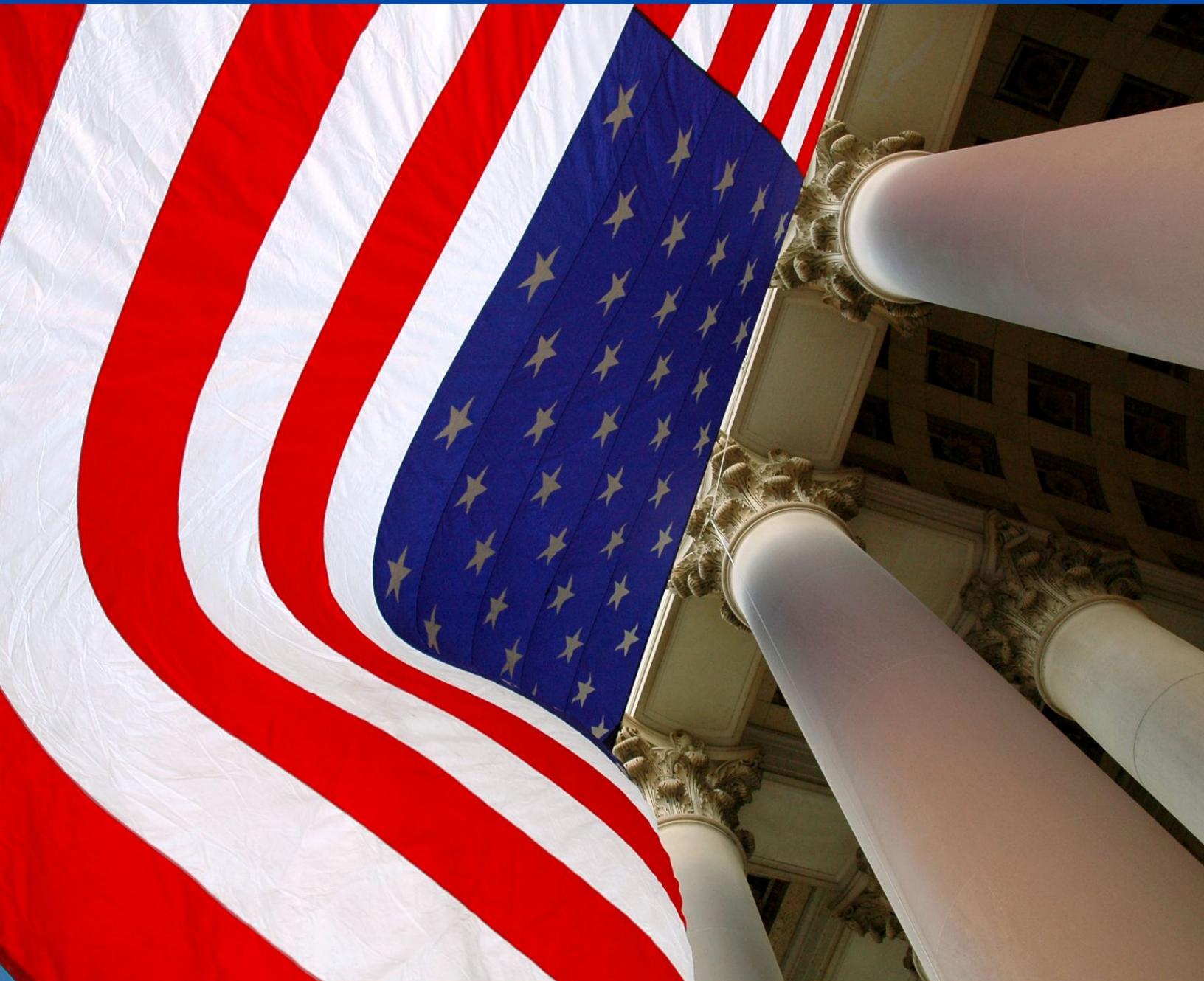


West Virginia



Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

West Virginia

*Annual Comprehensive
Financial Report
For the Fiscal Year
Ended June 30, 2025*



Patrick Morrisey

Governor

Eric Householder

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 Patrick Morrisey



Patrick Morrisey
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, 2025. 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 that reads "PATRICK MORRISEY".

Patrick Morrisey
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:

Sarah Long, CPA - Chief Financial Officer
Melody Duke - Finance Director
David Crowe, CPA, CGFM - Deputy Finance Director
Maria Yoakum, Financial Reporting Manager
Kay Walden, CGFM
Karla Harris, CGFM, CFE
Corey Wade, CGFM
Alexandra Brannon, CPA
Kari Davis
Timothy Scites
Brittany Rutrough

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

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

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

West Virginia

Notes to the Financial Statements:

Note 1 – Summary of Significant Accounting Policies	57
Note 2 – Restatement and Restricted Balances	79
Note 3 – Deposits and Investments	82
Note 4 – Receivables	128
Note 5 - Private Public Partnerships	131
Note 6 – Interfund Balances	132
Note 7 – Interfund Transfers	134
Note 8 – Restricted Assets	131
Note 9 – Capital Assets	139
Note 10 – Long-Term Obligations	143
Note 11 – Right-to-Use Leases	156
Note 12 - Subscription Based Information Technology Arrangements	160
Note 13 – Retirement Systems	164
Note 14 – Other Postemployment Benefits	183
Note 15 – Risk Management	193
Note 16 – Commitments and Contingencies	200
Note 17 – Subsequent Events	204

Required Supplementary Information

Budgetary Comparison Schedule	206
Notes to Required Supplementary Information – Budgetary Reporting	208
Budgetary Comparison Schedule, Budget-to-GAAP Reconciliation	212
Pension Plans Schedules	214
Notes to Required Supplementary Information – Pension	230
OPEB Plan Schedules	232
Notes to Required Supplementary Information – OPEB	238

Combining Financial Statements and Schedules

Nonmajor Governmental Funds	
Combining Balance Sheet	242
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	244
Nonmajor Special Revenue Funds	
Combining Balance Sheet	248
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	250
Nonmajor Debt Service Funds	
Combining Balance Sheet	254
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	255

Internal Service Funds	
Combining Statement of Fund Net Position	258
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	259
Combining Statement of Cash Flows	260
Nonmajor Proprietary Funds	
Combining Statement of Net Position	263
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	264
Combining Statement of Cash Flows	265
Pension Trust and Other Employee Benefit Trust Funds	
Combining Statement of Fiduciary Net Position	270
Combining Statement of Changes in Fiduciary Net Position	272
Investment Trust Funds	
Combining Statement of Fiduciary Net Position	276
Combining Statement of Changes in Fiduciary Net Position	276
Custodial Funds	
Combining Statement of Fiduciary Net Position	278
Combining Statement of Changes in Fiduciary Net Position	279
Nonmajor Discretely Presented Component Units	
Combining Statement of Net Position	282
Combining Statement of Activities	284

STATISTICAL SECTION

Index to Statistical Section	
Schedule 1 – Net Position by Component	290
Schedule 2 – Changes in Net Position by Component	292
Schedule 3 – Fund Balances – Governmental Funds	296
Schedule 4 – Changes in Fund Balances – Governmental Funds	298
Schedule 5 – Revenue Base	300
Schedule 6 – Revenue Rates	302
Schedule 7 – Ratios of Outstanding Debt	304
Schedule 8 – Pledged Revenue Coverage	306
Schedule 9 – Demographic and Economic Indicators	310
Schedule 10 – Principal Employers	316
Schedule 11 – Education Enrollment	317
Schedule 12 – State Employees by Function	318
Schedule 13 – Operating Indicators by Function	320
Schedule 14 – Capital Assets Statistics by Function	322
Schedule 15 – Miscellaneous Statistics	324



Introductory Section



Transmittal Letter
Certificate of Achievement
for Excellence in Financial
Reporting
Organization Chart
Principal Officials



STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION

Eric L. Householder
CABINET SECRETARY

December 19, 2025

The Honorable Patrick Morrisey, 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 2025 Annual Comprehensive Financial Report (2025 ACFR) of the State of West Virginia for the fiscal year ending June 30, 2025. This report was prepared by the Financial Accounting and Reporting Section (FARS) within the Finance Division of the Department of Administration (Management).

The 2025 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, 2025, 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 2025 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

1900 KANAWHA BOULEVARD, EAST • BUILDING 1, ROOM E-119 • CHARLESTON, WEST VIRGINIA 25305-0120
• (304) 558-4331 • FAX: (304) 558-2999

The Honorable Patrick Morrisey, Governor
The Honorable Members of the West Virginia Legislature
Citizens of the State of West Virginia
December 19, 2025

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 Clifton Larson Allen. The independent auditors concluded, based upon their audit and the reports of other auditors, that there was a reasonable basis for rendering an unmodified opinion.

Profile of the Government

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

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

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

The Honorable Patrick Morrisey, Governor
The Honorable Members of the West Virginia Legislature
Citizens of the State of West Virginia
December 19, 2025

Economic Review

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

West Virginia has the 3rd lowest workers' compensation rates, according to Oregon Consumer Business Services, 2024. West Virginia was also ranked 3rd in best cost of doing business by CNBC's America's Top States for business, 2024. Additionally, Bureau of Economic Analysis 2024 ranks West Virginia 11th in best gross domestic product growth and Tax Foundation Index, 2024, ranked West Virginia 23rd in the state business climate tax ranking.

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

Prominent global enterprises and institutions have chosen West Virginia as their destination for expansion, drawn by the favorable business environment and the highly productive workforce. The following instances highlight the State's economic growth throughout fiscal year 2024 - 2025:

The Honorable Patrick Morrisey, Governor
The Honorable Members of the West Virginia Legislature
Citizens of the State of West Virginia
December 19, 2025

Company Name	Number of Jobs Created/Retained	County
Agama Glass Technologies - HEF Group acquisition	100	Harrison
WV Split Rail	70	Upshur
Tariff Labs, LLC	45	Jackson
NorthStar Technologies /FAA 145 Repair Station	0.1	Harrison
Thirumalai Chemicals Ltd.	42	Marshall
Somar	25	Wood
Niterra North America	8	Kanawha
Diamond Electric 2020/21 expansion	297	Putnam
ESC	30	Mercer
Babcock & Wilcox	28	Mason
Liberty Distributors Expansion	100	Ohio
Service Wire Co. - Expansion Fall 2024	310	Putnam
Prime 6 - New Deal	75	Marion
WV Gear	72	Logan
Mag Industries	30	Unknown
JP Tech Services	5	Mingo
VA Laundry Project	220	Berkeley
TeMa 2023	70	Jefferson
DALB Expansion	200	Jefferson

The Honorable Patrick Morrisey, Governor
The Honorable Members of the West Virginia Legislature
Citizens of the State of West Virginia
December 19, 2025

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

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

Major Initiatives

Pro-Growth Tax Reforms

West Virginia enacted significant business tax reductions between 2006 and 2011 to help boost future investment in the State's economy. The corporation net income tax was reduced from 9% to 6.5%. 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% in corporation net income tax for businesses over a 10-year period. Beginning in 2022, the general multi-state business apportionment formula for income tax purposes changes from a three-factor formula involving the share of payroll, property, and sales in West Virginia to a single sales factor formula. As a result of this change, multi-state businesses with property and/or payroll in West Virginia face no direct marginal increase in tax liability associated with a decision to expand their physical presence in the State. An increase in either property investment or payroll in West Virginia has no direct impact on future multi-state business net income tax liability in the State.

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

The Honorable Patrick Morrisey, Governor
The Honorable Members of the West Virginia Legislature
Citizens of the State of West Virginia
December 19, 2025

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

Fiscal year 2024 General Revenue fund collections less severance tax collections totaled more than \$5.341 billion in comparison with inflation adjusted base year revenues of more than \$5.248 billion. The excess amount above inflation of nearly \$93.3 million equaled more than 4% of total fiscal year 2024 personal income tax collections triggering a 4 % tax cut beginning in 2025. The Legislature subsequently enacted Senate Bill 2033, a measure that codified a 2025 tax reduction of nearly 6% from the 2024 tax rates with a top tax rate of 4.82%. This bill also provided for a one-year delay in the start of future tax cuts per the trigger. Fiscal year 2025 collection levels were not sufficiently high enough to trigger a tax cut beginning in 2027.

In addition to lower taxes, West Virginia offers a variety of tax credits, exemptions, and special valuations for new and existing companies. Credits for manufacturers and certain other types of businesses that create new jobs can offset up to 100% 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 2025, the West Virginia Division of Highways (WVDOH) continued work on several of its major initiatives around the state, including Parsons to Davis and Wardensville to the Virginia line on Corridor H. It is also worth noting that the I-64 widening project from Nitro to Saint Albans has now been completed. During 2025, the WVDOH authorized a total of 1,758 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 7275 vehicular bridges, of which the WVDOH is responsible for 7163. 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 166 construction starts on bridge initiatives ranging from full replacement to deck overlays. WVDOH's resurfacing program consisted of 1103 projects, which addressed approximately 1606 miles of roadway.

State Park Enhancements

The West Virginia State Park system is a recognized leader in park systems in the United States and features a multitude of facilities and areas that include recreation services such as full-service restaurants, campgrounds, lodges, spas, golf courses, cabins, and conference centers. The park system is in 35 of West Virginia's 55 counties and is incredibly diverse in facilities and features. With 36 state parks, 9 state forests and 3 rail trails, our state park system of over 164,000 acres boasts iconic natural features such as Blackwater

The Honorable Patrick Morrisey, Governor
The Honorable Members of the West Virginia Legislature
Citizens of the State of West Virginia
December 19, 2025

Falls and The Bluestone gorge, as well as historic structures like the Blennerhassett Mansion and the Glade Creek Grist Mill.

Overall, facility inventory managed by the state park system includes 837 lodge rooms, 358 cabins, 1,546 campsites, 152 picnic shelters, 559 playground units, and over 700 miles of hiking trails. State Park facilities also include upwards of over 2,500,000 square feet of indoor space, in nearly 1,500 buildings.

Based upon the most recent economic impact study from FY2023, the park system is 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.

Typically seeing about 10 million visitors per year, traffic counts for 2025, although down slightly from recent years, are continuing to trend similarly as in previous years. Visitation volume at West Virginia's state parks continues to be the busiest during the summer months. Year-to-date numbers, through the end of June 2025, are already nearing the 4 million visitor mark, with June 2025 alone seeing almost one-million visitors, system-wide.

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 356 carriers filing to offer workers' compensation insurance to West Virginia policyholders. Since privatization, the workers' compensation market has experienced approximately \$501 million in premium savings after 21 consecutive loss cost decreases. The most recent decrease of 13.5% results in a cumulative 84.9% loss cost reduction from pre-reform workers' compensation levels. In addition to the voluntary market loss cost decreases, the assigned risk market is one of the lowest in the nation by policy count and has also had rate decreases over the last several years. This is a tremendous accomplishment for the State and is a testament to the hard work, cooperation, and partnerships of the Offices of the Insurance Commissioner, the National Council on Compensation Insurance, Inc. (NCCI), private carriers, and the employers of the State of West Virginia.

Prior to privatization, the unfunded liability for the former Workers' Compensation Fund exceeded \$3 billion. As of June 30, 2025, the Workers' Compensation Old Fund has a positive net balance of \$77 million. The significant reduction in the unfunded liability demonstrates West Virginia's focus on financial responsibility.

Environmental Protection Initiatives

In fiscal year 2025, the West Virginia Department of Environmental Protection's (WVDEP) Rehabilitation Environmental Action Plan (REAP) awarded 24 recycling assistance grants totaling \$1,857,502 to local governments and private and nonprofit organizations. The purpose of these grants is planning, initiating, expanding and upgrading recycling programs, providing related public education programs, and assisting in recycling market procurement efforts. Additional grants awarded by REAP include 8 covered electronic devices recycling grants totaling \$43,000 to conduct electronic collections events and programs; and 14 litter control grants totaling \$62,085.00 to initiate, continue or expand local litter control programs.

The Honorable Patrick Morrisey, Governor
The Honorable Members of the West Virginia Legislature
Citizens of the State of West Virginia
December 19, 2025

The Office of Abandoned Mine Lands and Reclamation (AMLR) completed 3 reclamation projects totaling \$2.97 million and 22 emergency projects totaling \$4.98 million. AMLR solicited bids for 3 waterline construction projects at a cost of \$3.6 million and 6 Abandoned Mine Land Economic Revitalization (AMLER) projects at a total cost of \$18.5 million. The waterline projects brought drinking water to citizens whose drinking water was affected by mining activity that occurred before enactment of the Federal Mining Act in 1977, which requires companies to reclaim the land when mining ceases. The AMLER program is intended to help fund projects in AMLR impacted areas that will promote economic revitalization of those areas.

Through the Drinking Water Treatment Revolving Fund, WVDEP disbursed more than \$40.6 million to communities for municipal sewer projects under construction. They also closed 27 new loans and amendments to drinking water projects that were worth \$171.1 million. There are currently 9 binding commitment letters and/or loan agreements that have been issued for additional projects worth \$26.2 million.

Through the Clean Water State Revolving Fund, WVDEP disbursed more than \$60.0 million to communities for municipal sewer projects under construction. They also disbursed \$100,000 to the onsite system loan program and closed 49 new loans and amendments to municipal construction projects that were worth \$146.7 million. There are currently 14 binding commitment letters and/or loan agreements that have been issued for additional projects worth \$303.2 million.

Long Term Financial Planning and Relevant Financial Policies

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

Long-Term Financial Planning

The State's Six Year Financial Plan includes information on anticipated general and lottery funds revenues and expenditures over a six-year horizon with the goal of providing policymakers and citizens with a clear understanding of not only the current budget, but also the larger, long-term implications of budget decisions on the State's future fiscal outlook.

Financial Policies

Under current law, the State is required to deposit the first 50% of all surplus funds from the General Fund accrued during the fiscal year just ended into the Revenue Shortfall Reserve Fund A (Rainy Day Fund) until the aggregate amount of balance in the combined Revenue Shortfall Reserve Funds A and B equal at least 20% of the prior three-year average of total General Fund appropriations as stated in Title II, Section 1 of the approved budget bills for such years. For the fiscal year ending June 30, 2025, the 20% funding requirement was \$1,012,006,322, a smaller amount than the actual Rainy Day Fund balance total of \$1,347,437,136. Therefore, no additional funding contribution was required.

The Honorable Patrick Morrisey, Governor
The Honorable Members of the West Virginia Legislature
Citizens of the State of West Virginia
December 19, 2025

Strong Financial Performance

In 2025, the continued implementation of multi-year personal income tax rate reductions was the major factor in a General Revenue Fund decline of more than \$191 million or 3.3% from collections in the prior year. However, final collections were still nearly \$255 million ahead of official estimates.

Fiscal year 2025 surplus General Revenue appropriations included: a fiscal year 2025 General Revenue Budget Bill Surplus Section total of over \$114 million, 2024 1st Extraordinary Session surplus General Revenue supplemental appropriation reduction of -\$45 million, 2024 2nd Extraordinary Session surplus General Revenue supplemental appropriations of \$498 million, and \$55 million in surplus General Revenue supplemental appropriations passed during the 2025 Regular Session. These surplus General Revenue supplemental appropriations totaled \$622.3 million for FY2025.

After the Governor's veto, the Legislature's FY 2026 final approved budget includes FY2026 regular General Revenue appropriations of \$5.3 billion and an additional \$100 million in fiscal year 2026 General Revenue Surplus Section appropriations (based on FY 2025 Surplus General Revenue).

Conclusion

West Virginia continues to aggressively address the fiscal challenges associated with a changing economy. During fiscal year 2025, the State was able to manage its budgetary demands in a challenging economic environment. Governor Patrick Morrisey 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 2024. 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.

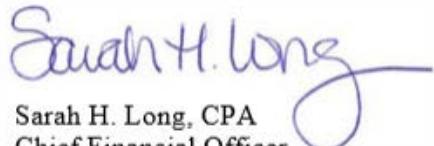
The Honorable Patrick Morrisey, Governor
The Honorable Members of the West Virginia Legislature
Citizens of the State of West Virginia
December 19, 2025

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 2025 budgets.

The 2025 ACFR is an example of Governor Morrisey's unwavering belief in, and commitment to, the State's fiscal responsibility and accountability. Acknowledgment is given to the State Legislature and its leadership for their shared commitment to sound budgeting and to meeting the financial obligations of the State. This report would not be possible without the support of all West Virginia State agencies. The State's continued success directly depends on their cooperation and support.

Sincerely,



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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

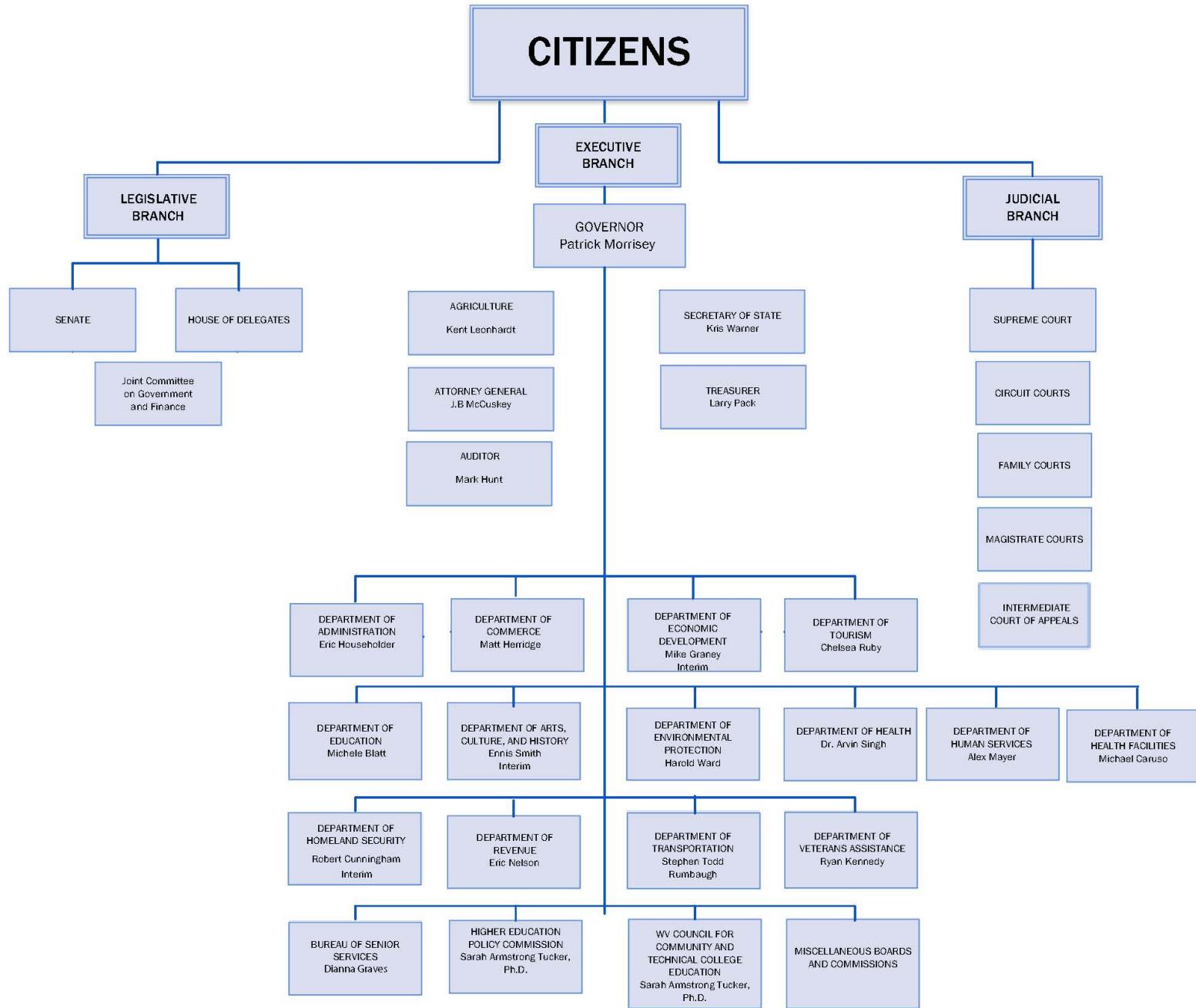
State of West Virginia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



State of WEST VIRGINIA Principal Officials

Executive Branch	Legislative Branch	Judicial Branch
Governor Patrick Morrisey	Senate President Randy Smith	Supreme Court Chief Justice William R. Wooten
Agriculture Commissioner Kent Leonhardt	Speaker of the House Roger Hanshaw	Supreme Court Justice Tim Armstead
Attorney General John B. McCuskey	Chairman Senate Finance Jason Barrett	Supreme Court Justice C. Haley Bunn
State Auditor Mark Hunt	Chairman House Finance	Supreme Court Justice Elizabeth D. Walker
Secretary of State Kris Warner	Vernon Criss	Supreme Court Justice Charles S. Trump, IV
State Treasurer Larry Pack		

Financial Section



Report of Independent
Auditors

Management's Discussion
and Analysis



INDEPENDENT AUDITORS' REPORT

The Honorable Patrick Morrisey, 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, 2025, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents (collectively referred to as the "basic financial statements").

In our opinion, based on our audit and the reports of other auditors, the 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, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of certain entities or funds of the State, which represent the indicated percent of total assets and deferred outflows of resources and total revenues are presented in the table below. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for those agencies and component units, is based solely on the reports of the other auditors.

Opinion Unit	Fund, Agency, Department, or Component Unit	Percentage Audited by Other Auditors	
		Assets and Deferred Outflows	Revenues
Governmental Activities	Government-Wide	90%	27%
Business-Type Activities	Government-Wide	100%	100%
Department of Transportation - Major Governmental Fund	Department of Transportation	97%	99%
Tobacco Settlement Financing Authority - Major Governmental Fund	Tobacco Settlement Financing Authority	100%	100%
State Road - Major Governmental Fund	State Road Fund	100%	100%
Water Pollution Control Revolving Fund - Major Proprietary Fund	Water Pollution Control Revolving Fund	100%	100%
Workers' Compensation - Major Proprietary Fund	Workers' Compensation	100%	100%
Unemployment Compensation - Major Proprietary Fund	Unemployment Compensation	100%	100%
WV Infrastructure and Jobs Council - Major Proprietary Fund	WV Infrastructure and Jobs Council	100%	100%
Public Employees Insurance Agency - Major Proprietary Fund	Public Employees Insurance Agency	100%	100%
Board of Risk and Insurance Management - Major Proprietary Fund	Board of Risk and Insurance Management	100%	100%

The Honorable Patrick Morrisey, Governor
of the State of West Virginia

- 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 require that the management's discussion and analysis and required supplementary information as listed in the accompanying table of contents (collectively referred to as RSI) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable Patrick Morrisey, Governor
of the State of West Virginia

Opinion Unit	Fund, Agency, Department, or Component Unit	Percentage Audited by Other Auditors	
		Assets and Deferred Outflows	Revenues
Discretely Presented Component Units	WV Lottery; Economic Development Authority; Housing Development Fund; Parkways Authority; Water Development Authority; Fairmont State University; WV Council for Community and Technical College Education; WV School of Osteopathic Medicine; WV Division of Corrections & Rehabilitation; School Building Authority; Educational Broadcasting Commission; Solid Waste; Racing Commission; Public Defender Corporation; Municipal Pensions Oversight Board	62%	54%
Aggregate Remaining Fund Information	Infrastructure & Jobs Development Council; State Road Insurance Commission; Workforce WV; Drinking Water Treatment Revolving; Alcohol Beverage Control Administration; WV College & Jumpstart Savings Program; State Entities Workers' Compensation Investment Management Board; Board of Treasury Investments; Consolidated Public Retirement Board; WV Retiree Health Benefit Trust; Investment Trust Funds; SMART 529; WV Prepaid Tuition Escrow	72%	68%

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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.

The Honorable Patrick Morrisey, Governor
of the State of West Virginia

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The combining and individual nonmajor fund financial statements, as listed in the table of contents, 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 or to the basic financial statements themselves, and other additional procedures in accordance with GAAS by us and other auditors. In our opinion, the combining financial statements are 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 auditors' 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Canton, Ohio
December 19, 2025

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, 2025. Please read it in conjunction with the transmittal letter in the Introductory Section of this report and the State's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-wide

The assets and deferred outflows of resources of the primary government exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$16.9 billion, reported as net position. Governmental activities reported \$13.8 billion in net position, a \$436 million increase, up 3% from last year, while the business-type activities reported net position of \$3 billion, an \$413 million increase.

Fund Level

At year-end, the governmental funds reported combined fund balances of \$6 billion, a decrease of \$925 million, or 13.4% lower than the prior year. The unrestricted fund balance, including the committed, assigned, and unassigned balances, was \$4.3 billion. The nonspendable balance was \$148 million, and \$1.5 billion was restricted to capital projects, debt service, general government operations, development, tourism and recreation, education, health and social services, public protection, and transportation.

Long-Term Obligations

There was a net increase in the State's long-term obligations of \$670 million. The Governmental Activities increased by \$792 million and the Business-type Activities decreased by \$121 million. The net increase of \$669 million primarily consisted of an increase in accrued and other liabilities in the amount of \$1.4 billion, a decrease in net pension liability of \$434 million, and a decrease in payments on bonds, other financing debt, and notes payable in the amount of \$232 million. The increase in accrued and other liabilities is related to a net increase in Medicaid of \$1.2 billion and an increase of \$160 million in tax refunds.

The insurance and compensation benefits liability decreased \$107 million. The decrease consisted of an \$36 million decrease at the Public Employee Insurance Agency (PEIA) due to the reduction in Incurred But Not Reported (IBNR) claims expense and a \$64 million decrease at the Offices of the Insurance Commissioner due to a decrease in the claims liability See Note 15 for a more detailed explanation about risk management. See Notes 10, 11 and 12 for more information relating to bonds, other financing debt, notes payable, right-to-use leases, and subscription based arrangements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

- *Governmental activities* – Most of the State's basic services are included under these activities, such as education, health, health facilities, and human services, military affairs and public safety, judicial, and administration. Personal income taxes and consumer sales taxes finance most of these activities.
- *Business-type activities* – The State charges fees to customers to help it cover all or a significant portion of the costs of certain services it provides. The West

Virginia Public Employees Insurance Agency and BRIM, among other funds, are examples of these activities.

- *Component units* – The State includes several other entities in its report for which it is financially accountable, such as the West Virginia Housing Development Authority, Lottery, Parkways Authority, and Higher Education. Separately issued financial statements are also available for these component units.

Fund Financial Statements

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

The State has three kinds of funds:

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

ensuring that the assets reported in these funds are used for their intended purposes. All of the State's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position, where applicable. These funds are excluded from the State's government-wide financial statements because the State cannot use these assets to finance its operations.

Reconciliation Between Government-wide and Fund Statements

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

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

Notes to the Financial Statements

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

Required Supplementary Information

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

Combining Financial Statements and Schedules

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The chart below represents financial information derived from the government-wide statement of activities and reflects the State's net position as of June 30, 2025 and 2024 (expressed in thousands):

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 10,468,556	\$ 10,137,434	\$ 4,605,156	\$ 4,367,871	\$ 15,073,712	\$ 14,505,305
Capital Assets	12,019,277	11,570,275	2,230	2,527	12,021,507	11,572,802
Total Assets	22,487,833	21,707,709	4,607,386	4,370,398	27,095,219	26,078,107
Deferred Outflows of Resources	1,227,083	1,043,528	2,592	2,901	1,229,675	1,046,429
Current and Other Liabilities	3,798,011	2,801,934	393,536	493,223	4,191,547	3,295,157
Long-term Liabilities	5,479,613	5,836,608	1,166,538	1,247,619	6,646,151	7,084,227
Total Liabilities	9,277,624	8,638,542	1,560,074	1,740,842	10,837,698	10,379,384
Deferred Inflows of Resources	592,519	264,932	5,788	987	598,307	265,919
Net Position						
Net Investment in Capital Assets	10,492,654	10,027,422	2,231	2,527	10,494,885	10,029,949
Restricted	1,323,294	1,416,217	2,741,286	2,403,762	4,064,580	3,819,979
Unrestricted	2,028,825	2,404,124	300,599	225,181	2,329,424	2,629,305
Total Net Position	\$ 13,844,773	\$ 13,847,763	\$ 3,044,116	\$ 2,631,470	\$ 16,888,889	\$ 16,479,233

Comparing June 30, 2025 to June 30, 2024, government-wide balances, current and other assets increased \$414 million due to a \$98 million increase in agency funds in the Consolidated Investment Pool and an \$80 million increase in the Wildlife Endowment Fund. Current and other liabilities increased \$1.2 billion due to a significant increase in the Medicaid liability.

Long-term liabilities decreased \$891 million due to the change from a liability to an asset in FY 24 for both pension and OPEB and a decrease in bond payments of \$219 million. Significant changes in capital assets and long-term liabilities are discussed later in this Management's Discussion and Analysis.

Deferred Inflows increased by \$183 million primarily due to changes in actuarial assumptions and methodology for pension and OPEB.

The State's combined net position, governmental and business-type, increased \$849 million over the course of this fiscal year's operations. The net position of the governmental activities increased \$436 million, and the net position of the business-type activities increased \$413 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 25% 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, 2025 and 2024 (expressed in thousands):

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for Services	\$ 556,010	\$ 466,759	\$ 1,341,332	\$ 1,276,652	\$ 1,897,342	\$ 1,743,411
Operating Grants and Contributions	7,905,354	6,983,947	—	—	7,905,354	6,983,947
Capital Grants and Contributions	843,931	871,168	—	—	843,931	871,168
General Revenues:						
Personal Income Tax	1,959,341	2,073,393	—	—	1,959,341	2,073,393
Consumer Sales Tax	2,046,623	1,999,206	—	—	2,046,623	1,999,206
Business Taxes	967,024	887,718	—	—	967,024	887,718
Transportation Taxes	763,009	752,246	—	—	763,009	752,246
Other Taxes	972,705	749,483	—	—	972,705	749,483
Lottery Revenue	392,898	393,693	46,000	46,000	438,898	439,693
Other Revenue	778,887	1,100,345	297,883	191,126	1,076,770	1,291,471
Total Revenue	17,185,782	16,277,958	1,685,215	1,513,778	18,870,997	17,791,736
Program Expenses:						
Legislative	27,164	33,935	—	—	27,164	33,935
Judicial	173,127	132,090	—	—	173,127	132,090
Executive	565,111	350,372	—	—	565,111	350,372
Administration	342,861	363,022	—	—	342,861	363,022
Commerce	290,073	286,572	—	—	290,073	286,572
Environmental Protection	288,516	223,179	—	—	288,516	223,179
Employment Programs	47,186	51,726	—	—	47,186	51,726
Education	3,208,451	3,707,832	—	—	3,208,451	3,707,832
Health, Health Facilities, and Human Services	8,756,892	7,418,179	—	—	8,756,892	7,418,179
Homeland Security	687,323	614,736	—	—	687,323	614,736
Revenue	274,247	212,968	—	—	274,247	212,968
Transportation	1,700,871	1,791,421	—	—	1,700,871	1,791,421
Veterans Assistance	28,724	26,590	—	—	28,724	26,590
Senior Services	54,971	53,381	—	—	54,971	53,381
Regulatory Boards and Commissions	329,121	213,597	—	—	329,121	213,597
Tourism	28,744	27,826	—	—	28,744	27,826
Economic Development	97,765	114,926	—	—	97,765	114,926
Arts, Culture and History	31,496	36,494	—	—	31,496	36,494
Interest on Long-Term Debt	137,420	144,255	—	—	137,420	144,255
Interest on Lease Liability	3,826	3,760	—	—	3,826	3,760
Water Pollution Control Revolving Fund	—	—	24,632	13,230	24,632	13,230
Workers' Compensation Fund	—	—	39,925	72,545	39,925	72,545
Unemployment Compensation	—	—	169,832	169,192	169,832	169,192
West Virginia Infrastructure and Jobs Development Council	—	—	49,520	54,789	49,520	54,789
Public Employees' Insurance Agency	—	—	891,061	913,399	891,061	913,399
Board of Risk and Insurance Management	—	—	109,128	110,305	109,128	110,305
Other Activity	—	—	124,945	123,357	124,945	123,357
Total Expenses	17,073,889	15,806,861	1,409,043	1,456,817	18,482,932	17,263,678
Increase (Decrease) in Net Position Before Transfers	111,893	471,097	276,172	56,961	388,065	528,058
Transfers	(47,308)	(32,205)	47,308	32,205	—	—
Increase (Decrease) in Net Position	64,585	438,892	323,480	89,166	388,065	528,058
Net Position, Beginning of Year	13,780,188	13,408,871	2,720,636	2,631,470	16,500,824	16,040,341
Net Position, End of Year	\$ 13,844,773	\$ 13,847,763	\$ 3,044,116	\$ 2,720,636	\$ 16,888,889	\$ 16,568,399

Governmental Activities

For the year ended June 30, 2025, the State's change in net position before transfers decreased by \$359 million for governmental activities. Revenues increased by \$908 million, and expenses were also higher by \$1.3 billion comparing the years ended June 30, 2025 and 2024.

The revenue increase is primarily due to the increase in operating grants and contributions of \$921 million related to grants and activities in the Department of Health and Human Resources.

Overall, tax revenue across all tax types increased \$23 million. Personal income tax revenue decreased by \$114 million due a series of tax cuts including a small portion of the 21.25% rate cut enacted in 2023, additional rate cuts equaling 5.9% enacted to begin in 2025 and new tax credits for personal property taxes. The Business tax increase of \$79 million was led by a rebound in severance tax due to higher natural gas prices and strong growth in insurance premium taxes due to above normal inflationary growth in premiums on homes and cars. Consumer sales tax revenue increased by \$47 million growth of less than 2.4% which was slightly below inflation growth with inflation accounting for the increase in yield.

Other revenue decreased \$321 million. This was attributed primarily to a decrease in investment earnings of \$23 million due to declining short-term interest rates. Also, intergovernmental revenue for the Department of Transportation decreased by \$150 million related to receiving a transfer in the prior fiscal year.

Program expenses increased approximately \$1.3 billion in total.

- Department of Health, Health Facilities and Human Services expenses increased by \$1.3 billion due to increases in professional services, food products, medical supplies, medical service payments and expenses related to grants.
- Education expenses were down \$500 million primarily due to a decrease in rent for buildings, advertising and promotional expense, and software licenses.
- Executive expenses increased by \$215 million primarily due to an increase in contractual and professional services, computer services and fire/auto/bond and other insurance.
- Regulatory Boards and Commissions expenses also increased by \$115 million due to decreases in program expenditures.
- Several other agencies had across the board increased costs related to personnel services and health insurance related to increases in the Public Employees Insurance Agency premiums for state employees.

The charts on the next pages depict revenues and expenses, respectively, of the governmental activities for the fiscal year. Approximately 34% of the total revenues came from personal income, consumer sales, business taxes, transportation, and other taxes, while 51% was in the form of grants and contributions (see Chart A). The State's governmental activities expenses include 52% for health and human resources and 19% for education (see Chart B).

Chart A

2025 Source of Revenue - Governmental Activities

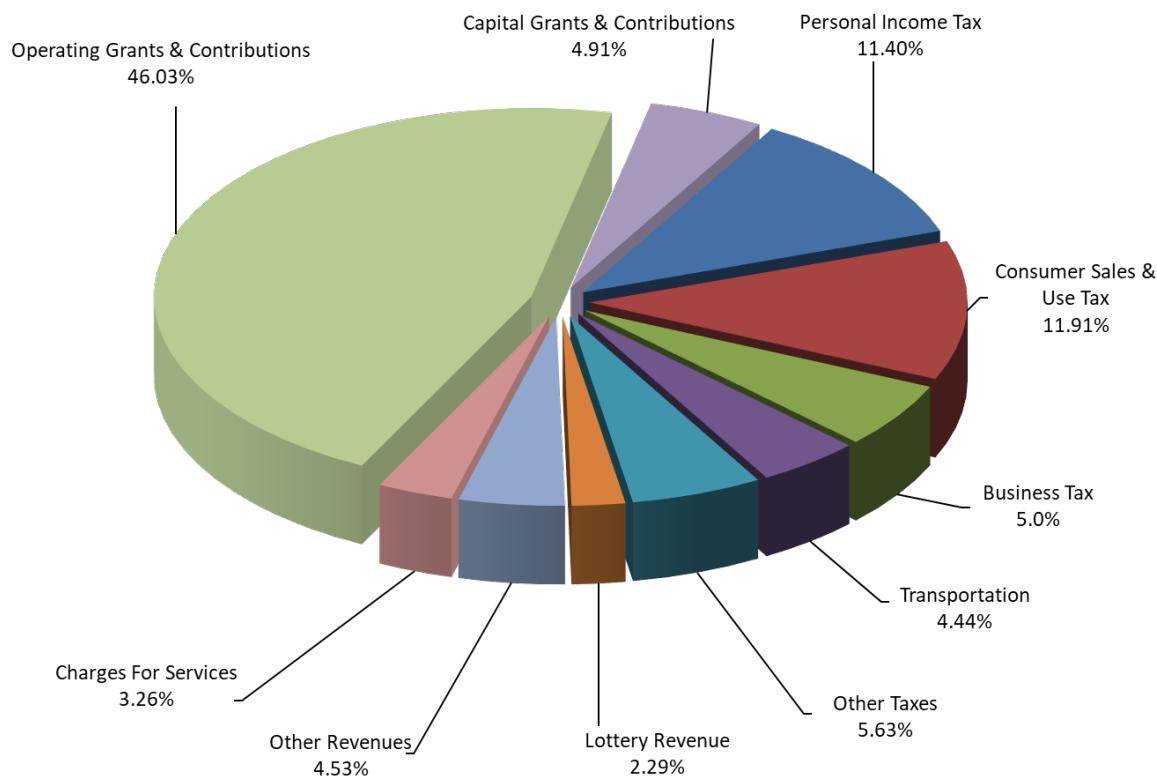
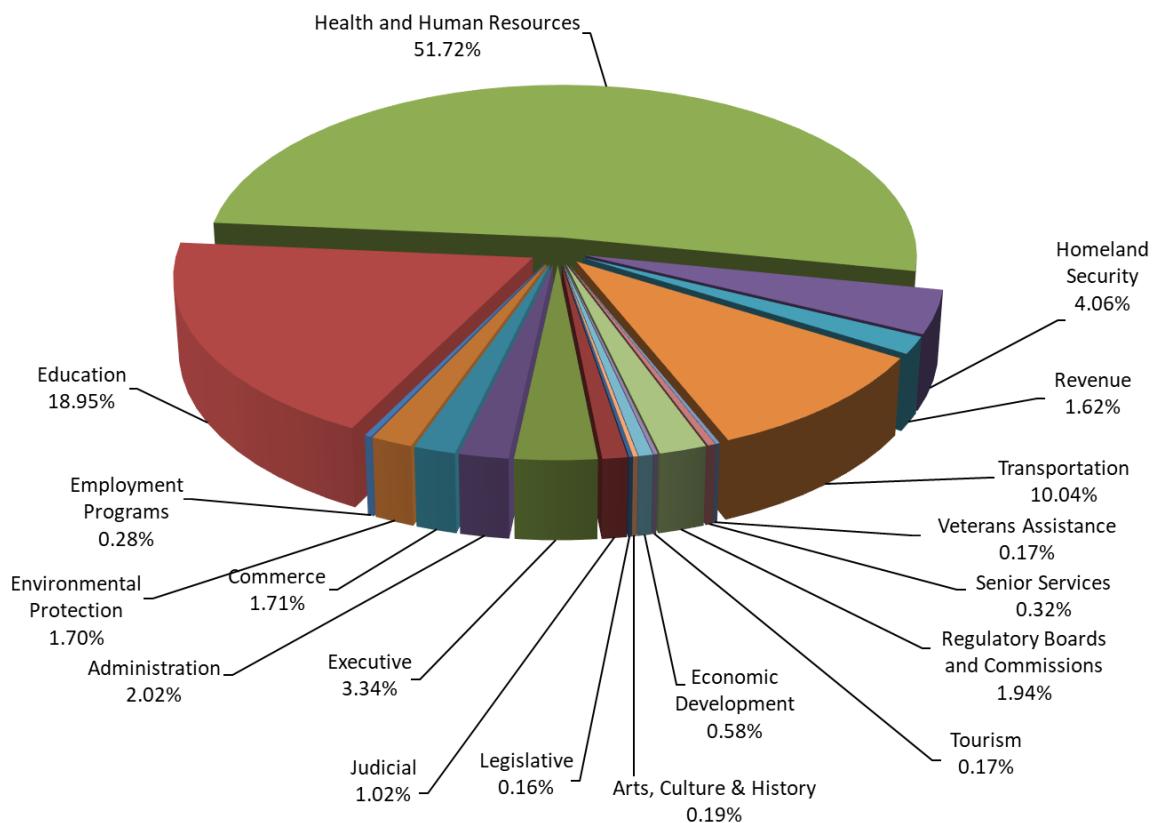


Chart B

2025 Functional Expenses - Governmental Activities



Business-type Activities

For the year ended June 30, 2025, business-type change in net position after transfers increased by \$234 million. Revenues increased by \$172 million and expenses decreased by \$48 million with transfers increasing by \$15 million comparing the years ended June 30, 2025 and 2024. Significant contributors to these changes were:

- Premium revenue increased \$152 million due the implementation of the 10-14% premium increase to employees participating in the Public Employees Insurance Agency (PEIA). BRIM also saw their premium revenue increase \$7.9 million due to BRIM increasing their premium rates to help cover increases in projected claims losses.
- Other revenue increased by \$20 million due to investment earnings increasing due to overall market performance.
- Overall expenses decreased by \$47 million. This is primarily due to a decrease in medical claims expense for PEIA. Also, the Workers' Compensation Fund attributable to the decrease in outstanding claims liabilities totaling \$32 million.
- Transfers increased by \$15 million primarily due to additional grants and matching funds for the Water Pollution Control Revolving Fund.

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 billion, a decrease of \$860 million in comparison to that of the prior year.

There was a net increase in revenue of \$686 million. This was a result of a number of factors. General fund revenue increased by \$970 million. This is primarily due to intergovernmental revenue increasing \$851 million. Total tax revenues increased by \$84 million in Consumer sales and Severance taxes. Expenses were up by \$924 million related to increases in the Department of Health and Human Resource spending.

Governmental Fund Balances at June 30, 2025
(Expressed in Thousands)

	General Fund	Transportation	Tobacco Settlement Finance Authority	State Road	Other Governmental Funds	Total
Nonspendable	\$ 56,863	\$ 90,099	\$ —	\$ —	\$ 1,003	\$ 147,965
Restricted	18,053	317,971	443,853	512,450	224,588	1,516,915
Unrestricted						
Committed	77,495	—	—	—	400,463	477,958
Assigned	14,264	240,931	—	—	8,130	263,325
Unassigned	3,565,742	—	—	—	—	3,565,742
Total	<u>\$ 3,732,417</u>	<u>\$ 649,001</u>	<u>\$ 443,853</u>	<u>\$ 512,450</u>	<u>\$ 634,184</u>	<u>\$ 5,971,905</u>

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 24% of total General Fund expenditures, while total fund balance represents 25% of the same amount.

Cash and cash equivalents in the General Fund were down \$629 million, primarily due to decreased federal funding. General fund revenues increased in fiscal year 2025 from 2024 by \$970 million. This increase is due primarily to a decrease in investment earnings of \$23 million and intergovernmental revenue increasing by \$851 million. Tax revenue increased by \$74 million. Revenues were \$425 million less than expenditures. Expenses for the General Fund also increased by \$924 million, with the majority of the increase relating to activities in the Department of Health and Human Resources.

At June 30, 2025, Transportation's total fund balance decreased by approximately \$254 million from 2024 as there were more road projects in 2024.

The Tobacco Settlement Finance Authority's fund balance decreased by \$19 million, primarily due to the amortization of deferred tobacco revenue.

State Road fund balance decreased by \$168 million due to construction expenses related to the Roads to Prosperity initiative which are funded by General Obligation bonds.

At year-end, nonmajor governmental funds had a net decrease in fund balance of approximately \$8 million. Restricted fund balance is \$224 million, of which \$12 million was available for debt service; \$15 million to fund capital projects; \$79 million for development, tourism and recreation; \$353 thousand for education; and \$117 million for

public protection. Committed fund balance is \$400 million, \$8 million for general government operations, and \$393 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 \$255 million due to changes in revenue collection in several tax categories and other revenues. Personal income taxes increased \$103 million, corporate income/business franchise taxes increased by \$58 million, and severance tax increased \$33 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2025, the State had invested \$12 billion, net of accumulated depreciation, in a broad range of capital assets shown below. Depreciation and amortization expense for the year totaled \$436 million.

Capital Assets at June 30, 2025
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land and Improvements	\$ 1,602,091	\$ 1,566,398	\$ 611	\$ 611	\$ 1,602,702	\$ 1,567,009
Building and Improvements	1,024,807	1,015,044	1,285	1,434	1,026,092	1,016,478
Right-to-Use Buildings	101,641	97,389	—	—	101,641	97,389
Equipment	216,310	220,073	334	318	216,644	220,391
Library Holdings	3,479	580	—	—	3,479	580
Intangibles - Software	2,752	66,851	—	—	2,752	66,851
Intangibles - Land Rights	56,799	2,752	—	—	56,799	2,752
Subscription Asset, SBITA	16,420	21,308	—	—	16,420	21,308
Construction in Progress	2,774,266	2,573,919	—	—	2,774,266	2,573,919
Infrastructure	6,220,712	6,005,961	—	—	6,220,712	6,005,961
Totals, Net of Accumulated Depreciation	<u>\$ 12,019,277</u>	<u>\$ 11,570,275</u>	<u>\$ 2,230</u>	<u>\$ 2,363</u>	<u>\$ 12,021,507</u>	<u>\$ 11,572,638</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 \$449 million. The most significant changes in capital assets during the year were in the Transportation and Commerce functions. Transportation continues to expand the state road system, focusing primarily on upgrading existing roadways and completing the Appalachian Highway Corridor.

The \$200 million increase in construction in progress is due to increased projects in Transportation. Transportation saw an increase of \$730 million related to the acquisition of right of way and construction of roads and bridges. There were \$522 million completed infrastructure projects for road and bridges that were taken out of the construction in progress account and placed into service during the fiscal year.

Long-Term Debt

At year-end, the State had \$9.5 billion in bonds, other financing debt, notes payable, claims and judgments, compensated absences, right-to-use lease liability, subscription liability, net pension and OPEB liability, and other long-term obligations outstanding, as shown in the following table. The State's general obligation bonds are rated AA by Fitch

West Virginia

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	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	\$ 1,685,225	\$ 1,790,804	\$ —	\$ —	\$ 1,685,225	\$ 1,790,804
Revenue Bonds	1,060,527	1,159,089	121,607	136,480	1,182,134	1,295,569
Other Financing Debt	122,936	133,880	—	—	122,936	133,880
Notes Payable	8,421	10,249	—	—	8,421	10,249
Accrued and Other Liabilities	3,060,076	1,696,794	10,489	10,443	3,070,565	1,707,237
Insurance and Compensation Benefits	—	—	1,360,893	1,467,480	1,360,893	1,467,480
Compensated Absences	184,425	104,267	686	716	185,111	104,983
Right-to-Use Lease Liability	107,325	102,000	—	—	107,325	102,000
Subscription Liability-SBITA	15,680	20,677	—	—	15,680	20,677
Net Pension Liability	1,758,458	2,192,322	—	—	1,758,458	2,192,322
Net OPEB Liability	—	—	—	—	—	—
Totals	\$ 8,003,073	\$ 7,210,082	\$ 1,493,675	\$ 1,615,119	\$ 9,496,748	\$ 8,825,201

In FY 25, no new debt was issued. The decrease in general obligation and revenue bonds was due to debt service payments. Net Pension Liability decreased by \$434 million primarily due to difference between expected and actual experience for the plans. The retirement system investment assumption that the State would receive a 7.5% return on invested assets was in line with the overall market return in the current fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The general revenue estimate for FY 2026 is projected to be \$5.32 billion. Our current FY 2025 General Revenue actual collections are projected to be more than the official revenue estimate by as much as \$254 million. The Lottery Funds' actual revenue

collections for FY 2025 were more than their original estimates. Lottery revenues are projected to remain flat in FY 2026 and remain that way through FY 2030.

The budget for FY 2026 includes significant expenditure decreases for executive, commerce, education and veterans assistance. The decrease in expenditures is consistent with the commitment to provide a balanced budget and long-term fiscal stability.

CONTACTING THE STATES FINANCIAL MANAGEMENT

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



Basic Financial Statements



Government-Wide
Major Funds
Notes 1-17

West Virginia

Statement of Net Position June 30, 2025 (Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 5,456,582	\$ 2,205,689	\$ 7,662,271	\$ 2,246,855
Investments	1,540,808	125,861	1,666,669	314,782
Receivables, Net	1,271,859	158,196	1,430,055	353,368
Due from Other Governments	1,525,952	6,887	1,532,839	917
Due from Primary Government	—	—	—	196,971
Due from Fiduciary Funds	103	21,133	21,236	107
Due from Component Units	172,127	7,614	179,741	—
Internal Balances	(55)	55	—	—
Inventories	109,719	57	109,776	24,018
Other Assets	5,366	10,651	16,017	23,193
Restricted Assets:				
Cash and Cash Equivalents	7,868	209,830	217,698	285,329
Investments	—	—	—	31,514
Receivables, Net	—	1,315	1,315	5,504
Other Restricted Assets	—	294,032	294,032	4
Total Current Assets	10,090,329	3,041,320	13,131,649	3,482,562
Noncurrent Assets:				
Cash and Cash Equivalents	—	—	—	124,527
Investments	—	199,341	199,341	780,614
Receivables, Net	—	1,323,144	1,323,144	398,929
Other Assets	71	—	71	73,834
Advance to Component Units	52,453	—	52,453	—
Net Pension Asset	273,480	806	274,286	20,212
Net OPEB Asset	33,877	20	33,897	3,622
Restricted Assets:				
Cash and Cash Equivalents	18,346	2	18,348	627,081
Investments	—	40,523	40,523	82,725
Receivables, Net	—	—	—	1,277,504
Other Restricted Assets	—	—	—	3,157
Land and Other Capital Assets Not Being Depreciated	4,354,195	611	4,354,806	487,546
Capital Assets, Being Depreciated (Net of Accumulated Depreciation and Amortization)	7,547,021	1,619	7,548,640	4,052,405
Right-to-Use Lease Asset (Net of Accumulated Amortization)	101,641	—	101,641	94,877
Subscription Asset, SBITA (Net of Accumulated Amortization)	16,420	—	16,420	73,181
Total Noncurrent Assets	12,397,504	1,566,066	13,963,570	8,100,214
Total Assets	22,487,833	4,607,386	27,095,219	11,582,776
Deferred Outflows of Resources:				
Deferred Loss on Bond Refundings	43,055	486	43,541	34,243
Related to Pensions	983,075	1,960	985,035	52,798
Related to OPEB	200,953	146	201,099	23,333
Total Deferred Outflows of Resources	1,227,083	2,592	1,229,675	110,374

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

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Liabilities:				
Current Liabilities:				
Accounts Payable	417,517	12,127	429,644	194,353
Interest Payable	8,645	—	8,645	18,546
Accrued and Other Liabilities	2,275,034	10,489	2,285,523	349,211
Due to Other Governments	542,585	414	542,999	—
Due to Primary Government	—	—	—	179,741
Due to Fiduciary Funds	208	1	209	368
Due to Component Units	196,344	627	196,971	—
Unearned Revenue	58,513	53,230	111,743	611,519
Insurance and Compensation Benefits Obligations	—	309,558	309,558	—
General Obligation Debt	67,969	—	67,969	—
Revenue Bonds Payable	57,249	6,666	63,915	189,679
Right-to-Use Lease Liability	18,014	—	18,014	10,145
Subscription Liability (SBITA)	7,624	—	7,624	16,068
Other Financing Debt	2,889	—	2,889	10,122
Other Financing Debt Payable to Component Units	18,038	—	18,038	—
Compensated Absences	127,382	424	127,806	67,381
Total Current Liabilities	3,798,011	393,536	4,191,547	1,647,133
Noncurrent Liabilities:				
Accrued and Other Liabilities	792,766	—	792,766	104,797
Unearned Revenue	—	—	—	282
Insurance and Compensation Benefits Obligations	—	1,051,335	1,051,335	—
Advances from Primary Government	—	—	—	52,453
Liabilities Payable from Restricted Assets	—	—	—	135,185
Arbitrage Rebate Payable	44,015	—	44,015	—
General Obligation Debt	1,617,256	—	1,617,256	—
Revenue Bonds Payable	1,003,278	114,941	1,118,219	2,774,473
Right-to-Use Lease Liability	89,311	—	89,311	104,645
Subscription Liability (SBITA)	8,056	—	8,056	29,498
Other Financing Debt	11,873	—	11,873	238,109
Other Financing Debt Payable to Component Units	98,557	—	98,557	—
Net Pension Liability	1,758,458	—	1,758,458	3,301
Compensated Absences	56,043	262	56,305	21,296
Total Noncurrent Liabilities	5,479,613	1,166,538	6,646,151	3,464,039
Total Liabilities	9,277,624	1,560,074	10,837,698	5,111,172
Deferred Inflows of Resources:				
Gain on Bond Refundings	—	4,654	4,654	429
Related to Pensions	454,624	1,021	455,645	28,389
Related to OPEB	137,895	113	138,008	17,036
Service Concession Arrangements	—	—	—	—
Grants and Contributions	—	—	—	962
Related to Leases	—	—	—	11,545
Related to Private Public Partnerships	—	—	—	51,431
Total Deferred Inflows of Resources	592,519	5,788	598,307	109,792
Net Position:				
Net Investment in Capital Assets	10,492,654	2,231	10,494,885	3,257,521
Restricted for:				
Capital Projects	—	—	—	350,703
Debt Service	474,665	—	474,665	748,390
General Government Operations	10,160	5,400	15,560	—
Pension Asset	273,480	535	274,015	20,062
OPEB Asset	33,877	291	34,168	3,622
Permanent Funds:				
Nonexpendable	1,000	—	1,000	479,115
Expendable	353	—	353	—
Lending Activities	—	2,017,142	2,017,142	468,087
Insurance Activities	—	717,918	717,918	—
Development, Tourism, and Recreation	91,150	—	91,150	—
Education	240	—	240	—
Health and Social Services	1,875	—	1,875	—
Public Protection	118,523	—	118,523	—
Transportation	317,971	—	317,971	—
Specific Fund/Component Unit Purposes	—	—	—	544,729
Unrestricted	2,028,825	300,599	2,329,424	599,957
Total Net Position	\$ 13,844,773	\$ 3,044,116	\$ 16,888,889	\$ 6,472,186

West Virginia

Statement of Activities For the Fiscal Year Ended June 30, 2025 (Expressed in Thousands)

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Legislative	\$ 27,164	\$ 1,042	\$ 451	\$ —
Judicial	173,127	1,505	3,442	—
Executive	565,111	44,312	84,898	—
Administration	342,861	73,664	—	—
Commerce	290,073	64,095	108,000	—
Environmental Protection	288,516	46,916	194,456	—
Employment Programs	47,186	—	47,769	—
Education	3,208,451	5,076	609,327	—
Health, Health Facilities, and Human Services	8,756,892	46,733	6,449,377	—
Homeland Security	687,323	14,626	114,148	9,538
Revenue	274,247	60,099	903	—
Transportation	1,700,871	132,150	—	831,152
Veterans Assistance	28,724	414	9,081	3,241
Senior Services	54,971	4,337	26,430	—
Regulatory Boards and Commissions	329,121	60,147	84,710	—
Tourism	28,744	(126)	1,567	—
Economic Development	97,765	123	75,298	—
Arts, Culture and History	31,496	897	9,532	—
Debt Service Interest	3	—	—	—
Interest on Long-Term Debt	137,420	—	—	—
Interest on Lease Liability	3,823	—	—	—
Total Governmental Activities	17,073,889	556,010	7,819,389	843,931
Business-type Activities:				
Water Pollution Control Revolving Fund	24,632	6,386	—	—
Workers' Compensation Fund	39,925	663	—	—
Unemployment Compensation	169,832	158,940	—	—
West Virginia Infrastructure and Jobs Development Council	49,520	4,542	—	—
Public Employees' Insurance Agency	891,061	916,152	—	—
Board of Risk and Insurance Management	109,128	108,175	—	—
Drinking Water Treatment Revolving Fund	10,130	2,070	—	—
Other Activities	114,815	144,404	—	—
Total Business-type Activities	1,409,043	1,341,332	—	—
Total Primary Government	18,482,932	1,897,342	7,819,389	843,931
Component Units:				
West Virginia Lottery	1,298,556	1,275,037	—	—
Economic Development Authority	188,505	8,240	—	—
Housing Development Authority	190,554	73,526	133,064	—
Parkways Authority	151,952	199,614	—	—
Water Development Authority	225,962	210,591	—	—
West Virginia Division of Corrections and Rehabilitation	540,660	129,081	24,926	—
School Building Authority	160,827	—	3,326	—
Higher Education	2,403,426	886,193	760,643	118,279
Other Component Units	93,296	9,191	18,594	\$ —
Total Component Unit	\$ 5,253,738	\$ 2,791,473	\$ 940,553	\$ 118,279

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		
\$	\$	\$	\$	\$	\$
(25,671)	—	(25,671)	—	—	—
(168,180)	—	(168,180)	—	—	—
(435,901)	—	(435,901)	—	—	—
(269,197)	—	(269,197)	—	—	—
(117,978)	—	(117,978)	—	—	—
(47,144)	—	(47,144)	—	—	—
583	—	583	—	—	—
(2,594,048)	—	(2,594,048)	—	—	—
(2,260,782)	—	(2,260,782)	—	—	—
(549,011)	—	(549,011)	—	—	—
(213,245)	—	(213,245)	—	—	—
(737,569)	—	(737,569)	—	—	—
(15,988)	—	(15,988)	—	—	—
(24,204)	—	(24,204)	—	—	—
(184,264)	—	(184,264)	—	—	—
(27,303)	—	(27,303)	—	—	—
(22,344)	—	(22,344)	—	—	—
(21,067)	—	(21,067)	—	—	—
(8)	—	(8)	—	—	—
(137,420)	—	(137,420)	—	—	—
(3,823)	—	(3,823)	—	—	—
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(7,854,559)	—	(7,854,559)	—	—	—
—	(18,246)	(18,246)	—	—	—
—	(39,262)	(39,262)	—	—	—
—	(10,892)	(10,892)	—	—	—
—	(44,978)	(44,978)	—	—	—
—	25,091	25,091	—	—	—
—	(953)	(953)	—	—	—
—	(8,060)	(8,060)	—	—	—
—	29,589	29,589	—	—	—
—	(67,711)	(67,711)	—	—	—
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(7,854,559)	(67,711)	(7,922,270)	—	—	—
—	—	—	(23,519)	—	—
—	—	—	(180,265)	—	—
—	—	—	16,036	—	—
—	—	—	47,662	—	—
—	—	—	(15,371)	—	—
—	—	—	(386,653)	—	—
—	—	—	(157,501)	—	—
—	—	—	(638,311)	—	—
—	—	—	(65,511)	—	—
—	—	—	(1,403,433)	—	—

West Virginia

General Revenues:	Net (Expense) Revenue and Changes in Net Assets				
	Primary Government				
	Governmental Activities	Business-type Activities	Total	Component Units	
Taxes:					
Personal Income	\$ 1,959,341	\$ —	\$ 1,959,341	\$ —	—
Consumer Sales	2,046,623	—	2,046,623	—	—
Business	967,024	—	967,024	—	—
Medicaid	563,457	—	563,457	—	—
Transportation	763,009	—	763,009	—	—
Other	409,248	—	409,248	—	—
Grants and Contributions not Restricted to Specific Programs	—	—	—	4,532	
Unrestricted Investment Earnings	440,285	189,553	629,838	232,783	
Tobacco Settlement Revenue	50,272	—	50,272	—	—
Payments from State of West Virginia	—	—	—	1,443,433	
Lottery Revenues	392,898	46,000	438,898	800	
Miscellaneous	210,495	108,330	318,825	325,138	
Other Financing Sources	29,272	—	29,272	—	—
Transfers	(47,308)	47,308	—	—	—
Total General Revenues and Transfers	7,784,616	391,191	8,175,807	2,006,686	
Change in Net Position	64,585	323,480	388,065	603,253	
Net Position, Beginning of Year	13,847,763	2,720,636	16,568,399	5,870,202	
Change in Accounting Principle	(67,575)	—	(67,575)	(1,269)	
Net Position, Beginning of Year, as Restated	13,780,188	2,720,636	16,500,824	5,868,933	
Net Position, End of Year	\$ 13,844,773	\$ 3,044,116	\$ 16,888,889	\$ 6,472,186	

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.

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 241.

West Virginia

Balance Sheet
Governmental Funds
June 30, 2025
(Expressed in Thousands)

	General	Transportation	Tobacco Settlement Finance Authority	State Road	Other Governmental Funds	Total
Assets:						
Cash and Cash Equivalents	\$ 3,692,176	\$ 542,051	\$ 54,404	\$ 541,004	\$ 571,652	\$ 5,401,287
Investments	1,306,472	—	—	—	234,336	1,540,808
Receivables, Net	1,034,245	174,683	26,795	—	18,449	1,254,172
Due from Other Governments	1,516,629	—	—	—	9,323	1,525,952
Due from Other Funds	3,597	4,444	—	—	55	8,096
Due from Component Units	138,746	31,596	—	—	1,055	171,397
Advances to Component Units	52,453	—	—	—	—	52,453
Inventories	18,664	90,099	—	—	3	108,766
Other Assets	4,042	892	—	—	342	5,276
Restricted Assets:						
Cash and Cash Equivalents	—	—	—	—	2,627	2,627
Total Assets	<u>7,767,024</u>	<u>843,765</u>	<u>81,199</u>	<u>541,004</u>	<u>837,842</u>	<u>10,070,834</u>
Deferred Outflows of Resources:						
Deferred Payments to Tobacco Settlement Finance Authority	—	—	389,259	—	—	389,259
Total Deferred Outflows of Resources	—	—	389,259	—	—	389,259
Total Assets and Deferred Outflows of Resources	<u>\$ 7,767,024</u>	<u>\$ 843,765</u>	<u>\$ 470,458</u>	<u>\$ 541,004</u>	<u>\$ 837,842</u>	<u>\$ 10,460,093</u>
Liabilities:						
Accounts Payable	\$ 218,669	\$ 131,973	\$ 1	\$ 28,537	\$ 13,518	\$ 392,698
Accrued and Other Liabilities	2,646,315	16,059	—	17	16,146	2,678,537
Unearned Revenue	11,051	5,257	—	—	42,205	58,513
Due to Other Governments	406,658	3,994	—	—	131,681	542,333
Due to Other Funds	13,814	5,699	—	—	95	19,608
Due to Component Units	164,987	31,344	—	—	13	196,344
Total Liabilities	<u>3,461,494</u>	<u>194,326</u>	<u>1</u>	<u>28,554</u>	<u>203,658</u>	<u>3,888,033</u>
Deferred Inflows of Resources:						
Tax Revenue	183,854	—	—	—	—	183,854
Tobacco Settlement Revenue	—	—	26,604	—	—	26,604
Advances to Tobacco Settlement Finance Authority	389,259	—	—	—	—	389,259
Claim Settlements	—	438	—	—	—	438
Total Deferred Inflows of Resources	<u>573,113</u>	<u>438</u>	<u>26,604</u>	<u>—</u>	<u>—</u>	<u>600,155</u>

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

	General	Transportation	Tobacco Settlement Finance Authority	State Road	Other Governmental Funds	Total
Fund Balances:						
Nonspendable:						
Inventories	18,664	90,099	—	—	3	108,766
Permanent Fund	—	—	—	—	1,000	1,000
Receivables	38,199	—	—	—	—	38,199
Restricted for:						
Capital Projects	—	—	—	512,450	15,280	527,730
Debt Service	—	—	443,853	—	12,483	456,336
Government Operations	2,737	—	—	—	—	2,737
Development, Tourism, and Recreation	11,896	—	—	—	79,254	91,150
Education	240	—	—	—	353	593
Health and Social Services	1,875	—	—	—	—	1,875
Public Protection	1,305	—	—	—	117,218	118,523
Transportation	—	317,971	—	—	—	317,971
Committed to:						
General Government Operations	49,155	—	—	—	7,780	56,935
Development, Tourism, and Recreation	7,431	—	—	—	—	7,431
Education	8,598	—	—	—	—	8,598
Health and Social Services	8,897	—	—	—	—	8,897
Public Protection	3,414	—	—	—	392,683	396,097
Assigned to:						
Government Operations	8,681	—	—	—	—	8,681
Development, Tourism, and Recreation	1,944	—	—	—	—	1,944
Education	1,627	—	—	—	—	1,627
Health and Social Services	1,536	—	—	—	4,500	6,036
Public Protection	476	—	—	—	3,630	4,106
Transportation	—	240,931	—	—	—	240,931
Unassigned	3,565,742	—	—	—	—	3,565,742
Total Fund Balance	3,732,417	649,001	443,853	512,450	634,184	5,971,905
Total Liabilities, Deferred Inflows, and Fund Balance	\$ 7,767,024	\$ 843,765	\$ 470,458	\$ 541,004	\$ 837,842	\$ 10,460,093

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2025
(Expressed in Thousands)

Total Fund Balances - Governmental Funds	\$ 5,971,905
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	\$ 1,562,844
Construction-in-Progress	2,727,761
Infrastructure Assets	15,236,422
Buildings, Equipment, and Other Depreciable Assets	2,246,289
Right-to-Use Assets - Buildings	151,312
Subscription Asset, SBITA	22,870
Intangibles	52,858
Accumulated Depreciation	<u>(10,340,103)</u>
Total Capital Assets	11,660,253
The Net Pension Asset is not recognized at the fund level.	271,640
The Net OPEB Asset is not recognized at the fund level.	33,799
Certain tax and other revenues are earned but not available and therefore are deferred inflows of resources in the funds.	210,896
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.	(589,851)
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.	379,581
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.	71
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.	1,221,959
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	(1,685,225)
Revenue Bonds	(1,060,527)
Other Financing Debt	(77,649)
Right-to-Use Lease Liability	(103,360)
Subscription Liability, SBITA	(10,468)
Compensated Absences	(178,398)
Net Pension Liability	(1,758,458)
Accrued Interest Payable and Other Liabilities	<u>(441,395)</u>
Total Long-Term Liabilities	<u>(5,315,480)</u>
Net Position of Governmental Activities	<u>\$ 13,844,773</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, 2025
(Expressed in Thousands)

	General	Transportation	Tobacco Settlement Finance Authority	State Road	Other Governmental Funds	Total
Revenues:						
Taxes:						
Personal Income	\$ 1,963,968	\$ —	\$ —	\$ —	\$ —	\$ 1,963,968
Consumer Sales and Use	2,047,716	—	—	—	—	2,047,716
Severance	471,610	—	—	—	—	471,610
Corporate Net Income	394,381	—	—	—	—	394,381
Business and Occupation	103,080	—	—	—	—	103,080
Medicaid	470,442	—	—	—	—	470,442
Gasoline and Motor Carrier	—	430,736	—	—	—	430,736
Automobile Privilege	—	332,273	—	—	—	332,273
Other	405,816	3,000	—	—	—	408,816
Intergovernmental	6,918,845	831,152	—	—	238,659	7,988,656
Licenses, Permits, and Fees	123,964	6,289	—	—	129,013	259,266
Motor Vehicle Registration	—	144,426	—	—	—	144,426
Charges for Services	184,549	—	—	—	145	184,694
Lottery Revenues	377,325	—	—	—	10,655	387,980
SNAP Revenue	562,570	—	—	—	—	562,570
Investment Earnings	352,526	29,283	2,638	30,134	53,726	468,307
Other	263,105	61,826	50,363	—	32,976	408,270
Total Revenues	14,639,897	1,838,985	53,001	30,134	465,174	17,027,191
Expenditures:						
Current:						
Legislative	31,612	—	—	—	1,483	33,095
Judicial	171,480	—	—	—	—	171,480
Executive	751,353	—	—	—	—	751,353
Administration	159,149	—	140	—	90	159,379
Commerce	308,672	—	—	—	—	308,672
Environmental Protection	—	—	—	—	257,589	257,589
Employment Programs	—	—	—	—	47,641	47,641
Economic Development	100,442	—	—	—	—	100,442
Education	3,379,559	—	—	—	315	3,379,874
Arts, Culture, and History	40,943	—	—	—	—	40,943
Health, Health Facilities, and Human Services	8,834,785	—	—	—	—	8,834,785
Homeland Security	735,839	—	—	—	—	735,839
Revenue	108,789	—	—	—	21,205	129,994
Tourism	29,130	—	—	—	—	29,130
Transportation	16,098	1,137,030	—	—	—	1,153,128
Veterans Assistance	29,899	—	—	—	1	29,900
Senior Services	54,909	—	—	—	—	54,909
Regulatory Boards and Commissions	289,637	—	—	—	26,187	315,824
Capital Outlay	—	782,478	—	198,488	—	980,966
Debt Service:						
Principal	—	89,665	35,815	—	85,415	210,895
Interest	—	80,813	20,195	—	16,224	117,232
Right-to-Use Principal	19,135	2,756	—	—	57	21,948
Right-to-Use Interest	3,701	516	—	—	1	4,218
Total Expenditures	15,065,132	2,093,258	56,150	198,488	456,208	17,869,236
Excess of Revenues Over (Under) Expenditures	(425,235)	(254,273)	(3,149)	(168,354)	8,966	(842,045)
Other Financing Sources (Uses):						
Right-to-Use Leases	21,624	440	—	—	296	22,360
Right-to-Use SBITA	2,477	—	—	—	—	2,477
Transfers In	65,721	—	—	—	37,829	103,550
Transfers Out	(140,251)	—	(16,285)	—	(54,746)	(211,282)
Total Other Financing Sources (Uses)	(50,429)	440	(16,285)	—	(16,621)	(82,895)
Net Change in Fund Balance	(475,664)	(253,833)	(19,434)	(168,354)	(7,655)	(924,940)
Fund Balances, Beginning of Year	4,208,081	902,834	463,287	680,804	641,839	6,896,845
Fund Balances, End of Year	\$ 3,732,417	\$ 649,001	\$ 443,853	\$ 512,450	\$ 634,184	\$ 5,971,905

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, 2025
(Expressed in Thousands)**

Net Change in Fund Balances - Total Governmental Funds	\$	(924,940)
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	\$	825,577
Depreciation Expense		(399,564)
Excess of Capital Outlay Over Depreciation Expense		426,013
Accretion of interest related to capital appreciation bonds is an expense of the governmental activities.		
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		15,605
Other Financing Debt Payments		195,290
Total Long-Term Debt Repayment		210,895
Internal Service Funds are used by management to charge the costs of certain activities, such as building and vehicle maintenance and leasing, data processing, and investment and management of state monies, to individual funds. The change in net position of the Internal Service Funds is reported with governmental activities.		
		44,676
Revenues in the statement of activities that do provide current financial resources are not reported as revenues in the funds.		67,730
Loss on issuance of new refunding bonds in the current fiscal year but was deferred on the statement of activities.		
Retirement contributions (excluding Internal Service Funds) to defined benefit pension plans in the current fiscal year are not included on the statement of activities.		525,818
OPEB contributions (excluding Internal Service Funds) to defined benefit OPEB plan in the current fiscal year are not included on the statement of activities.		
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)		(9)
Decrease of Compensated Absences		(76,523)
Increase in Right-to-Use Lease Liability		(3,093)
Increase in SBITA Liability		1,960
Decrease of Accrued and Other Liabilities		(79,976)
Decrease of Net Pension Liability (Asset), net of deferrals		(358,228)
Increase of Net OPEB Liability (Asset), net of deferrals		289,106
Amortization of Bond Premiums/Discounts		24,523
Change in Accounting Principle		(67,575)
Total Change in Expenditures		(269,815)
Change in Net Position of Governmental Activities	\$	64,585

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

PROPRIETARY FUNDS

FINANCIAL STATEMENTS

Major Funds

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

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

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

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

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

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

Nonmajor proprietary funds are presented beginning on page 257.

West Virginia

Statement of Net Position Proprietary Funds

June 30, 2025

(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	\$ 340,858	\$ 1,162,496	\$ 435,115	\$ 6,698	
Investments	—	—	—	120,959	
Receivables, Net	38,657	218	26,329	30,288	
Due from Other Governments	—	—	2,122	—	
Due from Other Funds	1	—	378	—	
Due from Component Units	—	—	171	—	
Inventories	—	—	—	—	
Other Assets	—	—	—	—	
Restricted Assets:					
Cash and Cash Equivalents	—	—	—	197,500	
Receivables, Net	—	—	—	—	
Other Restricted Assets	—	—	—	—	
Total Current Assets	379,516	1,162,714	464,115	355,445	
Noncurrent Assets:					
Investments	—	—	—	—	
Receivables, Net	635,547	—	—	503,322	
Restricted Assets:					
Cash and Cash Equivalents	—	—	—	—	
Investments	—	—	—	—	
Capital Assets, Net	—	—	—	—	
Right-to-Use Lease Asset, Net	—	—	—	—	
Subscription Asset, Net (SBITA)	—	—	—	—	
Net Pension Asset	109	—	—	44	
Net OPEB Asset	5	—	—	—	
Total Noncurrent Assets	635,661	—	—	503,366	
Total Assets	1,015,177	1,162,714	464,115	858,811	
Deferred Outflows of Resources:					
Deferred loss on Bond Refunding	—	—	—	486	
Related to Pensions	263	—	—	98	
Related to OPEB	29	—	—	2	
Total Deferred Outflows of Resources	292	—	—	586	
Liabilities:					
Current Liabilities:					
Accounts Payable	217	—	—	469	
Accrued and Other Liabilities	—	52	4,080	1,966	
Premium Deficiency	—	—	—	—	
Unearned Revenue	—	—	—	—	
Due to Other Governments	—	—	414	—	
Due to Other Funds	—	—	—	—	
Due to Component Units	—	—	—	—	
Insurance and Compensation Benefits Obligations	—	98,400	18,481	—	
Revenue Bonds Payable	—	—	—	6,666	
Other Financing Debt	—	—	—	—	
Other Financing Debt Payable to Component Units	—	—	—	—	
Right-to-Use Lease Liability	—	—	—	—	
Subscription Liability (SBITA)	—	—	—	—	
Compensated Absences	105	—	—	—	
Total Current Liabilities	322	98,452	22,975	9,101	
Noncurrent Liabilities:					
Insurance and Compensation Benefits Obligations	—	842,500	—	—	
Revenue Bonds Payable	—	—	—	114,941	
Other Financing Debt	—	—	—	—	
Other Financing Payable to Component Units	—	—	—	—	
Right-to-Use Lease Liability	—	—	—	—	
Subscription Liability (SBITA)	—	—	—	—	
Compensated Absences	77	—	—	—	
Net OPEB Liability	—	—	—	—	
Total Noncurrent Liabilities	77	842,500	—	114,941	
Total Liabilities	399	940,952	22,975	124,042	
Deferred Inflows of Resources:					
Deferred Gain on Bond Refundings	—	—	—	4,654	
Related to Pensions	137	—	—	55	
Related to OPEB	19	—	—	1	
Total Deferred Inflows of Resources	156	—	—	4,710	
Net Position:					
Net Investment in Capital Assets	—	—	—	—	
Restricted for:					
Capital Projects	—	—	—	—	
General Government Operations	—	—	—	—	
Specific Fund Purposes	—	—	—	—	
Lending Activities	1,014,800	—	—	723,841	
Insurance Activities	—	221,762	441,140	—	
Net Pension Asset	109	—	—	44	
Net OPEB Asset	5	—	—	—	
Unrestricted	—	—	—	6,760	
Total Net Position	\$ 1,014,914	\$ 221,762	\$ 441,140	\$ 730,645	

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
\$ 117,994	\$ 23,895	\$ 118,633	\$ 2,205,689	\$ 55,295
—	—	4,902	125,861	—
46,800	3,314	12,590	158,196	17,687
1	—	4,764	6,887	—
24,114	24	—	24,517	12,935
7,443	—	—	7,614	730
—	—	57	57	953
—	—	10,651	10,651	90
—	12,330	—	209,830	7,423
—	1,216	99	1,315	—
—	294,032	—	294,032	—
196,352	334,811	151,696	3,044,649	95,113
159,436	39,905	—	199,341	—
—	—	184,275	1,323,144	—
2	—	—	2	16,164
4,588	35,935	—	40,523	—
—	—	2,230	2,230	349,118
—	—	—	—	3,821
—	—	—	—	6,085
169	149	335	806	1,840
1	—	14	20	78
164,196	75,989	186,854	1,566,066	377,106
360,548	410,800	338,550	4,610,715	472,219
—	—	—	486	—
430	358	811	1,960	4,349
14	16	85	146	775
444	374	896	2,592	5,124
4,988	2,026	4,427	12,127	24,819
3,240	912	239	10,489	528
—	—	—	—	—
27,928	18,135	7,167	53,230	—
—	—	—	414	252
3,272	6	52	3,330	1,583
378	—	249	627	—
99,290	87,487	5,900	309,558	—
—	—	—	6,666	—
—	—	—	—	2,466
—	—	—	—	2,175
—	—	—	—	580
—	—	—	—	2,258
—	—	319	424	698
139,096	108,566	18,353	396,865	35,359
4,590	200,545	3,700	1,051,335	—
—	—	—	114,941	—
—	—	—	—	7,667
—	—	—	—	41,400
—	—	—	—	3,385
—	—	—	—	2,954
—	173	12	262	4,329
—	—	—	—	—
4,590	200,718	3,712	1,166,538	59,735
143,686	309,284	22,065	1,563,403	95,094
—	—	—	4,654	—
217	187	425	1,021	2,268
16	7	70	113	400
233	194	495	5,788	2,668
—	—	2,231	2,231	311,663
—	—	—	—	14,119
—	—	5,400	5,400	—
—	—	278,501	2,017,142	—
—	44,822	10,194	717,918	—
—	—	—	—	7,423
169	149	64	535	1,840
1	—	285	291	78
216,903	56,725	20,211	300,599	44,458
\$ 217,073	\$ 101,696	\$ 316,886	\$ 3,044,116	\$ 379,581

West Virginia

**Statement of Revenues, Expenses, and
Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)**

	Business-type Activities – Enterprise Funds			West Virginia Infrastructure and Jobs Development Council
	Water Pollution Control Revolving Fund	Workers' Compensation Fund	Unemployment Compensation	
Operating Revenues:				
Charges for Services and Sales	\$ —	\$ —	\$ 158,940	\$ 4,542
Insurance Premiums	—	664	—	—
Investment Earnings	3,359	—	—	—
Licenses, Permits, and Fees	3,027	—	—	—
Other	—	37	—	—
Total Operating Revenues	6,386	701	158,940	4,542
Operating Expenses:				
Cost of Sales and Services	—	—	—	—
Insurance Claims and Claims Adjustment Provisions	—	35,765	—	—
Infrastructure and Economic Development	—	—	—	40,121
Unemployment Insurance Benefits	—	—	169,832	—
General and Administration	24,542	4,161	—	1,519
Pension Expense	100	—	—	9
OPEB Expense	(2)	—	—	—
Depreciation and Amortization	—	—	—	—
Provisions for Uncollectible Loans	—	—	—	4,125
Other	—	—	—	407
Total Operating Expenses	24,640	39,926	169,832	46,181
Operating Income (Loss)	(18,254)	(39,225)	(10,892)	(41,639)
Nonoperating Revenues (Expenses):				
Gain (Loss) on Sale of Equipment	—	—	—	—
Interest and Other Investment Income	—	112,715	13,298	15,503
Interest Expense	—	—	—	(3,339)
Right-to-Use Liabilities Issued	—	—	—	—
Subscription Liabilities Issued	—	—	—	—
Lottery Revenues	—	—	—	46,000
Other Nonoperating Revenues	15,782	36	—	—
Other Nonoperating Expenses	—	—	—	—
Total Nonoperating Revenues (Expenses), Net	15,782	112,751	13,298	58,164
Income (Loss) Before Transfers	(2,472)	73,526	2,406	16,525
Transfers:				
Transfers In	49,883	—	—	—
Transfers Out	—	—	—	(7,167)
Total Transfers	49,883	—	—	(7,167)
Change in Net Position	47,411	73,526	2,406	9,358
Net Position, Beginning of Year	967,503	148,236	438,734	721,287
Changes in Accounting Principle	—	—	—	—
Net Position, Beginning of Year, As Restated	967,503	148,236	438,734	721,287
Net Position, End of Year	\$ 1,014,914	\$ 221,762	\$ 441,140	\$ 730,645

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
\$ —	\$ —	\$ 133,274	\$ 296,756	\$ 173,568
916,165	108,284	6,396	1,081,509	—
—	—	—	3,359	—
—	—	7,250	10,277	—
4,981	—	114	5,132	—
921,146	108,284	147,034	1,347,033	173,568
—	—	99,381	99,381	149,901
861,944	103,275	7,706	1,008,690	—
—	—	—	40,121	—
—	—	—	169,832	—
21,225	5,781	7,769	64,997	26,365
89	78	167	443	896
(63)	—	56	(9)	(330)
67	—	242	309	24,806
—	—	—	4,125	—
7,847	—	10,130	18,384	—
891,109	109,134	125,451	1,406,273	201,638
30,037	(850)	21,583	(59,240)	(28,070)
—	—	—	—	86
18,744	26,695	2,598	189,553	491
—	—	—	(3,339)	(2,368)
—	—	—	—	—
—	—	—	—	4,435
—	—	—	46,000	4,918
87,000	—	380	103,198	4,841
—	—	—	—	(81)
105,744	26,695	2,978	335,412	12,322
135,781	25,845	24,561	276,172	(15,748)
—	—	37,946	87,829	64,061
—	—	(33,354)	(40,521)	(3,637)
—	—	4,592	47,308	60,424
135,781	25,845	29,153	323,480	44,676
81,292	75,851	287,733	2,720,636	337,750
—	—	—	—	(2,845)
81,292	75,851	287,733	2,720,636	334,905
\$ 217,073	\$ 101,696	\$ 316,886	\$ 3,044,116	\$ 379,581

West Virginia

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2025
(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	\$ 44,823	\$ 654	\$ 144,479	\$ 35,201
Receipts from State Agencies	—	—	—	—
Payments to Suppliers	—	(4,239)	—	(1,248)
Payments to Employees	(1,441)	—	—	(609)
Payments to Beneficiaries	—	—	—	—
Payments for Loans Originated	(38,307)	—	—	(65,108)
Payments for Premiums	—	—	—	—
Payments to Claimants	—	(98,466)	(172,105)	—
Other Operating Cash Receipts	—	37	15,380	—
Other Operating Cash Payments	<u>(22,757)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Cash Provided by (Used for) Operating Activities	<u>(17,682)</u>	<u>(102,014)</u>	<u>(12,246)</u>	<u>(31,764)</u>
Cash Flows from Noncapital Financing Activities:				
Repayment of Operating Debt	—	—	—	(53,465)
Interest Paid on Operating Debt	—	—	—	(5,464)
Transfers In	50,155	—	—	—
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	<u>50,155</u>	<u>—</u>	<u>—</u>	<u>(12,929)</u>
Cash Flows from Capital and Related Financing Activities:				
Repayment of Capital Debt	—	—	—	—
Interest Paid on Capital Debt	—	—	—	—
Principal Paid for Right-to-Use Leases and SBITAs	—	—	—	—
Interest Paid on Right-to-Use Leases and SBITAs	—	—	—	—
Acquisition and Construction of Capital Assets	—	—	—	—
Proceeds from issuance of revenue bonds	—	—	—	45,313
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>—</u>	<u>—</u>	<u>—</u>	<u>45,313</u>
Cash Flows from Investing Activities:				
Purchase of Investments	—	—	—	(157,858)
Proceeds from Sale of Investments	—	—	—	152,902
Investment Earnings	15,610	112,715	13,298	13,986
Net Cash Provided by (Used for) Investing Activities	<u>15,610</u>	<u>112,715</u>	<u>13,298</u>	<u>9,030</u>
Net Increase (Decrease) in Cash and Cash Equivalents	48,083	10,701	1,052	9,650
Cash and Cash Equivalents, Beginning of Year	<u>292,775</u>	<u>1,151,795</u>	<u>434,063</u>	<u>194,548</u>
Cash and Cash Equivalents, End of Year	<u>\$ 340,858</u>	<u>\$ 1,162,496</u>	<u>\$ 435,115</u>	<u>\$ 204,198</u>

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
\$ 919,310	\$ 109,245	\$ 165,021	\$ 1,418,733	\$ —
—	—	—	—	172,791
(20,529)	(3,201)	(100,975)	(130,192)	(146,909)
(2,057)	(2,011)	(5,647)	(11,765)	(32,934)
(1,044,394)	(107,309)	—	(1,151,703)	—
—	—	(40,591)	(144,006)	—
—	—	(11,038)	(11,038)	—
—	—	(9,090)	(279,661)	—
144,963	—	4,722	165,102	—
—	(20,430)	(2,116)	(45,303)	—
<u>(2,707)</u>	<u>(23,706)</u>	<u>286</u>	<u>(189,833)</u>	<u>(7,052)</u>
—	—	—	(53,465)	—
—	—	—	(5,464)	—
—	—	52,482	102,637	64,061
(12,501)	—	(33,354)	(45,855)	(3,637)
87,000	—	134	87,134	—
—	—	—	46,000	4,918
—	—	735	735	—
—	—	—	—	247
<u>74,499</u>	<u>—</u>	<u>19,997</u>	<u>131,722</u>	<u>65,589</u>
—	—	—	—	2,833
—	—	—	—	(1,954)
—	—	—	—	(578)
—	—	—	—	(3,507)
(16)	—	(160)	(176)	(36,143)
—	—	—	45,313	—
<u>(16)</u>	<u>—</u>	<u>(160)</u>	<u>45,137</u>	<u>(39,349)</u>
—	(26,781)	—	(184,639)	—
—	49,732	—	202,634	—
<u>3,173</u>	<u>2,389</u>	<u>2,723</u>	<u>163,894</u>	<u>499</u>
<u>3,173</u>	<u>25,340</u>	<u>2,723</u>	<u>181,889</u>	<u>499</u>
<u>74,949</u>	<u>1,634</u>	<u>22,846</u>	<u>168,915</u>	<u>19,687</u>
<u>43,047</u>	<u>34,591</u>	<u>95,787</u>	<u>2,246,606</u>	<u>59,195</u>
<u>\$ 117,996</u>	<u>\$ 36,225</u>	<u>\$ 118,633</u>	<u>\$ 2,415,521</u>	<u>\$ 78,882</u>

West Virginia

Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2025
(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:				
Change in Other Nonoperating Revenues				
Operating Income (Loss)	\$ (18,254)	\$ (39,225)	\$ (10,892)	\$ (41,639)
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	—	—	—	4,125
Pension Expense	100	—	—	9
OPEB Expense	(2)	—	—	—
Changes in Assets and Liabilities:				
Receivables	552	118	940	12,838
Investments	—	—	—	—
Inventories	—	—	—	—
Other Assets	—	—	—	—
Accounts Payable and Accrued Liabilities	46	(62,700)	(1,924)	(7,137)
Unearned Revenue	—	—	—	—
Escrow Deposits	—	—	—	—
Due to/from Other Funds	—	—	(370)	79
Unpaid Claims Liabilities	—	—	—	—
Other Liabilities	—	(207)	—	—
Compensated Absences	3	—	—	—
Pensions/OPEB	—	—	—	(46)
Deferred Outflows of Resources Related to Pensions/OPEB	(127)	—	—	(39)
Deferred Inflows of Resources Related to Pension/OPEB	—	—	—	46
Net Cash Provided by (Used for) Operating Activities	<hr/> <hr/> \$ (17,682)	<hr/> <hr/> \$ (102,014)	<hr/> <hr/> \$ (12,246)	<hr/> <hr/> \$ (31,764)
Schedule of Noncash Capital and Financing Activities:				
Loans Originated with Principal Forgiveness Features	—	—	—	—
Unrealized Gain (Loss) on Investments	—	—	—	—
Right-to-Use Lease Asset	—	—	—	—
Subscription Asset	—	—	—	—
On Behalf OPEB Payments	14	—	—	—

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
\$ 30,037	\$ (850)	\$ 21,583	\$ (59,240)	\$ (28,070)
67	—	242	309	24,806
89	78	167	443	896
(63)	—	56	(9)	(330)
(1,836)	(289)	(19,119)	(6,796)	(776)
—	—	3	3	(158)
—	—	(700)	(700)	—
—	—	(39)	(39)	(10)
(37,570)	—	(1,525)	(110,810)	(1,320)
6,403	—	—	6,403	—
—	(20,190)	—	(20,190)	—
—	(29)	—	(320)	—
—	(4,034)	—	(4,034)	—
166	1,767	27	1,753	(325)
—	—	(24)	(21)	—
—	—	(340)	(386)	—
—	(159)	(296)	(621)	(1,893)
—	—	251	297	—
\$ (2,707)	\$ (23,706)	\$ 286	\$ (189,833)	\$ (7,052)
—	—	9,060	9,060	—
15,571	24,306	—	39,877	—
—	—	—	—	5,301
—	—	—	—	11,493
—	—	—	—	\$14



FIDUCIARY FUNDS

FINANCIAL STATEMENTS

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

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

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

West Virginia

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2025

(Expressed in Thousands)

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	SMART 529	Custodial Funds
Assets:				
Cash and Cash Equivalents	\$ 13,944	\$ 1,245,867	\$ 7,297	\$ 113,170
Investments:				
Equity Pooled Investments	25,261,692	—	—	8,871
Mutual Funds	783,667	—	3,182,821	1,157
Receivables, Net:				
Contributions	31,706	—	6,528	—
Participant Loans	809	—	—	—
Accrued Interest	—	—	—	636
Accounts	5,352	—	—	—
Due from Other Funds	31,680	—	—	139
Due from Component Units	368	—	—	—
Restricted Assets:				
Net Pension Asset	15	—	—	—
Other Assets	8	—	—	—
Total Assets	<u>26,129,241</u>	<u>1,245,867</u>	<u>3,196,646</u>	<u>123,973</u>
Deferred Outflows of Resources:				
Related to Pensions	211	—	—	—
Related to OPEB	29	—	—	—
Total Deferred Outflows of Resources	<u>240</u>	<u>—</u>	<u>—</u>	<u>—</u>
Liabilities:				
Accounts Payable	103	—	8,110	—
Accrued and Other Liabilities	23,642	—	598	—
Due to Other Governments	—	—	—	16,573
Due to Other Funds	52,815	—	—	—
Due to Component Units	107	—	—	—
Insurance Claims Payable	9,770	—	—	—
Custodial Liabilities	—	—	—	7,762
Net Pension Liability	—	—	—	—
Net OPEB Liability	—	—	—	—
Total Liabilities	<u>86,437</u>	<u>—</u>	<u>8,708</u>	<u>24,335</u>
Deferred Inflows of Resources:				
Related to Pensions	118	—	—	—
Related to OPEB	8	—	—	—
Total Deferred Inflows of Resources	<u>126</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Position:				
Restricted for:				
Pension Benefits	23,913,999	—	—	—
Other Postemployment Benefits	2,128,919	—	—	—
Held in trust for:				
External Investment Pool Participants	—	1,245,867	—	—
Individuals and Organizations	—	—	3,187,938	99,638
Total Net Position	<u>\$ 26,042,918</u>	<u>\$ 1,245,867</u>	<u>\$ 3,187,938</u>	<u>\$ 99,638</u>

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, 2025 (Expressed in Thousands)

	Pension and Other Employee Benefit Trust Funds	Investment Trust Funds	SMART 529	Custodial Funds
Additions:				
Contributions:				
Members	\$ 247,851	\$ —	\$ —	\$ —
Employer	402,554	—	—	—
Account Holder Contributions	—	—	1,049,964	—
Deposits, Pool Participants	—	982,526	—	—
Other	349,066	—	—	—
Total Contributions	<u>999,471</u>	<u>982,526</u>	<u>1,049,964</u>	<u>—</u>
Investment Income (Loss):				
Net Appreciation in Fair Value of Investments	2,604,941	56,497	109,431	—
Interest	23,484	—	199,750	54
Investment Expense	—	—	(4,744)	—
Net Investment Income	<u>2,628,425</u>	<u>56,497</u>	<u>304,437</u>	<u>54</u>
Transfers to Plans	60,188	—	—	—
Transfers In	—	—	1,000	—
Funds Received for Local Governments	—	—	—	1,829,941
Grants Received for Local Governments	—	—	—	—
Funds Received for Individuals and Organizations	—	—	—	195,971
Collateral Received and Related Additions	—	—	—	122,807
Taxes Collected for Other Governments	—	—	—	804,451
Other	7,662	—	—	—
Total Additions	<u>3,695,746</u>	<u>1,039,023</u>	<u>1,355,401</u>	<u>2,953,224</u>
Deductions:				
Benefits Expense	1,648,453	—	—	—
Forfeitures	728	—	—	—
Payments in Accordance with Trust Agreements	—	—	1,213,257	—
Refunds of Contributions	81,533	—	—	—
Withdrawals	—	888,034	—	—
Pension Expense	8	—	—	—
OPEB Expense	(34)	—	—	—
Administrative Expenses	14,379	—	6,434	—
Transfers from Plans	60,188	—	—	—
Funds Disbursed to Local Governments	—	—	—	1,829,941
Funds Disbursed to Individuals and Organizations	—	—	—	195,971
Collateral Disbursed and Related Deductions	—	—	—	108,474
Taxes Disbursed to Local Governments	—	—	—	804,451
Total Deductions	<u>1,805,255</u>	<u>888,034</u>	<u>1,219,691</u>	<u>2,938,837</u>
Change in Net Position Restricted For:				
Individuals and Organizations	—	—	—	14,387
Change in Net Position Held in Trust For:				
Pension Benefits	1,707,074	—	—	—
Other Postemployment Benefits	183,417	—	—	—
External Investment Pool Participants	—	150,989	—	—
Individuals and Organizations	—	—	135,710	—
Net Position, Beginning of Year	23,903,047	1,094,878	3,052,228	85,251
Changes in Accounting Principles	249,380	—	—	—
Net Position, Beginning of Year, as Restated	<u>24,152,427</u>	<u>1,094,878</u>	<u>3,052,228</u>	<u>85,251</u>
Net Position, End of Year	<u>\$ 26,042,918</u>	<u>\$ 1,245,867</u>	<u>\$ 3,187,938</u>	<u>\$ 99,638</u>

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

DISCRETELY PRESENTED COMPONENT UNITS FINANCIAL STATEMENTS

Major Component Units

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

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

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

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

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

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

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

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

Nonmajor component units are presented beginning on page 278.

West Virginia

**Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2025
(Expressed in Thousands)**

	West Virginia Lottery	Economic Development Authority	Housing Development Fund	Parkways Authority
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 181,724	\$ 905,138	\$ 18,571	\$ 22,514
Investments	—	—	—	—
Receivables, Net	37,324	22,760	2,867	21,862
Due from Other Governments	—	—	—	—
Due from Primary Government	3	—	—	31,305
Due from Component Units	13	—	—	—
Inventories	1,209	—	—	5,142
Other Assets	222	—	—	276
Restricted Assets:				
Cash and Cash Equivalents	—	302	134,441	90,819
Investments	—	—	—	31,514
Receivables, Net	—	—	4,822	—
Other Restricted Assets	—	—	—	—
Total Current Assets	220,495	928,200	160,701	203,432
Noncurrent Assets:				
Cash and Cash Equivalents	—	—	—	—
Investments	—	9,113	—	—
Receivables, Net	—	172,920	120,258	17,607
Other Assets	—	—	—	—
Net Pension Asset	883	118	612	1,894
Net OPEB Asset	2	7	832	86
Restricted Assets:				
Cash and Cash Equivalents	—	101,168	67,474	—
Investments	—	—	80,798	1,927
Receivables, Net	—	—	1,166,476	—
Other Restricted Assets	—	—	2,714	—
Right-to-Use Lease Asset, Net	—	—	—	—
Subscription Asset, Net (SBITA)	—	—	—	35,464
Capital Assets, Net	40,076	11,634	7,177	806,507
Total Noncurrent Assets	40,961	294,960	1,446,341	863,485
Total Assets	261,456	1,223,160	1,607,042	1,066,917
Deferred Outflows				
Loss on Bond Refunding	—	—	—	—
Related to Pensions	2,163	294	1,492	4,628
Related to Other Post-Employment Benefits	88	50	854	592
Total Deferred Outflows of Resources	2,251	344	2,346	5,220

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
\$ 60,079	\$ 647,713	\$ 28,103	\$ 296,957	\$ 86,056	\$ 2,246,855
—	180,105	—	130,219	4,458	314,782
13,804	241,702	11,899	41	1,109	353,368
—	—	—	—	917	917
264	161,753	78	—	3,675	197,078
—	4,234	—	—	—	4,247
—	4,002	13,644	—	21	24,018
—	22,132	399	—	164	23,193
6,615	—	30,648	—	22,504	285,329
—	—	—	—	—	31,514
—	—	—	—	682	5,504
4	—	—	—	—	4
80,766	1,261,641	84,771	427,217	119,586	3,486,809
—	124,527	—	—	—	124,527
—	771,501	—	—	—	780,614
5,550	81,555	—	—	1,039	398,929
—	73,834	—	—	—	73,834
45	—	14,764	—	1,896	20,212
—	2,442	142	—	111	3,622
455,692	—	—	—	2,747	627,081
—	—	—	—	—	82,725
109,672	—	—	—	1,356	1,277,504
55	—	—	—	388	3,157
—	86,694	5,640	—	2,543	94,877
—	37,586	131	—	—	73,181
4,317	3,402,765	224,646	537	42,292	4,539,951
575,331	4,580,904	245,323	537	52,372	8,100,214
656,097	5,842,545	330,094	427,754	171,958	11,587,023
3,495	29,359	—	1,389	—	34,243
124	1,070	38,119	119	4,789	52,798
4	16,420	4,955	4	366	23,333
3,623	46,849	43,074	1,512	5,155	110,374

West Virginia

Combining Statement of Net Position
Discretely Presented Component Units
June 30, 2025
(Expressed in Thousands)
(Continued)

	West Virginia Lottery	Economic Development Authority	Housing Development Fund	Parkways Authority
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 30,518	\$ 414	\$ —	\$ 27,536
Interest Payable	—	—	5,833	1,893
Accrued and Other Liabilities	33,779	68	30,184	10,193
Unearned Revenue	—	246,622	—	—
Due to Primary Government	133,561	1,646	—	31,306
Due to Component Units	4,234	13	—	—
Revenue Bonds Payable	—	—	39,155	9,775
Other Financing Debt	—	31	—	—
Right-to-Use Lease Liability	—	—	—	—
Subscription Liability (SBITA)	—	—	—	89
Compensated Absences	893	81	628	2,262
Total Current Liabilities	202,985	248,875	75,800	83,054
Noncurrent Liabilities:				
Unearned Revenue	—	282	—	—
Advances from Primary Government	—	52,453	—	—
Liabilities Payable from Restricted Assets	—	—	116,217	—
Accrued and Other Liabilities	—	—	—	—
Revenue Bonds Payable	—	—	775,363	502,999
Other Financing Debt	—	10,721	423	—
Net Pension Liability	—	—	—	—
Right-to-Use Lease Liability	—	—	—	—
Subscription Liability (SBITA)	—	—	—	11,087
Compensated Absences	—	74	—	—
Total Noncurrent Liabilities	—	63,530	892,003	514,026
Total Liabilities	202,985	312,405	967,803	597,080
Deferred Inflows of Resources:				
Gain on Bond Refunding	—	—	—	—
Related to Pensions	1,128	156	768	2,381
Related to OPEB	54	35	768	342
Related to Leases	—	—	—	—
Public Private Partnerships	—	—	—	15,320
Grants and Contributions	—	—	—	—
Total Deferred Inflows	1,182	191	1,536	18,043
Net Position:				
Net Investment in Capital Assets	40,076	11,633	7,121	830,795
Restricted for:				
Capital Projects	—	—	—	—
Debt Service	—	—	417,805	114,125
Nonexpendable	—	—	—	—
Lending Activities	—	100,868	69,060	—
Pension Asset	883	118	612	1,894
OPEB Asset	2	7	832	86
Specific Component Unit Purposes	—	—	—	—
Unrestricted	18,579	798,282	144,619	(489,886)
Total Net Position	\$ 59,540	\$ 910,908	\$ 640,049	\$ 457,014

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
\$ 10 938	\$ 103,111 9,531	\$ 29,998 351	\$ — —	\$ 2,766 —	\$ 194,353 18,546
175,243	243,763	12,402	18,121	701	349,211
—	184,434	—	—	5,220	611,519
—	6,306	7,279	—	11	180,109
—	—	—	—	—	4,247
10,451	62,653	—	67,645	—	189,679
—	8,032	2,059	—	—	10,122
—	6,979	2,382	—	784	10,145
—	15,902	77	—	—	16,068
—	62,316	—	76	1,125	67,381
186,642	703,027	54,548	85,842	10,607	1,651,380
—	—	—	—	—	282
—	—	—	—	—	52,453
—	—	—	—	18,968	135,185
—	104,597	—	—	200	104,797
101,697	1,196,929	—	197,545	—	2,774,473
—	199,648	27,289	—	28	238,109
—	3,086	—	215	—	3,301
—	99,116	3,632	—	1,897	104,645
—	18,342	69	—	—	29,498
117	5,187	14,276	103	1,539	21,296
101,814	1,626,905	45,266	197,863	22,632	3,464,039
288,456	2,329,932	99,814	283,705	33,239	5,115,419
429	—	—	—	—	429
56	2,450	18,921	25	2,504	28,389
6	11,263	4,295	7	266	17,036
—	10,585	—	—	960	11,545
—	36,111	—	—	—	51,431
—	962	—	—	—	962
491	61,371	23,216	32	3,730	109,792
4,318	2,126,003	194,909	537	42,129	3,257,521
—	73,000	—	277,703	—	350,703
—	50,357	34,764	131,339	—	748,390
—	478,727	—	—	388	479,115
298,159	—	—	—	—	468,087
45	—	14,764	—	1,746	20,062
—	2,442	142	—	111	3,622
—	447,221	42,699	—	54,809	544,729
68,251	320,341	(37,140)	(264,050)	40,961	599,957
\$ 370,773	\$ 3,498,091	\$ 250,138	\$ 145,529	\$ 140,144	\$ 6,472,186

Combining Statement of Activities
Discretely Presented Component Units
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

Program Revenues						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue	
Component Units:						
West Virginia Lottery	\$ 1,298,410	\$ 1,275,037	\$ —	\$ —	\$ (23,373)	
Economic Development Authority	188,505	8,240	—	—	(180,265)	
Housing Development Fund	190,554	73,526	133,064	—	16,036	
Parkways Authority	151,952	199,614	—	—	47,662	
Water Development Authority	225,962	210,591	—	—	(15,371)	
Higher Education	2,403,426	885,710	760,643	118,279	(638,794)	
Division of Corrections & Rehabilitation	540,323	129,081	24,926	—	(386,316)	
School Building Authority	160,827	—	3,326	—	(157,501)	
Other Component Units	93,296	9,191	18,594	—	(65,511)	
 Total Component Units	 \$ 5,253,255	 \$ 2,790,990	 \$ 940,553	 \$ 118,279	 \$ (1,403,433)	

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	Change in Net Position	Net Position, (Deficit) Beginning of Year	Change in Accounting Principles	Net Position, Beginning of Year, as Restated	Net Position (Deficit) End of Year
\$ 9,800	\$ —	\$ 11,581	\$ —	\$ 21,381	\$ (1,992)	\$ 61,532	\$ —	\$ 61,532	\$ 59,540
50,972	—	147,428	—	198,400	18,135	892,773	—	892,773	910,908
12,754	—	—	—	12,754	28,790	611,259	—	611,259	640,049
9,843	—	—	—	9,843	57,505	399,509	—	399,509	457,014
27,741	—	—	175,000	202,741	187,370	183,403	—	183,403	370,773
102,117	—	161,162	647,583	910,862	272,068	3,226,825	(802)	3,226,023	3,498,091
1,439	—	—	426,311	427,750	41,434	208,704	—	208,704	250,138
17,186	—	—	134,855	152,041	(5,460)	150,989	—	150,989	145,529
931	4,532	5,767	59,684	70,914	5,403	135,208	(467)	134,741	140,144
\$ 232,783	\$ 4,532	\$ 325,938	\$ 1,443,433	\$ 2,006,686	\$ 603,253	\$ 5,870,202	\$ (1,269)	\$ 5,868,933	\$ 6,472,186



**STATE OF WEST VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

West Virginia

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 a blended debt service fund of the State since its activities only benefit the State.

Blended Component Unit Financial Statements

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

Administrative Offices:

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

Discretely Presented Component Units

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

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

West Virginia Lottery

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

Economic Development Authority

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

Housing Development Fund

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

Parkways Authority

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

Water Development Authority

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

Higher Education Fund

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

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

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

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

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

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

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

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

West Virginia Division of Corrections and Rehabilitation

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

West Virginia

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

School Building Authority

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

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

Educational Broadcasting Commission

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

West Virginia Division of Multimodal Transportation Facilities

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

Solid Waste Management Board

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

Racing Commission

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

Public Defender Corporation

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

Municipal Pension Oversight Board

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

Discretely Presented Component Unit Financial Statements

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

Administrative Offices:

West Virginia Lottery
900 Pennsylvania Avenue
Charleston, WV 25302

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

Water Development Authority
1009 Bullitt Street
Charleston, WV 25301

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

Educational Broadcasting Commission
600 Capitol Street
Charleston, WV 25301

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

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

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

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

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

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

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

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

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

Basis of Presentation

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

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

Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

Governmental Fund Types

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

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

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

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

The State reports the following major governmental funds:

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

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

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

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

Proprietary Fund Types

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

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

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

The State reports the following major enterprise funds:

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

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

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

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

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

Types of Fiduciary Funds

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

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

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

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

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

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

Interfund Activity and Balances

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

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

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

Major Reserve/Stabilization Funds

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

The Legislature is permitted to make appropriations from the fund for emergency revenue needs caused by acts of God or natural disasters or for other fiscal needs as determined by the Legislature. The Rainy Day Fund can also be invested and can retain those earnings. The first \$100 million is invested by the BTI, and any amounts over \$100 million are invested by the IMB. As of June 30, 2025, the fund contained \$754 million, which amounted to almost 14.5% of FY 2025 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, 2025, the balance in the Rainy Day Fund—Part B was \$594 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, 2025, the balance in the Income Tax Refund Reserve Fund was \$594 million, and it is reported in the General Fund as part of the unassigned fund balance.

Assets and Liabilities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Advances – The amount of EDA loans held by the State’s General Fund at June 30, 2025, is approximately \$52.4 million and is recorded as Advances to/from Component Units. There is a revolving loan agreement with the BTI to borrow up to \$80 million to be reloaned for the purposes of expanding broadband services across the State. This revolving loan allows EDA to insure no more than \$20 million per entity in one calendar year. The loan has a variable rate equal to the 12 month average yield on the WV Money Market Pool. The rate resets quarterly and the maximum annual adjustment may not exceed 1.00%. The annualized rate for fiscal year 2025 was 3.28%. At June 30, 2025, the outstanding balance was \$52.4 million.

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

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

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

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

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

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

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

The GASB issued Statement No. 101, “Compensated Absences” to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Deferred Inflows/Outflows of Resources – In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The State has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, and deferred amounts related to pension and OPEB. The deferred charge on refunding resulted from the difference between

the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The State has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the State reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

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

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

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

- Nonspendable fund balances include amounts that cannot be spent because they are in a nonspendable form, such as inventory, or they are legally or contractually required to be maintained intact, such as the corpus of a permanent fund.
- Restricted fund balances are restricted due to legal restriction from creditors, grantors, or laws and regulations of other governments, or by legally enforceable enabling legislation or constitution of the State.

- Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by appropriation legislation passed by the State Legislature, which is the highest level of decision-making authority for the State. Those committed amounts cannot be used for any other purpose unless the Legislature passes new legislation concerning those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned fund balances are constrained by the government's intent to use such funds for specific purposes, but are neither restricted nor committed, except for major reserve/stabilization arrangements. The specific purpose for which the funds are intended is expressed within the appropriation requests of the agencies and approved by the State Budget Office, according to the West Virginia State Code. Assigned fund balances include all remaining amounts (except negative amounts) that are reported in the governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed. Amounts in the General Fund that are intended to be used for a specific purpose are also assigned. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the State has assigned those amounts to the purposes of the respective funds.
- Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Any negative fund balances are unassigned. The General Fund is the only fund that reports a positive unassigned fund balance.

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

Revenues and Expenditures/Expenses

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

In the governmental fund financial statements, revenues are reported by source. For budgetary control purposes, revenues are further classified as either "general purpose" or "restricted." General purpose revenues are available to fund any activity accounted for in the fund. Restricted revenues are, either restricted by state law or by outside restriction (e.g.,

federal awards), available only for specified purposes. Unused restricted revenues at year-end are recorded as restricted fund balance.

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

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

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

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

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

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

Pronouncements Not Yet Adopted

The GASB issued Statement No. 103, “Financial Reporting Model Improvements” to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement specifically addresses changes to elements impacting Management’s Discussion and Analysis, Unusual or Infrequent Items, the presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position, Major Component Unit Information, Budgetary Comparison Information, and certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and management has not determined the financial statement impact of the pronouncement.

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

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

“A Change in Accounting Policy” and “Correction of an Error”

For the fiscal year beginning after December 15, 2023, GASB 101 was implemented for the following entities. There was also an error correction affecting one component unit.

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

Entity /Reporting Unit	Fund Balances or Net Position				
	As Previously Reported	Adjustment	Correction	As Restated	
Governmental Activities					
General Fund - Government-wide	\$ 4,208,081	\$ (64,730)	\$ —	\$ 4,143,351	
State Building Fund	233,180	(435)	—	232,745	
Office of Technology	14,729	(1,740)	—	12,989	
Enterprise Readiness Planning Board	6,542	(99)	—	6,443	
Travel Management	76,278	(571)	—	75,707	
Total Governmental Activities	13,847,763	(67,575)	—	13,780,188	
Component Units					
Higher Education	3,226,825	(802)	—	3,226,023	
WV Multimodal Transportation Facilities	47,170	(398)	—	46,772	
Public Defender	15,892	(208)	139	15,823	
Total Component Units	5,870,202	(1,408)	139	\$ 5,868,933	
Fiduciary Funds:					
Municipal Policemen’s or Firefighter’s Pension Relief Fund	—	249,380	—	249,380	
Total Fiduciary Funds	28,135,404	249,380	—	28,384,784	
Government Wide:					
Governmental Activities	13,847,763	(67,575)	—	13,780,188	
Total Primary Government	16,568,399	(67,575)	—	16,500,824	
Total Component Units	5,870,202	(1,408)	139	5,868,933	

Restricted Net Position

The following table summarizes the restricted net position of funds included in “other” columns at June 30, 2025 (expressed in thousands):

Fund Type/Fund	Total Reporting Entity	Restricted for:							
		Capital Projects	Net Pension Asset	Net OPEB Asset	Lending Activities	Insurance Activities	General Government Operations	Non-Expendable	Specific Fund Purposes
Enterprise Funds:									
Drinking Water Treatment Revolving Fund	\$ 278,402	\$ —	\$ —	\$ 278,402	\$ —	\$ —	\$ —	\$ —	\$ —
Alcohol Beverage Control Administration	398	—	14	285	99	—	—	—	—
West Virginia College and Jumpstart Savings Program	5,450	—	50	—	—	—	5,400	—	—
State Entities Worker's Compensation	10,194	—	—	—	—	10,194	—	—	—
	<u>294,444</u>	<u>—</u>	<u>64</u>	<u>285</u>	<u>278,501</u>	<u>10,194</u>	<u>5,400</u>	<u>—</u>	<u>—</u>
Internal Service Funds:									
State Building Fund	14,671	14,119	513	39	—	—	—	—	—
Office of Technology	1,083	—	1,046	37	—	—	—	—	—
Travel Management	7,500	—	77	—	—	—	—	—	7,423
Enterprise Readiness Planning Board	206	—	204	2	—	—	—	—	—
	<u>23,460</u>	<u>14,119</u>	<u>1,840</u>	<u>78</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,423</u>
Discretely Presented Component Units:									
Educational Broadcasting Commission	679	—	251	40	—	—	—	388	—
WV Multimodal Transportation Facilities	5,200	—	100	3	—	—	—	—	5,097
Solid Waste Management Board	4,878	—	48	—	—	—	—	—	4,830
Racing Commission	—	—	—	—	—	—	—	—	—
Public Defender Corporation	1,393	—	1,325	68	—	—	—	—	—
Municipal Pensions Oversight Board	44,904	—	22	—	—	—	—	—	44,882
	<u>57,054</u>	<u>—</u>	<u>1,746</u>	<u>111</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>388</u>	<u>54,809</u>
Total	<u>\$ 374,958</u>	<u>\$ 14,119</u>	<u>\$ 3,650</u>	<u>\$ 474</u>	<u>\$ 278,501</u>	<u>\$ 10,194</u>	<u>\$ 5,400</u>	<u>\$ 388</u>	<u>\$ 62,232</u>

The government-wide statement of net position reports \$4.0 million of restricted net position for the primary government, of which \$1.8 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, 2025 (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	\$ 113,103	\$ —	\$ —	\$ —	\$ —	\$ 113,103
Public Service Commission	4,115	—	—	—	—	4,115
Wildlife Resources	79,254	—	—	79,254	—	—
	<u>196,472</u>	<u>—</u>	<u>—</u>	<u>79,254</u>	<u>—</u>	<u>117,218</u>
Capital Projects Funds:						
Education, Arts, Sciences, and Tourism Fund	812	812	—	—	—	—
Cacapon Project Fund	2,374	2,374	—	—	—	—
Lease Purchase Accounts	12,094	12,094	—	—	—	—
	<u>15,280</u>	<u>15,280</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Debt Service:						
Lease Purchase Accounts	5,733	—	5,733	—	—	—
West Virginia Infrastructure and Job Development Council	445	—	445	—	—	—
Education, Arts, Sciences, and Tourism Fund	1,011	—	1,011	—	—	—
Economic Development Project Fund	—	—	—	—	—	—
Cacapon Project Fund	1,708	—	1,708	—	—	—
State Parks Projects	3,586	—	3,586	—	—	—
	<u>12,483</u>	<u>—</u>	<u>12,483</u>	<u>—</u>	<u>—</u>	<u>—</u>
Permanent Funds:						
Irreducible School	<u>353</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>353</u>	<u>—</u>
Total	<u>\$ 224,588</u>	<u>\$ 15,280</u>	<u>\$ 12,483</u>	<u>\$ 79,254</u>	<u>\$ 353</u>	<u>\$ 117,218</u>

NOTE 3

DEPOSITS AND INVESTMENTS

Deposits

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

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

Primary Government

At June 30, 2025, the reported amount of the primary government's deposits was (\$287,409,000) and the bank balance was \$179,156,000. Of that bank balance, \$3,824,000 was uninsured and uncollateralized.

Component Units

At June 30, 2025, the reported amount of the component units' deposits was \$667,722,000 and the bank balance was \$361,941,000. Of that bank balance, \$28,715,000 was uninsured and collateralized with securities held by the pledging financial institution but not in the name of the State, and \$10,566,000 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the State.

Investments

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

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

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

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

Investment Valuation

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

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

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

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

Level 3: Unobservable pricing inputs for assets and liabilities.

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

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

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

- Fixed income securities are valued according to prices furnished by independent pricing services to the pool's custodian. These services determine the security prices by a number of methods, including, but not limited to, dealer quotes, live market trading levels when available, live feeds of trade execution data, spreads over U.S. Treasury securities, and other models and formulae appropriate to the specific security type.
- Open-end regulated investment companies (RIC) or other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.
- Futures and option contracts are valued at the last settlement price established each day by the exchange on which they are traded or at the fair value determined by valuation models employed by the counterparty. The fair value of futures contracts is reflected as their unrealized gain or loss.
- Commingled investment funds are valued on the last business day of each month 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 in accordance with the WVIMB's established procedures.
- 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 using the appropriate market exchange rates and interpolated for maturity dates falling between the reported forward dates on a linear basis at month end. The fair value of foreign currency forward contracts is reflected as their unrealized gain or loss.
- Investments in private credit & income funds, private equity partnerships, real estate limited partnerships and funds, and other private funds are securities for which market quotations are not readily available. The WVIMB has concluded that the net asset value reported by the general partners or fund administrators approximates the fair value of these investments, and, consequently, these investments are carried at net asset value as a practical expedient for fair value. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds, and, consequently, the fair value of the WVIMB's interest in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the WVIMB were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant. The WVIMB believes that the net asset value of such investments is a reasonable estimate of fair value at June 30, 2025.
- Investments in alternative risk premia (ARP) funds are generally securities for which market quotations are not readily available. The WVIMB has concluded that the net asset value reported by the underlying funds approximates the fair value of these investments, and, consequently, these investments are carried at net asset value as a practical expedient for fair value. These investments are

redeemable with the fund at net asset value under the original terms of the agreements and operations of the underlying fund. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds, and, consequently, the fair value of the WVIMB's interests in the funds. The WVIMB believes that the net asset value of such investments is a reasonable estimate of fair value at June 30, 2025.

- Investments in hedge funds are securities for which market quotations are not readily available. The WVIMB has concluded that the net asset value reported by the 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 agreement and operations of the underlying fund. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds, and, consequently, the fair value of the WVIMB's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the WVIMB were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant. The WVIMB believes that the net asset value of such investments is a reasonable estimate of fair value at June 30, 2025.

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

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

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

West Virginia

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

A more detailed discussion of the WVIMB's and BTI's investment pools can be found in the WVIMB's and BTI's annual reports. A copy of the WVIMB's annual report can be obtained from the following address: 500 Virginia Street East, Suite 200, Charleston, WV 25301 or <http://www.wvimb.org>. A copy of the BTI's annual report can be obtained from the following address: West Virginia Board of Treasury Investments, 315 70th Street SE, Charleston, WV 25304 or <http://www.wvbtি.org>.

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

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

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

Repurchase Agreements

In connection with repurchase agreement transactions, it is the WVIMB's policy that its designated custodian or mutual third party take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of a repurchase transaction at

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

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

Derivatives

The State's investment strategy includes the use of derivatives as a tool in managing market risk and providing an opportunity for enhanced return. The WVIMB invests in derivative financial investments as authorized by its Board of Trustees. As of June 30, 2025, the WVIMB held derivative financial investments that included Foreign Currency Forward Contracts, Futures Contracts, Options, Credit Default Swaps, Interest Rate Swaps, and Total Return Swaps. The WVIMB is indirectly exposed to derivative risk through participation in institutional commingled funds. Credit risk and interest rate risk pertaining to derivatives are disclosed in each participating pool's section in this note. The change in fair value of derivatives is included in the Unrestricted Investment Earnings on the Government-wide Statement of Activities; Interest and Other Investment Income on the Statement of Revenues, Expenses, and Changes in Fund Net Position, Proprietary Funds; and Net Appreciation in Fair Value of Investments on the Statement of Changes in Fiduciary Net Position, Fiduciary Funds. The fair value of derivatives is included in the Investments and Cash Equivalents on the Government-wide Statement of Net Position; Investments on the Statement of Net Position, Proprietary Funds; and Investments on the Statement of Fiduciary Net Position, Fiduciary Funds. More details of the changes in fair value may be obtained from the financial statements of the WVIMB.

Foreign Currency

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

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

Futures Contracts

A futures contract is an agreement between a buyer or a seller and the clearinghouse of a futures exchange in which the parties agree to buy or sell a commodity, financial instrument or index at a specified future date and price. Upon entering into a financial futures contract, the WVIMB is required to pledge collateral to the broker an amount of cash, U.S. government securities, or other assets, equal to a certain percentage of the contract amount (initial

margin deposit). Cash (variation margin) is received from or paid to the broker on a daily basis for the fluctuations of the underlying securities or index.

Interest rate futures may be used to enhance portfolio yields, manage portfolio duration, or as an alternative investment of cash.

The market risk associated with holding equity index futures results from changes in the market value of the contractual positions due to changes in the value of the underlying instruments or indices. Investment risk associated with these futures contracts arises because of the value of the futures contracts may not correlate perfectly with changes in the values of the underlying instruments or indices due to market distortions.

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

Asset-Backed Securities

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

Securities Lending

The WVIMB is authorized by statute and policy to participate in a securities lending program. The WVIMB, through its lending agent, Northern Trust (NT), loans securities of the Pool to various brokers on a temporary basis. Each transaction for international and domestic securities is secured by collateral based on the market value of the securities loaned. The required collateral percentage varies based on the type of collateral received and the type of security loaned. For U.S. securities, the required percentage of cash collateral and non-cash collateral consisting of debt obligations and securities issued by the United States Government or its agencies or instrumentalities is at least 102 percent of the market value of the securities loaned plus accrued income. For international securities, the required collateral is at least 105 percent of the market value of the securities on loan unless the foreign securities loaned are denominated and payable in U.S. dollars, then the collateral shall be at least 102 percent of the market value of the securities loaned. Cash collateral received is invested in the West Virginia Custom Account (Cash Collateral Account). The Cash Collateral Account's investment objective is to maximize current income to the extent capital is preserved and liquidity is maintained. The Cash Collateral Account seeks to maintain a constant net asset value of \$1.00 per share by following strict credit quality,

maturity, liquidity, and diversification requirements. Except for underlying repurchase agreement transactions, the Pool is liable for investment losses in the Cash Collateral Account. The lending agent contractually indemnifies the WVIMB for any repurchase agreement investment losses. Investments made with cash are reported at fair value on the Statement of Net Position. Securities loaned remain on the Statement of Net Position. The WVIMB has the right under the lending agreement to recover the securities from the borrower on demand. The WVIMB receives 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. Securities lending income and expenses are recorded in the Statement of Changes in Net Position. The WVIMB also continues to receive interest or 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 Statement of Changes in Net Position as a net increase (decrease) in fair value of investments.

At June 30, 2025, the fair value of securities on loan and collateral held by the pools of the WVIMB are as follows (expressed in thousands). Of the collateral held, \$304.6 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	\$ 268,659	\$ 275,603
International Equity Pool	123,572	130,435
Total Return Fixed Income Pool	134,237	137,718
Core Fixed Income Pool	309,758	316,277
TIPS	66,374	67,822
Private Markets Pool	33,517	34,446
Total	\$ 936,117	\$ 962,301

Foreign Currency Spot Contracts

A foreign currency contract is an agreement between two parties to exchange different currencies at a specified exchange rate at an agreed upon future date. The WVIMB enters into foreign currency spot contracts that correspond to investment transactions trading in foreign currencies and to repatriate income. Risks associated with such contracts include movement in the value of the foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. These contracts have relatively short durations that mirror foreign market settlement cycles and are valued at the prevailing market exchange rates at month end.

Option Contracts

The WVIMB may purchase or write bond, currency, or index option contracts that have recognized liquidity and are actively traded on major exchanges or are executed with major dealers. These option contracts give the purchaser (seller) of the contract the right to buy (call) or sell (put) the security, or settle cash for an index option, underlying the contract at an agreed upon price (strike price) during, or at the conclusion of, a specified period of time. Written option contracts are used to enhance investment returns and reduce portfolio

convexity when implied volatility is high. Purchased option contracts are used to increase portfolio convexity when implied volatility is low, to implement certain yield curve strategies, or to hedge sector exposure. When writing put options, there is risk that a loss may be incurred if the market price of the underlying instrument decreases and the option is exercised. This loss is determined by market conditions and cannot be specifically limited. The risk associated with writing call options is the loss of potential profit if the market price of the security increases and the option is exercised. Purchased put or call options bear the risk of loss of the premium paid if market conditions are not favorable to exercise the option. There may also be risk that the value of the option contract does not correlate perfectly with movements of the underlying instrument due to certain market distortions. The WVIMB limits its exposure to credit risk by only buying or selling options traded on major exchanges or executed with major dealers. There is a risk of the inability to enter into a closing transaction if a liquid secondary market does not exist. The WVIMB maintains sufficient levels of cash or cash equivalents to meet cash flow obligations.

Credit Default Swaps

Credit default swaps are agreements between counterparties to transfer the credit risk of referenced debt securities. The buyer of the credit default swap gains protection against a negative credit event such as a default or credit rating downgrade and the seller assumes the credit risk and is obligated to pay upon the occurrence of such an event. Credit default swap agreements are marked-to-market daily. Upfront payments received or made by the Pool on credit default swap agreements are capitalized. Periodic payments received or paid are recorded as interest income. Payments received or made as a result of a credit event or termination of the contract are recognized, net of a proportional amount of the upfront payment, in net increase (decrease) in fair value of investments. Credit default swaps are instruments which allow for the full or partial transfer of third-party credit risk, with respect to a particular entity or entities, from one counterparty to the other. A seller of credit default swaps is selling credit protection or assuming credit risk with respect to the underlying entity or entities. If a credit event occurs, as defined under the terms of the swap agreement, the seller of protection will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. The Notional Principal reflects the maximum potential amount the seller of protection could be required to pay if a credit event occurs. The seller of protection receives periodic premium payments from the counterparty and may also receive or pay an upfront premium adjustment to the stated periodic premium.

Interest Rate Swaps

Interest rate swaps are agreements between counterparties to exchange cash flows based on the difference between a fixed and floating interest rate, applied to a notional principal amount for a specified period. Upfront payments received or made by the Pool on interest rate swap agreements are capitalized. Interest is paid or received periodically.

Total Return Swaps

Total return swaps are agreements in which one party makes payments based on a fixed or variable rate, while the other party makes payments based on the total return of an underlying referenced instrument, applied to a notional principal amount for a specified period. The underlying referenced instrument can be either a security or market index. A total return swap allows the party receiving the total return to obtain exposure to the underlying referenced instrument without actually owning the underlying position.

Investment Pools

Schedule of Participation

The following schedule details the participation in the various WVIMB pools exclusive of those pools comprising the Consolidated Fund or Participant Directed Accounts as of June 30, 2025 (expressed in thousands):

	Portable Alpha Pool	Large Cap Domestic Equity	Non-Large Cap Domestic Equity	International		
				Qualified	Nonqualified	Equity
Primary Government:						
Revenue Shortfall Reserve Fund	\$ —	\$ 40,693	\$ 6,265	\$ —	\$ 7,919	\$ 17,591
Revenue Shortfall Reserve Fund B	—	64,910	10,211	—	12,852	28,658
Workers' Compensation Old Fund	—	129,040	20,447	—	25,487	55,901
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	—	6,746	1,063	—	1,333	2,987
Workers' Compensation Self-Insured Employer Security Risk Pool	—	8,251	1,303	—	1,628	3,646
Workers' Compensation Uninsured	—	3,224	511	—	638	1,422
Pneumoconiosis	—	31,509	4,998	—	6,223	13,685
Wildlife Endowment Fund	21,705	—	3,462	—	4,354	9,629
State Parks and Recreation Endowment Fund	16,766	—	2,613	—	3,356	7,424
Board of Risk & Insurance Management	—	11,349	1,684	—	2,234	4,876
Public Employees' Insurance Agency	—	21,634	3,363	—	4,228	9,487
WV Department of Environmental Protection Trust	—	3,246	353	—	638	769
WV Department of Environmental Protection Agency	—	70,892	11,145	—	13,919	31,546
Total Primary Government	38,471	391,494	67,418	—	84,809	187,621
Percentage of Ownership	0.55 %	99.67 %	5.73 %	— %	41.54 %	5.72 %
Fiduciary Funds:						
Judges' Retirement System	92,222	—	14,766	18,477	—	41,139
Emergency Medical Services Retirement System	62,839	—	9,972	12,555	—	27,934
Public Employees' Retirement System	2,669,588	—	429,064	535,564	—	1,197,833
Teachers' Retirement System	2,931,836	—	470,204	587,368	—	1,310,994
Municipal Police Officers and Firefighters' Retirement System	16,151	—	2,570	3,231	—	7,225
Municipal Policemen's or Firefighter's Pension and Relief Funds	77,655	1,283	12,656	15,821	—	35,242
Natural Resources Police Officer Retirement System	10,088	—	1,605	2,018	—	4,494
State Police Retirement System	113,181	—	18,015	22,606	—	50,121
State Police Death, Disability and Retirement Fund	235,115	—	37,702	47,141	—	104,763
Retiree Health Benefit Trust	591,554	—	94,591	—	118,947	263,707
Deputy Sheriff's Retirement System	107,461	—	17,161	21,504	—	47,777
Total Fiduciary Funds	6,907,690	1,283	1,108,306	1,266,285	118,947	3,091,229
Percentage of Ownership	99.42 %	0.33 %	94.24 %	100.00 %	58.26 %	94.25 %
Other Participants:						
Berkeley County Development Authority	2,069	—	331	—	416	922
Total Amount	\$ 6,948,230	\$ 392,777	\$ 1,176,055	\$ 1,266,285	\$ 204,172	\$ 3,279,772
State Percentage of Ownership	99.97 %	100.00 %	99.97 %	100.00 %	99.80 %	99.97 %

Short-Term Fixed Income	Total Return Fixed Income	Core Fixed Income	TIPS	Private Equity	Hedge Funds	Total (Memorandum Only)
\$ 65,564	\$ 184,860	\$ 78,545	\$ 261,429	\$ —	\$ —	\$ 662,866
75	208,300	88,435	133,389	25,410	33,921	606,161
34,473	195,809	83,032	82,021	69,827	139,853	835,890
2,102	10,204	4,352	4,268	3,654	7,314	44,023
2,432	12,472	5,296	5,227	4,461	8,937	53,653
1,045	4,888	2,098	2,038	1,749	3,501	21,114
8,506	47,772	20,314	20,024	17,049	34,148	204,228
152	5,856	5,860	—	19,456	8,657	79,131
837	4,550	4,510	—	15,018	6,677	61,751
5,586	17,231	7,297	7,206	6,119	12,258	75,840
2	45,621	19,393	23,883	—	36,412	164,023
3	667	662	—	1,845	989	9,172
8	87,019	36,997	—	13,932	74,401	339,859
120,785	825,249	356,791	539,485	178,520	367,068	3,157,711
42.76 %	31.21 %	16.40 %	100.00 %	2.79 %	11.73 %	11.11 %
465	24,699	24,691	—	82,835	36,851	336,145
1,898	16,550	16,571	—	56,296	25,043	229,658
25,014	702,213	701,469	—	2,401,207	1,068,314	9,730,266
117,456	767,034	768,007	—	2,633,446	1,171,517	10,757,862
1,136	4,215	4,227	—	14,490	6,445	59,690
1,123	21,351	21,334	—	69,832	31,061	287,358
443	2,594	2,597	—	9,049	4,025	36,913
2,170	30,030	30,045	—	101,359	45,090	412,617
9,701	61,194	61,107	—	211,313	94,013	862,049
157	160,270	160,263	—	531,474	236,431	2,157,394
2,145	28,194	28,197	—	96,411	42,890	391,740
161,708	1,818,344	1,818,508	—	6,207,712	2,761,680	25,261,692
57.24 %	68.77 %	83.58 %	— %	97.18 %	88.24 %	88.87 %
2	561	561	—	1,862	828	7,552
\$ 282,495	\$ 2,644,154	\$ 2,175,860	\$ 539,485	\$ 6,388,094	\$ 3,129,576	\$ 28,426,955
100.00 %	99.98 %	99.97 %	100.00 %	99.97 %	99.97 %	99.98 %

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, 2025, the money market mutual fund has a weighted-average maturity (WAM) of 45 days.

The following table provides credit ratings for the pool's fixed income investments as of June 30, 2025 (expressed in thousands):

Rating	Fair Value
<i>Long-Term</i>	
AAA	\$ 43,380
AA	573,251
A	19,729
BBB	—
<i>Short-Term</i>	
A-1	133,256
A-2	1,996
Total Rated	<u>771,612</u>
Not Rated	<u>12,126</u>
Total Investments	<u><u>\$ 783,738</u></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 effective 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, 2025, Portable Alpha Pool held \$43,380,000 of these securities. This represents approximately 6% of the value of the pool's fixed-income securities and less than 1% of the value of the pool's total investments.

The following table provides the weighted average modified for the various asset types in the pool as of June 30, 2025:

Investment Type	Fair Value (in thousands)	Effective Duration (years)
Certificates of Deposit	\$ 8,765	0.2
Commercial Paper	135,252	0.1
Corporate ABS	43,380	0.6
Foreign Corporate Bonds	9,605	0.6
U.S. Corporate Bonds	15,889	0.4
U.S. Government Agency Bonds	36,237	0.5
U.S. Treasury Issues	534,610	5.5
Total	\$ 783,738	

Fair Value Measurements

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

The table below summarizes the valuation of investment securities in accordance with the fair value hierarchy levels as of June 30, 2025 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
ARP Fund (RIC)	\$ 118,006	\$ —	\$ —	\$ 118,006
Certificate of Deposit	—	8,765	—	8,765
Commercial Paper	—	135,252	—	135,252
Commingled Equity Fund	3,202,356	—	—	3,202,356
Corporate ABS	—	43,380	—	43,380
Foreign Corporate Bonds	—	9,605	—	9,605
Futures Contracts	106,471	—	—	106,471
Money Market Mutual Fund	801,820	—	—	801,820
U.S. Corporate Bonds	—	15,889	—	15,889
U.S. Government Agency Bond	—	36,237	—	36,237
U.S. Treasury Issues	—	534,610	—	534,610
Total	\$ 4,228,653	\$ 783,738	\$ —	5,012,391
ARP Funds				2,018,408
Total				\$ 7,030,799

The following table presents information on investments measured at the NAV as of June 30, 2025 (expressed in thousands):

ARP Fund Strategies	Fair Value	Redemption Frequency	Redemption Notice Period
Directional (a)	\$ 522,143	Daily, Monthly	2 to 30 days
Multi-Premia (b)	1,073,884	Weekly, Biweekly, Monthly	3 to 30 days
Relative-Value (c)	422,381	Biweekly, Monthly	6 to 60 days
Total Investment Measured at NAV	<u>\$ 2,018,408</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.
- (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. Investments representing approximately 21 percent of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.

Derivative Instruments

Derivative financial instruments held in the Pool are limited to equity index futures. These futures are not designated as hedging instruments; they are used to obtain S&P 500 market exposure.

The table below presents the fair value, the fiscal year to date net increase (decrease) in fair value, and the notional amount of derivative financial instruments outstanding as of and for the year ended June 30, 2025:

Derivative Type	Fair Value	Net Increase (Decrease) in Fair Value of Investments	Notional Value
Futures Contracts:			
Equity Index Futures Long	<u>\$ 106,471</u>	<u>\$ 330,785</u>	<u>\$ 3,610,603</u>

Large Cap Domestic Equity Pool

The pool's objective is to exceed, net of external management fees, the S&P 500 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, 2025, was \$375,845,000. The pool is exposed to credit risk and interest rate risk from its money market mutual fund investment. As of June 30, 2025, the money market mutual fund has the highest credit rating and has a weighted average maturity of 45 days. The pool is not exposed to concentration of credit risk, custodial credit risk, or foreign currency risk.

Fair Value Measurements

The table below summarizes the valuation of the investment securities in accordance with the fair value hierarchy levels as of June 30, 2025 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Commingled Equity Fund	\$ 375,845	\$ —	\$ —	\$ 375,845
Money Market Mutual Fund	16,950	—	—	16,950
Total	<u>\$ 392,795</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 392,795</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 WVIMB's established procedures.

Non-Large Cap Domestic Equity Pool

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

Credit Risk and Interest Rate Risk

The pool is exposed to credit risk from the money market mutual fund investment and investments made with cash collateral for securities loaned. The money market mutual fund has the highest credit rating. The pool is exposed to interest rate risk from its money market mutual fund investments and certain investments made with cash collateral for securities loaned. As of June 30, 2025, the money market mutual fund has a WAM of 45 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, 2025, 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, 2025 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Domestic Common Stock	\$ 1,025,654	\$ —	\$ —	\$ 1,025,654
Foreign Common Stock	121,733	—	—	121,733
Master Limited Partnership	3,487	—	—	3,487
Money Market Mutual Fund	32,805	—	—	32,805
Securities Lending Collateral	—	116,689	—	116,689
Total	<u>\$ 1,183,679</u>	<u>\$ 116,689</u>	<u>\$ —</u>	<u>\$ 1,300,368</u>

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

International Qualified

Funds of this pool are invested in Silchester International Investors International Value Equity Group Trust. This pool's objective is to produce investment returns that exceed the MSCI Europe Australasia Far East (MSCI EAFE) Index by 200 basis points 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, 2025, was \$1,266,329,000. This investment, although denominated in U.S. dollars, is exposed to foreign currency risk through the underlying investments.

Fair Value Measurements

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

International Nonqualified

Funds of this pool are invested in Silchester International Investors International Value Equity Group Trust. This pool’s objective is to produce investment returns that exceed the MSCI EAFE Index by 200 basis points 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, 2025, was \$204,179,000. This investment, although denominated in U.S. dollars, is exposed to foreign currency risk through the underlying investments.

Fair Value Measurements

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

International Equity

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

Credit Risk and Interest Rate Risk

The pool is exposed to credit risk from the money market mutual fund investments and investments made with cash collateral for securities loaned. The money market mutual fund has the highest credit rating. The pool is exposed to interest rate risk from its money market mutual fund investments and certain investments made with cash collateral for securities loaned. As of June 30, 2025, the money market mutual fund has a weighted-average maturity

(WAM) of 45 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, 2025, the WAM for the cash collateral account was 1 day.

This pool has equity securities, cash, and foreign current spot contracts that 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, 2025, consisted of the following (expressed in thousands):

Currency	Equity Investments	Cash	Foreign Currency Spot Contracts	Total
Australian Dollar	\$ 64,165	\$ 366	\$ (2)	\$ 64,529
Brazil Real	79,977	576	(3)	80,550
British Pound	191,633	2,155	7	193,795
Canadian Dollar	114,253	73	—	114,326
Chilean Peso	1,242	5	—	1,247
Chinese Yuan Offshore	64,643	34	—	64,677
Chinese Yuan Onshore	—	3	—	3
Czech Koruna	824	—	—	824
Danish Krone	19,648	7	—	19,655
Egyptian Pound	23	4	—	27
Emirati Dirham	52,663	1,676	—	54,339
Euro Currency Unit	455,760	4,282	(6)	460,036
Hong Kong Dollar	355,678	454	—	356,132
Hungarian Forint	19,745	5	—	19,750
Indian Rupee	257,288	3,967	—	261,255
Indonesian Rupiah	11,648	476	—	12,124
Israeli Shekel	16,547	6	—	16,553
Japanese Yen	293,441	7,984	13	301,438
Kuwaiti Dinar	9,550	238	—	9,788
Malaysian Ringgit	11,655	8	(1)	11,662
Mexican Peso	16,359	79	(7)	16,431
New Taiwan Dollar	285,029	145	11	285,185
New Zealand Dollar	79	—	—	79
Norwegian Krone	35,143	22	—	35,165
Philippine Peso	4,528	17	—	4,545
Polish Zloty	20,800	8	—	20,808
Qatar Riyal	1,606	—	—	1,606
Russian Ruble	—	6,951	—	6,951
Saudi Arabian Riyal	46,357	1,901	—	48,258
Singapore Dollar	13,586	6	—	13,592
South African Rand	19,868	4	(3)	19,869
South Korean Won	226,350	1,595	(15)	227,930
Swedish Krona	75,977	1,153	6	77,136
Swiss Franc	76,406	687	(2)	77,091
Thailand Baht	31,260	1	(4)	31,257
Turkish Lira	28,702	2	—	28,704
Subtotal	2,902,433	34,890	(6)	2,937,317
United States Currency	161,070	10	—	161,080
Total Assets	\$ 3,063,503	\$ 34,900	\$ (6)	\$ 3,098,397

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, 2025 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Common Stock	\$ 3,048,184	\$ —	\$ —	\$ 3,048,184
Money Market Mutual Funds	151,364	—	—	151,364
Preferred Stock	15,127	—	—	15,127
Rights	192	—	—	192
Securities Lending Collateral	—	47,645	—	47,645
Total	\$ 3,214,867	\$ 47,645	\$ —	\$ 3,262,512

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

Short-Term Fixed Income

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

Credit Risk and Interest Rate Risk

The IMB limits the exposure to credit risk in the Short-Term Fixed Income Pool by requiring all corporate bonds to be rated AA or higher. Commercial paper must be rated A-1 by Standard & Poor's and P-1 by Moody's. Additionally, the pool must have at least 10% of its assets in United States Treasury issues. All the pool's investments had the highest credit rating as of June 30, 2025. The pool is exposed to interest rate risk from its fixed income investments. The WVIMB monitors interest rate risk of the pool by limiting the weighted average maturity (WAM) of the investments of the pool to 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date.

The following table provides the WAM for the different asset types in the pool as of June 30, 2025, of the Short-Term Fixed Income pool's investments (expressed in thousands):

Investment Type	Carrying Value	WAM Days
U.S. Government Agency Bonds	\$ 196,679	7
U.S. Treasury Issues*	24,960	15
Repurchase Agreements (Underlying Securities):		
U.S. Treasury Issues*	60,859	1
Total Investments	\$ 282,498	6

* 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, 2025 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Repurchase Agreement*	\$ —	\$ 60,859	\$ —	\$ 60,859
U.S. Government Agency Bonds	—	196,679	—	196,679
U.S. Treasury Issues	—	24,960	—	24,960
Total	\$ —	\$ 282,498	\$ —	\$ 282,498

*Underlying Securities:
U.S. Treasury Issues \$60,859

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

Total Return Fixed Income

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

Credit Risk and Interest Rate Risk

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

West Virginia

The following table provides credit ratings for the pool's fixed income investments as of June 30, 2025 (expressed in thousands):

Rating	Fair Value
<i>Long-Term</i>	
AAA	\$ 105,314
AA	1,435,706
A	178,020
BBB	449,691
BB	277,841
B	121,504
CCC	38,987
CC	4,640
D	1,781
<i>Short-Term</i>	
A-1	121,105
Total Rated	<hr/> 2,734,589
Not Rated	93,534
Withdrawn	13,838
Total Fixed Income Investments	<hr/> \$ 2,841,961

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, 2025, the Total Return Fixed Income Pool held \$1,260,588,000 of these securities. This represents approximately 44% 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, 2025, the money market mutual fund has a WAM of 45 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, 2025, 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, 2025 (expressed in thousands):

Investment Type	Fair Value	Effective Duration (years)
Bank Loans	\$ 3,636	0.7
Commingled Debt Funds	174,575	3.0
Corporate ABS	116,565	1.7
Corporate CMO	105,219	1.4
Foreign ABS	103,589	(0.1)
Foreign Corporate Bonds	256,842	3.9
Foreign Government Bonds	198,138	4.7
Municipal Bonds	17,027	5.8
Repurchase Agreement	37,000	0*
U.S. Corporate Bonds	328,356	4.0
U.S. Government Agency Bonds	2,581	0.3
U.S. Government Agency CMO	89,309	1.8
U.S. Government Agency CMO IO	9,516	2.4
U.S. Government Agency MBS	557,768	6.1
U.S. Government Agency TBAs	278,624	4.7
U.S. Treasury Issues	547,374	8.7
U.S. Treasury Inflation Protected Securities (TIPS)	15,842	13.0
Total	<u><u>\$ 2,841,961</u></u>	

*Rounds to less than 0.05

Foreign Currency Risk

The pool has foreign fixed income investment, foreign equity investments, foreign currency spot contracts, 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 \$42,379,000 or 24%, of the commingled debt funds hold substantially all of their investments in securities denominated in foreign currencies. This represents approximately 1% of the value of the pool's fixed income securities.

West Virginia

The amounts at fair value (in U.S. dollars) of investments and cash denominated in foreign currencies as of June 30, 2025, (expressed in thousands):

Currency	Foreign Fixed Income	Common Stock	Foreign Currency Spot Contracts	Cash	Cash Due To/From Broker	Total
Australian Dollar	\$ —	\$ —	\$ —	\$ 1,191	\$ 938	\$ 2,129
Brazilian Real	51,677	—	—	1	—	51,678
British Pound	—	147	—	797	656	1,600
Canadian Dollar	—	—	—	1,095	—	1,095
Colombian Peso	3,720	—	—	—	—	3,720
Dominican Peso	3,246	—	—	—	—	3,246
Egyptian Pound	3,957	—	—	—	—	3,957
Euro Currency Unit	33,594	—	(3)	3,645	—	37,236
Jamaican Dollar	1,385	—	—	—	—	1,385
Japanese Yen	6,396	—	—	1,298	—	7,694
Kazakhstani Tenge	4,750	—	—	—	—	4,750
Mexican Peso	5,863	—	—	1	—	5,864
Nigerian Naira	2,089	—	—	—	—	2,089
New Zealand Dollar	—	—	—	750	—	750
Polish Zloty	3,337	—	—	—	—	3,337
South African Rand	4,376	—	—	670	—	5,046
Swedish Krona	—	—	—	470	—	470
Turkish Lira	2,652	—	—	—	—	2,652
Uruguayan Peso	1,014	—	—	—	—	1,014
Uzbekistan Som	3,924	—	—	—	—	3,924
Total Foreign-Denominated Investments	\$ 131,980	\$ 147	\$ (3)	\$ 9,918	\$ 1,594	\$ 143,636
U.S. Dollar	430,225	—	—	(680)	(5,134)	424,411
Total	\$ 562,205	\$ 147	\$ (3)	\$ 9,238	\$ (3,540)	\$ 568,047

Derivative Instruments

Derivative financial instruments held in the Pool include foreign currency forward contracts, futures, options, credit default swaps, interest rate swaps, and total return swaps. None of these derivative instruments are designated as hedging instruments; they are used to implement portfolio strategy, capture valuation opportunities, and to exploit market inefficiencies. The primary risks managed by using these derivative instruments include interest rate, foreign exchange rate, and market price risks.

The table below presents the fair value and the net increase (decrease) in fair value of derivative instruments as of and for the year ended June 30, 2025:

Derivative Type	Fair Value	Net Increase (Decrease) in Fair Value of Investments	Notional Value (in USD)
Forwards:			
Foreign Currency Forward Contract	\$ (4,016)	\$ (6,167)	\$ 228,132
Futures Contracts:			
Fixed Income Futures Long	6,003	(4,736)	775,520
Fixed Income Futures Short	(9,024)	13,997	(296,501)
Options contracts:			
Fixed Income Options Purchased	2,022	(12,600)	456,368
Fixed Income Options Written	(2,720)	19,733	(217,458)
Credit Default Swaptions Purchased	—	(138)	—
Credit Default Swaptions Written	—	394	—
Interest Rate Swaptions Purchased	—	(137)	—
Interest Rate Swaptions Written	—	137	—
Swaps:			
Credit Default Swaps Protection Buyer	—	(9)	—
Credit Default Swaps Protection Seller	4,521	819	101,943
Interest Rate Swaps	5,559	7,897	826,679
Total Return Swaps	457	2,126	11,699
Total Derivatives	<u>\$ 2,802</u>	<u>\$ 21,316</u>	

Credit Risk

The Pool, through its investment managers, is a party to International Swap and Derivative Association, Inc. (ISDA) Master Agreements (MA) that may allow the netting of a counterparty's obligations against those of the Pool in the event of a default by the counterparty. The Pool is required to disclose the positions held at period end that were entered into pursuant to agreements that allow for such netting.

For financial reporting purposes, the Pool does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statement of Net Position. The following table presents the Pool's derivative assets net of amounts available for offset under a netting provision and net of related collateral received by the Pool as of June 30, 2025:

Derivative Type	Derivative Assets Subject to a MA	Derivatives Available for Offset	Non-Cash Collateral Received	Cash Collateral Received	Net Exposure
Foreign Currency Forward Contracts	\$ 793	\$ (793)	\$ —	\$ —	\$ —
Swaps	13,660	(11,936)	(1,333)	—	391
Total	<u>\$ 14,453</u>	<u>\$ (12,729)</u>	<u>\$ (1,333)</u>	<u>\$ —</u>	<u>\$ 391</u>

West Virginia

Foreign currency forward contracts, certain swaps, and swaptions are exposed to counterparty credit risk. The WVIMB reviews available ratings from Standard & Poor's, Moody's, and Fitch and reports the rating indicative of the greatest degree of risk.

The following table provides the credit ratings for the Pool's derivative instruments that are subject to counterparty credit risk as of June 30, 2025:

Derivative Type	Counterparty Rating	Fair Value
Foreign currency forward contracts	A	\$ 564
Foreign currency forward contracts	BBB	793

Interest Rate Risk

The following table provides the time to maturity for derivative instruments that are subject to interest rate risk as of June 30, 2025:

Derivative Type	Fair Value	Investment	Maturities	(in	year)
		Under - 1	1 - 5	6 - 10	10+
Futures Contracts:					
Fixed Income Futures Long	\$ 6,003	\$ 5,527	\$ 476	\$ —	\$ —
Fixed Income Futures Short	(9,024)	(9,024)	—	—	—
Options Contracts:					
Fixed Income Options Purchased	2,022	2,022	—	—	—
Fixed Income Options Written	(2,720)	(1,813)	(907)	—	—
Interest Rate Swaps	5,559	—	1,779	4,654	(874)
	\$ 1,840	\$ (3,288)	\$ 1,348	\$ 4,654	\$ (874)

Interest rate swaps are highly sensitive to changes in interest rates. The following tables provide detailed information on derivative instruments that are highly sensitive to interest rate changes.

At June 30, 2025, the open positions in interest rate swaps denominated in U.S. dollars were as follows:

Maturity Date	Reference Rate	Notional	Fair Value
4/28/2028	Receive Fixed 3.30%, Pay Floating SOFR	\$ 195,319	\$ 512
2/24/2031	Receive Fixed 4.04%, Pay Floating SOFR	262,677	7,821
1/31/2032	Receive Floating SOFR, Pay Fixed 3.73%	248,774	(3,167)
11/15/2053	Receive Floating SOFR, Pay Fixed 3.77%	6,920	191
4/28/2036	Receive Floating SOFR, Pay Fixed 3.85%	45,421	(498)
2/24/2056	Receive Floating SOFR, Pay Fixed 3.99%	37,253	(567)
		\$ 796,364	\$ 4,292

At June 30, 2025, the open positions in interest rate swaps denominated in foreign currencies were as follows:

Maturity Date	Reference Rate	Notional	Fair Value
1/2/2030	Receive Fixed 14.76%, Pay Floating Brazil CDI	\$ 30,315	\$ 1,267

Reference Rate Index Definitions:
 SOFR: Secured Overnight Financing Rate
 Brazil CDI: Brazilian Interbank Deposit Rate

Foreign Currency Risk

The Pool has foreign currency forward contracts, futures contracts, and swap contracts that are denominated in foreign currencies and exposed to foreign currency risks. The amounts at fair value (in U.S. dollars) of derivative instruments in foreign currencies as of June 30, 2025, are as follows:

Currency	Foreign Currency Forward Contracts	Futures Contact	Swap Contracts	Total
Australian Dollar	\$ (159)	\$ 39	\$ —	\$ (120)
Brazilian Real	(2,334)	—	1,267	(1,067)
British Pound	(127)	220	—	93
Canadian Dollar	(40)	—	—	(40)
Euro Currency Unit	(953)	—	—	(953)
Indian Rupee	(102)	—	—	(102)
Japanese Yen	6	75	—	81
New Zealand Dollar	(5)	—	—	(5)
South African Rand	(302)	—	—	(302)
Total Foreign-Denominated Investments	\$ (4,016)	\$ 334	\$ 1,267	\$ (2,415)
U.S. Dollar	—	(3,355)	9,270	5,915
Total	\$ (4,016)	\$ (3,021)	\$ 10,537	\$ 3,500

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 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, 2025. The fair value measurement valuation techniques for the Total Return Fixed Income Pool's asset categories can be found on pages 82-84, except for the investments in other funds, which are measured using the net asset value per share practical expedient.

West Virginia

The table below summarizes the valuation of investment securities in accordance with the fair value hierarchy levels as of June 30, 2025 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Bank Loans	\$ —	\$ —	\$ 3,636	\$ 3,636
Corporate ABS Residual	—	1,041	—	1,041
Corporate ABS	—	116,565	—	116,565
Corporate CMO	—	105,219	—	105,219
Corporate Preferred Security	11,442	—	—	11,442
Foreign ABS	—	102,559	1,030	103,589
Foreign Corporate Bonds	—	256,842	—	256,842
Foreign Currency Forward Contracts	—	1,357	—	1,357
Foreign Equity Investments	147	—	—	147
Foreign Government Bonds	—	197,851	287	198,138
Futures Contracts	6,168	—	—	6,168
Money Market Mutual Fund	282,726	—	—	282,726
Municipal Bonds	—	17,027	—	17,027
Options Contracts Purchased	2,022	—	—	2,022
Repurchase Agreements	—	37,000	—	37,000
Securities Lending Collateral	—	53,684	—	53,684
Swaps	—	33,942	—	33,942
U.S. Corporate Bonds	—	328,356	—	328,356
U.S. Government Agency Bond	—	2,581	—	2,581
U.S. Government Agency CMO	—	89,309	—	89,309
U.S. Government Agency CMO IO	—	9,516	—	9,516
U.S. Government Agency MBS	—	557,768	—	557,768
U.S. Government Agency TBAs	—	278,624	—	278,624
U.S. Treasury Bonds	—	547,374	—	547,374
U.S. TIPS	—	15,842	—	15,842
Total	<u>\$ 302,505</u>	<u>\$ 2,752,457</u>	<u>\$ 4,953</u>	<u>\$ 3,059,915</u>
Commingled Debt Funds				174,575
Total				<u>\$ 3,234,490</u>

Liabilities	Level 1	Level 2	Level 3	Total
Foreign Currency Forward Contracts	\$ —	\$ (5,373)	\$ —	\$ (5,373)
Futures Contracts	(9,189)	—	—	(9,189)
Options Contracts Written	(2,720)	—	—	(2,720)
Swaps	—	(23,405)	—	(23,405)
Total	<u>\$ (11,909)</u>	<u>\$ (28,778)</u>	<u>\$ —</u>	<u>\$ (40,687)</u>

The pool's investments in commingled debt funds were measured at the net asset value (NAV) as of June 30, 2025. 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 enhance diversification, but not at the expense of total return. JP Morgan Investment Advisors manages this pool. This pool's investment objective is to outperform the Bloomberg U.S. Aggregate Bond Index over three-year to five-year periods, net of external management fees.

Credit Risk and Interest Rate Risk

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

The following table provides the credit ratings in the Core Fixed Income Pool's fixed income investments as of June 30, 2025 (expressed in thousands):

Rating	Fair Value
AAA	\$ 80,792
AA	1,390,202
A	210,315
BBB	417,554
BB	9,905
B	203
CCC	106
Total Rated	<u>2,109,077</u>
Not Rated	121,334
Withdrawn	<u>16,076</u>
Total Investments	<u><u>\$ 2,246,487</u></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, 2025, the money market mutual fund has a WAM of 45 days. Except for repurchase agreements that can have up to 95 days to maturity, investments in the cash collateral account are limited to overnight investments. As of June 30, 2024, the WAM for the cash collateral account was 1 day.

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

West Virginia

The following table provides the weighted average effective duration for the pool's fixed income investments as of June 30, 2025 (expressed in thousands):

Investment Type	Fair Value	Effective Duration (years)
Corporate ABS	\$ 227,337	2.0
Corporate CMO	102,426	2.2
Corporate CMO IO	90	0.6
Corporate CMO PO	1,512	0*
Foreign ABS	2,469	0*
Foreign Corporate Bonds	199,174	4.2
Foreign Government Bonds	10,746	7.7
Municipal Bonds	8,429	8.1
U.S. Corporate Bonds	370,172	7.6
U.S. Government Agency CMO	111,974	5.0
U.S. Government Agency CMO IO	1,026	8.5
U.S. Government Agency CMO PO	1,520	5.0
U.S. Government Agency MBS	509,204	6.0
U.S. Treasury Issues	700,408	8.7
Total	<u>\$ 2,246,487</u>	

*Rounds to less than 0.05

The pool invests in commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations. The cash flows from these securities are based on the payment of the underlying collateral. The effective duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. At June 30, 2025, the pool held \$957,559,000 of these securities. This represents approximately 43 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, 2025 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Corporate ABS	\$ —	\$ 221,937	\$ 5,400	\$ 227,337
Corporate CMO	—	102,426	—	102,426
Corporate CMO IO	—	90	—	90
Corporate CMO PO	—	1,512	—	1,512
Foreign ABS	—	2,469	—	2,469
Foreign Corporate Bonds	—	199,174	—	199,174
Foreign Government Bonds	—	10,746	—	10,746
Money Market Mutual Fund	19,939	—	—	19,939
Municipal Bonds	—	8,429	—	8,429
Securities Lending Collateral	—	67,937	—	67,937
U.S. Corporate Bonds	—	370,172	—	370,172
U.S. Government Agency CMO	—	111,974	—	111,974
U.S. Government Agency CMO IO	—	1,026	—	1,026
U.S. Government Agency CMO PO	—	1,520	—	1,520
U.S. Government Agency MBS	—	509,205	—	509,205
U.S. Treasury Issues	—	700,408	—	700,408
Total	\$ 19,939	\$ 2,309,025	\$ 5,400	\$ 2,334,364

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

TIPS Pool

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

Credit Risk and Interest Rate Risk

The WVIMB limits the exposure of credit risk in the Pool's fixed income investments by primarily investing in United States Treasury Inflation-Protected Securities (U.S. TIPS). The pool is exposed to credit risk from its money market mutual fund investment. The WVIMB reviews available rating from Standard & Poor's, Moody's, and Fitch, and reports the rating indicative of the greatest degree of risk. As of June 30, 2025, all of the pool's U.S. TIPS investments had a credit rating of AA. The money market fund has the highest credit rating. The pool is exposed to interest rate risk through its fixed income investments and money market mutual fund investment. The WVIMB monitors the interest rate risk of U.S. TIPS by evaluating the effective duration. Effective duration is a method of disclosing interest rate risk that measures the expected change in the price of a fixed income security for a 1% change in interest rates. As of June 30, 2025, the effective duration for the U.S. TIPS investments was 3.6 years. As of June 30, 2025, the money market mutual fund has a weighted average maturity of 45 days.

Fair Value Measurements

The table below summarizes the valuation of the investment securities in accordance with GASB 72 fair value hierarchy levels as of June 30, 2025 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Money Market Mutual Fund	\$ 99	\$ —	\$ —	\$ 99
U.S. TIPS	—	537,350	—	537,350
Total	\$ 99	\$ 537,350	\$ —	\$ 537,449

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

Private Markets Pool

The objective of the pool is to provide for long-term growth of participants' assets and risk-reduction through diversification. The pool primarily holds the WVIMB's investments in private credit & income funds, private equity funds, real estate investment trusts (REITs), and real estate limited partnerships and funds. Franklin Park, StepStone Group, and Verus have been retained by the WVIMB to provide consulting services related to the selection of limited partnerships and funds. Publicly traded assets are managed by CBRE Investment Management and Security Capital Research & Management.

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 the Cash Collateral Account investment. The WVIMB limits the exposure to credit risk in the pool by maintaining at least an average rating of BBB (investment grade) as defined by a nationally recognized statistical rating organization. The WVIMB reviews available ratings from Standard & Poor's and Moody's, and reports the rating indicative of the greatest degree of risk. The money market fund has the highest credit rating. The Cash Collateral Account is not rated. 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, 2025 (expressed in thousands):

Rating	Fair Value
A	\$ 518
BBB	12,441
BB	1,204
CC	109
Total Investments	\$ 14,272

The pool is exposed to interest rate risk through its investments in U.S. corporate bonds, private credit and income funds, the money market mutual fund, and the Cash Collateral Account investment. The WVIMB monitors interest rate risk of U.S. corporate bonds by evaluating the effective duration. Effective duration is a method of disclosing interest rate risk that measures the expected change in the price of a fixed income security for a 1% change in interest rates. The effective duration calculation takes into account the most likely timing of variable cash flows, which is particularly useful for measuring interest rate risk of callable bonds and variable-rate debt. As of June 30, 2025, the effective duration for U.S. corporate bonds was 4.1 years. The WVIMB manages interest rate risk of the private credit and income funds by investing primarily in funds that originate or invest in loans that have a variable or floating interest rates, most of these investments have relatively short durations, and final maturities are within three-years to five-years. As of June 30, 2025, the money market mutual fund has a WAM of 45 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, 2025, 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.

West Virginia

The amounts at fair value (U.S. dollars) if investments and cash denominated in foreign currencies as of June 30, 2025, (expressed in thousands):

Currency	Foreign Common Stock	Real Estate Limited Partnerships and Funds	Cash	Total
Australian Dollar	\$ 6,471	\$ —	\$ —	\$ 6,471
British Pound	4,998	—	—	4,998
Canadian Dollar	1,779	78,290	—	80,069
Euro Currency Unit	8,452	105,373	—	113,825
Hong Kong Dollar	3,172	—	—	3,172
Japanese Yen	10,201	—	6	10,207
Singapore Dollar	3,504	—	31	3,535
Swedish Krona	445	—	—	445
Swiss Franc	680	—	—	680
Total foreign-denominated investments	\$ 39,702	\$ 183,663	\$ 37	\$ 223,402
U.S. Dollar	616	2,100,717	1,414	2,102,747
Total	\$ 40,318	\$ 2,284,380	\$ 1,451	\$ 2,326,149

Fair Value Measurements

The fair value measurement valuation techniques for the Private Markets Pool's asset categories can be found on pages 82-84, except for private credit and income funds, private equity partnerships, and real estate limited partnerships and funds which are measured using the net asset value per share practical expedient. The table that follows sets forth information about the level within the fair value hierarchy at which the pool's assets and liabilities are measured at June 30, 2025. 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, 2025 (expressed in thousands):

Assets	Level 1	Level 2	Level 3	Total
Foreign Common Stock	\$ 40,318	\$ —	\$ —	\$ 40,318
Money Market Mutual Fund	124,661	—	—	124,661
Securities Lending Collateral	—	18,646	—	18,646
U.S. Common Stock	148,214	—	—	148,214
U.S. Corporate Bonds	—	14,272	—	14,272
U.S. Preferred Stock	10,247	—	—	10,247
Total	\$ 323,440	\$ 32,918	\$ —	356,358
Private Credit & Income Funds				1,200,492
Private Equity Partnerships				2,549,811
Real Estate Limited Partnership and Funds				2,284,380
Total				\$ 6,391,041

The following table presents information on investments measured at the NAV as of June 30, 2025 (expressed in thousands):

Strategies	Fair Value	Unfunded Commitments	Contractual Termination Date Range	Redemption Frequency (a)	Redemption Notice Period
Private Credit & Income Funds:					
Asset-Backed Credit (b)	\$ 423,309	\$ 212,842	2026 to 2032	N/A	N/A
Core Private Credit (c)	634,511	143,708	2031	Quarterly	45 days
Specialty & Opportunistic Credit (d)	142,672	188,277	2026 to 2029	N/A	N/A
Private Equity Partnerships:					
Corporate Finance – Buyout (e)	1,657,836	503,883	2025 to 2035	N/A	N/A
Corporate Finance – Distressed Debt (f)	20,037	16,263	2026	N/A	N/A
Corporate Finance – Growth Equity (g)	164,443	76,639	2025 to 2034	N/A	N/A
Corporate Finance – Hard Assets (h)	179,044	31,779	2025 to 2033	N/A	N/A
Corporate Finance – Mezzanine (i)	2,112	480	N/A	N/A	N/A
Corporate Finance – Structured Capital (j)	59,782	36,414	2025 to 2032	N/A	N/A
Corporate Finance – Turnaround (k)	104,681	120,686	2026 to 2036	N/A	N/A
Venture Capital (l)	361,876	39,275	2026 to 2034	N/A	N/A
Real Estate Limited Partnerships and Funds:					
Core (m)	1,153,414	—	N/A	Quarterly	45-90 days
Opportunistic (n)	419,945	192,137	2025 to 2034	N/A	N/A
Value (o)	<u>711,021</u>	<u>483,853</u>	2025 to 2068	N/A	N/A
Total	\$ 6,034,683	\$ 2,046,236			

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

Hedge Fund

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

500 basis points. Albourne America has been retained by the WVIMB to provide consulting services for this investment strategy. The investments in hedge funds might be indirectly exposed to foreign currency risk, interest rate risk, and/or custodial credit risk. As of June 30, 2025, the pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Fair Value Measurements

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

All of the pool's investments in hedge funds were valued using the net asset value per share, and as such, they have not been categorized in the fair value hierarchy. The following table presents information on investments measured at the NAV as of June 30, 2025 (expressed in thousands):

Hedge Fund Strategies	Fair Value	Redemption Frequency	Redemption Notice Period
Directional (a)	\$ 515,109	Monthly, Quarterly	5 to 65 days
Equity Long/Short (b)	599,947	Quarterly	45 to 180 days
Event-Driven (c)	482,911	Quarterly, Annually	60 to 180 days
Long-Biased (d)	108,768	Monthly	90 days
Multi-Strategy (e)	318,279	Monthly, Quarterly	60 days
Relative-Value (f)	1,085,422	Weekly, Quarterly	5 to 90 days
	3,110,436		
In liquidation (g)	18,605		
Total Investment Measured at NAV	\$ 3,129,041		

- (a) Directional funds employ various techniques to forecast the direction of segments of the market and then invest in either short or long positions. The segments may be geographic economies, industry sectors, currency, or asset class. The investments may be in physical securities or derivatives. The strategies may be trend-following or mean-reverting and may be specific to that segment or universally applied across them. Investments representing approximately 27% of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.
- (b) Equity long/short funds involve 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 76% 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. All investments in this strategy are subject to maximum withdrawal restrictions.
- (d) Long-biased funds employ analytical techniques in which the investment thesis is predicated on assessment of the valuation characteristics on the underlying companies with the goal of identifying undervalued companies. Long-biased strategies may vary the investment level or the level of long exposure over market cycles, but the primary distinguishing characteristic is that the manager maintains consistent long exposure.
- (e) Multi-strategy funds combine several strategies within the same fund in order to provide diversification benefits to reduce return volatility and decrease asset-class and single-strategy risks. These funds typically add incremental returns through active allocation adjustments based on market opportunities. Risk is managed through a combination of quantitative and qualitative constraints, including, but not limited to, active risk, liquidity risk, currency risk, manager risk, derivatives risk, and leverage risk. All 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 85% of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.
- (g) Funds currently in liquidation are no longer managed to a defined strategy. As the remaining underlying assets of these funds are monetized, their proceeds are distributed to shareholders. The timing of these future distributions is unknown.

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

Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the WVIMB were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant. The WVIMB believes that the net asset value of such investments is a reasonable estimate of fair value at June 30, 2025.

Consolidated Fund

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

Board of Treasury Investments

WV Money Market

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

Credit Risk

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

The following table provides information on the credit ratings as of June 30, 2025, of the WV Money Market Pool's investments (expressed in thousands):

Security Type	Rating	Carrying Value	Percent of Pool Assets
Corporate Bonds and Notes	A-1+	\$ 35,000	0.40%
Commercial Paper	A-1+	\$ 3,314,070	38.42%
	A-1	2,751,539	31.90%
Negotiable Certificates of Deposit	A-1+	841,000	9.75%
	A-1	696,010	8.07%
Money Market Funds	AAAm	3,691	0.04%
Repurchase Agreements (Underlying Securities):			
U.S. Treasury Bonds and Notes *	AA+	846,600	9.81%
U.S. Agency Bonds and Notes	AA+	138,500	1.61%
Total		<u>\$ 8,626,410</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, 2025 (expressed in thousands):

Security Type	Total Carrying Value	Primary Government	Investment Trust Funds	Custodial Funds	Component Units	WAM (Days)
Corporate Bonds and Notes	\$ 35,000	\$ 21,895	\$ 3,112	\$ 392	\$ 9,601	1
Commercial Paper	6,065,609	3,794,644	539,233	67,935	1,663,797	46
Negotiable Certificates of Deposit	1,537,010	961,553	136,640	17,215	421,602	49
Repurchase Agreements						1
(Underlying Securities):						
U.S. Treasury Bonds and Notes	846,600	529,633	75,263	9,482	232,222	—
U.S. Agency Bonds and Notes	138,500	86,645	12,313	1,551	37,991	—
Money Market Funds	3,691	2,310	328	41	1,012	1
Total	<u>\$ 8,626,410</u>	<u>\$ 5,396,680</u>	<u>\$ 766,889</u>	<u>\$ 96,616</u>	<u>\$ 2,366,225</u>	<u>41</u>
Percentage of Ownership	100%	62.56%	8.89%	1.12%	27.43%	

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, 2025 (expressed in thousands):

Security Type	Rating	Carrying Value	Percent of Pool Assets
U.S. Treasury Notes*	AA+	\$ 99,916	17.45%
U.S. Treasury Bills*	A-1+	95,693	16.71%
U.S. Agency Bonds and Notes	AA+	101,440	17.72%
Money Market Funds	AAAm	108	0.02%
Repurchase Agreements (Underlying Securities):			
U.S. Treasury Bonds and Notes *	AA+	135,400	23.65%
U.S. Agency Bonds and Notes	AA+	<u>140,000</u>	<u>24.45%</u>
Total		<u>\$ 572,557</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, 2025 (expressed in thousands):

Security Type	Carrying Value	Primary Government	Investment Trust Fund	Component Units	WAM (Days)
U.S. Treasury Notes	\$ 99,916	\$ 2,428	\$ 91,113	\$ 6,375	67
U.S. Treasury Bills	95,693	2,326	87,262	6,105	31
U.S. Agency Bonds and Notes	101,440	2,465	92,503	6,472	49
Repurchase Agreements (Underlying Securities):					1
U.S. Treasury Notes	135,400	3,290	123,471	8,639	—
U.S. Agency Bonds and Notes	140,000	3,402	127,666	8,932	—
Money Market Funds	108	3	98	7	1
Total	<u>\$ 572,557</u>	<u>\$ 13,914</u>	<u>\$ 522,113</u>	<u>\$ 36,530</u>	26
Percentage of Ownership	100.00%	2.43%	91.19%	6.38%	

WV Short-Term Bond

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

Credit Risk

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

West Virginia

The following table provides information on the credit ratings of the WV Short-Term Bond Pool's investments as of June 30, 2025 (expressed in thousands):

Security Type	Rating	Carrying Value	Percent of Pool Assets
U.S. Treasury Notes*	AA+	\$ 133,819	18.60%
U.S. Agency Collateralized Mortgage Obligations:			
U.S. Government Guaranteed*	AA+	2,204	0.81%
Non-U.S. Government Guaranteed	AA+	506	0.07%
Corporate Fixed - Floating-rate Bonds and Notes	AA	5,796	0.81%
	AA-	10,793	1.50%
	A+	34,495	4.80%
	A	86,221	11.99%
	A-	94,729	13.18%
	BBB+	31,633	4.40%
	BBB	49,891	6.94%
	BBB-	48,445	6.74%
	NR	13,585	1.89%
Commercial Mortgage-Backed Securities	AAA	6,929	0.96%
Municipal Securities	AAA	2,602	0.36%
	AA	7,681	1.07%
	AA-	3,250	0.45%
	A+	4,164	0.58%
	NR	2,859	0.40%
Asset-Backed Securities	AAA	104,025	14.47%
	NR	64,620	8.99%
Money Market Funds	AAAm	10,736	1.49%
Total		\$ 718,983	100%

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

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

Interest Rate Risk

The overall effective duration of the investments of the WV Short-Term Bond Pool is limited to a +/- 30% band around the effective duration of the portfolio's benchmark (the ICE BofAML 1-3 US Corporate Index is 637 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, 2025 (expressed in thousands):

Security Type	Total Carrying Value	Primary Government	Investment Trust Funds	Component Units	Effective Duration (Days)
U.S. Treasury Notes	\$ 133,819	\$ 128,948	\$ 294	\$ 4,577	747
U.S. Agency Collateralized Mortgage Obligations	2,710	2,611	6	93	49
Corporate Fixed-Rate Bonds and Notes	372,078	358,534	819	12,725	648
Corporate Floating-Rate Bonds and Notes	3,510	3,382	8	120	836
Commercial Mortgage-Backed Securities	6,929	6,677	15	237	778
Municipal Securities	20,556	19,808	45	703	373
Asset-Backed Securities	168,645	162,506	371	5,768	598
Money Market Funds	10,736	10,345	24	367	—
Total	\$ 718,983	\$ 692,811	\$ 1,582	\$ 24,590	637
Percentage of Ownership	100.00%	96.36%	0.22%	3.42%	

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, 2025 (expressed in thousands):

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	\$ 133,819	\$ —	\$ —	\$ 133,819
U.S. Agency Collateralized Mortgage Obligations	—	2,710	—	2,710
Corporate Fixed-Rate Bonds and Notes	—	372,078	—	372,078
Corporate Floating-Rate Bonds and Notes	—	3,510	—	3,510
Commercial Mortgage-Backed Obligations	—	6,929	—	6,929
Municipal Securities	—	20,556	—	20,556
Asset-Backed Securities	—	168,645	—	168,645
Money Market Funds	10,736	—	—	10,736
Total	\$ 144,555	\$ 574,428	\$ —	\$ 718,983

The valuation methodologies and inputs presented below are used in the fair value measurements for investments in securities in the WV Short Term Bond Pool classified as Level 2 in the preceding table.

Loan Pool

This pool is composed of loans made by the State. The \$1 unit price is utilized for accounting purposes only. There are two loan programs authorized by statute that are accounted for in the Loan Pool: the WVEDA Broadband Loan and the WVDOT Infrastructure Investment Revolving Loan. The State is the sole participant in this pool. This pool primarily holds intergovernmental loans and an investment in a government money market mutual fund in the amount of approximately \$213,000 using Level 1 inputs with a weighted-average maturity of one day which is rated AAA by Standard & Poor's. The loans are not rated by any nationally recognized statistical rating organization; however, as there is the potential for defaults, they are exposed to credit risk. For financial statement purposes, the

intergovernmental loans are reflected in the Advances to Component Units line on the Statement of Net Position. The BTI addresses the credit risk by evaluating the need for and establishing a reserve for uncollectible loans.

Participant-Directed Accounts

The BTI also maintains pools for individual state agencies with specific investment needs. These pools include the following: West Virginia Term Deposit Account and School Fund. Each agency is the sole owner of its account and is responsible for providing the BTI with investment guidelines that are consistent with the legal restrictions applicable to the assets in the account. The BTI manages these accounts in accordance with the accounts' investment guidelines and directions from the account owners.

WV Term Deposit Account

This account is composed of term deposit accounts in the state depositories totaling approximately \$40,268,000. The account also holds an interest in a government money market mutual fund valued at \$27,000 using Level 1 inputs with a weighted average maturity of 1 day. The mutual fund is rated AAAm by Standard & Poor's. The term deposit accounts are not rated. The BTI addresses credit risk, with respect to depository accounts, by requiring balances in excess of insurance coverage provided by an agency of the federal government be collateralized in accordance with West Virginia Code. The BTI does not have a policy specially addressing credit risk of other investments and does not specifically address maturity restrictions as a means of managing exposure to fair value losses in this account arising from increasing interest rates.

School Fund

The School Fund account holds an interest in a government money market mutual fund valued at \$1,030,000 using Level 1 inputs with a weighted-average maturity of one day. The mutual fund is rated AAAm by Standard & Poor's. The BTI's does not have a policy specifically addressing credit risk nor does it specifically address maturity restrictions as a means of managing exposure to fair value losses in this account arising from increasing interest rates.

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, 2025 (expressed in thousands):

IMB Pools	Disclosed Value	Pool Receivables/ (Payables)	Net Asset Values
Portable Alpha Pool	\$ 7,030,799	\$ (82,569)	\$ 6,948,230
Large Cap Domestic Equity Pool	392,795	(18)	392,777
Non-Large Cap Domestic Equity Pool	1,300,368	(124,313)	1,176,055
International Qualified	1,266,329	(44)	1,266,285
International Nonqualified	204,179	(7)	204,172
International Equity**	3,262,512	17,260	3,279,772
Short-Term Fixed Income	282,498	(3)	282,495
Total Return Fixed Income**	3,284,490	(590,336)	2,644,154
Core Fixed Income	2,334,364	(158,504)	2,175,860
TIPS Pool	537,449	2,036	539,485
Private Markets Pool	6,391,041	(2,947)	6,388,094
Hedge Fund	3,129,767	(191)	3,129,576
BTI Pools			
WV Money Market Pool	8,626,410	14,722	8,641,132
WV Government Money Market Pool	572,557	(4,611)	567,946
WV Short-Term Bond Pool	718,983	3,815	722,298
Loan Pool	52,666	389	53,055
WV Term Deposit Account	40,295	132	40,427
School Fund Account	1,030	4	1,034
Total Pooled Investments	39,378,532	(925,685)	38,452,847
Less EDA	52,453	—	52,453
Total for Disclosure	\$ 39,326,079	\$ (925,685)	\$ 38,400,394

**Pools had cash denominated in foreign currencies.

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, 2025 (expressed in thousands):

Security Type	Carrying Value	Credit Rating	
		S&P	Moody's
Primary Government:			
Money Market/Mutual Funds	\$ 6,751	AAA	Aaa
Money Market/Mutual Funds	25,060	AAAm	AAA-mf
Money Market/Mutual Funds	253,055	AAAm	Aaa-mf
Money Market/Mutual Funds	16,062	Unrated	Unrated
Corporate Bonds	1,484	AA+	Aaa
Corporate Bonds	1,450	AA	Aa2
Commercial Paper	8,324	A-1	P-1
Commercial Paper	5,868	A-1+	P-1
U.S. Treasury Obligations	<u>103,832</u>	AA+	Aa1
Total Primary Government	<u><u>\$ 421,886</u></u>		
Pension & Private Purpose Trust Funds:			
Money Market/Mutual Funds	\$ 3,405,832	Unrated	Unrated
Guaranteed Investment Contract	<u>561,814</u>	Unrated	Unrated
Total Pension & Private Purpose Trust Funds	<u><u>\$ 3,967,646</u></u>		
Component Units:			
Common and Preferred Stocks	\$ 259,219	Unrated	Unrated
Corporate Bonds	40,843	Unrated	Unrated
Corporate Stock	2,902	Unrated	Unrated
Fixed Income Fund	7,966	AA+	Aa1
Fixed Income Fund	16,694	Unrated	AA-
Fixed Income Fund	217	Unrated	Unrated
Money Market/Mutual Funds	35	AA+	Unrated
Money Market/Mutual Funds	55,177	AAAm	Aaa
Money Market/Mutual Funds	51,786	AAAm	Aaa-mf
Money Market/Mutual Funds	16,430	Unrated	A2
Money Market/Mutual Funds	289,391	Unrated	Unrated
Mortgages Held for Investment	11,519	Unrated	Unrated
Other Investments	314,270	Unrated	Unrated
Repurchase Agreements *	9,400	Unrated	Unrated
State and Local Government Securities	24,949	AAA	Unrated
U.S. Treasury Securities	122,253	AA+	Aa1
U.S. Treasury Securities	251	Unrated	Unrated
U.S. Government and Agency Obligations	33,441	AA+	Aa1
U.S. Government and Agency Obligations	55,849	AAA	Unrated
U.S. Government and Agency Obligations	32,949	Unrated	AA+
U.S. Government and Agency Obligations	6,659	Unrated	Aaa-mf
U.S. Government and Agency Obligations	<u>39,003</u>	Unrated	Unrated
Total Component Units	<u><u>\$ 1,391,203</u></u>		

Underlying Securities:

* Component Units: The \$9400 is invested in U.S. Government National Mortgage Association Securities.

Concentration of Credit Risk

As of June 30, 2025, 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	\$ 142,505	The \$142,505,000 is invested by the Foundations at the Higher Education institutions, which are reported under FASB and the information is not available.	10.20%
Common & Preferred Stock	\$ 235,567	Common Stock	16.90%

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, 2025 (expressed in thousands):

Security Type	Carrying Value	Investment Maturities (Years)				
		Less Than 1	1-5	6-10	More Than 10	N/A
Primary Government:						
Money Market/Mutual Funds	\$ 300,927	\$ 300,927	\$ —	\$ —	\$ —	\$ —
Corporate Bonds	2,934	—	2,934	—	—	—
Commercial Paper	14,193	14,193	—	—	—	—
U.S. Treasury Obligations	103,832	60,039	43,793	—	—	—
Total Primary Government	421,886	375,159	46,727	—	—	—
Pension & Private Purpose Trust Funds:						
Money Market/Mutual Funds	3,405,832	3,405,832	—	—	—	—
Guaranteed Investment Contract	561,814	561,814	—	—	—	—
Total Pension & Private Purpose Trust Funds	3,967,646	3,967,646	—	—	—	—
Component Units:						
Common and Preferred Stocks	259,219	23,652	—	—	—	235,567
Corporate Bonds	40,843	745	5,265	—	—	34,833
Corporate Stock	2,902	2,902	—	—	—	—
Fixed Income Fund	24,877	9,425	7,063	5,526	2,863	—
Money Market/Mutual Funds	412,819	163,514	9,234	4,568	1,774	233,729
Mortgages Held for Investment	11,519	21	57	317	11,124	—
Other Investments	314,270	474	—	—	—	313,796
Repurchase Agreements*	9,400	9,400	—	—	—	—
State and Local Government Securities	24,949	—	40	125	24,784	—
U.S. Treasury Securities	122,504	45,364	77,140	—	—	—
U.S. Government and Agency Obligations	167,901	60,140	53,939	12,804	10,213	30,805
Total Component Units	1,391,203	315,637	152,738	23,340	50,758	848,730
Total Outside Investments	\$ 5,780,735	\$ 4,658,442	\$ 199,465	\$ 23,340	\$ 50,758	\$ 848,730

Underlying Securities:

*Component Units:

The \$9,400 is invested in U.S. Government National Mortgage Association Securities.

West Virginia

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, 2025 (expressed in thousands):

Security Type	Investment Amount	Level Amounts		
		1	2	3
Primary Government:				
Money Market/Mutual Funds	\$ 96,729	\$ 96,729	\$ —	\$ —
Corporate Bonds	2,934	—	2,934	—
Commercial Paper	14,193	—	14,193	—
U.S. Treasury Obligations	103,832	—	103,832	—
Total Primary Government	217,688	96,729	120,959	—
Pension & Private Purpose Trust Funds:				
Money Market/Mutual Funds	3,405,832	3,405,832	—	—
Guaranteed Investment Contract	561,814	—	561,814	—
Total Pension & Private Purpose Trust Funds	3,967,646	3,405,832	561,814	—
Component Units:				
Common and Preferred Stocks	142,443	142,276	167	—
Corporate Bonds	40,843	7,173	33,670	—
Corporate Stock	2,902	2,902	—	—
Fixed Income Fund	24,877	217	24,660	—
Money Market/Mutual Funds	371,411	352,571	17,816	1,024
Mortgages Held for Investment	11,519	—	—	11,519
Other Investments	194,109	88,811	94,030	11,268
Repurchase Agreements*	9,400	9,400	—	—
State & Local Government Securities	24,949	—	24,949	—
U.S. Treasury Securities	122,504	122,504	—	—
U.S. Government & Agency Obligations	167,901	124,887	43,014	—
Total Component Units	1,112,858	850,741	238,306	23,811
Outside Investments @ Fair Value	5,298,192	\$ 4,353,302	\$ 921,079	\$ 23,811
FV Investments @ Net Asset Value		278,345		
Total Outside Investments		\$ 5,576,537		

Underlying Securities:

*Component Units

The \$9,400 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, 2025 (expressed in thousands):

Deposits:

Cash and Cash Equivalents as Reported on the Statement of Net Position	\$ 10,033,653
Cash and Cash Equivalents as Reported on the Statement of Fiduciary Net Position	1,380,278
Add:	
Restricted Cash and Cash Equivalents as Reported on the Statement of Net Position	1,148,456
Less:	
Cash Equivalents and Restricted Cash Disclosed as Investments	(11,747,098)
Cash with U.S. Treasury for Unemployment Programs	(434,976)
Reported Value of Deposits as Disclosed in this Footnote	<u><u>\$ 380,313</u></u>

Investments:

Investments as Reported on the Statement of Net Position	\$ 2,961,406
Investments as Reported on the Statement of Fiduciary Net Position	29,238,208
Add:	
Restricted Investments as Reported on the Statement of Net Position	154,762
Cash Equivalents and Restricted Cash Disclosed as Investments	11,747,098
Mortgages Held for Investment Disclosed as Investments	11,519
Accrued Interest Disclosed as Investments	<u><u>68,137</u></u>
Reported Value of Investments as Disclosed in this Footnote	<u><u>\$ 44,181,130</u></u>

NOTE 4

RECEIVABLES

(Expressed in Thousands)

Receivables at June 30, 2025, consisted of the following:

Governmental Funds						
	General	Transportation	Tobacco Settlement Finance Authority	Other Governmental	Total Governmental Receivables	
Taxes	\$ 804,377	\$ 74,063	\$ —	\$ —	\$ 878,440	
Accounts	597,320	100,620	26,604	15,778	740,322	
Loans	13,632	—	—	—	13,632	
Accrued Interest	42,776	—	191	12,922	55,889	
Total Receivables	1,458,105	174,683	26,795	28,700	1,688,283	
Allowance for doubtful accounts	(423,860)	—	—	(10,251)	(434,111)	
Receivables, net	<u><u>\$ 1,034,245</u></u>	<u><u>\$ 174,683</u></u>	<u><u>\$ 26,795</u></u>	<u><u>\$ 18,449</u></u>	<u><u>\$ 1,254,172</u></u>	
As reported on the financial statements						
Current receivables	\$ 1,034,245	\$ 174,683	\$ 26,795	\$ 18,449	\$ 1,254,172	
Noncurrent receivables	—	—	—	—	—	
Total receivables (net)	<u><u>\$ 1,034,245</u></u>	<u><u>\$ 174,683</u></u>	<u><u>\$ 26,795</u></u>	<u><u>\$ 18,449</u></u>	<u><u>\$ 1,254,172</u></u>	
Fiduciary Funds						
	Pension and Other Benefit Trust Funds	SMART 529	Custodial Funds			
Accounts	\$ 5,352	\$ —	\$ —	\$ —	\$ —	
Loans	809	—	—	—	—	
Leases	—	—	—	—	—	
Contributions	32,291	6,528	—	—	—	
Accrued Interest	—	—	636	636	636	
Public Private Partnership	—	—	—	—	—	
Total Receivables	38,452	6,528	636	636	636	
Allowance for Doubtful Accounts	(585)	—	—	—	—	
Receivables, Net	<u><u>\$ 37,867</u></u>	<u><u>\$ 6,528</u></u>	<u><u>\$ 636</u></u>	<u><u>\$ 636</u></u>	<u><u>\$ 636</u></u>	
As reported on the Fund/Component Units Financial Statements:						
Current Receivables, Net	\$ 37,867	\$ 6,528	\$ 636	\$ 636	\$ 636	
Noncurrent Receivables, Net	—	—	—	—	—	
Total Receivables, Net	<u><u>\$ 37,867</u></u>	<u><u>\$ 6,528</u></u>	<u><u>\$ 636</u></u>	<u><u>\$ 636</u></u>	<u><u>\$ 636</u></u>	

Enterprise Fund

Water Pollution Control Revolving Fund	Workers' Compensation	Unemployment Compensation	West Virginia Infrastructure and Jobs Development Council	Public Employees' Insurance Agency	Board of Risk and Insurance Management	Other Enterprise	Total Enterprise	Internal Service Funds
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
550	218	26,329	20	46,875	4,530	1,053	79,575	17,663
673,654	—	—	531,997	—	—	195,802	1,401,453	—
—	—	—	1,593	—	—	109	1,702	24
674,204	218	26,329	533,610	46,875	4,530	196,964	1,482,730	17,687
—	—	—	—	(75)	—	—	(75)	—
\$ 674,204	\$ 218	\$ 26,329	\$ 533,610	\$ 46,800	\$ 4,530	\$ 196,964	\$ 1,482,655	\$ 17,687
\$ 38,657	\$ 218	\$ 26,329	\$ 30,288	\$ 46,800	\$ 4,530	\$ 12,590	\$ 159,412	\$ 17,687
635,547	—	—	503,322	—	—	184,275	1,323,144	—
<u>\$ 674,204</u>	<u>\$ 218</u>	<u>\$ 26,329</u>	<u>\$ 533,610</u>	<u>\$ 46,800</u>	<u>\$ 4,530</u>	<u>\$ 196,865</u>	<u>\$ 1,482,556</u>	<u>\$ 17,687</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
\$ 37,324	\$ —	\$ 1,303,248	\$ 20,208	\$ 360	\$ 341,486	\$ 11,899	\$ —	\$ 1,341	\$ 1,715,866
—	606,160	130,619	—	126,824	34,306	—	—	1,639	899,548
—	24,615	—	—	—	—	—	—	1,206	25,821
—	10	—	—	—	—	—	—	—	10
—	7,997	426	1,484	1,842	—	—	41	—	11,790
—	—	—	17,777	—	152	—	—	—	17,929
37,324	638,782	1,434,293	39,469	129,026	375,944	11,899	41	4,186	2,670,964
—	(443,102)	(139,870)	—	—	(52,687)	—	—	—	(635,659)
\$ 37,324	\$ 195,680	\$ 1,294,423	\$ 39,469	\$ 129,026	\$ 323,257	\$ 11,899	\$ 41	\$ 4,186	\$ 2,035,305
\$ 37,324	\$ 22,760	\$ 7,689	\$ 21,862	\$ 13,804	\$ 241,702	\$ 11,899	\$ 41	\$ 1,791	\$ 358,872
—	172,920	1,286,734	17,607	115,222	81,555	—	—	2,395	1,676,433
<u>\$ 37,324</u>	<u>\$ 195,680</u>	<u>\$ 1,294,423</u>	<u>\$ 39,469</u>	<u>\$ 129,026</u>	<u>\$ 323,257</u>	<u>\$ 11,899</u>	<u>\$ 41</u>	<u>\$ 4,186</u>	<u>\$ 2,035,305</u>

Taxes Receivable

Taxes receivable at June 30, 2025, consisted of the following:

Governmental Funds			
	General	Transportation	Total
Taxes Receivable:			
Consumer Sales & Use	\$ 209,063	\$ —	\$ 209,063
Personal Income	200,849	—	200,849
Severance	62,511	—	62,511
Business & Occupation	16,797	—	16,797
Automobile Privilege Taxes	—	28,645	28,645
Gasoline Excise	—	43,545	43,545
Registration Fees	—	1,327	1,327
Insurance	45,972	—	45,972
Corporate Net Income	39,036	—	39,036
Medicaid	218,710	—	218,710
Other	11,439	546	11,985
Subtotal for Taxes Receivable	<u>804,377</u>	<u>74,063</u>	<u>878,440</u>
Refunds Allowance	(35,008)	—	(35,008)
Total	<u>\$ 769,369</u>	<u>\$ 74,063</u>	<u>\$ 843,432</u>

Leases Receivable

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

Year Ending June 30	Future Lease Amount Due
2026	\$ 4,320
2027	4,656
2028	4,006
2029	3,437
2030	2,761
2031-2045	<u>7,729</u>
Total Minimum Amount Due	26,909
Less Amount Representing Interest	(2,293)
Present Value of Minimum Lease Amount Due	<u>\$ 24,616</u>

NOTE 5

PRIVATE PUBLIC PARTNERSHIPS

During the fiscal year ended June 30, 2023, the Parkways Authority (transferor) entered into a lease and operation agreement with Areas USA WVTP, LLC (operator). The agreement was determined to be a PPP and has four separate PPP components. The PPP arrangement began on February 1, 2023, and ends on December 31, 2037. The PPP arrangement provides for a guaranteed base rent which is increased over the term of the contract. Guaranteed monthly installment payments range from \$6,000 to \$120,000. Variable payments are based on the percentage of sales for food, beverages, and retail and are only received if the percentage-based rent exceeds the guaranteed-base rent. Since the variable payments are not fixed in substance, such payments are excluded as a component of the PPP receivable. The Parkways Authority has determined the net present value of PPP receipts based on an estimated interest rate of 6.50% based on market conditions at the commencement of the PPP arrangement.

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

At June 30, 2025, the Parkways Authority's total PPP receivable and deferred inflows of resources related to the PPP was \$17.8 million and \$15.3 million respectively. For the year ended June 30, 2025 the Parkways Authority recognized PPP revenue of \$1.23 million, which is included in other revenues on the statement of revenues, expenses, and changes in net position. Interest income related to the PPP totaled \$1.2 million for the year ended June 30, 2025. Variable payments not included as a component of the PPP receivable were \$29,000 for the year ended June 30, 2025.

West Virginia University has entered into various PPPs for the development and operation of residential, retail, and parking facilities. WVU has one contract for services, with ACC OP, that meets the four criteria of a service concession arrangement (SCA) per GASB Statement No. 94. This contract, for student housing (College Park, WV), resulted in the recording of capital asset and a deferred inflow. This deferred inflow, presented as a SCA, had a balance of \$30.1 million at June 30, 2025, and is amortized to auxiliary enterprise revenue over its 40-year term during the year ended June 30, 2025, WVU recognized \$1 million in inflows from this arrangement. Overall, WVU's accounts receivable from all PPPs totals approximately \$9.6 million at June 30, 2025.

The terms of the remaining PPPs generate distinct financial flows and commitments. The student housing and retail agreements (WVCH, UPE, and WVU Connector) generally provide for the external partners to retain facility revenues while remitting management fees and a portion of net receipts to the WVU. In contrast, the agreement for the parking facilities (DCPA) establishes a financial obligation, requiring WVU to remit all net parking revenues as lease payments and subsidize debt-service shortfalls as they arise. Additionally, WVU retains a limited obligation to cover debt-service shortfalls for the WVCH project, which as required through June 30, 2025.

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, 2025 (expressed in thousands) for both reciprocal and nonreciprocal financial interactions between funds.

Due To	Due From					West Virginia Infrastructure and Jobs Development Council	
	Governmental			Proprietary			
	General	Transportation	Other Nonmajor	Water Pollution Control Revolving Fund			
Governmental Funds:							
General	\$ —	\$ 2,883	\$ 91	\$ —	\$ —	—	
Transportation	629	—	1	—	—	—	
Other Nonmajor Governmental	—	—	—	—	—	—	
Total Governmental Funds	629	2,883	92	—	—	—	
Proprietary Funds:							
Water Pollution Control Revolving Fund	—	—	—	—	—	—	
Unemployment Compensation	348	30	—	—	—	—	
Public Employees Insurance Agency	63	2,594	—	—	—	—	
Board of Risk and Insurance Management	24	—	—	—	—	—	
Other Nonmajor Enterprise	—	—	—	—	—	—	
Internal Service Funds	12,722	15	—	—	—	—	
Total Proprietary Funds	13,157	2,639	—	—	—	—	
Fiduciary Funds:							
Pension and Other Employee Benefit Trust Funds	28	38	3	—	—	—	
Agency Funds	—	139	—	—	—	—	
Total Trust and Agency Funds	28	177	3	—	—	—	
<u>Discretely Presented Component Units</u>							
Major:							
West Virginia Lottery	—	—	—	—	—	—	
Parkways & Economic Development	—	31,305	—	—	—	—	
Water Development Authority	—	—	—	—	—	—	
Higher Education	161,372	35	6	—	—	—	
Corrections and Rehabilitation	—	4	7	—	—	—	
Nonmajor:							
Educational Broadcasting Commission	2,960	—	—	—	—	—	
State Rail Authority	655	—	—	—	—	—	
Total Discretely Presented Component Units	164,987	31,344	13	—	—	—	
Total	\$ 178,801	\$ 37,043	\$ 108	—	—	—	

(a) Due from discretely presented component units includes \$133 million from the Lottery. The General Fund received \$97.9 million to be appropriated at a later date. The Legislature also approved the following distributions from the Lottery to the Senior Services (\$19.7 million), Library Commission (\$3.3 million), Department of Education-Public Education (\$7.1 million), Tourism (\$2.1 million), and various other general purposes.

Due From							
Proprietary							
Public Employee's Insurance Agency	Board of Risk and Insurance Management	Other Nonmajor Enterprise	Internal Service Funds	Pension and Other Employee Benefit Trust Funds	Total	Discretely Presented Component Units	
\$	\$	\$	\$	\$	\$	\$	\$
470	—	49	45	59	3,597	138,746	
2,595	—	—	1,215	4	4,444	31,596	
55	—	—	—	—	55	1,055	
3,120	—	49	1,260	63	8,096	171,397	(a)
—	—	1	—	—	1	—	
—	—	—	—	—	378	171	
—	—	1	323	21,133	24,114	7,443	
—	—	—	—	—	24	—	
—	—	—	—	—	—	—	
152	6	—	—	40	12,935	730	
152	6	2	323	21,173	37,452	8,344	
—	—	1	—	31,579	31,649	368	
—	—	—	—	—	139	—	
—	—	1	—	31,579	31,788	368	
3	—	—	—	—	3	13	
—	—	—	—	—	31,305	—	
15	—	249	—	—	264	—	
303	—	—	—	37	161,753	4,234	
38	—	—	—	29	78	—	
9	—	—	—	41	3,010	—	
10	—	—	—	—	665	—	
378	—	249	—	107	197,078	4,247	
\$ 3,650	\$ 6	\$ 301	\$ 1,583	\$ 52,922	\$ 274,414	\$ 184,356	

NOTE 7

INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2025, consisted of the following (expressed in thousands):

		Transfers From		
		Governmental		
Transfers To	General	Tobacco	Other	Nonmajor
		Settlement Finance Authority		
Governmental Funds:				
General	\$ —	\$ 16,285	^(a)	\$ 14,384
Other Nonmajor Governmental	34,252	—		—
Total Governmental Funds	<u>34,252</u>	<u>16,285</u>		<u>14,384</u>
Proprietary Funds:				
Water Pollution Control Revolving Fund	9,521	—		40,362 ^(c)
Other Nonmajor Proprietary	32,417	^(e)	—	—
Internal Service Funds	64,061	^(f)	—	—
Total Proprietary Funds	<u>105,999</u>	<u>—</u>		<u>40,362</u>
Total	<u><u>\$ 140,251</u></u>	<u><u>\$ 16,285</u></u>		<u><u>\$ 54,746</u></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 \$16.2 million to the General Fund.

(b) The General Fund transferred \$22 million to the West Virginia Infrastructure and Jobs Development Council, a \$12 million offset in the Economic Development Project Fund for bond debt service, \$14.8 million to the Department of Corrections and Rehabilitation for bond debt service, \$6.4 million to the Division of Natural Resources for bond debt service.

(c) The Water Pollution Revolving Fund received \$49.8 million in grants from the West Virginia Department of Environmental Protection. All other transfers are made to finance various programs to the Legislation.

(d) Alcohol Beverage Control Administration transferred \$33 million that are statutory transfers based on operations and liquor license renewals.

(e) The West Virginia Drinking Water Treatment Revolving Fund received \$32.4 million of matching grant funds from the West Virginia Infrastructure and Jobs Development Council.

(f) The General Fund transferred \$46 million to the State Building Commission and \$1.5 million to the Aviation Division. The Office of Technology received \$7 million from the General Fund and \$9.5 million of transfers to consolidate accounts that were previously in the general fund.

Transfers From					
Proprietary					
Workers' Compensation Fund	West Virginia Infrastructure and Jobs Development Council	Other Nonmajor Enterprise	Internal Service Funds	Total	
\$ —	\$ 1,638	\$ 33,354 (d)	\$ 60	\$ 65,721	
—	—	—	3,577	37,829	
—	1,638	33,354	3,637	103,550	
—	—	—	—	49,883	
—	5,529	—	—	37,946	
—	—	—	—	64,061	
—	5,529	—	—	151,890	
\$ —	\$ 7,167	\$ 33,354	\$ 3,637	\$ 255,440	



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, 2025, are as follows (expressed in thousands):

	Cash	Investments	Other	Totals
Special Revenue:				
Environmental Programs	\$ 246	\$ —	\$ —	\$ 246
Public Service Commission	1,935	—	—	1,935
Total Special Revenue	2,181	—	—	2,181
Debt Service:				
Infrastructure and Jobs Development	445	—	—	445
Total Debt Service	445	—	—	445
Enterprise:				
Public Employees Insurance Agency	2	4,588	—	4,590
Board of Risk and Insurance Management	12,330	35,935	295,248	343,513
Infrastructure and Jobs Development	197,500	—	—	197,500
Alcohol Beverage Control Administration	—	—	99	99
Total Enterprise	209,832	40,523	295,347	545,702
Internal Service:				
State Building Fund	16,164	—	—	16,164
Travel Management	7,423	—	—	7,423
Total Internal Services	23,587	—	—	23,587
Discretely Presented Component Units:				
Economic Development Authority	101,470	—	—	101,470
Housing Development Authority	201,915	80,798	1,175,456	1,458,169
Parkways Authority	92,746	31,514	—	124,260
Water Development Authority	462,308	—	109,727	572,035
Corrections and Rehabilitation	6,409	24,239	—	30,648
Solid Waste Management Board	3,391	—	1,639	5,030
Educational Broadcasting Commission	1,575	—	388	1,963
Racing Commission	18,967	—	399	19,366
Total Discretely Presented Component Units	888,781	136,551	1,287,609	2,312,941
Total Restricted Assets	\$ 1,124,826	\$ 177,074	\$ 1,582,956	\$ 2,884,856

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 \$294 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 \$1.2 billion 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 \$110 million restricted for revenue bonds receivable net of unamortized discount. The WV Division of Corrections and Rehabilitation's assets are restricted because of a safekeeping arrangement with inmates and for debt service and compliance with bond covenants. The Solid Waste Management Board's assets are restricted because their use is limited by applicable repayment agreements and certain assets are set aside to administer a revolving loan program in accordance with appropriations by the Legislature. The Educational Broadcasting Commission's (EBC) other restricted assets are in a charitable trust allowing the use of part of the interest to benefit the EBC. The West Virginia Racing Commission's cash is restricted for unclaimed winning tickets and other trust holdings which are mandated by West Virginia Code.

NOTE 9

CAPITAL ASSETS

Governmental Activities
(Expressed in Thousands)

	Beginning Balance July 1, 2024	Increases	Decreases	Ending Balance June 30, 2025
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,546,287	\$ 30,905	\$ (15)	\$ 1,577,177
Construction-in-Progress	2,573,919	778,787	(578,440)	2,774,266
Intangibles	2,752	—	—	2,752
Total Capital Assets, Not Being Depreciated	<u>4,122,958</u>	<u>809,692</u>	<u>(578,455)</u>	<u>4,354,195</u>
Capital Assets, Being Depreciated/Amortized:				
Building and Improvements	1,876,112	56,760	(2,640)	1,930,232
Right-to-Use Asset - Buildings	144,041	25,331	(12,585)	156,787
Equipment	703,706	61,315	(32,518)	732,503
Infrastructure	14,706,066	530,441	—	15,236,507
Library Holdings	15,848	3,794	—	19,642
Land Improvements	54,674	7,380	(273)	61,781
Intangibles	183,495	123	—	183,618
Subscription Asset-SBITA	32,400	2,478	(515)	34,363
Total Capital Assets, Being Depreciated	<u>17,716,342</u>	<u>687,622</u>	<u>(48,531)</u>	<u>18,355,433</u>
Less Accumulated Depreciation/Amortization for:				
Building and Improvements	(860,510)	(47,550)	2,635	(905,425)
Right-to-Use Asset - Buildings	(46,652)	(20,681)	12,187	(55,146)
Equipment	(484,177)	(62,790)	30,774	(516,193)
Infrastructure	(8,700,106)	(315,689)	—	(9,015,795)
Library Holdings	(15,270)	(893)	—	(16,163)
Land Improvements	(34,691)	(2,449)	273	(36,867)
Intangibles	(116,651)	(10,168)	—	(126,819)
Subscription Asset-SBITA	(11,092)	(7,365)	514	(17,943)
Total Accumulated Depreciation/Amortization	<u>(10,269,149)</u>	<u>(467,585)</u>	<u>46,383</u>	<u>(10,690,351)</u>
Total Capital Assets, Being Depreciated, Net	<u>7,447,193</u>	<u>220,037</u>	<u>(2,148)</u>	<u>7,665,082</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 11,570,151</u></u>	<u><u>\$ 1,029,729</u></u>	<u><u>\$ (580,603)</u></u>	<u><u>\$ 12,019,277</u></u>
Depreciation/Amortization expense was charged to function as follows:				
Legislative	\$ 110			
Judicial	1,369			
Executive	3,820			
Administration	36,974			
Commerce	15,408			
Tourism	51			
Economic Development	36			
Environmental Protection	1,708			
Employment Programs	60			
Education	995			
Arts, Culture & History	2,449			
Senior Services	136			
Health, Health Facilities, and Human Services	13,955			
Military Affairs and Public Safety	8,217			
Revenue	1,222			
Transportation	362,917			
Veterans Assistance	208			
Regulatory Boards and Commissions	<u>17,950</u>			
Total Governmental Activities Depreciation/Amortization Expense	<u><u>\$ 467,585</u></u>			

Business-type Activities
(Expressed in Thousands)

	Beginning Balance July 1, 2024	Increases	Decreases	Ending Balance June 30, 2025
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	3,475	31	—	3,506
Equipment	3,266	145	(34)	3,377
Intangibles	9,026	—	—	9,026
Total Capital Assets, Being Depreciated	15,767	176	(34)	15,909
Less Accumulated Depreciation for:				
Building and Improvements	(2,041)	(180)	—	(2,221)
Equipment	(2,948)	(129)	34	(3,043)
Intangibles	(9,026)	—	—	(9,026)
Total Accumulated Depreciation	(14,015)	(309)	34	(14,290)
Total Capital Assets, Being Depreciated, Net	1,752	(133)	—	1,619
Business-type Activities Capital Assets, Net	\$ 2,363	\$ (133)	\$ —	\$ 2,230
Depreciation expense was charged to function as follows:				
Public Employees Insurance Agency	\$ 67			
Alcohol Beverage Control Administration	242			
Total Business-type Activities Depreciation Expense	\$ 309			

Discretely Presented Component Units
(Expressed in Thousands)

	Beginning Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Discretely Presented Component Units:				
Capital Assets, Not Being Depreciated:				
Land	\$ 270,022	\$ 5,386	\$ (6,269)	\$ 269,139
Construction-in-Progress	204,565	180,670	(166,828)	218,407
Total Capital Assets, Not Being Depreciated	<u>474,587</u>	<u>186,056</u>	<u>(173,097)</u>	<u>487,546</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	4,692,882	194,966	(35,119)	4,852,729
Right-to-Use Asset - Buildings	109,553	13,798	(1,607)	121,744
Equipment	651,793	59,621	(19,496)	691,918
Right-to-Use Asset - Equipment	5,569	1,038	(670)	5,937
Infrastructure	2,066,382	136,310	(20,300)	2,182,392
Library Holdings	221,540	2,819	(1,283)	223,076
Land Improvements	122,290	2,468	(44)	124,714
Right-to-Use Asset - Leased Land	140	—	(14)	126
Intangibles	354,749	73,030	(270)	427,509
Right-to-Use Asset - Intangibles	—	—	—	—
Subscription Asset-SBITA	74,924	71,218	(23,477)	122,665
Total Capital Assets, Being Depreciated	<u>8,299,822</u>	<u>555,268</u>	<u>(102,280)</u>	<u>8,752,810</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(1,806,182)	(103,531)	38,313	(1,871,400)
Right-to-Use Asset - Buildings	(20,948)	(12,398)	1,923	(31,423)
Equipment	(462,594)	(40,572)	15,797	(487,369)
Right-to-Use Asset - Equipment	(972)	(721)	225	(1,468)
Infrastructure	(1,375,829)	(73,600)	20,225	(1,429,204)
Library Holdings	(207,234)	(4,028)	1,238	(210,024)
Land Improvements	(91,713)	(4,179)	38	(95,854)
Right-to-Use Asset - Leased Land	(51)	(16)	28	(39)
Intangibles	(324,283)	(32,032)	233	(356,082)
Right-to-Use Asset - Intangibles	—	—	—	—
Subscription Asset-SBITA	(38,092)	(22,353)	10,961	(49,484)
Total Accumulated Depreciation	<u>(4,327,898)</u>	<u>(293,430)</u>	<u>88,981</u>	<u>(4,532,347)</u>
Total Capital Assets, Being Depreciated, Net	<u>3,971,924</u>	<u>261,838</u>	<u>(13,299)</u>	<u>4,220,463</u>
Discrete Component Unit Activities Capital Assets, Net	<u>\$ 4,446,511</u>	<u>\$ 447,894</u>	<u>\$ (186,396)</u>	<u>\$ 4,708,009</u>
Depreciation/Amortization expense charged to functions as follows:				
Economic Development Authority	\$ 93			
Housing Development Fund	263			
Parkways Authority	70,381			
Water Development Authority	238			
Higher Education	180,763			
Corrections and Rehabilitation	35,221			
Lottery	2,038			
School Building Authority	48			
Other Nonmajor Component Units	<u>4,385</u>			
Total Discrete Component Unit Depreciation Expense	<u>\$ 293,430</u>			



NOTE 10
LONG TERM OBLIGATIONS

Primary Government:

Long-term obligations at June 30, 2025, and changes for the fiscal year then ended, are as follows (expressed in thousands):

Governmental Activities:

	Balance June 30, 2024	Additions	Accretions	Reductions	Balance June 30, 2025	Amount Due Within One Year
General Obligation Bonds:						
Transportation	\$ 1,472,844	\$ —	\$ —	\$ (66,596)	\$ 1,406,248	\$ 46,770
Premium/(Discount)	252,211	—	—	(17,652)	234,559	15,272
Total Transportation	<u>1,725,055</u>	<u>—</u>	<u>—</u>	<u>(84,248)</u>	<u>1,640,807</u>	<u>62,042</u>
WV Infrastructure and Jobs Development Council	62,270	—	1,113	(20,955)	42,428	21,199
Premium/(Discount)	3,479	—	—	(1,489)	1,990	1,489
Total WV Infrastructure and Jobs Development Council	<u>65,749</u>	<u>—</u>	<u>1,113</u>	<u>(22,444)</u>	<u>44,418</u>	<u>22,688</u>
Total General Obligation Bonds	<u>1,790,804</u>	<u>—</u>	<u>1,113</u>	<u>(106,692)</u>	<u>1,685,225</u>	<u>84,730</u>
Revenue Bonds:						
Transportation	183,930	—	—	(23,070)	160,860	24,220
Premium/(Discount)	24,744	—	—	(4,170)	20,574	5,439
Total Transportation	<u>208,674</u>	<u>—</u>	<u>—</u>	<u>(27,240)</u>	<u>181,434</u>	<u>29,659</u>
Economic Development Project Fund	40,690	—	—	(40,690)	—	—
Premium/(Discount)	—	—	—	—	—	—
Total Economic Development Project Fund	<u>40,690</u>	<u>—</u>	<u>—</u>	<u>(40,690)</u>	<u>—</u>	<u>—</u>
Economic Development Project DNR	67,968	—	—	(3,075)	64,893	3,225
Premium/(Discount)	8,125	—	—	(575)	7,550	575
Total Economic Development DNR	<u>76,093</u>	<u>—</u>	<u>—</u>	<u>(3,650)</u>	<u>72,443</u>	<u>3,800</u>
Education, Arts, Sciences, & Tourism Fund	115,740	—	—	(5,090)	110,650	5,340
Premium/(Discount)	10,168	—	—	(637)	9,531	635
Tourism Fund	<u>125,908</u>	<u>—</u>	<u>—</u>	<u>(5,727)</u>	<u>120,181</u>	<u>5,975</u>
Total Revenue Bonds	<u>451,365</u>	<u>—</u>	<u>—</u>	<u>(77,307)</u>	<u>374,058</u>	<u>39,434</u>
Direct Borrowings & Direct Placements						
Tobacco Settlement Finance Authority	707,724	—	14,560	(35,815)	686,469	17,815
Notes Payable	3,407	8,280	—	(3,266)	8,421	2,354
Total Direct Borrowings & Direct Placements	<u>711,131</u>	<u>8,280</u>	<u>14,560</u>	<u>(39,081)</u>	<u>694,890</u>	<u>20,169</u>
Other Financing Debt:						
Other Financing Debt – Governmental	5,024	—	—	(395)	4,629	423
Other Financing Debt – Internal Service Fund	1,818	—	—	(106)	1,712	112
Component Units	<u>133,880</u>	<u>—</u>	<u>—</u>	<u>(17,285)</u>	<u>116,595</u>	<u>18,038</u>
Total Other Financing Debt	<u>140,722</u>	<u>—</u>	<u>—</u>	<u>(17,786)</u>	<u>122,936</u>	<u>18,573</u>
Other Obligations:						
Medicaid	564,786	1,722,800	—	(525,391)	1,762,195	1,762,195
Tax Refunds	601,690	565,305	—	(404,356)	762,639	427,762
Claims and Judgments (Note 16)	341,156	55,700	—	(20,633)	376,223	32,420
Other	189,162	156,289	—	(186,432)	159,019	59,495
Total Accrued and Other Liabilities	<u>1,696,794</u>	<u>2,500,094</u>	<u>—</u>	<u>(1,136,812)</u>	<u>3,060,076</u>	<u>2,281,872</u>
Compensated Absences **	104,267	37,345	67,575	(25,762)	183,425	127,382
Right-to-Use Lease Liability (Note 11)	102,000	22,360	—	(17,035)	107,325	17,633
Subscription Liability-SBITA (Note 12)	20,677	2,477	—	(7,474)	15,680	7,624
Net Pension Liability, including ISF	2,192,322	1,760,064	—	(2,193,928)	1,758,458	—
Net OPEB Liability, including ISF	—	—	—	—	—	—
Total Other Obligations	<u>4,116,060</u>	<u>4,322,340</u>	<u>67,575</u>	<u>(3,381,011)</u>	<u>5,124,964</u>	<u>2,434,511</u>
Total Governmental Activities Long-Term Obligations	<u>\$ 7,210,082</u>	<u>\$ 4,330,620</u>	<u>\$ 83,248</u>	<u>\$ (3,621,877)</u>	<u>\$ 8,002,073</u>	<u>\$ 2,597,417</u>

** Accretion relates to GASB101 restatement.

West Virginia

Business-type Activities:

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amount Due Within One Year
Revenue Bonds					
WV Infrastructure and Jobs Development Council					
Revenue Bonds	\$ 125,890	\$ 41,310	\$ (53,465)	\$ 113,735	\$ 6,040
Premium/(Discount)	10,590	4,003	(6,721)	7,872	626
Total WV Infrastructure and Jobs Development Council Revenue Bonds	136,480	45,313	(60,186)	121,607	6,666
Other Obligations					
Insurance and Compensation Benefits	1,467,480	—	(106,587)	1,360,893	309,558
Compensated Absences	716	8	(38)	686	424
Net Pension Liability (Note 13)	—	—	—	—	—
Net OPEB Liability (Note 14))	—	—	—	—	—
Accrued and Other	10,443	722	(676)	10,489	10,489
Total Business-type Activities Long Term	\$ 1,615,119	\$ 46,043	\$ (167,487)	\$ 1,493,675	\$ 327,137

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, \$5 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, 2025, the debt service reserve funds approximated \$36.4 million, and the maintenance reserve funds approximated \$12 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 (including premium or discount) at June 30, 2025, 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:			
2018 Roads to Prosperity Bonds	2043	2.00%-5.00%	738,339
2020 Roads to Prosperity Bonds	2044	2.00%-5.00%	658,895
2021 Roads to Prosperity Bonds	2045	2.00%-5.00%	243,574
Infrastructure Bonds:			
Payable from dedicated severance tax revenues to fund water, wastewater, and economic development projects	2027	2.00%-7.625%	44,418
Total			\$ 1,685,226

Future amounts required to pay principal and interest on general obligation bonds at June 30, 2025, were as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2026	58,885	69,672	128,557
2027	61,560	66,797	128,357
2028	51,605	63,999	115,604
2029	54,225	61,386	115,611
2030	56,965	58,641	115,606
2031-2035	330,865	247,150	578,015
2036-2040	423,420	154,590	578,010
2041-2045	378,914	42,979	421,893
2046-2050	14,364	539	14,903
Total	1,430,803	765,753	2,196,556
Premium	236,549	—	236,549
Total	\$ 1,667,352	\$ 765,753	\$ 2,433,105

Capital Appreciation Bonds

Year Ending June 30	Principal, Net of Accreted Amounts	Future Accreted Amounts	Total
2026	9,084	646	9,730
2027	8,790	1,124	9,914
Total	\$ 17,874	\$ 1,770	\$ 19,644
Total General Obligation Bonds	\$ 1,685,226		

West Virginia

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, 2025, were as follows (expressed in thousands):

	Issue Date	Final Maturity Date	Interest Rate(s) %	Balance
Transportation	2019	2043	5.00	\$ 181,435
Economic Development Project Fund DNR	2018	2038	4.19	21,692
Economic Development Project Fund DNR parks projects 2019	2019	2039	3.00	50,751
Education, Arts, Sciences, and Tourism Fund	2010/2018	2040	2.00-5.00	120,181
Subtotal Governmental				374,059
WV Infrastructure and Jobs Development Council	2006-2016	2046	2.00-5.00	121,607
Total Governmental and Business-Type Activities				\$ 495,666

Future amounts required to pay principal and interest on revenue bonds at June 30, 2025 were as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2026	\$ 38,825	\$ 20,472	\$ 59,297
2027	41,740	18,343	60,083
2028	43,800	16,235	60,035
2029	45,880	14,032	59,912
2030	47,980	11,725	59,705
2031-2035	131,825	37,708	169,533
2036-2040	91,155	13,098	104,253
2041-2045	8,160	1,121	9,281
2046-2050	776	19	795
2051-2055			
Premium	45,525		45,525
Total	\$ 495,666	\$ 132,753	\$ 628,419

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, 2025:

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 \$171 million, leaving \$319 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. This debt was fully paid off early during fiscal year 2025.

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

Education, Arts, Sciences, and Tourism Fund (EAST) bonds were issued by the EDA in FY 2018 in the amount of \$142.6 million to provide financing for capital projects which promote education and tourism, payable through 2040. The State has committed to appropriate each year, from the Lottery's net profits, amounts sufficient to cover the principal and interest requirements on the EDA debt. EDA has pledged these revenues as the sole security for the bonds. Total principal remaining on the debt is \$110.6 million. For the current year, principal and interest paid were \$9.9 million, and the net profits of the Lottery committed to the debt were \$10 million.

Direct Placements & Direct Borrowings

Revenue Bonds

The following describes the purpose and dedicated revenue source of direct placement revenue bonds outstanding at June 30, 2025:

Agency	Purpose	Revenue Source
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, 2025, were as follows (expressed in thousands):

	Issue Date	Maturity Date	Interest Rate(s)%	Balance
Tobacco Settlement Finance Authority	2007	2040	7.47-8.50	\$ 182,364
Tobacco Settlement Finance Authority	2020	2053	7.47-8.50	\$ 504,105
				<u>\$ 686,469</u>

Future amounts required to pay principal and interest on direct placement revenue bonds at June 30, 2025, were as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2026	17,815	19,056	36,871
2027	18,160	18,732	36,892
2028	18,440	18,365	36,805
2029	18,400	17,932	36,332
2030	18,270	17,462	35,732
2031-2035	87,770	79,261	167,031
2036-2040	96,550	63,056	159,606
2041-2045	88,770	43,555	132,325
2046-2050	139,930	21,131	161,061
	<u>\$ 504,105</u>	<u>\$ 298,550</u>	<u>\$ 802,655</u>

Capital Appreciation Bond

Year Ending June 30	Principal, Net of Accrued Amounts	Future Accrued Amounts	Total
2026	—	15,836	15,836
2027	—	17,202	17,202
2028	—	18,704	18,704
2029	—	20,321	20,321
2030	—	22,085	22,085
2031-2035	—	142,736	142,736
2036-2040	—	216,426	216,426
2041-2045	—	328,151	328,151
2046-2050	182,364	174,600	356,964
Total	\$ 182,364	\$ 956,061	\$ 1,138,425
Total Revenue Bonds	<u>\$ 686,469</u>		

West Virginia

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	2018-2026	0.99-2.65	\$ 8,421
Total Notes Payable			\$ 8,421

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

Notes from Direct Borrowings				
Year Ending June 30	Principal	Interest	Total	
2025	\$ 2,354	\$ 245	\$ 2,599	
2026	2,044	173	2,217	
2027	2,114	103	2,217	
2028	1,909	31	1,940	
Total Notes Payable	\$ 8,421	\$ 552	\$ 8,973	

Discretely Presented Component Units

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

	Balance June 30, 2024	Additions/ Debt Issued	Reductions/ Debt Paid	Balance June 30, 2025	Amount Due Within One Year
Revenue Bonds:					
Housing Development Fund	\$ 683,130	\$ 170,000	\$ (38,612)	\$ 814,518	\$ 39,155
Parkways Authority	533,117	—	(20,403)	512,714	9,775
Water Development Authority	116,446	—	(9,672)	106,774	10,042
Higher Education	1,322,339		(62,756)	1,259,583	62,653
School Building Authority	284,830	—	(19,640)	265,190	67,645
Total Discretely Presented Component Unit Revenue Bonds	\$ 2,939,862	\$ 170,000	\$ (151,083)	\$ 2,958,779	\$ 189,270
Other Financing Debt					
Higher Education	\$ 57,925	\$ 2,848	\$ (1,321)	\$ 59,452	\$ 1,131
Direct Borrowings & Direct Placements Revenue Bonds:					
Water Development Authority	5,768	—	(395)	5,373	409
Total Discretely Presented Component Units Direct Borrowings & Direct Placements Revenue Bonds	\$ 5,768	\$ —	\$ (395)	\$ 5,373	\$ 409
Notes Payable:					
Housing Development Fund	\$ 558	\$ 3,859	\$ (3,994)	\$ 423	\$ 423
Economic Development Authority	10,926	—	(174)	10,752	31
Correction and Rehabilitation	31,446	425	(2,523)	29,348	2,059
Higher Education	150,405	—	(2,177)	148,228	6,901
Total Discretely Presented Component Notes Payable	\$ 193,335	\$ 4,284	\$ (8,868)	\$ 188,751	\$ 9,414
Other Debt-Related Items:					
Accrued and Other	\$ 418,539	\$ 66,746	\$ —	\$ 485,285	\$ 349,211
Compensated Absences	78,767	9,910	—	88,677	67,381
Right-to-Use Lease Liability (Note 11)	111,818	2,972	—	114,790	10,145
Subscription Liability-SBITA	33,939	11,627	—	45,566	15,991
Net Pension Liability (Note 12)	4,348	53	(1,100)	3,301	—
Other Post Employment Benefits	—	—	—	—	—
Total Discretely Presented Component Unit Other Items	\$ 647,411	\$ 91,308	\$ (1,100)	\$ 737,619	\$ 442,728

West Virginia

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	\$ 814,518
Parkways Authority	2002-2018	2048	3.75-5.25	512,714
Water Development Authority	2005-2016	2044	2.00-5.125	106,774
Higher Education	1998-2022	2052	0.58-7.65	1,259,583
School Building Authority	2007-2016	2032	2.00-6.92	<u>265,190</u>
Total Revenue Bonds				<u>\$ 2,958,779</u>

Future amounts required to pay principal and interest on revenue bonds of the discretely presented component units at June 30, 2025, were as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2026	186,153	113,911	300,064
2027	221,686	107,957	329,643
2028	148,763	102,643	251,406
2029	141,871	179,353	321,224
2030	132,421	150,156	282,577
2031-2035	658,150	305,243	963,393
2036-2040	521,917	182,077	703,994
2041-2045	479,202	105,304	584,506
2046-2050	268,588	47,294	315,882
2051-2055	77,030	6,754	83,784
2056-2060	400	11	411
	<u>\$ 2,836,181</u>	<u>\$ 1,300,703</u>	<u>\$ 4,136,884</u>
Premium	<u>122,598</u>	<u>—</u>	<u>122,598</u>
Total	<u><u>\$ 2,958,779</u></u>	<u><u>\$ 1,300,703</u></u>	<u><u>\$ 4,259,482</u></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):

	Issue Date	Final Maturity Date	Interest Rate(s)%	Balance
Water Development Authority	2005-2016	2044	2.00-5.125	5,373
Total Revenue Bonds				\$ 5,373

Future amounts required to pay principal and interest on direct placement revenue bonds of the discretely presented component units at June 30, 2025, were as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2026	409	181	590
2027	423	166	589
2028	438	151	589
2029	453	136	589
2030	469	120	589
2031-2035	2,604	335	2,939
2036-2040	577	10	587
2041-2045	—	—	—
Total	\$ 5,373	\$ 1,099	\$ 6,472

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, 2025 (expressed in thousands):

	Issue Date	Final Maturity Date	Interest Rate(s)%	Balance
Economic Development Authority	2007 & 2017	2029	3.00	\$ 10,752
Higher Education	2008-2014	2033	1.90-6.65	148,228
WV Public Defenders Corp.	2022-2027	N/A	4.00	28
Housing Development Fund	2008-2014	N/A	0.00	423
Division of Corrections & Rehabilitation	2015	2021	1.23	<u>29,348</u>
Total Notes Payable				<u>\$ 188,779</u>

Future amounts required to pay principal and interest on direct borrowings notes payable of the discretely presented component units at June 30, 2025, were as follows (expressed in thousands):

Year Ending June 30	Principal	Interest	Total
2026	10,278	7,263	17,541
2027	9,451	7,630	17,081
2028	9,108	7,325	16,433
2029	9,787	7,018	16,805
2030	7,715	6,743	14,458
2031-2035	66,344	31,011	97,355
2036-2040	29,320	20,917	50,237
2041-2045	23,845	17,376	41,221
2046-2050	8,306	4,679	12,985
2051-2055	9,184	2,281	11,465
2056-2060	5,413	317	5,730
2061-2065	\$ —	\$ —	\$ —
Total	\$ 188,751	\$ 112,560	\$ 301,311

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, 2025, 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, 2025, is approximately \$3.5 billion and \$5.9 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, 2025, the following outstanding bonds are considered defeased (expressed in thousands):

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

NOTE 11

RIGHT-TO-USE LEASES

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

The State leases various buildings, equipment, and land for various terms under long-term noncancelable lease agreements. The leases have various due dates ranging through fiscal year 2076 and interest rates ranging from 3.10% to 6.50%.

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. There are no variable payments, residual value guarantees, or termination penalties included within the lease liability of any State leases. 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 3.10% to 6.50%.
- The lease term is the noncancelable period of the lease. This includes periods in which there is an option to extend or terminate the lease if it is reasonably certain that the option will or will not be exercised.
- Lease payments included in the measurement of the lease liability are composed of fixed payments. There are no purchase options in the measurement of the lease liability for any State leases.

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

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

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

Several lease agreements entered into by component units of the State are sublease agreements for leased equipment and land with monthly installments ranging between \$250 and \$901 plus interest at 4.50% to 6.50% with due dates ranging from June 2028 to December 2042.

The following table is an analysis of the leases by major asset type at June 30, 2025, (expressed in thousands):

Asset Type	Right-to-Use Leased Asset	Accumulated Amortization	Net Right-to-Use Asset
Governmental Activities:			
Building	\$ 156,787	\$ (55,146)	\$ 101,641
Total Governmental Activities	156,787	(55,146)	101,641
Discretely Presented Component Units:			
Building	\$ 121,744	\$ (31,423)	\$ 90,321
Land	126	(39)	87
Equipment	5,937	(1,468)	4,469
Total Discretely Presented Component Units	127,807	(32,930)	94,877
Total	\$ 284,594	\$ (88,076)	\$ 196,518

West Virginia

Future principal and interest lease payments as of June 30, 2025, were as follows (expressed in thousands):

Year Ending June 30	Governmental Activities		Discretely Presented Component Units		Total
	Principal	Interest	Principal	Interest	
2026	\$ 18,015	\$ 3,957	\$ 10,063	\$ 3,941	\$ 35,976
2027	14,784	3,305	8,821	3,497	30,407
2028	13,792	2,731	7,578	3,169	27,270
2029	12,510	2,196	6,718	2,870	24,294
2030	9,825	1,738	5,915	2,624	20,102
2031-2035	25,814	4,570	16,536	10,328	57,248
2036-2040	7,885	1,620	6,138	8,252	23,895
2041-2045	3,370	498	6,054	7,332	17,254
2045-2050	414	227	6,663	6,438	13,742
2051-2055	505	136	6,152	5,506	12,299
2056-2060	410	30	6,550	4,578	11,568
2061-2065	—	—	7,593	3,534	11,127
2066-2070	—	—	8,802	2,325	11,127
2071-2075	—	—	10,205	923	11,128
2076-2076	—	—	919	7	926
Total Minimum Lease Payments	\$ 107,324	\$ 21,008	\$ 114,707	\$ 65,324	\$ 308,363

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 2025, the Educational Broadcasting Commission (EBC), a component unit of the State, a lessor, leased land, equipment, and buildings under various noncancelable lease agreements. Several of these agreements are sublease arrangements. The lease agreements contain lease terms with planned end dates ranging from August 2026 to May 2047. Lease payment rates, terms, cancellation clauses, and other provisions very 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 4.50%. Lease related income under these leases for the year ended June 30, 2025, was \$118 and \$54 for lease income and interest income, respectively.

The West Virginia Economic Development Authority, a component unit of the State, lease certain property to commercial entities under direct financing leases with planned end dates ranging from 2028 to 2036. Lease payment rates, terms, cancellation clauses, and other provisions very based on the lease agreement. Under the terms of the leases, either the lessor or lessee may elect to adjust the basic rent as of each successive fifth anniversary date following the lease commencement date by an amount necessary to fully amortize the initial purchase price based on the prevailing interest rate on such anniversary date. Lease-related income including interest under these lease for the year ended June 30, 2025, was \$885.

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 2025 to 2056. Lease payment rates, terms, cancellation clauses and other provisions very 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, 2025, was \$1,449.

NOTE 12

SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS

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

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

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

Variable payments based on future performance of a government, usage of the underlying IT assets, or number of user seats are recognized as outflows of resources in the period in which the obligation for those payments is incurred. The State had outflows of resources resulting

in approximately \$11,404 of subscription cost for the year ended June 30, 2025. The majority of the cost is attributed to Google and Microsoft license contracts that are variable payments based on number of licenses.

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

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

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

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

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

The following table is an analysis of the SBITAs by major asset class at June 30, 2025 (expressed in thousands):

Asset Class	Subscription Asset	Accumulated Amortization	Net Subscription Asset
<i>Governmental Activities:</i>			
Subscription	\$ 34,363	\$ (17,943)	\$ 16,420
Total	<u>34,363</u>	<u>(17,943)</u>	<u>16,420</u>
<i>Discretely Presented Component Units:</i>			
Subscription	122,665	(49,484)	73,181
Total	<u>122,665</u>	<u>(49,484)</u>	<u>73,181</u>
Totals	<u>\$ 157,028</u>	<u>\$ (67,427)</u>	<u>\$ 89,601</u>

West Virginia

The future principal and interest payments as of June 30, 2025, were as follows:
(expressed in thousands):

Year Ending June 30:	<i>Governmental Activities</i>		<i>Discretely Presented Component Units</i>			Total
	Principal	Interest	Principal	Interest		
2026	\$ 6,546	\$ 452	\$ 15,954	\$ 1,428	\$ 24,380	
2027	5,818	227	11,964	787	18,796	
2028	2,968	60	4,917	297	8,242	
2029	350	4	1,555	59	1,968	
Totals	\$ 15,682	\$ 743	\$ 34,390	\$ 2,571	\$ 53,386	



NOTE 13

RETIREMENT SYSTEMS

Plan Description

The West Virginia State Legislature has established nine defined benefit plans (the Plans) and a defined contribution plan to provide retirement benefits for eligible employees. The Plans are a group of defined benefit public employee retirement systems. The Consolidated Public Retirement Board (CPRB) administers the Plans under the direction of its Board of Trustees. The Governmental Employees Deferred Compensation Plan is administered by a third-party administrator and has been excluded from these financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 97.

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

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

- The Public Employees Retirement System (PERS) is a multiple-employer, cost-sharing, public employee retirement system. The number of local government employers participating in PERS at June 30, 2025, was 705, including 133 West Virginia state agencies, 159 cities and towns, 358 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 has attained age 60 and completed ten years of contributory service, has attained age 57 and completed twenty years of contributory service, or has attained age 55 and completed thirty years of contributory service. The straight-life annuity retirement benefit is equivalent to 2% of average salary multiplied by years of service. Final average salary is the average annual

salary from the highest 36 consecutive months within the last 15 years of employment. For all employees hired after July 1, 2015, final average salary is the average annual salary of the highest 60 consecutive months within the last 15 years of employment. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired after July 1, 2015, this age increases to 64 with at least ten years of contributory service, or age 63 with at least 20 years of contributory service.

- The Deputy Sheriffs' Retirement System (DSRS) is a multiple-employer, cost-sharing, public employee retirement system which was established for all deputy sheriffs hired on or after July 1, 1998. Current employees were eligible to transfer from PERS. There were 55 employers participating in DSRS as of June 30, 2025. 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. There were 47 employers participating in EMSRS as of June 30, 2025. 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. There were 38 employers participating in MPFRS as of June 30, 2025. The State makes no employer contributions to MPFRS.
- The Municipal Policemen's or Firefighter's Pension and Relief Funds is a relief fund that provides education and training to trustees, allocates funds from premiums on fire and casualty insurance policies, and offers disability examinations for officers and firefighters. This plan is administered by the Municipal Pensions Oversight Board (MPOB) to the 31 police pension plans and the 22 fire pension plans of the State.
- 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 79 employers and two non-employer contributing entities (the State) participating in the plan as of June 30, 2025.

For TRS, all employees hired before July 1, 2015, are eligible for normal retirement at age 60 with 5 years of service, age 55 with 30 years of service, or any age with 35 years of service, or with reduced benefits before age 55 with at least 30 but less than 35 years of service. For all employees hired after July 1, 2015, qualification for normal retirement is age 62 with 10 years of service. All members hired after July 1, 2015, may retire with reduced benefits at age 62 with 10 or more years of service, age 57 with 20 or more years of service or age 55 with at least 30 years of service. Terminated members, who were hired before July 1, 2015, with at least five, but less than 20, years of credited service who do not withdraw their accumulated contributions are entitled to a deferred retirement commencing at age 62 or at age 60 with more than 20 years of service. For all employees hired after July 1, 2015, this requirement increases to age 64 with 10 years of service. Retirement benefits are equivalent to 2% of final average annual salary multiplied by years of service. Final average salary is the average of the five highest fiscal years of earnings during the last 15 fiscal years of contributing service.

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

For SPDDRS, a member is eligible for normal retirement at age 50 after 20 years of contributory service, or at any age upon completion of 25 years of service. There is no vesting in the State's contributions prior to ten years of service. Benefits payable to members retiring prior to age 50 are deferred until the normal retirement date. The annual retirement benefit is 5.5% of the members' aggregate salary, but not less than \$6,000 per year. Total duty-related disability benefits are equal to 8.5% the member's annual salary, but not less than \$15,000 per year. Aggregate salary is the total salary paid to a member during his or her period of service, which 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 notwithstanding the disability. An annual cost of living adjustment of 3.75% is granted to retirees and beneficiaries. For service-connected total disability retirees, the adjustment begins at age 65.

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

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

service prior to normal retirement, provided the member completes 16 years of service, of which 12 years of service were as a sitting judge or justice. A member of the bench on or after July 2, 2005, is eligible for a deferred benefit upon termination of service prior to normal retirement, provided the member completes 16 years of service, of which 14 years of service were as a sitting judge or justice.

Plan membership consisted of the following as of the plan valuation date, June 30, 2025:

	SPDDRS	SPRS	JRS
Retirees and beneficiaries currently receiving benefits	721	192	61
Terminated members entitled to benefits but not yet receiving them	2	30	2
Terminated nonvested members	1	163	—
Active members	—	557	123
Total	724	942	186

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, 2025:

Statutory Contribution Rates as a Percent of Covered Payroll

System	Member	Employer
PERS	4.5% - 6.0%	9.0%
TRS	6.0%	15.0% State
		15.0% Counties
SPDDRS	9.0%	15.0%
SPRS	13.0%	34.0%
JRS	7.0%	Appropriated by the Legislature

The State's required and actual contributions for the year ended June 30, 2025, were (expressed in thousands):

System	Actual Contribution
PERS	\$ 123,128
TRS	413,025
SPDDRS	8,633
SPRS	13,720
JRS	1,220

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 \$278,333,000 for FY 2024, 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, 2025 (expressed in thousands):

Description	Governmental Activities	Business-type Activities	Fiduciary	Discretely Presented Component Units	Total
Net Pension Asset	\$ 273,480	\$ 806	\$ 15	\$ 20,212	\$ 294,513
Net Pension Liability	(1,758,458)	—	—	(3,301)	(1,761,759)
Deferred Outflows of Resources	983,075	1,960	211	52,798	1,038,044
Deferred Inflows of Resources	(454,624)	(1,021)	(118)	(28,389)	(484,152)
Pension Expense	221,826	443	8	9,568	231,845

Refer to pages 172-173 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 175 for amounts reported for the TRS cost-sharing plan as it relates to governmental activities and component units. Refer to page 177 for amounts reported for the single-employer plans as they relate to governmental activities.

At June 30, 2025, the State reported a net pension liability of \$1,761,759,000 and a net pension asset of \$294,513,000 for its proportionate share of the multiple-employer, cost-sharing plans, and single employer plans, which were measured as of June 30, 2024. The total pension asset/liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. 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, 2024.

The State's share of the net pension asset/liability for the PERS and TRS plans determined by the actuarial valuation as of June 30, 2023 is as follows (in thousands):

	2025	% of share	2024	% of share	Change \$	Change %
PERS	\$ 111,165	67.53	\$ 3,037	67.76	\$ 108,128	(0.23)%
TRS	\$(1,721,551)	91.23	\$(2,121,847)	92.68	\$ 400,296	(1.45)%

West Virginia

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):

	Governmental Activities	Water Pollution	Infrastructure
Proportionate share of statewide amount	81.08 %	0.10 %	0.04 %
Net pension Asset	\$ 90,132	\$ 109	\$ 44
Pension expense	45,363	100	9
Deferred outflows of resources representing contributions subsequent to the measurement date	98,418	115	39
Deferred outflows of resources representing the changes in employer proportion	2,716	—	—
Deferred outflows of resources representing difference between expected and actual experience	122,400	148	59
Deferred outflows of resources representing change in assumptions	—	—	—
Net deferred outflows of resources representing the difference between projected/actual earnings on investments	(104,389)	(127)	(51)
Deferred inflows of resources representing the changes in employer proportion	(2,956)	—	—
Deferred inflows of resources representing change in assumptions	(8,254)	(10)	(4)
Deferred inflows of resources representing difference between expected and actual experience	(481)	—	—
Amortization of applicable deferred amounts in current period	9,036	11	4
Amortization of applicable deferred amounts in future periods:			
2026	(48,585)	(55)	(22)
2027	133,222	158	63
2028	(38,136)	(47)	(19)
2029	(37,465)	(45)	(18)
Sensitivity Analysis:			
Net pension asset (liability) at 6.25% discount rate	(458,682)	(553)	(224)
Net pension asset (liability) at 7.25% discount rate	90,132	109	44
Net pension asset (liability) at 8.25% discount rate	553,598	668	270

PEIA	BRIM	Nonmajor Business-type	Total Primary Government	Fiduciary Funds	Component Units	Total
0.15 %	0.13 %	0.30 %	81.80 %	0.01 %	18.18 %	100 %
\$ 169	\$ 149	\$ 335	\$ 90,938	\$ 15	\$ 20,212	\$ 111,165
89	78	167	45,806	8	10,294	56,108
—	150	352	99,074	190	23,864	123,128
91	5	3	2,815	1	212	3,028
339	203	456	123,605	20	27,383	151,008
—	—	—	—	—	150	150
(191)	(173)	(390)	(105,321)	(116)	(22,474)	(127,911)
(3)	—	(9)	(2,968)	(1)	(499)	(3,468)
(23)	(14)	(26)	(8,331)	(1)	(1,857)	(10,189)
—	—	—	(481)	—	(1,084)	(1,565)
213	21	34	9,319	(97)	1,831	11,053
(1,130)	(171)	(172)	(50,135)	522	(9,844)	(59,457)
3,303	226	489	137,461	(1,430)	26,993	163,024
(1,016)	10	(143)	(39,351)	409	(7,727)	(46,669)
(944)	(44)	(140)	(38,656)	402	(7,591)	(45,845)
(860)	(758)	(1,705)	(462,782)	(76)	(102,859)	(565,717)
169	149	335	90,938	15	20,212	111,165
1,038	915	2,058	4,011	92	124,144	128,247

West Virginia

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	\$ —	\$ (127,911)
Changes in proportion and difference between employer contributions and proportionate share of contributions	3,028	(3,468)
Difference between expected and actual experience	151,008	(1,565)
Change in assumptions	150	(10,189)
Contributions made subsequent to the measurement date	123,128	—
Total	\$ 277,314	\$ (143,133)

Deferred outflows of resources of \$123,128,000 related to pensions are the result of contributions made subsequent to the measurement date of June 30, 2024, and will be recognized as a reduction of the net pension liability (asset) in the subsequent fiscal year ending June 30, 2026. 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
2026	\$ (59,457)
2027	163,024
2028	(46,669)
2029	(45,845)

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

	Governmental Activities	Component Units	Total
Proportionate share of statewide amount	99.81 %	0.19 %	100 %
Net pension liability	\$ (1,718,250)	\$ (3,301)	\$ (1,721,551)
Pension expense, net of interfund special funding situation	177,729	(726)	177,003
Deferred outflows of resources representing contributions subsequent to the measurement date	412,460	565	413,025
Deferred outflows of resources representing the changes in employer proportion	72,673	198	72,871
Deferred outflows of resources representing the net difference between expected and actual experience	177,859	341	178,200
Deferred outflows of resources representing difference in assumptions	43,640	85	43,725
Deferred outflows of resources representing net difference between projected and actual earnings on investments	(177,410)	(320)	(177,730)
Deferred inflows of resources representing the changes in employer proportion	(115,381)	(2,134)	(117,515)
Deferred inflows of resources representing the net difference between expected and actual experience	—	(21)	(21)
Amortization of applicable deferred amounts in current period	1,381	(1,851)	(470)
Amortization of applicable deferred amounts in future periods:			
2026	278,345	(373,075)	(94,730)
2027	(573,782)	769,059	195,277
2028	170,056	(227,932)	(57,876)
2029	113,574	(152,227)	(38,653)
2030	13,188	(17,676)	(4,488)
Sensitivity Analysis:			
Net pension liability at 6.25% discount rate	(2,882,387)	(5,537)	(2,887,924)
Net pension liability at 7.25% discount rate	(1,718,250)	(3,301)	(1,721,551)
Net pension liability at 8.25% discount rate	(732,067)	(1,406)	(733,473)

Deferred outflows of resources and deferred inflows of resources related to the TRS pension plan 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	\$ —	\$ (177,730)
Changes in proportion and difference between employer and proportionate share of contributions	72,871	(117,515)
Difference in expected and actual experience	178,200	(21)
Difference in assumptions	43,725	—
Contributions made subsequent to the measurement date	413,025	—
Total	\$ 707,821	\$ (295,266)

Deferred outflows of resources of \$413,025,000 related to pensions are the result of contributions made subsequent to the measurement date of June 30, 2024, and will be recognized as a reduction of the net pension liability in the subsequent fiscal year ending June 30, 2026. 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
2026	\$ (94,730)
2027	195,277
2028	(57,876)
2029	(38,653)
2030	(4,488)

As of June 30, 2025, the State reported a net pension asset and a net pension liability of \$183,348,000 and \$40,208,000, respectively, for the single employer plans which were measured as of June 30, 2024. The total pension liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to the measurement date of June 30, 2024. 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)	\$ (40,208)	\$ 6,349	\$ 176,999	\$ 143,140
Pension expense	12,284	(9,559)	(3,991)	(1,266)
Deferred outflows of resources representing contributions subsequent to the measurement date	13,720	—	1,220	14,940
Deferred outflows of resources representing the change in assumptions	14,910	—	1,226	16,136
Deferred outflows of resources representing the difference between expected and actual experience	21,833	—	—	21,833
Deferred inflows of resources representing the net difference between projected and actual earnings on pension plan investments	(7,346)	(16,859)	(6,492)	(30,697)
Deferred inflows of resources representing the difference between expected and actual experience	(1,537)	—	(13,519)	(15,056)
Amortization of applicable deferred amounts in current period	27,860	(16,859)	(18,785)	(7,784)
Amortization of applicable deferred amounts in future periods:				
2026	1,636	(17,328)	(11,183)	(26,875)
2027	13,032	14,501	1,913	29,446
2028	4,929	(7,899)	(4,697)	(7,667)
2029	4,010	(6,133)	(3,351)	(5,474)
2030-2031	4,253	—	(1,467)	2,786
Sensitivity Analysis:				
Net pension asset/(liability) 6.25%	(105,010)	(89,291)	162,552	(31,749)
Net pension asset/(liability) 7.25%	(40,208)	6,349	176,999	143,140
Net pension asset/(liability) 8.25%	11,190	85,682	189,367	286,239

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

SPDDRS	Increase (Decrease)			Net Pension Liability (Asset) (a) – (b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	(a) – (b)	
Balance at 6/30/2023	\$ 810,558	\$ 778,134	\$ 32,424	
Changes for the year:				
Service cost	35	—	35	
Interest	56,819	—	56,819	
Difference between expected and actual experience	599	—	599	
Change of assumptions	—	—	—	
Contributions – employer	—	10,038	(10,038)	
Contributions – employee	—	4	(4)	
Net investment income	—	85,901	(85,901)	
Benefit payments	(53,754)	(53,754)	—	
Administrative expense	—	(382)	382	
Other changes	—	665	(665)	
Net changes	<u>3,699</u>	<u>42,472</u>	<u>(38,773)</u>	
Balances at 6/30/2024	<u><u>\$ 814,257</u></u>	<u><u>\$ 820,606</u></u>	<u><u>\$ (6,349)</u></u>	

SPRS	Increase (Decrease)			Net Pension Liability (Asset) (a) – (b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	(a) – (b)	
Balance at 6/30/2023	\$ 362,443	\$ 320,044	\$ 42,399	
Changes for the year:				
Service cost	10,734	—	10,734	
Interest	26,683	—	26,683	
Difference between expected and actual experience	16,079	—	16,079	
Changes in assumptions	—	—	—	
Contributions – employer	—	13,296	(13,296)	
Contributions – employee	—	5,150	(5,150)	
Net investment income	—	37,363	(37,363)	
Benefit payments	(10,263)	(10,263)	—	
Administrative expense	—	(157)	157	
Other	—	35	(35)	
Net changes	<u>43,233</u>	<u>45,424</u>	<u>(2,191)</u>	
Balances at 6/30/2024	<u><u>\$ 405,676</u></u>	<u><u>\$ 365,468</u></u>	<u><u>\$ 40,208</u></u>	

JRS	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 6/30/2023	\$ 113,841	\$ 278,487	\$ (164,646)
Changes for the year:			
Service cost	4,194	—	4,194
Interest	9,327	—	9,327
Difference between expected and actual experience	(5,872)	—	(5,872)
Changes in assumptions	—	—	—
Contributions – employer	—	854	(854)
Contributions – employee	—	402	(402)
Net investment income	—	31,738	(31,738)
Benefit payments	(5,466)	(5,466)	—
Administrative expense	—	(137)	137
Other	13,345	490	12,855
Net changes	15,528	27,881	(12,353)
Balances at 6/30/2024	\$ 129,369	\$ 306,368	\$ (176,999)

Actuarial Methods and Assumptions

The total pension liabilities for financial reporting purposes were determined by an actuarial valuation as of July 1, 2023, rolled forward to June 30, 2024, 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	Fair value	Fair value	Fair value
Amortization method	Level dollar, fixed period	Level dollar, fixed period	Level dollar, fixed period
Amortization period	Through FY 2035	Through FY 2034	5 years from July 1, 2022 for the initial base. 10 years for each base established thereafter
Actuarial assumptions:			
Investment rate of return	7.25%	7.25%	7.25%
Projected salary increases:			
PERS:			
State	2.75% – 6.86%	—	—
Nonstate	3.57% – 7.37%	—	—
TRS:			
Teachers	—	2.75% – 5.9%	—
Non-Teachers	—	2.75% – 6.5%	—
SPDDRS:	—	—	4.00%
Inflation rate	2.75%	2.75%	2.75%
Discount rate	7.25%	7.25%	7.25%
Mortality rates	Actives - 100% of Pub-2010 General Employees table, below-median, headcount-weighted, projected generationaly with scale MP-2021; retired males - 111% of Pub-2010 general retiree male table, below median, headcount-weighted, projected generationaly with scale MP-2021; retired females - 118% of Pub-2010 general retiree female table, below median, headcount-weighted, projected generationaly with scale MP-2021; disabled males - 119% of Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationaly with scale MP-2021; disabled females - 112% of Pub-2010 General Retiree female table, headcount-weighted, projected generationaly with scale MP-2021; disabled males - 107% of Pub-2010 General/Teachers Disabled male table, headcount-weighted projected with scale MP-2019; disabled females - 101% of Pub-2010 Contingent Survivor male table, headcount-weighted, projected with scale MP-2019; beneficiary males - 101% of Pub-2010 Contingent Survivor female table, headcount-weighted, projected with scale MP-2019.	Actives – 100% of Pub-2010 General Employees table, headcount-weighted, projected with scale MP-2019; retired males - 100% of Pub-2010 General Retiree male table, headcount-weighted, projected with scale MP-2019; retired females - 112% of Pub-2010 General Retiree female table, headcount-weighted, projected with scale MP-2019; disabled males - 107% of Pub-2010 General/Teachers Disabled male table, headcount-weighted projected with scale MP-2019; disabled females - 101% of Pub-2010 Contingent Survivor male table, headcount-weighted, projected with scale MP-2019; beneficiary males - 101% of Pub-2010 Contingent Survivor female table, headcount-weighted, projected with scale MP-2019.	Actives – 100% of Pub-2010 Safety Employee, amount weighted, projected generationaly with scale MP-2020; retired males - 98% of Pub-2010 Safety retiree male table, amount weighted, projected generationaly with scale MP-2020; retired healthy females - 99% of Pub-2010 Safety retiree female table, amount weighted, projected generationaly with scale MP-2020; disabled females - 100% of Pub-2010 Safety disabled female table, amount weighted, projected generationaly with scale MP-2020; disabled males - 124% of Pub-2010 Safety disabled male table, amount weighted, projected generationaly with scale MP-2020; 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.
Disability rates	0.04% - 0.35%	0.0% - 0.6%	0.03% - 0.4%
Retirement rates	12% - 100%	0% - 100%	25% - 100%
Date range of most recent experience study	2018-2023	2015-2020	2015 - 2020

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

Change in benefit terms. The July 1, 2023 actuarial valuation for the JRS Plan recognized a change in benefit terms to allow a transfer from PERS to JRS for Family Court Judges effective July 24, 2022. As of July 1, 2023 there are 46 Family Court Judges who are allowed to transfer from PERS to JRS.

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, 2025:

Asset Class	Long-Term Expected Rate of Return	Target Allocation
Domestic Equity	5.3%	22.5%
International Equity	6.7%	22.5%
Fixed Income	4.3%	15.0%
Real Estate	7.2%	12.0%
Private Equity	8%	12.0%
Private Credit	8.2%	6.0%
Hedge Funds	5.0%	10.0%
Total		<u>100%</u>

Discount Rate

The discount rate used to measure the total pension liability (asset) was 7.25% for all defined benefit plans. The projections of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on those assumptions, the fiduciary net position of each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liabilities (assets) of each plan. The discount rate used to measure the total pension liability did not change for the June 30, 2023 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 3,378 and 3,512 members in the TDCRS plan at June 30, 2025 and 2024, respectively. TDCRS retirement benefits depend solely on amounts contributed to the plan plus investment earnings. TDCRS closed participation to new members effective June 30, 2005.

State legislation requires enrolled employees to contribute 4.5% of their gross compensation, and the employers contribute 7.5% of covered members' gross compensation from amounts allocated to the employers through the State School Aid Formula. Employer contributions for each employee (and interest allocated to the employee's account) become partially vested after 6 years and fully vested after 12 years of completed service. Employer contributions and earnings thereon forfeited by employees who leave employment prior to becoming vested are

available, in the event the employee does not return to active participant status within five years, to reduce the employer's current-period contribution requirement. Any such forfeitures arising from contributions, plus earnings thereon, will be used to reduce future employer contributions.

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

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

Custodial Credit Risk – Cash Deposits

The TDCRS' cash deposits with financial institutions were approximately \$152 thousand at June 30, 2025. These deposits, which had a bank balance of approximately \$152 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, 2025, 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	\$779,089	\$779,089	\$—	\$—

For the year ended June 30, 2025, the approximate payroll of state employees covered by TDCRS was \$121 million, and total covered payroll for both the TDCRS and TRS was approximately \$1.97 billion. Both the employees and employers made the required contributions amounting to \$5.4 million and \$9.0 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, 2025, contributions were approximately \$57 million from the covered employees and approximately \$56.7 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, 2025, contributions were approximately \$16 thousand from the covered employees and \$16 thousand from the 13 participating institutions from the State of West Virginia.

NOTE 14

OTHER POSTEMPLOYMENT BENEFITS

General

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

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

In addition to the pension benefits allowing certain retirees to convert sick leave to health care premiums, state statutes provide that employees who retire may continue participation in the State's health insurance plan subject to certain length of service and participation requirements. Such employees are eligible to participate in the public employees' insurance program by making the premium contribution specified by the Public Employees Insurance Agency (PEIA) Finance Board. Approximately 42,264 retirees, 12,304 inactive plan members, and 24,417 active plan members met those eligibility requirements at June 30, 2025.

The State is a non-employer contributing entity that provides funding through Senate Bill No. 469, which was passed February 10, 2012, granting Other Postemployment Benefits Liability relief to the State's 55 county boards of education effective July 1, 2012. The Public School Support Plan is a basic foundation allowance program that provides funding to the local school boards for "any amount of the employer's annual required contribution allocated and billed to the county boards of education for employees who are employed as professional employees, as service personnel, or as professional student support personnel," within the limits authorized by this law. The special funding under the school aid formula subsidizes employer contributions of the county boards of education and contributes to the overall unfunded OPEB liability. RHBT prepares separately issued financial statements covering the other post employment benefits, which can be obtained from the Retiree Health Benefit Trust, 601 57th Street, SE, Suite 2, Charleston, WV 25304 or <http://www.peia.wv.gov>.

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 multi-employer 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 731 respective employers who are required by law to remit at least the minimum annual premium component of the CRC.

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

Basis of Accounting

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

Funding Policy

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

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

The following schedule summarizes the plan's required contribution rates at June 30, 2025:

Statutory Contribution Rates as a Percent of Covered-Employee Payroll

System	Member	Employer
PERS	4.5% - 6.0%	9.0%
TRS	6.0%	7.5% - 15.0%

The State's required and actual contributions for the year ended June 30, 2025, were as follows (expressed in thousands):

System	Actual Contribution
OPEB	\$48,134

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, 2025, of \$37,519,000, including a special funding situation of the net OPEB asset (90.11%) for its share, which was measured as of June 30, 2024. The total OPEB asset used to calculate the net OPEB asset was determined using updated procedures applied to the actuarial valuation as of June 30, 2023, and measured as of June 30, 2024. 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, 2024.

The State's proportionate share of the net OPEB asset at June 30, 2025, determined by the actuarial valuation measured as of June 30, 2023, was \$37,519,000, including a special funding situation (90.11%). The State's proportionate share for FY 2025 has increased by 9.82%. There was also a change in actuarial assumptions that resulted in the decrease of the total OPEB asset of \$89,546.

West Virginia

The State's amounts for net OPEB asset, (liability), deferred outflows of resources (DO), deferred inflows of resources (DI), and OPEB expense were allocated to the governmental, business-type, fiduciary, and component units' activities based on each reporting unit's share of the State's employer contributions to the OPEB plan. The OPEB-related amounts for primary government, fiduciary funds, and component units are as follows (expressed in thousands):

	Business-type		
	Governmental Activities	Water Pollution	Infrastructure
Proportionate share of statewide amount	90.29 %	0.01 %	— %
Net OPEB asset	\$ 33,877	\$ 5	\$ —
OPEB expense	16,666	(2)	—
DO related to contributions subsequent to the measurement date	39,190	13	2
DO related to changes in employer proportion	30,825	2	—
DO related to difference between expected/actual investment earnings	—	—	—
DO related to difference between expected/actual experience	118,005	12	—
DO related to changes in assumptions	12,933	2	—
DI related to difference between expected/actual investment earnings	(38,612)	—	—
DI related to changes in employer proportion	(25,158)	(8)	(1)
DI related to changes in assumptions	(40,058)	(6)	—
DI related to difference between expected/actual experience	(34,067)	(5)	—
Total subject to amortization	<u>23,868</u>	<u>(3)</u>	<u>(1)</u>
Amortization of applicable deferred amounts in future periods:			
2026	(22,933)	3	1
2027	55,321	(7)	(2)
2028	6,590	(1)	—
2029	(15,110)	2	—
Sensitivity Analysis:			
Net OPEB asset at 6.40% discount rate	(148,111)	(22)	—
Net OPEB asset at 7.40% discount rate	33,877	5	—
Net OPEB asset at 8.40% discount rate	185,440	27	—
Net OPEB asset at 1% decrease of healthcare cost trend rate	266,357	39	—
Net OPEB asset at healthcare cost trend rate	33,877	5	—
Net OPEB asset at 1% increase of healthcare cost trend rate	(248,437)	(37)	—

Business-type										
PEIA	BRIM	Nonmajor Business-type	Total Primary Government	Fiduciary	Component Units	Total				
— %	— %	0.05 %	90.35 %	— %	9.65 %	100.00 %				
\$ 1	\$	— \$	\$ 33,897	\$	\$ 3,622	\$ 37,519				
(63)	—	56	16,657	(34)	(293)	16,330				
—	9	28	39,242	22	8,870	48,134				
12	7	4	30,850	7	3,538	34,395				
—	—	—	—	—	—	—				
2	—	48	118,067	—	9,497	127,564				
—	—	5	12,940	—	1,428	14,368				
(1)	—	(16)	(38,629)	—	(3,294)	(41,923)				
(13)	(7)	(24)	(25,211)	(8)	(7,498)	(32,717)				
(1)	—	(16)	(40,081)	—	(3,220)	(43,301)				
(1)	—	(14)	(34,087)	—	(3,024)	(37,111)				
(2)	—	(13)	23,849	(1)	(2,573)	21,275				
2	—	12	(22,915)	1	2,472	(20,442)				
(5)	—	(30)	55,277	(2)	(5,964)	49,311				
(1)	—	(4)	6,584	—	(710)	5,874				
2	—	9	(15,097)	—	1,629	(13,468)				
(4)	—	(61)	(148,198)	—	(15,835)	(164,033)				
1	—	14	33,897	—	3,622	37,519				
5	—	77	185,549	—	19,827	205,376				
8	—	110	266,514	—	28,478	294,992				
1	—	14	33,897	—	3,622	37,519				
(7)	—	(103)	(248,584)	—	(26,562)	(275,146)				

Deferred outflows of resources and deferred inflows of resources related to the OPEB as of June 30, 2025, were from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual earnings on OPEB plan investments	\$ —	\$ (41,923)
Changes in proportion and differences between employer contributions and proportionate share of contributions	34,395	(32,717)
Difference between expected and actual experience	127,564	(37,111)
Changes in assumptions	14,368	(43,301)
Contributions made subsequent to the measurement date	48,134	—
Total deferred outflows/inflows to be amortized	<u>\$ 224,461</u>	<u>\$ (155,052)</u>

Deferred outflows of resources of \$48,134,000 related to OPEB are the result of contributions made subsequent to the measurement date of June 30, 2024, and will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year ending June 30, 2026. 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
2026	\$ (20,442)
2027	49,311
2028	5,874
2029	(13,468)

Actuarial Methods and Assumptions

The total OPEB liability for financial reporting purposes was determined by an actuarial valuation as of June 30, 2023 and measured as of June 30, 2024, using update procedures applied to the actuarial assumptions and methods. The projections of the net OPEB liability are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Consideration is to be given to the written plan document as well as other communications between the employer and plan members and an established pattern of practice for cost sharing.

Significant assumptions used in the actuarial valuations are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	20-year closed period as of June 30, 2017
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.40%, net of OPEB plan investment expense, including inflation
Inflation rate	2.50%
Salary increases	Rates based on 2015-2020 OPEB Experience Study and depend on pension plan participation and attained age, and range from 2.75% to 5.18%, including inflation. Rates were first applied to the 2020 valuation.
Retirement age	Rates based on 2015-2020 OPEB Experience Study and vary by pension plan participation and age/service at retirement. Rates were first applied to the 2020 valuation.
Mortality rates	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with Scale MP-2021 for TRS. Pub-2010 General Below Median Healthy Retiree Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with Scale MP-2021 for Troopers A and B. Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with Scale MP-2021 for TRS. Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Employee Mortality Tables projected with Scale MP-2021 for Troopers A and B.
Healthcare cost trend rates	Trend rates for pre-Medicare and Medicare per capita costs start at 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until the ultimate trend rate of 4.5% is reached in plan year 2033.
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, 2023, 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, 2025:

Asset Class	Long-Term Expected Rate of Return
Equity	7.4%
Private Credit and Income	7.4%
Fixed Income	3.9%
Real Estate	7.7%
Private Equity	10.0%
Hedge Funds	4.5%

Asset Class	Target Allocation
Equity	45.0%
Private Credit and Income	6.0%
Fixed Income	15.0%
Real Estate	12.0%
Private Equity	12.0%
Hedge Funds	10.0%

Discount Rate

The single discount rate used to measure the total OPEB liability was 7.40%. The projections of cash flows used to determine the discount rates assumed that the RHBT contributions would be made at rates equal to the actuarially determined contribution rates, in accordance with pre-funding and investment policies. Future pre-funding assumptions include a \$30 million annual contribution from the State through 2037. Based on those assumptions, and that the Plan is expected to be fully funded by fiscal year ended June 30, 2037, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates.



NOTE 15

RISK MANAGEMENT

The State is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health and life coverage; and natural disasters. The State of West Virginia operates three significant insurance enterprise funds: Board of Risk and Insurance Management (BRIM), Public Employees Insurance Agency (PEIA), and Workers' Compensation Fund (WCF).

On March 12, 2011, the West Virginia Legislature created the State Entities Workers' Compensation Program Fund (SEWC) to provide a means of managing workers' compensation coverage for persons directly employed by the State of West Virginia. The SEWC functions as an insurance-purchasing risk pool and is administered by the Office of the Insurance Commissioner (OIC). On October 1, 2011, the OIC entered into a high-deductible insurance coverage policy with Zurich. Pursuant to the policy provisions, the SEWC retains the loss exposure up to \$250,000 per occurrence. The SEWC has provided for these losses by establishing a Loss Reserve Fund with Zurich. Zurich will provide claims management services for claims incurred prior to June 30, 2017 and forward. The final true up for Zurich was in fiscal year 2021. The transfer of risk to Encova is complete. Encova Insurance administers claims with a date of injury of January 1, 2017 and forward. The SEWC had a total of \$9.6 million in unpaid claims and claim adjustment expenses at June 30, 2025.

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

In March 2004, the West Virginia Legislature passed House Bill 4740, creating a Patient Injury Compensation Fund. The purpose of this fund is to provide fair and reasonable compensation to claimants in medical malpractice actions for any portion of economic damages awarded that is uncollectible as a result of previously enacted tort reforms. This fund provides relief to claimants whose damages were limited because of caps for trauma care or as a result of joint and several liabilities. The capitalization of the fund comes from the State's tobacco settlement fund. The activity for this fund is not reflected in BRIM's financial statements. BRIM serves as third-party administrator for this fund and, accordingly, the activity for this fund is reflected in the State's financial statements. Senate Bill 602 passed in March 2016 and closed the Medical Liability Fund. All remaining funds were transferred to the Patient Injury Compensation Fund in July 2016. Therefore, there is no continuation of services previously provided by the Medical Liability Fund. This legislation also closed compensation to any claimants who filed with the Patient Injury Fund on or after July 1, 2016. Additional funding to pay any compensate claims filed as of June 30, 2016 was established by creation of assessments imposed on medical liability claims awards and settlements and fees charged to licensed physicians and hospitals. Senate Bill 576 passed in March of 2018 mandated that any funds remaining in the Patient Injury Compensation Fund as of June 30, 2025, that will not be used for claims payments or administrative costs, be transferred to the General Reserve Fund. Although BRIM administers the Patient Injury Compensation Fund, it is a fiduciary fund of the State of West Virginia and is excluded from the government wide financial statements.

Description of the Funds

Board of Risk and Insurance Management

BRIM provides a property and liability self-insurance program for its member agencies. BRIM has general supervision and control over the insurance of all state property, including that of the institutions of higher education and the discretely presented component units. In addition, the political subdivisions in the State and certain other charitable and public service organizations may request coverage by BRIM. Types of coverage provided by BRIM have been expanded over time to include medical malpractice, automobile liability, and coal mine subsidence reinsurance. At the end of the fiscal year, approximately 1,185 organizations participated in the BRIM risk pool.

Underwriting and rate-setting policies are established by BRIM. The cost of all coverage as determined by BRIM shall be paid by the participants. The BRIM risk pool retains a \$1 million per occurrence coverage maximum on all third-party liability claims. In the normal course of business, BRIM seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable operating results by reinsuring levels of risk in various areas of exposure with other insurance enterprises or reinsurers. Excess coverage under this program is limited to \$400 million per event, subject to limits on certain property. Reinsurance permits recovery of a portion of losses from reinsurers; however, it does not discharge the primary liability of BRIM as direct insurer of the risks insured. BRIM does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. There have been no significant reductions in insurance coverage from the prior year.

Public Employees Insurance Agency

PEIA provides a program of health, life, and prescription insurance for its member agencies. PEIA provides coverage for all participating state employees, including those of the institutions of higher education and the discretely presented component units. In addition, the political subdivisions in the State and certain other charitable and public service organizations may request coverage by PEIA. PEIA's general objectives are to provide a basic employee benefit insurance program, which includes hospital, surgical, major medical, prescription drug, basic life, and accidental death for all participating employers and employees. Underwriting and rate-setting policies are established by PEIA. The cost of all coverage, as determined by PEIA, shall be paid by the participants. Life insurance coverage is limited to \$500,000. Premiums are established by PEIA at varying rates dependent upon, among other things, coverage required, number of dependents, state vs. nonstate employees, and active employee vs. retired employee. PEIA retains all risks for the health and prescription features of its indemnity plan. PEIA has transferred the risks for health and prescription coverage for those individuals covered by the Managed Care Organization (MCO) Plan to the plan providers. PEIA has reinsured 100% of the basic life benefits; however, PEIA remains contingently liable in the event the insurer does not honor its obligation. PEIA presently charges equivalent premiums for participants in either the indemnity plan or the MCO Plan. Altogether, PEIA insures approximately 158,000 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	
	2025	2024	2025	2024	2025	2024
Unpaid claims and claims adjustment expense liability at beginning of year	\$ 292,066	\$ 366,680	\$ 136,116	\$ 101,279	\$ 1,003,600	\$ 1,042,200
Incurred claims and claims adjustments expense:						
Provision for insured events of the current fiscal year	103,735	92,025	874,505	889,794	231	276
Increase (decrease) in provision for insured events of prior fiscal years	(459)	11,247	(11,900)	(3,480)	6,892	38,048
Amortization of discount	—	—	—	—	28,642	29,678
Total incurred claims and claims adjustment expense	103,276	103,272	862,605	886,314	35,765	68,002
Payments:						
Claims and claims adjustment expense attributable to insured events of the current fiscal year	16,295	14,156	822,839	771,576	1	106,602
Claims and claims adjustment expense attributable to insured events of the prior fiscal years	91,015	163,730	76,592	79,901	(98,466)	—
Total payments	107,310	177,886	899,431	851,477	(98,465)	106,602
Total unpaid claims and claims adjustment expense liability, end of year	\$ 288,032	\$ 292,066	\$ 99,290	\$ 136,116	\$ 940,900	\$ 1,003,600

The above PEIA payments are net of pharmacy rebates of \$129,331 and \$121,754 for the years ended June 30, 2025 and June 30, 2024, respectively.

Neither BRIM nor PEIA discount their estimated claims liability. If BRIM's unpaid claims and claims adjustment expense liability were discounted using a 4% discount factor for 2024 to take into consideration the time value of money, the result would be a decrease in the liability and an increase in net position of approximately \$25.5 million as of June 30, 2025. The overall unpaid claim liability number includes a provision for allocated and unallocated claims adjustment expense. At June 30, 2025, the total undiscounted claims liability for WCF approximated \$1.154 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 \$213 million to record approximately \$941 million at June 30, 2025.

West Virginia

The OIC management believes the discounted liability for unpaid claims and claims adjustment expenses is adequate. However, due to the inherent variability of the assumptions used to estimate this liability, actual incurred losses and loss adjustment expenses may vary significantly from the estimated amount included in the WCF's financial statements.

Each of the three risk pools has issued separate, audited financial reports on its operations. Those reports include the required supplementary information concerning the reconciliation of claims liabilities by type of contract, if applicable, and ten-year claim development information.

Complete financial statements of the individual insurance enterprise funds, including additional detailed disclosures, can be obtained directly from their respective administrative offices:

Board of Risk and Insurance Management
1124 Smith Street
Suite 4300
Charleston, WV 25301

Workers' Compensation Fund
c/o Offices of the Insurance Commissioner
900 Pennsylvania Avenue
Charleston, WV 25302

Public Employees Insurance Agency
601 57th St., SE
Suite 2
Charleston, WV 25304



NOTE 16

COMMITMENTS AND CONTINGENCIES

Environmental Protection Claims

The State, through the Department of Environmental Protection (DEP), maintains several environmental protection programs, including a bonding program for coal operators for mine reclamation; an abandoned oil and gas well bonding program; a Landfill Closure Assistance Program (LCAP); and an underground storage tank program. Under such programs, the State charges various fees, premiums, and other assessments, and sets bonding amounts that operators are required to maintain to ensure that funds are available in the event that the operator is unable to fulfill its environmental protection responsibilities. Based upon the State's estimate of the liability for incurred losses under the programs, the bonding amounts and funding structures established by the State have proven inadequate to fund the actual costs of environmental protection that the State has incurred in acceptance of the related insurance risk. As a result, the State has been required at various times to increase fees and bonding rates. Administrative changes in permitting regulations governing the industries and businesses benefiting from the State's maintenance of such environmental protection programs are constantly under review.

Management has estimated the total cost at current dollars of remediation efforts to approximate \$365 million at June 30, 2025. 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, 2025 (expressed in thousands):

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amount Due Within One Year
Mine Reclamation Program	\$ 198,201	\$ 47,791	\$ —	\$ 245,992	\$ 26,077
Oil and Gas Well Program	9,989	5,964	—	\$ 15,953	15,953
Landfill Closure Assistance Program	118,069	—	15,503	\$ 102,566	3,412
Underground Storage Tanks	998	—	378	\$ 620	—
Total Environmental Liability	\$ 327,257	\$ 53,755	\$ 15,881	\$ 365,131	\$ 45,442

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, civil penalties, investment earnings 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, two of which were added in 2015. There is one landfill left to be closed. As of June 30, 2025, the liability is estimated at \$103 million and is projected to be paid through fiscal year 2057.

Other Contingencies

In addition to environmental protection claims, the State has recorded an obligation in the amount of \$140 million, of which \$29 million is the current obligation for the payment of claims and judgments. These obligations are for the Division of Highways and Court of Claims. The other obligations line item in the financials include unclaimed property claims which total \$123 million, \$23 million of which is a current obligation. These claims are based on management's evaluation of the nature of such claims and consideration of historical loss experience for the respective types of action. Certain other claims may be covered by the state's insurance carrier under its general liability or medical malpractice coverage.

An employer who has been granted self-insured status for workers' compensation insurance coverage must post security with the WCF for an actuarially determined amount of its liabilities incurred with dates of injury prior to July 1, 2004. Payments made for claims of employees of defaulted self-insured employers for injuries prior to July 1, 2004, will be made from the Self-insured Security Pool established by Senate Bill 1004. The assets of the Security Pool consist of the proceeds received from the security held by the WCF and any necessary assessments made to active self-insured employers for the default of a self-insured employer.

Payments for the injuries of defaulted self-insured employers incurred after July 1, 2004, will be made by the Self-insured Guaranty Pool; however, any self-insured employer who fails the analytical financial review will also be required to post security to the Guaranty Pool on any workers' compensation liabilities incurred after July 1, 2004. The Self-insured Guaranty Pool is funded through quarterly assessments to self-insured employers and the proceeds received

from the security held. To the extent a self-insured employer cannot meet its obligations under the Law, the two self-insured pools previously discussed remain contingently liable for all policy benefits. The only sources of revenue permitted under the Law to fund the Security Pool and the Guaranty Pool must be obtained from self-insured employers. Self-insured employers are considered joint and severally liable for the obligations of a defaulted self-insured employer. The amount has not been included in the estimated liabilities for unpaid claims and claim adjustment expense because the likelihood of future self-insurer defaults has not been estimated.

It is not possible to predict with certainty the ultimate outcome of all lawsuits or claims pending or threatened against the State, including those discussed above, some of which involve claims for significant amounts. Based on the current status of all legal proceedings for which accruals have not been made in the State's financial statements, it is the opinion of management and the Attorney General that the proceedings will not have a material adverse impact on the State's overall financial position. However, depending on the amount and timing of the resolution, some or all of these matters could materially affect the State's change in financial position or cash flows for a particular period.

Federal Grants

Payments received under the reimbursement arrangements with agencies of the federal government are subject to retroactive audit and adjustment. Management believes that adequate provisions have been made for reasonable adjustments that may result from regulatory reviews and disallowed costs. However, laws and regulations governing these programs are extremely complex and subject to different interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount. Management believes it is in compliance with all applicable laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and exclusions.

The State, including its institutions of higher education, receives significant financial assistance from the U.S. Government in the form of grants and other federal awards. Entitlement to those resources is generally conditioned upon compliance with the terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for allowable purposes. The State provides for estimates of any material disallowance arising in connection with the operation of these federally funded programs as such amounts become reasonably estimable. Federal awards are subject to financial and compliance audits under either the federal Single Audit Act or by grantor agencies of the federal government or their designees. The ultimate obligations that may arise from cost disallowance or sanctions as a result of those audits and the related impact on the financial statements of the State or its component units are unknown. The ultimate resolution of the regulatory review process could materially impact the State's future change in financial position or cash flows in a particular period.

Construction and Other Commitments

(Expressed in Thousands)

	Amount Committed	
		Commitment
Governmental Funds:		
Transportation	\$ 1,461	Construction
Enterprise Funds:		
Drinking Water Treatment Revolving Fund	15,072	Committed for loans
Water Pollution Control Revolving Fund	110,685	Committed for loans
West Virginia Infrastructure and Jobs Development Council	46,135	Funding of water and economic development projects
Discretely Presented Component Units:		
West Virginia Lottery	4,783	Capital assets and construction
Economic Development Authority	455,932	Committed for loans
Housing Development Fund	45,827	Committed for loans
Parkways Authority	86,607	Turnpike improvements
Higher Education	42,223	Construction
School Building Authority	52,100	Acquisition, construction and maintenance grants to county school boards
Municipal Pensions Oversight Board	1,313	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 two 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 17.6 million at June 30, 2025, to fund the program obligations. Subsequent to year-end, the program received \$2.8 million from the Lottery and \$10.1 million in general revenue.

NOTE 17

SUBSEQUENT EVENTS

On October 31, 2025, the West Virginia Department of Health and Human Resources entered into a contract with Marx Development Group for \$60 million for the sale of Hopemont Hospital, Jackie Withrow Hospital, John Manchin Sr. Healthcare Center, and Lakin Hospital. This includes the sale of all assets and liabilities related to the respective facilities.

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, 2025
(Expressed in Thousands)

	General Revenue Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes:				
Personal Income	\$ 2,023,300	\$ 2,023,300	\$ 2,126,396	\$ 103,096
Consumer Sales	1,841,000	1,841,000	1,821,247	(19,753)
Severance	406,300	406,300	439,022	32,722
Corporate Income/Business Franchise	318,000	318,000	376,219	58,219
Business and Occupation	115,000	115,000	103,890	(11,110)
Gasoline and Motor Carrier	—	—	—	—
Wholesale Motor Fuel	—	—	—	—
Automobile Privilege	—	—	—	—
Other	293,500	293,500	299,139	5,639
Excess Lottery Transfer	65,000	65,000	65,519	519
Intergovernmental	—	—	—	—
Licenses, Permits, and Fees	8,736	8,736	8,262	(474)
Departmental Collections	28,200	28,200	27,143	(1,057)
Interest Income	125,000	125,000	186,815	61,815
Other	40,500	40,500	65,710	25,210
Industrial Access Road Transfer	—	—	—	—
Total Revenues	<u>5,264,536</u>	<u>5,264,536</u>	<u>5,519,362</u>	<u>254,826</u>
Expenditures:				
Legislature	31,025	31,025	27,439	3,586
Judicial	166,316	166,317	156,265	10,052
Executive	56,002	222,152	104,697	117,455
Department of Administration	93,931	229,463	196,701	32,762
Bureau of Commerce	73,757	73,757	68,150	5,607
Department of Tourism	14,000	30,006	5,727	24,279
Department of Economic Development	12,918	197,918	196,608	1,310
Department of Environmental Protection	7,830	10,630	10,098	532
Education	2,761,070	2,847,510	2,770,296	77,214
Health, Health Facilities, and Human Services	1,154,471	1,398,511	1,356,776	41,735
Department of Homeland Security	529,168	560,849	513,644	47,205
Revenue	34,603	34,603	31,042	3,561
Transportation	6,941	6,941	1,674	5,267
Veteran's Assistance	17,426	18,626	16,394	2,232
Bureau of Senior Services	6,580	6,580	6,580	—
Miscellaneous Boards and Commissions	18,805	31,355	18,538	12,817
Department of Arts, Culture, & History	11,756	13,756	12,866	890
Total Expenditures	<u>4,996,599</u>	<u>5,879,999</u>	<u>5,493,495</u>	<u>386,504</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures -				
Current Year	267,937	(615,463)	25,867	641,330
Expenditures from Prior Year Appropriations	<u>1,562,571</u>	<u>1,562,571</u>	<u>479,969</u>	<u>1,082,602</u>
Total Excess (Deficiency) of Revenues Over (Under) Expenditures -				
Current Year	(1,294,634)	(2,178,034)	(454,102)	1,723,932
Budgetary Fund Balance, Beginning of Year, As Adjusted	2,245,457	2,245,457	2,245,457	—
Adjustments for Accruals, etc.	—	—	(3,030)	(3,030)
Budgetary Fund Balance, End of Year	<u>\$ 950,823</u>	<u>\$ 67,423</u>	<u>\$ 1,788,325</u>	<u>\$ 1,720,902</u>

Federal Revenue				State Road			
Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	435,000	435,000	431,015	(3,985)
—	—	—	—	—	—	—	—
—	—	—	—	305,000	305,000	334,107	29,107
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
9,636,762	9,709,895	6,106,303	(3,603,592)	929,175	929,175	764,105	(165,070)
—	—	—	—	169,520	169,520	141,956	(27,564)
—	—	—	—	—	—	—	—
—	—	—	—	77,180	77,180	47,726	(29,454)
—	—	—	—	3,000	3,000	3,000	—
9,636,762	9,709,895	6,106,303	(3,603,592)	1,918,875	1,918,875	1,721,909	(196,966)
442	442	436	6	—	—	—	—
4,000	4,000	3,686	314	—	—	—	—
64,401	69,200	47,344	21,856	—	—	—	—
—	—	—	—	—	—	—	—
228,864	233,723	115,974	117,749	—	—	—	—
2,765	2,765	237	2,528	—	—	—	—
1,101,927	1,101,927	78,668	1,023,259	—	—	—	—
471,982	471,982	210,768	261,214	—	—	—	—
1,897,678	1,897,678	640,925	1,256,753	—	—	—	—
5,354,962	5,449,027	4,850,701	598,326	—	—	—	—
121,315	121,315	33,753	87,562	—	—	—	—
3,000	3,000	—	3,000	—	—	—	—
34,906	34,906	21,971	12,935	2,002,905	2,167,605	1,931,194	236,411
35,349	35,460	8,727	26,733	—	—	—	—
14,669	17,169	15,399	1,770	—	—	—	—
114,344	114,539	68,746	45,793	—	—	—	—
16,600	18,513	10,328	8,185	—	—	—	—
9,467,204	9,575,646	6,107,663	3,467,983	2,002,905	2,167,605	1,931,194	236,411
169,558	134,249	(1,360)	(135,609)	(84,030)	(248,730)	(209,285)	(39,445)
—	—	—	—	—	—	—	—
169,558	134,249	(1,360)	(135,609)	(84,030)	(248,730)	(209,285)	(39,445)
126,111	126,111	126,111	—	102,228	(323,813)	526,809	345,872
—	—	284	284	\$ 18,198	\$ (572,543)	\$ 317,524	\$ 306,427
\$ 295,669	\$ 260,360	\$ 125,035	\$ (135,325)				

Continued

Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2025
(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	2,403,363	2,306,387	2,165,214	(141,173)
Interest Income	—	—	—	—
Other	—	—	—	—
Industrial Access Road Transfer	—	—	—	—
Total Revenues	2,403,363	2,306,387	2,165,214	(141,173)
Expenditures:				
Legislature	2,669	2,637	1,066	1,571
Judicial	2,100	2,100	1,400	700
Executive	68,617	70,117	44,608	25,509
Department of Administration	218,679	241,124	186,880	54,244
Bureau of Commerce	54,793	54,793	31,264	23,529
Department of Tourism	7,087	8,193	3,924	4,269
Department of Economic Development	242,119	242,119	15,192	226,927
Department of Environmental Protection	63,221	125,721	31,532	94,189
Education	276,229	365,033	276,315	88,718
Health, Health Facilities, and Human Services	715,031	1,097,879	1,042,884	54,995
Department of Homeland Security	47,262	62,262	20,878	41,384
Revenue	648,013	728,681	415,242	313,439
Transportation	12,716	12,716	7,897	4,819
Veteran's Assistance	2,063	4,063	3,093	970
Bureau of Senior Services	81,611	98,361	92,550	5,811
Miscellaneous Boards and Commissions	150,141	169,595	110,718	58,877
Department of Arts, Culture, & History	17,054	17,054	15,516	1,538
Total Expenditures	2,609,405	3,302,448	2,300,959	1,001,489
Excess (Deficiency) of Revenues Over (Under) Expenditures - Current Year	(206,042)	(996,061)	(135,745)	860,316
Expenditures from Prior Year Appropriations	—	—	41,071	(41,071)
Total Excess (Deficiency) of Revenues Over (Under) Expenditures - Current Year	(206,042)	(996,061)	(176,816)	819,245
Budgetary Fund Balance, Beginning of Year	3,402,650	3,402,650	3,402,650	—
Adjustments for Accruals, etc.	—	—	55	55
Budgetary Fund Balance, End of Year	\$ 3,196,608	\$ 2,406,589	\$ 3,225,889	\$ 819,300

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 2025, Appropriated Special Revenue and Federal Funds were increased by total supplemental appropriations of \$1.34 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 \$1.56 billion 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 2024 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.

2025 Budgetary Reporting

The State's budgetary General Revenue Fund balance at July 1, 2024, has been adjusted as follows (expressed in thousands):

General Revenue Fund:	
Beginning Fund Balance	\$ 2,197,509
Prior Year Refunds	621
Transfer from Expired Funds	43,693
Adjustment	3,634
Adjusted Beginning Fund Balance	<u>\$ 2,245,457</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, 2025, 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, 2025
(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	\$ 5,519,362	\$ 6,106,303	\$ 1,721,909	\$ 2,165,214
Differences – Budget to GAAP:				
Intrafund transactions not included in GAAP revenues	(7,192,670)	—	—	—
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	65,721	—	—	—
Basis of Accounting Difference	899,370	—	60,427	—
Reclassifications:				
Nonappropriated Budgetary Fund's Revenue included as revenue/transfers in the GAAP General, Transportation, and Other Funds	8,162,403	—	41,848	—
Budgetary special revenue funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority and Other Funds	1,359,919	—	8,417	(2,165,214)
Budgetary federal funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority and Other Funds	5,825,792	(6,106,303)	6,384	—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	<u>\$ 14,639,897</u>	<u>\$ —</u>	<u>\$ 1,838,985</u>	<u>\$ —</u>
Uses/Outflows of resources				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 5,973,464	\$ 6,107,663	\$ 1,931,194	\$ 2,342,030
Differences – Budget to GAAP:				
Intrafund transactions not included in GAAP expenditures	(7,192,670)	—	—	—
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(140,251)	—	—	—
Basis of Accounting Difference	1,107,224	—	(45,637)	—
Reclassifications:				
Nonappropriated Budgetary Fund's exp./transfers out included as exp. in the GAAP General, Transportation, WV Infrastructure, and Other Funds	8,071,242	—	193,675	—
Budgetary general revenue funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority, and Other Funds	(147,458)	—	—	—
Budgetary special revenue funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority, and Other Funds	1,545,485	—	7,897	(2,342,030)
Budgetary federal revenue funds transferred to GAAP General, Transportation, Tobacco Settlement Finance Authority, and Other Funds	5,848,096	(6,107,663)	6,129	—
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	<u>\$ 15,065,132</u>	<u>\$ —</u>	<u>\$ 2,093,258</u>	<u>\$ —</u>



**Schedule of the State's Proportionate Share
of the Net Pension Liability (Asset)
Multiple-Employer Cost Sharing Plans
June 30, 2025
(Expressed in Thousands)**

	PERS			
	2025	2024	2023	2022
State's proportion of the net pension liability	67.53 %	67.76 %	66.52 %	67.64 %
State's proportionate share of the net pension liability (asset)	\$ (111,165)	\$ (3,037)	\$ 99,056	\$ (593,849)
State's covered payroll	\$ 1,251,756	\$ 1,190,300	\$ 1,075,460	\$ 1,076,120
State's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(8.88)%	(0.26)%	9.21%	(55.18)%
Plan fiduciary net position as a percentage of the total pension liability (asset)	101.85%	100.05%	98.17%	111.07%

2021	2020	2019	2018	2017	2016
68.25 %	67.49 %	66.37 %	66.88 %	67.57 %	67.99 %
\$ 360,808	\$ 145,121	\$ 171,404	\$ 288,670	\$ 621,010	\$ 379,669
\$ 1,056,970	\$ 985,020	\$ 923,191	\$ 921,592	\$ 937,259	\$ 923,143
34.14 %	14.73 %	18.57 %	31.32 %	66.26 %	41.13 %
92.89 %	96.99 %	96.33 %	93.67 %	86.11 %	91.29 %

**Schedule of the State's Proportionate Share
of the Net Pension Liability (Asset)
Multiple-Employer Cost Sharing Plans
June 30, 2025
(Expressed in Thousands)**

	TRS			
	2025	2024	2023	2022
State's proportion of the net pension liability	1.01 %	0.93 %	0.88 %	0.98 %
State's proportionate share of the net pension liability	\$ 19,047	\$ 21,405	\$ 22,689	\$ 15,246
State's covered payroll	\$ 405,434	\$ 369,649	\$ 358,650	\$ 351,673
State's proportionate share of the net pension liability as a percentage of its covered payroll	4.70 %	5.79 %	6.33 %	4.34 %
Plan fiduciary net position as a percentage of the total pension	84.24 %	80.42 %	77.78 %	86.38 %
TRS - Special Funding Situation				
	2025	2024	2023	2022
Proportion of the net	91.23 %	92.68 %	93.66 %	94.28 %
Proportionate share of the net pension liability	\$ 1,702,504	\$ 2,100,442	\$ 2,386,387	\$ 1,458,109

2021	2020	2019	2018	2017	2016
1.09 %	1.07 %	1.06 %	1.28 %	1.46 %	1.35 %
\$ 35,091	\$ 31,747	\$ 33,154	\$ 44,163	\$ 60,156	\$ 46,931
\$ 330,830	\$ 307,841	\$ 319,360	\$ 282,077	\$ 312,801	\$ 306,699
10.61 %	10.31 %	10.38 %	15.66 %	19.23 %	15.30 %
70.89 %	72.64 %	71.20 %	67.85 %	61.42 %	66.25 %
2021	2020	2019	2018	2017	2016
94.43 %	94.34 %	93.83 %	92.86 %	92.09 %	93.44 %
\$ 3,006,052	\$ 2,775,073	\$ 2,929,645	\$ 3,208,171	\$ 3,784,772	\$ 3,237,919

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

	PERS				
	2025	2024	2023	2022	2021
Contractually required contribution	\$ 123,128	\$ 112,658	\$ 107,127	\$ 107,546	\$ 107,612
Contributions in relation to the contractually required contribution	123,128	112,658	107,127	107,546	107,612
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —
State's covered payroll	\$1,368,089	\$1,251,756	\$1,190,300	\$1,075,460	\$1,076,120
Contributions as a percentage of covered payroll	9.00 %	9.00 %	9.00 %	10.00 %	10.00 %

2020	2019	2018	2017	2016
\$ 105,697	\$ 98,502	\$ 101,551	\$ 110,591	\$ 126,530
105,697	98,502	101,551	110,591	126,530
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ —	\$ —	\$ —	\$ —	\$ —
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$1,056,970	\$ 985,020	\$ 923,191	\$ 921,592	\$ 937,259
10.00 %	10.00 %	11.00 %	12.00 %	13.50 %

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

	TRS – State				
	2025	2024	2023	2022	2021
Contractually required contribution	\$ 4,651	\$ 4,621	\$ 4,558	\$ 4,652	\$ 4,361

Contributions in relation to the contractually required contribution	4,651	4,621	4,558	4,652	4,361
Contribution deficiency (excess)	<u>\$ —</u>				

Covered payroll	\$ 258,133	\$ 405,434	\$ 369,649	\$ 358,650	\$ 351,673
Contributions as a percentage of covered payroll	1.80 %	1.14 %	1.23 %	1.30 %	1.24 %

	TRS – Special Funding Situation				
	2025	2024	2023	2022	2021
Statutorily required contribution	\$ 408,374	\$ 409,712	\$ 415,496	\$ 456,981	\$ 392,790
Contributions in relation to the statutorily required contribution	<u>408,374</u>	<u>409,712</u>	<u>415,496</u>	<u>456,981</u>	<u>392,790</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

2020	2019	2018	2017	2016
\$ 4,980	\$ 5,104	\$ 5,118	\$ 5,780	\$ 6,043
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
4,980	5,104	5,118	5,780	6,043
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ —	\$ —	\$ —	\$ —	\$ —
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 330,830	\$ 307,841	\$ 319,360	\$ 282,077	\$ 312,801
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
1.51 %	1.66 %	1.60 %	2.05 %	1.93 %

2020	2019	2018	2017	2016
\$ 440,068	\$ 438,081	\$ 448,484	\$ 420,605	\$ 392,714
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
440,068	438,081	448,484	420,605	392,714
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ —	\$ —	\$ —	\$ —	\$ —
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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
SPDRS					
2025	\$ 8,633	\$ 8,633	\$ —	—	N/A %
2024	9,984	10,038	(54)	108	9,294.44 %
2023	47	40	7	290	13.79 %
2022	17,798	17,842	(44)	353	5,054.39 %
2021	16,648	16,699	(51)	349	4,784.81 %
2020	13,187	13,246	(59)	514	2,577.04 %
2019	15,162	15,595	(433)	1,527	1,021.28 %
2018	24,675	24,829	(154)	2,963	837.97 %
2017	16,875	17,155	(280)	3,181	539.30 %
2016	13,209	13,977	(768)	3,713	376.43 %
SPRS					
2025	\$ 13,209	\$ 13,720	\$ (511)	\$ 42,184	32.52 %
2024	14,713	13,296	1,417	43,230	30.76 %
2023	12,937	8,100	4,837	38,809	20.87 %
2022	7,094	9,428	(2,334)	35,120	26.85 %
2021	9,778	7,928	1,850	34,946	22.69 %
2020	7,716	4,850	2,866	33,904	14.31 %
2019	4,180	4,556	(376)	30,938	14.73 %
2018	4,726	4,205	521	32,291	13.02 %
2017	4,427	3,657	770	31,582	11.58 %
2016	3,402	3,887	(485)	31,792	12.23 %
JRS					
2025	\$ 1,220	\$ 1,220	\$ —	\$ 15,551	7.85 %
2024	854	854	—	15,655	5.46 %
2023	797	797	—	11,289	7.06 %
2022	742	1,052	(310)	10,504	10.02 %
2021	838	886	(48)	9,752	9.09 %
2020	791	791	—	9,752	8.11 %
2019	779	779	—	9,374	8.31 %
2018	735	735	—	9,500	7.74 %
2017	709	739	(30)	9,122	8.10 %
2016	739	739	—	8,870	8.33 %

Notes:

(1) Contributions for SPDRS 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				
	2025	2024	2023	2022	2021
Total pension liability:					
Service cost	\$ 35	\$ 66	\$ 98	\$ 89	\$ 153
Interest	56,819	56,660	56,238	56,154	55,378
Difference between actual and expected experience	599	(1,405)	1,458	(672)	4,601
Assumption changes	—	—	—	22,231	—
Benefit payments	(53,754)	(52,429)	(51,447)	(50,228)	(49,225)
Net change in total pension liability	3,699	2,892	6,347	27,574	10,907
Total pension liability – beginning	810,558	807,666	801,319	773,745	762,838
Total pension liability – ending (a)	814,257	810,558	807,666	801,319	773,745
Plan fiduciary net position:					
Contributions – employer	10,038	40	17,842	16,699	13,246
Contributions – member	4	21	26	34	35
Net investment income	85,901	62,950	(51,130)	208,656	21,252
Benefit payments	(53,754)	(52,429)	(51,447)	(50,228)	(49,225)
Administrative expense	(382)	(358)	(340)	(54)	(54)
Other	665	705	721	822	530
Net change in plan fiduciary net position	42,472	10,929	(84,328)	175,929	(14,216)
Plan fiduciary net position – beginning	778,134	767,205	851,533	675,604	689,820
Plan fiduciary net position – ending (b)	820,606	778,134	767,205	851,533	675,604
State's net pension liability (asset) – ending (a) - (b)	\$ (6,349)	\$ 32,424	\$ 40,461	\$ (50,214)	\$ 98,141
Plan fiduciary net position as a percentage of total pension liability	96.00 %	96.00 %	94.99 %	106.27 %	87.32 %
Covered payroll	\$ 108	\$ 290	\$ 353	\$ 349	\$ 514
State's net pension liability (asset) as a percentage of covered payroll	(5,878.70)%	11,180.69 %	11,462.04 %	(14,387.97)%	19,093.58 %
Information presented based upon measurement date of:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020

2020	2019	2018	2017	2016
\$ 540	\$ 931	\$ 1,071	\$ 1,263	\$ 1,774
54,438	54,004	53,131	51,913	50,748
6,331	(2,218)	47	6,283	4,344
—	—	1,961	—	—
(47,551)	(45,529)	(43,325)	(41,969)	(39,708)
13,758	7,188	12,885	17,490	17,158
749,080	741,892	729,007	711,517	694,359
762,838	749,080	741,892	729,007	711,517
15,595	24,829	17,155	13,977	21,668
110	186	362	320	445
38,174	60,939	87,793	(1,230)	22,866
(47,551)	(45,529)	(43,325)	(41,969)	(39,708)
(63)	(61)	(45)	(48)	(51)
752	691	847	590	861
7,017	41,055	62,787	(28,360)	6,081
682,803	641,748	578,798	607,158	601,077
689,820	682,803	641,585	578,798	607,158
\$ 73,018	\$ 66,277	\$ 100,307	\$ 150,209	\$ 104,359
90.43 %	91.15 %	86.48 %	79.40 %	85.33 %
\$ 1,527	\$ 2,963	\$ 3,181	\$ 3,713	\$ 5,120
4,781.79 %	2,236.82 %	3,153.32 %	4,045.49 %	2,038.26 %
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015

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				
	2025	2024	2023	2022	2021
Total pension liability:					
Service cost	\$ 10,734	\$ 10,019	\$ 9,258	\$ 8,794	\$ 8,533
Interest	26,683	24,431	21,236	19,210	16,918
Change of benefit terms	—	—	15,809	—	—
Difference between actual and expected	16,079	4,600	3,451	513	7,888
Assumption changes	—	—	—	12,476	—
Benefit payments	(10,263)	(7,146)	(5,743)	(3,599)	(2,498)
Net change in total pension liability	43,233	31,904	44,011	37,394	30,841
Total pension liability – beginning	362,443	330,539	286,528	249,134	218,293
Total pension liability – ending (a)	<u>405,676</u>	<u>362,443</u>	<u>330,539</u>	<u>286,528</u>	<u>249,134</u>
Plan fiduciary net position:					
Contributions – employer	13,296	8,100	9,428	7,928	4,850
Contributions – member	5,150	4,860	4,395	4,185	4,168
Net investment income	37,363	24,933	(19,815)	72,138	7,010
Benefit payments	(10,263)	(7,146)	(5,743)	(3,599)	(2,498)
Administrative expense	(157)	(135)	(120)	(59)	(67)
Other	35	129	—	—	—
Net change in plan fiduciary net position	45,424	30,741	(11,855)	80,593	13,463
Plan fiduciary net position – beginning	<u>320,044</u>	<u>289,303</u>	<u>301,158</u>	<u>220,565</u>	<u>207,102</u>
Plan fiduciary net position – ending (b)	<u>365,468</u>	<u>320,044</u>	<u>289,303</u>	<u>301,158</u>	<u>220,565</u>
State's net pension liability (asset) – ending (a) - (b)	<u>\$ 40,208</u>	<u>\$ 42,399</u>	<u>\$ 41,236</u>	<u>\$ (14,630)</u>	<u>\$ 28,569</u>
Plan fiduciary net position as a percentage of total pension liability	90.09 %	88.30 %	87.52 %	105.11 %	88.53 %
Covered payroll	\$ 43,230	\$ 38,809	\$ 35,120	\$ 34,946	\$ 33,904
State's net position liability (asset) as a percentage of covered payroll	93.01 %	109.25 %	117.41 %	(41.86)%	84.26 %
Information presented based upon measurement date of:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020

	2020	2019	2018	2017	2016
\$	7,456	\$ 7,617	\$ 6,827	\$ 6,750	\$ 6,337
	14,654	13,496	11,410	10,113	9,024
	12,731	—	—	—	—
	(3,513)	(3,610)	(765)	1,636	(201)
	—	—	11,192	—	—
	(1,944)	(1,842)	(1,454)	(1,071)	(1,051)
	29,384	15,661	27,210	17,428	14,109
	188,909	173,248	146,038	128,610	114,501
	218,293	188,909	173,248	146,038	128,610
	4,556	4,205	3,657	3,887	4,060
	3,905	3,621	3,634	3,755	3,609
	11,730	16,303	22,346	91	4,972
	(1,944)	(1,842)	(1,454)	(1,071)	(1,051)
	(60)	(60)	(64)	(47)	(45)
	—	—	—	(163)	—
	18,187	22,227	28,119	6,452	11,545
	188,915	166,688	138,569	132,117	120,572
	207,102	188,915	166,688	138,569	132,117
	<u>\$ 11,191</u>	<u>\$ (6)</u>	<u>\$ 6,560</u>	<u>\$ 7,469</u>	<u>\$ (3,507)</u>
	94.87 %	100.00 %	96.21 %	94.89 %	102.73 %
\$	30,938	\$ 32,291	\$ 31,582	\$ 31,792	\$ 29,574
	36.17 %	(0.02)%	20.77 %	23.49 %	(11.86)%
	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015

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				
	2025	2024	2023	2022	2021
Total pension liability:					
Service cost	\$ 4,194	\$ 2,855	\$ 2,590	\$ 2,358	\$ 2,640
Interest	9,327	8,138	7,905	8,735	8,711
Change of benefit terms	13,345	—	—	—	—
Difference between actual and expected experience	(5,872)	(3,984)	(2,457)	(19,046)	(5,885)
Assumption changes	—	—	—	5,218	—
Benefit payments	(5,466)	(5,134)	(5,046)	(4,810)	(4,897)
Net change in total pension liability	15,528	1,875	2,992	(7,545)	569
Total pension liability – beginning	113,841	111,966	108,974	116,519	115,950
Total pension liability – ending (a)	129,369	113,841	111,966	108,974	116,519
Plan fiduciary net position:					
Contributions – employer	854	797	1,052	886	791
Contributions – member	402	369	319	295	301
Net investment income	31,738	22,031	(17,631)	68,611	6,850
Benefit payments	(5,466)	(5,134)	(5,046)	(4,810)	(4,897)
Administrative expense	(137)	(121)	(112)	(10)	(10)
Other	490	1,303	—	—	—
Net change in plan fiduciary net position	27,881	19,245	(21,418)	64,972	3,035
Plan fiduciary net position – beginning	278,487	259,242	280,660	215,688	212,653
Plan fiduciary net position – ending (b)	306,368	278,487	259,242	280,660	215,688
State's net pension liability (asset) – ending (a) - (b)	\$ (176,999)	\$ (164,646)	\$ (147,276)	\$ (171,686)	\$ (99,169)
Plan fiduciary net position as a percentage of total pension liability	236.82 %	244.63 %	231.54 %	257.55 %	185.11 %
Covered payroll	\$ 15,655	\$ 11,289	\$ 10,504	\$ 9,752	\$ 9,752
State's net pension liability (asset) as a percentage of covered payroll	(1,130.62)%	(1,458.46)%	(1,402.09)%	(1,760.52)%	(1,016.91)%
Information presented based upon measurement date of:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020

	2020	2019	2018	2017	2016
\$	2,406	2,587	2,466	2,681	2,812
	8,608	8,539	8,521	8,478	8,458
	—	—	—	—	—
	(4,959)	(6,054)	(6,101)	(5,813)	(6,506)
	—	962	—	—	—
	(4,933)	(4,932)	(4,609)	(4,429)	(4,313)
	1,122	1,102	277	917	451
	114,828	113,726	113,449	112,532	112,081
	115,950	114,828	113,726	113,449	112,532
	779	735	739	739	2,845
	331	364	372	401	413
	12,085	18,373	26,270	(175)	6,525
	(4,933)	(4,932)	(4,609)	(4,429)	(4,313)
	(11)	(8)	(6)	(6)	(6)
	(86)	—	(4)	(39)	—
	8,165	14,532	22,762	(3,509)	5,464
	204,488	189,956	167,194	170,703	165,239
	212,653	204,488	189,956	167,194	170,703
	<u>\$ (96,703)</u>	<u>\$ (89,660)</u>	<u>\$ (76,230)</u>	<u>\$ (53,745)</u>	<u>\$ (58,171)</u>
	183.40 %	178.08 %	167.03 %	147.37 %	151.69 %
\$	9,374	9,500	9,122	8,870	9,248
	(1,031.61)%	(943.79)%	(835.67)%	(605.92)%	(629.01)%

6/30/2019 6/30/2018 6/30/2017 6/30/2016 6/30/2015

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, 2024, to reflect the most recent experience study:

	2024	2023	2022	2021	2020
Projected salary					
Increases:					
State	2.75% - 6.86%	2.75% - 5.55%	2.75% - 5.55%	3.10% - 5.30%	3.10% - 5.30%
Nonstate	3.57% - 7.37%	3.60% - 6.75%	3.60% - 6.75%	3.35% - 6.50%	3.35% - 6.50%
Inflation rate	2.75%	2.75%	2.75%	3.0%	3.0%
Working Participants - 100% of Pub-2010	Working Participants -100% of Pub-2010	Working Participants -100% of Pub-2010	Working Participants - Pub-2010 general employees table, below-median, headcount-weighted, projected which scale MP-2018; Retired Healthy males - 108% Pub-2010 general retiree male table, below median, headcount-weighted, projected with Scale MP-2018; Retired Healthy females - 122% Pub-2010 general retiree female table, below median, headcount-weighted, projected with Scale 2018; Retired Disabled males - 118% Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationaly with Scale MP-2018; Retired Disabled females - 117% Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationaly 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 generationaly with Scale MP-2018; Retired Disabled females - 117% Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationaly with scale MP-2018.	Active - 100% of Pub-2010 general employees table, below-median, headcount-weighted, projected which scale MP-2018; Retired Healthy males - 108% Pub-2010 general retiree male table, below median, headcount-weighted, projected with Scale MP-2018; Retired Healthy females - 122% Pub-2010 general retiree female table, below median, headcount-weighted, projected with Scale 2018; Retired Disabled males - 118% Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationaly with Scale MP-2018; Retired Disabled females - 117% Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationaly with scale MP-2018.
General Employees table, below-median, headcount-weighted, projected generationally with scale MP-2021; retired males - 111% of Pub-2010 general retiree male table, below median, headcount-weighted, projected generationally with scale MP-2021; retired females - 118% of Pub-2010 general retiree female table, below median, headcount-weighted, projected generationally with scale MP-2021; disabled males - 119% of Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationally with scale MP-2021; retired disabled females - 124% of Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationally with scale MP-2021	General Employees table, below-median, headcount-weighted, projected generationally with scale MP-2021; retired males - 111% of Pub-2010 general retiree male table, below median, headcount-weighted, projected generationally with scale MP-2021; retired females - 118% of Pub-2010 general retiree female table, below median, headcount-weighted, projected generationally with scale MP-2021; disabled males - 119% of Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationally with scale MP-2021; retired disabled females - 124% of Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationally with scale MP-2021	General Employees table, below-median, headcount-weighted, projected generationally with scale MP-2021; retired males - 111% of Pub-2010 general retiree male table, below median, headcount-weighted, projected generationally with scale MP-2021; retired females - 118% of Pub-2010 general retiree female table, below median, headcount-weighted, projected generationally with scale MP-2021; disabled males - 119% of Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationally with scale MP-2021; retired disabled females - 124% of Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationally with scale MP-2021	General Employees table, below-median, headcount-weighted, projected generationally with scale MP-2021; retired males - 111% of Pub-2010 general retiree male table, below median, headcount-weighted, projected generationally with scale MP-2021; retired females - 118% of Pub-2010 general retiree female table, below median, headcount-weighted, projected generationally with scale MP-2021; disabled males - 119% of Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationally with scale MP-2021; retired disabled females - 124% of Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationally with scale MP-2021	General Employees table, below-median, headcount-weighted, projected generationally with scale MP-2021; retired males - 111% of Pub-2010 general retiree male table, below median, headcount-weighted, projected generationally with scale MP-2021; retired females - 118% of Pub-2010 general retiree female table, below median, headcount-weighted, projected generationally with scale MP-2021; disabled males - 119% of Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationally with scale MP-2021; retired disabled females - 124% of Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationally with scale MP-2021	General Employees table, below-median, headcount-weighted, projected generationally with scale MP-2021; retired males - 111% of Pub-2010 general retiree male table, below median, headcount-weighted, projected generationally with scale MP-2021; retired females - 118% of Pub-2010 general retiree female table, below median, headcount-weighted, projected generationally with scale MP-2021; disabled males - 119% of Pub-2010 general/teachers disabled male table, headcount-weighted, projected generationally with scale MP-2021; retired disabled females - 124% of Pub-2010 general/teachers disabled female table, headcount-weighted, projected generationally with scale MP-2021
Disability rates	0.00% - 0.35%	0.00% - 0.50%	0.00% - 0.50%	0.00% - 0.50%	0.00% - 0.50%

	2019	2018	2017	2016
Projected salary				
Increases:				
State	3.10% – 5.30%	3.00% – 4.60%	3.00% – 4.60%	3.00% – 4.60%
Nonstate	3.35% – 6.50%	3.35% – 6.00%	3.35% – 6.00%	3.35% – 6.00%
Inflation rate	3.00%	3.00%	3.00%	3.00%
Mortality rates	Active – RP-2000 Non-Annuitant tables, projected with Scale AA on a fully generational basis; Retired Healthy males – 110% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Healthy females – 101% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled males – 96% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled females – 107% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis.	Active – RP-2000 Non-Annuitant tables, projected with Scale AA on a fully generational basis; Retired Healthy males – 110% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Healthy females – 101% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled males – 96% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled females – 107% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis.	Active – RP-2000 Non-Annuitant tables, projected with Scale AA on a fully generational basis; Retired Healthy males – 110% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Healthy females – 101% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled males – 96% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis; Retired Disabled females – 107% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis.	Healthy males – RP-2000 healthy annuitant table, projected Scale AA; Healthy females – RP-2000 healthy annuitant table, projected with Scale AA; Disabled male 96% of RP-2000 disabled annuitant table, projected with Scale AA; Disabled females – 107% of RP-2000 disabled annuitant table, projected with Scale AA.
Disability rates	0.00% – 0.50%	0.00% – 0.50%	0.00% – 0.50%	0.00% – 0.50%

**Schedule of the State's Proportionate Share
of the Net OPEB Liability (Asset)
Multiple-Employer Cost Sharing Plan
June 30, 2025
(Expressed in Thousands)**

	2025	2024	2023	2022
State's proportion of the net OPEB liability (asset)	90.11 %	80.29 %	79.89 %	80.17 %
State's proportionate share of the net OPEB liability (asset)	\$ (37,519)	\$ (127,065)	\$ 88,912	\$ (23,836)
State's covered-employee payroll	\$ 1,505,608	\$ 1,545,095	\$ 1,571,758	\$ 1,662,544
State's proportionate share of the net OPEB's liability (asset) as a percentage of its covered-employee payroll	(2.49)%	(8.22)%	5.66 %	(1.43)%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	102.19 %	109.66 %	93.59 %	101.81 %

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.

2021	2020	2019	2018	2017
80.82 %	80.63 %	76.65 %	78.90 %	74.47 %
\$ 356,966	\$ 1,337,704	\$ 1,644,412	\$ 1,940,146	\$ 1,849,369
\$ 1,768,975	\$ 1,892,941	\$ 2,286,999	\$ 2,199,037	\$ 2,114,459
20.18 %	70.67 %	71.90 %	88.23 %	87.46 %
73.49 %	39.69 %	30.98 %	25.10 %	21.64 %

Required Supplementary Information
Schedule of State Contributions – OPEB
June 30, 2025
(Expressed in Thousands)

	2025	2024	2023	2022	2021
Contractually required contribution	\$ 10,000	\$ 70,000	\$ 118,000	\$ 152,000	\$ 151,000
Contributions in relation to the contractually required contribution	48,000	55,000	87,000	115,000	153,000
Contribution deficiency (excess)	\$ (38,000)	\$ 15,000	\$ 31,000	\$ 37,000	\$ (2,000)
State's covered-employee payroll	\$ 1,445,622	\$ 1,505,608	\$ 1,545,095	\$ 1,571,758	\$ 1,662,544
Contributions as a percentage of covered-employee payroll	3.32 %	3.65 %	5.63 %	7.32 %	9.20 %

2020	2019	2018	2017	2016
\$ 158,000	\$ 171,000	\$ 169,000	\$ 185,000	\$ 128,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
156,000	166,000	156,000	128,000	109,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 2,000	\$ 5,000	\$ 13,000	\$ 57,000	\$ 19,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 1,768,975	\$ 1,892,941	\$ 2,286,999	\$ 2,199,037	\$ 2,114,459
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
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, 2025

(Expressed in Thousands)

	2025	2024	2023	2022
Statutorily required contribution	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Contributions in relation to the statutorily required contribution	30,000	30,000	30,000	30,000
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —

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

	2021	2020	2019	2018
\$	30,000	\$ 35,000	\$ 35,000	\$ 35,000
	30,000	35,000	35,000	35,000
\$	— \$	— \$	— \$	—

Notes to Required Supplementary Information

Changes in Assumptions for OPEB

Significant assumptions used in the actuarial valuations are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	20-year closed period as of June 30, 2017
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.40%, net of OPEB plan investment expense, including inflation
Inflation rate	2.50%
Salary Increases	Rates based on 2015-2020 OPEB Experience Study and depend on pension plan participation and attained age, and range from 2.75% to 5.18% including inflation. Rates were first applied to the 2020 valuation.
Retirement Age	Rates based on 2015-2020 OPEB Experience Study and vary by pension plan participation and age/service at retirement. Rates were first applied to the 2020 valuation.
Mortality rates	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with Scale MP-2021 for TRS. Pub-2010 General Below Median Healthy Retiree Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with Scale MP-2021 for Troopers A and B. Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with Scale MP-2021 for TRS. Pub-2010 Below-Median Income General Employee Mortality Tables projected with Scale MP-2021 for PERS. Pub-2010 Public Safety Employee Mortality Tables projected with Scale MP-2021 for Troopers A and B.
Healthcare cost trend rates	Trend rates for pre-Medicare and Medicare per capita costs start at 5.0% medical and 8.0% drug. The trend increase over four years to 7.00% and 9.5%, respectively. The trends then decrease linearly for 5 years until the ultimate trend rate of 4.5% is reached in plan year-end 2033.
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, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

Combining Financial Statements and Schedules



Nonmajor Funds
Governmental
Proprietary
Fiduciary

Nonmajor Component
Units



GOVERNMENTAL FUND TYPES – NONMAJOR

Special Revenue:

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes.

Debt Service:

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

Capital Projects:

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. These funds consist of the following:

Education, Arts, Sciences, and Tourism Fund: This Fund is established to provide public financial support for constructing, equipping, improving, and maintaining capital improvement projects which promote education and tourism in the State.

Lease Purchase Account: This Account is established to ensure that revenues and expenditures for the acquisition of capital assets through lease-purchase agreements are properly recorded.

Cacapon Project Fund: This Fund is established to provide public financial support for constructing, equipping, improving, and maintaining capital improvement projects at Cacapon Resort State Park.

Permanent Funds:

Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the State's programs, for the benefit of the government or its citizenry.

The Irreducible School Fund: The Fund, which was constitutionally established, is required to maintain a minimum level of investments. All earnings from these investments are transferred to the General Fund for educational expenditures.

West Virginia

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025
(Expressed in Thousands)

	Special Revenue	Debt Service
Assets:		
Cash and Cash Equivalents	\$ 544,125	\$ 10,947
Investments	234,336	—
Receivables, Net	18,360	36
Due from Other Governments	9,323	—
Due from Other Funds	55	—
Due from Component Units	—	1,055
Inventories	3	—
Other Assets	342	—
Restricted Assets:		
Cash and Cash Equivalents	2,182	445
Total Assets	\$ 808,726	\$ 12,483
Liabilities:		
Accounts Payable	13,518	—
Accrued and Other Liabilities	16,146	—
Deferred Revenue	42,205	—
Due to Other Governments	131,681	—
Due to Other Funds	95	—
Due to Component Units	13	—
Total Liabilities	203,658	—
Fund Balances:		
Nonspendable:		
Inventories	3	—
Permanent Fund	—	—
Restricted for:		
Capital Projects	—	—
Debt Service	—	12,483
Development, Tourism, and Recreation	79,254	—
Education	—	—
Public Protection	117,218	—
Committed to:		
General Government Operations	7,780	—
Public Protection	392,683	—
Assigned to:		
Health and Social Services	4,500	—
Public Protection	3,630	—
Unassigned	—	—
Total Fund Balances	605,068	12,483
Total Liabilities and Fund Balances	\$ 808,726	\$ 12,483

Capital Projects			Permanent Fund		
Education, Arts, Sciences, and Tourism Fund	Cacapon Project Fund	Lease Purchase Account	Irreducible School	Total	
\$ 809	\$ 2,366	\$ 12,055	\$ 1,350	\$ 571,652	
—	—	—	—	234,336	
3	8	39	3	18,449	
—	—	—	—	9,323	
—	—	—	—	55	
—	—	—	—	1,055	
—	—	—	—	3	
—	—	—	—	342	
—	—	—	—	2,627	
\$ 812	\$ 2,374	\$ 12,094	\$ 1,353	\$ 837,842	
—	—	—	—	13,518	
—	—	—	—	16,146	
—	—	—	—	42,205	
—	—	—	—	131,681	
—	—	—	—	95	
—	—	—	—	13	
—	—	—	—	203,658	
—	—	—	—	3	
—	—	—	1,000	1,000	
812	2,374	12,094	—	15,280	
—	—	—	—	12,483	
—	—	—	—	79,254	
—	—	—	353	353	
—	—	—	—	117,218	
—	—	—	—	7,780	
—	—	—	—	392,683	
—	—	—	—	4,500	
—	—	—	—	3,630	
—	—	—	—	—	
\$ 812	\$ 2,374	\$ 12,094	\$ 1,353	\$ 634,184	
\$ 812	\$ 2,374	\$ 12,094	\$ 1,353	\$ 837,842	

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)**

	Special Revenue	Debt Service
Revenues:		
Intergovernmental	\$ 238,659	\$ —
Licenses, Permits, and Fees	129,013	—
Charges for Services	143	—
Lottery Revenue	—	10,655
Investment Earnings	51,179	1,834
Other	32,546	—
Total Revenues	<u>451,540</u>	<u>12,489</u>
Expenditures:		
Legislative	1,483	—
Administration	—	90
Environmental Protection	257,589	—
Employment Programs	47,641	—
Education	—	—
Revenue	21,205	—
Veterans Assistance	—	1
Regulatory Boards and Commissions	26,187	—
Capital Outlay	—	—
Debt Service:		
Principal	—	85,415
Interest	—	16,224
Right-to-Use Principal	57	—
Right-to-Use Interest	1	—
Total Expenditures	<u>354,163</u>	<u>101,730</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>97,377</u>	<u>(89,241)</u>
Other Financing Sources (Uses):		
Right-to-Use Lease	296	—
Transfers In	2,268	35,561
Transfers Out	(54,466)	(24)
Total Other Financing Sources (Uses)	<u>(51,902)</u>	<u>35,537</u>
Net Change in Fund Balances	<u>45,475</u>	<u>(53,704)</u>
Fund Balances, Beginning of Year	<u>559,593</u>	<u>66,187</u>
Fund Balances, End of Year	<u><u>\$ 605,068</u></u>	<u><u>\$ 12,483</u></u>

Capital Projects			Permanent Fund		
Education, Arts, Sciences, and Tourism Fund	Cacapon Project Fund	Fund Lease Purchase Account	Irreducible School	Total	
\$	\$	\$	\$	\$	238,659
—	—	—	—	—	129,013
—	—	—	2	—	145
—	—	—	—	—	10,655
46	103	518	46	—	53,726
—	—	—	430	—	32,976
46	103	518	478	—	465,174
—	—	—	—	—	1,483
—	—	—	—	—	90
—	—	—	—	—	257,589
—	—	—	—	—	47,641
315	—	—	—	—	315
—	—	—	—	—	21,205
—	—	—	—	—	1
—	—	—	—	—	26,187
—	—	—	—	—	—
—	—	—	—	—	85,415
—	—	—	—	—	16,224
—	—	—	—	—	57
—	—	—	—	—	1
315	—	—	—	—	456,208
(269)	103	518	478	—	8,966
—	—	—	—	—	296
—	—	—	—	—	37,829
—	—	—	(256)	(54,746)	—
—	—	—	(256)	(16,621)	—
(269)	103	518	222	(7,655)	—
1,081	2,271	11,576	1,131	641,839	—
\$ 812	\$ 2,374	\$ 12,094	\$ 1,353	\$ 634,184	—



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, 2025
(Expressed in Thousands)

	Environmental Protection	Public Service Commission	Crime Victims' Compensation
Assets:			
Cash and Cash Equivalents	\$ 420,673	\$ 39,003	\$ 7,757
Investments	157,729	—	—
Receivables, Net	11,769	326	48
Due from Other Governments	—	4,446	—
Due from Other Funds	—	54	—
Inventories	—	—	—
Other Assets	—	—	—
Restricted Assets:			
Cash and Cash Equivalents	247	1,935	—
Total Assets	\$ 590,418	\$ 45,764	\$ 7,805
Liabilities:			
Accounts Payable	4,478	5,811	25
Accrued and Other Liabilities	13,572	2,365	—
Deferred Revenue	42,205	—	—
Due to Other Governments	120,249	11,340	—
Due to Other Funds	65	27	—
Due to Component Units	—	—	—
Total Liabilities	180,569	19,543	25
Fund Balances			
Nonspendable:			
Inventories	—	—	—
Restricted for:			
Development, Tourism, and Recreation	—	—	—
Public Protection	113,103	4,115	—
Committed to:			
General Government Operations	—	—	7,780
Public Protection	293,256	21,966	—
Assigned to:			
Health and Social Services	—	—	—
Public Protection	3,490	140	—
Unassigned	—	—	—
Total Fund Balances	409,849	26,221	7,780
Total Liabilities and Fund Balances	\$ 590,418	\$ 45,764	\$ 7,805

Insurance Commission	WORKFORCE West Virginia	Wildlife Resources Fund	Total
\$ 73,635	\$ 2,934	\$ 123	\$ 544,125
—	—	76,607	234,336
3,692	1	2,524	18,360
—	4,877	—	9,323
1	—	—	55
—	3	—	3
342	—	—	342
—	—	—	2,182
\$ 77,670	\$ 7,815	\$ 79,254	\$ 808,726
—	3,204	—	13,518
209	—	—	16,146
—	—	—	42,205
—	92	—	131,681
—	3	—	95
—	13	—	13
209	3,312	—	203,658
—	3	—	3
—	—	79,254	79,254
—	—	—	117,218
—	—	—	7,780
77,461	—	—	392,683
—	4,500	—	4,500
—	—	—	3,630
—	—	—	—
77,461	4,503	79,254	605,068
\$ 77,670	\$ 7,815	\$ 79,254	\$ 808,726

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	Environmental Protection	Public Service Commission	Crime Victims' Compensation
Revenues:			
Intergovernmental	\$ 191,564	\$ (1,110)	\$ 436
Licenses, Permits, and Fees	47,629	36,788	1,049
Charges for Services	—	143	—
Investment Earnings and Losses	42,767	—	430
Other	31,480	—	15
Total Revenues	313,440	35,821	1,930
Expenditures:			
Legislative	—	—	1,483
Environmental Protection	257,589	—	—
Employment Programs	—	—	—
Revenue	—	—	—
Regulatory Boards and Commissions	—	26,187	—
Right-to-Use Principal	—	57	—
Right-to-Use Interest	—	1	—
Total Expenditures	257,589	26,245	1,483
Excess (Deficiency) of Revenues Over (Under) Expenditures	55,851	9,576	447
Other Financing Sources (Uses):			
Right-to-Use Leases	—	296	—
Transfers In	2,268	—	—
Transfers Out	(47,632)	(114)	—
Total Other Financing Sources (Uses)	(45,364)	182	—
Net Change in Fund Balances	10,487	9,758	447
Fund Balances, Beginning of Year	399,362	16,463	7,333
Fund Balances, End of Year	\$ 409,849	\$ 26,221	\$ 7,780

Insurance Commission	WORKFORCE West Virginia	Wildlife Resources Fund	Total
\$ —	\$ 47,769	\$ —	\$ 238,659
41,376	—	2,171	129,013
—	—	—	143
30	—	7,952	51,179
—	—	1,051	32,546
41,406	47,769	11,174	451,540
—	—	—	1,483
—	—	—	257,589
—	47,641	—	47,641
21,205	—	—	21,205
—	—	—	26,187
—	—	—	57
—	—	—	1
21,205	47,641	—	354,163
20,201	128	11,174	97,877
—	—	—	296
—	—	—	2,268
—	—	(6,720)	(54,466)
—	—	(6,720)	(51,902)
20,201	128	4,454	45,475
57,260	4,375	74,800	559,593
\$ 77,461	\$ 4,503	\$ 79,254	\$ 605,068



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.

West Virginia

Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2025
(Expressed in Thousands)

	Lease Purchase Account	West Virginia Infrastructure and Jobs Development Council	Education, Arts, Sciences, and Tourism Fund	Economic Development Project Fund	Cacapon Project Fund	State Park Projects	Total
Assets:							
Cash and Cash Equivalents	\$ 5,662	\$ —	\$ 9	\$ —	\$ 1,702	\$ 3,574	\$ 10,947
Receivables, Net	16	—	2	—	6	12	36
Due from Component Units	55	—	1,000	—	—	—	1,055
Restricted Assets:							
Cash	—	445	—	—	—	—	445
Total Assets	\$ 5,733	\$ 445	\$ 1,011	\$ —	\$ 1,708	\$ 3,586	\$ 12,483
Fund Balances:							
Restricted for Debt Service	5,733	445	1,011	—	1,708	3,586	12,483
Total Fund Balances	\$ 5,733	\$ 445	\$ 1,011	\$ —	\$ 1,708	\$ 3,586	\$ 12,483

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2025
 (Expressed in Thousands)

	Lease Purchase Account	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	\$ 659	\$ —	\$ 9,996	\$ —	\$ —	\$ —	\$ 10,655
Investment Earnings	424	166	3	1,105	44	92	1,834
Total Revenues	1,083	166	9,999	1,105	44	92	12,489
Expenditures:							
Administration	90	—	—	—	—	—	90
Veterans Assistance	1	—	—	—	—	—	1
Debt Service:							
Principal	15,605	20,955	5,090	40,690	1,025	2,050	85,415
Interest	4,457	1,255	4,907	2,335	979	2,291	16,224
Total Expenditures	20,153	22,210	9,997	43,025	2,004	4,341	101,730
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,070)	(22,044)	2	(41,920)	(1,960)	(4,249)	(89,241)
Other Financing Sources (Uses):							
Transfers In	19,392	22,210	—	—	2,028	4,390	48,020
Transfers Out	(24)	—	—	(12,459)	—	—	(12,483)
Total Other Financing Sources (Uses)	19,368	22,210	—	(12,459)	2,028	4,390	35,537
Net Change in Fund Balances	298	166	2	(54,379)	68	141	(53,704)
Fund Balances, Beginning of Year	5,435	279	1,009	54,379	1,640	3,445	66,187
Fund Balances, End of Year	\$ 5,733	\$ 445	\$ 1,011	\$ —	\$ 1,708	\$ 3,586	\$ 12,483



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.

Office of Technology: 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 Resource 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 Resource 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.

West Virginia

Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2025
(Expressed in Thousands)

	State Building Fund	Office of Technology	Travel Management	Enterprise Resource Planning Board	Investment Management Board	Board of Treasury Investments	Total
Assets:							
Current Assets:							
Cash and Cash Equivalents	\$ 1,410	\$ 14,981	\$ 4,398	\$ 25,880	\$ 6,751	\$ 1,875	\$ 55,295
Receivables, Net	628	4,817	3	68	10,939	1,232	17,687
Due from Other Funds	4,340	8,521	74	—	—	—	12,935
Due from Component Units	—	730	—	—	—	—	730
Inventories	661	292	—	—	—	—	953
Other Assets	—	—	—	—	90	—	90
Restricted Assets:							
Cash and Cash Equivalents	—	—	7,423	—	—	—	7,423
Total Current Assets	7,039	29,341	11,898	25,948	17,780	3,107	95,113
Noncurrent Assets:							
Restricted Assets:							
Cash and Cash Equivalents	16,164	—	—	—	—	—	16,164
Capital Assets, Net	295,682	1,169	3,551	48,532	180	4	349,118
Right-to-Use Lease Asset, Net	—	2,847	137	—	837	—	3,821
Subscription Asset, Net (SBITA)	—	6,085	—	—	—	—	6,085
Net Pension Asset	513	1,046	77	204	—	—	1,840
Net OPEB Asset	39	37	—	2	—	—	78
Total Noncurrent Assets	312,398	11,184	3,765	48,738	1,017	4	377,106
Total Assets	319,437	40,525	15,663	74,686	18,797	3,111	472,219
Deferred Outflows of Resources:							
Related to Pensions	1,210	2,499	131	509	—	—	4,349
Related to Other Post-Employment Benefits	524	219	7	25	—	—	775
Total Deferred Outflows of Resources	1,734	2,718	138	534	—	—	5,124
Liabilities:							
Current Liabilities:							
Accounts Payable	7,262	3,913	332	135	12,214	963	24,819
Accrued and Other Liabilities	125	356	33	14	—	—	528
Due to Other Governments	72	162	11	7	—	—	252
Due to Other Funds	146	824	136	477	—	—	1,583
Other Financing Debt	112	—	2,354	—	—	—	2,466
Other Financing Debt Payable to Component Units	2,175	—	—	—	—	—	2,175
Right-to-Use Lease Liability	—	357	33	—	190	—	580
Subscription Liability (SBITA)	—	2,258	—	—	—	—	2,258
Compensated Absences	200	401	22	75	—	—	698
Total Current Liabilities	10,092	8,271	2,921	708	12,404	963	35,359
Noncurrent Liabilities:							
Other Financing Debt	1,600	—	6,067	—	—	—	7,667
Right-to-Use Lease Liability	—	2,533	106	—	746	—	3,385
Subscription Liability (SBITA)	—	2,954	—	—	—	—	2,954
Other Financing Debt Payable to Component Units	41,400	—	—	—	—	—	41,400
Compensated Absences	884	2,652	133	660	—	—	4,329
Total Noncurrent Liabilities	43,884	8,139	6,306	660	746	—	59,735
Total Liabilities	53,976	16,410	9,227	1,368	13,150	963	95,094
Deferred Inflows of Resources:							
Related to Pensions	655	1,313	42	258	—	—	2,268
Related to Other Post-Employment Benefits	152	231	2	15	—	—	400
Total Deferred Inflows of Resources	807	1,544	44	273	—	—	2,668
Net Position:							
Net Investment in Capital Assets	250,395	10,101	2,551	48,532	80	4	311,663
Restricted for Capital Projects	14,119	—	—	—	—	—	14,119
Restricted for Pension Asset	513	1,046	77	204	—	—	1,840
Restricted for OPEB Asset	39	37	—	2	—	—	78
Restricted for Specific Fund Purposes	—	—	7,423	—	—	—	7,423
Unrestricted (Deficit)	1,322	14,105	(3,521)	24,841	5,567	2,144	44,458
Total Net Position	\$ 266,388	\$ 25,289	\$ 6,530	\$ 73,579	\$ 5,647	\$ 2,148	\$ 379,581

**Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position**
Internal Service Funds
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	State Building Fund	Office of Technology	Travel Management	Enterprise Resource Planning Board	Investment Management Board	Board of Treasury Investments	Total
Operating Revenues:							
Charges for Services	\$ 25,931	\$ 67,459	\$ 5,516	\$ 14,564	\$ 55,083	\$ 5,015	\$ 173,568
Operating Expenses:							
Cost of Sales and Services	29,847	54,405	2,701	9,659	48,560	4,729	149,901
General and Administration	1,944	15,907	598	1,390	6,287	239	26,365
Pension Expense	247	493	46	110	—	—	896
OPEB Expense	(317)	(21)	(7)	15	—	—	(330)
Depreciation and Amortization	10,369	4,471	4,203	5,518	242	3	24,806
Total Operating Expenses	<u>42,090</u>	<u>75,255</u>	<u>7,541</u>	<u>16,692</u>	<u>55,089</u>	<u>4,971</u>	<u>201,638</u>
Operating Income (Loss)	(16,159)	(7,796)	(2,025)	(2,128)	(6)	44	(28,070)
Nonoperating Revenues (Expenses):							
Gain (Loss) on Sale of Equipment	—	8	78	—	—	—	86
Investment Income	132	—	22	—	337	—	491
Interest Expense	(1,955)	(362)	—	—	(51)	—	(2,368)
Lottery Revenue	4,918	—	—	—	—	—	4,918
Right-to-Use Liabilities Issued	—	—	—	—	—	—	—
Subscription Liabilities Issued	—	4,435	—	—	—	—	4,435
Other Nonoperating Revenues	4,343	(21)	519	—	—	—	4,841
Other Nonoperating Expenses	(81)	—	—	—	—	—	(81)
Total Nonoperating Revenues (Expenses), Net	<u>7,357</u>	<u>4,060</u>	<u>619</u>	<u>—</u>	<u>286</u>	<u>—</u>	<u>12,322</u>
Income (Loss) Before Transfers	(8,802)	(3,736)	(1,406)	(2,128)	280	44	(15,748)
Other Financing Sources (Uses):							
Transfers In	46,082	16,486	1,493	—	—	—	64,061
Transfers Out	(3,637)	—	—	—	—	—	(3,637)
Total Other Financing Sources (Uses)	<u>42,445</u>	<u>16,486</u>	<u>1,493</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>60,424</u>
Change in Net Position	33,643	12,750	87	(2,128)	280	44	44,676
Net Position, Beginning of Year	233,180	14,279	6,542	76,278	5,367	2,104	337,750
Changes in Accounting Principle	(435)	(1,740)	(99)	(571)	—	—	(2,845)
Net Position, Beginning of Year, As Restated	<u>232,745</u>	<u>12,539</u>	<u>6,443</u>	<u>75,707</u>	<u>5,367</u>	<u>2,104</u>	<u>334,905</u>
Net Position, End of Year	<u><u>\$ 266,388</u></u>	<u><u>\$ 25,289</u></u>	<u><u>\$ 6,530</u></u>	<u><u>\$ 73,579</u></u>	<u><u>\$ 5,647</u></u>	<u><u>\$ 2,148</u></u>	<u><u>\$ 379,581</u></u>

West Virginia

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	State Building Fund	Office of Technology	Travel Management	Enterprise Resource Planning Board	Investment Management Board	Board of Treasury Investments	Total
Cash Flows from Operating Activities:							
Receipts from State Agencies	\$ 23,146	\$ 68,766	\$ 6,182	\$ 14,496	\$ 55,048	\$ 5,153	\$ 172,791
Payments to Suppliers	(23,278)	(58,342)	(2,068)	(8,544)	(49,205)	(5,472)	(146,909)
Payments to Employees	(8,046)	(15,624)	(1,050)	(2,947)	(5,267)	—	(32,934)
Net Cash Provided by (Used for) Operating Activities	(8,178)	(5,200)	3,064	3,005	576	(319)	(7,052)
Cash Flows from Noncapital Financing Activities:							
Transfers In	46,082	16,486	1,493	—	—	—	64,061
Transfers Out	(3,637)	—	—	—	—	—	(3,637)
Other Nonoperating Receipts (Expense)	(59)	306	—	—	—	—	247
Distributions or Subsidies from (to) Other Organizations	4,918	—	—	—	—	—	4,918
Net Cash Provided by (Used for) Noncapital Financing Activities	47,304	16,792	1,493	—	—	—	65,589
Cash Flows from Capital and Related Financing Activities:							
Repayment of Capital Debt	(2,181)	—	5,014	—	—	—	2,833
Interest Paid on Capital Debt	(1,954)	—	—	—	—	—	(1,954)
Principal Paid for Right-to-Use Leases	(40)	(362)	—	—	(176)	—	(578)
Interest Paid for Right-to-Use Leases	(1)	(3,454)	—	—	(52)	—	(3,507)
Acquisition and Construction of Capital Assets	(37,282)	1,947	(766)	—	(39)	(3)	(36,143)
Proceeds from Sale or Lease of Capital Assets	—	—	—	—	—	—	—
Net Cash Provided by (Used for) Capital and Related Financing Activities	(41,458)	(1,869)	4,248	—	(267)	(3)	(39,349)
Cash Flows from Investing Activities:							
Investment Earnings	132	—	23	—	344	—	499
Net Cash Provided by (Used for) Investing Activities	132	—	23	—	344	—	499
Net Increase (Decrease) in Cash and Cash Equivalents	(2,200)	9,723	8,828	3,005	653	(322)	19,687
Cash and Cash Equivalents, Beginning of Year	19,774	5,258	2,993	22,875	6,098	2,197	59,195
Cash and Cash Equivalents, End of Year	\$ 17,574	\$ 14,981	\$ 11,821	\$ 25,880	\$ 6,751	\$ 1,875	\$ 78,882

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)
(Continued)

	State Building Fund	Office of Technology	Travel Management	Enterprise Resource 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)	(16,159)	(7,796)	(2,025)	(2,128)	(6)	44	(28,070)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Bad Debt Expense	—	128	—	—	—	—	128
Pension Expense	247	493	46	110	—	—	896
OPEB Expense	(317)	(21)	(7)	15	—	—	(330)
Depreciation and Amortization	10,369	4,471	4,203	5,518	242	3	24,806
Changes in Assets, Liabilities, and Deferred Outflow of Resources:							
Receivables	(2,785)	1,307	666	(68)	(35)	139	(776)
Inventories	(53)	(105)	—	—	—	—	(158)
Other Assets	—	—	—	—	(10)	—	(10)
Accounts Payable and Accrued Liabilities	985	(2,444)	232	27	385	(505)	(1,320)
Other Liabilities	84	(108)	(51)	(250)	—	—	(325)
Deferred Outflows of Resources	(549)	(1,125)	—	(219)	—	—	(1,893)
Net Cash Provided by (Used for) Operating Activities	\$ (8,178)	\$ (5,200)	\$ 3,064	\$ 3,005	\$ 576	\$ (319)	\$ (7,052)
Schedule of Non-Cash Capital and Financing Activities:							
Right-to-Use Lease Asset	\$ —	\$ 3,720	\$ —	\$ —	\$ 1,581	\$ —	\$ 5,301
Subscription Asset	—	11,493	—	—	—	—	11,493

PROPRIETARY FUNDS – NONMAJOR

Drinking Water Treatment Revolving Fund: Low-interest loans are made to communities to assist in financing drinking water infrastructure projects, including, but not limited to, treatment, distribution, transmission, and storage. The Fund is to remain in perpetuity by recirculating the principal and interest earned from the loans.

Alcohol Beverage Control Administration: The Administration is responsible for the regulation and control of the manufacture, sale, distribution, transportation, storage, and consumption of alcoholic beverages. The Administration shall establish stores and agencies and shall fix uniform prices for the sale of alcoholic beverages.

West Virginia College and Jumpstart Savings Program: The College and Jumpstart Savings Administrative Account previously named the College Prepaid Tuition and Savings Program Administrative Account was continued by Senate Bill 8 to implement, operate, and maintain the College and Jumpstart Savings Programs. Sources of funds for the Administrative Account come from fees charged to participants in the College Savings Program and transfers from the West Virginia Savings and Investment Program Fulfillment Fund of the State to the Administrative Account to cover expenses related to the Jumpstart Savings Program. The Program began operations on July 1, 2022.

State Entities Workers' Compensation (SEWC): The Fund is responsible for providing a means of managing workers' compensation coverage for persons directly employed by the State of West Virginia. The West Virginia Offices of the Insurance Commissioner was given the responsibility of administering the SEWC. The SEWC is a public entity risk pool functioning as an insurance purchasing pool.

Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2025
(Expressed in Thousands):

	Business-type Activities - Enterprise Funds				
	Drinking Water Treatment Revolving Fund	Alcohol Beverage Control Administration	West Virginia College and Jumpstart Savings Program	State Entities Workers' Compensation	Total
Assets:					
Current Assets:					
Cash and Cash Equivalents	\$ 85,226	\$ 24,098	\$ 471	\$ 8,838	\$ 118,633
Investments	—	—	4,902	—	4,902
Receivables, Net	11,603	547	135	305	12,590
Due from Other Governments	4,764	—	—	—	4,764
Inventories	—	57	—	—	57
Other Assets	—	—	—	10,651	10,651
Restricted Assets:					
Receivables, Net	—	99	—	—	99
Total Current Assets	<u>101,593</u>	<u>24,801</u>	<u>5,508</u>	<u>19,794</u>	<u>151,696</u>
Noncurrent Assets:					
Receivables, Net	184,275	—	—	—	184,275
Restricted Assets:					
Capital Assets, Net	—	2,230	—	—	2,230
Net Pension Asset	—	285	50	—	335
Net OPEB Asset	—	14	—	—	14
Total Noncurrent Assets	<u>184,275</u>	<u>2,529</u>	<u>50</u>	<u>—</u>	<u>186,854</u>
Total Assets	<u>285,868</u>	<u>27,330</u>	<u>5,558</u>	<u>19,794</u>	<u>338,550</u>
Deferred Outflows of Resources:					
Related to Pensions	—	701	110	—	811
Related to OPEB	—	83	2	—	85
Total Deferred Outflows of Resources	<u>—</u>	<u>784</u>	<u>112</u>	<u>—</u>	<u>896</u>
Liabilities:					
Current Liabilities:					
Accounts Payable	—	4,322	105	—	4,427
Accrued and Other Liabilities	—	239	—	—	239
Due to Other Funds	50	2	—	—	52
Due to Component Units	249	—	—	—	249
Unearned Revenue	7,167	—	—	—	7,167
Insurance and Compensation Benefits Obligations	—	—	—	5,900	5,900
Compensated Absences	—	279	40	—	319
Total Current Liabilities	<u>7,466</u>	<u>4,842</u>	<u>145</u>	<u>5,900</u>	<u>18,353</u>
Noncurrent Liabilities:					
Insurance and Compensation Benefits Obligations	—	—	—	3,700	3,700
Compensated Absences	—	—	12	—	12
Total Noncurrent Liabilities	<u>—</u>	<u>—</u>	<u>12</u>	<u>3,700</u>	<u>3,712</u>
Total Liabilities	<u>7,466</u>	<u>4,842</u>	<u>157</u>	<u>9,600</u>	<u>22,065</u>
Deferred Inflows of Resources:					
Related to Pensions	—	362	63	—	425
Related to OPEB	—	70	—	—	70
Total Deferred Inflows of Resources	<u>—</u>	<u>432</u>	<u>63</u>	<u>—</u>	<u>495</u>
Net Position:					
Net Investment in Capital Assets	—	2,231	—	—	2,231
Restricted for:					
General Government Operations	—	—	5,400	—	5,400
Pension Asset	—	14	50	—	64
OPEB Asset	—	285	—	—	285
Lending Activities	278,402	99	—	—	278,501
Insurance Activities	—	—	—	10,194	10,194
Unrestricted	—	20,211	—	—	20,211
Total Net Position	<u>\$ 278,402</u>	<u>\$ 22,840</u>	<u>\$ 5,450</u>	<u>\$ 10,194</u>	<u>\$ 316,886</u>

West Virginia

**Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position**
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	Business-type Activities - Enterprise Funds				
	Drinking Water Treatment Revolving Fund	Alcohol Beverage Control Administration	West Virginia College and Jumpstart Savings Program	State Entities Workers' Compensation	Total
Operating Revenues:					
Charges for Services and Sales	\$ 2,070	\$ 131,204	\$ —	\$ —	\$ 133,274
Insurance Premiums	—	—	—	6,396	6,396
Licenses, Permits, and Fees	—	5,542	1,708	—	7,250
Other	—	114	—	—	114
Total Operating Revenues	2,070	136,860	1,708	6,396	147,034
Operating Expenses:					
Cost of Sales and Services	—	99,381	—	—	99,381
Insurance Claims and Claims Adjustment Provisions	—	—	—	7,706	7,706
General and Administration	—	6,014	1,290	465	7,769
Pension Expense	—	142	25	—	167
OPEB Expense	—	52	4	—	56
Depreciation and Amortization	—	242	—	—	242
Other	10,130	—	—	—	10,130
Total Operating Expenses	10,130	105,831	1,319	8,171	125,451
Operating Income (Loss)	(8,060)	31,029	389	(1,775)	21,583
Nonoperating Revenues (Expenses):					
Interest and Other Investment Income	2,441	—	—	157	2,598
Other Nonoperating Revenues	—	173	207	—	380
Total Nonoperating Revenues (Expenses), Net	2,441	173	207	157	2,978
Income (Loss) Before Transfers	(5,619)	31,202	596	(1,618)	24,561
Transfers:					
Transfers In	37,946	—	—	—	37,946
Transfers Out	—	(33,354)	—	—	(33,354)
Total Transfers	37,946	(33,354)	—	—	4,592
Change in Net Position	32,327	(2,152)	596	(1,618)	29,153
Net Position, Beginning of Year, As Restated	246,075	24,992	4,854	11,812	287,733
Net Position, End of Year	\$ 278,402	\$ 22,840	\$ 5,450	\$ 10,194	\$ 316,886

Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	Business-type Activities – Enterprise					Total
	Drinking Water Treatment Revolving Fund	Alcohol Beverage Control Administration	West Virginia College and Jumpstart Savings Program	State Entities Workers' Compensation		
Cash Flows From Operating Activities:						
Receipts from Customers	\$ 11,089	\$ 137,020	\$ —	\$ 16,912	\$ 165,021	
Payments to Suppliers	—	(100,302)	(671)	(2)	(100,975)	
Payments to Employees	—	(5,035)	(612)	—	(5,647)	
Payments for Loans Originated	(40,591)	—	—	—	(40,591)	
Payments for Premiums	—	—	—	(11,038)	(11,038)	
Payments to Claimants	—	—	—	(9,090)	(9,090)	
Other Operating Cash Receipts	—	—	1,706	3,016	4,722	
Other Operating Cash Payments	(1,416)	—	(700)	—	(2,116)	
Net Cash Provided by (Used for) Operating Activities	(30,918)	31,683	(277)	(202)	286	
Cash Flows from Noncapital Financing Activities:						
Transfers In	52,482	—	—	—	52,482	
Transfers Out	—	(33,354)	—	—	(33,354)	
Entitlements and Grants	—	134	—	—	134	
Provided from Issuing Liquor Licenses	—	—	—	—	—	
Receipts from Notes Receivable	—	735	—	—	735	
Net Cash Provided by (Used for) Noncapital Financing Activities	52,482	(32,485)	—	—	19,997	
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	—	(160)	—	—	(160)	
Net Cash Used for Capital and Related Financing Activities	—	(160)	—	—	(160)	
Cash Flows from Investing Activities:						
Investment Earnings	2,441	—	—	282	2,723	
Net Cash Provided by (Used for) Investing Activities	2,441	—	—	282	2,723	
Net Increase (Decrease) in Cash and Cash Equivalents	24,005	(962)	(277)	80	22,846	
Cash and Cash Equivalents, Beginning of Year	61,221	25,060	748	8,758	95,787	
Cash and Cash Equivalents, End of Year	\$ 85,226	\$ 24,098	\$ 471	\$ 8,838	\$ 118,633	

Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)
(Continued)

Business-type Activities – Enterprise Funds					
Drinking Water Treatment Revolving Fund	Alcohol Beverage Control Administration	West Virginia College and Jumpstart Savings Program	State Entities Workers' Compensation	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	(8,060)	31,029	389	(1,775)	\$ 21,583
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by (Used for) Operating Activities:					
Depreciation and Amortization	—	242	—	—	242
Pension Expense	—	142	25	—	167
OPEB Expense	—	52	4	—	56
Changes in Assets, Liabilities, and Deferred Outflows and Inflows of Resources:					
Receivables	(22,510)	160	(2)	3,233	(19,119)
Investments	—	—	(700)	—	(700)
Inventories	—	3	—	—	3
Other Assets	—	—	(39)	—	(39)
Accounts Payable and Accrued Liabilities	(348)	423	—	(1,600)	(1,525)
Other Liabilities	—	—	87	(60)	27
Compensated Absences	—	6	(30)	—	(24)
Deferred Outflows Related to Pensions/OPEB	—	(285)	(11)	—	(296)
Pensions/OPEB	—	(340)	—	—	(340)
Deferred Inflows related to Pensions/OPEB	—	251	—	—	251
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (30,918)</u></u>	<u><u>\$ 31,683</u></u>	<u><u>\$ (277)</u></u>	<u><u>\$ (202)</u></u>	<u><u>\$ 286</u></u>
Schedule of Noncash Capital and Financing Activities:					
Loans Originated with Principal Forgiveness Features	\$ 9,060	\$ —	\$ —	\$ —	\$ 9,060



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.

West Virginia

Combining Statement of Fiduciary Net Position
Pension Trust and Other Employee
Benefit Trust Funds
June 30, 2025
(Expressed in Thousands)

Consolidated Public Retirement Board						
	Public Employees' Retirement System	Teachers' Retirement System	State Police Death, Disability, and Retirement Fund	State Police Retirement System	Judges' Retirement System	Teachers' Defined Contribution Retirement System
Assets:						
Cash and Cash Equivalents	\$ 1,326	\$ 1,893	\$ 28	\$ 26	\$ 32	\$ 2,931
Investments:						
Equity in Pooled Investments	9,730,266	10,757,862	862,049	412,617	336,145	—
Mutual Funds	—	—	—	—	—	783,667
Receivables, Net:						
Contributions	5,266	21,926	—	—	—	935
Participant Loans	13	530	—	26	—	97
Accounts	—	—	—	—	—	—
Due from Other Funds	—	31,579	—	—	—	—
Due from Component Units	83	—	—	—	—	—
Restricted Assets:						
Net Pension Asset	—	—	—	—	—	—
Other Assets	—	8	—	—	—	—
Total Assets	9,736,954	10,813,798	862,077	412,669	336,177	787,630
Deferred Outflows of Resources:						
Related to Pensions	—	—	—	—	—	—
Related to OPEB	—	—	—	—	—	—
Total Deferred Outflows of Resources	—	—	—	—	—	—
Liabilities:						
Accounts Payable	—	—	—	—	—	—
Accrued and Other Liabilities	4,262	4,617	374	167	140	2,981
Due to Other Funds	31,627	—	—	—	—	—
Due to Component Units	—	—	—	—	—	—
Insurance Claims Payable	—	—	—	—	—	—
Net Pension Liability	—	—	—	—	—	—
Net OPEB Liability	—	—	—	—	—	—
Total Liabilities	35,889	4,617	374	167	140	2,981
Deferred Inflows of Resources:						
Related to Pensions	—	—	—	—	—	—
Related to OPEB	—	—	—	—	—	—
Total Deferred Inflows of Resources	—	—	—	—	—	—
Net Position Held in trust for:						
Restricted for:						
Pensions	9,701,065	10,809,181	861,703	412,502	336,037	784,649
Other Postemployment Benefits	—	—	—	—	—	—
Total Net Position	\$ 9,701,065	\$ 10,809,181	\$ 861,703	\$ 412,502	\$ 336,037	\$ 784,649

Consolidated Public Retirement Board

Deputy Sheriff Retirement System	Emergency Medical Services Retirement System	Municipal Police Officers and Firefighters Retirement System	Natural Resources Police Officers Retirement System	Municipal Policemen's or Firefighter's Pension & Relief Funds	Other Employee Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
\$ 328	\$ 222	\$ 141	\$ 27	\$ —	\$ 6,990	\$ 13,944
391,740	229,658	59,690	36,913	287,358	2,157,394	25,261,692
—	—	—	—	—	—	783,667
1,098	1,062	726	—	—	693	31,706
125	18	—	—	—	—	809
—	—	—	—	—	5,352	5,352
—	—	—	—	—	101	31,680
—	—	—	—	—	285	368
—	—	—	—	—	15	15
—	—	—	—	—	—	8
393,291	230,960	60,557	36,940	287,358	2,170,830	26,129,241
—	—	—	—	—	211	211
—	—	—	—	—	29	29
—	—	—	—	—	240	240
—	—	—	—	—	103	103
157	67	20	15	—	10,842	23,642
—	—	—	—	—	21,188	52,815
—	—	—	—	—	107	107
—	—	—	—	—	9,770	9,770
—	—	—	—	—	—	—
157	67	20	15	—	42,010	86,437
—	—	—	—	—	118	118
—	—	—	—	—	8	8
—	—	—	—	—	126	126
393,134	230,893	60,537	36,925	287,358	15	23,913,999
—	—	—	—	—	2,128,919	2,128,919
\$ 393,134	\$ 230,893	\$ 60,537	\$ 36,925	\$ 287,358	\$ 2,128,934	\$ 26,042,918

West Virginia

**Combining Statement of Changes in Fiduciary Net Position
Pension Trust and Other Employee
Benefit Trust Funds
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)**

Consolidated Public Retirement Board						
	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	\$ 102,220	\$ 115,956	\$ —	\$ 5,246	\$ 462	\$ 5,282
Employers	176,151	148,085	—	18,720	1,220	9,046
Other	—	298,918	8,633	—	—	—
Total Contributions	<u>278,371</u>	<u>562,959</u>	<u>8,633</u>	<u>18,966</u>	<u>1,682</u>	<u>14,328</u>
Investment Income (Loss):						
Net Appreciation (Depreciation) in Fair Value of Investments	979,160	1,079,537	87,107	40,737	33,655	56,668
Interest	1,707	2,022	177	74	21	18,858
Net Investment Income (Loss)	<u>980,867</u>	<u>1,081,559</u>	<u>87,284</u>	<u>40,811</u>	<u>33,676</u>	<u>75,526</u>
Transfers to Plan	—	—	—	—	438	6
Other Income	<u>1,114</u>	<u>4,172</u>	<u>676</u>	<u>4</u>	<u>32</u>	<u>57</u>
Total Additions	<u>1,260,352</u>	<u>1,648,690</u>	<u>96,593</u>	<u>59,781</u>	<u>35,828</u>	<u>89,917</u>
Deductions:						
Benefits Expense	543,035	903,461	55,122	11,842	5,922	—
Forfeitures	—	—	—	—	—	728
Refunds of Contributions	14,826	15,554	—	738	97	46,670
Administrative Expenses	4,128	4,576	374	167	140	421
Pension Expense	—	—	—	—	—	—
OPEB Expense	—	—	—	—	—	—
Transfer from Plan	60,101	87	—	—	—	—
Total Deductions	<u>622,090</u>	<u>923,678</u>	<u>55,496</u>	<u>12,747</u>	<u>6,159</u>	<u>47,819</u>
Change in Net Position:						
Restricted for Pension Benefits	638,262	725,012	41,097	47,034	29,669	42,098
Held in Trust For:						
Post Employment Benefits	—	—	—	—	—	—
Net Position, Beginning of Year	9,062,803	10,084,169	820,606	365,468	306,368	742,551
Changes in Accounting Principles	—	—	—	—	—	—
Net Position, Beginning of Year, as Restated	<u>9,062,803</u>	<u>10,084,169</u>	<u>820,606</u>	<u>365,468</u>	<u>306,368</u>	<u>742,551</u>
Net Position, End of Year	<u>\$ 9,701,065</u>	<u>\$ 10,809,181</u>	<u>\$ 861,703</u>	<u>\$ 412,502</u>	<u>\$ 336,037</u>	<u>\$ 784,649</u>

Consolidated Public Retirement Board

Deputy Sheriff Retirement System	Emergency Medical Services Retirement System	Municipal Police Officers and Firefighters Retirement System	Natural Resources Police Officers Retirement System	Municipal Policemen's or Firefighter's Pension & Relief Fund	Other Employee Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
\$ 6,570	\$ 6,911	\$ 4,375	\$ 829	\$ —	\$ —	\$ 247,851
13,093	7,724	4,375	1,047	—	28,093	402,554
—	—	—	—	1,953	39,562	349,066
19,663	14,635	8,750	1,876	1,953	67,655	999,471
38,906	20,208	5,549	3,597	44,886	214,931	2,604,941
93	201	36	16	57	222	23,484
38,999	20,409	5,585	3,613	44,943	215,153	2,628,425
—	59,582	162	—	—	—	60,188
713	319	75	—	—	500	7,662
59,375	94,945	14,572	5,489	46,896	283,308	3,695,746
18,424	5,417	39	668	8,918	95,605	1,648,453
—	—	—	—	—	—	728
1,004	1,909	735	—	—	—	81,533
160	65	21	15	—	4,312	14,379
—	—	—	—	—	8	8
—	—	—	—	—	(34)	(34)
—	—	—	—	—	—	60,188
19,588	7,391	795	683	8,918	99,891	1,805,255
39,787	87,554	13,777	4,806	37,978	—	1,707,074
—	—	—	—	—	183,417	183,417
353,347	143,339	46,760	32,119	—	1,945,517	23,903,047
—	—	—	—	249,380	—	249,380
353,347	143,339	46,760	32,119	249,380	1,945,517	24,152,427
\$ 393,134	\$ 230,893	\$ 60,537	\$ 36,925	\$ 287,358	\$ 2,128,934	\$ 26,042,918



INVESTMENT TRUST FUNDS

Investment Trust Funds: The investment trust funds account for the external portion of the State's external investment pools. The State maintains two external investment pools, the West Virginia Money Market and West Virginia Government Money Market pools. The external portion belongs to local governments and municipalities. These Funds are accounted for in essentially the same manner as proprietary funds.

West Virginia

Combining Statement of Fiduciary Net Position
Investment Trust Funds
June 30, 2025
(Expressed in Thousands)

	West Virginia Money Market	West Virginia Government Money Market	Total
Assets:			
Cash and Cash Equivalents	\$ 768,485	\$ 477,382	\$ 1,245,867
Total Assets	<u>\$ 768,485</u>	<u>\$ 477,382</u>	<u>\$ 1,245,867</u>
Net Position:			
Held in Trust for External Investment Pool Participants	\$ 768,485	\$ 477,382	\$ 1,245,867
Total Net Position	<u>\$ 768,485</u>	<u>\$ 477,382</u>	<u>\$ 1,245,867</u>

Combining Statement of Changes in Fiduciary Net Position
Investment Trust Funds
For the Year Ended June 30, 2025
(Expressed in Thousands)

	West Virginia Money Market	West Virginia Government Money Market	Total
Additions:			
Deposits, Pool Participants	\$ 682,335	\$ 300,191	\$ 982,526
Investment Income:			
Net Appreciation in Fair Value of Investments	33,233	23,264	56,497
Total Additions	<u>715,568</u>	<u>323,455</u>	<u>1,039,023</u>
Deductions:			
Withdrawals	<u>616,501</u>	<u>271,533</u>	<u>888,034</u>
Change in Net Position Held in Trust for External Investment Pool Participants	99,067	51,922	150,989
Net Position, Beginning of Year	<u>669,418</u>	<u>425,460</u>	<u>1,094,878</u>
Net Position, End of Year	<u>\$ 768,485</u>	<u>\$ 477,382</u>	<u>\$ 1,245,867</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 Investment Pool: 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.

West Virginia Prepaid Tuition Escrow: This fund was created for the purpose of satisfying any claims against the Prepaid Tuition Trust Plan arising after the plan's closure.

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, American Rescue Plan Act, and other small custodial funds.

West Virginia

Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025
(Expressed in Thousands)

	Local Government			Other Agency				Total	
	Local Government	Municipal Bond Commission	Consolidated Investment Pool	Patient Injury Compensation Fund	West Virginia Prepaid Tuition Escrow	Other Custodial Funds			
Assets:									
Current Assets:									
Cash and Cash Equivalents	\$ 4,283	\$ 3,245	\$ 89,610	\$ 58	\$ —	\$ 15,974	\$ 113,170		
Investments	—	—	8,871	—	—	—	—	8,871	
Mutual Funds	—	—	—	—	1,157	—	—	1,157	
Receivables, Net	—	—	615	—	—	21	—	636	
Due from Other Funds	139	—	—	—	—	—	—	139	
Total Assets	4,422	3,245	99,096	58	1,157	15,995	123,973		
Liabilities:									
Current Liabilities:									
Due to Other Governments	4,422	3,245	—	—	—	8,906	16,573		
Custodial Liabilities	—	—	615	58	—	7,089	7,762		
Total Liabilities	4,422	3,245	615	58	—	15,995	24,335		
Net Position:									
Restricted for:									
Individuals, Organizations and other Governments	—	—	98,481	—	1,157	—	99,638		
Total Net Position	\$ —	\$ —	\$ 98,481	\$ —	\$ 1,157	\$ —	\$ 99,638		

- 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, 2025
(Expressed in Thousands)

	Local Government			Other Agency			Total
	Local Government	Municipal Bond Commission	Consolidated Investment Pool	Patient Injury Compensation Fund	West Virginia Prepaid Tuition Escrow	Other Custodial Funds	
Investment Income (Loss):							
Interest	\$ —	\$ —	\$ —	\$ —	\$ 54	\$ —	\$ 54
Net Investment Income	—	—	—	—	54	—	54
Additions:							
Funds Received for Local Governments	1,829,941	—	—	—	—	—	1,829,941
Individuals and Organizations	—	—	—	1	—	195,970	195,971
Collateral Received and Related Additions	—	—	122,807	—	—	—	122,807
Taxes Collected for Other Governments	—	804,451	—	—	—	—	804,451
Total Additions	1,829,941	804,451	122,807	1	54	195,970	2,953,224
Deductions:							
Funds Disbursed to Local Governments	1,829,941	—	—	—	—	—	1,829,941
Individuals and Organizations	—	—	—	1	—	195,970	195,971
Collateral Disbursed and Related Deductions	—	—	108,474	—	—	—	108,474
Taxes Disbursed to Local Governments	—	804,451	—	—	—	—	804,451
Total Deductions	1,829,941	804,451	108,474	1	—	195,970	2,938,837
Change in Net Position Restricted For:							
Individuals and Organizations	—	—	14,333	—	54	—	14,387
Net Position, As Previously Reported	—	—	84,148	—	1,103	—	85,251
Net Position, End of Year	\$ —	\$ —	\$ 98,481	\$ —	\$ 1,157	\$ —	\$ 99,638



DISCRETELY PRESENTED COMPONENT UNITS

Nonmajor Component Units

Educational Broadcasting Commission: The Commission is responsible for extending educational, cultural, and informational experiences to all citizens of the State through the construction and operation of noncommercial, educational television and radio stations, and related facilities. Revenues for operations are derived primarily through private donations, with additional supplements from federal and state grants.

West Virginia Division of Multimodal Transportation Facilities: The Division is responsible for the administration of all federal and state programs related to public ports, railroads, airports, air navigational facilities and public transit providers. The Division is empowered to issue bonds for the rail system.

Solid Waste Management Board: The Board is responsible for the improved collection and disposal of solid wastes, and for encouraging recycling, reuse, or recovery of resources from wastes. The intent of the Board is to become a viable financing mechanism for solid waste projects in West Virginia, and it is empowered to issue bonds and set rate structures at its discretion.

Racing Commission: The Commission has full jurisdiction and supervision over all horse- and dog-race meetings, and all persons involved in the holding or conducting of horse- or dog-race meetings. It can fix the annual fee for permits and registrations. Other racing taxes and fees are set by West Virginia State Code, Chapter 19, Article 23.

Public Defender Corporation: The Corporation is responsible for fulfilling the State's obligation to provide legal representation to eligible clients. Funding of the individual public defender corporations is by appropriation determined by the executive director of the Public Defender Services.

Municipal Pensions Oversight Board: The Board's purpose is to monitor and improve the performance of municipal policemen's and firemen's pension and relief funds assuring prudent administration, investment, and management of the funds. The board also assists municipal boards of trustees in performing their duties related to pensions, ensures the funds' compliance with applicable laws, and distributes insurance premium tax revenues to the individual pension funds.

West Virginia

Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
June 30, 2025 (Expressed in Thousands)

	Educational Broadcasting Commission	WV Division of Multimodal Transportation Facilities	Solid Waste Management Board
Assets:			
Current Assets:			
Cash and Cash Equivalents	\$ 4,479	\$ 11,333	\$ 3,767
Investments	4,458	—	—
Receivables, Net	167	441	247
Due from Other Governments	—	917	—
Due from Primary Government	3,010	665	—
Inventories	—	21	—
Other Assets	131	—	1
Restricted Assets:			
Cash and Cash Equivalents	146	—	3,390
Receivables, Net	—	—	283
Total Current Assets	12,391	13,377	7,688
Noncurrent Assets:			
Receivables, Net	1,039	—	—
Net Pension Asset	251	100	48
Net OPEB Asset	40	3	—
Restricted Assets:			
Cash and Cash Equivalents	1,429	—	
Receivables, Net	—	—	1,356
Other Restricted Assets	388	—	—
Right-to-Use Lease Asset, Net	152	—	—
Capital Assets, Net	4,873	35,960	27
Total Noncurrent Assets	8,172	36,063	1,431
Total Assets	20,563	49,440	9,119
Deferred Outflows of Resources:			
Related to Pensions	624	265	112
Related to OPEB	197	28	4
Total Deferred Outflows of Resources	821	293	116
Liabilities:			
Current Liabilities:			
Accounts Payable	200	2,039	131
Accrued and Other Liabilities	—	76	20
Due to Primary Government	—	1	—
Due to Internal Service Funds	—	—	—
Unearned Revenue	330	—	—
Right-to-Use Lease Liability	10	—	—
Compensated Absences	77	349	75
Total Current Liabilities	617	2,465	226
Noncurrent Liabilities:			
Accrued and Other Liabilities	—	—	200
Liabilities Payable from Restricted Assets	—	—	—
Right-to-Use Lease Liability	164	—	—
Other Financing Debt	—	—	—
Compensated Absences	116	206	—
Total Noncurrent Liabilities	280	206	200
Total Liabilities	897	2,671	426
Deferred Inflows of Resources:			
Related to Pensions	319	150	61
Related to Other Post-Employment Benefits	135	20	4
Related to Leases	960	—	—
Total Deferred Inflows of Resources	1,414	170	65
Net Position:			
Net Investment in Capital Assets	4,851	35,960	27
Restricted for:			
Nonexpendable	388	—	—
Pension Asset	251	100	48
OPEB Asset	40	3	—
Specific Component Unit Purposes	—	5,097	4,830
Unrestricted	13,543	5,732	3,839
Total Net Position	\$ 19,073	\$ 46,892	\$ 8,744

Racing Commission	Public Defender Corporation	Municipal Pensions Oversight Board	Total
\$ 2,123	\$ 19,469	\$ 44,885	\$ 86,056
—	—	—	4,458
108	146	—	1,109
—	—	—	917
—	—	—	3,675
—	—	—	21
—	32	—	164
18,968	—	—	22,504
399	—	—	682
21,598	19,647	44,885	119,586
—	—	—	1,039
150	1,325	22	1,896
—	68	—	111
—	1,318	—	2,747
—	—	—	1,356
—	—	—	388
—	2,391	—	2,543
—	1,423	9	42,292
150	6,525	31	52,372
21,748	26,172	44,916	171,958
364	3,370	54	4,789
15	121	1	366
379	3,491	55	5,155
395	—	1	2,766
100	482	23	701
9	—	1	11
—	4,890	—	5,220
—	774	—	784
143	481	—	1,125
647	6,627	25	10,607
—	—	—	200
18,968	—	—	18,968
—	1,733	—	1,897
—	28	—	28
94	1,123	—	1,539
19,062	2,884	25	22,632
19,709	9,511	25	33,239
188	1,757	29	2,504
9	94	4	266
—	—	—	960
197	1,851	33	3,730
—	1,282	9	42,129
—	—	—	388
—	1,325	22	1,746
—	68	—	111
—	—	44,882	54,809
2,221	15,626	—	40,961
\$ 2,221	\$ 18,301	\$ 44,913	\$ 140,144

Combining Statement of Activities
Nonmajor Discretely Presented Component Units
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue
Component Units:				
Educational Broadcasting Commission	\$ 11,088	\$ 3,283	\$ 1,971	\$ (5,834)
WV Division of Multimodal Transportation Facilities	25,562	406	14,709	(10,447)
Solid Waste Management Board	2,656	2,723	—	67
Racing Commission	3,097	2,779	—	(318)
Public Defender Corporation	24,881	—	1,914	(22,967)
Municipal Pensions Oversight Board	26,012	—	—	(26,012)
Total Component Units	\$ 93,296	\$ 9,191	\$ 18,594	\$ (65,511)

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	Changes in Accounting Principles	Net Position, Beginning of Year, as Restated	Net Position, End of Year			
\$ 53	\$ 4,532	\$ 95	\$ —	\$ 4,680	\$ (1,154)	\$ 20,227	\$ —	\$ 20,227	\$ 19,073			
533	—	2,704	7,330	10,567	120	47,170	(398)	46,772	46,892			
72	—	—	—	72	139	8,605	—	8,605	8,744			
—	—	800	—	800	482	1,739	—	1,739	2,221			
273	—	2	25,170	25,445	2,478	15,892	(69)	15,823	18,301			
—	—	2,166	27,184	29,350	3,338	41,575	—	41,575	44,913			
\$ 931	\$ 4,532	\$ 5,767	\$ 59,684	\$ 70,914	\$ 5,403	\$ 135,208	\$ (467)	\$ 134,741	\$ 140,144			



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	290
Schedule 2 – Changes in Net Position	292
Schedule 3 – Fund Balances – Governmental Funds	296
Schedule 4 – Changes in Fund Balances – Governmental Funds	298

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	300
Schedule 6 – Revenue Rates	302

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 7 – Ratios of Outstanding Debt	304
Schedule 8 – Pledged Revenue Coverage	306

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 9 – Demographic and Economic Indicators	310
Schedule 10 – Principal Employers	316
Schedule 11 – Education Enrollment	317

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

Schedule 12 – State Employees by Function	319
Schedule 13 – Operating Indicators by Function	320
Schedule 14 – Capital Assets Statistics by Function	322

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

Schedule 15 – Miscellaneous Statistics	324
--	-----

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)

	2025	2024	2023	2022
Governmental Activities				
Net Investment in Capital Assets	\$ 10,492,654	\$ 10,027,422	\$ 10,966,906	\$ 9,119,557
Restricted	1,323,294	1,416,217	1,344,616	1,557,217
Unrestricted Net Position (Deficit)	2,028,825	2,404,124	1,097,349	574,051
Total Governmental Activities Net Position	\$ 13,844,773	\$ 13,847,763	\$ 13,408,871	\$ 11,250,825
Business-Type Activities				
Net Investment in Capital Assets	\$ 2,231	\$ 2,363	\$ 2,527	\$ 3,113
Restricted	2,741,286	2,559,401	2,403,762	2,356,490
Unrestricted Net Position (Deficit)	300,599	158,872	225,181	170,279
Total Business-type Activities Net Position(Deficit)	\$ 3,044,116	\$ 2,720,636	\$ 2,631,470	\$ 2,529,882
Primary Government				
Net Investment in Capital Assets	\$ 10,494,885	\$ 10,029,785	\$ 10,969,433	\$ 9,122,670
Restricted	4,064,580	3,975,618	3,748,378	3,913,707
Unrestricted Net Position (Deficit)	2,329,424	2,562,996	1,322,530	744,330
Total Primary Government Net Position	\$ 16,888,889	\$ 16,568,399	\$ 16,040,341	\$ 13,780,707

	2021		2020		2019		2018		2017		2016
\$	9,139,616	\$	9,192,701	\$	9,005,297	\$	8,875,443	\$	8,996,053	\$	8,986,789
1,430,320			1,188,896		1,251,729		953,572		402,490		422,147
(1,991,434)			(3,423,609)		(3,337,234)		(4,119,293)		(4,455,964)		(4,563,114)
\$ 8,578,502	\$ 6,957,988	\$ 6,919,792	\$ 5,709,722	\$ 4,942,579	\$ 4,845,822						
\$	1,965	\$	2,001	\$	1,821	\$	2,676	\$	2,863	\$	2,940
2,110,728			1,777,494		1,972,374		1,895,646		1,809,614		1,741,004
405,599			389,829		354,405		333,239		282,812		201,954
\$ 2,518,292	\$ 2,169,324	\$ 2,328,600	\$ 2,231,561	\$ 2,095,289	\$ 1,945,898						
\$	9,142	\$	9,194,702	\$	9,007,118	\$	8,878,119	\$	8,998,916	\$	8,989,729
3,541			2,966,390		3,224,103		2,849,218		2,212,104		2,163,151
(1,586)			(3,033,780)		(2,982,829)		(3,786,054)		(4,173,152)		(4,361,160)
\$ 11,096,794	\$ 9,127,312	\$ 9,248,392	\$ 7,941,283	\$ 7,037,868	\$ 6,791,720						

West Virginia

Schedule 2

Changes in Net Position by Component

Last Ten Fiscal Years (Expressed in Thousands)

	2025	2024	2023	2022
Governmental Activities:				
Expenses:				
Legislative	\$ 27,164	\$ 33,935	\$ 22,083	\$ 22,161
Judicial	173,127	132,090	107,734	68,095
Executive	565,111	350,372	350,893	622,666
Administration	342,861	363,022	318,337	287,847
Commerce	290,073	286,572	163,917	157,407
Environmental Protection	288,516	223,179	119,899	123,749
Employment Programs	47,186	51,726	63,160	59,131
Education	3,208,451	3,707,832	3,140,045	2,745,843
Health, Health Facilities, and Human Services	8,756,892	7,418,179	8,147,013	7,828,170
Homeland Security	687,323	614,736	520,974	395,814
Revenue	274,247	212,968	118,889	58,449
Transportation	1,700,871	1,791,421	1,426,056	1,463,303
Veterans Assistance	28,724	26,590	20,692	15,216
Senior Services	54,971	53,381	56,410	51,537
Regulatory Boards and Commissions	329,121	213,597	1,504,324	368,609
Tourism	28,744	27,826	28,578	37,621
Economic Development	97,765	114,926	104,964	559,988
Arts, Culture and History	31,496	36,494	34,276	36,155
Debt Service Interest	3	—	—	—
Interest on Long-Term Debt	137,420	144,255	152,565	154,682
Interest on Lease Liability	3,823	3,760	3,757	3,064
Total Expenses	<u>17,073,889</u>	<u>15,806,861</u>	<u>16,404,566</u>	<u>15,059,507</u>
Program Revenues:				
Charges for Services				
Legislative	1,042	1,023	991	985
Judicial	1,505	1,543	1,528	1,233
Executive	44,312	33,472	14,573	27,248
Administration	73,664	53,213	78,831	59,244
Commerce	64,095	61,089	55,174	33,769
Environmental Protection	46,916	63,148	63,482	55,970
Employment Programs	—	—	—	—
Education	5,076	—	—	—
Health, Health Facilities, and Human Services	46,733	78,160	36,519	62,976
Homeland Security	14,626	1,975	19,008	13,355
Revenue	60,099	56,544	14,062	46,634
Transportation	132,150	57,427	196,251	137,986
Veterans Assistance	414	465	390	284
Senior Services	4,337	3	1,238	1,260
Regulatory Boards and Commissions	60,147	57,616	49,311	42,653
Tourism	(126)	2	1	—
Economic Development	123	622	—	726
Arts, Culture and History	897	457	749	812
Total Charges for Services	<u>556,010</u>	<u>466,759</u>	<u>532,108</u>	<u>485,135</u>
Operating Grants and Contributions:				
Legislative	451	340	348	900
Judicial	3,442	2,806	2,614	2,288
Executive	84,898	66,696	739,380	1,263,082
Administration	—	—	—	127
Commerce	108,000	110,825	74,603	55,166
Environmental Protection	194,456	144,530	90,079	84,310
Employment Programs	47,769	53,042	65,875	64,560
Education	609,327	857,036	879,614	843,635
Health, Health Facilities, and Human Services	6,449,377	5,446,185	6,626,910	6,535,448
Homeland Security	114,148	110,956	181,855	126,609
Revenue	903	5,196	3,713	2,021
Transportation	—	—	—	—
Veterans Assistance	9,081	10,506	8,682	7,602
Senior Services	26,430	22,534	27,615	28,546
Regulatory Boards and Commissions	84,710	70,639	54,465	57,146
Tourism	1,567	692	1,718	—
Economic Development	75,298	73,509	57,540	62,448
Arts, Culture and History	9,532	8,455	9,213	8,248
Total Operating Grants and Contributions	<u>7,819,389</u>	<u>6,983,947</u>	<u>8,824,224</u>	<u>9,142,136</u>
Capital Grants and Contributions:				
Administration	—	—	—	439
Homeland Security	9,538	5,768	172	—
Transportation	831,152	861,341	717,426	551,222
Veterans Assistance	3,241	4,059	3,048	2,764
Total Capital Grants and Contributions	<u>843,931</u>	<u>871,168</u>	<u>720,646</u>	<u>554,425</u>
Total Program Revenues	<u>9,219,330</u>	<u>8,321,874</u>	<u>10,076,978</u>	<u>10,181,696</u>
Total Governmental Activities Net Program Expenses	<u>(7,854,559)</u>	<u>(7,484,987)</u>	<u>(6,327,588)</u>	<u>(4,877,811)</u>

	2021	2020	2019	2018	2017	2016
\$	21,755	\$ 22,565	\$ 21,399	\$ 24,352	\$ 24,189	\$ 25,766
111,998	136,383	122,394	136,825	134,351	133,702	
714,308	368,025	279,266	213,285	176,485	139,580	
241,868	279,823	203,481	235,485	262,684	234,542	
233,403	194,690	163,112	196,759	166,225	166,129	
88,978	103,259	115,131	112,962	173,689	84,533	
211,110	50,785	47,779	43,287	55,231	48,173	
3,064,713	2,991,209	2,704,721	2,669,868	2,777,727	2,708,236	
6,880,969	5,934,351	5,500,238	5,483,893	5,810,783	5,352,930	
515,711	559,734	461,957	479,783	502,408	417,604	
126,387	63,132	122,114	93,815	89,178	78,504	
1,325,447	1,386,393	1,341,573	1,150,909	1,153,708	1,183,397	
17,407	20,152	25,178	24,369	20,572	20,588	
53,919	48,307	45,485	44,825	41,934	44,037	
141,343	50,519	44,027	55,422	53,909	47,680	
—	—	—	—	—	—	
—	—	—	—	—	—	
—	—	—	—	—	—	
143,228	172,922	157,642	118,156	110,722	112,273	
—	—	—	—	—	—	
13,892,544	12,382,249	11,355,497	11,083,995	11,553,795	10,797,674	
1,078	1,064	1,286	1,277	1,268	1,431	
1,067	907	1,026	—	1,768	1,730	
33,892	23,619	25,710	19,326	18,002	14,407	
61,505	56,118	50,744	46,708	42,766	45,767	
48,742	40,634	45,103	46,986	41,017	43,541	
63,051	58,935	65,371	68,595	53,209	74,621	
—	—	—	—	—	—	
—	1,394	554	—	—	2,580	
61,783	84,834	64,862	56,589	70,812	72,849	
—	16,234	15,877	18,449	16,018	10,868	
45,958	42,173	45,962	44,703	42,421	42,754	
170,990	130,505	181,181	169,142	101,562	92,171	
183	324	393	3	—	—	
2	2	(2)	—	3	—	
19,667	36,806	37,712	41,508	42,259	26,158	
—	—	—	—	—	—	
—	—	—	—	—	—	
507,918	493,549	535,779	513,286	431,105	428,877	
840	1,095	48	3,786	309	136	
2,170	2,102	3,543	2,472	2,899	1,978	
668,297	108,510	40,152	29,404	24,812	33,725	
—	—	(1,547)	—	—	3,006	
94,631	71,738	65,568	60,551	60,378	41,846	
84,963	87,493	106,230	99,742	87,674	98,312	
149,770	53,462	48,391	49,969	49,288	48,050	
582,884	508,378	453,950	435,775	440,701	451,719	
5,531,583	4,509,174	4,044,403	4,005,927	4,319,051	3,940,757	
91,125	132,731	78,481	85,058	130,128	118,282	
2,740	3,040	1,833	1,316	2,645	1,917	
50,000	—	—	—	—	—	
7,050	6,761	5,947	11,805	8,208	8,008	
26,193	25,427	23,452	22,005	22,318	23,489	
55,435	3,262	3,180	3,134	2,910	3,049	
—	—	—	—	—	—	
—	—	—	—	—	—	
7,347,681	5,511,368	4,873,631	4,810,944	5,151,321	4,774,274	
239	—	—	2,364	1,563	2,552	
—	794	38	—	2,128	1,235	
505,348	340,627	492,389	369,711	526,571	452,435	
2,634	2,261	2,311	—	1,564	—	
508,221	343,682	494,738	372,075	531,826	456,222	
8,363,820	6,348,599	5,904,148	5,696,305	6,114,252	5,659,373	
(5,528,724)	(6,033,650)	(5,451,349)	(5,387,690)	(5,439,543)	(5,138,301)	

West Virginia

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

	2025	2024	2023	2022
General Revenues and Other Changes in Net Position:				
Taxes:				
Personal Income	1,959,341	2,073,393	2,629,514	\$ 2,522,395
Consumer Sales	2,046,623	1,999,206	1,920,175	1,812,684
Business	967,024	887,718	1,454,652	1,372,786
Medicaid	563,457	344,352	301,981	278,554
Transportation	763,009	752,246	762,227	719,812
Other	409,248	405,131	407,910	403,464
Unrestricted Investment Earnings	440,285	475,926	276,718	(118,738)
Tobacco Settlement Revenue	50,272	52,937	59,359	63,707
Lottery Revenues	392,898	393,693	377,630	372,001
Miscellaneous	210,495	541,552	399,221	143,261
Other Financing Sources	29,272	29,930	22,472	13,140
Transfers	(47,308)	(32,205)	(88,142)	(32,932)
Total General Revenues and Transfers	7,784,616	7,923,879	8,523,717	7,550,134
Total Governmental Activities Changes in Net Position	64,585	\$ 438,892	\$ 2,196,129	\$ 2,672,323
Business-type Activities				
Expenses:				
Water Pollution Control Revolving Fund	24,632	13,230	11,410	11,232
Workers' Compensation Fund	39,925	72,545	31,265	6,365
Unemployment Compensation	169,832	169,192	127,567	117,319
West Virginia Infrastructure and Jobs Development Council	49,520	54,789	43,835	44,395
Public Employees' Insurance Agency	891,061	913,399	675,684	708,037
Board of Risk and Insurance Management	109,128	110,305	177,118	173,129
Drinking Water Treatment Revolving Fund	10,130	—	—	—
Other Activities	114,815	123,357	119,032	123,729
Total Expenses	1,409,043	1,456,817	1,185,911	1,184,206
Program Revenues:				
Charges for Services:				
Water Pollution Control Revolving Fund	6,386	6,417	6,619	6,196
Workers' Compensation Fund	663	908	674	1,071
Unemployment Compensation	158,940	160,657	154,019	168,180
West Virginia Infrastructure and Jobs Development Council	4,542	4,565	3,389	4,008
Public Employees' Insurance Agency	916,152	850,360	641,968	629,198
Board of Risk and Insurance Management	108,175	100,253	86,433	81,250
Drinking Water Treatment Revolving Fund	2,070	—	—	—
Other Activities	144,404	153,492	152,757	147,642
Total Charges for Services	1,341,332	1,276,652	1,045,859	1,037,545
Total Revenues	1,341,332	1,276,652	1,045,859	1,037,545
Total Business-type Activities Net Program Expenses	(67,711)	(180,165)	(140,052)	(146,661)
General Revenues and Other Changes in Net Position:				
Unrestricted Investment Earnings	189,553	166,473	94,074	(171,028)
Tobacco Settlement Revenue	—	—	—	—
Lottery Revenue	46,000	46,000	46,000	46,000
Miscellaneous	108,330	24,653	13,424	250,347
Transfers	47,308	32,205	88,142	32,932
Total General Revenues and Other Changes in Net Position	391,191	269,331	241,640	158,251
Total Business-type Activities Changes in Net Position	\$ 323,480	\$ 89,166	\$ 101,588	\$ 11,590
Total Primary Government Changes in Net Position	\$ 388,065	\$ 528,058	\$ 2,297,717	\$ 2,683,913

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.

	2021	2020	2019	2018	2017	2016
\$	2,194,829	\$ 2,023,079	\$ 2,090,596	\$ 1,939,977	\$ 1,830,106	\$ 1,849,056
1,668,378	1,514,838	1,481,344	1,355,135	1,312,353	1,291,813	
777,371	550,918	793,067	626,743	581,896	640,081	
266,706	235,758	239,201	222,859	217,665	222,578	
701,541	680,902	682,331	674,795	593,158	605,403	
379,286	384,882	393,244	390,773	409,426	303,770	
130,414	123,951	144,963	56,933	73,552	34,380	
61,812	106,093	59,764	62,930	61,426	62,697	
389,012	266,124	348,250	322,845	336,294	342,702	
628,007	176,399	395,866	152,806	106,526	129,760	
—	—	—	—	—	—	
(48,118)	7,147	(30,315)	9,667	15,204	(108,778)	
<u>7,149,238</u>	<u>6,070,091</u>	<u>6,598,311</u>	<u>5,815,463</u>	<u>5,537,606</u>	<u>5,373,462</u>	
<u>\$ 1,620,514</u>	<u>\$ 36,441</u>	<u>\$ 1,146,962</u>	<u>\$ 427,773</u>	<u>\$ 98,063</u>	<u>\$ 235,161</u>	
11,291	10,739	5,316	4,067	3,467	4,745	
62,049	59,151	139,992	117,132	134,443	202,406	
1,063,978	1,415,646	164,478	142,103	169,197	509,796	
31,795	22,325	18,512	35,937	23,941	60,622	
701,087	597,217	561,807	537,044	552,882	542,825	
88,562	70,377	84,683	61,797	66,152	67,650	
—	—	—	—	—	—	
116,405	110,335	96,947	98,697	98,901	103,294	
<u>2,075,167</u>	<u>2,285,790</u>	<u>1,071,735</u>	<u>996,777</u>	<u>1,048,983</u>	<u>1,491,338</u>	
5,763	5,779	5,879	6,061	5,995	5,850	
2,604	1,679	18,194	35,905	35,738	105,897	
200,836	202,465	204,789	188,153	204,496	431,717	
4,749	3,810	3,310	3,344	3,095	1,940	
571,567	555,480	545,646	560,051	576,153	507,419	
78,692	75,539	76,541	72,270	64,587	58,303	
—	—	—	—	—	—	
144,406	130,781	120,187	121,484	118,471	118,985	
<u>1,008,617</u>	<u>975,533</u>	<u>974,546</u>	<u>987,268</u>	<u>1,008,535</u>	<u>1,230,111</u>	
<u>1,008,617</u>	<u>975,533</u>	<u>974,546</u>	<u>987,268</u>	<u>1,008,535</u>	<u>1,230,111</u>	
<u>(1,066,550)</u>	<u>(1,310,257)</u>	<u>(97,189)</u>	<u>(9,509)</u>	<u>(40,448)</u>	<u>(261,227)</u>	
301,195	96,412	116,396	99,883	167,076	31,098	
—	—	—	—	—	—	
46,000	38,198	46,000	48,750	31,500	42,735	
1,020,205	984,648	7,791	6,708	6,467	6,554	
48,118	(7,147)	30,315	(9,667)	(15,204)	108,778	
<u>1,415,518</u>	<u>1,112,111</u>	<u>200,502</u>	<u>145,674</u>	<u>189,839</u>	<u>189,165</u>	
<u>\$ 348,968</u>	<u>\$ (198,146)</u>	<u>\$ 103,313</u>	<u>\$ 136,165</u>	<u>\$ 149,391</u>	<u>\$ (72,062)</u>	
<u>\$ 1,969,482</u>	<u>\$ (161,705)</u>	<u>\$ 1,250,275</u>	<u>\$ 563,938</u>	<u>\$ 247,454</u>	<u>\$ 163,099</u>	

West Virginia

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

	2025	2024	2023	2022
General Fund				
Nonspendable:				
Inventories	\$ 18,664	\$ 12,624	\$ 11,935	\$ 11,115
Receivables	38,199	38,199	18,875	116,432
Restricted for:				
Government Operations	2,737	5,168	6,252	59,883
Development, Tourism, and Recreation	11,896	13,121	16,625	6,871
Education	240	240	214	240
Health and Social Services	1,875	1,958	1,359	3,466
Public Protection	1,305	2,080	1,621	1,030
Committed for:				
General Government Operations	49,155	52,037	35,971	33,210
Rainy Day Funds	—	—	—	—
Development, Tourism, and Recreation	7,431	9,494	13,475	21,201
Education	8,598	15,846	17,140	16,781
Health and Social Services	8,897	22,308	44,304	32,912
Public Protection	3,414	3,909	4,160	4,169
Assigned for:				
Government Operations	8,681	9,497	10,423	7,214
Development, Tourism, and Recreation	1,944	2,511	2,382	2,283
Education	1,627	2,074	1,478	1,434
Health and Social Services	1,536	1,934	2,387	2,522
Public Protection	476	638	783	823
Unassigned	<u>3,565,742</u>	<u>4,014,443</u>	<u>4,556,595</u>	<u>3,555,421</u>
Total General Fund	<u><u>\$ 3,732,417</u></u>	<u><u>\$ 4,208,081</u></u>	<u><u>\$ 4,745,979</u></u>	<u><u>\$ 3,877,007</u></u>
All Other Governmental Funds				
Nonspendable:				
Inventories	90,102	\$ 94,290	\$ 83,047	\$ 62,475
Permanent Fund	1,000	1,000	1,000	1,000
Receivables	—	—	18,875	—
Restricted for:				
Capital Projects	527,730	695,732	851,115	974,496
Debt Service	456,336	529,474	541,255	557,983
Government Operations	—	—	—	—
Development, Tourism, and Recreation	79,254	74,800	72,388	73,752
Education	353	131	134	505
Public Protection	117,218	108,206	87,711	107,501
Transportation	317,971	390,889	449,685	484,513
Committed for:				
General Government Operations	7,780	7,333	6,851	6,862
Public Protection	392,683	361,238	329,309	322,173
Assigned for:				
Health and Social Services	4,500	4,369	4,159	4,126
Public Protection	3,630	3,361	4,890	4,924
Transportation	240,931	417,661	244,044	198,861
Unassigned	—	280	—	(12,274)
Total All Other Governmental Funds	<u><u>2,239,488</u></u>	<u><u>2,688,764</u></u>	<u><u>2,694,463</u></u>	<u><u>2,786,897</u></u>
Total Fund Balances, Governmental Funds	<u><u>\$ 5,971,905</u></u>	<u><u>\$ 6,896,845</u></u>	<u><u>\$ 7,440,442</u></u>	<u><u>\$ 6,663,904</u></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.

	2021		2020		2019		2018		2017		2016
\$	11,425	\$	8,954	\$	—	\$	11,888	\$	11,113	\$	9,936
	125,259		122,435		—		112,120		128,761		128,116
21,896		109,500		—		818		500		132	
2,769		7,766		109,500		2,409		1,768		511	
128		244		7,766		95		180		65	
701		1,449		244		372		527		160	
357		890		1,449		402		314		81	
11,182		21,434		—		6,483		4,771		1,213	
996,893		862,766		763,388		720,323		663,061		789,352	
4,106		8,084		8,084		2,755		2,246		695	
11,458		14,336		12,792		25,038		24,126		24,031	
13,652		22,521		22,521		9,219		5,020		871	
1,890		4,937		4,937		2,115		1,720		479	
5,545		8,491		7,967		1,978		—		6,183	
811		1,835		1,835		615		—		—	
362		751		751		267		—		—	
907		2,591		2,591		860		—		—	
325		1,600		1,600		420		—		—	
932,900		442,363		673,649		305,331		(1,231,719)		(1,324,232)	
\$	2,142,566	\$	1,642,947	\$	1,648,385	\$	1,203,508	\$	(387,612)	\$	(362,407)
\$	57,742	\$	60,253	\$	54,997	\$	49,163	\$	52,860	\$	49,814
	1,000		1,000		1,000		1,000		1,000		1,000
—	—		—		—		—		543,598		564,488
1,325,879		1,444,819		1,002,883		967,400		10,658		12,333	
578,301		636,745		658,493		677,347		153,621		153,646	
				65,000		65,482		63,888		54,591	
78,281		62,703		427		360		889		584	
502		535		94,395		87,049		57,160		51,334	
118,315		102,368		312,280		17,550		12,737		12,031	
504,595		142,157				5,258		1,642		1,796	
6,508		5,986		322,358		287,855		265,899		299,757	
330,075		314,622				—		—		—	
3,904		3,762		3,877		5,738		6,226		4,506	
6,093		3,598		280,637		220,966		67,439		6,309	
278,485		13,586		1,917		210,794		(13,610)		(9,953)	
—	—	—		—		—		—		—	
\$	3,289,680	\$	2,792,134	\$	2,803,522	\$	2,595,848	\$	1,224,007	\$	1,202,236
\$	5,432,246	\$	4,435,081	\$	4,451,907	\$	3,799,356	\$	836,395	\$	839,829

West Virginia

Schedule 4

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

	2025	2024	2023	2022
Revenues:				
Taxes:				
Personal Income	\$ 1,963,968	\$ 2,084,287	\$ 2,614,991	\$ 2,508,884
Consumer Sales and Use	2,047,716	1,996,304	1,919,466	1,812,650
Severance	471,610	418,604	840,325	894,560
Corporate Net Income	394,381	411,394	433,695	346,535
Business and Occupation	103,080	127,501	116,404	110,485
Medicaid	470,442	342,985	300,994	278,211
Gasoline and Motor Carrier	430,736	435,840	439,560	422,937
Automobile Privilege	332,273	316,406	322,667	296,875
Other	408,816	405,236	407,682	403,244
Intergovernmental	7,988,656	7,128,128	8,369,774	8,541,855
Licenses, Permits, and Fees	259,266	247,696	256,430	248,956
Motor Vehicle Registration	144,426	138,067	144,626	141,471
Charges for Services	184,694	191,277	170,339	158,020
Lottery Revenues	387,980	388,799	372,736	367,107
Investment Earnings	468,307	512,761	317,224	(121,046)
Food Stamp Revenue	562,570	571,906	999,558	1,002,881
Other	408,270	624,391	471,076	245,980
Total Revenues	17,027,191	16,341,582	18,497,547	17,659,604
Expenditures:				
Current:				
Legislative	33,095	37,175	26,815	28,426
Judicial	171,480	160,133	148,943	150,671
Executive	751,353	385,192	377,969	785,832
Administration	159,379	160,728	157,671	158,554
Commerce	308,672	338,214	224,965	186,764
Environmental Protection	257,589	179,011	173,366	155,023
Employment Programs	47,641	52,833	65,842	64,338
Economic Development	100,442	119,311	108,816	473,062
Education	3,379,874	3,817,309	3,330,645	3,176,220
Arts, Culture, and History	40,943	39,267	36,829	36,735
Health, Health Facilities, and Human Services	8,834,785	7,561,303	8,325,854	8,053,902
Homeland Security	735,839	665,802	611,915	488,555
Revenue	129,994	229,449	135,879	84,878
Tourism	29,130	29,449	30,533	35,508
Transportation	1,153,128	1,313,684	1,028,402	956,241
Veterans Assistance	29,900	31,495	25,917	22,199
Senior Services	54,909	54,270	55,449	52,603
Regulatory Boards and Commissions	315,824	211,661	1,507,016	367,606
Capital Outlay	980,966	1,092,771	934,371	792,076
Debt Service:				
Principal	210,895	174,780	175,849	163,133
Interest	117,232	125,160	131,877	139,111
Right-to-Use Principal	21,948	21,304	20,976	14,700
Right-to-Use Interest	4,218	3,587	4,090	2,962
Total Expenditures	17,869,236	16,803,888	17,639,989	16,389,099
Excess of Revenues Over (Under) Expenditures	(842,045)	(462,306)	857,558	1,270,505
Other Financing Sources (Uses):				
Face Value of Long-Term Debt Issued	—	—	—	—
Premiums on Bonds Issued	—	—	—	—
Capital Lease Acquisitions	—	—	—	—
Right-to-Use Leases	22,360	18,085	22,472	13,140
Payments to Refunded Bonds Escrow Agents	—	—	—	—
Transfers In	103,550	127,655	157,912	143,633
Transfers Out	(211,282)	(208,156)	(277,338)	(195,620)
Total Other Financing Sources (Uses)	(85,372)	(62,416)	(96,954)	(38,847)
Net Changes in Fund Balances	\$ (927,417)	\$ (524,722)	\$ 760,604	\$ 1,231,658
Debt service as a percentage of noncapital expenditures	2.10 %	2.05 %	1.89 %	2.01 %

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.

	2021	2020	2019	2018	2017	2016
\$	2,196,298	\$ 2,021,193	\$ 2,084,820	\$ 1,936,836	\$ 1,846,638	\$ 1,853,422
1,668,804	1,516,325	1,477,711	1,355,092	1,317,452	1,293,535	
326,363	268,513	452,680	393,278	360,801	373,801	
317,670	155,406	205,481	109,113	120,728	152,873	
131,541	134,173	129,105	115,772	110,240	119,594	
267,979	236,292	238,773	226,212	215,558	221,717	
404,425	410,901	444,575	443,273	389,753	404,321	
297,116	270,001	237,756	231,522	203,405	201,082	
379,294	384,873	393,326	390,691	409,636	303,544	
6,853,416	5,273,610	4,871,752	4,696,456	5,130,386	4,702,423	
243,371	241,191	249,476	245,434	230,571	239,007	
146,836	122,972	175,565	156,931	109,047	94,277	
173,157	136,500	131,956	122,975	123,512	118,233	
384,118	262,156	343,356	317,140	330,589	336,938	
155,659	137,340	159,033	66,522	83,917	34,300	
872,884	533,130	405,622	451,228	490,483	496,107	
748,925	253,175	468,351	212,216	177,335	202,768	
15,567,856	12,357,751	12,469,338	11,470,691	11,650,051	11,147,942	
25,903	23,414	23,606	23,439	24,461	26,907	
135,586	137,777	133,023	130,832	139,774	144,091	
843,107	374,699	279,425	202,686	176,493	142,313	
105,099	147,210	77,189	111,703	148,133	126,668	
289,378	220,882	224,908	206,481	196,657	180,018	
127,164	135,242	140,328	127,757	148,139	151,537	
213,160	53,426	49,383	48,895	51,546	48,968	
—	—	—	—	—	—	
3,111,098	3,092,021	2,873,944	2,796,313	2,831,189	2,869,977	
—	—	—	—	—	—	
7,018,893	6,018,370	5,589,099	5,484,857	5,869,748	5,430,561	
568,532	566,560	488,369	478,052	525,010	495,656	
141,218	73,121	137,263	86,650	95,166	91,050	
—	—	—	—	—	—	
739,916	877,712	1,042,123	873,276	894,409	914,909	
21,025	21,517	24,811	23,104	21,036	21,546	
54,576	48,651	45,002	44,295	42,029	44,253	
134,791	38,763	35,534	39,337	42,181	36,877	
903,605	972,659	542,106	365,949	364,318	359,889	
166,750	167,020	111,090	130,901	75,615	85,180	
124,227	149,247	135,867	92,461	91,238	95,180	
—	—	—	—	—	—	
14,724,028	13,118,291	11,953,020	11,266,988	11,737,142	11,265,580	
843,828	(760,540)	516,318	203,703	(87,091)	(117,638)	
907,600	600,000	133,789	1,186,099	81,595	—	
63,371	146,576	19,097	172,216	8,640	—	
—	—	12,414	11,737	13,568	2,019	
(737,172)	—	—	(142,788)	(32,022)	—	
278,761	192,909	254,709	163,393	204,252	188,770	
(359,223)	(197,526)	(287,175)	(155,288)	(191,070)	(304,938)	
153,337	741,959	132,834	1,235,369	84,963	(114,149)	
\$ 997,165	\$ (18,581)	\$ 649,152	\$ 1,439,072	\$ 2,128	\$ 231,787	
2.06 %	2.55 %	2.17 %	2.05 %	1.47 %	1.66 %	

West Virginia

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

Personal Income by Industry (Calendar Year)

	2024	2023	2022	2021
Farm Earnings	\$ 80,922	\$ 25,806	\$ 54,988	\$ 32,040
Agricultural/Forestry, Fishing, and Other	129,816	137,595	136,782	146,870
Mining	3,324,130	2,850,036	2,797,809	2,472,132
Construction	3,340,957	3,108,458	3,018,898	2,994,056
Manufacturing	4,554,379	4,202,634	4,122,065	4,172,720
Transportation, Warehousing, and Public Utilities	2,787,185	2,625,038	2,502,352	2,461,407
Wholesale Trade	1,998,419	1,865,800	1,710,453	1,586,170
Retail Trade	3,696,299	3,585,777	3,462,627	3,345,766
Finance, Insurance, and Real Estate	3,070,603	2,963,354	2,705,450	16,777,919
Service Industries	23,336,260	21,580,815	20,390,422	18,933,825
Federal, Civilian	3,822,904	3,425,898	3,162,226	3,097,806
Military	393,422	355,171	472,462	654,487
State and Local Government	7,771,043	7,598,209	7,132,500	6,680,765
Tax Revenue (Fiscal Year)				
Consumer Sales	1,817,000	1,750,000	1,655,000	1,537,000
Personal Income	2,240,000	2,664,000	2,503,000	2,254,000
Severance	369,000	946,000	769,000	274,000
Corporate Income and Business Franchise	465,000	420,000	366,000	321,000
Motor Fuel	445,000	432,000	420,000	400,000
Automobile Privilege	316,406	322,667	297,000	297,000

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 2024. Source: Bureau of Economic Analysis, State of West Virginia Executive Budget, and the Department of Highways.

	2020	2019	2018	2017	2016	2015
\$	28,083	\$(27,935)	\$(63,393)	\$(87,698)	\$(99,972)	\$(30,770)
	131,019	157,191	161,474	158,024	158,604	160,316
	2,164,045	2,671,305	2,471,086	2,139,297	1,897,087	2,725,768
	2,811,942	3,311,109	4,101,799	3,008,747	2,689,538	2,896,798
	3,831,022	3,936,598	3,800,160	3,446,282	3,408,226	3,421,537
	2,343,504	2,433,754	2,341,273	2,208,615	2,151,786	2,159,353
	1,563,243	1,586,278	1,542,010	1,491,856	1,467,931	1,557,478
	3,073,387	3,022,118	2,964,421	2,938,849	2,972,989	2,935,939
	2,280,263	2,209,851	2,094,476	1,916,253	1,865,942	1,885,393
	17,650,527	18,092,541	17,462,559	16,079,925	15,551,002	15,611,983
	2,965,165	2,770,566	2,713,339	2,602,306	2,498,151	2,424,565
	322,107	319,932	300,274	285,857	277,818	272,963
	6,721,741	6,616,465	6,301,709	6,357,743	6,351,203	6,221,514
	1,387,000	1,370,000	1,247,000	1,222,000	1,231,000	1,228,000
	1,948,000	2,097,000	1,920,000	1,814,000	1,803,000	1,840,000
	267,000	463,000	346,000	321,000	276,000	414,000
	152,000	198,000	110,000	116,000	144,000	186,000
	427,000	443,000	420,000	381,000	396,000	435,000
	270,000	238,000	232,000	203,000	201,000	205,000

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.....	2.36% of the taxable income
At least — But less than —	
\$10,000 \$25,000.....	\$ 236.00 plus 3.15% of excess over \$10,000
\$25,000 \$40,000.....	\$ 708.00 plus 3.54% of excess over \$25,000
\$40,000 \$60,000.....	\$1,239.50 plus 4.72% of excess over \$40,000
\$60,000	\$2,183.00 plus 5.12% of excess over \$60,000

Business

	2025	2024	2023	2022
Corporate Net Income (applies to C corporations)	6.50%	6.50%	6.50%	6.50%
Severance Tax:				
Timber	various	0%	0%	0%
Oil/Gas	various	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	37.2	35.7	35.7
Automobile Privilege Tax	6%	6%	6%	6%

*On July 1, 2012, the tax rate on food declined from 2% to 1%. On July 1, 2013, the food tax was eliminated except when sold prepared or via vending machine.

**As of January 1, 2012, the variable sales and use rate of 11.7 cents per invoiced gallon increased to 12.9 cents per invoiced gallon.

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..... 3.36% of the taxable income

At least — But less than —

\$5,000	\$12,500.....	\$ 118.00 plus 3.15% of excess over \$5,000
\$12,500	\$20,000.....	\$ 450.00 plus 3.54% of excess over \$12,500
\$20,000	\$30,000.....	\$ 787.50 plus 4.72% of excess over \$20,000
\$30,000	\$ 1,387.50 plus 5.12% of excess over \$30,000

2021	2020	2019	2018	2017	2016
6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
0%	0%	1.50%	2%	2%	0%
5%	5%	5%	5%	5%	5%
various	various	various	various	various	various
6%	6%	6%	6%	6%	6%
0%	0%	0%	0%	0%	0%
35.7	35.7	35.7	35.7	35.7	34.6
6%	6%	6%	6%	6%	5%

Schedule 7
Ratios of Outstanding Debt
Last Ten Fiscal Years
(Dollars Expressed in Thousands)

	Primary Government Debt			
	2025	2024	2023	2022
Governmental Activities:				
General Obligation Bonds	\$ 1,685,225	\$ 1,790,804	\$ 1,890,099	\$ 1,982,665
Revenue Bonds	\$ 1,060,527	\$ 1,159,809	\$ 1,229,363	\$ 1,303,621
Right-to-Use Lease Liability	\$ 107,325	\$ 102,000	\$ 103,877	\$ 99,993
Right-to-Use Software Liability	\$ 15,680	\$ 20,677	\$ 15,927	\$ —
Other Financing Debt	\$ 14,762	\$ 10,249	\$ 18,094	\$ 29,025
Other Financing Debt Payable to Component Units	\$ 116,595	\$ 133,880	\$ 150,425	\$ 171,740
Total Governmental Activities	<u>\$ 3,000,114</u>	<u>\$ 3,217,419</u>	<u>\$ 3,407,785</u>	<u>\$ 3,587,044</u>
Enterprise Activities:				
Revenue Bonds	\$ 121,607	\$ 136,480	\$ 144,165	\$ 151,565
Total Primary Government Debt	<u>\$ 3,121,721</u>	<u>\$ 3,353,899</u>	<u>\$ 3,551,950</u>	<u>\$ 3,738,609</u>

Governmental Activities Tax Income							
Year	Personal Income	Consumer Sales and Use		Business	Transportation	Other	Total
2025	\$ 1,959,341	\$ 2,042,623	\$ 967,024	\$ 763,009	\$ 409,248	\$ 6,145,245	
2024	\$ 2,079,918	\$ 1,999,319	\$ 889,481	\$ 752,246	\$ 749,505	\$ 6,470,469	
2023	\$ 2,628,777	\$ 1,920,060	\$ 1,448,071	\$ 762,227	\$ 709,303	\$ 7,468,438	
2022	\$ 2,523,014	\$ 1,816,936	\$ 1,378,447	\$ 719,812	\$ 684,184	\$ 7,122,393	
2021	\$ 2,194,829	\$ 1,668,378	\$ 777,371	\$ 701,541	\$ 645,992	\$ 5,988,111	
2020	\$ 2,023,079	\$ 1,514,838	\$ 550,918	\$ 680,902	\$ 620,640	\$ 5,390,377	
2019	\$ 2,090,596	\$ 1,368,741	\$ 793,067	\$ 682,331	\$ 632,445	\$ 5,567,180	
2018	\$ 1,939,977	\$ 1,355,135	\$ 626,743	\$ 674,795	\$ 613,632	\$ 5,210,282	
2017	\$ 1,830,106	\$ 1,312,353	\$ 581,896	\$ 593,158	\$ 627,091	\$ 4,944,604	
2016	\$ 1,849,056	\$ 1,291,813	\$ 640,081	\$ 605,403	\$ 526,348	\$ 4,912,701	

General Obligation Bond Debt Ratios				
Year	General Obligation Bond Debt	Percent of Tax Income	Percent of Personal Income	Amount of Debt Per Capita*
2025	\$ 1,685,225	27.42 %	1.72 %	\$ 0.95
2024	\$ 1,790,804	27.68 %	1.89 %	\$ 1.01
2023	\$ 1,890,099	25.31 %	2.21 %	\$ 1.06
2022	\$ 1,982,665	27.84 %	2.32 %	\$ 1.11
2021	\$ 2,057,062	34.35 %	2.56 %	\$ 1.16
2020	\$ 1,865,314	34.60 %	2.46 %	\$ 1.04
2019	\$ 1,182,881	21.25 %	1.60 %	\$ 0.66
2018	\$ 1,240,350	23.81 %	1.80 %	\$ 0.68
2017	\$ 359,261	7.27 %	0.54 %	\$ 0.20
2016	\$ 393,089	8.00 %	0.58 %	\$ 0.21

Primary Government Debt											
	2021		2020		2019		2018		2017		2016
\$	2,057,062	\$	1,865,314	\$	1,182,881	\$	1,240,350	\$	359,261	\$	393,089
	1,380,364		1,445,649		1,532,497		1,415,049		1,182,921		1,142,347
—	—	—	—	—	—	—	—	—	—	—	—
27,210	32,368		32,972		45,563		28,168		28,153		28,153
191,185	209,730		227,660		244,995		260,955		260,955		275,765
3,656	3,553,061		2,976,010		2,945,957		1,831,305		1,831,305		1,839,354
158,655	165,475		172,045		178,395		185,290		185,290		191,049
\$	3,815	\$	3,718,536	\$	3,148,055	\$	3,124,352	\$	2,016,595	\$	2,030,403

Total Debt Ratios

Year	Total Debt	Percent of Tax Income	Percent of Personal Income	Amount of Debt Per Capita*
2025	\$ 3,121,721	50.80 %	3.19 %	1.76
2024	\$ 3,353,899	51.83 %	3.55 %	1.90
2023	3,551,950	49.87 %	4.15 %	1.99
2022	3,738,609	52.49 %	4.37 %	2.10
2021	3,814,476	63.70 %	4.75 %	2.16
2020	3,718,536	68.98 %	4.90 %	2.07
2019	3,148,055	56.55 %	4.27 %	1.74
2018	3,124,352	59.97 %	4.54 %	1.72
2017	2,016,595	40.78 %	3.01 %	1.10
2016	2,030,403	41.33 %	3.00 %	1.10

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 8

**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
2025	\$ 31,658	—	\$ 31,658	\$ 24,220	\$ 7,438	\$ 31,658	1.00
2024	31,690	—	31,690	23,070	8,620	31,690	1.00
2023	31,711	—	31,711	21,965	9,746	31,711	1.00
2022	31,738	—	31,738	20,920	10,818	31,738	1.00
2021	32,769	—	32,769	19,930	12,839	32,769	1.00
2020	31,787	—	31,787	18,975	12,812	31,787	1.00
2019	31,495	—	31,495	17,765	13,730	31,495	1.00
2018	25,926	—	25,926	15,310	10,616	25,926	1.00
2017	10,971	—	10,971	8,515	2,456	10,971	1.00
2016	—	—	—	—	—	—	—

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
2025	\$ 66,045	\$ 53,347	\$ 12,698	\$ 3,655	\$ 3,205	\$ 6,860	1.85
2024	65,852	52,852	13,000	3,510	3,362	6,872	1.89
2023	59,227	41,660	17,567	3,385	3,529	6,914	2.54
2022	50,307	40,896	9,411	3,225	3,692	6,917	1.36
2021	51,009	27,977	23,032	3,100	3,834	6,934	3.32
2020	46,205	18,245	27,960	2,985	3,953	6,938	4.03
2019	54,612	19,158	35,454	2,900	4,055	6,955	5.10
2018	51,948	30,841	21,107	3,570	4,137	7,707	2.74
2017	29,097	17,264	11,883	83,805	3,634	87,439	0.14
2016	38,048	58,856	(20,808)	2,720	4,640	7,360	(2.83)

Tobacco Settlement Finance Authority

Pursuant to the Code, and a Purchase and Sale Agreement, dated June 1, 2007, by and between the Authority and the State, the State sold to the Authority its right, title, and interest in and to all tobacco settlement revenue that is received by the State, under the terms of the Master Settlement Agreement entered into by participating tobacco product manufacturers, West Virginia, 45 other states, and six other U.S. jurisdictions in November 1998. In FY 21, refunding bonds Series 2020 were issued. The proceeds were used to refund a portion of the 200A bonds. The Series 2020 Bonds are secured by and are payable solely from the right, title, and interest of the Authority of 100% of the tobacco receipts, and investment earnings on the accounts with the trustee under the Indenture.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2025	\$ 53,001	\$ 140	\$ 52,861	\$ 35,815	\$ 20,195	\$ 56,010	0.94
2024	58,081	179	57,902	33,070	21,195	54,265	1.03
2023	61,527	155	61,372	37,960	22,045	60,005	1.03
2022	65,319	97	65,222	42,275	22,917	55,192	1.00
2021	63,577	(30)	63,607	40,290	14,024	54,314	1.17
2020	108,271	361	107,910	61,825	50,263	112,088	0.96
2019	63,711	109	63,602	12,910	51,226	64,136	0.99
2018	65,304	127	65,177	13,410	52,228	65,638	0.99
2017	68,009	116	67,893	15,090	53,355	68,445	1.00
2016	66,356	130	66,226	12,405	54,281	66,686	0.99

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
2025	\$ (11,354)	\$ —	\$ (11,354)	\$ 46,090	\$ 2,335	\$ 43,025	(0.26)
2024	21,287	—	21,287	15,570	2,942	18,512	1.15
2023	20,549	—	20,549	14,680	3,861	18,541	1.11
2022	19,037	—	19,037	13,840	4,726	18,566	1.03
2021	18,990	—	18,990	13,130	5,503	18,633	1.02
2020	19,438	—	19,438	12,460	6,194	18,654	1.04
2019	19,801	—	19,801	11,825	6,846	18,671	1.06
2018	19,419	—	19,419	11,220	7,465	18,685	1.04
2017	19,114	—	19,114	10,650	8,052	18,702	1.03
2016	19,051	—	19,051	10,105	8,610	18,715	1.02

Schedule 8

**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
2025	\$ 9,999	\$ —	\$ 9,999	\$ 5,090	\$ 4,907	\$ 9,997	1.00
2024	9,995	—	9,995	4,845	5,150	9,995	1.00
2023	9,995	—	9,995	4,615	5,380	9,995	1.00
2022	9,991	—	9,991	4,395	5,600	9,995	1.00
2021	9,994	—	9,994	4,185	5,809	9,994	1.00
2020	9,994	—	9,994	3,985	6,009	9,994	1.00
2019	9,994	—	9,994	3,795	6,198	9,993	1.00
2018	10,240	2,691	7,549	1,095	6,206	7,301	1.03
2017	10,010	—	10,010	3,290	6,709	9,999	1.00
2016	9,996	—	9,996	3,130	6,865	9,995	1.00

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
2025	\$ 2,072	\$ —	\$ 2,072	\$ 1,025	\$ 979	\$ 2,004	1.03
2024	2,079	—	2,079	975	1,029	2,004	1.04
2023	2,064	—	2,064	930	1,076	2,006	1.03
2022	2,031	—	2,031	885	1,122	2,007	1.01
2021	2,029	—	2,029	870	1,153	2,023	1.00
2020	2,038	—	2,038	855	1,169	2,024	1.01
2019	2,045	—	2,045	400	1,179	1,579	1.30
2018	1,397	—	1,397	—	400	—	3.49

Economic Development Authority

The Economic Development Authority (EDA) has issued Revenue Bonds to provide financial assistance to State governmental entities for the acquisition and construction of facilities deemed to be in the public interest. The EDA has lease-purchase agreements with the State, and the State makes the payments to the trustee. Upon repayment of the bonds, ownership of the acquired facilities transfers to the governmental entity served by the bond issuance.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2025	\$ —	\$ —	\$ 24,086	\$ 18,037	\$ 6,049	\$ 24,086	1.00
2024	—	—	23,267	16,545	6,722	23,267	1.00
2023	—	—	28,937	21,315	7,622	28,937	1.00
2022	—	—	27,872	19,445	8,427	27,872	1.00
2021	—	—	27,656	18,545	9,111	27,656	1.00
2020	—	—	27,802	17,930	9,872	27,802	1.00
2019	—	—	27,846	17,330	10,516	27,846	1.00
2018	—	—	27,273	16,093	11,180	27,273	1.00
2017	—	—	26,455	14,810	11,645	26,455	1.00
2016	—	—	25,780	13,775	12,005	25,780	1.00

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
2025	\$ 119,160	\$ 15,434	\$ 103,726	\$ 29,520	\$ 27,311	\$ 56,831	1.83
2024	95,889	17,989	77,900	21,915	16,122	38,037	2.05
2023	82,823	10,814	72,009	18,885	9,142	28,027	2.57
2022	105,294	7,833	97,461	21,135	7,456	28,591	3.41
2021	119,954	7,962	111,992	26,785	9,862	36,647	3.06
2020	95,207	9,323	85,884	24,575	10,013	34,588	2.48
2019	84,319	8,351	75,968	23,385	9,101	32,486	2.34
2018	86,072	6,441	79,631	28,095	9,904	37,999	2.10
2017	93,181	7,022	86,159	27,075	10,967	38,042	2.26
2016	97,344	6,980	90,364	24,240	12,690	36,930	2.44

Schedule 8

Pledged Revenue Coverage

Last Ten Fiscal Years

(Dollars Expressed in Thousands)

(Continued)

Water Development Authority

The Authority maintains a variety of programs to provide long-term, short-term, and private-activity financing at favorable interest rates for design, construction, and/or acquisition of wastewater and/or water systems. Monies are loaned to municipalities, public service districts, and other political subdivisions through purchase of revenue bonds or notes issued by these local governmental agencies. The loans are repaid from the revenues of the systems or other permanent financing. The aggregate principal amount of bonds and/or notes issued by the Authority may not exceed \$500 million outstanding at any time; provided that before the Authority issues bonds or notes in excess of \$400 million, the Legislature must pass a resolution authorizing this action. An additional aggregate principal amount of \$192 million may be issued for the limited purpose of providing grants for capital improvements for designated projects in the Chesapeake Bay and Greenbrier Watershed areas. The Authority's long-term planning is accomplished within the confines of its authorized borrowing limit. Operating revenue includes revenues and principal loan repayments. Both are used for bond repayment.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2025	\$ 210,590	\$ 1,650	\$ 208,940	\$ 9,390	\$ 4,568	\$ 13,958	\$ 14.98
2024	55,132	1,431	53,701	10,422	4,973	15,395	3.50
2023	18,294	1,856	16,438	9,229	5,426	14,655	1.13
2022	10,093	1,038	9,055	8,851	5,884	14,735	0.61
2021	10,946	1,052	9,894	8,544	6,193	14,737	0.67
2020	11,136	1,292	9,844	8,238	6,418	14,656	0.67
2019	11,449	1,207	10,242	8,969	6,677	15,646	0.65
2018	12,034	1,398	10,636	49,195	7,382	56,577	0.19
2017	12,681	1,633	11,048	54,880	63,040	117,920	0.09
2016	13,294	1,685	11,610	8,034	8,251	16,285	0.71

Higher Education Fund

Various individual institutions, as well as the Fund, have issued bonds which are generally payable from tuition and registration fees. Several bond issues, including the 2009 Series A, 2010 Series A, B, and C, and a 2012 Series A and B are to be repaid using certain Lottery funds. Higher Education issued new taxable bonds in fiscal year 2023.

Fiscal Year	Operating Revenue	Direct Operating Expense	Net Revenue Available for Debt Service	Current Year Debt Service Requirements			
				Principal	Interest	Total	Coverage
2025	\$ 2,025,819	\$ 2,061,589	\$ (35,770)	\$ 91,493	\$ 60,796	\$ 152,289	(0.23)
2024	2,155,782	1,941,772	214,010	76,657	62,219	138,876	1.54
2023	1,863,995	1,885,950	(21,955)	79,703	60,644	140,347	(0.16)
2022	1,752,336	1,860,528	(108,192)	84,149	58,623	142,772	(0.76)
2021	1,734,046	1,741,493	(7,447)	64,063	56,577	120,640	(0.06)
2020	1,719,799	1,793,882	(74,083)	95,782	53,321	149,103	(0.50)
2019	1,706,699	1,735,783	(29,084)	46,830	59,354	106,184	(0.27)
2018	1,690,514	1,699,547	(9,033)	81,181	58,879	140,060	(0.06)
2017	1,687,251	1,717,659	(30,408)	93,417	59,644	153,061	(0.20)
2016	1,661,924	1,712,074	(51,150)	40,620	58,309	98,929	(0.52)

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
2025	\$ 548,666	\$ 527,951	\$ 20,715	\$ 2,428	\$ 1,646	\$ 4,074	5.09
2024	481,027	505,815	(24,788)	1,165	1,145	2,310	(10.72)
2023	433,813	430,298	3,515	1,111	491	1,602	2.20
2022	315,841	355,507	(39,666)	1,043	436	1,479	(26.82)
2021	414,454	392,725	21,729	9,440	527	9,967	2.18
2020	388,022	379,661	8,361	9,004	990	9,994	0.84
2019	356,488	336,744	19,744	8,557	1,564	10,121	1.95
2018	104,704	86,365	18,339	7,294	1,493	8,787	2.09
2017	93,493	82,258	11,235	6,936	1,854	8,790	1.28
2016	89,639	76,579	13,060	6,537	1,653	8,190	1.60

Schedule 8

**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	
2025	\$ 41,766	\$ 4,483	\$ 37,283	\$ 17,930	\$ 6,789	\$ 24,719	1.51
2024	42,898	6,467	36,431	47,060	7,790	54,850	0.66
2023	62,183	27,912	34,271	16,585	8,261	24,846	1.38
2022	30,591	3,357	27,234	15,840	8,819	24,659	1.10
2021	37,023	14,751	22,272	15,100	9,563	24,663	0.90
2020	38,856	7,953	30,903	36,765	10,784	47,549	0.65
2019	66,767	104	66,663	28,285	11,732	40,017	1.67
2018	60,409	2,025	58,384	29,620	12,146	41,766	1.40
2017	60,010	8,069	51,940	27,235	14,169	41,404	1.26
2016	64,044	10,180	53,864	25,900	12,457	39,644	1.36

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	
2025	\$ 203,012	\$ 59,653	\$ 143,359	\$ 30,759		4.66
2024	192,032	52,110	139,922	30,762		4.55
2023	189,474	47,717	141,757	30,763		4.61
2022	178,589	42,562	136,027	30,764		4.42
2021	157,853	45,124	112,729	10,282		10.96
2020	156,655	44,028	112,627	10,280		10.96
2019	132,815	43,949	88,866	9,025		9.85
2018	95,215	37,449	57,766	10,140		5.70
2017	92,436	41,621	50,815	10,760		4.72
2016	98,223	39,223	54,100	10,755		5.03

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 9

Demographic and Economic Indicators
Last Ten Calendar Years

	2024	2023	2022	2021
Population				
West Virginia	1,769,760	1,766,107	1,764,786	1,781,860
Change	0.21 %	0.07 %	-0.96 %	0.79 %
National	347,300,000	345,815,485	340,267,511	338,380,787
Change	0.43 %	1.63 %	0.56 %	1.45 %
Total Personal Income (Dollars in Millions)				
West Virginia	\$ 97,815	\$ 94,536	\$ 88,954	\$ 85,540
Change	3.47 %	6.28 %	3.99 %	6.52 %
National	\$ 24,597,800	\$ 22,952,030	\$ 21,804,790	\$ 21,056,620
Change	7.16 %	5.26 %	3.55 %	7.39 %
Per Capita Personal Income* (In Dollars)				
West Virginia	\$ 55,138	\$ 52,585	\$ 49,169	\$ 48,488
Change	4.85 %	6.95 %	1.40 %	7.77 %
National	\$ 73,207	\$ 69,205	\$ 65,423	\$ 63,444
Change	5.78 %	5.78 %	3.12 %	6.61 %
Median Age	43	43	42	42
Educational Attainment				
9th Grade or Less	3.0 %	3.8 %	3.9 %	4.1 %
Some High School, No Diploma	6.9 %	8.1 %	8.3 %	8.3 %
High School Diploma	39.4 %	40.1 %	39.9 %	40.0 %
Some College, No Degree	17.9 %	18.5 %	26.4 %	18.7 %
Associate, Bachelor's, or Graduate Degree	32.8 %	29.5 %	30.0 %	28.9 %
Labor Force and Employment (People in Thousands)				
Civilian Labor Force	786.7	785.6	785.1	788.8
Employed	754.0	755.0	754.5	749.1
Unemployed	33.1	30.7	30.7	39.7
Unemployment Rate	4.00 %	3.90 %	3.9 %	5.0 %
Nonfarm Wage and Salary Workers Employed in West Virginia Goods Producing Industries:				
Mining	21.7	21.8	19.9	17.5
Construction	33.9	32.1	32.1	30.9
Manufacturing-Durable Goods	27.5	27.8	27.5	26.5
Manufacturing-NonDurable Goods	17.9	17.7	18.7	19.1
Total Goods Producing Industries	101.0	99.4	98.2	94.0
Non-Goods Producing Industries (people in thousands)				
Trade	96.0	96.7	96.4	97.3
Service	360.6	357.4	352.2	347.8
State and Local Government	127.9	124.3	124.3	121.4
Federal Government	26.6	25.7	25.2	25.2
Total Non-Goods Producing Industries	611.1	604.1	598.1	591.7
Total Nonfarm Wage and Salary Employment	712	704	696.3	685.7

*Per capita personal income is calculated by dividing total personal income by population.

Various population, personal income and per capita personal income figures have been amended from last year's schedule.

Sources: WORKFORCE West Virginia Research, Information, and Analysis Office; the Census; the Survey of Current Business; and the Bureau of Economic Analysis.

	2020	2019	2018	2017	2016	2015
	1,767,859 (1.36)%	1,792,147 (0.76)%	1,805,832 (0.55)%	1,815,857 (83.00)%	1,831,102 (0.71)%	1,844,128 (0.33)%
	333,551,673	328,239,523	327,167,434	325,719,178	323,127,513	321,418,820
	1.62 %	0.33 %	0.44 %	80.00 %	0.53 %	0.80 %
\$	80,304 5.89 %	75,835 2.74 %	73,809 7.18 %	68,864 2.69 %	67,062 (1.07)%	67,787 1.39 %
\$	19,607,447 5.74 %	18,542,262 4.09 %	17,813,035 8.53 %	16,413,551 3.15 %	15,912,777 2.90 %	15,463,981 5.32 %
\$	44,994 6.33 %	42,315 3.53 %	40,873 7.78 %	37,924 3.55 %	36,624 0.13 %	36,578 1.23 %
\$	59,510 5.35 %	56,490 3.75 %	54,446 8.04 %	50,392 2.33 %	49,246 2.36 %	48,112 4.48 %
	42	42.9	42.7	38.0	42.2	41.8
	4.3 %	4.2 %	3.9 %	5 %	4 %	5 %
	8.8 %	8.7 %	8.3 %	8.4 %	9.6 %	9.8 %
	40.3 %	40.2 %	39.7 %	41.2 %	39.7 %	40.7 %
	18.6 %	17.9 %	19.2 %	18.6 %	18.1 %	18.5 %
	28.0 %	28.9 %	28.8 %	27.3 %	28.2 %	25.7 %
	792.2	797.0	783.3	773.8	771.8	776.0
	726.0	757.9	742.2	733.4	732.5	730.1
	66.1	39.1	41.2	40.4	39.3	45.9
	8.3 %	4.9 %	5.3 %	5.2 %	5.1 %	5.9 %
	18.0	22.4	22.6	21.8	20.7	23.7
	29.8	36.0	41.1	34.0	29.5	31.2
	26.0	28.3	28.6	28.8	27.5	28.0
	18.6	18.7	18.5	18.4	18.7	18.9
	92.4	105.4	110.8	103.0	96.4	101.8
	95.6	100.6	103.0	107.3	109.4	112.4
	337.4	361.7	359.7	389.9	389.0	397.9
	122.9	127.9	129.1	132.9	134.8	132.2
	25.0	24.0	23.5	23.6	23.9	23.4
	580.9	614.2	615.3	653.7	657.1	665.9
	673.3	719.6	726.1	756.7	753.5	767.7

Schedule 10
Principal Employers
Current Year and Ten Years Ago

Estimated as of June 30, 2025

Major West Virginia Employers	Number of Employees	Percentage of Total Employed
Local Government	70,000-74,999	9.29%
State Government	40,000-44,999	5.47%
Federal Government	25,000-29,999	3.50%
WVU MEDICINE	> 10,000	2.19%
Vandalia Health	> 10,000	1.66%
Wal-Mart Associates, Inc.	> 10,000	1.46%
Marshall Health	5,000-9,999	0.99%
WVNH Emp, LLC	2,500-4,999	0.46%
Kroger	2,500-4,999	0.46%
Alpha Metallurgical Services, LLC	2,500-4,999	0.46%
Core Natural Resources	2,500-4,999	0.46%
Mulberry Street Management Services	2,500-4,999	0.46%
Toyota Motor Manufacturing	2,500-4,999	0.46%

Estimated as of June 30, 2016

Major West Virginia Employers	Number of Employees	Percentage of Total Employed
Local Government	75,000-79,999	10.36%
State of West Virginia	40,000-44,999	5.77%
Federal Government	20,000-24,999	3.19%
West Virginia United Health System	13,000-12,999	1.92%
Wal-mart Associates, Inc.	10,000-9,999	1.58%
Charleston Area Medical Center, Inc.	5,000-6,999	0.82%
Kroger	3,000-4,999	0.55%
Mylan Pharmaceuticals, Inc.	3,000-4,999	0.55%
Lowe's Home Center, Inc.	1,000-2,999	0.27%
St Mary's Medical Center	1,000-2,999	0.27%
Cabell-Huntington Hospital, Inc.	1,000-2,999	0.27%
Wheeling Hospital, Inc.	1,000-2,999	0.27%
Res-Care, Inc.	1,000-2,999	0.27%

Source: WORKFORCE West Virginia Research, Information, and Analysis Office.

Schedule 11

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
2024-25	131,022	109,991	241,013
2023-24	133,417	111,630	245,047
2022-23	135,974	114,075	250,049
2021-22	135,318	115,581	250,899
2020-21	136,083	116,274	252,357
2019-20	145,746	115,887	261,633
2018-19	149,182	116,537	265,719
2017-18	152,584	118,023	270,607
2016-17	154,180	118,986	273,166
2015-16	157,003	120,134	277,137

Higher Education Enrollment Colleges and Universities

Year	Public		Independent	
	Enrollment	Number of Certificates and Degrees	Enrollment	Number of Certificates and Degrees
2024-25	74,007	16,678	N/A*	N/A*
2023-24	72,591	16,935	N/A*	N/A*
2022-23	72,043	16,141	N/A*	N/A*
2021-22	72,618	16,636	N/A*	N/A*
2020-21	75,184	17,285	6,571	N/A*
2019-20	81,292	17,916	6,596	1,732
2018-19	80,931	18,451	8,167	2,037
2017-18	83,133	18,399	8,385	2,088
2016-17	84,447	18,573	8,607	2,109
2015-16	86,427	18,521	8,654	1,862

*This information no longer exists.

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

Schedule 12

**State Employees by Function
Last Ten Fiscal Years**

	2025	2024	2023	2022
Executive	871	863	870	849
Legislative	153	164	171	164
Judicial	1,622	1,217	1,199	1,170
Administration	943	921	946	906
Commerce				
Division of Natural Resources (Parks)	715	690	655	665
Tourism and Development	152	154	153	146
WORKFORCE West Virginia	281	316	317	329
Other	303	325	324	326
Environmental Protection	777	784	775	745
Education				
Department of Education	502	525	524	510
School for Deaf and Blind	120	117	110	108
Charter School Board	2	2	1	—
Rehabilitation Services	389	416	386	390
Higher Education	10,881	10,743	11,045	10,865
Other	184	183	164	181
Revenue	852	834	815	800
Health, Health Facilities, and Human Services	5,261	5,138	4,862	4,737
Homeland Security				
Corrections and Rehabilitation*	3,335	3,179	2,710	2,756
Juvenile Services*	—	—	—	—
State Police	939	677	734	807
Regional Jail Authority*	—	—	—	—
Other	300	865	874	812
Veterans Assistance	196	205	202	206
Transportation	6,024	6,293	6,064	5,824
Miscellaneous**	914	495	497	481
Total	35,716	35,106	34,398	33,777

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.

2021	2020	2019	2018	2017	2016
861	885	849	852	857	899
160	174	164	157	164	182
1,155	1,145	1,118	1,118	1,137	1,072
936	939	910	923	895	927
703	701	683	690	696	701
147	145	132	143	147	144
326	278	287	291	320	332
337	338	344	332	321	379
764	778	761	753	794	811
505	505	511	520	473	511
138	155	163	162	160	158
—	—	—	—	—	—
403	412	442	476	528	532
10,632	10,636	10,519	10,510	10,556	10,501
186	187	205	200	229	267
865	873	891	894	905	953
5,096	5,215	5,132	5,402	5,250	5,437
3,109	3,334	3,362	3,313	1,885	1,987
—	—	—	14	466	549
879	946	999	997	984	1,025
—	—	—	18	846	935
274	745	703	687	660	610
201	208	228	230	223	210
5,976	6,042	5,648	5,519	5,530	5,646
1,061	490	494	484	483	511
34,714	35,131	34,545	34,685	34,509	35,279

Schedule 13
Operating Indicators by Function
Last Ten Fiscal Years

	2025	2024	2023
Department of Transportation			
Division of Highways			
Total highway construction projects authorized	1,758	1,429	1,089
Number of roadway resurfacing projects	1,590	1,232	951
Highway mileage resurfaced (in miles)	2,071	2,818	1,994
WORKFORCE West Virginia (Employment Programs)			
Applications processed for job seekers (in thousands)	17	83	92
Filled job openings	117	337	391
Department of Education			
Schools receiving exemplary accreditation status	N/A	N/A	N/A
Schools receiving full accreditation status	N/A	N/A	N/A
School districts receiving full approval status	N/A	N/A	N/A
Department of Health, Health Facilities, and Human Services			
Number of food stamp recipients	275,109	279,905	315,494
Number of food stamps issued	46,846,701	47,782,375	72,593,928
Medicaid enrollees	604,555	686,726	707,128
Counties enrolled in managed care	100 %	100 %	100 %
Child support collections (in millions)	\$158	\$164	\$168
Students served by school-based health clinics	57,138	54,839	39,297
Division of Natural Resources			
Attendance at State Parks (in millions)	8.5	8.5	8.1
Hunting and Fishing License Sales (calendar year)	287,943	869,803	1,182,945
Individuals whitewater rafting on rivers (calendar year)	110,854	120,925	131,266
Department of Environmental Protection			
Division of Air Quality			
Number of air quality inspections	846	846	850
Average days open per complaint	5.44	5.44	4.40
Division of Land Restoration Programs			
Organizations that adopted highways	53	53	64
Division of Mining and Reclamation			
Surface mine blasting examinations and certifications	155	165	210
Surface mine mineral extractions inspections	23,650	24,211	18,120
Number of acres reclaimed through reclamation and restoration of land	4,835	4,835	1,612
Office of Miners Health and Safety (Calendar Year)			
Total Safety Inspections	4,311	4,359	4,291
Violations issued by mine Inspectors	8,113	8,902	7,444
Lost time injuries of mining personnel	404	417	365
Department of Military Affairs and Public Safety			
Division of Corrections and Rehabilitation			
Adult inmate housing capacity	10,190	10,151	10,267
Inmate employment (Prison Industries)	255	275	268
Youth successfully completed programs/returned to community (Calendar Year)	41	36	48
Veterans' Home			
Average daily number of residents	73	76	77
Average daily cost per resident	\$185.49	\$135.15	\$124.51
Bureau of Senior Services			
Persons served under Medicaid Aged and Disabled Waiver	8,551	8,551	8,613

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.

2022	2021	2020	2019	2018	2017	2016
462	995	851	1,014	1,213	813	1,042
106	537	217	461	595	294	519
261	1,508	718	1,318	1,816	1,140	1,729
95	14	105	104	117	114	96
244	80	858	1,576	2,396	3,147	2,969
N/A						
N/A						
N/A						
311,755	301,342	294,346	289,359	304,952	322,086	333,938
74,399,186	61,135,695	38,585,136	33,602,760	37,312,477	40,337,523	40,796,612
673,821	631,568	622,943	616,834	650,686	651,031	649,111
100 %	100 %	100 %	100 %	100 %	100 %	100 %
\$175	\$182	\$207	\$194	\$184	\$189	\$214
39,550	36,761	45,254	44,868	45,682	37,456	29,045
7.3	6.9	6.7	6.5	6.6	6.8	7.1
1,300,516	891,774	883,964	854,434	830,309	852,909	868,658
141,762	112,372	136,779	136,233	119,675	136,128	131,022
555	521	815	812	524	470	583
6.28	6.82	7.55	7.79	6.53	8.60	6.80
82	38	38	88	52	74	1,835
211	57	145	188	273	234	147
18,158	23,707	23,500	18,241	9,639	18,935	19,739
1,768	2,874	2,989	1,048	204,453	891	527
4,442	5,190	6,107	5,365	5,486	5,328	5,002
7,177	6,145	9,227	9,748	9,495	7,205	7,527
674	377	488	500	442	369	355
10,283	10,291	10,291	5,998	6,106	5,956	5,989
252	231	265	271	251	244	245
47	74	129	145	182	196	188
78	74	76	82	82	70	74
\$116.44	\$110.84	\$117.51	\$96.98	\$107.05	\$112.44	\$107.02
8,434	7,884	7,026	6,842	6,419	6,151	6,385

Schedule 14
Capital Assets Statistics by Function
Last Ten Fiscal Years

	2025	2024	2023	2022
Vehicles				
Executive	194	225	211	195
Judicial	19	18	18	18
Administration				
Agency-Owned	2,832	2,928	3,051	3,094
Leased to other agencies	—	—	—	—
Totals	2,832	2,928	3,051	3,094
Revenue		1	—	—
Commerce*				
Division of Natural Resources	575	581	560	537
Division of Forestry	90	94	95	87
Others	62	62	51	26
Total Commerce	727	737	706	650
Environmental Protection	40	28	8	5
Education*	28	26	25	15
Health, Health Facilities, and Human Services	10	38	38	52
Homeland Security				
West Virginia State Police	716	637	678	744
Corrections and Rehabilitation	131	100	91	72
Regional Jail Authority**	—	—	—	—
Others	70	66	61	45
Total Homeland Security	917	803	830	861
Veterans Affairs	15	16	43	49
Regulatory Boards and Commissions	38	33	33	16
Boats				
Commerce	234	236	235	237
Environmental Protection	19	19	16	15
Buildings				
Executive	104	84	104	104
Administration	242	74	236	238
Revenue	2	2	2	2
Commerce				
Division of Natural Resources (Parks)	1,676	1,523	1,625	1,674
Division of Forestry	16	16	16	16
Others	15	12	13	13
Total Commerce	1,707	1,551	1,654	1,703
Environmental Protection	2	2	2	2
Education	73	27	73	73
Health, Health Facilities, and Human Services	408	90	451	451
Homeland Security***				
West Virginia State Police	213	102	205	205
Division of Corrections	437	247	461	461
Armory Board	—	—	—	—
Others	21	20	20	20
Total Homeland Security	671	369	686	686
Veterans Affairs	11	10	12	12
Regulatory Boards and Commissions***	268	184	267	265

* In FY 2018, the Legislature passed a bill that moved Division of Rehabilitation Services from Education to Commerce.

** In FY 2019, Regional Jail Authority merged with Division of Corrections, Division of Juvenile Services, and Correctional Industries to create the Division of Corrections and Rehabilitation Services.

*** In FY 2021, the Legislature passed a bill that moved Adjutant General and Armory Board from Homeland Security to Regulatory Board and Commissions..

Sources: Financial Accounting and Reporting Section; West Virginia's ERP system (wvOASIS); Fixed Asset detailed ledger.

2021	2020	2019	2018	2017	2016
195	190	190	193	235	218
17	19	19	19	20	18
3,004	2,950	2,776	202	10	9
—	—	—	2,585	2,434	2,502
3,004	2,950	2,776	2,787	2,444	2,511
—	—	—	—	1	—
539	535	525	517	907	581
89	92	99	107	140	119
21	21	22	21	18	14
649	648	646	645	1,065	714
4	4	5	5	8	8
15	15	15	14	48	30
21	22	25	26	42	35
734	810	802	706	1,164	867
79	85	84	43	29	26
—	—	—	47	—	—
37	55	49	51	27	23
850	950	935	847	1,220	916
52	54	61	61	89	77
19	—	—	—	2	2
241	225	199	198	209	196
15	16	14	15	16	15
104	104	105	98	27	72
234	228	225	217	75	71
2	2	2	2	2	2
1,672	1,674	1,670	1,039	885	903
16	16	1	5	5	5
13	14	13	12	12	11
1,701	1,704	1,684	1,056	902	919
2	6	7	6	6	6
70	76	69	67	72	79
452	452	455	470	106	106
203	203	203	203	97	97
463	457	455	183	64	66
—	201	218	218	149	149
—	50	53	176	63	66
666	911	929	780	373	378
12	12	12	12	11	10
269	18	17	7	3	3

Schedule 15

Miscellaneous Statistics

June 30, 2025

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	38,844
Miles Maintained by the State	34,940
State Police Protection:	
Number of State Police Detachments	57
Number of State Police Troopers	557
Higher Education (State Supported):	
Number of Campuses	18
Number of Students	72,145
Recreation:	
Number of State Parks	36
Area of State Parks	77,690
Number of State Forests	8
Area of State Forests	72,683
Number of State owned and Operated Rail Trails	3
Distance of Rail Trails	231
Wildlife Fish and Game Management Areas	96
Acreage of Wildlife Management Areas (Owned and Leased)	511,783

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