



# West Virginia Water Development Authority

Financial Report

June 30, 2025

# West Virginia Water Development Authority

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## **Independent Auditor's Report**

To the Board of Directors  
West Virginia Water Development Authority  
Charleston, West Virginia

### **Opinion**

We have audited the accompanying financial statements of the West Virginia Water Development Authority (the Authority), a component unit of the State of West Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority'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 Authority, as of June 30, 2025, 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. 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 Authority 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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that



includes our 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.


In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 Authority'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 schedule of the proportionate share of the net pension liability (asset), the schedule of contributions to the PERS, the schedule of the proportionate share of the net OPEB liability (asset), the schedule of contributions to the RHBT, and the 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. 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.

*Brown, Edwards & Company, S.L.P.*  
CERTIFIED PUBLIC ACCOUNTANTS

Charleston, West Virginia  
October 1, 2025

**WEST VIRGINIA WATER DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**INTRODUCTION**

The West Virginia Water Development Authority (the "Authority") was established in 1972 by the West Virginia Legislature (WV 22C-1-14) as a governmental instrumentality of the State of West Virginia (the "State") and a body corporate and is considered a component unit of the State for financial reporting purposes. The Authority commenced operations in 1974 and is authorized to serve as a revenue bond bank that provides financial assistance to municipalities, public service districts and other political subdivisions to meet the requirements of State and federal water pollution control and safe drinking water laws, thereby helping to protect the health of the State's citizens, improving drinking water quality, upgrading infrastructure to attract economic development and protecting the environment. The Authority operates under the supervision of the West Virginia Water Development Board, which is comprised of seven members. The Authority, also serves as fiduciary agent for two other programs which are reported separately. The Authority is self-supporting and does not receive State appropriations for operating expenses or bond programs.

The Authority maintains a variety of programs to provide long-term, short-term and private-activity financing at favorable interest rates for design, construction and/or acquisition of wastewater and/or water systems. Generally, the Authority's programs are funded with proceeds from water development bonds issued by the Authority. Moneys in the various programs are loaned to municipalities, public service districts and other political subdivisions through the purchase of revenue bonds or notes issued by these local governmental agencies. The loans are repaid from the revenues of the wastewater and/or water systems or other permanent financing. Because the Authority's bonds are considered a moral obligation of the State, the aggregate principal amount of bonds and/or notes issued by the Authority may not exceed \$500 million outstanding at any time; provided that before the Authority issues bonds or notes in excess of \$400 million, the Legislature must pass a resolution authorizing this action. As of June 30, 2025, the Authority has \$178,893,000 in bonds principal outstanding.

The Authority's long-term planning is accomplished within the confines of its authorized borrowing limit. Additionally, the Authority has used and will use other available resources to fund loans, make grants, and issue bonds when a significant identifiable need arises.

During the 2022 West Virginia Legislature's Regular Session House Bill 4566 was passed and signed into law by the Governor. This legislation created the Economic Enhancement Grant Fund (EEGF). This fund is governed, administered and accounted for by the directors, officers, management, and staff of the Authority. The legislation authorized the Authority to make grants to cover all or a portion of the costs of water, sewer, economic development or tourism projects. At the 2022 Second Extraordinary Session, House Bill 217 was passed and signed into law by the Governor. This legislation provided the Authority an amount of \$250,000,000 from the Coronavirus State Fiscal Recovery Fund to fund the eligible projects. During the 2023 West Virginia Legislature's Regular Session House Bill 2883 was passed and signed into law by the Governor. This legislation increased the EEGF funding by \$177,000,000 for a total of \$427,000,000 as of June 30, 2023. An additional \$5,452,164 was allocated by the Governor's office from the Coronavirus State Fiscal Recovery Fund in November 2024 for a total of \$432,452,164 as of June 30, 2025.

(Continued)

**WEST VIRGINIA WATER DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**INTRODUCTION (continued)**

During the 2023 West Virginia Regular Session House Bill 2024 (Budget Bill) was passed and signed into law by the Governor. This legislation appropriated \$53 million to the EEGF from supplemental appropriations (surplus revenues). The funds became available in August 2023. During the 2024 West Virginia Regular Session Senate Bill 200 was passed and signed into law by the Governor. This legislation appropriated \$50 million to the EEGF from supplemental appropriations (surplus revenues). During a 2024 special session House Bill 213 was passed and signed into law that appropriated an additional \$125,000,00 from supplemental appropriations (surplus revenues), for a total of \$228,000,000 as of June 30, 2025. No additional funding was allocated to the EEGF during the 2025 regular session.

This discussion and analysis of the Authority's financial activities for the year ended June 30, 2025 is designed to assist the reader in focusing on significant financial issues and activities of the Authority and to identify significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 10.

**USING THIS REPORT**

This report consists of a series of financial statements. The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Fund Net Position report the Authority's net position and the annual changes in net position. The Authority's net position, which is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the Authority's financial health or financial position.

**FINANCIAL HIGHLIGHTS**

Total assets of the Authority decreased a total of \$19.7 million or 2.9%. Deferred outflows of resources decreased by \$586 thousand or 13.9%. There was a decrease in total liabilities of \$207.7 million or 41.9%. Deferred inflows of resources increased \$18 thousand or 3.8%. Total net position increased \$187.4 million or 102.2%. Total revenues increased by \$276.3 million or 201.6% from the previous year. This was primarily due to increases in Economic Enhancement Revenue of \$157.4 million from the prior year and \$175 million in intergovernmental for appropriation from the State Legislature for the EEGF. Total operating expenses increased by \$172.6 million or 353.1% from the prior year. This was primarily due to an increases of \$172.4 million in EEGF expenses.

**THE AUTHORITY AS A WHOLE**

The analysis below focuses on Net Position (Table 1) and Changes in Net Position (Table 2):

(Continued)

**WEST VIRGINIA WATER DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**Table 1  
Net Position**

	2025 WDA	2024 WDA	Increase (Decrease)
<b>Assets</b>			
Current assets	\$ 520,920,173	\$ 531,233,744	\$ (10,313,571)
Non-current assets	135,176,752	144,604,701	(9,427,949)
<b>Total assets</b>	<b>\$ 656,096,925</b>	<b>\$ 675,838,445</b>	<b>\$ (19,741,520)</b>
<b>Deferred outflows of resources</b>			
Deferred loss on bond refundings	\$ 3,495,064	\$ 4,116,323	\$ (621,259)
Deferred outflows of resources from OPEB amounts	4,335	8,050	(3,715)
Deferred outflows of resources from pension amounts	124,087	85,097	38,990
<b>Total deferred outflows of resources</b>	<b>\$ 3,623,486</b>	<b>\$ 4,209,470</b>	<b>\$ (585,984)</b>
<b>Liabilities</b>			
Current liabilities	\$ 186,642,039	\$ 383,922,717	\$ (197,280,678)
Long-term debt outstanding	101,813,578	112,248,147	(10,434,569)
<b>Total liabilities</b>	<b>\$ 288,455,617</b>	<b>\$ 496,170,864</b>	<b>\$ (207,715,247)</b>
<b>Deferred inflows of resources</b>			
Deferred gain on bond refundings	\$ 429,396	\$ 453,217	\$ (23,821)
Deferred inflows of resources from OPEB amounts	5,515	19,858	(14,343)
Deferred inflows of resources from pension amounts	56,309	104	56,205
<b>Total deferred inflows of resources</b>	<b>\$ 491,220</b>	<b>\$ 473,179</b>	<b>\$ 18,041</b>
<b>Net position</b>			
Net investment in capital assets	\$ 4,317,568	\$ 4,415,421	\$ (97,853)
Restricted by revenue bond agreements	298,159,244	115,193,683	182,965,561
Restricted for OPEB and pension	44,843	11,840	33,003
Unrestricted	68,251,919	63,782,928	4,468,991
<b>Total net position</b>	<b>\$ 370,773,574</b>	<b>\$ 183,403,872</b>	<b>\$ 187,369,702</b>

(Continued)

**WEST VIRGINIA WATER DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**THE AUTHORITY AS A WHOLE (Continued)**

**Total assets** decreased by \$19.7 million or 2.9%. Decrease to assets was due mainly to a decrease of cash and cash equivalents of \$8.8 million and a reduction of revenue bonds receivable in the amount of \$10.7 million.

**Deferred outflow of resources** decreased by \$586 thousand or 13.9% which was the result of current year amortization of losses on refundings in the amount of \$621 thousand, a decrease in deferred outflow of resources for OPEB's of \$3.7 thousand, and an increase in the deferred outflow of resources for pensions in the amount of \$39 thousand.

**Total liabilities** decreased by \$207.7 million or 41.9% which was primarily the result of the unearned revenue decrease in the amount of \$197.6 million and a \$9.4 million decrease in bonds payable.

**Deferred inflows of resources** increased by \$18 thousand or 3.8% due to a decrease in the deferred inflows of resources for OPEB of \$14 thousand, a decrease in the amortization of the deferred gain on refunding of \$23.8 thousand, offset by an increase in the deferred inflows of resources from pension of \$56.2 thousand.

**Unrestricted net position** increased \$4.5 million, primarily explained by an increase of \$11.9 million in cash and cash equivalents.

**Restricted net position** increased \$183 million, which was primarily due to a decrease in unearned revenue of \$197.6 million, offset by a decrease in restricted cash and cash equivalents of \$14.2 million.

(Continued)

**WEST VIRGINIA WATER DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**Table 2  
Changes in Net Position**

	2025 WDA	2024 WDA	Increase (Decrease)
<b>Revenues:</b>			
Operating revenues:			
Charges for services	\$ 6,992,019	\$ 8,874,106	\$ (1,882,087)
Economic Enhancement Grant Fund revenue	203,008,991	45,573,134	157,435,857
Other	589,056	684,755	(95,699)
<b>Total operating revenues</b>	<b>210,590,066</b>	<b>55,131,995</b>	<b>155,458,071</b>
<b>Nonoperating revenues:</b>			
Interest and investment revenue, net of arbitrage	27,741,344	28,930,683	(1,189,339)
Intergovernmental	175,000,000	53,000,000	122,000,000
<b>Total revenues</b>	<b>413,331,410</b>	<b>137,062,678</b>	<b>276,268,732</b>
<b>Expenses:</b>			
Operating expenses	221,543,371	48,893,900	172,649,471
Nonoperating expenses:			
Interest expense	4,418,337	4,820,599	(402,262)
<b>Total expenses</b>	<b>225,961,708</b>	<b>53,714,499</b>	<b>172,247,209</b>
<b>Change in net position</b>	<b>187,369,702</b>	<b>83,348,179</b>	<b>104,021,523</b>
Beginning net position	183,403,872	100,055,693	83,348,179
<b>Ending net position</b>	<b>\$ 370,773,574</b>	<b>\$183,403,872</b>	<b>\$ 187,369,702</b>

**Charges for services** decreased \$1.9 million. This is primarily due to repayments of loans in the portfolio being applied to principal rather than interest as they are being paid down over time.

**Economic Enhancement Grant Fund revenue** increased by \$157.4 million due to additional funds provided for the program and increased expenditure of funds on hand.

**Intergovernmental** increased \$122 million primarily due to revenue received from State appropriations for the EEGF.

(Continued)

**WEST VIRGINIA WATER DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**THE AUTHORITY AS A WHOLE (Continued)**

**Interest and investment revenue** decreased by \$1.2 million due to lower short-term interest rates available to the Authority from period to period on increased asset balances.

**Operating expenses** increased by \$172.6 million due to increased grant payments for the EEGF.

**DEBT ADMINISTRATION**

As a financing entity, the business of the Authority is debt issuance and administration, including servicing. By statute, the maximum amount of bonds the Authority is authorized to have outstanding includes debt issued for the Authority and by the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council. While the redemption of bonds is economically prudent because of the resulting debt service savings, any reduction in the liability for long-term debt enables the Authority to manage debt capacity for future needs as well as for new programs. The Authority, therefore, continues to monitor its long-term outstanding debt for prepayment and refunding opportunities for debt service savings. At year end, the Authority had \$106,468,000 in revenue and refunding bonds outstanding versus \$115,858,000 in the prior year, a decrease of approximately 8.10%.

As of June 30, 2025, the 2012 Series A-I and B-I, 2012 Series B-II, 2013 Series A-II, 2016 Series A-II, and 2012 Series A-III and B-III had a Moody's rating of A1 and a Fitch rating of A+.

As of June 30, 2025, the 2018 Series A-IV, had a Standard & Poor's rating of A. The 2018 Series B-IV Bonds were privately placed and not rated by any rating agency.

The Authority's ratings from Moody's and Fitch reflect the State's moral obligation rating. Ultimately, rating strength is provided by the Authority's pledge to maintain a debt service reserve fund equal to the maximum annual debt service on all outstanding bonds and servicing of underlying loans. If the amount in the reserve funds falls below the required maximum annual debt service level, the Governor, on notification by the Authority, may request the State's Legislature to appropriate the necessary funds to replenish the reserve to its required level. The State's Legislature, however, is not legally required to make such appropriation.

**CONTACTING THE AUTHORITY'S MANAGEMENT**

This financial report is designed to provide a general overview of the Authority's finances and to show the Authority's accountability for the money it receives as well as its ability to pay debt service. If you have questions about this report or need additional information, contact the Executive Director or Chief Financial Officer, West Virginia Water Development Authority, 1009 Bullitt Street, Charleston, West Virginia 25301, call 304-414-6500; or visit the Authority's website ([www.wvwda.org](http://www.wvwda.org)).



# Financial Statements



# West Virginia Water Development Authority

## Statement of Net Position

June 30, 2025

### ASSETS

#### CURRENT ASSETS

Cash and cash equivalents (Note 3)	\$ 60,078,379
Receivables:	
Revenue bonds, net of unamortized discount of \$41,323 (Note 4)	11,019,135
Design loan program notes receivable (Note 5)	543,911
Interest	1,842,151
Administrative fees	2,669
Other	36,000
Due from other agencies (Note 10)	624,154
Total unrestricted current assets	<u>74,146,399</u>

#### Restricted current assets:

Cash and cash equivalents (Note 3)	446,770,115
Prepaid insurance	3,659
Total current assets	<u>520,920,173</u>

#### NONCURRENT ASSETS

Revenue bonds (Note 4)	5,549,862
Capital assets, net (Note 6)	4,317,568
Total unrestricted noncurrent assets	<u>9,867,430</u>

#### Restricted noncurrent assets:

Cash and cash equivalents (Note 3)	15,537,451
Revenue bonds, net of unamortized discount of \$547,070 (Note 4)	109,672,109
Net pension asset (Note 8)	44,843
Prepaid insurance	54,919
Total restricted noncurrent assets	<u>125,309,322</u>

Total assets	<u><u>\$ 656,096,925</u></u>
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#### DEFERRED OUTFLOWS OF RESOURCES

Deferred loss on bond refundings	\$ 3,495,064
Deferred outflows of resources from OPEB amounts (Note 9)	4,335
Deferred outflows of resources from pension amounts (Note 8)	124,087
Total deferred outflows of resources	<u><u>\$ 3,623,486</u></u>

# West Virginia Water Development Authority

## Statement of Net Position

June 30, 2025

### LIABILITIES

#### CURRENT LIABILITIES

Accounts payable	\$ 10,419
Current portion of revenue bonds payable, including unamortized net premium of \$676,710 (Note 7)	10,450,710
Accrued interest payable	938,370
Unearned revenue	175,242,540

Total current liabilities 186,642,039

#### NONCURRENT LIABILITIES

Accrued employee benefits	117,027
Liabilities payable from restricted assets: Noncurrent portion of revenue bonds payable, including unamortized net premium of \$5,002,551 (Note 7)	101,696,551

Total noncurrent liabilities 101,813,578

Total liabilities \$ 288,455,617

### DEFERRED INFLOWS OF RESOURCES

Deferred gain on bond refundings	\$ 429,396
Deferred inflows of resources from OPEB amounts (Note 9)	5,515
Deferred inflows of resources from pension amounts (Note 8)	56,309
Total deferred inflows of resources	<u>\$ 491,220</u>

### NET POSITION

Restricted by revenue bond agreements	\$ 298,159,244
Restricted for pension	44,843
Unrestricted	68,251,919
Net investment in capital assets	4,317,568

Total net position \$ 370,773,574

# West Virginia Water Development Authority

## Statement of Revenues, Expenses, and Changes in Fund Net Position

Year Ended June 30, 2025

OPERATING REVENUES	
Charges for services	\$ 6,992,019
Economic Enhancement Grant Fund revenue	203,008,991
Miscellaneous	<u>589,056</u>
Total operating revenues	<u>210,590,066</u>
OPERATING EXPENSES	
Economic Enhancement Grant Fund expense	219,650,752
Depreciation and amortization	241,835
General and administrative (Note 11)	<u>1,650,784</u>
Total operating expenses	<u>221,543,371</u>
Operating loss	<u>(10,953,305)</u>
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental (Note 10)	175,000,000
Interest and investment revenue	27,741,344
Interest expense	<u>(4,418,337)</u>
Total nonoperating revenues	<u>198,323,007</u>
CHANGE IN NET POSITION	187,369,702
Total net position, beginning of year	<u>183,403,872</u>
Total net position, end of year	<u><u>\$ 370,773,574</u></u>

# West Virginia Water Development Authority

## Statement of Cash Flows

Year Ended June 30, 2025

### OPERATING ACTIVITIES

Receipts of grant funds	\$ 5,452,162
Receipts of principal on bonds receivable	10,481,520
Receipts of interest on bonds receivable	7,482,564
Receipts of administrative fees on bonds receivable	588,263
Receipts of principal on design loan program notes receivable	308,073
Receipts of reimbursements from other agencies	3,492,365
Disbursements of grants	(219,686,752)
Disbursements from issuance of bonds receivable	(3,300)
Disbursements of interim design loans	(2,398)
Disbursements of general and administrative expense	(894,359)
Disbursements on behalf of employees	(804,101)
Disbursements on behalf of other agencies	(3,806,623)
Net cash used in operating activities	<u>(197,392,586)</u>

### CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(140,323)</u>
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### NONCAPITAL FINANCING ACTIVITIES

Principal paid on revenue and refunding bonds	(9,390,000)
Interest paid on revenue and refunding bonds	(4,568,057)
Appropriation for Economic Enhancement Grant Fund	175,000,000
Net cash provided by noncapital financing activities	<u>161,041,943</u>

### INVESTING ACTIVITIES

Investment earnings	<u>27,679,454</u>
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Net decrease in cash and cash equivalents (8,811,512)

CASH AND CASH EQUIVALENTS, beginning 531,197,457

CASH AND CASH EQUIVALENTS, ending \$ 522,385,945

Cash and cash equivalents consist of:

Cash and cash equivalents	\$ 60,078,379
Restricted cash and cash equivalents (current)	446,770,115
Restricted cash and cash equivalents (noncurrent)	15,537,451
	<u><u>\$ 522,385,945</u></u>

# West Virginia Water Development Authority

## Statement of Cash Flows

Year Ended June 30, 2025

Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (10,953,305)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation and amortization expense	241,835
Changes in operating accounts:	
Due from other agencies	(314,258)
Revenue bonds receivable	10,436,896
Design loan program notes receivable	305,675
Accrued interest receivable	531,869
Administrative fees receivable	(793)
Other receivable	(36,000)
Net OPEB asset	10,462
Net pension asset	(43,465)
Deferred outflows of resources from pension and OPEB	(35,275)
Accounts payable	(25,508)
Accrued employee benefits	4,248
Unearned revenue	(197,556,829)
Deferred inflows of resources from pension and OPEB	41,862
	<hr/>
Net cash used in operating activities	<u><u>\$ (197,392,586)</u></u>

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

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### Note 1 – Reporting Entity

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The West Virginia Water Development Authority (the Authority) is a governmental instrumentality of the State of West Virginia (the State) and a body corporate, created under the provisions of Chapter 22C, Article 1 of the Code of West Virginia, 1931, as amended, and known as the West Virginia Water Development Act. The Authority's mission is to provide West Virginia communities effective financial assistance for development of wastewater, water and economic infrastructure that will improve health, protect the streams of the State, improve drinking water quality and encourage economic growth. This is accomplished by administering and managing the West Virginia Water Development Revenue Bond Programs, serving as the State-designated fiduciary of the West Virginia Infrastructure Fund, managing the Department of Environmental Protection's Drinking Water Treatment Revolving Fund, administering the Department of Environmental Protection's Clean Water State Revolving Fund, and being an active member of the West Virginia Infrastructure and Jobs Development Council.

The Authority's Water Development Revenue Bond Programs are funded with proceeds of water development bonds issued by the Authority. Moneys in the programs are loaned to municipalities, public service districts and other political subdivisions through the purchase by the Authority of revenue bonds or notes issued by those entities, who repay the loans from the revenues of the systems or other permanent financing.

During the 2022 West Virginia Legislature's Regular Session, House Bill 4566 was passed and signed into law by the Governor. This legislation created the Economic Enhancement Grant Fund (EEGF). This fund is governed, administered and accounted for by the directors, officers and management of the Authority. The legislation authorized the Authority to make grants to cover all or a portion of the costs of water, sewer, economic development or tourism projects. During the 2024 West Virginia Legislative's Regular Session Senate Bill 200 was passed and signed into law by the Governor, appropriating an additional \$50,000,000 to the Authority for the EEGF for the fiscal year ending June 30, 2025. During the 2024 West Virginia Legislative's Second Extraordinary Session, House Bill 213 was passed and signed into law by the Governor, appropriating \$125,000,000 to the Authority for the EEGF for fiscal year ending June 30, 2025. The Authority received \$5,452,162 from the Coronavirus State Fiscal Recovery Fund for the fiscal year ending June 30, 2025.

The State is able to impose its will over the Authority, therefore the Authority is considered a component unit of the State.

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in accounting principles generally accepted (GAAP) in the United States of America for governments. GAAP defines component units as those entities which are legally separate governmental organizations for which the appointed members of the Authority are financially accountable or other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the Authority's financial statements to be misleading. Because no such organizations exist which meet the above criteria, the Authority has no component units.

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### Note 2 – Significant Accounting Policies

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#### *Basis of Presentation*

The Authority is accounted for as a proprietary fund special purpose government engaged in business type activities. In accordance with GAAP, 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.

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

The Authority is included in the State's financial statements as a discretely presented component unit proprietary fund and business type activity. There may be differences between the amounts reported in these financial statements and the financial statements of the State as a result of major fund determination.

### *Cash and Cash Equivalents*

Cash and cash equivalents include deposits with the West Virginia Treasurer's office, the West Virginia Board of Treasury Investments (BTI) West Virginia Money Market Pool, and investments in mutual funds with original maturities of less than ninety days and are carried at amortized costs.

### *Allowance for Uncollectible Loans and Service Charges*

The Authority established an allowance for uncollectible revolving loans and service charges based on the estimated age of revolving loans and service charges and their anticipated collectability. The Authority has not established an allowance for uncollectible loans in the Water Development Revenue Bond Programs because of remedies available to it in the loan agreements that exist between the Authority and the various entities.

### *Restricted Assets*

Proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by bond covenants. When both restricted and unrestricted resources are available for use, it is generally the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

### *Capital Assets*

Capital assets are stated at cost. Depreciation and amortization are computed using the straight-line method over an estimated economic useful life. The table below details the capital asset categories and related economic useful lives for assets in excess of \$1,000 with useful lives in excess of 1 year.

Furniture and equipment	5 years
Building	40 years
Building improvements	10 years
Intangible assets	5 years
Land improvements	15 years

### *Unearned Revenue*

Unearned revenue represents grant funds received in advance for the funding of future qualifying eligible grant project expenses.

### *Accrued Employee Benefits*

In accordance with State policy, the Authority permits employees to accumulate earned but unused leave benefits. A liability for leave is accrued when earned and more likely than not to be used or settled in a future period.

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

### *Bond Premiums, Discounts, and Issuance Costs*

Bond premiums and discounts are amortized using the straight-line method over the varying terms of the bonds issued. The straight-line method is not in accordance with GAAP, but the difference in amortization using the straight-line method, versus the effective interest method, which is in accordance with GAAP, is not material to the financial statements as a whole. Bond issuance costs are expensed as incurred.

### *Arbitrage Rebate Payable*

The United States Internal Revenue Code of 1986, as amended (the "Code"), prescribes restrictions applicable to the Authority as issuer of Water Development Revenue and Refunding Bonds. Among those include restrictions on earnings on the bond proceeds. The Code requires payment to the federal government of investment earnings on certain bond proceeds in excess of the amount that would have been earned if the proceeds were invested at a rate equal to the yield on the bonds. As of June 30, 2025, the Authority is not liable to the federal government as a result of arbitrage.

### *Deferred Outflows of Resources / Deferred Inflows of Resources*

The statement of net position reports a separate financial statement element called *deferred outflows of resources*. This financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that time. The Authority reports losses on bond refunding as deferred outflows of resources and deferred outflows of resources related to pensions and OPEB.

The statement of net position reports a separate financial statement element called *deferred inflows of resources*. This financial statement element represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The Authority reports gains on bond refundings as deferred inflows of resources and deferred inflows of resources related to pensions and OPEB.

### *Pension*

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the West Virginia Public Employees Retirement System (PERS) and additions to/deductions from PERS 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 asset, 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.

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

### *Net Position*

Net position is presented as unrestricted, restricted, or as the net investment in capital assets. The net investment in capital assets consists of all capital assets, less accumulated depreciation. Restricted net position represents assets restricted for the repayment of bond proceeds, by bond covenants, for retirement of other long-term obligations, or for the payment of pension amounts. All remaining net position is considered unrestricted. When an expense is incurred for purposes for which both restricted and unrestricted net position is available, restricted resources are applied first.

### **Note 3 – Deposit and Investment Risk Disclosures**

The General Revenue Bond Resolutions and the Authority's investment guidelines authorize the Authority to invest all bond proceeds in obligations of the United States and certain of its agencies, certificates of deposit, public housing bonds, direct and general obligations of states which are rated in either of the two highest categories by Standard & Poor's Corporation, advance-refunded municipal bonds and repurchase agreements relating to certain securities.

The Authority participates in the BTI West Virginia Money Market Pool, which is an amortized cost pool in accordance with GAAP and the criteria specifying that the pool must transact with their participants at a stable net asset value per share and meet requirements for portfolio maturity, portfolio quality, portfolio diversification, portfolio liquidity, and shadow pricing. The BTI does not place limitations or restrictions on participant withdrawals from the pool, such as redemption notice periods, maximum transaction amounts, and any authority to impose liquidity fees or redemption gates. Investment income earned is pro-rated to the Authority 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 pool. Such funds are available to the Authority with overnight notice. The deposited funds are invested in accordance with investment guidelines of the BTI. The Authority's balance, which is included in its cash and cash equivalents, reports a carrying value of \$463,693,128 as of June 30, 2025.

### *Interest Rate Risk - West Virginia Money Market Pool*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The West Virginia Money Market Pool is subject to interest rate risk.

The overall weighted average maturity of the investments of the West Virginia 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 Money Market Pool:

<b>Security Type</b>	<b>Carrying Value (In Thousands)</b>	<b>WAM (Days)</b>
Corporate bonds and notes	\$ 35,000	1
Commercial paper	6,065,609	46
Negotiable certificates of deposit	1,537,010	49
Repurchase agreements	985,100	1
Money market funds	3,691	1
	<b>\$ 8,626,410</b>	<b>41</b>

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

### *Interest Rate Risk - All Other Investments*

As of June 30, 2025, the Authority had the following investments outside of the BTI deposits (which include certain cash equivalents) and maturities:

Type	Maturities (in Years)			
	Carrying Value	Less than 1	1-5	6-10
Money market	\$ 51,786,348	\$ 51,786,348	\$ -	\$ -

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment guidelines limit the maturities of investments not matched to a specific debt or obligation of the Authority to five years or less, unless otherwise approved by the Board.

### *Concentration of Credit Risk - West Virginia Money Market Pool*

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single corporate issuer. The BTI investment policy prohibits the West Virginia Money Market Pool and accounts permitted to hold corporate securities from investing more than 5% of their assets in any one corporate name or one corporate issue.

### *Concentration of Credit Risk – All Other Investments*

As of June 30, 2025, the Authority had a deposit and investment balance outside of BTI deposits in Dreyfus Government Cash Management money market fund, which represented 5.3% of the deposit and investment balances presented in the statement of net position.

Authority's investment guidelines manage concentration of credit risk by limiting its investment activity so that at any time its total deposit and investment portfolio will not exceed the percentage limits as to the permitted investments as follows:

	Permitted Investments	Maximum % of Portfolio
(a)	Direct Federal Obligations	100%
(b)	Federally Guaranteed Obligations	100%
(c)	Federal Agency Obligations	90%
(d)	Money Markets	90%
(e)	Repurchase Agreements/Investment Contracts	90%
(f)	Time Deposits/Certificates of Deposit	90%
(g)	Demand Deposits	30%
(h)	Corporate Obligations	15%
(i)	Other State/Local Obligations	15%
(j)	West Virginia Obligations	15%
(k)	Housing Bonds - Secured by Annual Contributions Contracts	5%

With the exception of money markets, repurchase agreements/investment contracts, time deposits/certificates of deposit and demand deposits, investments that comprise more than 15% of the investment portfolio must be direct federal, federal agency or federally guaranteed obligations.

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

Any investments listed above that comprise more than 15% of the investment portfolio must be either provided by an institution with a rating of at least A/A by Moody's and/or Standard and Poor's, invested in a money market fund rated AAAM or AAAM-G or better by Standard and Poor's, secured by obligations of the United States, or not exceed the insurance limits established by the FDIC unless adequate collateral is provided.

### *Credit Risk – West Virginia Money Market Pool*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The WV Money Market Pool has 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. The BTI itself has not been rated for credit risk by any organization.

The BTI limits the exposure to credit risk in the WV Money Market Pool by requiring all long-term corporate debt to 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:

Security Type	Rating	Carrying Value (in Thousands)	Percent of Pool Assets
Corporate bonds and notes	A-1+	\$ 35,000	0.40%
Commercial paper	A-1+	3,314,070	38.42
	A-1	2,751,539	31.90
Negotiable certificates of deposit	A-1+	841,000	9.75
	A-1	696,010	8.07
Money market funds	AAAM	3,691	0.04
Repurchase agreements (underlying securities):			
U.S. Treasury bonds and notes*	AA+	846,600	9.81
U.S. agency bonds and notes	AA+	138,500	1.61
		<b>\$ 8,626,410</b>	<b>100.00%</b>

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

### *Credit Risk – All Other Investments*

The following table provides information on the credit ratings of the Authority's deposits and short-term investments outside of BTI deposits as of June 30, 2025:

Security Type	Fitch	Moody's	Standard & Poor's	Carrying Value
Money market	AAAmf	Aaa-mf	AAAM	<b>\$ 51,786,348</b>

### *Custodial Credit Risk - West Virginia Money Market Pool*

The custodial credit risk for the WV Money Market Pool 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

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

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.

### *Custodial Credit Risk – All Other Investments*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Cash consisted of the following at June 30, 2025:

Cash on deposit with State Treasurer	<b><u>\$ 6,906,469</u></b>
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The Authority has no securities that are subject to foreign currency risk.

A reconciliation of the amounts disclosed as cash and investments included in this Note to cash and cash equivalents, restricted cash and cash equivalents, and investments in the Statement of Net Position as of June 30, 2025, is as follows:

Deposits and Investments:	
Cash and cash equivalents as reported on the Statement of Net Position	\$ 60,078,379
Add: restricted cash and cash equivalents (current)	446,770,115
Add: restricted cash and cash equivalents (noncurrent)	15,537,451
Less: cash equivalents and restricted cash equivalents disclosed as investments in this Note	<u>(515,479,476)</u>
Total cash as disclosed in this Note	<b><u>\$ 6,906,469</u></b>

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### **Note 4 – Revenue Bonds Receivable**

As of June 30, 2025, the face value of revenue bonds of municipalities, public service districts and other political subdivisions purchased with proceeds from Water Development Revenue Bonds was \$119,406,032. Management's intentions are to hold such bonds until maturity; therefore, management believes the face amount of the bonds is fully collectible.

Although not required, the Authority purchased supplemental bonds of municipalities and public service districts using other available funds. As of June 30, 2025 the face value of supplemental bonds was \$7,423,467.

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### **Note 5 – Design Loan Program Notes Receivable**

The Design Loan Program provides funding to governmental agencies for the cost of the design of water and wastewater projects around the state. As of June 30, 2025, financing has been made available to close twenty-one (21) design loans in the amount of \$10,639,459. Disbursements are made to the local governmental agencies from the program based on approved requisitions. As of June 30, 2025, the cumulative total of \$8,716,040 was disbursed to local government agencies under the Design Loan program. The balance of remaining program notes receivable was \$543,911, which is presented as current assets in the statement of net position.

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

### Note 6 – Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital assets not being depreciated:				
Land	\$ 526,194	\$ -	\$ -	\$ 526,194
Construction work in progress	1,450	-	1,450	-
Total capital assets not being depreciated	527,644	-	1,450	526,194
Furniture and equipment	7,297,176	141,773	-	7,438,949
Land improvements	907,404	-	-	907,404
Building	4,100,298	-	-	4,100,298
Total capital assets, being depreciated	12,304,878	141,773	-	12,446,651
Less accumulated depreciation for:				
Furniture and equipment	7,184,805	75,175	-	7,259,980
Land improvements	33,087	60,493	-	93,580
Building	1,199,209	102,508	-	1,301,717
Total accumulated depreciation	8,417,101	238,176	-	8,655,277
Total capital assets, net	<u>\$ 4,415,421</u>	<u>\$ (96,403)</u>	<u>\$ 1,450</u>	<u>\$ 4,317,568</u>

### Note 7– Revenue Bonds Payable

The following is a summary of the Authority’s bond transactions for the year ended June 30, 2025:

	Balance at June 30, 2024	Bonds issued	Bonds retired	Bonds refunded	Balance at June 30, 2025
Revenue bonds	\$ 110,090,000	\$ -	\$ 8,995,000	\$ -	\$ 101,095,000
Revenue bonds from direct placements	5,768,000	-	395,000	-	5,373,000
	<u>\$ 115,858,000</u>	<u>\$ -</u>	<u>\$ 9,390,000</u>	<u>\$ -</u>	<u>\$ 106,468,000</u>

Revenue and refunding bonds outstanding at June 30, 2025, were as follows:

Series	Final Maturity	Interest Rates %	Balance
2012 A-I	11/1/25	2.000-3.000	\$ 175,000
2012 B-I	11/1/26	3.000-4.500	2,845,000
2012 B-II	11/1/33	2.000-4.000	7,415,000
2012 A-III	7/1/39	3.000-4.000	10,825,000
2012 B-III	7/1/40	2.000-3.750	6,680,000
2013 A-II	11/1/29	2.000-5.000	11,605,000
2016 A-II	11/1/39	2.000-5.000	35,890,000
2018 A-IV	11/1/44	2.500-5.000	25,660,000
2018 B-IV*	11/1/35	3.500	5,373,000
			<u>\$ 106,468,000</u>

\*Direct placement bonds

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

Loan Program I includes Series 2012 A-I and 2012 B-I Water Development Revenue Refunding Bonds. Loan Program II includes Series 2012 B-II, 2013 A-II, and 2016 A-II Water Development Revenue Refunding Bonds. Loan Program III includes Series 2012 A-III and 2012 B-III Water Development Revenue Refunding Bonds. Loan Program IV includes Series 2018 A-IV Water Development Revenue Refunding Bonds and Series 2018 B-IV Direct Placement Bonds.

Total future maturities of bond principal and interest on Authority indebtedness at June 30, 2025, are as follows:

### Loan Program I

	Principal	Interest	Total
2026	\$ 1,570,000	\$ 87,869	\$ 1,657,869
2027	1,450,000	29,000	1,479,000
	<b>\$ 3,020,000</b>	<b>\$ 116,869</b>	<b>\$ 3,136,869</b>

### Loan Program II

	Principal	Interest	Total
2026	\$ 6,000,000	\$ 2,186,700	\$ 8,186,700
2027	6,080,000	1,916,650	7,996,650
2028	6,165,000	1,654,425	7,819,425
2029	6,395,000	1,422,700	7,817,700
2030	5,425,000	1,189,225	6,614,225
	30,065,000	8,369,700	38,434,700
2031 – 2035	16,290,000	3,269,275	19,559,275
2036 – 2040	8,555,000	843,100	9,398,100
	24,845,000	4,112,375	28,957,375
	<b>\$ 54,910,000</b>	<b>\$ 12,482,075</b>	<b>\$ 67,392,075</b>

### Loan Program III

	Principal	Interest	Total
2026	\$ 890,000	\$ 609,488	\$ 1,499,488
2027	910,000	581,363	1,491,363
2028	945,000	552,378	1,497,378
2029	975,000	520,550	1,495,550
2030	1,005,000	485,899	1,490,899
	4,725,000	2,749,678	7,474,678
2031 – 2035	5,570,000	1,866,344	7,436,344
2036 – 2040	6,675,000	744,094	7,419,094
2041	535,000	10,031	545,031
	12,780,000	2,620,469	15,400,469
	<b>\$ 17,505,000</b>	<b>\$ 5,370,147</b>	<b>\$ 22,875,147</b>

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

### Loan Program IV

	Bonds		Bonds from Direct Placement		Total
	Principal	Interest	Principal	Interest	
2026	\$ 905,000	\$ 1,119,368	\$ 409,000	\$ 180,898	\$ 2,614,266
2027	815,000	1,076,369	423,000	166,337	2,480,706
2028	855,000	1,034,619	438,000	151,270	2,478,889
2029	895,000	990,869	453,000	135,677	2,474,546
2030	945,000	944,869	469,000	119,543	2,478,412
	<u>4,415,000</u>	<u>5,166,094</u>	<u>2,192,000</u>	<u>753,725</u>	<u>12,526,819</u>
2031 – 2035	5,475,000	3,948,594	2,604,000	335,020	12,362,614
2036 – 2040	7,075,000	2,400,069	577,000	10,098	10,062,167
2041 – 2045	8,695,000	810,278	-	-	9,505,278
	<u>21,245,000</u>	<u>7,158,941</u>	<u>3,181,000</u>	<u>345,118</u>	<u>31,930,059</u>
	<u><b>\$ 25,660,000</b></u>	<u><b>\$ 12,325,035</b></u>	<u><b>\$ 5,373,000</b></u>	<u><b>\$ 1,098,843</b></u>	<u><b>\$ 44,456,878</b></u>

	Revenue Bonds	Direct Placement Bonds	Total
	Total all loan programs	\$ 101,095,000	\$ 5,373,000
Add: unamortized net premium	5,679,261	-	5,679,261
Total all loan programs, net	106,774,261	5,373,000	112,147,261
Less: current portion of revenue bonds payable	10,041,710	409,000	10,450,710
Noncurrent portion of revenue bonds payable	<u><b>\$ 96,732,551</b></u>	<u><b>\$ 4,964,000</b></u>	<u><b>\$ 101,696,551</b></u>

The proceeds from the Authority's Revenue Bond Program provide financial assistance to municipalities, public service districts and other public subdivisions to meet the requirements of state and federal water pollution control and safe drinking water laws. All bonds are considered a moral obligation of the state of West Virginia. All assets of the Authority except capital assets have been pledged to fulfill the commitments of the bonds over the life of the debt. The Direct Placement Bonds are secured by revenues from Loan Program IV Local Bonds of the governmental agency. Principal and interest paid on bonds payable for the year ended June 30, 2025, was \$9,390,000 and \$4,568,057, respectively, and principal payments and interest received on pledged notes receivable were \$10,481,520 and \$7,482,564, respectively, for the year ended June 30, 2025.

## Note 8 – Pension Plan

### Plan Description

The Authority contributes to the Public Employees' Retirement System (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](http://www.wvretirement.com).

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

### *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 five 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, final average salary is the average annual salary from the highest 36 consecutive months within the last fifteen years of employment. For all employees hired July 1, 2015 and later, final average salary is the average annual salary of the highest 60 consecutive months within the last fifteen years of employment. 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 consistency of member contributions of 4.5% of annual earnings, and employer contributions of 9.0% of covered payroll for each of the years ended June 30, 2025, 2024, and 2023. All members hired July 1, 2015 and later will contribute 6% of annual earnings.

During the years ended June 30, 2025, 2024, and 2023, the Authority's contributions to PERS required and made were approximately \$62,685, \$55,603, and \$47,400, respectively.

### *Pension Assets, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2025, the Authority reported an asset of \$44,843 for its proportionate share of the net pension asset. The net pension asset reported at June 30, 2025 was measured as of June 30, 2024, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2023, rolled forward to the measurement date of June 30, 2024. The Authority's proportion of the net pension asset was based on the Authority's share of contributions to the pension plan relative to the contributions of all employers participating in PERS for the year ended June 30, 2024. At June 30, 2024, the Authority's proportion was 0.027241 percent, which was a decrease of 0.003480 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Authority recognized pension expense of \$36,435. At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 52,183
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	502	-
Difference in assumptions	-	4,126
Differences between expected and actual experience	60,900	-
The Authority's contributions made subsequent to the measurement date of June 30, 2024	62,685	-
Total	\$ 124,087	\$ 56,309

The amount of \$62,685 above reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as an increase in the net pension asset in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending		
2026	\$	(22,381)
2027		65,290
2028		(19,182)
2029		(18,634)

### *Actuarial assumptions*

The total pension liability in the July 1, 2023 actuarial valuation, which was used for the measurement date of June 30, 2024, was determined using the following actuarial assumptions:

Inflation	2.75 percent
Salary increases	2.75-7.37 percent, average, including inflation
Investment rate of return	7.25 percent, net of pension plan investment expense

Mortality rates were based on 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2021 for active employees, 111% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected generationally with scale MP-2021 for retired healthy males, 118% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected generationally with scale MP-2021 for retired healthy females, 119% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2021 for disabled males, and 124% of Pub-2010 General / Teachers Disabled Female table, headcount weighted, projected generationally with scale MP-2021 for disabled females, 109% of Pub-2010 Contingent Survivor Male table, below-median, headcount weighted, projected generationally with scale MP-2021 for beneficiary males, and 121% of Pub-2010 Contingent Survivor Female table, below-median, headcount weighted, projected generationally with scale MP-2021 for beneficiary females.

An experience study, which was based on the years 2018-2023, was used for the 2023 actuarial valuation that was rolled forward to the measurement date of June 30, 2024.

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

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

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
Domestic equity	22.5%	6.5%
International equity	22.5%	9.1%
Fixed income	15.0%	4.3%
Real estate	12.0%	5.8%
Private equity	12.0%	9.2%
Private credit	6.0%	9.8%
Hedge funds	10.0%	4.6%

### *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 rate 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 rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### *Sensitivity of the Authority's Proportionate Share of the Net Pension Asset (Liability) to Changes in the Discount Rate*

The following presents the Authority's proportionate share of the net pension asset (liability) calculated using the discount rate of 7.25 percent, as well as what the Authority's proportionate share of the net pension asset (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 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Authority's proportionate share of the net pension asset (liability)	\$ (228,210)	\$ 44,843	\$ 275,434

## **Note 9 – Other Postemployment Benefits**

### *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](http://www.peia.wv.gov) or by writing to the West Virginia Public Employees Insurance Agency, 601 57th Street, SE Suite 2, Charleston, WV 25304.

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

### *Benefits Provided*

Authority 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.

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 co-payments. 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, 2025, 2024, and 2023, respectively, were:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Paygo Premium	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 70</u>

Contributions to the OPEB plan from the Authority were \$3,274, \$0, and \$5,940 for the years ended June 30, 2025, 2024, and 2023, 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 annual 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 annual leave days into 50% of the required retiree healthcare contribution.

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

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 Code). 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 earlier. Under the current policy, the OPEB plan is considered fully funded at a funded ratio, on a present value of benefits, of more than 120%. 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. The amount of special funding for the PSSP for the OPEB plan’s fiscal year 2024 was \$0 as a result of \$0 Paygo billed in fiscal year 2024.

### *OPEB Assets, OPEB Expense (Revenues), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

The Authority did not receive an allocation of the net OPEB asset and certain plan level allocable deferred inflows of resources, deferred outflows of resources, and OPEB expense, as well as related special funding amounts for the year ended June 30, 2025, because the Authority did not make any contributions to the plan due to the plan not requiring Paygo billings for the year ended June 30, 2024, which is the measurement period. As a result, the Authority’s net OPEB asset for the year ended June 30, 2025 is \$0.

The net OPEB asset reported at June 30, 2025 was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2023, and rolled forward to a measurement date of June 30, 2024. The Authority’s proportion of the net OPEB asset 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, 2024, the Authority’s proportion was .000000 percent, which is a decrease of .006611 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Authority recognized OPEB expense of \$3,108 and for support provided by the State under special funding situations revenue of \$0. At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

	Deferred Outflows of Resources	Deferred Inflows Of Resources
Changes in proportion and differences between Authority's Contributions and proportionate share of contributions	\$ 1,061	\$ 5,515
The Authority's contributions made subsequent to the measurement date of June 30, 2024	3,274	-
Total	\$ 4,335	\$ 5,515

The amount of \$3,274 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending	
2026	\$ (2,938)
2027	(114)
2028	196
2029	(1,598)

### *Actuarial Assumptions*

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to a measurement date of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
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	7.40%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Trend rate for pre-Medicare and Medicare per capita costs at 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.5% is reached in plan year-end 2033.
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Remaining amortization period	20-year closed period beginning June 30, 2017

### *Mortality Rates*

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-

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

2010 General Below-Median 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 and scaling factors of 100% for males and females 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, 2023 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, 2023, reflects changes to the healthcare-related assumptions which include per capita claims costs, healthcare trend rate, coverage and continuance and participation rates.

The long-term expected rate of return of 7.40% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.60% for long-term assets invested with the West Virginia Investment Management Board (WVIMB) and an expected short-term rate of return of 2.75% for assets invested with the BTI. Long-term pre-funding assets are invested with the WVIMB. The strategic asset allocation consists of 45% equity, 15% fixed income, 6% private credit and income, 12% private equity, 10% hedge fund and 12% 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 best estimate ranges of expected future rates of return 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 rates of return by the target asset allocation percentage. Target asset allocations, capital market assumptions (CMA), 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 2.50% 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:

	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Equity	45.0%	7.4%
Fixed Income	15.0%	3.9%
Private Credit and Income	6.0%	7.4%
Private Equity	12.0%	10.0%
Hedge Funds	10.0%	4.5%
Real Estate	12.0%	7.7%

### *Discount Rate*

A single discount rate of 7.40% 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 7.40%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in 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.

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

### *Other Key Assumptions*

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

### *Sensitivity of the Authority's Proportionate Share of the Net OPEB Asset (Liability) to Changes in the Discount Rate*

The following presents the Authority's proportionate share of the net OPEB asset (liability) calculated using the current discount rate, as well as what the Authority's proportionate share of the net OPEB asset (liability) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
Authority's proportionate share of the net OPEB asset (liability)	\$ -	\$ -	\$ -

### *Sensitivity of the Authority's Proportionate Share of Net OPEB Asset (Liability) to Changes in the Healthcare Cost Trend Rates*

The following presents the Authority's proportionate share of the net OPEB asset (liability), as well as what the Authority's proportionate share of the net OPEB asset (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
Authority's proportionate share of the net OPEB asset (liability)	\$ -	\$ -	\$ -

### **Note 10 – Transactions with State of West Virginia Agencies**

The Authority received \$175 million of appropriated transfers from the State's Department of Economic Development for the EEGF which was reported as intergovernmental revenue for the year ended June 30, 2025. The Authority received \$5,452,162 from the Coronavirus State Fiscal Recovery Fund for the EEGF which was reported as a component of unearned revenue as of June 30, 2025.

Certain agencies of the State were indebted to the Authority at June 30, 2025, in connection with services performed by the Authority on behalf of the agencies. Amounts due the Authority at June 30, 2025 are as follows:

West Virginia Infrastructure and Jobs Development Council, net	\$ 322,158
Department of Environmental Protection Clean Water State Revolving Fund	51,407
Department of Environmental Protection Drinking Water Treatment Revolving Fund	250,589
	<b>\$ 624,154</b>

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

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### Note 11 – General and Administrative Expenses

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General and administrative expenses for the year ended June 30, 2025, are as follows:

Personal services	\$	741,917
Legal		228,247
Professional		179,107
Trustee		24,468
Employee benefits		40,016
Public employees insurance		96,963
Office supplies/printing		30,400
Advertising		50
Repairs and maintenance		45,262
Travel		6,513
Utilities		39,838
Telecommunications		40,182
Payroll taxes		10,370
Computer supplies/services		118,841
Janitorial		13,541
Miscellaneous		3,774
Rental		5,853
Administrative		6,245
Insurance		19,132
Training and development		65
	\$	<u>1,650,784</u>

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### Note 12 – Risk Management

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The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illnesses of employees; and natural disasters.

The Authority has obtained coverage for job-related injuries of employees and health coverage for its employees from a commercial insurance provider and the WVPEIA, respectively. In exchange for the payment of premiums to the commercial insurance provider and WVPEIA, the Authority has transferred its risk related to job-related injuries and health coverage for employees.

The Authority participates in the West Virginia Board of Risk and Insurance Management to obtain coverage for general liability, property damage, business interruption, errors and omissions, and natural disasters. Coverage is offered in exchange for an annual premium. There were no changes in coverage or claims in excess of coverage for the year ended June 30, 2025.

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

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### Note 13 – New Accounting Pronouncement

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The Governmental Accounting Standards Board (GASB) has issued the following Statement, which is not yet effective.

In April 2024, The GASB issued Statement No. 103, Financial Reporting Model Improvements. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability as well as addresses certain application issues. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025. Management has not determined the effects this new GASB Statement may have on prospective financial statements.

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### Note 14 – Segment Information

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The presentation of segment information for the Authority, which follows, and conforms with GAAP is comprised of the following segments:

Loan Program I includes Series 2012 A-I and 2012 B-I Water Development Revenue Refunding Bonds. Loan Program II includes Series 2016 A-II Water Development Revenue Refunding Bonds, 2012 B-II, and 2013 A-II Water Development Revenue Refunding Bonds. Loan Program III includes Series 2012 A-III and 2012 B-III Water Development Revenue Refunding Bonds. Loan Program IV includes Series 2018 A-IV and 2018 B-IV Water Development Revenue Bonds.

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

### Note 14. Segment Information (Continued)

	Loan Program I	Loan Program II	Loan Program III
<b>ASSETS</b>			
Current - unrestricted	\$ 3,569,590	\$ 8,970,658	\$ 955,884
Noncurrent - unrestricted	-	-	-
Restricted - current and noncurrent	4,327,473	68,548,141	19,221,287
Capital assets, net	-	-	-
Total assets	<b>\$ 7,897,063</b>	<b>\$ 77,518,799</b>	<b>\$ 20,177,171</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pension and OPEB	\$ -	\$ -	\$ -
Deferred loss on bond refundings	328,438	2,945,552	221,074
Total deferred outflows of resources	<b>\$ 328,438</b>	<b>\$ 2,945,552</b>	<b>\$ 221,074</b>
<b>LIABILITIES</b>			
Current	\$ 1,773,714	\$ 6,770,729	\$ 1,212,682
Long-term	1,491,832	51,961,854	16,758,462
Total liabilities	<b>\$ 3,265,546</b>	<b>\$ 58,732,583</b>	<b>\$ 17,971,144</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pension and OPEB	\$ -	\$ -	\$ -
Deferred gain on refunding	-	-	-
Total deferred inflows of resources	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET POSITION</b>			
Restricted by revenue bond agreements	\$ 3,164,079	\$ 19,531,839	\$ 2,683,899
Restricted for Pension	-	-	-
Unrestricted	1,795,876	2,199,929	(256,798)
Net investment in capital assets	-	-	-
Total net position	<b>\$ 4,959,955</b>	<b>\$ 21,731,768</b>	<b>\$ 2,427,101</b>
<b>OPERATING REVENUE</b>	\$ 331,139	\$ 4,249,578	\$ 991,103
<b>OPERATING EXPENSES</b>			
Depreciation and amortization	-	-	-
Economic Enhancement Grant Fund expense	-	-	-
General and administrative	-	-	-
Allocation of general and administrative	50,085	825,955	237,550
<b>OPERATING INCOME (LOSS)</b>	281,054	3,423,623	753,553
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Intergovernmental	-	-	-
Interest and investment revenue	149,458	557,632	316,347
Interest expense	(205,903)	(2,355,760)	(627,701)
Transfers (net)	(409,817)	48,614	(843,667)
Change in net position	(185,208)	1,674,109	(401,468)
Beginning net position	5,145,163	20,057,659	2,828,569
Ending net position	<b>\$ 4,959,955</b>	<b>\$ 21,731,768</b>	<b>\$ 2,427,101</b>
Net cash provided by (used in):			
Operating activities	\$ 1,715,065	\$ 9,070,577	\$ 671,487
Capital and related financing activities	-	-	-
Noncapital financing activities	(1,651,244)	(8,196,475)	(1,491,752)
Investing activities	150,544	560,307	318,291
Beginning cash and cash equivalents	2,215,408	9,232,459	2,800,403
Ending cash and cash equivalents	<b>\$ 2,429,773</b>	<b>\$ 10,666,868</b>	<b>\$ 2,298,429</b>

# West Virginia Water Development Authority

## Notes to Financial Statements

June 30, 2025

### Note 14. Segment Information (Continued)

ASSETS	Loan Program IV	Supplemental	Total
Current - unrestricted	\$ 323,410	\$ 60,326,857	\$ 74,146,399
Noncurrent - unrestricted	-	5,549,862	5,549,862
Restricted - current and noncurrent	32,460,067	447,526,128	572,083,096
Capital assets - net	-	4,317,568	4,317,568
Total assets	<u>\$ 32,783,477</u>	<u>\$ 517,720,415</u>	<u>\$ 656,096,925</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pension and OPEB	\$ -	\$ 128,422	\$ 128,422
Deferred loss on bond refundings	-	-	3,495,064
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ 128,422</u>	<u>\$ 3,623,486</u>
<b>LIABILITIES</b>			
Current	\$ 1,631,955	\$ 175,252,959	\$ 186,642,039
Long-term	31,484,403	117,027	101,813,578
Total liabilities	<u>\$ 33,116,358</u>	<u>\$ 175,369,986</u>	<u>\$ 288,455,617</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pension and OPEB	\$ -	\$ 61,824	\$ 61,824
Deferred gain on refunding	429,396	-	429,396
Total deferred inflows of resources	<u>\$ 429,396</u>	<u>\$ 61,824</u>	<u>\$ 491,220</u>
<b>NET POSITION</b>			
Restricted by revenue bond agreements	\$ 546,268	\$ 272,233,159	\$ 298,159,244
Restricted for Pension	-	44,843	44,843
Unrestricted	(1,308,545)	65,821,457	68,251,919
Net investment in capital assets	-	4,317,568	4,317,568
Total net position	<u>\$ (762,277)</u>	<u>\$ 342,417,027</u>	<u>\$ 370,773,574</u>
<b>OPERATING REVENUE</b>			
	\$ 2,124,180	\$ 202,894,066	\$ 210,590,066
<b>OPERATING EXPENSES</b>			
Depreciation and amortization	3,659	238,176	241,835
Economic Enhancement Grant Fund expense	-	219,650,752	219,650,752
General and administrative	-	1,650,784	1,650,784
Allocation of general and administrative	435,560	(1,549,150)	-
<b>OPERATING INCOME (LOSS)</b>			
	1,684,961	(17,096,496)	(10,953,305)
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Intergovernmental	-	175,000,000	175,000,000
Interest and investment revenue	12,418	26,705,489	27,741,344
Interest expense	(1,228,973)	-	(4,418,337)
Transfers (net)	(217,852)	1,422,722	-
Change in net position	250,554	186,031,715	187,369,702
Beginning net position	(1,012,831)	156,385,312	183,403,872
Ending net position	<u>\$ (762,277)</u>	<u>\$ 342,417,027</u>	<u>\$ 370,773,574</u>
Net cash provided by (used in):			
Operating activities	\$ 2,810,135	\$ (211,659,850)	\$ (197,392,586)
Capital and related financing activities	-	(140,323)	(140,323)
Noncapital financing activities	(2,618,586)	175,000,000	161,041,943
Investing activities	11,731	26,638,581	27,679,454
Beginning cash and cash equivalents	63,892	516,885,295	531,197,457
Ending cash and cash equivalents	<u>\$ 267,172</u>	<u>\$ 506,723,703</u>	<u>\$ 522,385,945</u>



# **Required Supplementary Information**

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**West Virginia Water Development Authority**  
**Schedule of the Proportionate Share of the Net Pension Liability (Asset)**

**Public Employees Retirement System Plan**

	Years Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion (percentage) of the net pension liability (asset)	0.027241%	0.030721%	0.027966%	0.028965%	0.031969%	0.038807%	0.034590%	0.038057%	0.039702%	0.043182%
Authority's proportionate share of the net pension liability (asset)	\$ (44,843)	\$ (1,378)	\$ 41,647	\$ (254,297)	\$ 169,001	\$ 83,440	\$ 89,328	\$ 164,270	\$ 364,905	\$ 241,080
Authority's covered payroll	\$ 617,811	\$ 526,667	\$ 518,231	\$ 494,467	\$ 497,894	\$ 567,261	\$ 530,152	\$ 530,764	\$ 553,481	\$ 587,420
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(7.258%)	(0.262%)	8.036%	(51.429%)	33.945%	14.710%	16.850%	30.950%	65.929%	41.040%
Plan fiduciary net position as a percentage of the total pension liability	101.85%	100.05%	98.17%	111.07%	92.89%	96.99%	96.33%	93.67%	86.11%	91.29%

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

## West Virginia Water Development Authority

### Schedule of Contributions to the PERS

	Years Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 62,685	\$ 55,603	\$ 47,400	\$ 50,356	\$ 48,347	\$ 49,789	\$ 56,511	\$ 57,366	\$ 63,388	\$ 74,720
Contributions in relation to the statutorily required contribution	\$ (62,685)	\$ (55,603)	\$ (47,400)	\$ (50,356)	\$ (48,347)	\$ (49,789)	\$ (56,511)	\$ (57,366)	\$ (63,388)	\$ (74,720)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 696,500	\$ 617,811	\$ 526,667	\$ 518,231	\$ 494,467	\$ 497,894	\$ 567,261	\$ 530,152	\$ 530,764	\$ 553,481
Contributions as a percentage of covered payroll	9.00%	9.00%	9.00%	9.72%	9.78%	10.00%	9.96%	11.00%	12.00%	13.50%

**West Virginia Water Development Authority**  
**Schedule of the Proportionate Share of the Net OPEB Liability (Asset)**

**Retiree Health Benefit Trust**

	Years Ended June 30,							
	2025	2024	2023	2022	2021	2020	2019	2018
Authority's proportion (percentage) of the net OPEB liability (asset)	0.0000000%	0.0066110%	0.0071790%	0.0065110%	0.0079146%	0.0098895%	0.0081246%	0.0064466%
Authority's proportionate share of the net OPEB liability (asset)	\$ -	\$ (10,462)	\$ 8,049	\$ (1,936)	\$ 34,958	\$ 164,080	\$ 174,309	\$ 158,520
State's proportionate share of the net OPEB liability (asset) associated with the Authority	-	(4,466)	2,737	(381)	7,730	33,578	36,025	32,560
Total proportionate share of the net OPEB liability (asset) associated with the Authority	\$ -	\$ (14,928)	\$ 10,786	\$ (2,317)	\$ 42,688	\$ 197,658	\$ 210,334	\$ 191,080
Authority's covered employee payroll	\$ 201,275	\$ 190,376	\$ 175,644	\$ 131,859	\$ 104,972	\$ 131,838	\$ 111,957	\$ 214,103
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll	0.0000%	(5.495%)	4.5826%	(1.468%)	33.302%	124.460%	155.690%	74.040%
Plan fiduciary net position as a percentage of the total OPEB liability	102.19%	109.66%	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.

**West Virginia Water Development Authority**

**Schedule of Contributions to the RHBT**

	Years Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 3,274	\$ -	\$ 5,940	\$ 8,481	\$ 16,277	\$ 15,258	\$ 17,733	\$ 17,523	\$ 8,604	\$ 19,152
Contributions in relation to the statutorily required contribution	<u>\$ 3,274</u>	<u>\$ -</u>	<u>\$ (5,940)</u>	<u>\$ (8,481)</u>	<u>\$ (16,277)</u>	<u>\$ (15,258)</u>	<u>\$ (17,733)</u>	<u>\$ (17,523)</u>	<u>\$ (8,604)</u>	<u>\$ (19,152)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered employee payroll	\$ 238,252	\$ 201,275	\$ 190,376	\$ 175,644	\$ 131,859	\$ 104,972	\$ 131,838	\$ 111,957	\$ 214,103	\$ 247,855
Contributions as a percentage of covered employee payroll	1.37%	0.00%	3.12%	4.83%	12.34%	14.54%	13.45%	15.65%	4.02%	7.73%

# West Virginia Water Development Authority

## Notes to Required Supplementary Information

June 30, 2025

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### Note 1 – Trend Information Presented

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The accompanying schedules of the Authority's proportionate share of the net OPEB and pension liabilities (assets) and contributions to 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.

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### Note 2 – Pension Plan Amendments

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The PERS was amended to make changes, which apply, to new employees hired on or after July 1, 2015 as follows:

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

## West Virginia Water Development Authority

### Notes to Required Supplementary Information

June 30, 2025

#### Note 3 - Pension Plan Changes in Assumptions

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:

	Projected Salary Increases		Inflation Rate	Discount Rate	Mortality Rates	Withdrawal rates		Disability Rates	Experience Study
	State	Nonstate				State	Nonstate		
2024	2.75% - 6.86%	3.57% - 7.37%	2.75%	7.25%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2021; Retired healthy males-111% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected generationally with scale MP-2021; Retired healthy females-118% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected generationally with scale MP-2021; Disabled males-119% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2021; Disabled females-124% of Pub-2010 General / Teachers Disabled Female table, headcount weighted, projected generationally with scale MP-2021; Beneficiary males-109% of Pub-2010 Contingent Survivor Male table, below-median, headcount weighted, projected generationally with scale MP-2021; Beneficiary females-121% of Pub-2010 Contingent Survivor Female table, below-median, headcount weighted, projected generationally with scale MP-2021	2.28 - 45.63%	3.25 - 31.63%	0.004 - 0.250%	2018-2023
2023	2.75% - 5.55%	3.6% - 6.75%	2.75%	7.25%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected generationally with scale MP-2018; Retired healthy females-122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected generationally with Scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2018; Disabled females-118% of Pub-2010 General / Teachers Disabled Female table, below-median, headcount weighted, projected generationally with scale MP-2018; Beneficiary males-112% of Pub-2010 Contingent Survivor Male table, below-median, headcount weighted, projected generationally with scale MP-2018; Beneficiary females-115% of Pub-2010 Contingent Survivor Female table, below-median, headcount weighted, projected generationally with scale MP-2018	2.28 - 45.63%	2.50 - 35.88%	0.005 - 0.540%	2015-2020 - economic assumptions and 2013-2018 all other assumptions
2022	2.75% - 5.55%	3.6% - 6.75%	2.75%	7.25%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected generationally with scale MP-2018; Retired healthy females-122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected generationally with Scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2018; Disabled females-118% of Pub-2010 General / Teachers Disabled Female table, below-median, headcount weighted, projected generationally with scale MP-2018; Beneficiary males-112% of Pub-2010 Contingent Survivor Male table, below-median, headcount weighted, projected generationally with scale MP-2018; Beneficiary females-115% of Pub-2010 Contingent Survivor Female table, below-median, headcount weighted, projected generationally with scale MP-2018	2.28 - 45.63%	2.50 - 35.88%	0.005 - 0.540%	2015-2020 - economic assumptions and 2013-2018 all other assumptions

**West Virginia Water Development Authority**

**Notes to Required Supplementary Information  
June 30, 2025**

**Note 3 - Pension Plan Changes in Assumptions (Continued)**

	Projected Salary Increases		Rate	Rate	Mortality Rates	Withdrawal rates		Disability Rates	Study
	State	Nonstate				State	Nonstate		
<b>2021</b>	2.75% - 5.55%	3.6% - 6.75%	2.75%	7.25%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected generationally with scale MP-2018; Retired healthy females-122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected generationally with Scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2018; Disabled females-118% of Pub-2010 General / Teachers Disabled Female table, below-median, headcount weighted, projected generationally with scale MP-2018; Beneficiary males-112% of Pub-2010 Contingent Survivor Male table, below-median, headcount weighted, projected generationally with scale MP-2018; Beneficiary females-115% of Pub-2010 Contingent Survivor Female table, below-median, headcount weighted, projected generationally with scale MP-2018	2.28 - 45.63%	2.50 - 35.88%	0.005 - 0.540%	2015-2020 - economic assumptions and 2013-2018 all other assumptions
<b>2020</b>	3.1% - 5.3%	3.35% - 6.5%	3.00%	7.50%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected generationally with scale MP-2018; Retired healthy females-122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected generationally with Scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2018; Disabled females-118% of Pub-2010 General / Teachers Disabled Female table, below-median, headcount weighted, projected generationally with scale MP-2018; Beneficiary males-112% of Pub-2010 Contingent Survivor Male table, below-median, headcount weighted, projected generationally with scale MP-2018; Beneficiary females-115% of Pub-2010 Contingent Survivor Female table, below-median, headcount weighted, projected generationally with scale MP-2018	2.28 - 45.63%	2.50 - 35.88%	0.005 - 0.540%	2013-2018
<b>2019</b>	3.1% - 5.3%	3.35% - 6.5%	3.00%	7.50%	Active-100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2018; Retired healthy males-108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected generationally with scale MP-2018; Retired healthy females-122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected generationally with Scale MP-2018; Disabled males-118% of Pub-2010 General / Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2018; Disabled females-118% of Pub-2010 General / Teachers Disabled Female table, below-median, headcount weighted, projected generationally with scale MP-2018; Beneficiary males-112% of Pub-2010 Contingent Survivor Male table, below-median, headcount weighted, projected generationally with scale MP-2018; Beneficiary females-115% of Pub-2010 Contingent Survivor Female table, below-median, headcount weighted, projected generationally with scale MP-2018	2.28 - 45.63%	2.00 - 35.88%	0.005 - 0.540%	2013-2018

**West Virginia Water Development Authority**

**Notes to Required Supplementary Information  
June 30, 2025**

**Note 3 - Pension Plan Changes in Assumptions (Continued)**

	Projected Salary Increases		Rate	Rate	Mortality Rates	Withdrawal rates		Disability Rates	Study
	State	Nonstate				State	Nonstate		
<b>2018</b>	3.0% - 4.6%	3.35% - 6.0%	3.00%	7.50%	Healthy males -110% of RP-2000 Non-Annuitant, Scale AA fully generational Healthy females - 101% of RP-2000 Non-Annuitant, Scale AA fully generational Retired healthy males-110% of RP-2000 Healthy Annuitant, Scale AA fully generational Retired healthy females-101 % of RP-2000 Healthy Annuitant, 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	1.75 - 35.1%	2 - 35.8%	0. - 0.675%	2009-2014
<b>2017</b>	3.0% - 4.6%	3.35% - 6.0%	3.00%	7.50%	Healthy males -110% of RP-2000 Non-Annuitant, Scale AA fully generational Healthy females - 101% of RP-2000 Non-Annuitant, Scale AA fully generational Retired healthy males-110% of RP-2000 Healthy Annuitant, Scale AA fully generational Retired healthy females-101 % of RP-2000 Healthy Annuitant, 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	1.75 - 35.1%	2 - 35.8%	0. - 0.675%	2009-2014
<b>2016</b>	3.0% - 4.6%	3.35% - 6.0%	3.00%	7.50%	Healthy males -110% of RP-2000 Non-Annuitant, Scale AA fully generational Healthy females - 101% of RP-2000 Non-Annuitant, Scale AA fully generational Retired healthy males-110% of RP-2000 Healthy Annuitant, Scale AA fully generational Retired healthy females-101 % of RP-2000 Healthy Annuitant, 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	1.75 - 35.1%	2 - 35.8%	0. - 0.675%	2009-2014
<b>2015</b>	3.0% - 4.6%	3.35% - 6.0%	1.90%	7.50%	Healthy males - 110% of RP-2000 Non-Annuitant, Scale AA; Healthy females - 101% of RP-2000 Non-Annuitant, Scale AA; Disabled males - 96% of RP-2000 Disabled Annuitant, Scale AA; Disabled females - 107% of RP-2000 Disabled Annuitant, Scale AA	1.75 - 35.1%	2 - 35.8%	0. - 0.675%	2009-2014

## West Virginia Water Development Authority

### Notes to Required Supplementary Information June 30, 2025

#### Note 4 - OPEB Plan Changes in Assumptions

The information in the schedules of the proportionate share of the net OPEB 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:

	Inflation	Salary Increases	Investment Rate of Return & Discount Rate	Mortality Rates	Healthcare Cost Trend Rates	Experience Study
2024	2.50%	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	7.40%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females for TRS; Pub-2010 General Below-Median Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 106% for males and 113% for females for PERS; Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with scale MP-2021 and scaling factors of 100% for males and females for Trooper A and Trooper B; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021 and scaling factors of 100% for males and females for TRS; Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2021 for PERS; Pub-2010 Public Safety Employee Mortality Tables projected with scale MP-2021 for Trooper A and Trooper B	Trend rate for pre-Medicare and Medicare per capita costs of 5.0% medical and 8.0% drug. The trends increase over four years to 7.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.5% is reached in plan year end 2033.	2015-2020
2023	2.50%	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	7.40%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females for TRS; Pub-2010 General Below-Median Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 106% for males and 113% for females for PERS; Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with scale MP-2021 and scaling factors of 100% for males and females for Trooper A and Trooper B; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2021 and scaling factors of 100% for males and females for TRS; Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2021 for PERS; Pub-2010 Public Safety Employee Mortality Tables projected with scale MP-2021 for Trooper A and Trooper B	Trend rate for pre-Medicare and Medicare per capita costs of 7.0% medical and 8.0% drug. The trends increase over four years to 9.0% and 9.5%, respectively. The trends then decrease linearly for 5 years until ultimate trend rate of 4.50% is reached in plan year end 2032.	2015-2020
2022	2.25%	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	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2021 and scaling factors of 100% for males and 108% for females for 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; Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with scale MP-2021 and scaling factors of 100% for males and females for Trooper A and Trooper B; Pre-Retirement: 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; Pub-2010 Public Safety Employee Mortality Tables projected with scale MP-2021 for Trooper A and Trooper B	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.	2015-2020
2021	2.25%	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	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females for TRS; Pub-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females for PERS; Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with scale MP-2019 and scaling factors of 100% for males and females for Trooper A and Trooper B; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019 for TRS; Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2019 for PERS; Pub-2010 Public Safety Employee Mortality Tables projected with scale MP-2019 for Trooper A and Trooper B	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2020, decreasing by 0.50% for one year 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 (31.11%) for plan year end 2022, 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.	2015-2020
2020	2.25%	Specific to the OPEB covered group. Ranging from 2.75% to 5.18%, including inflation	6.65%, net of OPEB plan investment expense, including inflation	Post-Retirement: Pub-2010 General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 100% for males and 108% for females for TRS; Pub-2010 Below-Median Income General Healthy Retiree Mortality Tables projected with MP-2019 and scaling factors of 106% for males and 113% for females for PERS; Pub-2010 Public Safety Healthy Retiree Mortality Tables projected with scale MP-2019 and scaling factors of 100% for males and females for Trooper A and Trooper B; Pre-Retirement: Pub-2010 General Employee Mortality Tables projected with MP-2019 for TRS; Pub-2010 Below-Median Income General Employee Mortality Tables projected with MP-2019 for PERS; Pub-2010 Public Safety Employee Mortality Tables projected with scale MP-2019 for Trooper A and Trooper B	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2022, decreasing 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 (31.11%) for plan year end 2022, 9.15% for plan year end 2023, 8.40% for plan year end 2024, decreasing gradually each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.	2015-2020
2019	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS; RP-2014 Healthy Annuitant Mortality Table projected with scale MP-2016 on a fully generational basis for Trooper A and Trooper B); Pre-Retirement: RP-2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS; RP-2014 Employee Mortality Table projected to 2020 with Scale MP-2016 on a fully generational basis for Trooper A and Trooper B	Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020. 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031.	2013-2018

**West Virginia Water Development Authority**

**Notes to Required Supplementary Information**

June 30, 2025

**Note 4 - OPEB Plan Changes in Assumptions (Continued)**

	Inflation	Salary Increases	Investment Rate of Return & Discount Rate	Mortality Rates	Healthcare Cost Trend Rates	Experience Study
<b>2018</b>	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS; RP-2014 Healthy Annuitant Mortality Table projected with scale MP-2016 on a fully generational basis for Trooper A and Trooper B); Pre-Retirement: RP-2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS; RP-2014 Employee Mortality Table projected to 2020 with Scale MP-2016 on a fully generational basis for Trooper A and Trooper B	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, trend starts at 8.0% and 10.0% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.13% and 0.00% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2022 to account for the Excise Tax.	2010-2015
<b>2017</b>	2.75%	Dependent upon pension system. Ranging from 3.0% to 6.5%, including inflation	7.15%, net of OPEB plan investment expense, including inflation	Post-Retirement: RP-2000 Healthy Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS; RP-2000 Healthy Annuitant Mortality Table projected to 2025 with scale BB for Trooper A and Trooper B); Pre-Retirement: RP-2000 Non-Annuitant Mortality Table projected with Scale AA on a fully generational basis for PERS and TRS; RP-2000 Non-Annuitant Mortality Table projected to 2020 with Scale BB for Trooper A and Trooper B	Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.5% and 9.75% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend rate of 4.50%. Excess trend rate of 0.14% and 0.29% for pre and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the Excise Tax.	2010-2015