THE WEST VIRGINIA WATER POLLUTION CONTROL REVOLVING FUND

FINANCIAL REPORT

June 30, 2023

CONTENTS

BROWNEDWARDS
certified public accountants

INDEPENDENT AUDITOR'S REPORT

To the West Virginia Department of Environmental Protection,
West Virginia Water Pollution Control Revolving Fund
Charleston, West Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the West Virginia Water Pollution Control Revolving Fund (the Fund), an enterprise fund of the State of West Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund, as of June 30, 2023, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the proportionate share of the net pension liability (asset), the schedules of contributions to the PERS, the schedules of the proportionate share of the net OPEB liability (asset), the schedules of contributions to RHBT, and the accompanying notes to required supplementary information 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.

Required Supplementary Information (Continued)

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements. The supplementary information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2023 on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Charleston, West Virginia
October 5, 2023

THE WEST VIRGINIA WATER POLLUTION CONTROL REVOLVING FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS -UNAUDITED-

Our discussion and analysis of the West Virginia Department of Environmental Protection's (WVDEP) West Virginia Water Pollution Control Revolving Fund (the Fund) will provide an overview of the Fund's financial activities for the fiscal year ended June 30, 2023. The Fund operates as the State of West Virginia's (the State's) Clean Water State Revolving Fund (CWSRF) under the Federal Clean Water Act (CWA). Please read this in conjunction with the financial statements that begin on page 8.

Financial Highlights

The Fund's increase in net position was approximately 3.8% or $33.6 million. The increase in net position was due mainly to approximately $31 million in capital grants and match contributions.

During the 2023 fiscal year, the Fund had operating expenses that exceeded operating revenue by $4.7 million. This is due to Principal Forgiveness disbursements of $9 million in fiscal year 2023. Principal Forgiveness disbursements did not increase receivables.

The Fund's operating revenue of $6.6 million was a 6.8% increase over fiscal year 2022. This increase is a result of an increase in interest fee income on loans.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position, the Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows on pages 8 to 12 provide information about the activities of the Fund and present a long-term view of the Fund's finances. Financial information for the Revolving Loan Fund and the Administrative Fund are shown separately on pages 54 to 56.

We have determined by reviewing the financial statements that the Fund continues to be financially sound and stable. All of the current fiscal year's revenues and expenses are considered regardless of when cash is received or paid. The Fund's net position, the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, is one way to measure the Fund's financial health. The continued increase in net position is one indicator of improving financial position. The Fund consists only of business-type activities. Governmental activities and other operations of the WVDEP are not a part of the Fund and are not shown as a part of these financial statements.

The West Virginia Water Pollution Control Revolving Fund

The Fund is comprised of funds established by the United States Environmental Protection Agency (USEPA) and by State of West Virginia statute. The funds are proprietary in nature and use full accrual accounting.

The 1987 amendments to the CWA phased out the USEPA Construction Grants Program that began in 1972 and replaced it with the CWSRF, a low interest loan program. The CWSRF program provides funding to address water quality problems through wastewater facility construction, upgrades, or expansions as well as implementation of Nonpoint Source (NPS) best management practices (BMPs).

(Continued)

The West Virginia Water Pollution Control Revolving Fund (Continued)

In 1989, the West Virginia State Legislature passed the CWSRF enabling law (Chapter 22C, Article 2 of the State Code). The legislation designated WVDEP as the State's CWSRF management agency. WVDEP provides general oversight, fiscal management, and administrative compliance review of local governmental entities that receive funds. In 1990, WVDEP promulgated program rules and awarded its first CWSRF loan in November 1991.

In 1994, the Legislature created the West Virginia Infrastructure and Jobs Development Council (IJDC) to coordinate State and Federal funding on all water and sewer projects. Before a community can receive a commitment of CWSRF funding, the project must first receive a positive recommendation from the IJDC, as required by State law. In addition, the IJDC oversees the disbursement of state general obligation bond and revenue bond proceeds for water, sewer, and economic development projects. WVDEP participates in the IJDC process to the fullest extent to promote environmentally sound and affordable wastewater projects. Additional coordination with offices of the State Treasurer and the State Auditor ensure inter- and intra-agency coordination, management, oversight, and integrity of the program.

The CWSRF currently has three financial assistance programs:

- Low Interest Loan Program (for municipal wastewater treatment works)
- Agriculture Water Quality Loan Program
- Onsite Systems Loan Program

The West Virginia Water Pollution Control Revolving Fund as a Whole

Table 1
Net Position
(in thousands)

	2023	2022
Current assets	$ 282,821	$ 237,404
Non-current assets	638,535	645,668
Total assets	921,356	883,072
Deferred outflows of resources related to pension	260	318
Deferred outflows of resources related to OPEB	46	34
Total deferred outflows of resources	306	352
Current liabilities	5,807	300
Other liabilities	181	51
Total liabilities	5,988	351
Deferred inflows of resources related to pension	2	858
Deferred inflows of resources related to OPEB	140	343
Total deferred inflows of resources	142	1,201
Net position:		
Total restricted net position	$ 915,532	$ 881,872

The West Virginia Water Pollution Control Revolving Fund (Continued)

The net position increased by $33.6 million or around 3.8% during the fiscal year ended June 30, 2023. Fiscal year 2023 included the receipt of the 35th Clean Water State Revolving Fund Capitalization Grant. These funds were committed to finance loans for municipal wastewater pollution control projects for the control of municipal pollution from point source discharges. This capitalization grant will continue the debt forgiveness started by the American Recovery and Reinvestment Act (ARRA) funds. "Second round funds" are those dollars available within the CWSRF from repayments of prior loans and investment earnings. They are used for nonpoint source pollution control project loans and wastewater facility funding. Effective in the 2016 Intended Use Plan (IUP), the program began implementing requirements from the Water Resources Reform and Development Act (WRRDA). One of the changes amended section 603(i) (2) of the Federal Water Pollution Control Act (FWPCA) and requires States to develop affordability criteria that will assist in identifying applicants that will have difficulty financing projects without additional subsidization.

The USEPA accepted criteria that encompasses evaluating median household income, unemployment data, population trends, consolidation and extensions to unserved areas, and poverty rate can be found in Section V of the IUP and only applies to eligibility for additional subsidization.

In addition to this change, it should also be noted that despite reserving money for the Agricultural Water Quality Loan Program, no loans were made for Agriculture BMP's this year. It is understood that due to the decline in the federal matching funds, we will continue to see little, if any, activity in this program.

A major addition to the CWSRF program occurred with the passage of the Bipartisan Infrastructure Law (BIL) in 2021. This added a $27,745,000 capitalization grant and corresponding 10% state match to the program. The IJDC provided the additional matching funds. This change also added $1,457,000 in funding in the form of grants/principal forgiveness to address emerging contaminants. The other major programmatic change that occurred with the passage of BIL is the transition from American Iron and Steel requirements to the Buy America Build America Act.

The CWSRF also applied for and received $853,000 in grant funding under the Overflow and Stormwater Grant program. The funding is required to be passed through to communities for eligible projects in the form of a grant, not principal forgiveness.

Capital Asset and Debt Administration

The Fund does not own any land, buildings, equipment, or infrastructure. The Fund has no long-term debt.

Capital Asset and Debt Administration (Continued)

Table 2
Statement of Revenues, Expenses and Changes in Fund Net Position
(in thousands)

	2023	2022
Operating revenues:		
Interest income on loans	$ 3,598	$ 3,150
Administration fees on loans	3,020	3,046
	6,618	6,196
Operating expenses:	11,383	8,771
Total operating income (loss)	(4,765)	(2,575)
Non-operating revenue:		
Investment and other income (loss)	7,012	(2,463)
Income (loss) before capital grants and contributions	2,247	(5,038)
Capital grants and contributions	31,413	29,723
Change in net position	33,660	24,685
Net position, beginning of year	881,872	857,187
Net position, end of year	$ 915,532	$ 881,872

Significant Facts, Decisions or Conditions

Our Base Capitalization grant award for FY 2023 of $18,037,000 was awarded on August 30, 2022. A required state match of $3,607,400 was provided by the IJDC which was deposited in the CWSRF account in FY2023. Our Infrastructure and Jobs Development Act (BIL) grant award for FY 2023 of $27,745,000 was awarded on August 31, 2022. A required state match of $2,774,500 was provided by the IJDC which was deposited in the CWSRF account in FY2023.

In FY 2023, the CWSRF program closed twelve loans, and provided additional funding to one, Section 212-point source projects totaling $43,997,309 of which $10,200,997 is principal forgiveness program funding. Nonpoint source loans issued by the WVDEP approved intermediary lenders total $259,737 in the Onsite Systems Loan Program.

There are no municipal entities in default as of June 30, 2023; however, there are two entities that have deficiencies in required debt service revenue and reserve funds as of June 30, 2023, totaling $105,339, that are being monitored closely for any default risk.

Projects are continuing to face uncertainty in the current bidding climate due to the prices in material costs and delays in equipment delivery.

Contacting the Fund's Financial Management

The financial reports are designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Fund's finances and to show the Fund's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Fiscal Services Office of the WVDEP or the State Revolving Fund, both located at 601 57th Street S.E., Charleston, WV 25304.

(Continued)

THE WEST VIRGINIA WATER POLLUTION
CONTROL REVOLVING FUND

STATEMENT OF NET POSITION
June 30, 2023

	2023
ASSETS	
Current assets:	
Cash and cash equivalents (Note 3)	$ 245,094,212
Receivables:	
Other	10
Interest on loans	295,810
Administrative fees on loans	251,003
Current maturities of loans receivable (Note 4)	37,179,694
Total current assets	282,820,729
Loans receivable, net of current maturities (Note 4)	638,535,498
Total assets	921,356,227
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pension (Note 8)	260,088
Deferred outflows of resources related to OPEB (Note 9)	46,376
Total deferred outflows of resources	306,464
LIABILITIES	
Current liabilities:	
Accounts payable	143,144
Unearned revenue	5,588,100
Current compensated absences	75,790
Total current liabilities	5,807,034

(Continued)

THE WEST VIRGINIA WATER POLLUTION
CONTROL REVOLVING FUND

STATEMENT OF NET POSITION (Continued)
June 30, 2023

LIABILITIES (Continued)

	2023
Other liabilities:	
Compensated absences, net of current portion	57,932
Net OPEB liability (Note 9)	29,490
Net pension liability (Note 8)	93,388
Total other liabilities	180,810
Total liabilities	5,987,844

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources related to pension (Note 8)	1,841
Deferred inflows of resources related to OPEB (Note 9)	140,893
Total deferred inflows of resources	142,734

NET POSITION

Net position, restricted	915,532,113
Total net position	$ 915,532,113

The Notes to Financial Statements are an integral part of these statements.

THE WEST VIRGINIA WATER POLLUTION
CONTROL REVOLVING FUND

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2023

	2023
Operating revenues:	
Interest income on loans	$ 3,597,831
Administrative fees on loans	3,020,607
	6,618,438
Operating expenses:	
Personnel costs	991,641
Principal forgiveness	9,285,092
Other administrative costs	1,106,306
	11,383,039
Total operating loss	(4,764,601)
Non-operating revenues (expenses):	
Investment income	7,040,833
Other expenses	(28,618)
	7,012,215
Income before capital grants and contributions	2,247,614
Capital grants and contributions:	
U.S. Environmental Protection Agency (Note 6)	25,030,626
State of West Virginia (Note 6)	6,381,900
	31,412,526
Change in net position	33,660,140
Net position, beginning of year	881,871,973
Net position, end of year	$ 915,532,113

The Notes to Financial Statements are an integral part of these statements.

THE WEST VIRGINIA WATER POLLUTION
CONTROL REVOLVING FUND

STATEMENT OF CASH FLOWS
Year Ended June 30, 2023

	2023
Operating activities:	
Cash payments for:	
Loans originated	$ (31,032,003)
Principal forgiveness	(9,285,092)
Personnel expenses	(1,265,606)
Administrative expenses	(1,155,945)
Cash receipts for:	
Principal repayments	37,074,318
Interest on loans revenue	3,600,613
Administrative fee revenue	3,021,541
Net cash provided by operating activities	957,826
Capital and related financing activities:	
Capital grants and contributions from the U.S. Environmental Protection Agency	25,030,626
Capital grants and contributions from the State of West Virginia	11,970,000
Net cash provided by capital and related financing activities	37,000,626
Investing activities:	
Investment income	7,040,833
Net increase in cash	44,999,285
Cash and cash equivalents balance, beginning of year	200,094,927
Cash and cash equivalents, end of year	$ 245,094,212

(Continued)

THE WEST VIRGINIA WATER POLLUTION
CONTROL REVOLVING FUND

STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2023

Reconciliation of operating loss to cash used in operating activities:

	2023
Operating loss	$ (4,764,601)
Adjustments to reconcile operating loss to cash provided by operating activities:	
Pension expense	53,853
OPEB expense	(180,475)
Decrease in loans receivable	6,042,315
Decrease in other receivables	3,716
Increase in deferred outflows of resources related to pension	(99,655)
Increase in deferred outflows of resources related to OPEB	(22,887)
Increase in compensated absences	7,268
Decrease in accounts payable	(81,708)
Net cash provided by operating activities	$ 957,826
Noncash capital and related financing activities:	
Non-cash special funding related to OPEB	$ (28,618)

The Notes to Financial Statements are an integral part of these statements.

Note 1. Description of the Fund

The West Virginia Water Pollution Control Revolving Fund (the Fund) was established pursuant to Title VI of the Clean Water Act and by the West Virginia Legislature under Chapter 22C, Article 2 of the West Virginia Code, as a component unit of the State of West Virginia (the State). The purpose of the act was to establish and implement a State operated revolving loan fund to provide low interest loans to communities that require sewer service either by upgrading the existing wastewater system or establishing a new utility, clean up the State's water supply, and remain in perpetuity by recirculating the principal and interest earned from the loans. The Fund's loan programs are designed to provide financial assistance to local governmental entities (such as municipalities and public service districts) in West Virginia to assist in complying with the Clean Water Act. Such loan programs provide long-term financing to cover the cost of construction for qualifying projects for pollution control, including non-point source projects and developing estuary conservation and management plans.

The Fund was capitalized by the U.S. Environmental Protection Agency (USEPA) through a series of grants starting in 1990. States are required to provide an additional twenty percent of the Federal award as matching funds in order to receive continued funding. Through June 30, 2023, Congress authorized the USEPA to award $806,939,586 in capital grants and contributions to the Fund, and the State of West Virginia was required to contribute $146,169,277 in matching funds.

The State of West Virginia charges the Fund for time spent on activities by employees, and the Fund reimburses the State of West Virginia for such costs. The charges include the salaries and benefits of the employees, as well as indirect costs allocated to the Fund based on direct salary costs. Employees charging time to the Fund are covered by the benefits provided to all employees of the State of West Virginia.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The Fund is accounted for as a proprietary fund special purpose government engaged in business type activities. In accordance with accounting principles generally accepted in the United States of America, the financial statements are prepared on the accrual basis of accounting, using the flow of economic resources measurement focus. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

The Fund is included in the State's basic financial statements as a proprietary fund and business type activity using the accrual basis of accounting. Because of the Fund's presentation in these financial statements as a special purpose government engaged in business type activities, there may be differences in presentation between the amounts reported in these financial statements and the basic financial statements of the State as a result of major fund determination.

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of interest-earning deposits with the West Virginia Board of Treasury Investments (BTI). These deposits are not separately identifiable as to specific types of securities. Such funds are deposited into three pools, the WV Money Market Pool, the WV Government Money Market Pool and the WV Short Term Bond Pool. Funds in the WV Money Market Pool and the WV Government Money Market Pool are available with overnight notice and are carried at amortized cost. Funds in the WV Short Term Bond Pool are available once per month and are carried at fair value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from management's estimates.

Loans Receivable

The State of West Virginia operates the Fund as a revolving direct loan program, whereby loans made to recipients are funded by the Federal capital grants and contributions and the corresponding State matching amount. Loan funds are disbursed to the local recipient agencies as they incur costs on the approved project. Interest, if applicable, is calculated from the date that recipients begin repayment, and the payment schedule is adjusted for actual amounts disbursed and interest accrued. The loans are secured by a lien on the revenues of the recipients' system project and by debt service reserve funds held by the West Virginia Municipal Bond Commission. No provision for uncollectible accounts has been made since management believes that all loans will be repaid.

Administrative Fees

Administrative fees are composed of a percentage of the outstanding loan balance and are recognized as income when fees are earned over the life of the loan. Administrative fees are collected concurrently with principal reduction payments by individual borrowers at terms set forth in the applicable loan agreements over the life of the loan.

Compensated Absences

Employees fully vest in all earned but unused annual leave, and the Fund accrues for obligations that may arise in connection with compensated absences for annual leave at the current rate of employee pay. The estimated obligation for such benefits, as they relate to employees of the Fund, is recorded as a liability in the accompanying financial statements.

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments of the PERS are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB).

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the West Virginia Retiree Health Benefit Trust OPEB Plan (RHBT) and additions to/deductions from RHBT's fiduciary net position have been determined on the same basis as they are reported by RHBT. For this purpose, RHBT recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for certain pooled investments, money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at amortized cost.

Deferred Outflows of Resources/Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. Currently the Fund has recognized deferred outflows of resources related to pensions (See Note 8) and OPEB (See Note 9). Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. Currently the Fund has recognized deferred inflows of resources related to pensions (See Note 8) and OPEB (See Note 9).

Capital Grants and Contributions

Amounts received from the USEPA and the State of West Virginia for the continued capitalization of the Fund, are recorded at cost as capital grants and contributions.

Net Position

Net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net position is presented as restricted. Restrictions on net position are externally imposed constraints by the grantor agency on the residual portion of capital grants and contributions available for lending purposes.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

Note 3. Cash and Cash Equivalents

Cash and cash equivalents consist of deposits with the State Treasurer's Office and the West Virginia Board of Treasury Investments (BTI).

At June 30, 2023, the balances with each were as follows:

	2023
State Treasurer's Office	$ 10,209,953
BTI	234,884,259
Total	$ 245,094,212

The State Treasurer has statutory responsibility for the daily cash management activities of the State's agencies, departments, boards, and commissions and transfers funds to the BTI for investment in accordance with West Virginia statutes, policies set by the BTI and by provisions of bond indentures and trust agreements when applicable.

The Fund's cash balances are invested by the BTI in the BTI's West Virginia Money Market Pool, the BTI's West Virginia Government Money Market Pool and the BTI's West Virginia Short Term Bond Pool. Investment income is pro-rated to the Fund at rates specified by the BTI based on the balance of the deposits maintained in relation to the total deposits of all state agencies participating in the pools. Investments in the West Virginia Money Market Pool and West Virginia Government Money Market Pool are available to the Fund with overnight notice. Investments in the West Virginia Short Term Bond Pool are available to the Fund on the first day of each month.

Deposits with BTI on June 30, 2023 were invested in three investment pools as follows:

	2023
WV Money Market Pool (carried at amortized cost)	$ 168,813,560
WV Government Money Market Pool (carried at amortized cost)	9,142,713
WV Short Term Bond Pool (carried at fair value)	56,927,986
Total deposits with BTI	$ 234,884,259

(Continued)

Note 3. Cash and Cash Equivalents (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The WV Money Market and WV Government Money Market Pools have been rated AAAm by Standard & Poor's. A fund rated AAAm has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. AAAm is the highest principal stability fund rating assigned by Standard & Poor's. Neither the BTI itself nor the WV Short Term Bond Pool has been rated for credit risk by any organization.

WV Money Market Pool

The BTI limits the exposure to credit risk in the WV Money Market Pool by requiring all long-term corporate debt be rated A+ or higher by Standard & Poor's (or its equivalent) and short-term corporate debt be rated at A-1 or higher by Standard & Poor's (or its equivalent). The following table provides information on the credit ratings of the WV Money Market Pool's investments (in thousands):

Security Type	Rating	Carrying Value (in Thousands)	Percent of Pool Assets
Corporate bonds and notes	A-1	$ 50,000	0.50%
Commercial Paper	A-1+	2,281,084	23.14
	A-1	4,522,938	45.88
Negotiable certificates of deposit	A-1+	553,000	5.61
	A-1	1,397,000	14.17
Money market funds	AAAm	220,607	2.24
Repurchase agreements (underlying securities):			
U.S. Treasury bonds and notes*	AA+	512,000	5.19
U.S. Agency bonds and notes	AA+	322,500	3.27
		$ 9,859,129	100.00%

*U.S. Treasury issues are explicitly guaranteed by the United States Government and are not considered to have credit risk.

WV Government Money Market Pool

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 (in thousands):

Note 3. Cash and Cash Equivalents (Continued)

Credit Risk (Continued)

WV Government Money Market Pool (Continued)

Security Type	Rating	Carrying Value (in Thousands)	Percent of Pool Assets
U.S. Treasury notes *	AA+	$ 11,997	2.20%
U.S. Treasury bills *	A-1+	3,949	1.06
U.S. agency bonds and notes	AA+	49,500	13.19
U.S. agency discount notes	A-1+	146,775	39.14
Money market funds	AAAm	257	0.07
Repurchase agreements (underlying Securities):			
U.S. Treasury bonds and notes*	AA+	85,000	22.67
U.S. agency bonds and notes	AA+	77,500	20.67
		$ 374,978	100.00%

*U.S. Treasury issues are explicitly guaranteed by the United States government and are not considered to have credit risk.

WV Short Term Bond Pool

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

Security Type	Rating	Carrying Value (in Thousands)	Percent of Pool Assets
U.S. Treasury notes *	AA+	$ 139,870	19.94%
U.S. government agency bonds	AA+	2,351	0.34
U.S. agency collateralized mortgage obligations			
U.S. government guaranteed*	AA+	7,288	1.04
Non-U.S. government guaranteed	AA+	864	0.12
Corporate fixed- and floating-rate bonds and notes bonds and notes	AAA	5,776	0.82
	AA+	5,220	0.74

Note 3. Cash and Cash Equivalents (Continued)

Credit Risk (Continued)

WV Short Term Bond Pool (Continued)

Security Type	Rating	Carrying Value (in Thousands)	Percent of Pool Assets
	AA	6,279	0.90
	AA-	17,640	2.51
	A+	51,316	7.32
	A	57,546	8.20
	A-	103,749	14.81
	BBB+	44,723	6.37
	BBB	21,770	3.10
	BBB-	41,697	5.94
	BB+	3,505	0.50
	NR	11,189	1.59
Collateralized mortgage obligations	AAA	3,071	0.44
	NR	10,606	1.51
Municipal Securities	AAA	9,010	1.28
	AA+	12,571	1.79
	AA	11,095	1.58
	AA-	7,693	1.10
	NR	2,764	0.39
Asset-backed securities	AAA	97,491	13.90
	NR	17,814	2.54
Money market funds	AAAm	8,652	1.23
		$ 701,550	100.00%

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

*U.S. Treasury issues are explicitly guaranteed by the United State government and are not considered to have credit risk.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The WV Money Market Pool, the WV Government Money Market Pool and the WV Short Term Bond Pool are subject to interest rate risk.

WV Money Market Pool

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.

Note 3. Cash and Cash Equivalents (Continued)

Interest rate risk (continued)

WV Money Market Pool (Continued)

The following table provides information on the weighted average maturities for the various asset types in the WV Money Market Pool:

Security Type		Carrying Value (In Thousands)	WAM (Days)
Corporate bonds & notes	$	50,000	15
Commercial paper		6,804,022	25
Negotiable certificates of deposit		1,950,000	56
Repurchase agreements		834,500	3
Money market funds		220,607	3
	$	9,859,129	29

WV Government Money Market Pool

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 weighted average maturities for the various asset types in the WV Government Money Market Pool:

Security Type		Carrying Value (In Thousands)	WAM (Days)
U.S. Treasury notes	$	11,997	3
U.S. Treasury bills		3,949	90
U.S. agency bonds and notes		49,500	3
U.S. agency discount notes		146,775	36
Repurchase agreements		162,500	3
Money market funds		257	3
	$	374,978	17

WV Short Term Bond Pool

The overall effective duration of the investments of the WV Short Term Bond Pool is limited to a +/- 30 percent band around the effective duration of the portfolio's benchmark (the ICE BofAML 1-3 US Corporate & Government Index). As of June 30, 2023, the effective duration of the benchmark was 672 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:

Note 3. Cash and Cash Equivalents (Continued)

Interest rate risk (continued)

WV Short Term Bond Pool (Continued)

Security Type	Carrying Value (In Thousands)	Effective Duration (Days)
U.S. Treasury notes	$ 139,870	709
U.S. government agency bonds	2,351	530
U.S. agency collateralized mortgage obligation	8,152	63
Corporate fixed-rate bonds and notes	355,045	660
Corporate floating-rate bonds and notes	15,365	(39)
Commercial mortgage-backed securities	13,677	346
Municipal securities	43,133	374
Asset-backed securities	115,305	618
Money market funds	8,652	-
	$ 701,550	609

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a pool or account's investment in a single corporate issuer. The BTI investment policy prohibits the WV Money Market Pool, the WV Government Money market Pool and the WV Short Term Bond Pool from investing more than 5% of their assets in any one corporate name or one corporate issue.

Custodial credit risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the BTI will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Repurchase agreements are required to be collateralized by at least 102% of their value, and the collateral is held in the name of the BTI. The BTI or its agent does not release cash or securities until the counterparty delivers its side of the transaction.

Foreign currency risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The WV Money Market Pool, WV Government Money Market Pool, and the WV Short Term Bond Pool does not hold interests in foreign currency or interests valued in foreign currency.

Note 4. Loans Receivable

As of June 30, 2023, loans receivable consisted of loans to municipalities and public service districts for the construction of sewer facilities to comply with the Clean Water Act. Loans for municipalities and public service districts carry interest rates ranging from 0% to 2.75% and administrative fees ranging from 0% to 0.25%, not to exceed an aggregate of 3%. Loans for the non-point source program carry interest rates from 0% to 2%, which are retained by the financial institution. Loans for municipalities and public service districts are generally amortized over a period not to exceed forty years starting one year after the project is completed, and loans from the non-point source program are generally amortized over a period not to exceed ten years.

Loans with municipalities and public service districts are secured by the net revenues of the respective system, and the municipalities and public service districts are required to maintain a reserve account with the West Virginia Municipal Bond Commission. Loans to recipients who issue bonds for repayment of the loan are required to deposit in the reserve account an amount equal to not less than one-twelfth of one-tenth of the reserve requirement or, if funded, an amount necessary to maintain the reserve account at the reserve requirement.

The reserve requirement is generally equal to one year's principal and interest payments and is required to be fully funded within ten years from issuance of the debt. Loans for the non-point source program are made to the approved financial institutions that in turn make loans to eligible recipients based on approved projects. The financial institutions assume credit risk for the loans to the eligible recipients.

There are no municipal entities in default as of June 30, 2023; however, there are two entities that have deficiencies in required debt service reserve funds as of June 30, 2023 totaling $105,339 that are being monitored closely for any default risk.

Total cumulative loans authorized as of June 30, 2023 were as follows:

	2023	
	Loans Authorized	Remaining Commitment
Completed projects	$ 1,194,309,807	$ -
Projects in progress	106,681,826	29,286,991
	$ 1,300,991,633	$ 29,286,991

Loans mature at various intervals through December 1, 2063. Payment schedules are calculated based on the authorized loan amount. If a loan recipient does not utilize the entire authorized amount, the payment schedule is recalculated to reflect the reduced amount. The $29 million difference in the scheduled principal payments and loans receivable in the Statement of Net Position represents the amount of authorized loans not utilized at June 30, 2023.

Note 4. Loans Receivable (Continued)

The fiscal year 2023 Clean Water Act Title VI funding allocation for West Virginia requires a minimum amount be set aside for providing additional loan subsidization in the form of grants or principal forgiveness to qualifying communities. In accordance with the CWSRF state statute, which says in part, "…moneys in the fund shall be used to make grants for projects to the extent allowed or authorized by federal law", the West Virginia Department of Environmental Protection (WVDEP) will be setting aside the maximum amount which will be used for providing additional loan subsidies for disadvantaged communities. Principal forgiveness of all or part of a loan will be the mechanism that will be used to supply the additional subsidization. In fiscal year 2023 principal forgiveness totaled $9,285,092.

The scheduled principal payments on all loans maturing in subsequent years are as follows at June 30, 2023:

2024	$ 37,179,694
2025	37,803,350
2026	37,789,381
2027	37,131,617
2028	37,045,104
Thereafter	518,053,037
	705,002,183
Less current maturities	37,179,694
	667,822,489
Less authorized, but not disbursed	29,286,991
	$ 638,535,498

Note 5. Due to Other Agencies

The Fund reimburses the WVDEP for the direct and indirect costs incurred by the Fund but paid by the WVDEP. In addition, the Fund has an operating agreement with the West Virginia Water Development Authority for project analysis and administrative services. As of June 30, 2023, the Fund owed $74,445 to the West Virginia Water Development Authority.

Note 6. Capital Grants and Contributions

The Fund is perpetuated by other net revenues, grants, and contributions from the USEPA under the Clean Water Act and matching funds from the State of West Virginia. All funds drawn are recorded as capital grants and contributions from the USEPA and the State of West Virginia. As of June 30, 2023, the cumulative amounts awarded to the Fund from the USEPA and required matching funds from the State of West Virginia were as follows:

Federal Fiscal YearYear	EPA Grant Amounts	State Match Amounts
1990	$ 20,889,974	$ 4,177,994
1991	31,353,287	6,270,657
1992	9,661,835	1,932,367
1993	30,288,852	6,057,770
1994	29,962,449	5,992,490
1995	37,792,161	7,558,432
1996	No Award	No Award
1997	41,165,207	8,233,041
1998	20,991,267	4,198,253
1999	20,993,049	4,198,610
2000	20,921,868	4,184,373
2001	20,735,946	4,147,189
2002	No Award	No Award
2003	20,859,280	4,171,893
2004	20,821,900	4,174,379
2005	37,435,400	7,500,678
2006	13,650,912	2,730,182
2007	16,684,470	3,336,894
2008	10,607,850	2,121,570
2009	48,873,680	-
2010	22,826,270	2,121,570
2011	32,039,929	6,407,985
2012	23,019,000	4,603,800
2013	22,031,000	4,406,200
2014	20,813,000	4,162,000
2015	21,856,000	4,371,200
2016	21,745,000	4,349,000
2017	20,829,000	4,165,800
2018	20,668,000	4,133,600
2019	25,020,000	5,004,000
2020	24,769,000	4,953,800
2021	24,773,000	4,954,600
2022	24,769,000	4,953,800
2023	48,092,000	6,595,150
Total	$ 806,939,586	$ 146,169,277

(Continued)

Note 6. Capital Grants and Contributions (Continued)

After June 30, 2023, the Fund has applied for additional funding from the USEPA under the Clean Water Act in the amount of $11,812,000 to be awarded and received in fiscal year 2024. The respective matching funds from the State of West Virginia for this grant, in the amount of $2,338,800, were received in fiscal year 2023. The Fund has applied for additional funding from the USEPA under the Infrastructure and Jobs Development Act (IJDA) in the amount of $32,821,000 to be awarded in fiscal year 2024. The respective matching funds from the State of West Virginia for this grant, in the amount of $3,249,300, were received in fiscal year 2023. The Emerging Contaminants grant is also part of IJDA. This grant will be awarded in FY2024 and is in the amount of $3,348,000.

The following represents the amounts of the USEPA grants and contributions received and receivable, and the applicable State amounts contributed to the fund as of June 30, 2023.

June 30	Federal	State	Total Capital Grants and Contributions
1992	$ 258,894	$ 4,100,000	$ 4,358,894
1993	11,435,030	-	11,435,030
1994	6,550,679	3,873,001	10,423,680
1995	11,427,541	10,465,787	21,893,328
1996	22,336,689	5,992,490	28,329,179
1997	13,347,837	7,558,432	20,906,269
1998	22,507,123	-	22,507,123
1999	34,283,138	8,233,041	42,516,179
2000	47,718,753	8,396,863	56,115,616
2001	54,843,161	4,184,373	59,027,534
2002	22,842,295	4,147,189	26,989,484
2003	28,135,192	4,156,416	32,291,608
2004	32,799,962	-	32,799,962
2005	31,477,847	8,307,321	39,785,168
2006	20,241,737	3,367,686	23,609,423
2007	12,627,016	2,730,182	15,357,198
2008	20,788,189	3,336,894	24,125,083
2009	11,384,297	2,121,570	13,505,867
2010	34,164,564	2,121,570	36,286,134
2011	35,698,873	6,407,985	42,106,858
2012	48,182,138	9,010,000	57,192,138
2013	30,605,698	4,162,000	34,767,698
2014	20,813,000	4,371,200	25,184,200
2015	21,856,000	4,377,600	26,233,600
2016	21,745,000	4,165,800	25,910,800
2017	20,829,000	-	20,829,000
2018	20,668,000	9,137,600	29,805,600
2019	25,020,000	4,953,800	29,973,800
2020	24,769,000	-	24,769,000
2021	24,773,000	9,908,400	34,681,400
2022	24,769,000	-	24,769,000
2023	25,030,626	11,970,000	37,000,626
Total	$ 783,929,279	$ 151,557,200	$ 935,486,479

Note 7. Risk Management

The Fund is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Fund participates in several risk management programs administered by the State of West Virginia and other providers. Each of the State administered risk pools have issued separate audited financial reports on their operations. Those reports include the required supplementary information regarding the reconciliation of claims liabilities by type of contract and ten-year claim development information. Complete financial statements of the individual risk pools can be obtained directly from their respective administrative offices.

Public Employees' Insurance Agency (PEIA)

The fund participates in the Public Employees Insurance Agency (PEIA) which provides an employee benefit insurance program to employees. PEIA was established by the State of West Virginia for State agencies, institutions of higher education, Boards of Education and component units of the State. In addition, local governmental entities and certain charitable and public service organizations may request to be covered by PEIA. PEIA provides a basic employee benefit coverage to all participants: hospital, surgical, group major medical, basic group life, accidental death, and prescription drug coverage for active employees of the State and various related State and non-State agencies. Additionally, all participants may elect to purchase additional life insurance under the optional life insurance policy. All premium rates are established based upon projected coverage costs as reviewed and approved by the Finance Board of PEIA. The cost of all coverage, as determined by PEIA shall be paid by the participants. Premiums are established by PEIA and are paid monthly, and are dependent upon, among other things, coverage required, number of dependents, state vs. non state employees and active employees vs. retired employees and level of compensation. Coverage under these programs is limited to $1 million for lifetime for health and $10,000 of life insurance coverage.

The PEIA risk pool retains all risks for the health and prescription features of its indemnity plan. PEIA has fully transferred the risks of coverage of the Managed Care Organizations (MCO) Plan to the plan provider and has transferred the risks of the life insurance coverage to a third-party insurer. PEIA presently charges equivalent premiums for participants in either the indemnity plan or the MCO Plan.

Board of Risk and Insurance Management (BRIM)

The Fund participates in the West Virginia Board of Risk and Insurance Management (BRIM), a risk pool currently operating as a risk management and insurance program for all State agencies, component units, and other local governmental agencies who wish to participate. The Fund pays an annual premium to BRIM for its general insurance coverage. 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 the risk of the first $1 million per property event and purchases excess insurance on losses above that level. Excess coverage through an outside insurer under this program is limited to $400 million per event, subject to limits on certain property. During the year ended June 30, 2023, no changes in coverage were made and any paid claims did not exceed coverage.

Workers Compensation Insurance

The Fund carries workers compensation insurance coverage through a commercial insurance carrier. The commercial insurance carrier is paid a monthly rated premium to provide compensation for injuries sustained in the course of employment.

Note 8. Pension Plan

Plan Description

The Fund contributes to the PERS, a cost-sharing multiple-employer defined benefit pension plan administered by the West Virginia Consolidated Public Retirement Board (CPRB). PERS covers substantially all employees of the State and its component units, as well as employees of participating non-state governmental entities who are not participants of another state or municipal retirement system. Benefits under PERS include retirement, death and disability benefits, and have been established and may be amended by action of the State Legislature. The CPRB issues a publicly available financial report that includes financial statements for PERS that may be obtained at www.wvretirement.com.

Benefits Provided

PERS provides retirement benefits as well as death and disability benefits. For employees hired prior to July 1, 2015, qualification for normal retirement at age 60 with 5 years of service or at least age 55 with age and service equal to 80 or greater. For all employees hired July 1, 2015 and later, qualification for normal retirement is age 62 with 10 years of service. The straight-life annuity retirement benefit is equivalent to 2% of average salary multiplied by years of service. For employees hired prior to July 1, 2015, average salary is the average of the highest annual compensation during any period of three consecutive years within the last fifteen years of earnings. For all employees hired July 1, 2015 and later, average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings. For employees hired prior to July 1, 2015, terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired July 1, 2015 and later, this age increases to 64 with 10 years of service.

Contributions

Contributions as a percentage of payroll for members are established by statutes, subject to legislative limitations and are not actuarially determined. Contributions as a percentage of payroll for employees are established by the CPRB. Current funding policy requires contributions, consisting of member contributions of 4.5% of annual earnings, and employer contributions of 9.0%, 10.0%, and 10.0% of covered payroll for the years ended June 30, 2023, 2022, and 2021, respectively. All members hired July 1, 2015 and later, will contribute 6% of annual earnings.

During the years ended June 30, 2023, 2022, and 2021, the Fund's contributions to PERS required and made were approximately $99,655, $115,156, and $113,703, respectively.

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

At June 30, 2023, the Fund reported a liability of $93,388 for its proportionate share of the net pension liabilities. The net pension liability reported at June 30, 2023 was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, rolled forward to the measurement date of June 30, 2022. The Fund's proportion of the net pension liability was based on the Fund's share of contributions to the pension plan relative to the contributions of all employers for the year ended June 30, 2022. At June 30, 2022, the Fund's proportion was 0.065 percent, which was a decrease of 0.009863% of its proportion as of June 30, 2021.

Note 8. Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2023, the Fund recognized pension expense (revenue) of $53,853. At June 30, 2023, the Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 58,627	$ -
Changes in proportion and differences between the Fund's contributions and proportionate share of contributions	516	1,841
Differences between expected and actual experience	37,299	-
Changes in assumptions	63,991	-
The Fund's contributions made subsequent to the measurement date	99,655	-
Total	$ 260,088	$ 1,841

Deferred outflows of resources related to pensions of 99,655 resulting from the Fund's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2024	$ 62,405
2025	4,420
2026	(61,694)
2027	153,461

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation, which was used for the measurement date of June 30, 2022, was determined using the following actuarial assumptions:

Inflation	2.75 percent
Salary increases	2.75 - 6.75 percent, average, including inflation
Investment rate of return	7.25 percent, net of pension plan investment expense

Note 8. Pension Plan (Continued)

Actuarial Assumptions

Mortality rates were based on 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2018 for active employees, 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected generationally with scale MP-2018 for retired healthy males, 122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected generationally with scale MP-2018 for retired healthy females, 118% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2018 for disabled males, and 117% of Pub-2010 General / Teachers Disabled Female table, headcount weighted, projected generationally with scale MP-2018 for disabled females.

Experience studies, which were based on the years 2015 through 2020 for economic assumptions and 2013 through 2018 for all other assumptions, were used for the 2021 actuarial valuation.

Certain assumptions have changed since the prior actuarial valuation as of June 30, 2020. The discount rate and salary scales were changed to reflect the recent experience study covering the economic assumptions for July 1, 2015 through June 30, 2020.

The long-term rates of return on pension plan investments were determined using the building block method in which estimates of expected future real rates of return (expected returns, net of pension plan investment 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. Best estimates of long-term geometric rates of return are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return	Weighted Average Expected Real Rate of Return
Domestic Equity	27.5%	5.3%	1.46%
International Equity	27.5%	6.1%	1.68%
Fixed Income	15.0%	2.2%	0.33%
Real Estate	10.0%	6.5%	0.65%
Private Equity	10.0%	9.5%	0.95%
Hedge Funds	10.0%	3.8%	0.38%
Total	100.0%		5.45%
Inflation (CPI)			1.80%
			7.25%

Note 8. Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rates assumed that employer contributions will continue to follow the current funding policies. Based on these assumptions, the fiduciary net position 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 liability.

Sensitivity of the Fund's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Fund's proportionate share of the net pension liability calculated using the current discount rate of 7.25 percent as well as the Fund's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

Fund's Proportionate Share of the Net Pension Liability (Asset)		
1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
$ 660,794	$ 93,388	$ (392,230)

Note 9. Other Postemployment Benefits (OPEB)

Plan Description

The West Virginia Other Postemployment Benefit Plan (the OPEB Plan) is a cost-sharing, multiple-employer, defined benefit other post-employment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code Section 5-16D-2 (the Code). The financial activities of the OPEB Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State of West Virginia. The OPEB Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. OPEB Plan benefits are established and revised by PEIA and the RHBT management with approval of their Finance Board. The PEIA issues a publicly available financial report of the RHBT that can be obtained at www.peia.wv.gov or by writing to the West Virginia Public Employees Insurance Agency, 601 57th Street, SE Suite 2, Charleston, WV 25304.

Benefits Provided

Fund employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the PERS or meet certain other eligibility requirements of other CPRB sponsored retirement plans. RHBT provides medical and prescription drug insurance and life insurance benefits to those qualified participants. Life insurance is provided through a vendor and is primarily funded by member contributions. The medical and prescription drug insurance is provided through two options; Self-Insured Preferred Provider Benefit Plan - primarily for non-Medicare-eligible retirees and spouses or External Managed Care Organizations - primarily for Medicare-eligible retirees and spouses.

(Continued)

Note 9. Other Postemployment Benefits (OPEB) (Continued)

Benefits Provided (Continued)

The RHBT Medicare-eligible retired employees and their Medicare-eligible dependents receive medical and drug coverage from a Medicare Advantage Prescription Drug Plan (MAPD) administered by a vendor. Under this arrangement, the vendor assumes the financial risk of providing comprehensive medical and drug coverage with limited copayments. Non-Medicare retirees continue enrollment in PEIA's Preferred Provider Benefit or the Managed Care Option. The RHBT collects employer contributions for Managed Care Organization (MCO) participants and remits capitation payments to the MCO. Survivors of retirees have the option of purchasing the medical and prescription drug coverage.

Eligible participants hired after June 30, 2010, will be required to fully fund premium contributions upon retirement. The Plan is a closed plan to new entrants.

Contributions

West Virginia Code section 5-16D-6 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. Employer contributions represent what the employer was billed during the respective year for their portion of the pay as you go premiums, commonly referred to as paygo, retiree leave conversion billings, and other matters, including billing adjustments. The annual contractually required per active policyholder per month rates for State non-general funded agencies and other participating employers effective June 30, 2023, 2022, and 2021, respectively, were:

	2023	2022 2/1/22-6/30/22	2022 7/1/21-1/31/22	2021
Paygo Premium	$ 70	$ 48	$ 116	$ 160

Contributions to the OPEB plan from the Fund were $22,887, $33,189, and $58,287, for the years ended June 30, 2023, 2022, and 2021, respectively.

Members retired before July 1, 1997, pay retiree healthcare contributions at the highest sponsor subsidized rate, regardless of their actual years of service. Members retired between July 1, 1997 and June 30, 2010, pay a subsidized rate depending on the member's years of service. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy.

Retiree leave conversion contributions from the employer depend on the retiree's date of hire and years of service at retirement as described below:

- Members hired before July 1, 1988, may convert accrued sick or leave days into 100% of the required retiree healthcare contribution.

- Members hired from July 1, 1988, to June 30, 2001, may convert accrued sick or leave days into 50% of the required retiree healthcare contribution.

Note 9. Other Postemployment Benefits (OPEB) (Continued)

Contributions (Continued)

The conversion rate is two days of unused sick and annual leave days per month for single healthcare coverage and three days of unused sick and annual leave days per month for family healthcare coverage.

Contributions by Nonemployer Contributing Entities in Special Funding Situations

The State of West Virginia is a nonemployer contributing entity that provides funding through SB 419, effective July 1, 2012, amended by West Virginia Code §11-21-96. The State provides a supplemental pre-funding source dedicating $30 million annually to the RHBT Fund from annual collections of the Personal Income Tax Fund and dedicated for payment of the unfunded liability of the RHBT. The $30 million transferred pursuant to this Code shall be transferred until the Governor certifies to the Legislature that an independent actuarial study has determined that the unfunded liability of RHBT has been provided for in its entirety or July 1, 2037, whichever date is later. This funding is to the advantage of all RHBT contributing employers.

The State is a nonemployer contributing entity that provides funding through SB 469 which was passed February 10, 2012, granting OPEB liability relief to the 55 County Boards of Education effective July 1, 2012. The public school support plan (PSSP) 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 for employees who are employed as professional employees, employees who are employed as service personnel and employees who are employed as professional student support personnel", within the limits authorized by the State Code. This special funding under the school aid formula subsidizes employer contributions of the county boards of education.

OPEB Liability, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the Fund reported a liability for its proportionate share of the RHBT net OPEB liability that reflected a reduction for State OPEB support provided to the Fund. The amount recognized by the Fund as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Fund was as follows:

	2023
The Fund's proportionate share of the net OPEB liability	$ 29,490
State's special funding proportionate share of the net OPEB liability associated with the Fund.	10,102
Total portion of net OPEB liability associated with the Fund	$ 39,592

Note 9. Other Postemployment Benefits (OPEB) (Continued)

OPEB Liability, OPEB Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The net OPEB liability reported at June 30, 2023 was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to a measurement date of June 30, 2022. The Fund's proportion of the net OPEB liability was based on its proportionate share of employer and non-employer contributions to the OPEB Plan for the fiscal year ended on the measurement date. At June 30, 2022, the Fund's proportion was 0.026 percent, which is 0.005 percent less than the proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Fund recognized OPEB expense (revenue) of ($180,475) and for support provided by the State under special funding situations revenue (expenses) of ($28,618). At June 30, 2023, the Fund reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 37,620
Differences in assumptions	18,912	74,928
Net difference between projected and actual earnings on OPEB plan investments	4,577	-
Changes in proportion and differences between the Fund's contributions & proportionate share of contributions	-	28,158
Reallocation of opt-out employer change in Proportionate share	-	187
The Fund's contributions subsequent to the measurement date	22,887	-
Total	$ 46,376	$ 140,893

The amount of $22,887 reported as deferred outflows of resources related to OPEB resulting from the Fund's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2024	$ (103,444)
2025	(16,749)
2026	(8,669)
2027	11,458

Note 9. Other Postemployment Benefits (OPEB) (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to a measurement date of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	Rates based on 2015-2020 OPEB experience study and dependent on pension plan participation and attained age, and range from 2.75% to 5.18%, including inflation
Investment rate of return	6.65%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2023, decreasing by 0.50% for two years, then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year 2032. Trend rate for Medicare per capita costs of 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032.
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Remaining amortization period	20 years closed period beginning June 30, 2017

Post-retirement mortality retirement rates were based on Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females for Teachers' Retirement System (TRS), Pub-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 106% for males and 113% for females for PERS, and Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with scale MP-2021 and scaling factors of 100% for males and females for West Virginia Death, Disability, and Retirement Fund (Trooper A) and West Virginia State Police Retirement System (Trooper B). Pre-retirement mortality rates were based on Pub-2010 General Employee Mortality Tables projected with MP-2021 for TRS, Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2021 for PERS, and Pub-2010 Public Safety Employee Mortality Tables projected with scale MP-2021 for Troopers A and B.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period of July 1, 2015- June 30, 2020.

The actuarial valuation as of June 30, 2021, reflects updates to the following assumptions which are reviewed at each measurement date:

(Continued)

Note 9. Other Postemployment Benefits (OPEB) (Continued)

Actuarial Assumptions (Continued)

The actuarial valuation as of June 30, 2021, reflects updates to the following assumptions which are reviewed at each measurement date:

- Updates to mortality projection scale (MP-2021);
- Projected capped subsidies;
- Per capita claim costs;
- Healthcare trend rates;
- Coverage and continuance;
- Percentage eligible for tobacco-free premium discount; and
- Retired employee assistance program participation

The long-term expected rate of return of 6.65% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.00% for long-term assets invested with the West Virginia Investment Management Board (WVIMB) and an expected short-term rate of return of 2.50% for assets invested with the BTI. Long-term pre-funding assets are invested with the WVIMB. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the BTI.

The long-term rate of return on OPEB plan investments are determined using a building block method in which estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions, and forecast returns were provided by the plan's investment advisors, including the WVIMB. The projected return for the Money Market Pool held with the BTI was estimated based on the WVIMB assumed inflation of 2.0% plus a 25 basis point spread. The target allocation and estimates of annualized long-term expected real returns assuming a 10-year horizon are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	55.0%	4.8%
Core Plus Fixed Income	15.0%	2.1%
Hedge Fund	10.0%	2.4%
Private Equity	10.0%	6.8%
Core Real Estate	10.0%	4.1%

Discount Rate

A single discount rate of 6.65% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.65%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in

Note 9. Other Postemployment Benefits (OPEB) (Continued)

Discount Rate (Continued)

accordance with the prefunding and investment policies. Based on these assumptions, 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.

Other Key Assumptions

Members hired on or after July 1, 2010, are required to pay 100% of expected cost of coverage, resulting in no implicit or explicit employer cost. Consequently, these members are excluded from the actuarial valuation.

OPEB Subsequent Event

RHBT had significant savings with the Humana contract renewal beginning fiscal years 2022 through 2025. In addition to the Humana contract savings, RHBT experienced favorable investment returns in fiscal year 2021, resulting in an excess in the premium stabilization reserve. RHBT is passing on these savings to PEIA active employers. There will be no PAYGO billed in fiscal year 2024. The 5-year financial plan, which was passed by the PEIA Finance Board in December 2021, originally had PAYGO to be billed at $20M for fiscal year 2024.

For fiscal year ending June 30, 2025 financial reporting, many OPEB eligible employers will see $0 OPEB contributions and a $0 OPEB liability (asset) on the GASB 75 Schedules of Employer OPEB Allocations and OPEB Amounts by Employer.

The OPEB liability (asset) is allocated to all OPEB eligible employers based on OPEB contributions. These contributions include PAYGO, retiree leave conversion (health & life) and non-participating billings for a given fiscal year. For fiscal year 2024, there will be $0 billed in PAYGO leaving only the remaining contribution types to be allocated. Many OPEB eligible employers are billed PAYGO only. These employers will have $0 OPEB contributions resulting in a $0 OPEB liability (asset) on the schedules for fiscal year 2025 (based on FY 2024 contributions), resulting in the remaining employers that do have other types of OPEB contributions absorbing the entire OPEB liability (asset). Based off the current year schedules, approximately 413 out of the 700+ employers have only PAYGO billings as contributions.

Sensitivity of the Fund's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Fund's proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the Fund's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage-point higher than the current rate:

	1% Decrease (5.65%)	Current Discount Rate (6.65%)	1% Increase (7.65%)
The Fund's proportionate share of the net OPEB liability (asset)	$ 75,800	$ 29,490	$ (10,239)

(Continued)

Note 9. Other Postemployment Benefits (OPEB) (Continued)

Sensitivity of the Fund's Proportionate Share of Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Fund's proportionate share of the net OPEB liability, as well as what the Fund's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
The Fund's proportionate share of the net OPEB liability (asset)	$ (16,765)	$ 29,490	$ 84,221

REQUIRED SUPPLEMENTARY INFORMATION

THE WEST VIRGINIA WATER POLLUTION CONTROL REVOLVING FUND

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

Public Employees Retirement System Plan

	Years Ended June 30								
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
The Fund's proportion (percentage) of the net pension liability (asset)	0.07%	0.08%	0.08%	0.06%	0.06%	0.08%	0.08%	0.08%	0.09%
The Fund's proportionate share of the net pension liability (asset)	$ 93,388	$ (659,782)	$ 397,053	$ 137,609	$ 163,953	$ 321,409	$ 713,970	$ 478,821	$ 326,734
The Fund's covered payroll	$ 1,151,560	$ 1,137,030	$ 979,700	$ 856,820	$ 982,227	$ 1,061,983	$ 1,147,296	$ 1,190,331	$ 1,011,020
The Fund's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	8.11%	(58.03%)	40.53%	16.06%	16.69%	30.26%	62.23%	40.23%	32.32%
Plan fiduciary net position as a percentage of the total pension liability	98.17%	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%	93.98%

Note: All amounts presented are as of the measurement date, which is one year prior to the fiscal year end date.

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

THE WEST VIRGINIA WATER POLLUTION CONTROL REVOLVING FUND

SCHEDULES OF CONTRIBUTIONS TO THE PERS

	Years Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 99,655	$ 115,156	$ 113,703	$ 97,970	$ 85,682	$ 108,045	$ 127,438	$ 154,885	$ 166,656	$ 146,574
Contributions in relation to the statutorily required contribution	99,655	115,156	113,703	97,970	85,682	108,045	127,438	154,885	166,656	146,574
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The Fund's covered payroll	$ 1,107,278	$ 1,151,560	$ 1,137,030	$ 979,700	$ 856,820	$ 982,227	$ 1,061,983	$ 1,147,296	$ 1,190,331	$ 1,011,020
Contributions as a percentage of covered payroll	9.00%	10.00%	10.00%	10.00%	10.00%	11.00%	12.00%	13.50%	14.00%	14.50%

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

THE WEST VIRGINIA WATER POLLUTION CONTROL REVOLVING FUND

SCHEDULES OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

Retiree Health Benefit Trust

	Years Ended June 30,					
	2023	**2022**	**2021**	**2020**	**2019**	**2018**
The Fund's proportion (percentage) of the net OPEB liability (asset)	0.03%	0.03%	0.03%	0.03%	0.02%	0.02%
The Fund's proportionate share of the net OPEB liability (asset)	$ 29,490	$ (9,437)	$ 143,099	$ 571,407	$ 616,608	$ 605,131
The State's special funding proportionate share of the net OPEB liability (asset) associated with the Fund	$ 10,102	$ (1,858)	$ 31,642	$ 116,935	$ 127,437	$ 124,294
Total proportionate share of the net OPEB liability (asset) associated with the Fund	$ 39,592	$ (11,295)	$ 174,741	$ 688,342	$ 744,045	$ 729,425
The Fund's covered-employee payroll	$ 347,990	$ 597,158	$ 573,139	$ 559,228	$ 541,384	$ 554,376
The Fund's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	8.47%	(1.58%)	24.97%	102.18%	113.89%	109.16%
Plan fiduciary net position as a percentage of the total OPEB liability	93.59%	101.81%	73.49%	39.69%	30.98%	25.10%

Note: All amounts presented are as of the measurement date, which is one year prior to the fiscal year end date.

THE WEST VIRGINIA WATER POLLUTION CONTROL REVOLVING FUND

SCHEDULES OF CONTRIBUTIONS TO THE RHBT

	Years Ended June 30					
	2023	**2022**	**2021**	**2020**	**2019**	**2018**
Required contribution	$ 22,887	$ 33,189	$ 58,287	$ 66,474	$ 58,386	$ 50,763
Contributions in relation to the required contribution	22,887	33,189	58,287	66,474	58,386	50,763
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
The Fund's covered-employee payroll	$ 426,249	$ 347,990	$ 597,158	$ 573,139	$ 559,228	$ 541,384
Contributions as a percentage of covered-employee payroll	5.37%	9.54%	9.76%	11.60%	10.44%	9.38%

Note 1. Trend Information Presented

The accompanying schedules of the Fund's proportionate share of the net pension and net OPEB liabilities (assets) and contributions to the RHBT are required supplementary information to be presented for 10 years. However, until a full 10 year trend is compiled, information is presented in the schedules for those years for which information is available.

Note 2. OPEB Changes in Assumptions

Below are changes in assumptions between the 2021 and 2020 valuations:

- Updates to mortality projection scale (MP-2021);
- Projected capped subsidies;
- Per capita claim costs;
- Healthcare trend rates;
- Coverage and continuance;
- Percentage eligible for tobacco-free premium discount; and
- Retired employee assistance program participation

Below are changes in assumptions between the 2020 and 2018 valuations:

The assumption changes that most significantly impacted the total OPEB liability were an approximate $831 million decrease due to updated capped subsidy rates, per capita costs, and trend rates, as well as an approximate $279 million decrease due to changes in assumptions as a result of an experience study as follows:

- General/price inflation – decrease price inflation rate from 2.75% to 2.25%
- Discount rate – decrease discount rate from 7.15% to 6.65%
- Wage inflation – decrease wage inflation rate from 4.00% to 2.75% for PERS and TRS, and 3.25% for Troopers A and B
- OPEB retirement – develop explicit retirement rates for members who are eligible to retire with healthcare benefits and elect healthcare coverage
- Waived annuitant termination – develop explicit waived termination rates for members who are eligible to retire with healthcare benefits but waive healthcare coverage
- SAL conversion – develop explicit SAL conversion rates for members who are eligible to convert sick and annual leave (SAL) balances at retirement and convert SAL balances into OPEB benefits
- Lapse/re-entry – develop net lapse/re-entry rates for members who either lapse coverage after electing healthcare coverage or elect healthcare coverage after waiving coverage.
- Other demographic assumptions – develop termination, disability, and mortality rates based on experience specific to OPEB covered group
- Salary increase – develop salary increase assumptions based on experience specific to the OPEB covered group

(Continued)

Note 2. OPEB Changes in Assumptions (Continued)

Below are changes in assumptions between the 2018 and 2017 valuations:

The assumption changes that most significantly impacted the total OPEB liability were an approximate $11.8 million decrease in the per capita claims costs for Pre-Medicare and Medicare, as well as an approximate $224.2 million decrease due to capped subsidy costs implemented in December 2019. Certain other assumption changes were noted but did not materially impact the total OPEB liability.

Below are changes in assumptions between the 2017 and 2016 valuations:

The assumption changes that most significantly impacted the Net OPEB Liability are as follows the inclusion of waived annuitants increase the liability by approximately $17 million; a 15% reduction in the retirement rate assumption decreased the liability by approximately $68 million; a change in certain healthcare-related assumptions decreased the liability by approximately $232 million; and an update to the mortality tables increased the liability by approximately $25 million. Certain other assumption changes were noted but did not materially impact the Net OPEB Liability.

Below are changes in the assumptions between the 2016 and 2015 valuations:

Certain economic and behavioral assumptions are unique to healthcare benefits. These assumptions include the healthcare trend, per capita claims costs, the likelihood that a member selects healthcare coverage and the likelihood that a retiree selects one-person, two person or family coverage. These assumptions were updated based on a recent experience study performed by the RHBT actuaries using five-year experience data through June 30, 2015. The updated per capita claims costs were also based on recent claims, enrollment and premium information as of the valuation date.

For the June 30, 2016 valuation, the retiree healthcare participation assumption for each retirement plan is slightly higher than the previous assumption used in the June 30, 2015 OPEB valuation. More members who were covered as actives will be assumed to participate as retirees.

The 2016 and 2015 valuations include consideration of the $30 million annual appropriations under Senate Bill 419, through July 1, 2037, or if earlier, the year the benefit obligation is fully funded. Additionally, the presentation of covered payroll was changed for the June 30, 2015, actuarial valuation. Participating employees hired before July 1, 2010, pay retiree premiums that are subsidized based on years of service at retirement. Participating employees hired on or after July 1, 2010, are required to fully fund premium contributions upon retirement. Consequently, beginning June 30, 2015, actuarial valuation covered payroll represents only the payroll for those OPEB eligible participating employees that were hired before July 1, 2010, allowing a better representation of the UAAL as a percentage of covered payroll, whereas, for the prior years, covered payroll is in total for all participating employees.

(Continued)

Note 3. Pension Plan Amendments

The PERS was amended to make changes which apply to new employees hired July 1, 2015 and later as follows:

- For employees hired prior to July 1, 2015, qualification for normal retirement is age 60 with five years of service or at least age 55 with age and service equal to 80 or greater. A member may retire with a pension reduced actuarially if the member is at least age 55 and has at least 10 years of contributory service, or at any age with 30 years of contributory service. For employees hired July 1, 2015 and later, qualification for normal retirement is 62 with 10 years of service, between ages 57 and 62 with at least twenty years of contributory service, or between ages 55 and 62 with at least thirty years of contributory service.

- The straight life annuity retirement benefit is equivalent to 2% of average salary multiplied by years of service. For employees hired prior to July 1, 2015, average salary is the average of the three consecutive highest annual earnings out of the last fifteen years of earnings. For all employees hired July 1, 2015 and later, average salary is the average of the five consecutive highest annual earnings out of the last fifteen years of earnings.

- For employees hired prior to July 1, 2015, terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired July 1, 2015 and later, this age increases to 64 with at least ten years of contributory service, or age 63 with at least twenty years of contributory service.

- For all employees hired prior to July 1, 2015, employees are required to contribute 4.5% of annual earnings. All employees hired July 1, 2015 and later, are required to contribute 6% of annual earnings.

Note 4. Pension Plan

The information in the schedules of the proportionate share of the net pension liability (asset) was based on actuarial valuations rolled forward to measurement dates of June 30 of each year presented below using the following actuarial assumptions:

PERS	**2019-2022**	**2015-2018**	**2014**
Projected salary increase			
State	3.1 - 5.3% (2019-2020); 2.75% - 5.55% (2021-2022)	3.0 - 4.6%	4.25 - 6.0%
Nonstate	3.35 - 6.5% (2019-2020); 3.60% - 6.75% (2021-2022)	3.35 - 6.0%	4.25 - 6.0%
Inflation rate	3.00% (2019-2020); 2.75% (2021-2022)	3.0% (2016-2018); 1.9% (2015)	2.2%
Discount rate	7.50% (2019-2020); 7.25% (2021-2022)	7.50%	7.50%
Mortality rates	Active-100% of Pub-2010 General Employees table, below median, headcount weighted, projected with scale MP-2018 Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018 Retired healthy females-122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018 Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018 Disabled females-118% of Pub-2010 General / Teachers Disabled Female table, below-median, headcount weighted, projected with scale MP-2018	Active-RP-2000 Non-Annuitant tables, Scale AA fully generational Retired healthy males – 110% of RP-2000 Non-Annuitant, Scale AA fully generational Retired healthy females – 101% of RP -2000 Non-Annuitants, Scale AA fully generational Disabled males – 96% of RP-2000 Disabled Annuitant, Scale AA fully generational Disabled females – 107% of RP-2000 Disabled Annuitant, Scale AA fully generational	Healthy males – 1983 GAM Healthy females – 1971 GAM Disabled males-1971 GAM Disabled females-Revenue ruling 96-7
Withdrawal rates			
State	2.28-45.63%	1.75 - 35.1%	1 – 26%
Nonstate	2.00-35.88%	2 - 35.8%	2 – 31.2%
Disability rates	0.005-0.540%	0. - 67.5%	0 – 8%
Experience Study	2013-2018 (2019-2020);2015-2020 – economic assumptions and 2013-2018 all other assumptions (2021)	2009-2014	2004-2009

BROWN EDWARDS
certified public accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the West Virginia Department of Environmental Protection
West Virginia Water Pollution Control Revolving Fund
Charleston, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the West Virginia Water Pollution Control Revolving Fund (the Fund), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated October 5, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Fund's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Charleston, West Virginia
October 5, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the West Virginia Department of Environmental Protection
West Virginia Water Pollution Control Revolving Fund
Charleston, West Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the West Virginia Water Pollution Control Revolving Fund's (the Fund) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Fund's major federal program for the year ended June 30, 2023. The Fund's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Fund complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Fund's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Fund's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Fund's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Fund's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Fund's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Fund's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Charleston, West Virginia
October 5, 2023

THE WEST VIRGINIA WATER POLLUTION CONTROL REVOLVING FUND

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

U.S. Environmental Protection Agency	Assistance Listing Number	Federal Expenditures
CLEAR WATER STATE REVOLVING FUND (CWSRF) CLUSTER:		
Capitalization Grants for Clean Water State Revolving Funds	66.458	$ 25,030,626[1]
Total Clean Water State Revolving Fund (CWSRF) Cluster		$ 25,030,626

[1] This amount was passed through to non federal entities under a loan program.

Note 1. Basis of Presentation

The above schedule of expenditures of federal awards includes the federal award activity of the West Virginia Water Pollution Control Revolving Fund (the Fund) under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the Fund, it is not intended to and does not present the financial position, changes in fund net position or cash flows of the Fund.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The Fund has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

See Independent Auditor's Report.

THE WEST VIRGINIA WATER POLLUTION CONTROL REVOLVING FUND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified? ____ Yes __X__ None reported

Noncompliance material to financial statements noted? ____ Yes __X__ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified? ____ Yes __X__ None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ____ Yes __X__ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
66.458	Clean Water State Revolving Fund (CWSRF) Cluster

(Continued)

THE WEST VIRGINIA WATER POLLUTION CONTROL REVOLVING FUND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

Section I - Summary of Auditors' Results (Continued)

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000			
Auditee qualified as low-risk auditee?	X	Yes	___	No

Section II - Financial Statement Findings

No findings were identified that are required to be reported under this section.

Section III - Federal Award Findings and Questioned Costs

No findings were identified that are required to be reported under this section.

THE WEST VIRGINIA WATER POLLUTION
CONTROL REVOLVING FUND

SCHEDULES OF INDIVIDUAL FUND ACTIVITY
SCHEDULE OF NET POSITION
JUNE 30, 2023

Assets:	Administrative Fee Fund	Loan Fund	Combined Fund Totals
Cash equivalents	$ 15,589,492	$ 229,504,720	$ 245,094,212
Receivables:			
Due from West Virginia Department of Environmental Protection	10	-	10
Interest on loans	-	295,810	295,810
Administrative fees on loans	251,003	-	251,003
Loans receivable	-	675,715,192	675,715,192
Total assets	15,840,505	905,515,722	921,356,227
Deferred outflows of resources:			
Deferred outflows of resources related to pension	260,088	-	260,088
Deferred outflows of resources related to OPEB	46,376	-	46,376
Total deferred outflows of resources	306,464	-	306,464
Liabilities:			
Accounts payable	143,144	-	143,144
Compensated absences	133,722	-	133,722
Unearned revenue	-	5,588,100	5,588,100
Net OPEB liability	29,490	-	29,490
Net pension liability	93,388	-	93,388
Total liabilities	399,744	5,588,100	5,987,844
Deferred inflows of resources:			
Deferred inflows of resources related to pension	1,841	-	1,841
Deferred inflows of resources related to OPEB	140,893	-	140,893
Total deferred inflows of resources	142,734	-	142,734
Restricted net position	$ 15,604,491	$ 899,927,622	$ 915,532,113

See Independent Auditor's Report.

THE WEST VIRGINIA WATER POLLUTION
CONTROL REVOLVING FUND

SCHEDULES OF INDIVIDUAL FUND ACTIVITY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
Year Ended June 30, 2023

	Administrative Fee Fund	Loan Fund	Combined Fund Totals
Operating revenues:			
Interest income on loans	$ -	$ 3,597,831	$ 3,597,831
Administration fees on loans	3,020,607	-	3,020,607
Total revenues	3,020,607	3,597,831	6,618,438
Operating expenses:			
Personnel costs	991,641	-	991,641
Principal forgiveness	717,814	8,567,278	9,285,092
Other administrative costs	1,106,306	-	1,106,306
Total expenses	2,815,761	8,567,278	11,383,039
Operating income (loss)	204,846	(4,969,447)	(4,764,601)
Non-operating expenses:			
Investment income (loss)	431,099	6,609,734	7,040,833
Other expenses	(28,618)	-	(28,618)
Capital grants and contributions	-	31,412,526	31,412,526
Change in net position	607,327	33,052,813	33,660,140
Net position, beginning of year	14,997,164	866,874,809	881,871,973
Net position, end of year	$ 15,604,491	$ 899,927,622	$ 915,532,113

SCHEDULE OF CASH FLOWS
Year Ended June 30, 2023

	Administrative Fee Fund	Loan Fund	Combined Fund Totals
Operating activities:			
Cash payments for:			
Loans originated	$ -	$ (31,032,003)	$ (31,032,003)
Principal forgiveness	(717,814)	(8,567,278)	(9,285,092)
Personnel expenses	(1,265,606)	-	(1,265,606)
Administrative expenses	(1,155,945)	-	(1,155,945)
Cash receipts for:			
Principal repayment	-	37,074,318	37,074,318
Interest on loans revenue	-	3,600,613	3,600,613
Administrative fee revenue	3,021,541	-	3,021,541
Net cash provided by (used in) operating activities	(117,824)	1,075,650	957,826

See Independent Auditor’s Report.
(Continued)

THE WEST VIRGINIA WATER POLLUTION
CONTROL REVOLVING FUND

SCHEDULES OF INDIVIDUAL FUND ACTIVITY
SCHEDULE OF CASH FLOWS
Year ended June 30, 2023
(Continued)

	Administrative Fee Fund	Loan Fund	Combined Fund Totals
Capital and related financing activities:			
Capital grants and contributions	-	37,000,626	37,000,626
Investing activities:			
Investing income (loss)	431,099	6,609,734	7,040,833
Net increase (decrease) in cash	313,275	44,686,010	44,999,285
Cash equivalents, beginning of year	15,276,217	184,818,710	200,094,927
Cash equivalents, end of year	$ 15,589,492	$ 229,504,720	$ 245,094,212
Reconciliation of operating income to cash used in operating activities:			
Operating income (loss)	$ 204,846	$ (4,969,447)	$ (4,764,601)
Adjustments to reconcile operating income (loss) to cash provided by operating activities:			
Pension expense	53,853	-	53,853
OPEB expense	(180,475)	-	(180,475)
Decrease in loans receivable	-	6,042,315	6,042,315
Decrease in other receivables	934	2,782	3,716
Increase in compensated absences	(99,655)	-	(99,655)
Increase in deferred outflows of resources related to pensions	(22,887)	-	(22,887)
Increase in deferred outflows of resources related to OPEB	7,268	-	7,268
Decrease in accounts payable	(81,708)	-	(81,708)
Net cash provided by (used in) operating activities	$ (117,824)	$ 1,075,650	$ 957,826

See Independent Auditor's Report

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION - FINANCE DIVISION
FINANCIAL ACCOUNTING AND REPORTING SECTION

FORM 7

GAAP REPORTING FORM - DEPOSITS DISCLOSURE

Audited Agency **WV Water Pollution Control Revolving Fund June 30, 2023**

Per GASB Statement 40 the Agency must disclose its deposit policy. The deposit policy must be formally adopted through legal or contractual provisions. Disclosure of any statutory policies are also required. Please provide in the space below the Agency's deposit policy.

See Note 3 to the financial statements.

							2	3A	3B	3C	**Foreign Currency Risk**		
	Carrying Amount	Restricted Carrying Amount	Total Carrying Amount	Bank Balance	FDIC Insured Amount	Collateralized Amount	Amount Collateralized with securities held by the pledging financial institution's trust department or agent in the government's name	Amount Uninsured and Uncollateralized	Collateralized with securities held by the pledging financial institution but not in the name of the depositor	Collateralized with securities held by the pledging financial institution trust department or agency but not in the name of the depositor	Currency Type	Maturity	Fair Value
Balances as of #REF!													
Cash with Treasurer													
Per wvOASIS Opening Balance Repoı		10,209,953	10,209,953										
Cash with Municipal Bond Commission			0										
Cash on Hand			0										
Cash in Transit to wvOASIS			0										
Cash with Board of Trustees			0										
Cash in Outside Bank Accounts			0										
Cash in Escrow			0										
Certificates of Deposits (Non-Negotiable)			0										
Other: ___________________			0										
Total		10,209,953	10,209,953	0	0	0	0	0	0	0			0

PLEASE SEND COMPLETED FORMS TO:

State of West Virginia
Financial Accounting and Reporting Section
2101 Washington Street East
Building 17, 3rd Floor
Charleston, WV 25305

Telephone Number (304) 558-4083
Fax Number (304) 558-4084

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION - FINANCE DIVISION
FINANCIAL ACCOUNTING AND REPORTING SECTION

FORM 8

GAAP REPORTING FORM - INVESTMENTS DISCLOSURE

Audited Agency **WV Water Pollution Control Revolving Fund June 30, 2023**

Per GASB Statement 40 the Agency must disclose its investment policy. The investment policy must be formally adopted through legal or contractual provisions. Disclosure of any statutory policies are also required. Please provide in the space below the Agency's investment policy.

See Note 3 to the financial statements.

	Reported	Reported	Fair Value Measurement's Using							Credit Ratings			Interest Rate Risk - Segmented Time Distribution Investment Maturities (in years)				Foreign Currency Risk		
	Amount Unrestricted	Amount Restricted	Level 1	Level 2	Level 3	Fair Value	Cost Value	Net Asset Value	Total Reported Value	Standard & Poor's	Moody's	Fitch	Less than 1	1 - 5	6 -10	More than 10	Currency Type	Maturity	Fair Value
Investments with Investment Mgmt Board (IMB)																			
Per wvOASIS Opening Balance Report																			
Investment Earnings not Posted to wvOASIS																			
As of 6/30/23																			
Investments with Board of Treasury Investments (BTI)																			
Per Opening Balance Report		234,239,267				57,019,232	177,220,035		234,239,267										
Investment Earnings not Posted to wvOASIS																			
As of 6/30/23		644,992				-91,246	736,238		644,992										
Outside Investments:																			
Investments Reported at Cost																			
Repurchase Agreements ****																			
State & Local Govt Securities																			
U.S. Gov't Agencies																			
U.S. Gov't Agencies																			
Corporate Bonds																			
Commercial Paper																			
Fixed Income Fund																			
Money Market / Mutual Funds																			
Other Investments																			
Total Outside Investments at Cost	0	0	0	0	0	0	0		0				0	0	0	0			
Investments by Fair Value Level																			
Debt Securities																			
U.S. Treasury securities																			
Commercial mortgage-backed securities																			
Collateralized debt obligations																			
Residental mortgage-backed securities																			
Corporate Bonds																			
Total Debt Securities	0	0	0	0	0	0	0		0				0	0	0	0			
Equity Securities																			
Other																			
Total Equity Securities	0	0	0	0	0	0	0		0				0	0	0	0			
Venture Capital Investments																			
Direct venture capital -																			
Direct venture capital -																			
Total Venture Capital Investments	0	0	0	0	0	0	0		0				0	0	0	0			
Private Equity Funds - International																			
Total Private Equity Funds - International	0	0	0	0	0	0	0		0				0	0	0	0			
Total Investments by Fair Value	0	0	0	0	0	0	0		0				0	0	0	0			
Investments Measured at the Net Asset Value (NAV)																			
Equity long/short hedge funds																			
Event-driven hedge funds																			
Global opportunities hedge funds																			
Multi-strategy hedge funds																			
Real estate funds																			
Total Investments Measured at the NAV	0	0						0	0				0	0	0	0			
Investments Derivative Instruments																			
Interest Rate Swaps																			
Foreign exchange contracts (liabilities)																			
Total Investment Derivative Instruments	0	0	0	0	0	0			0				0	0	0	0			
Total Investment	0	234,884,259	0	0	0	56,927,986	177,956,273	0	234,884,259				0	0	0	0			

****** MUST COMPLETE THE BELOW INFORMATION IF REPURCHASE AGREEMENTS WERE IDENTIFIED ABOVE:**

Collateral Description On The Repurchase Agreements	Fair Market Value of Collateral	Credit Rating Moody's	Credit Rating S&P

Valuation Techniques in fair value determination:

PLEASE SEND COMPLETED FORMS TO:

State of West Virginia
Financial Accounting and Reporting Section
2101 Washington Street East
Building 17, 3rd Floor
Charleston, WV 25305

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION - FINANCE DIVISION
FINANCIAL ACCOUNTING AND REPORTING SECTION

FORM 8A

GAAP REPORTING FORM - DEPOSITS AND INVESTMENTS RECONCILIATION

Audited Agency **WV Water Pollution Control Revolving Fund June 30, 2023**

Reconciliation of cash, cash equivalents, and investments as reported in the financial statements to the amounts disclosed in the footnote:

Deposits:	
Cash and cash equivalents as reported on balance sheet	$ 245,094,212
Less: cash equivalents disclosed as investments	(234,884,259)
Add: restricted cash and cash equivalents disclosed as deposits	
Other (describe)	
Carrying amount of deposits as disclosed on Form 7	$ 10,209,953
Investments:	
Investments as reported on balance sheet	$ -
Add: restricted investments disclosed as investments	
Add: cash equivalents disclosed as investments	234,884,259
Other (describe)	
Reported amount of investments as disclosed on Form 8	$ 234,884,259

PLEASE SEND COMPLETED FORMS TO:

State of West Virginia
Financial Accounting and Reporting Section
2101 Washington Street East
Building 17, 3rd Floor
Charleston, WV 25305

Telephone Number: 304-558-4083
Fax Number: 304-558-4084

See Independent Auditor's Report.