arts, Sciences, and Tourism Fund	Economic Development Project Fund	Cacapon Project Fund	State Park Projects	Total
Assets:						
Cash and Cash Equivalents	\$ 5,986	\$ 8	\$ 49,564	\$ 1,506	\$ 3,167	\$ 60,231
Receivables, Net	2	—	32	1	2	37
Due from Component Units	55	1,000	—	—	—	1,055
Total Assets	<u>\$ 6,043</u>	<u>\$ 1,008</u>	<u>\$ 49,596</u>	<u>\$ 1,507</u>	<u>\$ 3,169</u>	<u>\$ 61,323</u>
Fund Balances:						
Restricted for Debt Service	6,043	1,008	49,596	1,507	3,169	61,323
Total Fund Balances	<u>\$ 6,043</u>	<u>\$ 1,008</u>	<u>\$ 49,596</u>	<u>\$ 1,507</u>	<u>\$ 3,169</u>	<u>\$ 61,323</u>

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2022
(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	\$ 661	\$ —	\$ 9,991	\$ —	\$ —	\$ —	\$ 10,652
Investment Earnings	7	5	—	51	2	3	68
Total Revenues	668	5	9,991	51	2	3	10,720
Expenditures:							
Administration	2	—	—	—	—	—	2
Commerce	—	—	—	—	—	3	3
Veterans Assistance	1	—	—	—	—	—	1
Regulatory Boards and Commissions	2	—	—	—	—	—	2
Debt Service:							
Principal	17,920	19,145	4,395	13,840	885	1,770	57,955
Interest	6,680	2,810	5,600	4,726	1,122	2,577	23,515
Total Expenditures	24,605	21,955	9,995	18,566	2,007	4,350	81,478
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,937)	(21,950)	(4)	(18,515)	(2,005)	(4,347)	(70,758)
Other Financing Sources (Uses):							
Transfers In	23,689	21,951	—	18,986	2,029	4,393	71,048
Transfers Out	—	(1)	—	—	—	—	(1)
Total Other Financing Sources (Uses)	23,689	21,950	—	18,986	2,029	4,393	71,047
Net Change in Fund Balances	(248)	—	(4)	471	24	46	289
Fund Balances, Beginning of Year	6,291	—	1,012	49,125	1,483	3,123	61,034
Fund Balances, End of Year	\$ 6,043	\$ —	\$ 1,008	\$ 49,596	\$ 1,507	\$ 3,169	\$ 61,323



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, 2022
(Expressed in Thousands)

	State Building Fund	Information Services and Communications	Travel Management	Enterprise Readiness Planning Board	Investment Management Board	Board of Treasury Investments	Total
Assets:							
Current Assets:							
Cash and Cash Equivalents	\$ 1,968	\$ 10,341	\$ 3,734	\$ 16,751	\$ 4,700	\$ 1,310	\$ 38,804
Receivables, Net	—	134	3	—	9,059	1,080	10,276
Due from Other Funds	3,442	9,068	276	479	—	—	13,265
Due from Component Units	23	53	21	—	—	—	97
Inventories	557	641	—	—	—	—	1,198
Other Assets	—	—	—	—	98	—	98
Restricted Assets:							
Cash and Cash Equivalents	—	—	7,633	—	—	—	7,633
Total Current Assets	5,990	20,237	11,667	17,230	13,857	2,390	71,371
Noncurrent Assets:							
Restricted Assets:							
Cash and Cash Equivalents	19,569	—	—	—	—	—	19,569
Capital Assets, Net	219,312	626	17,771	64,181	97	6	301,993
Right-to-Use Lease Asset, Net	131	255	61	—	1,395	—	1,842
Net Pension Asset	2,583	6,205	435	1,115	—	—	10,338
Net OPEB Asset	30	58	4	9	—	—	101
Total Noncurrent Assets	241,625	7,144	18,271	65,305	1,492	6	333,843
Total Assets	247,615	27,381	29,938	82,535	15,349	2,396	405,214
Deferred Outflows of Resources:							
Related to Pensions	1,284	2,923	189	549	—	—	4,945
Related to Other Post-Employment Benefits	1,080	624	114	84	—	—	1,902
Total Deferred Outflows of Resources	2,364	3,547	303	633	—	—	6,847
Liabilities:							
Current Liabilities:							
Accounts Payable	3,568	3,968	11	2,031	9,183	858	19,619
Accrued and Other Liabilities	271	621	42	132	—	—	1,066
Due to Other Governments	99	195	16	48	—	—	358
Due to Other Funds	158	355	23	63	—	—	599
Due to Component Units	—	38	—	—	—	—	38
Other Financing Debt	103	—	9,100	—	—	—	9,203
Other Financing Debt Payable to Component Units	1,920	—	—	—	—	—	1,920
Right-to-Use Lease Liability	93	148	32	—	154	—	427
Total Current Liabilities	6,212	5,325	9,224	2,274	9,337	858	33,230
Noncurrent Liabilities:							
Other Financing Debt	1,919	—	12,144	—	—	—	14,063
Right-to-Use Lease Liability	40	111	30	—	1,274	—	1,455
Other Financing Debt Payable to Component Units	47,650	—	—	—	—	—	47,650
Compensated Absences	485	1,316	78	258	—	—	2,137
Total Noncurrent Liabilities	50,094	1,427	12,252	258	1,274	—	65,305
Total Liabilities	56,306	6,752	21,476	2,532	10,611	858	98,535
Deferred Inflows of Resources:							
Related to Pensions	3,339	8,099	298	1,445	—	—	13,181
Related to Other Post-Employment Benefits	2,141	2,861	490	340	—	—	5,832
Total Deferred Inflows of Resources	5,480	10,960	788	1,785	—	—	19,013
Net Position:							
Net Investment in Capital Assets	166,061	689	4,160	64,181	65	6	235,162
Restricted for Capital Projects	17,912	—	—	—	—	—	17,912
Restricted for Specific Fund Purposes	—	—	7,633	—	—	—	7,633
Unrestricted (Deficit)	4,220	12,527	(3,816)	14,670	4,673	1,532	33,806
Total Net Position	\$ 188,193	\$ 13,216	\$ 7,977	\$ 78,851	\$ 4,738	\$ 1,538	\$ 294,513

**Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2022
(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	\$ 20,265	\$ 54,463	\$ 12,972	\$ 13,920	\$ 49,818	\$ 4,002	\$ 155,440
Operating Expenses:							
Cost of Sales and Services	22,151	40,023	2,348	7,810	44,390	3,821	120,543
General and Administration	1,293	1,102	746	623	5,099	237	9,100
Pension Expense	(483)	1,313	(83)	(236)	—	—	511
OPEB Expense	(496)	1,408	(83)	(168)	—	—	661
Depreciation and Amortization	7,032	685	9,109	5,474	239	3	22,542
Total Operating Expenses	29,497	44,531	12,037	13,503	49,728	4,061	153,357
Operating Income (Loss)	(9,232)	9,932	935	417	90	(59)	2,083
Nonoperating Revenues (Expenses):							
Gain (Loss) on Sale of Equipment	—	(1)	(12)	—	—	—	(13)
Investment Income	1	—	—	—	7	—	8
Interest Expense	(2,181)	—	—	—	(75)	—	(2,256)
Lottery Revenue	4,894	—	—	—	—	—	4,894
Other Nonoperating Revenues	(28)	—	171	—	—	—	143
Total Nonoperating Revenues (Expenses), Net	2,686	(1)	159	—	(68)	—	2,776
Income (Loss) Before Transfers	(6,546)	9,931	1,094	417	22	(59)	4,859
Transfers In	23,299	—	1,017	—	—	—	24,316
Transfers Out	(5,261)	—	—	—	—	—	(5,261)
Total Transfers	18,038	—	1,017	—	—	—	19,055
Change in Net Position	11,492	9,931	2,111	417	22	(59)	23,914
Net Position, Beginning of Year	176,701	3,285	5,866	78,434	4,716	1,597	270,599
Net Position, End of Year	\$ 188,193	\$ 13,216	\$ 7,977	\$ 78,851	\$ 4,738	\$ 1,538	\$ 294,513

**Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2022
(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	\$ 18,798	\$ 57,179	\$ 12,808	\$ 14,768	\$ 49,619	\$ 3,935	\$ 157,107
Payments to Suppliers	(19,756)	(40,824)	(2,496)	(5,147)	(44,727)	(3,981)	(116,931)
Payments to Employees	(4,908)	(11,869)	(901)	(2,675)	(4,386)	—	(24,739)
Net Cash Provided by (Used for) Operating Activities	(5,866)	4,486	9,411	6,946	506	(46)	15,437
Cash Flows from Noncapital Financing Activities:							
Transfers In	23,299	—	1,017	—	—	—	24,316
Transfers Out	(5,261)	—	—	—	—	—	(5,261)
Distributions or Subsidies from (to) Other Organizations	4,894	—	—	—	—	—	4,894
Net Cash Provided by (Used for) Noncapital Financing Activities	22,932	—	1,017	—	—	—	23,949
Cash Flows from Capital and Related Financing Activities:							
Proceeds from Sale of Capital Bonds and Other Debts	—	—	11,815	—	—	—	11,815
Repayment of Capital Debt	(1,996)	—	(9,528)	—	—	—	(11,524)
Interest Paid on Capital Debt	(2,181)	—	—	—	—	—	(2,181)
Principal Paid for Right-to-Use Leases	(90)	(302)	(31)	—	(153)	—	(576)
Interest Paid for Right-to-Use Leases	(7)	(14)	(3)	—	(69)	—	(93)
Acquisition and Construction of Capital Assets	(10,141)	(108)	(10,928)	(2,616)	(38)	(2)	(23,833)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(14,415)	(424)	(8,675)	(2,616)	(260)	(2)	(26,392)
Cash Flows from Investing Activities:							
Investment Earnings	1	—	—	—	3	—	4
Net Cash Provided by (Used for) Investing Activities	1	—	—	—	3	—	4
Net Increase (Decrease) in Cash and Cash Equivalents	2,652	4,062	1,753	4,330	249	(48)	12,998
Cash and Cash Equivalents, Beginning of Year	18,885	6,279	9,614	12,421	4,451	1,358	53,008
Cash and Cash Equivalents, End of Year	\$ 21,537	\$ 10,341	\$ 11,367	\$ 16,751	\$ 4,700	\$ 1,310	\$ 66,006

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2022
(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)	\$ (9,232)	\$ 9,932	\$ 935	\$ 417	\$ 90	\$ (59)	\$ 2,083
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Bad Debt Expense	—	(1,586)	—	—	—	—	(1,586)
Pension Expense	(483)	(1,313)	(83)	(236)	—	—	(2,115)
OPEB Expense	(496)	(1,408)	(83)	(168)	—	—	(2,155)
Depreciation and Amortization	7,032	685	9,109	5,474	239	3	22,542
Changes in Assets, Liabilities, and Deferred Outflow of Resources:							
Receivables	(1,468)	2,716	(164)	848	(199)	(67)	1,666
Inventories	67	(420)	—	—	—	—	(353)
Other Assets	—	—	(49)	—	9	—	(40)
Accounts Payable and Accrued Liabilities	(853)	(2,223)	(197)	821	367	77	(2,008)
Other Liabilities	121	(713)	(51)	35	—	—	(608)
Deferred Outflows of Resources	(554)	(1,184)	(6)	(245)	—	—	(1,989)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (5,866)</u>	<u>\$ 4,486</u>	<u>\$ 9,411</u>	<u>\$ 6,946</u>	<u>\$ 506</u>	<u>\$ (46)</u>	<u>\$ 15,437</u>
Schedule of Non-Cash Capital and Financing Activities:							
Right-to-Use Lease Asset	\$ 223	\$ 560	\$ 93	\$ —	\$ 1,581	\$ —	\$ 2,457

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 Prepaid Tuition and Savings Program: The Program, which is comprised of the Prepaid Tuition Trust Fund and the College Prepaid Tuition and Savings Program Administrative Account, is responsible for providing individuals and organizations the opportunity to prepay future college tuition and mandatory fees at West Virginia public and private colleges and universities and to offer a comprehensive state-sponsored college savings plan. Prices for contracts are based on weighted-average tuition and mandatory fees as determined annually by the Program's consulting actuaries and its Board. In March 2003, the West Virginia Legislature closed the Prepaid Tuition Program to new contracts until the Legislature authorizes the Program to reopen. All contract holders will continue to pay any amounts due, including monthly installments, penalties and fees, and the Prepaid Tuition Program will continue to pay all benefits due. During fiscal year 2015, the Board voted to close the Prepaid Tuition Program on June 30, 2022. Any funds not distributed to account holders or beneficiaries who cannot be located at the time will be transferred to the West Virginia unclaimed property division where the rightful owner can claim the funds at any time.

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, 2022
(Expressed in Thousands):

	Business-type Activities - Enterprise Funds				
	Drinking Water Treatment Revolving Fund	Alcohol Beverage Control Administration	West Virginia Prepaid College Plan	State Entities Workers' Compensation	Total
Assets:					
Current Assets:					
Cash and Cash Equivalents	\$ 56,811	\$ 22,395	\$ 3,797	\$ 12,563	\$ 95,566
Receivables, Net	8,064	535	129	16	8,744
Inventories	—	50	—	—	50
Other Assets	—	—	—	12,921	12,921
Restricted Assets:					
Receivables, Net	—	766	—	—	766
Total Current Assets	64,875	23,746	3,926	25,500	118,047
Noncurrent Assets:					
Receivables, Net	139,980	—	—	—	139,980
Restricted Assets:					
Receivables, Net	—	1,634	—	—	1,634
Capital Assets, Net	—	2,599	—	—	2,599
Net Pension Asset	—	1,563	230	—	1,793
Net OPEB Asset	—	23	2	—	25
Total Noncurrent Assets	139,980	5,819	232	—	146,031
Total Assets	204,855	29,565	4,158	25,500	264,078
Deferred Outflows of Resources:					
Related to Pensions	—	757	123	—	880
Related to OPEB	—	106	29	—	135
Total Deferred Outflows of Resources	—	863	152	—	1,015
Liabilities:					
Current Liabilities:					
Accounts Payable	—	4,386	62	—	4,448
Accrued and Other Liabilities	—	270	—	—	270
Due to Component Units	36	—	—	—	36
Insurance and Compensation Benefits Obligations	—	—	—	6,300	6,300
Compensated Absences	—	—	61	—	61
Total Current Liabilities	36	4,656	123	6,300	11,115
Noncurrent Liabilities:					
Insurance and Compensation Benefits Obligations	—	—	—	7,800	7,800
Net OPEB Liability	—	—	—	—	—
Compensated Absences	—	265	7	—	272
Total Noncurrent Liabilities	—	265	7	7,800	8,072
Total Liabilities	36	4,921	130	14,100	19,187
Deferred Inflows of Resources:					
Related to Pensions	—	2,031	307	—	2,338
Related to OPEB	—	903	86	—	989
Total Deferred Inflows of Resources	—	2,934	393	—	3,327
Net Position:					
Net Investment in Capital Assets	—	2,600	—	—	2,600
Restricted for:					
General Government Operations	—	—	3,554	—	3,554
Lending Activities	204,819	2,400	—	—	207,219
Insurance Activities	—	—	—	11,400	11,400
Unrestricted	—	17,572	233	—	17,805
Total Net Position	\$ 204,819	\$ 22,572	\$ 3,787	\$ 11,400	\$ 242,578

**Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	Business-type Activities - Enterprise Funds				
	Drinking Water Treatment Revolving Fund	Alcohol Beverage Control Administration	West Virginia Prepaid College Plan	State Entities Workers' Compensation	Total
Operating Revenues:					
Charges for Services and Sales	\$ 1,572	\$ 130,209	\$ —	\$ —	\$ 131,781
Insurance Premiums	—	—	—	10,224	10,224
Licenses, Permits, and Fees	—	3,959	1,722	—	5,681
Other	—	132	660	—	792
Total Operating Revenues	1,572	134,300	2,382	10,224	148,478
Operating Expenses:					
Cost of Sales and Services	—	98,365	—	—	98,365
Insurance Claims and Claims Adjustment Provisions	—	—	—	10,545	10,545
General and Administration	—	4,925	1,206	476	6,607
Pension Expense	—	(293)	(40)	—	(333)
OPEB Expense	—	(498)	(31)	—	(529)
Depreciation and Amortization	—	176	—	—	176
Other	6,455	—	—	—	6,455
Total Operating Expenses	6,455	102,675	1,135	11,021	121,286
Operating Income (Loss)	(4,883)	31,625	1,247	(797)	27,192
Nonoperating Revenues (Expenses):					
Interest and Other Investment Income	157	—	—	47	204
Other Nonoperating Revenues	—	91	9,237	—	9,328
Other Nonoperating Expenses	—	—	(2,540)	—	(2,540)
Total Nonoperating Revenues (Expenses), Net	157	91	6,697	47	6,992
Income (Loss) Before Transfers	(4,726)	31,716	7,944	(750)	34,184
Transfers:					
Transfers In	16,323	—	—	—	16,323
Transfers Out	—	(30,240)	—	(1,655)	(31,895)
Total Transfers	16,323	(30,240)	—	(1,655)	(15,572)
Change in Net Position	11,597	1,476	7,944	(2,405)	18,612
Net Position (Deficit), Beginning of Year	193,222	21,096	(4,157)	13,805	223,966
Net Position (Deficit), End of Year	\$ 204,819	\$ 22,572	\$ 3,787	\$ 11,400	\$ 242,578

**Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	Business-type Activities – Enterprise				
	Drinking Water Treatment Revolving Fund	Alcohol Beverage Control Administration	West Virginia College Prepaid Tuition and Savings Program	State Entities Workers' Compensation	Total
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 9,937	\$ 133,993	\$ —	\$ 18,556	\$ 162,486
Payments to Suppliers	—	(100,127)	(727)	(52)	(100,906)
Payments to Employees	—	(4,029)	(625)	—	(4,654)
Payments to Beneficiaries	—	—	(10,169)	—	(10,169)
Payments for Loans Originated	(19,447)	—	—	—	(19,447)
Payments for Premiums	—	—	—	(8,748)	(8,748)
Payments to Claimants	—	—	—	(8,632)	(8,632)
Other Operating Cash Receipts	—	—	2,059	—	2,059
Other Operating Cash Payments	(177)	—	—	(262)	(439)
Net Cash Provided by (Used for) Operating Activities	(9,687)	29,837	(9,462)	862	11,550
Cash Flows from Noncapital Financing Activities:					
Transfers In	16,323	—	—	—	16,323
Transfers Out	—	(30,240)	—	(1,655)	(31,895)
Entitlements and Grants	—	110	—	—	110
Receipts from Notes Receivable	—	766	—	—	766
Other Nonoperating Receipts	—	—	6,650	—	6,650
Net Cash Provided by (Used for) Noncapital Financing Activities	16,323	(29,364)	6,650	(1,655)	(8,046)
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	—	(877)	—	—	(877)
Net Cash Used for Capital and Related Financing Activities	—	(877)	—	—	(877)
Cash Flows from Investing Activities:					
Proceeds from Sale of Investments	—	—	2,242	—	2,242
Investment Earnings	157	—	—	32	189
Net Cash Provided by (Used for) Investing Activities	157	—	2,242	32	2,431
Net Increase (Decrease) in Cash and Cash Equivalents	6,793	(404)	(570)	(761)	5,058
Cash and Cash Equivalents, Beginning of Year	50,018	22,799	4,367	13,324	90,508
Cash and Cash Equivalents, End of Year	\$ 56,811	\$ 22,395	\$ 3,797	\$ 12,563	\$ 95,566

**Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)
(Continued)**

	Business-type Activities – Enterprise Funds				
	Drinking Water Treatment Revolving Fund	Alcohol Beverage Control Administration	West Virginia College Prepaid Tuition and Savings Program	State Entities Workers’ Compensation	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$ (4,883)	\$ 31,625	\$ 1,247	\$ (797)	\$ 27,192
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used for) Operating Activities:					
Depreciation and Amortization	—	176	—	—	176
Pension Expense	—	(293)	(40)	—	(333)
OPEB Expense	—	(498)	(31)	—	(529)
Changes in Assets, Liabilities, and Deferred Outflows and Inflows of Resources:					
Receivables	(4,804)	(307)	18	(149)	(5,242)
Inventories	—	3	—	—	3
Accounts Payable and Accrued Liabilities	—	(487)	(60)	1,800	1,253
Tuition Contracts Benefits and Expenses	—	—	(10,559)	—	(10,559)
Other Liabilities	—	—	—	8	8
Compensated Absences	—	(21)	12	—	(9)
Deferred Outflows Related to Pensions/OPEB	—	827	(49)	—	778
Pensions/OPEB	—	(2,884)	—	—	(2,884)
Deferred Inflow related to Pensions/OPEB	—	1,696	—	—	1,696
Net Cash Provided by (Used for) Operating Activities	\$ (9,687)	\$ 29,837	\$ (9,462)	\$ 862	\$ 11,550
Schedule of Noncash Capital and Financing Activities:					
Loans Originated with Principal Forgiveness Features	\$ 2,051	\$ —	\$ —	\$ —	\$ 2,051



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, 2022
(Expressed in Thousands)**

	Public Employees' Retirement System	Teachers' Retirement System	Public Safety Death, Disability, and Retirement Fund	State Police Retirement System	Judges' Retirement System	Teachers' Defined Contribution Retirement System
Assets:						
Cash and Cash Equivalents	\$ 789	\$ 3,369	\$ 33	\$ 17	\$ 31	\$ 10,109
Investments:						
Equity in Pooled Investments	8,004,836	8,980,422	767,509	289,417	259,323	—
Mutual Funds	—	—	—	—	—	603,837
Receivables, Net:						
Contributions	3,016	19,955	—	—	—	564
Participant Loans	123	712	3	—	—	637
Accounts	—	—	—	—	—	—
Due from Other Funds	2,219	1,433	—	—	—	—
Due from Component Units	—	—	—	—	—	—
Restricted Assets:						
Other Assets	—	—	—	—	—	—
Net Pension Asset	—	—	—	—	—	—
Net OPEB Asset	—	—	—	—	—	—
Total Assets	8,010,983	9,005,891	767,545	289,434	259,354	615,147
Deferred Outflows of Resources:						
Related to Pensions	—	—	—	—	—	—
Related to OPEB	—	—	—	—	—	—
Total Deferred Outflows of Resources	—	—	—	—	—	—
Liabilities:						
Accounts Payable	56	—	—	—	—	—
Accrued and Other Liabilities	3,595	4,034	340	131	112	10,029
Due to Other Funds	3	—	—	—	—	—
Due to Component Units	—	—	—	—	—	—
Insurance Claims Payable	—	—	—	—	—	—
Total Liabilities	3,654	4,034	340	131	112	10,029
Deferred Inflows of Resources:						
Related to Pensions	—	—	—	—	—	—
Related to OPEB	—	—	—	—	—	—
Total Deferred Inflows of Resources	—	—	—	—	—	—
Net Position Held in trust for:						
Restricted for:						
Pensions	8,007,329	9,001,857	767,205	289,303	259,242	605,118
Other Postemployment Benefits	—	—	—	—	—	—
Total Net Position	\$ 8,007,329	\$ 9,001,857	\$ 767,205	\$ 289,303	\$ 259,242	\$ 605,118

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
\$ 142	\$ 65	\$ 41	\$ 20	\$ 14,616	\$ 105,531	\$ 120,147
293,315	112,408	26,795	24,467	18,758,492	1,508,309	20,266,801
—	—	—	—	603,837	—	603,837
777	526	364	—	25,202	213	25,415
181	9	7	—	1,672	—	1,672
—	—	—	—	—	36,554	36,554
—	—	—	—	3,652	180	3,832
—	—	—	—	—	1,114	1,114
—	—	—	—	—	502	502
—	—	—	—	—	497	497
—	—	—	—	—	5	5
<u>294,415</u>	<u>113,008</u>	<u>27,207</u>	<u>24,487</u>	<u>19,407,471</u>	<u>1,652,905</u>	<u>21,060,376</u>
—	—	—	—	—	243	243
—	—	—	—	—	67	67
—	—	—	—	—	310	310
—	—	—	—	56	181	237
126	47	10	10	18,434	6,479	24,913
—	—	—	—	3	9,327	9,330
—	—	—	—	—	2	2
—	—	—	—	—	11,359	11,359
<u>126</u>	<u>47</u>	<u>10</u>	<u>10</u>	<u>18,493</u>	<u>27,348</u>	<u>45,841</u>
—	—	—	—	—	646	646
—	—	—	—	—	249	249
—	—	—	—	—	895	895
294,289	112,961	27,197	24,477	19,388,978	—	19,388,978
—	—	—	—	—	1,624,972	1,624,972
<u>\$ 294,289</u>	<u>\$ 112,961</u>	<u>\$ 27,197</u>	<u>\$ 24,477</u>	<u>\$ 19,388,978</u>	<u>\$ 1,624,972</u>	<u>\$ 21,013,950</u>

**Combining Statement of Changes in Fiduciary Net Position
Pension Trust and Other Employee
Benefit Trust Funds
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)**

	Public Employees' Retirement System	Teachers' Retirement System	Public Safety Death, Disability, and Retirement Fund	State Police Retirement System	Judges' Retirement System	Teachers' Defined Contribution Retirement System
Additions:						
Contributions:						
Members	\$ 81,165	\$ 95,694	\$ 26	\$ 4,395	\$ 319	\$ 5,703
Employers	167,761	128,717	44	9,428	1,052	9,536
Other	—	354,288	17,798	—	—	—
Total Contributions	<u>248,926</u>	<u>578,699</u>	<u>17,868</u>	<u>13,823</u>	<u>1,371</u>	<u>15,239</u>
Investment Income (Loss):						
Net Appreciation (Depreciation) in Fair Value of	(542,528)	(600,605)	(51,138)	(19,816)	(17,632)	(113,626)
Interest	28	61	8	1	1	30,489
Net Investment Income (Loss)	<u>(542,500)</u>	<u>(600,544)</u>	<u>(51,130)</u>	<u>(19,815)</u>	<u>(17,631)</u>	<u>(83,137)</u>
Transfers to Plan	(162)	(188)	—	—	—	—
Other Income	1,238	3,573	721	—	—	112
Total Additions	<u>(292,498)</u>	<u>(18,460)</u>	<u>(32,541)</u>	<u>(5,992)</u>	<u>(16,260)</u>	<u>(67,786)</u>
Deductions:						
Benefits Expense	489,324	877,766	51,447	5,290	5,046	—
Forfeitures	—	—	—	—	—	1,681
Refunds of Contributions	13,395	12,753	—	453	—	30,226
Administrative Expenses	3,520	3,951	340	120	112	281
Pension Expense	—	—	—	—	—	—
OPEB Expense	—	—	—	—	—	—
Transfer from Plan	(182)	—	—	—	—	(6)
Total Deductions	<u>506,057</u>	<u>894,470</u>	<u>51,787</u>	<u>5,863</u>	<u>5,158</u>	<u>32,182</u>
Change in Net Position:						
Restricted for Pension Benefits	(798,555)	(912,930)	(84,328)	(11,855)	(21,418)	(99,968)
Held in trust for Postemployment Benefits	—	—	—	—	—	—
Net Position, Beginning of Year	<u>8,805,884</u>	<u>9,914,787</u>	<u>851,533</u>	<u>301,158</u>	<u>280,660</u>	<u>705,086</u>
Net Position, End of Year	<u>\$ 8,007,329</u>	<u>\$ 9,001,857</u>	<u>\$ 767,205</u>	<u>\$ 289,303</u>	<u>\$ 259,242</u>	<u>\$ 605,118</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
\$ 5,531	\$ 2,924	\$ 2,673	\$ 615	\$ 199,045	\$ —	\$ 199,045
8,258	3,610	2,672	779	331,857	62,255	394,112
—	—	—	—	372,086	55,317	427,403
13,789	6,534	5,345	1,394	902,988	117,572	1,020,560
(19,975)	(7,672)	(1,831)	(1,661)	(1,376,484)	(103,455)	(1,479,939)
1	—	1	—	30,590	239	30,829
(19,974)	(7,672)	(1,830)	(1,661)	(1,345,894)	(103,216)	(1,449,110)
—	—	—	—	(350)	—	(350)
404	—	—	—	6,048	656	6,704
(5,781)	(1,138)	3,515	(267)	(437,208)	15,012	(422,196)
14,491	4,184	41	385	1,447,974	58,638	1,506,612
—	—	—	—	1,681	—	1,681
981	891	365	36	59,100	—	59,100
126	47	10	10	8,517	4,607	13,124
—	—	—	—	—	(85)	(85)
—	—	—	—	—	(96)	(96)
—	—	—	(162)	(350)	—	(350)
15,598	5,122	416	269	1,516,922	63,064	1,579,986
(21,379)	(6,260)	3,099	(536)	(1,954,130)	—	(1,954,130)
—	—	—	—	—	(48,052)	(48,052)
315,668	119,221	24,098	25,013	21,343,108	1,673,024	23,016,132
\$ 294,289	\$ 112,961	\$ 27,197	\$ 24,477	\$ 19,388,978	\$ 1,624,972	\$ 21,013,950



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.

**Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2022
(Expressed in Thousands)**

	West Virginia Money Market	West Virginia Government Money Market	Total
Assets:			
Cash and Cash Equivalents	\$ 479,476	\$ 191,231	\$ 670,707
Total Assets	<u>\$ 479,476</u>	<u>\$ 191,231</u>	<u>\$ 670,707</u>
Net Position:			
Held in Trust for External Investment Pool Participants	\$ 479,476	\$ 191,231	\$ 670,707
Total Net Position	<u>\$ 479,476</u>	<u>\$ 191,231</u>	<u>\$ 670,707</u>

**Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Year Ended June 30, 2022
(Expressed in Thousands)**

	West Virginia Money Market	West Virginia Government Money Market	Total
Additions:			
Deposits, Pool Participants	\$ 437,256	\$ 253,201	\$ 690,457
Investment Income:			
Net Appreciation in Fair Value of Investments	338	374	712
Total Additions	<u>437,594</u>	<u>253,575</u>	<u>691,169</u>
Deductions:			
Withdrawals	<u>377,607</u>	<u>274,656</u>	<u>652,263</u>
Change in Net Position Held in Trust for External Investment Pool Participants	59,987	(21,081)	38,906
Net Position, Beginning of Year	<u>419,489</u>	<u>212,312</u>	<u>631,801</u>
Net Position, End of Year	<u>\$ 479,476</u>	<u>\$ 191,231</u>	<u>\$ 670,707</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.

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, 2022
(Expressed in Thousands)**

	Local Government		Other Agency			Total
	Local Government	Municipal Bond Commission	Consolidated Investment Pool	Patient Injury Compensation Fund	Other Custodial Funds	
Assets:						
Current Assets:						
Cash and Cash Equivalents	\$ 2,581	\$ 3,070	\$ 77,048	\$ 56	\$ 18,926	\$ 101,681
Investments	—	—	11,021	—	—	11,021
Receivables, Net	—	—	16	—	—	16
Due from Other Funds	391	—	—	—	—	391
Total Assets	2,972	3,070	88,085	56	18,926	113,109
Liabilities:						
Current Liabilities:						
Due to Other Governments	2,972	3,070	—	—	8,089	14,131
Custodial Liabilities	—	—	—	56	10,837	10,893
Total Liabilities	2,972	3,070	—	56	18,926	25,024
Net Position:						
Restricted for:						
Individuals, Organizations and other Governments	—	—	88,085	—	—	88,085
Total Net Position	\$ —	\$ —	\$ 88,085	\$ —	\$ —	\$ 88,085

- 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, 2022
(Expressed in Thousands)**

	<u>Local Government</u>	<u>Municipal Bond Commission</u>	<u>Consolidated Investment Pool</u>	<u>Patient Injury Compensation Fund</u>	<u>Other Custodial Funds</u>	<u>Total</u>
Additions:						
Funds Received for Local Governments	\$ 1,408,068	\$ —	\$ —	\$ —	\$ —	\$ 1,408,068
Grants Received for Local Governments	—	—	—	—	84,690	84,690
Funds Received for Individuals and Organizations	—	—	—	4,236	192,231	196,467
Collateral Received and Related Additions	—	—	80,745	—	—	80,745
Taxes Collected for Other Governments	—	862,349	—	—	—	862,349
Total Additions	1,408,068	862,349	80,745	4,236	276,921	2,632,319
Deductions:						
Funds Disbursed to Local Governments	1,408,068	—	—	—	—	1,408,068
Grants disbursed to Local Governments	—	—	—	—	84,690	84,690
Funds disbursed to Individuals and Organizations	—	—	—	4,236	192,231	196,467
Collateral Disbursed and Related Deductions	—	—	54,826	—	—	54,826
Taxes Disbursed to Local Governments	—	862,349	—	—	—	862,349
Total Deductions	1,408,068	862,349	54,826	4,236	276,921	2,606,400
Change in Net Position Restricted For:						
Individuals and Organizations	—	—	25,919	—	—	25,919
Net Position, Beginning of Year	—	—	62,166	—	—	62,166
Net Position, End of Year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 88,085</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 88,085</u>



DISCRETELY PRESENTED COMPONENT UNITS

Nonmajor Component Units

Educational Broadcasting Authority: The Authority 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.

Jobs Investment Trust: The Board is responsible for improving and promoting economic development in the State. It can issue loans to businesses that will stimulate economic growth and provide or retain jobs in the State.

West Virginia State Rail Authority: The Authority is responsible for the rehabilitation, improvement, and restoration of the financial stability of the railway system in the State, enabling it to remain a viable mode of transportation for the public sector. The Authority, empowered to issue bonds and set rates for the rail system, additionally receives federal and state grants to supplement the cost of operations.

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, 2022
(Expressed in Thousands)**

	Educational Broadcasting Authority	Job Investment Trust	WV State Rail Authority
Assets:			
Current Assets:			
Cash and Cash Equivalents	\$ 7,413	\$ 7,656	\$ 6,773
Investments	3,233	—	—
Receivables, Net	371	370	56
Due from Primary Government	4,229	—	202
Inventories	—	—	17
Other Assets	—	—	—
Restricted Assets:			
Cash and Cash Equivalents	146	—	—
Receivables, Net	—	—	—
Total Current Assets	<u>15,392</u>	<u>8,026</u>	<u>7,048</u>
Noncurrent Assets:			
Investments	—	2,318	—
Receivables, Net	1,324	2,451	—
Other Assets	—	6	—
Net Pension Asset	1,463	193	260
Net OPEB Asset	20	1	4
Restricted Assets:			
Cash and Cash Equivalents	1,242	—	—
Receivables, Net	—	—	—
Other Restricted Assets	312	—	—
Right-to-Use Lease Asset, Net	133	—	—
Capital Assets, Net	5,500	34	36,990
Total Noncurrent Assets	<u>9,994</u>	<u>5,003</u>	<u>37,254</u>
Total Assets	<u>25,386</u>	<u>13,029</u>	<u>44,302</u>
Deferred Outflows of Resources:			
Related to Pensions	707	100	128
Related to OPEB	86	18	17
Total Deferred Outflows of Resources	<u>793</u>	<u>118</u>	<u>145</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	286	10	23
Accrued and Other Liabilities	—	65	104
Due to Primary Government	15	—	193
Unearned Revenue	725	—	3
Right-to-Use Lease Liability	19	—	—
Compensated Absences	200	—	101
Total Current Liabilities	<u>1,245</u>	<u>75</u>	<u>424</u>
Noncurrent Liabilities:			
Accrued and Other Liabilities	—	—	—
Unearned Revenue	—	—	36
Liabilities Payable from Restricted Assets	—	—	—
Right-to-Use Lease Liability	124	—	—
Compensated Absences	—	—	—
Total Noncurrent Liabilities	<u>124</u>	<u>—</u>	<u>36</u>
Total Liabilities	<u>1,369</u>	<u>75</u>	<u>460</u>
Deferred Inflows of Resources:			
Related to Pensions	1,923	251	337
Related to Other Post-Employment Benefits	780	52	146
Related to Leases	1,328	—	—
Total Deferred Inflows of Resources	<u>4,031</u>	<u>303</u>	<u>483</u>
Net Position:			
Net Investment in Capital Assets	5,490	34	36,989
Restricted for:			
Nonexpendable	312	—	—
Specific Component Unit Purposes	—	—	—
Unrestricted	14,977	12,735	6,515
Total Net Position	<u>\$ 20,779</u>	<u>\$ 12,769</u>	<u>\$ 43,504</u>

Solid Waste Management Board	Racing Commission	Public Defender Corporation	Municipal Pensions Oversight Board	Total
\$ 3,425	\$ 1,166	\$ 11,816	\$ 30,566	\$ 68,815
—	—	—	—	3,233
259	68	303	—	1,427
—	1	—	—	4,432
—	—	—	—	17
1	—	79	—	80
3,852	16,949	—	—	20,947
67	468	—	—	535
<u>7,604</u>	<u>18,652</u>	<u>12,198</u>	<u>30,566</u>	<u>99,486</u>
—	—	—	—	2,318
—	—	—	—	3,775
—	—	—	—	6
271	878	6,360	129	9,554
2	7	58	1	93
—	—	—	—	1,242
871	—	—	—	871
—	—	—	—	312
—	—	1,487	—	1,620
—	2	629	8	43,163
<u>1,144</u>	<u>887</u>	<u>8,534</u>	<u>138</u>	<u>62,954</u>
<u>8,748</u>	<u>19,539</u>	<u>20,732</u>	<u>30,704</u>	<u>162,440</u>
134	425	3,202	60	4,756
24	24	420	23	612
<u>158</u>	<u>449</u>	<u>3,622</u>	<u>83</u>	<u>5,368</u>
116	464	—	2	901
—	141	407	26	743
—	14	—	—	222
—	—	833	—	1,561
—	—	357	—	376
—	—	—	—	301
<u>116</u>	<u>619</u>	<u>1,597</u>	<u>28</u>	<u>4,104</u>
200	—	—	—	200
—	—	—	—	36
—	16,949	—	—	16,949
—	—	1,154	—	1,278
65	183	1,029	—	1,277
<u>265</u>	<u>17,132</u>	<u>2,183</u>	<u>—</u>	<u>19,740</u>
<u>381</u>	<u>17,751</u>	<u>3,780</u>	<u>28</u>	<u>23,844</u>
354	1,144	8,394	168	12,571
87	312	2,299	27	3,703
—	—	—	—	1,328
<u>441</u>	<u>1,456</u>	<u>10,693</u>	<u>195</u>	<u>17,602</u>
—	—	639	8	43,160
—	—	—	—	312
4,591	—	—	30,556	35,147
3,493	781	9,242	—	47,743
<u>\$ 8,084</u>	<u>\$ 781</u>	<u>\$ 9,881</u>	<u>\$ 30,564</u>	<u>\$ 126,362</u>

Combining Statement of Activities
Nonmajor Discretely Presented Component Units
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue
Component Units:				
Educational Broadcasting Authority	\$ 8,845	\$ 3,472	\$ 2,777	\$ (2,596)
Jobs Investment Trust	565	449	—	(116)
WV State Rail Authority	5,533	2,156	—	(3,377)
Solid Waste Management Board	2,352	2,674	—	322
Racing Commission	2,328	2,662	—	334
Public Defender Corporation	15,699	—	105	(15,594)
Municipal Pensions Oversight Board	20,528	—	—	(20,528)
Total Component Units	<u>\$ 55,850</u>	<u>\$ 11,413</u>	<u>\$ 2,882</u>	<u>\$ (41,555)</u>

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, Beginning of Year, as Restated	Net Position, End of Year
\$ 626	\$ 3,725	\$ 164	\$ —	\$ 4,515	\$ 1,919	\$ 18,860	\$ 20,779
13	—	1	—	14	(102)	12,871	12,769
—	—	(1)	1,751	1,750	(1,627)	45,131	43,504
2	—	—	—	2	324	7,760	8,084
—	—	800	—	800	1,134	(353)	781
2	—	63	21,985	22,050	6,456	3,425	9,881
—	—	—	21,437	21,437	909	29,655	30,564
<u>\$ 643</u>	<u>\$ 3,725</u>	<u>\$ 1,027</u>	<u>\$ 45,173</u>	<u>\$ 50,568</u>	<u>\$ 9,013</u>	<u>\$ 117,349</u>	<u>\$ 126,362</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.

	Page #
Schedule 1 – Net Position by Component	282
Schedule 2 – Changes in Net Position	284
Schedule 3 – Fund Balances – Governmental Funds	288
Schedule 4 – Changes in Fund Balances – Governmental Funds	290

Revenue Capacity Information – These schedules contain trend information to help the reader understand the State’s capacity to raise revenues and the sources of those revenues.

Schedule 5 – Revenue Base	292
Schedule 6 – Revenue Rates	294
Schedule 7 – Revenue Payers by Industry/Category	296

Debt Capacity Information – These schedules contain trend information to help the reader understand the State’s outstanding debt, the capacity to repay that debt, and the ability to issue additional debt in the future.

Schedule 8 – Ratios of Outstanding Debt	298
Schedule 9 – Pledged Revenue Coverage	300

Demographic and Economic Information – These schedules offer indicators to help the reader understand the environment within which the government’s financial activities take place.

Schedule 10 – Demographic and Economic Indicators	308
Schedule 11 – Principal Employers	310
Schedule 12 – Education Enrollment	311

Operating Information – These schedules assist the reader in evaluating the size, efficiency, and effectiveness of the State’s government.

Schedule 13 – State Employees by Function	312
Schedule 14 – Operating Indicators by Function	314
Schedule 15 – Capital Assets Statistics by Function	316

Miscellaneous Statistics – This information may provide the reader with more insight into the State’s financial and demographic status.

Schedule 16 – Miscellaneous Statistics	318
--	-----

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)

	2022	2021	2020	2019
Governmental Activities				
Net Investment in Capital Assets	\$ 9,119,557	\$ 9,139,616	\$ 9,192,701	\$ 9,005,297
Restricted	1,557,217	1,430,320	1,188,896	1,251,729
Unrestricted Net Position (Deficit)	574,051	(1,991,434)	(3,423,609)	(3,337,234)
Total Governmental Activities				
Net Position	\$ 11,250,825	\$ 8,578,502	\$ 6,957,988	\$ 6,919,792
Business-Type Activities				
Net Investment in Capital Assets	\$ 3,113	\$ 1,965	\$ 2,001	\$ 1,821
Restricted	2,356,490	2,110,728	1,777,494	1,972,374
Unrestricted Net Position (Deficit)	170,279	405,599	389,829	354,405
Total Business-type Activities				
Net Position (Deficit)	\$ 2,529,882	\$ 2,518,292	\$ 2,169,324	\$ 2,328,600
Primary Government				
Net Investment in Capital Assets	\$ 9,122,670	\$ 9,141,581	\$ 9,194,702	\$ 9,007,118
Restricted	3,913,707	\$ 3,541,048	2,966,390	3,224,103
Unrestricted Net Position (Deficit)	744,330	\$ (1,585,835)	(3,033,780)	(2,982,829)
Total Primary Government				
Net Position	\$ 13,780,707	\$ 11,096,794	\$ 9,127,312	\$ 9,248,392

2018	2017	2016	2015	2014	2013
\$ 8,875,443	\$ 8,996,053	\$ 8,986,789	\$ 8,890,142	\$ 8,791,243	\$ 8,620,814
953,572	402,490	422,147	439,118	367,636	407,011
(4,119,293)	(4,455,964)	(4,563,114)	(4,718,599)	(17,631)	78,335
\$ 5,709,722	\$ 4,942,579	\$ 4,845,822	\$ 4,610,661	\$ 9,141,248	\$ 9,106,160
\$ 2,676	\$ 2,863	\$ 2,940	\$ 2,963	\$ 3,175	\$ 3,392
1,895,646	1,809,614	1,741,004	1,813,975	1,812,958	1,792,845
333,239	282,812	201,954	201,022	41,180	(222,728)
\$ 2,231,561	\$ 2,095,289	\$ 1,945,898	\$ 2,017,960	\$ 1,857,313	\$ 1,573,509
\$ 8,878,119	\$ 8,998,916	\$ 8,989,729	\$ 8,893,105	\$ 8,794,418	\$ 8,624,206
2,849,218	2,212,104	2,163,151	2,253,093	2,180,594	2,199,856
(3,786,054)	(4,173,152)	(4,361,160)	4,567,049	23,549	(144,393)
\$ 7,941,283	\$ 7,037,868	\$ 6,791,720	\$ 6,628,621	\$ 10,998,561	\$ 10,679,669

*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)

	2022	2021	2020	2019
Governmental Activities:				
Expenses:				
Legislative	\$ 22,161	\$ 21,755	\$ 22,565	\$ 21,399
Judicial	68,095	111,998	136,383	122,394
Executive	622,666	714,308	368,025	279,266
Administration	287,847	241,868	279,823	203,481
Commerce	157,407	233,403	194,690	163,112
Environmental Protection	123,749	88,978	103,259	115,131
Employment Programs	59,131	211,110	50,785	47,779
Education	2,745,843	3,064,713	2,991,209	2,704,721
Health and Human Resources	7,828,170	6,880,969	5,934,351	5,500,238
Homeland Security	395,814	515,711	559,734	461,957
Revenue	58,449	126,387	63,132	122,114
Transportation	1,463,303	1,325,447	1,386,393	1,341,573
Veterans Assistance	15,216	17,407	20,152	25,178
Senior Services	51,537	53,919	48,307	45,485
Regulatory Boards and Commissions	368,609	141,343	50,519	44,027
Tourism	37,621	—	—	—
Economic Development	559,988	—	—	—
Arts, Culture and History	36,155	—	—	—
Interest on Long-Term Debt	154,682	143,228	172,922	157,642
Interest on Lease Liability	3,064	—	—	—
Total Expenses	15,059,507	13,892,544	12,382,249	11,355,497
Program Revenues:				
Charges for Services				
Legislative	985	1,078	1,064	1,286
Judicial	1,233	1,067	907	1,026
Executive	27,248	33,892	23,619	25,710
Administration	59,244	61,505	56,118	50,744
Commerce	33,769	48,742	40,634	45,103
Environmental Protection	55,970	63,051	58,935	65,371
Employment Programs	—	—	—	—
Education	—	—	1,394	554
Health and Human Resources	62,976	61,783	84,834	64,862
Homeland Security	13,355	—	16,234	15,877
Revenue	46,634	45,958	42,173	45,962
Transportation	137,986	170,990	130,505	181,181
Veterans Assistance	284	183	324	393
Senior Services	1,260	2	2	(2)
Regulatory Boards and Commissions	42,653	19,667	36,806	37,712
Tourism	—	—	—	—
Economic Development	726	—	—	—
Arts, Culture and History	812	—	—	—
Total Charges for Services	485,135	507,918	493,549	535,779
Operating Grants and Contributions:				
Legislative	900	840	1,095	48
Judicial	2,288	2,170	2,102	3,543
Executive	1,263,082	668,297	108,510	40,152
Administration	127	—	—	(1,547)
Commerce	55,166	94,631	71,738	65,568
Environmental Protection	84,310	84,963	87,493	106,230
Employment Programs	64,560	149,770	53,462	48,391
Education	843,635	582,884	508,378	453,950
Health and Human Resources	6,535,448	5,531,583	4,509,174	4,044,403
Homeland Security	126,609	91,125	132,731	78,481
Revenue	2,021	2,740	3,040	1,833
Transportation	—	50,000	—	—
Veterans Assistance	7,602	7,050	6,761	5,947
Senior Services	28,546	26,193	25,427	23,452
Regulatory Boards and Commissions	57,146	55,435	3,262	3,180
Tourism	—	—	—	—
Economic Development	62,448	—	—	—
Arts, Culture and History	8,248	—	—	—
Total Operating Grants and Contributions	9,142,136	7,347,681	5,511,368	4,873,631
Capital Grants and Contributions:				
Administration	439	239	—	—
Homeland Security	—	—	794	38
Transportation	551,222	505,348	340,627	492,389
Veterans Assistance	2,764	2,634	2,261	2,311
Total Capital Grants and Contributions	554,425	508,221	343,682	494,738
Total Program Revenues	10,181,696	8,363,820	6,348,599	5,904,148
Total Governmental Activities Net Program Expenses	(4,877,811)	(5,528,724)	(6,033,650)	(5,451,349)

	2018	2017	2016	2015	2014	2013
\$	24,352	\$ 24,189	\$ 25,766	\$ 26,762	\$ 30,147	\$ 34,693
	136,825	134,351	133,702	126,904	143,929	129,667
	213,285	176,485	139,580	124,455	154,212	117,706
	235,485	262,684	234,542	280,007	308,685	309,009
	196,759	166,225	166,129	141,566	182,198	233,474
	112,962	173,689	84,533	109,036	150,859	168,322
	43,287	55,231	48,173	43,876	50,406	47,369
	2,669,868	2,777,727	2,708,236	2,762,735	2,924,767	3,059,791
	5,483,893	5,810,783	5,352,930	5,241,337	4,759,982	4,660,450
	479,783	502,408	417,604	412,894	424,232	446,954
	93,815	89,178	78,504	86,654	131,627	62,615
	1,150,909	1,153,708	1,183,397	1,121,182	1,148,566	1,028,742
	24,369	20,572	20,588	19,264	23,551	19,212
	44,825	41,934	44,037	49,205	45,846	47,608
	55,422	53,909	47,680	74,255	44,847	62,883
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	118,156	—	—	—	—	—
	—	110,722	112,273	123,064	119,268	125,559
	11,083,995	11,553,795	10,797,674	10,743,196	10,643,122	10,554,054
	1,277	1,268	1,431	1,436	1,440	1,550
	—	1,768	1,730	944	972	969
	19,326	18,002	14,407	22,440	24,539	21,110
	46,708	42,766	45,767	51,167	15,608	31,569
	46,986	41,017	43,541	46,972	48,312	43,882
	68,595	53,209	74,621	71,302	85,487	84,358
	—	—	—	—	—	—
	—	—	2,580	3,970	3,982	3,563
	56,589	70,812	72,849	84,731	83,974	90,383
	18,449	16,018	10,868	8,751	9,847	10,308
	44,703	42,421	42,754	50,547	33,231	30,888
	169,142	101,562	92,171	97,716	92,772	100,966
	3	—	—	—	—	—
	—	3	—	—	—	—
	41,508	42,259	26,158	31,317	31,403	25,090
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	513,286	431,105	428,877	471,293	431,567	444,636
	3,786	309	136	784	1,523	984
	2,472	2,899	1,978	2,296	1,453	491
	29,404	24,812	33,725	14,076	64,345	62,496
	—	—	3,006	50,731	43,532	48,938
	60,551	60,378	41,846	39,802	54,672	70,260
	99,742	87,674	98,312	102,018	103,557	104,386
	49,969	49,288	48,050	45,306	49,686	50,537
	435,775	440,701	451,719	443,295	405,576	420,116
	4,005,927	4,319,051	3,940,757	3,811,046	3,385,470	3,222,601
	85,058	130,128	118,282	65,630	59,304	76,807
	1,316	2,645	1,917	144	35	23
	—	—	—	—	—	—
	11,805	8,208	8,008	9,604	7,814	2,298
	22,005	22,318	23,489	22,728	22,588	22,025
	3,134	2,910	3,049	3,058	2,782	3,033
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	4,810,944	5,151,321	4,774,274	4,610,518	4,202,337	4,084,995
	2,364	1,563	2,552	—	3,180	—
	—	2,128	1,235	17,241	24,395	46,326
	369,711	526,571	452,435	373,708	—	493,949
	—	1,564	—	—	476,631	3,005
	372,075	531,826	456,222	390,949	504,206	543,280
	5,696,305	6,114,252	5,659,373	5,472,760	5,138,110	5,072,911
	(5,387,690)	(5,439,543)	(5,138,301)	(5,270,436)	(5,505,012)	(5,481,143)

Schedule 2
Changes in Net Position by Component
Last Ten Fiscal Years
 (Expressed in Thousands)
 (Continued)

	2022	2021	2020	2019
General Revenues and Other Changes in Net Position:				
Taxes:				
Personal Income	\$ 2,522,395	\$ 2,194,829	\$ 2,023,079	\$ 2,090,596
Consumer Sales	1,812,684	1,668,378	1,514,838	1,481,344
Business	1,372,786	777,371	550,918	793,067
Medicaid	278,554	266,706	235,758	239,201
Transportation	719,812	701,541	680,902	682,331
Other	403,464	379,286	384,882	393,244
Grants and Contributions not Restricted to Specific Programs	—	—	—	—
Unrestricted Investment Earnings	(118,738)	130,414	123,951	144,963
Tobacco Settlement Revenue	63,707	61,812	106,093	59,764
Lottery Revenues	372,001	389,012	266,124	348,250
Miscellaneous	143,261	628,007	176,399	395,866
Other Financing Sources	13,140			
Transfers	(32,932)	(48,118)	7,147	(30,315)
Total General Revenues and Transfers	<u>7,550,134</u>	<u>7,149,238</u>	<u>6,070,091</u>	<u>6,598,311</u>
Total Governmental Activities Changes in Net Position	<u>\$ 2,672,323</u>	<u>\$ 1,620,514</u>	<u>\$ 36,441</u>	<u>\$ 1,146,962</u>
Business-type Activities				
Expenses:				
Water Pollution Control Revolving Fund	11,232	11,291	10,739	5,316
Workers' Compensation Fund	6,365	62,049	59,151	139,992
Unemployment Compensation	117,319	1,063,978	1,415,646	164,478
West Virginia Infrastructure and Jobs Development Council	44,395	31,795	22,325	18,512
Public Employees' Insurance Agency	708,037	701,087	597,217	561,807
Board of Risk and Insurance Management	173,129	88,562	70,377	84,683
Other Activities	123,729	116,405	110,335	96,947
Total Expenses	<u>1,184,206</u>	<u>2,075,167</u>	<u>2,285,790</u>	<u>1,071,735</u>
Program Revenues:				
Charges for Services:				
Water Pollution Control Revolving Fund	6,196	5,763	5,779	5,879
Workers' Compensation Fund	1,071	2,604	1,679	18,194
Unemployment Compensation	168,180	200,836	202,465	204,789
West Virginia Infrastructure and Jobs Development Council	4,008	4,749	3,810	3,310
Public Employees' Insurance Agency	629,198	571,567	555,480	545,646
Board of Risk and Insurance Management	81,250	78,692	75,539	76,541
Other Activities	147,642	144,406	130,781	120,187
Total Charges for Services	<u>1,037,545</u>	<u>1,008,617</u>	<u>975,533</u>	<u>974,546</u>
Total Revenues	<u>1,037,545</u>	<u>1,008,617</u>	<u>975,533</u>	<u>974,546</u>
Total Business-type Activities Net Program Expenses	<u>(146,661)</u>	<u>(1,066,550)</u>	<u>(1,310,257)</u>	<u>(97,189)</u>
General Revenues and Other Changes in Net Position:				
Unrestricted Investment Earnings	(171,028)	301,195	96,412	116,396
Lottery Revenue	46,000	46,000	38,198	46,000
Miscellaneous	250,347	1,020,205	984,648	7,791
Transfers	32,932	48,118	(7,147)	30,315
Total General Revenues and Other Changes in Net Position	<u>158,251</u>	<u>1,415,518</u>	<u>1,112,111</u>	<u>200,502</u>
Total Business-type Activities Changes in Net Position	<u>\$ 11,590</u>	<u>\$ 348,968</u>	<u>\$ (198,146)</u>	<u>\$ 103,313</u>
Total Primary Government Changes in Net Position	<u>\$ 2,683,913</u>	<u>\$ 1,969,482</u>	<u>\$ (161,705)</u>	<u>\$ 1,250,275</u>

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.

2018	2017	2016	2015	2014	2013
\$ 1,939,977	\$ 1,830,106	\$ 1,849,056	\$ 1,921,597	\$ 1,771,473	\$ 1,771,481
1,355,135	1,312,353	1,291,813	1,265,957	1,216,812	1,198,983
626,743	581,896	640,081	907,362	937,751	923,575
222,859	217,665	222,578	197,692	189,111	203,421
674,795	593,158	605,403	640,135	628,989	605,768
390,773	409,426	303,770	249,102	303,889	304,693
—	—	—	—	31,078	15,896
56,933	73,552	34,380	12,259	71,178	23,287
62,930	61,426	62,697	62,105	61,337	88,327
322,845	336,294	342,702	356,401	343,220	388,888
152,806	106,526	129,760	131,023	125,770	94,150
9,667	15,204	(108,778)	(230,208)	(217,282)	(220,028)
<u>5,815,463</u>	<u>5,537,606</u>	<u>5,373,462</u>	<u>5,513,425</u>	<u>5,463,326</u>	<u>5,398,441</u>
<u>\$ 427,773</u>	<u>\$ 98,063</u>	<u>\$ 235,161</u>	<u>\$ 242,969</u>	<u>\$ (41,686)</u>	<u>\$ (82,702)</u>
4,067	3,467	4,745	6,358	9,991	10,645
117,132	134,443	202,406	44,488	129,087	105,430
142,103	169,197	509,796	225,940	274,215	380,239
35,937	23,941	60,622	71,587	29,752	17,669
537,044	552,882	542,825	577,433	573,008	490,841
61,797	66,152	67,650	72,436	67,524	57,293
98,697	98,901	103,294	108,868	110,133	114,918
<u>996,777</u>	<u>1,048,983</u>	<u>1,491,338</u>	<u>1,107,110</u>	<u>1,193,710</u>	<u>1,177,035</u>
6,061	5,995	5,850	5,725	5,611	5,011
35,905	35,738	105,897	46,272	45,099	54,817
188,153	204,496	431,717	223,836	270,784	356,531
3,344	3,095	1,940	2,591	3,076	2,771
560,051	576,153	507,419	516,689	515,987	513,982
72,270	64,587	58,303	51,940	45,959	41,243
121,484	118,471	118,985	120,634	123,772	123,710
<u>987,268</u>	<u>1,008,535</u>	<u>1,230,111</u>	<u>967,687</u>	<u>1,010,288</u>	<u>1,098,065</u>
<u>976</u>	<u>1,008,535</u>	<u>1,230,111</u>	<u>967,687</u>	<u>1,010,288</u>	<u>1,098,065</u>
<u>(9,509)</u>	<u>(40,448)</u>	<u>(261,227)</u>	<u>(139,423)</u>	<u>(183,422)</u>	<u>(78,970)</u>
99,883	167,076	31,098	29,282	175,662	94,612
48,750	31,500	42,735	37,000	57,000	57,000
6,708	6,467	6,554	7,271	17,282	6,473
<u>(9,667)</u>	<u>(15,204)</u>	<u>108,778</u>	<u>230,208</u>	<u>217,282</u>	<u>220,028</u>
<u>145,674</u>	<u>189,839</u>	<u>189,165</u>	<u>303,761</u>	<u>467,226</u>	<u>378,113</u>
<u>\$ 136,165</u>	<u>\$ 149,391</u>	<u>\$ (72,062)</u>	<u>\$ 164,338</u>	<u>\$ 283,804</u>	<u>\$ 299,143</u>
<u>\$ 563,938</u>	<u>\$ 247,454</u>	<u>\$ 163,099</u>	<u>\$ 407,327</u>	<u>\$ 242,118</u>	<u>\$ 216,441</u>

Schedule 3
Fund Balances
Governmental Funds
Last Ten Fiscal Years
(Expressed in Thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund				
Nonspendable:				
Inventories	\$ 11,115	\$ 11,425	\$ 8,954	\$ —
Receivables	116,432	125,259	122,435	—
Restricted for:				
Government Operations	59,883	21,896	109,500	—
Development, Tourism, and Recreation	6,871	2,769	7,766	109,500
Education	240	128	244	7,766
Health and Social Services	3,466	701	1,449	244
Public Protection	1,030	357	890	1,449
Committed to:				
General Government Operations	33,210	11,182	21,434	—
Rainy Day Funds	—	996,893	862,766	763,388
Development, Tourism, and Recreation	21,201	4,106	8,084	8,084
Education	16,781	11,458	14,336	12,792
Health and Social Services	32,912	13,652	22,521	22,521
Public Protection	4,169	1,890	4,937	4,937
Assigned for:				
Government Operations	7,214	5,545	8,491	7,967
Development, Tourism, and Recreation	2,283	811	1,835	1,835
Education	1,434	362	751	751
Health and Social Services	2,522	907	2,591	2,591
Public Protection	823	325	1,600	1,600
Unassigned	3,555,421	932,900	442,363	673,649
Total General Fund	<u>\$ 3,877,007</u>	<u>\$ 2,142,566</u>	<u>\$ 1,642,947</u>	<u>\$ 1,648,385</u>
All Other Governmental Funds				
Nonspendable:				
Inventories	\$ 62,475	\$ 57,742	\$ 60,253	\$ 54,997
Permanent Fund	1,000	1,000	1,000	1,000
Receivables	—	—	—	—
Restricted for:				
Capital Projects	974,496	1,325,879	1,444,819	1,002,883
Debt Service	557,983	578,301	636,745	658,493
Government Operations				
Development, Tourism, and Recreation	73,752	78,281	62,703	65,000
Education	505	502	535	427
Public Protection	107,501	118,315	102,368	94,395
Transportation	484,513	504,595	142,157	312,280
Committed to:				
General Government Operations	6,862	6,508	5,986	5,258
Public Protection	322,173	330,075	314,622	322,358
Assigned to:				
Health and Social Services	4,126	3,904	3,762	—
Public Protection	4,924	6,093	3,598	3,877
Transportation	198,861	278,485	13,586	280,637
Unassigned	(12,274)	—	—	1,917
Total All Other Governmental Funds	<u>2,786,897</u>	<u>3,289,680</u>	<u>2,792,134</u>	<u>2,803,522</u>
Total Fund Balances, Governmental Funds	<u>\$ 6,663,904</u>	<u>\$ 5,432,246</u>	<u>\$ 4,435,081</u>	<u>\$ 4,451,907</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.

2018	2017	2016	2015	2014	2013
\$ 11,888	\$ 11,113	\$ 9,936	\$ 10,288	\$ 11,485	\$ 13,268
112,120	128,761	128,116	129,150	132,830	122,135
818	500	132	846	5,600	9,821
2,409	1,768	511	2,376	9,318	14,748
95	180	65	268	1,508	2,625
372	527	160	780	3,644	7,300
402	314	81	402	3,411	6,682
6,483	4,771	1,213	5,430	960,077	1,044,948
720,323	663,061	789,352	879,749	—	—
2,755	2,246	695	3,160	16,972	33,168
25,038	24,126	24,031	17,590	18,189	23,804
9,219	5,020	871	5,268	25,700	81,720
2,115	1,720	479	2,308	10,801	20,940
1,978	—	6,183	—	26,692	32,261
615	—	—	—	1,219	1,723
267	—	—	—	2,257	3,341
860	—	—	—	3,883	5,894
420	—	—	—	1,683	3,801
305,331	(1,231,719)	(1,324,232)	(1,284,506)	(1,284,401)	(1,102,111)
<u>\$ 1,203,508</u>	<u>\$ (387,612)</u>	<u>\$ (362,407)</u>	<u>\$ (226,891)</u>	<u>\$ (49,132)</u>	<u>\$ 326,068</u>
\$ 49,163	\$ 52,860	\$ 49,814	\$ 48,686	\$ 37,980	\$ 44,798
1,000	1,000	1,000	1,000	1,000	1,000
—	543,598	564,488	585,811	606,938	627,800
967,400	10,658	12,333	13,270	13,750	32,953
677,347	153,621	153,646	154,491	153,707	152,824
65,482	63,888	54,591	54,668	52,493	45,840
360	889	584	1,174	357	327
87,049	57,160	51,334	53,233	44,940	41,908
17,550	12,737	12,031	12,968	14,224	11,077
5,144	1,642	1,796	2,268	2,345	3,772
287,855	265,899	299,757	311,564	290,746	245,947
—	—	—	—	—	28
5,738	6,226	4,506	7,265	9,596	5,741
220,966	67,439	6,309	61,181	92,946	29,666
210,794	(13,610)	(9,953)	(9,072)	(8,797)	(6,430)
2,595,848	1,224,007	1,202,236	1,298,507	1,312,225	1,237,251
<u>\$ 3,799,356</u>	<u>\$ 836,395</u>	<u>\$ 839,829</u>	<u>\$ 1,071,616</u>	<u>\$ 1,263,093</u>	<u>\$ 1,563,319</u>

Schedule 4
Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(Expressed in Thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues:				
Taxes:				
Personal Income	\$ 2,508,884	\$ 2,196,298	\$ 2,021,193	\$ 2,084,820
Consumer Sales and Use	1,812,650	1,668,804	1,516,325	1,477,711
Severance	894,560	326,363	268,513	452,680
Corporate Net Income	346,535	317,670	155,406	205,481
Business and Occupation	110,485	131,541	134,173	129,105
Medicaid	278,211	267,979	236,292	238,773
Gasoline and Motor Carrier	422,937	404,425	410,901	444,575
Automobile Privilege	296,875	297,116	270,001	237,756
Other	403,243	379,294	384,873	393,326
Intergovernmental	8,541,855	6,853,416	5,273,610	4,871,752
Licenses, Permits, and Fees	248,956	243,371	241,191	249,476
Motor Vehicle Registration	141,471	146,836	122,972	175,565
Charges for Services	158,020	173,157	136,500	131,956
Lottery Revenues	367,107	384,118	262,156	343,356
Investment Earnings	(121,046)	155,659	137,340	159,033
Food Stamp Revenue	1,002,881	872,884	533,130	405,622
Other	245,980	748,925	253,175	468,351
Total Revenues	\$ 17,659,604	\$ 15,567,856	\$ 12,357,751	\$ 12,469,338
Expenditures:				
Current:				
Legislative	28,426	25,903	23,414	23,606
Judicial	150,671	135,586	137,777	133,023
Executive	785,832	843,107	374,699	279,425
Administration	158,554	105,099	147,210	77,139
Commerce	186,764	289,378	220,882	224,908
Environmental Protection	155,023	127,164	135,242	140,328
Employment Programs	64,338	213,160	53,426	49,383
Economic Development	473,062	—	—	—
Education	3,176,220	3,111,098	3,092,021	2,873,944
Arts, Culture, and History	36,735	—	—	—
Health and Human Resources	8,053,902	7,018,893	6,018,370	5,589,099
Homeland Security	488,555	568,532	566,560	488,369
Revenue	84,878	141,218	73,121	137,263
Tourism	35,508	—	—	—
Transportation	956,241	739,916	877,712	1,042,123
Veterans Assistance	22,199	21,025	21,517	24,811
Senior Services	52,603	54,576	48,651	45,002
Regulatory Boards and Commissions	367,606	134,791	38,763	35,534
Capital Outlay	792,076	903,605	972,659	542,106
Debt Service:				
Principal	163,133	166,750	167,020	111,090
Interest	139,111	124,227	149,247	135,867
Right-to-Use Principal	14,700	—	—	—
Right-to-Use Interest	2,962	—	—	—
Total Expenditures	16,389,099	14,724,028	13,118,291	11,953,020
Excess of Revenues Over (Under) Expenditures	1,270,505	843,828	(760,540)	203,703
Other Financing Sources (Uses):				
Face Value of Long-Term Debt Issued	—	907,600	600,000	1,186,099
Premiums on Bonds Issued	—	63,371	146,576	172,216
Right-to-Use Leases	13,140	—	—	11,737
Payments to Refunded Bonds Escrow Agents	—	(737,172)	—	(142,788)
Transfers In	143,633	278,761	192,909	163,393
Transfers Out	(195,620)	(359,223)	(197,526)	(155,288)
Total Other Financing Sources (Uses)	(38,847)	153,337	741,959	1,235,369
Net Changes in Fund Balances	\$ 1,231,658	\$ 997,165	\$ (18,581)	\$ 1,439,072
Debt service as a percentage of noncapital expenditures	1.96 %	2.01 %	2.48 %	2.10 %

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.

	2018	2017	2016	2015	2014	2013
\$	1,936,836	\$ 1,846,638	\$ 1,853,422	\$ 1,915,382	\$ 1,768,069	\$ 1,767,626
	1,355,092	1,317,452	1,293,535	1,264,716	1,211,057	1,197,317
	393,278	360,801	373,801	589,883	612,283	547,453
	109,113	120,728	152,873	189,473	202,444	230,131
	115,772	110,240	119,594	120,426	121,401	125,692
	226,212	215,558	221,717	200,408	184,666	219,568
	443,273	389,753	404,321	435,142	433,252	417,571
	231,522	203,405	201,082	204,993	195,737	188,197
	390,691	409,636	303,544	249,071	303,923	304,687
	4,696,456	5,130,386	4,702,423	4,452,997	4,160,993	4,073,257
	245,434	230,571	239,007	242,406	262,481	245,631
	156,931	109,047	94,277	103,092	99,430	93,363
	122,975	123,512	118,233	124,305	123,767	128,257
	317,140	330,589	336,938	349,853	335,075	380,052
	66,522	83,917	34,300	14,298	78,537	28,696
	451,228	490,483	496,107	494,131	479,215	513,960
	212,216	177,335	202,768	224,883	224,015	199,087
\$	11,470,691	\$ 11,650,051	\$ 11,147,942	\$ 11,175,459	\$ 10,796,345	\$ 10,660,545
	23,439	24,461	26,907	28,840	30,224	34,742
	130,832	139,774	144,091	140,847	142,859	127,804
	202,686	176,493	142,313	126,313	182,887	149,602
	111,703	148,133	126,668	155,998	159,680	155,163
	206,481	196,657	180,018	163,777	185,011	214,172
	127,757	148,139	151,537	131,371	151,742	133,541
	48,895	51,546	48,968	45,743	53,540	50,210
	—	—	—	—	—	—
	2,796,313	2,831,189	2,869,977	2,997,533	2,968,967	3,024,480
	—	—	—	—	—	—
	5,484,857	5,869,748	5,430,561	5,285,201	4,895,617	4,684,841
	478,052	525,010	495,656	461,599	466,444	490,711
	86,650	95,166	91,050	92,758	150,556	67,760
	873,276	894,409	914,909	801,658	845,679	743,613
	23,104	21,036	21,546	20,261	23,464	19,114,000
	44,295	42,029	44,253	49,439	45,919	47,669
	39,337	42,181	36,877	54,965	68,545	64,130
	365,949	364,318	359,889	335,493	302,040	465,399
	130,901	75,615	85,180	105,800	101,350	122,855
	92,461	91,238	95,180	100,348	106,307	113,136
	—	—	—	—	—	—
	—	—	—	—	—	—
	11,266,988	11,737,142	11,265,580	11,097,944	10,880,831	10,708,942
	203,703	(87,091)	(117,638)	(84,486)	(48,397)	(48,397)
	81,595	81,595	205,365	—	—	18,615
	8,640	8,640	39,273	—	—	1,025
	13,568	2,019	580	955	495	234,765
	(32,022)	—	(244,030)	—	—	(20,935)
	204,252	188,770	149,515	134,350	154,945	170,321
	(191,070)	(304,938)	(388,051)	(351,045)	(370,770)	(434,125)
	84,963	(114,149)	(237,348)	(215,740)	(215,330)	(30,334)
\$	288,666	\$ (201,240)	\$ (354,986)	\$ (354,986)	\$ (263,727)	\$ (78,731)
	1.99 %	1.43 %	1.61 %	1.86 %	1.91 %	2.23 %

Schedule 5
Revenue Base
Last Ten Years
(Expressed in Thousands)

Personal Income by Industry (Calendar Year)	2021	2020	2019	2018
Farm Earnings	\$ 32,040	\$ 28,083	\$ (27,935)	\$ (63,393)
Agricultural/Forestry, Fishing, and Other	146,870	131,019	157,191	161,474
Mining	2,472,132	2,164,045	2,671,305	2,471,086
Construction	2,994,056	2,811,942	3,311,109	4,101,799
Manufacturing	4,172,720	3,831,022	3,936,598	3,800,160
Transportation, Warehousing, and Public Utilities	2,461,407	2,343,504	2,433,754	2,341,273
Wholesale Trade	1,586,170	1,563,243	1,586,278	1,542,010
Retail Trade	3,345,766	3,073,387	3,022,118	2,964,421
Finance, Insurance, and Real Estate	16,777,919	2,280,263	2,209,851	2,094,476
Service Industries	18,933,825	17,650,527	18,092,541	17,462,559
Federal, Civilian	3,097,806	2,965,165	2,770,566	2,713,339
Military	654,487	322,107	319,932	300,274
State and Local Government	6,680,765	6,721,741	6,616,465	6,301,709
Tax Revenue (Fiscal Year)				
Consumer Sales	1,537,000	1,387,000	1,370,000	1,247,000
Personal Income	2,254,000	1,948,000	2,097,000	1,920,000
Severance	274,000	267,000	463,000	346,000
Corporate Income and Business Franchise	321,000	152,000	198,000	110,000
Motor Fuel	400,000	427,000	443,000	420,000
Automobile Privilege	297,000	270,000	238,000	232,000

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not provided. The categories presented are intended to provide alternative information regarding the sources of the State's revenue. The most current period available is 2021.

Source: Bureau of Economic Analysis, State of West Virginia Executive Budget, and the Department of Highways.

2017	2016	2015	2014	2013	2012
\$ (87,698)	\$ (99,972)	\$ (30,770)	\$ 19,745	\$ (15,408)	\$ (23,990)
158,024	158,604	160,316	102,143	97,594	90,077
2,139,297	1,897,087	2,725,768	3,423,411	3,749,493	3,947,662
3,008,747	2,689,538	2,896,798	2,857,279	2,894,652	2,857,741
3,446,282	3,408,226	3,421,537	3,601,454	3,753,280	3,666,492
2,208,615	2,151,786	2,159,353	2,127,148	2,134,739	2,097,404
1,491,856	1,467,931	1,557,478	1,539,380	1,519,306	1,537,622
2,938,849	2,972,989	2,935,939	2,941,483	3,039,500	2,948,321
1,916,253	1,865,942	1,885,393	1,956,188	2,043,981	1,894,862
16,079,925	15,551,002	15,611,983	15,033,408	14,871,664	14,559,593
2,602,306	2,498,151	2,424,565	2,349,128	2,296,812	2,281,687
285,857	277,818	272,963	299,618	327,312	344,553
6,357,743	6,351,203	6,221,514	6,210,344	6,203,760	6,055,436
1,222,000	1,231,000	1,228,000	1,173,000	1,193,000	1,216,000
1,814,000	1,803,000	1,840,000	1,664,000	1,701,000	1,689,000
321,000	276,000	414,000	489,000	410,000	468,000
116,000	144,000	186,000	204,000	238,000	188,000
381,000	396,000	435,000	441,000	409,000	387,000
203,000	201,000	205,000	196,000	188,000	186,000

**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)**

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

	2022	2021	2020	2019
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)	35.7	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

2018	2017	2016	2015	2014	2013
6.50%	6.50%	6.50%	6.50%	7.00%	8.50%
2%	2%	0%	0%	Discontinued	1%
5%	5%	5%	5%	5%	5%
various	various	various	various	various	various
6%	6%	6%	6%	6%	6%
0%	0%	0%	0%	0%	1%
35.7	35.7	34.6	34.6	34.7	33.4
6%	6%	5%	5%	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

Tax Year 2015				
Industry	Remittance	Percent of Total	Accounts	Percent of Total
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 %
Total	\$1,240,997,336	100.00 %	41,652	100.00 %

Tax Year 2006				
Industry	Remittance	Percent of Total	Accounts	Percent of Total
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 %
Total	\$1,079,890,153	100.00 %	\$ 70,377	100.00 %

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**

Income Level	Tax Liability	Percent of Total	Returns	Percent of Total
\$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 %
Total	\$1,786,262,846	100.00 %	848,136	100.00 %

Tax Year 2006

Income Level	Tax Liability	Percent of Total	Returns	Percent of Total
\$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 %
Total	\$1,336,403,174	100.00 %	\$ 762,044	100.00 %

Schedule 8
Ratios of Outstanding Debt
Last Ten Fiscal Years
(Dollars Expressed in Thousands)

	Primary Government Debt			
	2022	2021	2020	2019
Governmental Activities:				
General Obligation Bonds	\$ 1,982,665	\$ 2,057,062	\$ 1,865,314	\$ 1,182,881
Revenue Bonds	1,303,621	1,380,364	1,445,649	1,532,497
Right to Use Lease Liability	99,993	—	—	—
Other Financing Debt	29,025	27,210	32,368	32,972
Other Financing Debt Payable to Component Units	171,740	191,185	209,730	227,660
Total Governmental Activities	3,587,044	3,655,821	3,553,061	2,976,010
Enterprise Activities:				
Revenue Bonds	151,565	158,655	165,475	172,045
Total Primary Government Debt	\$ 3,738,609	\$ 3,814,476	\$ 3,718,536	\$ 3,148,055

Governmental Activities Tax Income

Year	Personal Income	Consumer Sales and Use	Business	Transportation	Other	Total
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
2014	1,771,473	1,216,812	937,751	628,989	493,000	5,048,025
2013	1,771,481	1,198,983	923,575	605,768	508,114	5,007,921

General Obligation Bond Debt Ratios

Year	General Obligation Bond Debt	Percent of Tax Income	Percent of Personal Income	Amount of Debt Per Capita*
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
2014	460,428	9.13 %	0.70 %	0.25
2013	498,776	9.96 %	0.78 %	0.27

Primary Government Debt

2018	2017	2016	2015	2014	2013
\$ 1,240,350	\$ 359,261	\$ 393,089	\$ 412,368	\$ 460,428	\$ 498,776
1,415,049	1,182,921	1,142,347	1,185,022	1,226,587	1,266,848
—	—	—	—	—	—
45,563	28,168	28,153	28,813	27,405	34,104
244,995	260,955	275,765	260,995	243,790	256,155
2,945,957	1,831,305	1,839,354	1,887,198	1,958,210	2,055,883
178,395	185,290	191,049	197,762	112,735	115,497
<u>\$ 3,124,352</u>	<u>\$ 2,016,595</u>	<u>\$ 2,030,403</u>	<u>\$ 2,084,960</u>	<u>\$ 2,070,945</u>	<u>\$ 2,171,380</u>

Total Debt Ratios

Year	Total Debt	Percent of Tax Income	Percent of Personal Income	Amount of Debt Per Capita*
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
2014	2,171,380	43.01 %	3.30 %	1.17
2013	2,171,380	43.36 %	3.39 %	1.17

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
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
2014	27,519	—	27,519	24,475	3,044	27,519	1.00
2013	27,547	—	27,547	23,370	4,177	27,547	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
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)
2014	49,441	30,909	18,533	2,710	4,845	7,555	2.45
2013	49,211	18,762	30,449	29,230	4,410	33,640	0.91

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. The Series 2007 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
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
2014	67,499	149	67,350	11,815	56,068	67,883	0.99
2013	93,889	24	93,865	36,360	58,790	95,150	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
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
2014	19,852	—	19,852	9,240	9,538	18,778	1.06
2013	20,210	—	20,210	8,850	9,944	18,794	1.08

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
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
2014	9,999	—	9,999	2,880	7,119	9,999	1.00
2013	10,000	—	10,000	2,770	7,230	10,000	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
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

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
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
2014	—	—	23,290	12,365	10,925	23,290	1.00
2013	—	—	22,681	10,885	11,796	22,681	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
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
2014	102,230	7,334	94,896	22,970	16,139	39,109	2.42
2013	130,658	7,393	123,625	25,065	20,168	45,233	2.73

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 \$440 million, the Legislature must pass a resolution authorizing this action. An additional aggregate principal amount of \$180 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 2013 include retirement of revenue bonds.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
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
2014	14,134	2,347	11,787	50,610	9,537	60,147	0.20
2013	14,538	2,723	11,815	75,830	6,886	82,716	0.14

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. During fiscal years 2011 and 2012, Higher Education had a series of revenue bond refinancings that resulted in an increase in principal and interest payments.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
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)
2014	1,625,089	1,620,246	4,843	45,900	53,211	99,111	0.05
2013	1,640,124	1,613,438	26,686	229,125	20,349	249,474	0.11

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
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
2014	89,254	72,944	16,310	5,840	3,030	8,870	1.83
2013	98,547	74,860	23,687	5,550	3,321	8,871	2.67

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	
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
2014	64,779	—	64,779	36,930	15,564	52,494	1.23
2013	58,758	—	58,758	35,275	16,047	51,322	1.14

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
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
2014	84,730	39,070	45,660	10,529	4.34
2013	83,438	35,772	47,666	11,186	4.26

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

	2021	2020	2019	2018
Population				
West Virginia	1,781,860	1,767,859	1,792,147	1,805,832
Change	0.79 %	-1.36 %	-0.76 %	-0.55 %
National	338,380,787	333,551,673	328,239,523	327,167,434
Change	1.45 %	1.62 %	0.33 %	0.44 %
Total Personal Income (Dollars in Millions)				
West Virginia	\$ 85,540	\$ 80,304	\$ 75,835	\$ 73,809
Change	6.52 %	5.89 %	2.74 %	7.18 %
National	\$ 21,056,620	\$ 19,607,447	\$ 18,542,262	\$ 17,813,035
Change	7.39 %	5.74 %	4.09 %	8.53 %
Per Capita Personal Income* (In Dollars)				
West Virginia	\$ 48,488	\$ 44,994	\$ 42,315	\$ 40,873
Change	7.77 %	6.33 %	3.53 %	7.78 %
National	\$ 63,444	\$ 59,510	\$ 56,490	\$ 54,446
Change	6.61 %	5.35 %	3.75 %	8.04 %
Median Age	42	42	42.9	42.7
Educational Attainment				
9th Grade or Less	4.1 %	4.3 %	4.2 %	3.9 %
Some High School, No Diploma	8.3 %	8.8 %	8.7 %	8.3 %
High School Diploma	40.0 %	40.3 %	40.2 %	39.7 %
Some College, No Degree	18.7 %	18.6 %	17.9 %	19.2 %
Associate, Bachelor's, or Graduate Degree	28.9 %	28.0 %	28.9 %	28.8 %
Labor Force and Employment (People in Thousands)				
Civilian Labor Force	788.8	792.2	797.0	783.3
Employed	749.1	726.0	757.9	742.2
Unemployed	39.7	66.1	39.1	41.2
Unemployment Rate	5.0 %	8.3 %	4.9 %	5.3 %
Nonfarm Wage and Salary Workers Employed in West Virginia Goods Producing Industries:				
Mining	17.5	18.0	22.4	22.6
Construction	30.9	29.8	36.0	41.1
Manufacturing-Durable Goods	26.5	26.0	28.3	28.6
Manufacturing-NonDurable Goods	19.1	18.6	18.7	18.5
Total Goods Producing Industries	94.0	92.4	105.4	110.8
Non-Goods Producing Industries (people in thousands)				
Trade	97.3	95.6	100.6	103.0
Service	347.8	337.4	361.7	359.7
State and Local Government	121.4	122.9	127.9	129.1
Federal Government	25.2	25.0	24.0	23.5
Total Non-Goods Producing Industries	591.7	580.9	614.2	615.3
Total Nonfarm Wage and Salary Employment	685.7	673.3	719.6	726.1

The most current period available is 2021.

*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.

2017	2016	2015	2014	2013	2012
1,815,857 (83.00)%	1,831,102 (0.71)%	1,844,128 (0.33)%	1,850,326 (0.21)%	1,854,304 (0.06)%	1,855,413 — %
325,719,178 80.00 %	323,127,513 0.53 %	321,418,820 0.80 %	318,857,056 0.86 %	316,128,839 0.70 %	313,914,040 0.75 %
\$ 68,864 2.69 %	\$ 67,062 (1.07)%	\$ 67,787 1.39 %	\$ 66,857 1.45 %	\$ 65,889 3.00 %	\$ 63,968 2.88 %
\$ 16,413,551 3.15 %	\$ 15,912,777 2.90 %	\$ 15,463,981 5.32 %	\$ 14,683,147 3.62 %	\$ 14,151,427 5.59 %	\$ 13,401,869 3.24 %
\$ 37,924 3.55 %	\$ 36,624 0.13 %	\$ 36,578 1.23 %	\$ 36,132 1.66 %	\$ 35,533 3.06 %	\$ 34,477 2.88 %
\$ 50,392 2.33 %	\$ 49,246 2.36 %	\$ 48,112 4.48 %	\$ 46,049 2.79 %	\$ 44,765 4.85 %	\$ 42,693 2.47 %
38.0	42.2	41.8	41.3	41.3	41.3
5 %	4 %	5 %	5.0 %	5.4 %	5.6 %
8.4 %	9.6 %	9.8 %	9.9 %	10.0 %	9.9 %
41.2 %	39.7 %	40.7 %	41.1 %	40.2 %	40.6 %
18.6 %	18.1 %	18.5 %	18.4 %	18.6 %	19.0 %
27.3 %	28.2 %	25.7 %	25.7 %	25.7 %	25.0 %
773.8	771.8	776.0	787.8	797.4	805.0
733.4	732.5	730.1	733.5	744.6	746.0
40.4	39.3	45.9	54.3	52.8	59.0
5.2 %	5.1 %	5.9 %	690.0 %	6.6 %	7.3 %
21.8	20.7	23.7	25.5	33.3	33.7
34.0	29.5	31.2	27.7	31.9	35.6
28.8	27.5	28.0	28.9	30.1	29.6
18.4	18.7	18.9	18.8	18.9	19.6
103.0	96.4	101.8	100.9	114.2	118.5
107.3	109.4	112.4	107.9	108.8	111.0
389.9	389.0	397.9	389.6	398.4	381.7
132.9	134.8	132.2	130.0	132.8	130.7
23.6	23.9	23.4	22.2	23.2	23.3
653.7	657.1	665.9	649.7	663.2	646.7
756.7	753.5	767.7	750.6	777.4	765.2

Schedule 11
Principal Employers
Current Year and Nine Years Ago

Estimated as of June 30, 2022

Major West Virginia Employers	Number of Employees	Percentage of Total Employed
Local Government	70,000-74,999	9.53%
State Government	40,000-44,999	5.73%
Federal Government	25,000-30,000	3.44%
WVU MEDICINE (formerly West Virginia United Health System)	14,000-19,999	2.27%
Wal-Mart Associates, Inc.	11,000-13,999	1.72%
Charleston Area Medical Center, Inc.	7,000-10,999	1.24%
Mountain Health System	6,000-6,999	0.41%
Kroger	4,000-5,999	0.41%
Lowe's Home Centers , Inc.	2,000-3,999	0.41%
Contura Energy	2,000-3,999	0.41%
Mon Health	2,000-3,999	0.41%
American Consolidated Natural Resources, Inc.	2,000-3,999	0.41%
Mylan Pharmaceuticals, Inc.	2,000-3,999	0.41%

Estimated as of June 30, 2013

Major West Virginia Employers	Number of Employees	Percentage of Total Employed
Local Government	75,000-79,999	10.47%
State of West Virginia	40,000-44,999	5.77%
Federal Government	20,000-24,999	3.14%
Wal-Mart Associates, Inc.	10,000-13,000	1.56%
West Virginia United Health System	7,000-9,999	1.15%
Charleston Area Medical Center, Inc.	5,000-6,999	0.82%
Kroger	3,000-4,999	0.54%
Consolidated Coal Company	3,000-4,999	0.54%
Lowe's Home Centers, Inc.	1,000-2,999	0.27%
Mylan Pharmaceuticals, Inc.	1,000-2,999	0.27%
Mentor Management, Inc	1,000-2,999	0.27%
St. Mary's Hospital	1,000-2,999	0.27%
American Electric Power	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

Year	Elementary (Pre-K to 6)	Secondary (7 to 12)	Total All Grades
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
2013-14	160,112	120,901	281,013
2012-13	160,721	121,589	282,310

Higher Education Enrollment Colleges and Universities

Year	Public		Independent	
	Enrollment	Number of Certificates and Degrees	Enrollment	Number of Certificates and Degrees
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
2013-14	90,028	18,012	8,496	1,772
2012-13	92,140	16,938	8,758	2,425

*This information was not available for FY 21 and FY 22.

Sources: West Virginia Board of Education and West Virginia Higher Education Policy Commission

Schedule 13
State Employees by Function
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Executive	849	861	885	849
Legislative	164	160	174	164
Judicial	1,170	1,155	1,145	1,118
Administration	906	936	939	910
Commerce				
Division of Natural Resources (Parks)	665	703	701	683
Tourism and Development	146	147	145	132
WORKFORCE West Virginia	329	326	278	287
Other	326	337	338	344
Environmental Protection	745	764	778	761
Education and the Arts				
Department of Education	510	505	505	511
School for Deaf and Blind	108	138	155	163
Rehabilitation Services	390	403	412	442
Higher Education	10,865	10,632	10,636	10,519
Other	181	186	187	205
Revenue	800	865	873	891
Health & Human Services	4,737	5,096	5,215	5,132
Homeland Security				
Corrections and Rehabilitation*	2,756	3,109	3,334	3,362
Juvenile Services*	—	—	—	—
State Police	807	879	946	999
Regional Jail Authority*	—	—	—	—
Other	812	274	745	703
Veterans Assistance	206	201	208	228
Transportation	5,824	5,976	6,042	5,648
Miscellaneous**	481	1,061	490	494
Total	<u>33,777</u>	<u>34,714</u>	<u>35,131</u>	<u>34,545</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.

2018	2017	2016	2015	2014	2013
852	857	899	931	920	932
157	164	182	189	210	213
1,118	1,137	1,072	1,109	1,079	1,055
923	895	927	914	908	889
690	696	701	703	741	748
143	147	144	141	146	163
291	320	332	365	390	391
332	321	379	379	428	441
753	794	811	850	883	855
520	473	511	507	528	550
162	160	158	161	178	174
476	528	532	539	558	531
10,510	10,556	10,501	11,633	11,676	11,717
200	229	267	259	268	280
894	905	953	987	1,028	1,062
5,402	5,250	5,437	5,463	5,514	5,630
3,313	1,885	1,987	1,688	1,839	1,760
14	466	549	516	511	676
997	984	1,025	1,050	1,037	1,024
18	846	935	948	971	911
687	660	610	591	569	620
230	223	210	207	226	246
5,519	5,530	5,646	5,629	5,723	5,876
484	483	511	519	535	533
34,685	34,509	35,279	36,278	36,866	37,277

**Schedule 14
Operating Indicators by Function
Last Ten Fiscal Years**

	2022	2021	2020
Department of Transportation			
Division of Highways			
Total highway construction projects authorized	462	995	851
Number of roadway resurfacing projects	106	537	217
Highway mileage resurfaced (in miles)	261	1,508	718
WORKFORCE West Virginia (Employment Programs)			
Applications processed for job seekers (in thousands)	95	14	105
Filled job openings	244	80	858
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 and Human Resources			
Number of food stamp recipients	311,755	301,342	294,346
Number of food stamps issued	74,399,186	61,135,695	38,585,136
Medicaid enrollees	673,821	631,568	622,943
Counties enrolled in managed care	100 %	100 %	100 %
Child support collections (in millions)	\$175	\$182	\$207
Students served by school-based health clinics	39,550	36,761	45,254
Division of Natural Resources			
Attendance at State Parks (in millions)	7.3	6.9	6.7
Hunting and Fishing License Sales (calendar year)	1,300,516	891,774	883,964
Individuals whitewater rafting on rivers (calendar year)	141,762	112,372	136,779
Department of Environmental Protection			
Division of Air Quality			
Number of air quality inspections	555	521	815
Average days open per complaint	6.28	6.82	7.55
Division of Land Restoration Programs			
Organizations that adopted highways	82	38	38
Division of Mining and Reclamation			
Surface mine blasting examinations and certifications	211	57	145
Surface mine mineral extractions inspections	18,158	23,707	23,500
Number of acres reclaimed through reclamation and restoration of land	1,768	2,874	2,989
Office of Miners Health and Safety (Calendar Year)			
Total Safety Inspections	4,442	5,190	6,107
Violations issued by mine Inspectors	7,177	6,145	9,227
Lost time injuries of mining personnel	674	377	488
Department of Military Affairs and Public Safety			
Division of Corrections and Rehabilitation			
Adult inmate housing capacity	10,283	10,291	10,291
Inmate employment (Prison Industries)	252	231	265
Youth successfully completed programs/returned to community (Calendar Year)	47	74	129
Veterans' Home			
Average daily number of residents	78	74	76
Average daily cost per resident	\$116.44	\$ 110.84	\$ 117.51
Bureau of Senior Services			
Persons served under Medicaid Aged and Disabled Waiver	8,434	7,884	7,026

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.

2019	2018	2017	2016	2015	2014	2013
1,014	1,213	813	1,042	891	757	806
461	595	294	519	483	325	348
1,318	1,816	1,140	1,729	1,481	975	1,067
104	117	114	96	102	114	141
1,576	2,396	3,147	2,969	3,235	3,725	4,673
N/A	N/A	N/A	N/A	N/A	N/A	8.00 %
N/A	N/A	N/A	N/A	N/A	N/A	63.72 %
N/A	N/A	N/A	N/A	N/A	N/A	89.09 %
289,359	304,952	322,086	333,938	360,266	351,392	342,831
33,602,760	37,312,477	40,337,523	40,796,612	40,995,643	39,975,707	41,335,676
616,834	650,686	651,031	649,111	632,808	551,682	410,770
100 %	100 %	100 %	100 %	100 %	100 %	100 %
\$194	\$184	\$189	\$214	\$212	\$208	\$209
44,868	45,682	37,456	29,045	28,053	24,391	20,708
6.5	6.6	6.8	7.1	7.0	7.0	7.0
854,434	830,309	852,909	868,658	913,578	927,069	911,219
136,233	119,675	136,128	131,022	134,170	130,192	140,027
812	524	470	583	546	700	550
7.79	6.53	8.60	6.80	8.24	17.00	9.75
88	52	74	1,835	1,301	1,256	1,227
188	273	234	147	134	111	114
18,241	9,639	18,935	19,739	20,205	21,086	21,790
1,048	204,453	891	527	398	700	1,202
5,365	5,486	5,328	5,002	5,750	6,751	6,690
9,748	9,495	7,205	7,527	8,767	11,415	13,267
500	442	369	355	584	639	570
5,998	6,106	5,956	5,989	5,987	5,923	5,778
271	251	244	245	240	244	250
145	182	196	188	166	179	180
82	82	70	74	81	87	86
\$96.98	\$107.05	\$112.44	\$107.02	\$97.62	\$97.15	\$107.14
6,842	6,419	6,151	6,385	6,455	6,208	7,107

Schedule 15
Capital Assets Statistics by Function
Last Ten Fiscal Years

	2022	2021	2020	2019
Vehicles				
Executive	195	195	190	190
Judicial	18	17	19	19
Administration				
Agency-Owned	3,094	3,004	2,950	2,776
Leased to other agencies	—	—	—	—
Totals	3,094	3,004	2,950	2,776
Revenue	—	—	—	—
Commerce				
Division of Natural Resources	537	539	535	525
Division of Forestry	87	89	92	99
Others	13	8	8	8
Total Commerce	637	636	635	632
Environmental Protection	5	4	4	5
Education	28	28	28	29
Health and Human Services	52	21	22	25
Homeland Security				
West Virginia State Police	744	734	810	802
Corrections and Rehabilitation	72	79	85	84
Regional Jail Authority*	—	—	—	—
Others	45	37	55	49
Total Homeland Security	861	850	950	935
Veterans Affairs	49	52	54	54
Regulatory Boards and Commissions	16	19	—	—
Boats				
Commerce	237	241	225	209
Environmental Protection	15	15	15	16
Buildings				
Executive	104	104	104	105
Administration	238	234	228	225
Revenue	2	2	2	2
Commerce				
Division of Natural Resources (Parks)	1,674	1,672	1,674	1,670
Division of Forestry	16	16	16	1
Others	13	13	14	13
Total Commerce	1,703	1,701	1,704	1,684
Environmental Protection	2	2	6	7
Education	73	70	72	69
Health and Human Services	451	452	106	455
Homeland Security				
West Virginia State Police	205	203	203	203
Division of Corrections	461	463	457	455
Armory Board	—	—	201	218
Others	20	—	50	53
Total Homeland Security	686	666	911	929
Regulatory Boards and Commissions	247	251	—	—
Veterans Affairs	12	12	12	12
Regulatory Boards and Commissions	18	18	18	17

* 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 Financial Information Management System; Fixed Asset detailed ledger.

2018	2017	2016	2015	2014	2013
193	235	218	219	219	195
19	20	18	20	20	19
202	10	9	6	6	6
<u>2,585</u>	<u>2,434</u>	<u>2,502</u>	<u>2,114</u>	<u>2,114</u>	<u>2,021</u>
2,787	2,444	2,511	2,120	2,120	2,027
—	—	—	—	—	1
517	907	581	710	606	549
107	140	119	135	139	135
<u>7</u>	<u>18</u>	<u>14</u>	<u>18</u>	<u>15</u>	<u>17</u>
631	1,065	714	863	760	701
5	8	8	8	17	8
28	48	30	42	53	48
26	42	35	38	29	29
706	1,164	867	1,014	895	902
43	29	26	25	47	45
47	—	—	51	28	27
<u>51</u>	<u>27</u>	<u>23</u>	<u>25</u>	<u>37</u>	<u>33</u>
847	1,220	916	1,115	1,007	1,007
—	54	77	77	77	77
—	—	2	2	2	2
198	209	196	103	97	100
15	16	15	8	8	7
98	27	72	28	27	26
217	75	71	70	69	71
2	2	2	2	2	3
1,039	885	903	907	909	907
5	5	5	5	5	5
<u>12</u>	<u>12</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>
1,056	902	919	923	925	923
6	6	6	7	7	7
67	72	79	79	69	69
470	106	106	106	105	107
203	97	97	92	91	90
183	64	66	63	59	55
218	149	149	149	112	109
<u>176</u>	<u>63</u>	<u>66</u>	<u>66</u>	<u>64</u>	<u>59</u>
780	373	378	370	326	313
—	—	—	—	—	—
12	11	10	10	10	10
9	4	4	4	4	4

Schedule 16
Miscellaneous Statistics
June 30, 2022

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	614
Higher Education (State Supported):	
Number of Campuses	23
Number of Students	70,232
Recreation:	
Number of State Parks	35
Area of State Parks	77,328
Number of State Forests	9
Area of State Forests	77,683
Number of State owned and Operated Rail Trails	3
Distance of Rail Trails	178.7 miles
Wildlife Fish and Game Management Areas	107
Acreage of Wildlife Management Areas (Owned and Leased)	436,234

Sources: Division of Highways, Division of Public Safety, Higher Education Policy Commission, and Division of Natural Resources.